

United States Treaties and Other International Agreements



VOLUME 29

IN FIVE PARTS

Part 5

1976-77

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under the direction
of the Secretary of State*

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

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

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MEXICO

Geothermal Energy Research and Development

*Agreement signed at México July 21, 1977;
Entered into force July 21, 1977.*

AGREEMENT BETWEEN THE COMISION FEDERAL DE ELECTRICIDAD OF THE UNITED MEXICAN STATES AND THE U.S.A. ENERGY RESEARCH AND DEVELOP- MENT ADMINISTRATION

The Comisión Federal de Electricidad (hereinafter referred to as CFE) of the United Mexican States (hereinafter referred to as Mexico) and the United States of America's Energy Research and Development Administration (hereinafter referred to as ERDA);

Desiring to promote the closest collaboration between the United States of America and Mexico in the field of geothermal energy research and development, on the basis of mutual benefit between the Governments of Mexico and the United States of America, and

Recognizing that technological cooperation in research and development in the area of geothermal energy will benefit their respective countries, and in accordance with the principles set forth in the Science and Technology Agreement that was signed between both Countries on June 15, 1972,^[1] and taking into account the July 20, 1976 decision by the U.S./Mexico Mixed Commission on cooperation in Science and Technology to include geothermal energy as an area of cooperative activity, and the past multilateral cooperation in the same technical area under the sponsorship of the Committee on the Challenges of Modern Society of NATO,

Have agreed as follows:

ARTICLE I

Objectives

A. CFE and ERDA (hereinafter referred to as the Parties) shall make every effort to pursue an intensive program of cooperation for research, development and demonstration of applications of geothermal

¹ TIAS 7362; 23 UST 934.

energy, centered on the Cerro Prieto Geothermal Field. These studies may include:

- (1) Analysis of geologic and hydrogeologic setting
- (2) Geophysical studies
- (3) Core sample and well logging
- (4) Isotope studies of geothermal, shallow groundwater and surface waters
- (5) New methods of pressure measurement
- (6) Subsidence measurements
- (7) Monitoring reservoir behavior
- (8) Modelling reservoir behavior
- (9) Re-injection of waste water
- (10) Other related fields of mutual interest to be agreed upon

B. The major objectives shall be to develop a thorough understanding of the nature and magnitude of this energy resource, to investigate how the geothermal source can best be exploited consistent with the long range needs of the Mexican energy program, and to determine the impact on the reservoir's subsurface environment.

C. Cooperation under this Agreement may include, but not be limited to, the following forms:

- (1) Exchange of information on scientific and technical developments, activities, and practices concerning geothermal energy development;
- (2) Meetings to be held alternately in Mexico and in the United States or as mutually agreed to discuss and exchange information on scientific and technological developments and to identify specific research and development Tasks agreed to by both Parties;
- (3) Visits and exchanges of scientists, technicians or other experts, and the conduct of workshops as mutually agreed upon;
- (4) Exchange of project and experimental plans for review and comment and, if practicable, the reviewing side may recommend add-on experiments;
- (5) Conduct of joint projects and programs, or separate but complementary projects or programs; and
- (6) Joint funding of cooperative projects for agreed purposes under this Agreement.

It is anticipated that agencies, institutions and individuals other than the Parties mentioned above (CFE and ERDA) will participate in the activities to be undertaken under the auspices of this Agreement. Their participation through the Parties shall be subject to the full terms and conditions of this Agreement.

ARTICLE II

Tasks

Specific obligations and conditions for the realizations of specific mutually agreed research and development projects and programs as

specified in Article I shall be set forth in Tasks attached in annexes to this Agreement. Such Tasks shall be concluded in accordance with this Agreement and the applicable laws, regulations, executive orders, and license requirements of the respective Governments.

ARTICLE III

Coordinators

The Parties shall each designate a Coordinator who shall be responsible for the overall supervision of this Agreement and the Tasks thereunder, and each Party shall also designate an alternate Coordinator to represent the Party if the Coordinator is unable to do so. Each Party shall inform the other Party in writing of all designations under this paragraph. The Coordinators may designate such persons and establish such subsidiary bodies and rules of procedures as are required for the proper functioning of the Coordinators. The Coordinators or their designees shall periodically meet as they deem necessary to review the progress of the cooperative activities undertaken pursuant to this Agreement. Progress reports shall be issued by the Coordinators at six month intervals or as mutually agreed.

ARTICLE IV

Finance

In carrying out the various cooperative activities the Parties shall be subject to the appropriation of funds by the appropriate governmental authority and to the laws and regulations applicable to the Parties including, but not limited to, laws establishing prohibitions upon payment of commission, percentages, brokerage or contingent fees to persons retained to solicit government contracts, and upon any share of such contracts accruing to governmental officials. Each party shall bear the costs of its participation in the activities under this Agreement as set forth in the tasks attached hereto.

ARTICLE V

Information Exchange

A. The Parties will exchange, as agreed on a mutually beneficial basis, scientific and technical information documents, and results of research and development related to work carried out under this Agreement. Such information will be limited to that which they have the right to disclose, either in their possession or available to them.

B. Seminar proceedings and reports of joint programs carried out under this Agreement will be published as joint publications, as mutually agreed to by both Parties, in both the English and Spanish languages.

C. Both Parties agree that information developed or exchanged under this Agreement should be given wide distribution. Such information, except as noted in D and E below, may be made available to the

public by either Party through customary channels and in accordance with normal procedures of the Parties.

D. It is recognized by both Parties that in the process of exchanging information, or in the process of other cooperation, the Parties may provide to each other "industrial property of a proprietary nature." Such property, including trade secrets, inventions, patent information, and know-how, made available hereunder, but acquired by either Party prior to, or outside, the course of these activities, and which bears a restrictive designation, shall be respected by the receiving Party and shall not be used for commercial purposes or made public without the consent of the transmitting Party. Such property is defined as:

- (1) Of a type customarily held in confidence by commercial firms;
- (2) Not generally known or publicly available from other sources;
- (3) Not having been made available previously by the transmitting Party or others without an agreement concerning its confidentiality; and
- (4) Not already in the possession of the receiving Party or its contractors.

E. Recognizing that "industrial property of a proprietary nature," as defined above, may be necessary for the conduct of a specific cooperative project or may be included in an exchange of information, such property shall be used only in the furtherance of geothermal programs in the receiving country. Its dissemination will, unless otherwise mutually agreed, be limited as follows:

- (1) To persons within or employed by the receiving Party; and
- (2) To prime or subcontractors of the receiving Party for use only within the territory of the receiving Party and within the framework of its contract(s) with the respective Party engaged in work relating to the subject matter of the information so disseminated; provided that the information disseminated to any person under subparagraphs (1) and (2) above shall bear a marking restricting dissemination outside the recipients organization. It shall be the responsibility of each Party supplying proprietary information to identify the information as such and to ensure it is appropriately marked. Each Party will use its best efforts to ensure that the dissemination of proprietary data received under this Agreement is controlled as prescribed herein.

ARTICLE VI

Information Subject to Patents

The information exchanged under this Agreement shall be subject to the patent provisions in Article VIII.

ARTICLE VII

Responsibility

The application or use of any information exchanged or transferred between the Parties under this Agreement shall be the responsibility

of the Party receiving it, and the transmitting Party does not warrant the suitability of such information for any particular use or application.

ARTICLE VIII

Patents

A. With respect to any invention or discovery made or conceived in the course of or under this Agreement:

1. If made or conceived by personnel of one Party (the Assigning Party) or its contractors while assigned to the other Party (Recipient Party) or its contractors, in connection with exchanges of scientists, engineers, and other specialists;
 - (a) The Recipient Party will acquire all right, title and interest in or to any such invention, discovery, patent application or patent in its own country and in third countries, subject to a non-exclusive, irrevocable, royalty-free license to the Assigning Party, with the right to grant sublicenses, under any such invention, discovery, patent application or patent.
 - (b) The Assigning Party will acquire all right, title, and interest in or to any such invention, discovery, patent application, or patent in its own country, subject to a non-exclusive, irrevocable royalty-free license to the Recipient Party, with the right to grant sublicenses, under any such invention, discovery, patent application or patent.
 2. If made or conceived by a Party or its contractors as a direct result of employing information which has been communicated to it under this Agreement by the other Party or its contractors or communicated during seminars or other joint meetings, the Party making the inventions will acquire all right, title and interest in and to any such invention, discovery, patent application or patent in all countries, subject to a grant to the other Party of a royalty-free, non-exclusive, irrevocable license with the right to grant sublicenses, in and to any such invention discovery, patent application, or patent, in all countries.
 3. With regard to other specific forms of cooperation, including exchanges of materials, instruments, and equipment for special joint research projects, the Parties shall provide for appropriate distribution of rights to inventions resulting from such cooperation. In general, however, each Party should normally determine the rights to such inventions in its own country, with a non-exclusive, irrevocable, royalty-free license to the other Party, and the rights to such inventions in other countries should be agreed upon by the Parties on an equitable basis.
- B. Neither Party shall discriminate against citizens of the country of the other Party with respect to granting any license or sublicense under any invention pursuant to paragraph 1 above. It is understood that the licensing policies and practices of each Party can be affected

because of the rights of both Parties to grant licenses within a single jurisdiction. Accordingly, either Party may request, in regard to a single invention or class of inventions, that the Parties consult in an effort to lessen or eliminate any detrimental effect that the parallel licensing authorities may have on the policies and practices of the Parties.

C. The Parties shall provide all necessary cooperation from its inventors to carry out the provisions of paragraphs A and B above.

D. Each Party shall assume the responsibility to pay awards or compensation required to be paid to its own nationals according to its own laws.

ARTICLE IX

Liability

Both Parties agree that the following provisions shall apply concerning compensations for damages incurred during the conduct of joint projects.

A. First and second Party damages.

- (1) Each Party shall alone be responsible for payment or compensation for damages suffered by its staff, regardless of where the damages have been incurred and shall not bring suit or lodge any other claims against the other Party for damages to its property except as noted in paragraphs A (2) and (3).
- (2) If the damage suffered by the staff of one of the Parties is due to the gross negligence or intentional misconduct of the other Party, the latter shall reimburse the former an agreed sum of monies which the former would be obliged to pay to the person or persons suffering the damages.
- (3) If damages to the property of one party are due to the gross negligence or intentional misconduct of the staff of the other Party, the latter shall compensate the former for the damages suffered.

B. Third Party damages.

(1) Defective equipment.

Damages caused to the staff or property of a third Party by defective equipment of a Party shall be compensated for by the Party to which the equipment belongs, except as noted in paragraph B (3).

(2) By staff.

Damages caused to the staff or property of a third Party by the staff of a Party shall be compensated for by such Party regardless in whose territory the damages occurred, except as noted in paragraph B (3).

(3) Gross negligence or intentional misconduct.

If damages referred to in paragraph B (1) and B (2) were due to the gross negligence or intentional misconduct of

the staff of a Party, that Party shall bear the financial responsibility in regard to the third Party.

(4) Damage by the third Party.

In the event of damage of any kind caused by a third Party to the staff or property of one of the Parties, each of these shall render its aid in the corroboration of claims on the third Party.

(5) Resolution of questions.

The Party on whose territory the damage caused by a third Party was incurred shall in consultation with the other Party, take upon itself the resolution, with the third Party, of all questions connected with the determination of the causes, extent and necessity for compensation for damages incurred. Any such resolution shall have the concurrence of the other Party. After determining the extent of the damages, both Parties shall mutually consult and reach agreement on questions relating to compensation for damages incurred.

- C. In the event of any dispute between the two Parties, a Committee shall be appointed by the Parties, with equal representation, the conclusion of the Committee shall be presented to ERDA and CFE who will review the conclusions and arrive at a mutual agreement concerning final disposition.
- D. The foregoing provisions of this Article shall have no applicability to damages caused by a nuclear incident, as defined by the laws of the Parties. Compensation for damage caused by such nuclear incident shall be in accordance with the laws of the Parties.
- E. Definitions.

- (1) "Staff" of a Party means the employees of the Party, its contractors and subcontractors performing services under this Agreement, and employees of these contractors and subcontractors performing services under this agreement.
- (2) "Equipment" or "property" of a Party means the equipment or property owned by that Party, or by the contractors or subcontractors of that Party who perform services in connection with joint projects under this Agreement.

ARTICLE X

Obligations

A. In fulfillment of this Agreement, each Party shall take measures to facilitate the entry and the departure of scientists and technicians and the equipment from the country of the other Party which, previously selected with the consent of both Parties is, by specific agreement, going to be utilized in any joint activity by project personnel.

B. Each Party shall provide assistance, when necessary, to obtain clearance in matters which include, but are not necessarily limited to,

customs, drivers permits, work permits or the equivalent, exit and entry visas, and other services that may involve other agencies of the respective Governments.

ARTICLE XI

Direct Contacts and Cooperation

Both Parties shall, as appropriate, encourage the establishment and development of direct contacts and cooperation between agencies, organizations, and firms of both countries with respect to technological cooperation in research and development in the area of geothermal energy.

ARTICLE XII

Arbitrations

Any dispute between the Parties concerning the interpretation or the application of this Agreement, which is not settled by negotiation or other agreed mode of settlement shall be referred to a Tribunal of three arbitrators to be chosen by the Parties who shall also choose a Chairman of the Tribunal. Should the Parties concerned fail to agree upon the composition of the Tribunal or the selection of its Chairman, the President of the International Court of Justice shall, at the request of any of the Parties concerned, exercise those responsibilities. The Tribunal shall decide any such dispute by reference to the terms of the Agreement and any applicable laws and regulations, and its decision on a question of fact shall be final and binding on the Parties.

ARTICLE XIII

Additional Arrangements

Nothing in this Agreement shall be construed to prejudice other arrangements or future arrangements for cooperation between the Parties.

ARTICLE XIV

Termination, Cancellation, Expiration, or Amendments

The termination, cancellation, expiration, or amendment of this Agreement shall not automatically affect the carrying out of any project or program undertaken in accordance with this Agreement and not fully executed at the time. This Agreement may be amended at any time by the Parties. Such amendments shall come into force in a manner to be determined by the Parties.

ARTICLE XV

Final Provisions

A. This Agreement shall enter into force on the latter date of signature by a Party and shall remain in force for a period of five (5) years. This Agreement may be extended by mutual agreement of the Parties for a further specified period.

B. This Agreement may be terminated at any time at the discretion of either party, upon six (6) months advance notification in writing by the Party seeking to terminate the Agreement. Such termination shall be without prejudice to the rights which may have accrued under this Agreement to either Party up to the date of such termination.

FOR THE ENERGY RESEARCH
AND DEVELOPMENT ADMINIS-
TRATION

A S FRIEDMAN

Abraham S. Friedman
Scientific Representative

FOR THE COMISION FEDERAL
DE ELECTRICIDAD

M M TORRES

Ing. Manuel Moreno Torres
Subdirector General

México, D. F., July 21, 1977

ANNEX A

Funding

Each Party shall bear the costs of its responsibilities assigned in the following tasks. In the event ERDA requests any additional surveys and special work in addition to the studies specified in the tasks, ERDA shall bear the costs of such additional work.

Patents

As required by Paragraph A(3) of Article VIII of the Agreement, the following distribution of rights to inventions or discoveries made or conceived in the course of or under this Annex A shall be applicable.

1. Rights to such inventions and discoveries in the United States and Mexico shall be as set forth in Paragraph A(3) of Article VIII.
2. Rights to such inventions and discoveries in other countries shall be jointly owned by the United States and Mexico.

TASK 1: Geology and Hydrogeology

1. Objectives. The objectives of this Task are to collect, analyze, and evaluate the available geological, geochemical and reservoir information for definition of the geothermal system's geologic structure.

2. Research and Time Schedule

1977. Relevant CFE data will be translated and edited by ERDA for placement in open-file reports available to the geothermal community. The present program of sample, core and log analysis and interpretation will be expanded to include advanced analytical techniques for sample characterization, supplemental well coring and logging for additional geological information will be planned. The

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geologic and hydrogeologic conceptual modeling of the Cerro Prieto Geothermal System will be initiated, based on presently available information. These models will be continuously refined as additional data is acquired.

1978. Work will focus on the continued refinement of the geologic model of the geothermal system based on the integration of additional well logs, cores and geoscience information.

1979. Geologic and hydrogeologic modeling of the Cerro Prieto System will be completed to the extent possible based on the available data. These models will be validated through field checking with new well data as it is acquired.

3. Responsibilities. The Parties will undertake the following responsibilities:

A. ERDA

- (1) In consultation with CFE, ERDA shall plan an expanded program for sample, core and geophysical log acquisition and analysis. ERDA shall provide financial support for additional coring and logging which is requested by ERDA and not part of the CFE Field Program.
- (2) ERDA shall undertake the modeling of the reservoir based on data provided by CFE.
- (3) ERDA shall publish a reservoir case study for the Cerro Prieto Field.

B. CFE

- (1) CFE shall provide assistance to ERDA, as specified in Paragraph A(1) above, for sample, core and geophysical log acquisition and analysis. CFE shall provide financial support for the coring and logging routinely required for field development and exploration.
- (2) CFE shall provide the data necessary for ERDA to execute its responsibilities as set forth in Paragraph B(1) above.
- (3) CFE shall make available to ERDA copies of geophysical logs, drilling reports, samples and cores for wells drilled prior to the execution of this Agreement, as well as those drilled during the term of this Agreement.
- (4) CFE shall participate in the data interpretation and in the development of models of the field.

TASK 2: Geophysics

1. Objectives. The objectives of this Task are to define the dimensions and gross structure of the field in order to better understand the functioning of the Geothermal System and to monitor reservoir behavior during production through surface geophysical techniques.

2. Research and Time Schedule.

1977. The Geophysical Program will be planned and coordinated with persons involved in the surface surveys as specified in Task 6. Geophysical studies, as set forth in subtasks 2A, 2E and 2F below, will be implemented first. The remaining subtasks (2B, 2C, 2D) will be implemented in the Winter Field Season of 1977-78. The subtasks are as follows:

SUBTASK 2.A; Passive Seismic Monitoring: Determine the lateral dimensions of the reservoir by means of the lateral variations in P and S wave velocity. Determine the locations and relative motions of active faults in the reservoir area.

SUBTASK 2.B; Magnetotellurics: Determine the basement depth and configuration by utilizing deep electrical sounding techniques.

SUBTASK 2.C; Self-Potential: Conduct self-potential survey over the Cerro Prieto Field to determine whether an anomaly exists coincident with the reservoir.

SUBTASK 2.D; Dipole—Dipole Resistivity: Conduct a wide-aperture-dipole-dipole survey on one long line crossing the field to measure resistivity features associated with the reservoir and basement structure.

SUBTASK 2.E; Precision Gravity: Conduct tidal monitoring and a precise gravity survey to detect mass changes that may be associated with reservoir depletion and the effects of future waste water reinjection.

SUBTASK 2.F; Gravity Modeling: Estimate the basement configuration of the Mexicali Valley by means of computer modeling of existing Bouger gravity data calibrated with density measurements on core samples from a hole drilled to basement rock.

1978. Repetitive measurements will be necessary for some of the subtasks in order to measure possible changes in the character of the reservoir.

1979. Additional and repetitive field surveys will continue and all information will be gathered into a model of the reservoir and the geologic structure.

3. Responsibilities.

A. ERDA

- (1) ERDA and CFE will jointly plan the geophysical surveys as aforementioned in the subtasks.
- (2) ERDA will have lead responsibility for conducting these field geophysical surveys and data analysis.
- (3) ERDA will provide financial support for the field geophysical surveys and data analysis, as well as vehicles and geophysical equipment.

B. CFE

- (1) CFE will have joint responsibility for the planning of the geophysical surveys as specified in the subtasks and Paragraph A(1) above.
- (2) CFE will provide at least one person per crew or vehicle to assist ERDA in the field surveys.
- (3) CFE will participate in the geophysical data analysis.

TASK 3: Reservoir Engineering

1. Objectives. The objectives of this task are to define the size, geometry, physical characteristics, fluid capacity, recharge capability, production ability and energy longevity of the reservoir.

2. Research and Time Schedule.

1977. A team composed of people from CFE and ERDA will plan and begin conducting well production and interference tests and static pressure-temperature tests. The major subtasks during the first year are as follows:

SUBTASK 3.A; Plan interference tests using existing Cerro Prieto wells to determine the formation parameters, inhomogeneities, faults and flow barriers, and possible fracture characteristics.

SUBTASK 3.B; Carry out interference tests using accurate measuring devices on existing Cerro Prieto wells.

SUBTASK 3.C; Plan well testing to determine the formation properties associated with the wells used for the controlled injection experiments, and the parameter modifications which might occur during the injection experiments.

SUBTASK 3.D; Carry out initial tests for the formation parameters associated with the controlled injection experiment.

SUBTASK 3.E; Plan a program of continuous monitoring of wellhead temperature, pressure, flow rates and enthalpy on all Cerro Prieto production wells.

1978. Analyze reservoir data and correlate with ongoing Imperial Valley Programs. Conduct tests in conjunction with the controlled reinjection experiment when scheduled. Continue interference tests (Subtask 3.B).

1979. Continue to correlate and apply obtained information to developing Imperial Valley reservoirs. Carry out reservoir tests employing planned CFE observation and production wells.

3. Responsibilities.

A. ERDA

- (1) ERDA and CFE will jointly plan the reservoir tests as specified in the Subtasks.
- (2) ERDA will have lead responsibility for the implementation of the reservoir measurements conducted pursuant to the schedule.

- (3) ERDA will provide downhole and surface equipment necessary to conduct the tests.

B. CFE

- (1) CFE will have joint responsibility for the reservoir tests as specified in the Subtasks and Paragraph A(1) above.
- (2) CFE will provide access to the geothermal wells during all tests set forth in the Subtasks.
- (3) CFE will participate in the analysis of reservoir engineering data.

TASK 4: Reinjection

1. Objectives. The objectives of this task are to verify analytical models of reservoir behavior under exploitation and reinjection, and analyze hydrodynamic, thermodynamic and subsidence effects. The Cerro Prieto Field will be monitored under controlled conditions.

2. Research and Time Schedule.

1978. Preliminary planning for deep injection wells will be completed. The major Subtasks during the first year are as follows:

SUBTASK 4.A; Plan deep injection experiments in the Cerro Prieto Field to determine hydrodynamic and thermal flow patterns using tracers and other techniques.

SUBTASK 4.B; Plan chemistry experiments associated with scaling and reduction of in situ porosity and permeability.

SUBTASK 4.C; Calculate heat and fluid flows due to reinjection in the Cerro Prieto Field using computer models.

3. Responsibilities.

A. ERDA

- (1) ERDA will assist CFE in planning the injection program.
- (2) ERDA will assume lead responsibility for the preparation of computer models describing the perturbation of heat and fluid flow resulting from injection.

B. CFE

- (1) CFE will plan the injection program with the assistance of ERDA as specified in Paragraph A(1).
- (2) CFE will assume lead responsibility for the implementation of the injection experiments.
- (3) CFE will participate in the interpretation of reinjection experimental data and in the development of models of the field.

TASK 5: Isotopic Analysis

1. Objectives. The objectives of this task are to determine the age and origin of the geothermal fluids and the possible recharge sources and rates. Geothermal fluids, ground and surface waters, will be

analyzed and previous Cerro Prieto studies on fluid chemistry will be reviewed.

2. Research and Time Schedule.

1977. Existing data on fluid chemistries of the Cerro Prieto Field will be reviewed and a sampling program encompassing geothermal fluids, surface waters and ground water, will be planned. The major Subtasks for the first year are as follows:

SUBTASK 5.A; Design a program of isotopic studies in cooperation with the Mexican specialists.

SUBTASK 5.B; Collect hot and cold surface waters, waters and gases from well discharges and downhole fluids.

SUBTASK 5.C; Analysis of O-18 and deuterium in water and C-13, O-18 and S-34 in dissolved CO₂, H₂S, and SO₄, and tritium and C-14 in water. Active rare gases will be chemically analyzed and certain gas components (H₂, CH₄, CO₂, H₂O) will be analyzed isotopically for deuterium, C-13 and C-14.

SUBTASK 5.D; These analyses will be interpreted to help define the recharge areas of the water, the depth and direction of circulation, the residence time of the water in the aquifer, the temperatures in the producing zones and deeper zones below the levels of drilling, and the origin of the water, gases and dissolved constituents.

1978. Continue sampling and isotopic analysis program in conjunction with the CFE standard geochemical analyses.

1979. Complete analysis studies and evaluate the fluid system of the resource.

3. Responsibilities.

A. ERDA

- (1) With assistance from CFE, ERDA will design a program of isotope studies and the collection of fluid samples set forth in the Subtasks.
- (2) ERDA will assume lead responsibility for the analysis and the interpretation of such analysis of fluid samples set forth in the Subtasks.

B. CFE

- (1) CFE will participate with ERDA in the planning of the isotope studies and water samples set forth in the Subtasks and in Paragraph A(1) above.
- (2) CFE will ensure ERDA access to the wells and springs for sampling purposes.
- (3) CFE will participate in the interpretation of isotope analytical data.

TASK 6: Subsidence

1. Objectives. The objectives of this task are to establish and maintain a joint crustal-strain monitoring program in the Mexicali Valley. Regional and local measurements of vertical and horizontal movement will provide base level information regarding changes related to regional tectonic strain and to local subsidence from geothermal fluid withdrawal.

2. Research and Time Schedule.

1977-1978. Three types of surveys suited to detecting ground deformation will be performed.

SUBTASK 6.A; First Order Leveling: A network of first-order leveling will be established extending from a National Geodetic Survey benchmark at the international boundary southward through the Cerro Prieto geothermal area and back to another National Geodetic Survey benchmark on the border via a different route, to identify and monitor vertical crustal movement. This first-order control would tie to a local network of benchmarks that extends throughout the Cerro Prieto production area. The network is periodically surveyed to second-order accuracy by CFE. An estimated 160 Km. of leveling would complete this first-order loop.

SUBTASK 6.B; Regional Trilateration Net: Establish and survey a regional geodolite network of trilateration, southward from the international boundary to beyond Cerro Prieto to monitor crustal strain. This effort will require repeated flights along the line of survey while long-distance laser measurements are being made. The plane making these measurements will not be required to land in Mexico. A helicopter will be utilized to transport survey crews to inaccessible locations. The helicopter will be based in the United States but will land to discharge and pick up personnel and to refuel.

SUBTASK 6.C; Local Horizontal Net: Establish and survey a local network of horizontal electronic distance measurements, tied to the regional network, to monitor strain in the Cerro Prieto geothermal area.

1979. The three networks will be selectively resurveyed and expanded.

1980. The three networks will be completely resurveyed. All data will be adjusted and interpreted. An interpretive report will be issued.

3. Responsibilities.

A. ERDA

ERDA will assume responsibility for the execution of Sub-tasks 6B and 6C.

B. CFE

- (1) CFE will assume responsibility for Subtask 6A.
- (2) CFE will provide at least one person per crew or vehicle involved in the survey undertaken by ERDA pursuant to Paragraph A above.
- (3) CFE will participate in the interpretation of collected data.

TASK 7: Cerro Prieto Conferences

1978 and 1979. Conferences will be held alternately in Baja California and California to insure accurate interpretation of Cerro Prieto research information, and to encourage its application at other geothermal development sites. The conferences will employ seminars and workshops, as applicable, to transfer the knowledge gained at Cerro Prieto to parties involved in geothermal activities at other hydrothermal areas in the United States and Mexico. Attendees will include geothermal developers, landowners, engineering firms, utilities, industrial groups, government representatives, research scientists and the interested public from both countries.

Responsibilities.**A. ERDA**

With the assistance of CFE, ERDA shall be responsible for the organization of the conference(s) to be held in California.

B. CFE

With the assistance of ERDA, CFE shall be responsible for the organization of the conference(s) to be held in Baja California.

ACUERDO ENTRE LA COMISION FEDERAL DE ELECTRICIDAD
DE LOS ESTADOS UNIDOS MEXICANOS

Y LA

ADMINISTRACION DE INVESTIGACIONES Y DESARROLLO
DE ENERGIA (ERDA) DE LOS ESTADOS UNIDOS DE
NORTEAMERICA.

ARTICULO I

OBJETIVOS.

A.- C.F.E. y ERDA (en el curso de este Convenio referidos como las Partes) harán todo lo posible por llevar a cabo un programa intensivo de cooperación para la investigación, desarrollo y demostración de las aplicaciones de la energía geotérmica, centrado en el Campo Geotérmico de Cerro Prieto. - Estos estudios pueden incluir:

- (1) Análisis de la estructura geológica y del sistema hidrogeológico;
- (2) Estudios geofísicos;
- (3) Muestreo con núcleos y registros en los pozos;
- (4) Estudios isotópicos de aguas geotérmicas, subterráneas de poca profundidad y aguas superficiales;
- (5) Nuevos métodos de medición de presiones;
- (6) Medición de asentamientos;
- (7) Monitoreo del comportamiento del Yacimiento;
- (8) Elaboración de modelos del Yacimiento;
- (9) Reinyección del agua de desecho;
- (10) Otros tópicos relacionados de interés mutuo que puedan acordarse.

B.- Los objetivos principales serán:

El desarrollar un completo conocimiento de la naturaleza y magnitud de este recurso energético, investigar la forma óptima de explotación del recurso geotérmico de acuerdo con las necesidades a largo plazo del programa mexicano de energía y el de determinar el impacto sobre el medio subterráneo circundante al yacimiento.

C.- La cooperación amparada por este Acuerdo podrá incluir, pero no deberá estar limitada a alguna de las siguientes formas:

- (1) Intercambio de información sobre avances, actividades y prácticas científicas y técnicas relacionadas con el desarrollo de la energía geotérmica;

- (2) Reuniones (que tendrán lugar alternadamente en México y - en los Estados Unidos o según sea mutuamente acordado) para discutir e intercambiar informaciones sobre desarrollos científicos y tecnológicos y para identificar tareas específicas de investigación y desarrollo que se acuerden por ambas Partes;
- (3) Visitas e intercambios de científicos, técnicos u otros expertos y la celebración de reuniones de trabajo según se acuerde mutuamente;
- (4) Intercambio de proyectos y planes experimentales para revisión y comentarios y si resulta práctico la Parte revisara - podrá recomendar experimentos adicionales;
- (5) Llevar a cabo proyectos y programas conjuntos o separados pero complementarios, y
- (6) Soporte económico conjunto de proyectos cooperativos para los propósitos que se convengan bajo este Acuerdo.

Se prevé que otras agencias, instituciones e individuos distintos a las partes mencionadas anteriormente (CFE y ERDA), participarán en las actividades que habrán de emprenderse bajo los auspicios de este Acuerdo. Su participación a través de las Partes estará sujeta por completo a los términos y condiciones de este Acuerdo.

A R T I C U L O II

TAREAS

Las obligaciones específicas y las condiciones para la realización de los proyectos y programas de investigación y desarrollo específicos que mutuamente se acuerden (como se especifica en el Artículo I), serán manifestados como Tareas en los Anexos de este Acuerdo. Estas Tareas serán concluidas en concordancia con este convenio y con las leyes que sean aplicables, reglamentos, órdenes superiores y los requerimientos de licencias de los respectivos Gobiernos.

ARTICULO III**COORDINADORES**

Las partes deberán designar, cada una, un Coordinador, el que - será responsable de la supervisión total de este Acuerdo y de -- las Tareas amparadas por el mismo y cada Parte deberá designar - un Coordinador Sustituto, el cual representará a la Parte en el caso de que el Coordinador no pueda hacerlo. Cada Parte deberá - de informar a la otra Parte por escrito de todas las designacio-nes a que se refiere este párrafo. Los Coordinadores podrán desig-nar las personas y establecer los cuerpos subsidiarios y normas-de procedimientos según sea requerido para el apropiado funciona-miento de los Coordinadores.

Los Coordinadores o sus representantes deberán reunirse periódicamente según lo estimen necesario para revisar el avance del -- programa de actividades cooperativas de conformidad con este arre-glo. Los Coordinadores deberán de emitir reportes de avance a in-tervalos de seis meses o según sea acordado mutuamente.

ARTICULO IV**FINANCIAMIENTO.**

Al llevar a cabo las diversas actividades cooperativas, las Par-tes deberán de sujetarse a las cantidades presupuestadas para -- este objeto por la autoridad gubernamental apropiada y a las le-yes y reglamentos aplicables a las Partes, incluyendo, pero no - limitado a leyes que establezcan prohibiciones de pago de comis-siones, porcentajes, correcciones, cuotas eventuales a personas -- contratadas para solicitar contratos gubernamentales y sobre cualquier participación de tales contratos en favor de funcionarios. gubernamentales. Cada Parte cubrirá los costos de su participación en las actividades de este arreglo según se establece en las ta-reas que forman parte de este documento.

ARTICULO V**INTERCAMBIO DE INFORMACION**

A.- Las Partes intercambiarán informaciones según se acuerde sobre una base de beneficio mutuo, así como documentos de información --

científica y técnica y resultados de investigación y desarrollo en relación con el trabajo llevado a cabo bajo este Acuerdo. Tal información estará limitada a aquella a la cual tengan el derecho de revelar, ya sea en su posesión o disponible a ellas.

B.- Las minutos de seminarios y reportes de programas conjuntos llevados a cabo bajo este Acuerdo, serán editados como publicaciones conjuntas, según se acuerde mutuamente por ambas Partes, tanto en el idioma Inglés como en Español.

C.- Ambas Partes están de acuerdo en que la información que se origine bajo este Acuerdo, deberá de recibir una amplia difusión.

Esta información, excepto a la que se refieren a continuación los párrafos D y E podrá ponerse a disposición del público, — por cualquiera de las Partes a través de los canales acostumbrados y de acuerdo con los procedimientos normales de las -- Partes.

D.- Se reconoce por ambas Partes que en el proceso de intercambio de información, o en el proceso de otra cooperación, las partes podrán proporcionar a la otra "información industrial -- privada". Tal información privada, incluyendo secretos comerciales, inventos, información patentada y conocimientos, que se ponen a la disposición mediante este documento pero adquiridos por cualquiera de las Partes anteriormente a o por -- separado del curso de estas actividades y que contengan alguna designación restrictiva, deberán ser respetadas por la Parte receptora y no deberá ser usada para propósitos comerciales ni podrá ser hecha del conocimiento público sin el consentimiento de la Parte transmisora. Tal información privada se define como:

- (1) Del tipo comúnmente mantenida como confidencial por firmas comerciales;
- (2) No conocida generalmente o públicamente disponible de otras fuentes;
- (3) Que no haya estado previamente disponible por la Parte transmisora o por otros sin un acuerdo con respecto a su

condición de confidencial y

- {4} Todavía no en poder de la Parte receptora o de sus Contratistas.

E.-Reconocimiento que "información industrial privada" tal como se define arriba puede ser necesaria para llevar a cabo algún proyecto cooperativo específico o puede ser incluida en un intercambio de información, tal información será usada solamente en la consecución de programas geotérmicos en el país receptor.

Su difusión será, a menos que mutuamente se acuerde de otra manera, limitada como sigue:

{1} A personas que pertenezcan o sean empleadas por la Parte receptora, y

{2} A los principales o subcontratistas de la Parte receptora para ser usada solamente dentro del territorio de la Parte receptora y dentro del alcance de sus contratos con la Parte respectiva a cargo de un trabajo relacionado con el tema de la información así difundida, se estipula que la información proporcionada a cualquier persona definida en los sub-párrafos {1} y {2} anteriores, deberá de tener una difusión controlada, identificando su carácter de circulación restringida fuera de la organización de la Parte receptora. Será de la responsabilidad de cada Parte que suministre información privada el identificar la información como tal y asegurarse de que queda debidamente marcada.

Cada Parte hará todos los esfuerzos posibles para asegurarse que la difusión de datos privados recibidos bajo este Acuerdo es controlada como aquí se prescribe.

ARTICULO VI

INFORMACIONES SUJETAS A PATENTES

Las informaciones intercambiadas mediante este arreglo estarán sujetas a las disposiciones sobre patentes estipuladas en el Artículo VIII.

ARTICULO VII**RESPONSABILIDAD**

La aplicación o uso de cualquier información intercambiada o transferida entre las Partes bajo este Acuerdo, será responsabilidad de la Parte que la recibe y la Parte transmisora no garantiza la validez de tal información para cualquier uso o aplicación en particular.

ARTICULO VIII**PATENTES**

A.- Con respecto a cualquier invención o descubrimiento hecho o - concebido en el curso de o bajo este Acuerdo:

- 1.- Si se realiza o concibe por personal de una de las Partes (la Parte cedente) o sus contratistas mientras se encuentra comisionado a la otra Parte (Parte receptora) o a sus contratistas, en conexión con intercambio de científicos, -- ingenieros y otros especialistas:
 - (a) La parte receptora adquirirá todos los derechos, títulos e intereses sobre tal invento, descubrimiento, solicitud de patente o patentes en su propio país y en terceros países, sujeto a una licencia irrevocable de no exclusividad, y libre del pago de derechos sobre cualquier invención de esa clase, descubrimiento, solicitud de patente o patente.
 - (b) La Parte cedente adquirirá todos los derechos, títulos e intereses sobre tales invenciones, descubrimientos, solicitudes de patente o patentes en su propio país, sujeto a una licencia no exclusiva, irrevocable y libre de regalías a la Parte receptora con el derecho de otorgar sub-licencias, sobre cualquier invención de esa clase, descubrimiento; solicitud de patente o patente.
- 2.- Si se realiza o concibe por una de las Partes o por sus contratistas como resultado directo del empleo de información que ha sido comunicada a ella mediante este Acuerdo por la otra Parte o por sus contratistas o comunicada durante los Seminarios u otras reuniones conjuntas,

La Parte que hace la invención adquirirá todos los derechos, títulos e intereses sobre dicho invento, descubrimiento, solicitud de patente o patente en todos los países, sujeto al otorgamiento en favor de la otra Parte de una licencia irrevocable, no exclusiva, libre de regalías con el derecho de otorgar sub-licencias sobre tales invenciones, descubrimientos, solicitudes de patente o patentes en todos los países.

3.- En relación con otras formas específicas de cooperación incluyendo intercambio de materiales, instrumentos y equipos para proyectos conjuntos especiales de investigación, las Partes deberán de estipular su apropiada distribución de derechos sobre invenciones que resulten de tal cooperación. Sin embargo, en general, cada Parte normalmente deberá determinar los derechos sobre tales inventos en su propio país, mediante una licencia no exclusiva, irrevocable y libre de regalías a la otra Parte y los derechos en otros países deberán de acordarse por ambas Partes sobre una base de equidad.

B.- Ninguna de las Partes deberá de hacer ninguna discriminación en contra de ciudadanos del país de la otra Parte en lo que respecta al otorgamiento de cualquier licencia o sub-licencia sobre cualquier invención que se origine en los términos establecidos en el párrafo 1 anterior. Se entiende que las políticas y prácticas de licenciamiento de cada Parte pueden ser afectadas por los derechos de ambas Partes de otorgar licencias dentro de una misma jurisdicción; de acuerdo con esto, cada Parte puede solicitar con respecto a una sola invención o clase de invenciones, que las Partes se consulten en un esfuerzo para disminuir o eliminar cualquier efecto perjudicial que las autoridades paralelas que otorgan las licencias pudieran tener sobre las políticas y prácticas de las Partes.

C.- Las Partes deberán de proveer toda la cooperación necesaria de sus inventores para llevar a cabo las acciones señaladas en los párrafos A y B anteriores.

D.- Cada Parte deberá de asumir la responsabilidad de pagar los

premios o compensaciones que requieran ser pagadas a sus propios nacionales según las leyes de su país.

A R T I C U L O IX
RESPONSABILIDAD POR DANOS.

Ambas partes están de acuerdo en que las medidas que se describen a continuación referentes a compensaciones debidas a daños ocurridos durante la conducción y ejecución de los programas conjuntos deberán aplicarse.

A. DANOS A PRIMERA Y SEGUNDA PARTE:

(1) Cada Parte por separado se responsabilizará del pago de compensaciones a su personal por daños sufridos por el mismo, independientemente de la localidad en que dichos daños hayan sido sufridos, entendiendo además que no podrá establecer juicio legal o elevar algún otro tipo de petición en contra de la otra Parte, por daños a su propiedad, excepto en los casos que se establecen en los párrafos A.2 y A.3.

(2) Si el daño sufrido por el personal de una de las Partes se debe a negligencia o procedimientos erróneos intencionales del personal de la otra Parte, esta última deberá reembolsar a la otra Parte una suma acordada de dinero; estando esta Parte obligada a pagar la cantidad correspondiente a la(s) personal(s) que ha(ya)n sufrido los daños.

(3) Si los daños sufridos por la propiedad de una de las Partes son debidos a la negligencia o procedimientos erróneos intencionales del personal de la otra parte, esta última deberá compensar a la primera por los daños sufridos.

B.- DANOS A TERCERAS PARTES

(1) Equipo Defectuoso.

Los daños causados al personal o propiedades de terceras Partes, y que sean imputables a equipo defectuoso de alguna de las Partes deberán ser compensados por la parte a la que pertenece el equipo, excepto en las circunstancias que se establecen en el párrafo B. 3.

(2).- *Por el personal*

Los daños causados al personal o propiedades de terceras partes por personal de alguna de las Partes, deberá ser compensado - por dicha Parte cualquiera que sea el territorio en que hayan ocurrido los daños, excepto en los casos establecidos en el párrafo B. 3.

(3) Negligencia o procedimientos erróneos intencionales.

Si los daños a que se refieren los párrafos B.1 y B.2 se debieran a la negligencia o procedimientos erróneos intencionales del personal de alguna de las Partes, esa Parte deberá asumir la responsabilidad financiera respecto a la tercera parte.

(4) Daños producidos por terceras partes.

En el caso de que una tercera parte cause cualquier tipo de daño al personal o propiedades de alguna de las Partes, cada parte deberá proporcionar su ayuda en la corroboración de las demandas establecidas en contra de la tercera parte.

(5) Resolución de debates.

La parte en cuyo territorio se originó el daño producido por una tercera Parte, deberá, previa consulta con la otra Parte, tomar bajo su responsabilidad, junto con la tercera parte, la resolución de todos los debates conectados con la determinación de las causas, extensión y necesidad de compensación por los daños incurridos. Cualquier resolución de este tipo deberá contar con - la concurrencia de la otra Parte. Una vez determinada la magnitud de los daños, ambas Partes deberán mutuamente consultarse con objeto de llegar a un acuerdo respecto a las demandas de compensación por los daños incurridos.

C. En caso de que se presente alguna disputa entre ambas Partes, estas deberán nombrar un comité que contará con igualdad de representación. Las conclusiones que dicho comité establezca, deberán ser presentadas tanto a ERDA como a CFE, quienes después de revisarlas, establecerán un acuerdo mutuo respecto a la disposición final.

D. Las disposiciones anteriores de este artículo no serán aplicables a daños causados por un incidente nuclear, tal como se define en las leyes de las Partes. Compensaciones causadas por incidentes de este tipo deberán realizarse de acuerdo con lo establecido en las leyes de las Partes.

E.- Definiciones.

1.- Por "personal" de una Parte debe entenderse tanto los empleados de dicha Parte, como los contratistas y subcontratistas que presten sus servicios bajo el amparo de este acuerdo, así como los empleados de los contratistas y subcontratistas que estén prestan do sus servicios en las mismas circunstancias.

2.- Por "equipo" o "propiedad" de una Parte debe entenderse el equipo o propiedad perteneciente a esa Parte, o aquél perteneciente a los contratistas o subcontratistas de dicha Parte, que se encuentren prestando servicios relacionados con los proyectos con juntos amparados por el presente acuerdo.

A R T I C U L O X

OBLIGACIONES

A. Para la ejecución de este Acuerdo, cada Parte deberá tomar las medidas necesarias para facilitar la entrada y la salida de los científicos y técnicos y del equipo desde el país de la otra Parte, el cual, previamente seleccionado y con el consentimiento de ambas Partes será utilizado por acuerdo específico en cualquier actividad conjunta por personal del proyecto.

B. Cada Parte deberá de proporcionar ayuda, cuando sea necesario para obtener los permisos tales como, pero no necesariamente li mitados a: aduanas, permisos de manejo, permisos de trabajo o su equivalente, visas de entrada y salida y otros servicios que pudie ran requerir el concurso de otras dependencias de los respectivos Gobiernos.

A R T I C U L O XI

CONTACTOS DIRECTOS Y COOPERACION

Ambas Partes, según se estime conveniente, deberán de promover el establecimiento y desarrollo de contactos directos y de cooperación entre dependencias, organizaciones y firmas de ambos países en lo relacionado con cooperación tecnológica en la investigación y desarrollo del área de la energía geotérmica.

ARTICULO XII
ARBITRAJES

Cualquier desavenencia entre las Partes en lo concerniente a la interpretación o a la aplicación de este Acuerdo, que no sea arreglada mediante negociaciones u otro modo acordado de arreglo, deberá transferirse a un tribunal formado por tres árbitros los cuales serán escogidos por las Partes involucradas quienes también escogerán un Presidente del Tribunal. En el caso de que las Partes involucradas no llegaran a ponerse de acuerdo en lo concerniente a la composición del tribunal o en la elección de su presidente, el Presidente de la Corte Internacional de Justicia, deberá, a solicitud de cualquiera de las Partes involucradas ejercer estas responsabilidades. El Tribunal decidirá sobre la desavenencia tomando como base los términos de este Acuerdo y cualquier otra ley o Reglamentos aplicables y su decisión, sobre cualquier cuestión de hecho, será definitiva y obligatoria para las Partes.

Para el caso de que alguno o algunos de los trabajadores o empleados de las Partes sufran un accidente o riesgo de trabajo, éste se desahogará y sustanciará conforme a las leyes mexicanas en vigor si se trata de un empleado o trabajador de nacionalidad mexicana, independientemente de que el accidente o riesgo ocurra -- en territorio mexicano o en territorio de los Estados Unidos de América, y en sentido contrario, si el accidente o riesgo lo sufre un empleado o trabajador norteamericano éste se sustanciará y desahogará conforme a las leyes de los Estados Unidos de América, independientemente del lugar donde ocurra, por lo que cada una de las Partes asume la responsabilidad derivada de accidente de su personal sin que se establezcan en ningún caso, relaciones jurídicas entre una de las Partes y el personal de la otra.

Cada Contraparte se obliga a sacar en paz y a salvo a la otra Parte de las reclamaciones que se presenten con motivo de accidentes.

ARTICULO XIII

ARREGLOS ADICIONALES

Ninguna Parte de este Acuerdo deberá ser utilizada en detrimento de otros arreglos o de futuros arreglos de cooperación entre las Partes.

ARTICULO XIV

TERMINACION, CANCELACION, EXPIRACION O ENMIENDAS

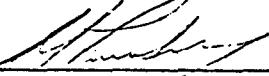
La terminación, cancelación, expiración o enmienda de este Acuerdo no afectará automáticamente la ejecución de cualquier proyecto o programa iniciado en base a este Acuerdo y que no haya sido totalmente realizado. Este acuerdo puede ser enmendado en cualquier momento por las Partes. Tales enmiendas entrarán en vigor en una forma que será determinada por las Partes.

ARTICULO XV

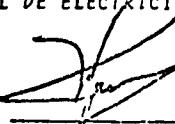
DISPOSICIONES FINALES

- A.- Este Acuerdo entrará en vigor al firmarlo la última de las Partes y permanecerá vigente por un periodo de cinco (5) años. Este Acuerdo podrá ser ampliado por acuerdo mutuo de las Partes por un periodo posterior que se especifique.
- B. Este Acuerdo podrá darse por terminado en cualquier momento a discreción de cualquiera de las Partes mediante el aviso anticipado por escrito de seis (6) meses de la Parte que desea la terminación del Acuerdo. Tal terminación será sin perjuicio a los derechos que hayan podido adjudicarse bajo este Acuerdo a cualquiera de las Partes hasta la fecha de tal terminación.

POR LA ADMINISTRACION
DE INVESTIGACION Y DESARROLLO
DE ENERGIA (ERDA).


ABRAHAM S. FRIEDMAN
Representante Científico

POR LA COMISION FEDE-
RAL DE ELECTRICIDAD.


ING. MANUEL MORENO TORRES
Subdirector General

México, D. F. a 21 de Julio de 1977

- A N E X O A -

FONDOS

Cada Parte deberá sufragar los gastos originados por los trabajos desarrollados en el cumplimiento de las siguientes tareas. En caso de que ERDA solicitase cualquier investigación o trabajo especial adicional a los estudios especificados en la sección de Tareas, ERDA deberá sufragar los gastos requeridos para la realización de dichas labores.

PATENTES

En concordancia con el Párrafo A (3) del Artículo VIII de este Acuerdo, la distribución de derechos respecto a las invenciones y descubrimientos que resulten de los trabajos conjuntos realizados bajo este Anexo A, deberá hacerse en la forma siguiente:

1. La asignación de los derechos a las invenciones y descubrimientos tanto en México como en los Estados Unidos, deberá hacerse de acuerdo con lo establecido en el Párrafo A (3) del Artículo VIII.
2. Los derechos de las invenciones y descubrimientos en otros países diferentes a México y los Estados Unidos, serán propiedad conjunta de ambas naciones.

TAREA 1: GEOLOGIA E HIDROLOGIA.

1. OBJETIVOS. Los objetivos perseguidos en esta tarea son: -
colectar, analizar y evaluar los datos geológicos y geoquímicos disponibles, así como la información de ingeniería de yacimientos, con el propósito de definir la estructura geológica del sistema geotérmico.

2. TRABAJOS DE INVESTIGACION Y PROGRAMA.

1977.

Los datos relevantes existentes en los archivos de CFE serán traducidos y editados por ERDA, colocándose en reportes abiertos, disponibles para toda la comunidad geotérmica.

Se expandirán los programas actuales de nucleo, análisis e interpretación de registros eléctricos, así como de los datos obtenidos de los núcleos cortados, incluyendo técnicas analíticas avanzadas para la caracterización de las muestras. Se planearán

programas suplementarios de nucleo y registros de pozos, con objeto de obtener información geológica adicional. Se iniciará el desarrollo de modelos del Campo Geotérmico de Cerro Prieto, basándose en conceptos geológicos e hidrológicos, tomando en cuenta la información de que se dispone, este modelo se refinará continuamente a medida que se disponga de una mayor cantidad de datos.

1978.

El trabajo se enfocará al continuo refinamiento del modelo geológico del sistema geotérmico basado en la integración de la información obtenida de los registros adicionales de los pozos, núcleos e información geocientífica.

1979.

La modelación geológica e hidrogeológica del sistema de Cerro Prieto se completará hasta donde sea posible basada en los datos disponibles y estos modelos serán validados con "verificación en el campo", con nuevos datos de los pozos a medida que se vayan adquiriendo.

3. RESPONSABILIDADES.

Las Partes asumirán las siguientes responsabilidades:

A. ERDA

- (1) De acuerdo con CFE, ERDA planeará una ampliación del programa de recolección y análisis de muestras, núcleos y registros geofísicos. ERDA proporcionará el soporte financiero para el nucleo y registros adicionales que sean solicitados por ERDA y que no sean parte del programa de campo de CFE.
- (2) ERDA tomará bajo su responsabilidad la elaboración de un modelo del yacimiento tomando como base los datos suministrados por CFE.
- (3) ERDA publicará un análisis detallado del yacimiento del campo de Cerro Prieto.

B. C. F.E.

- (1) CFE deberá proporcionar toda la ayuda necesaria a ERDA, como se especifica en el párrafo A (1) anterior para la obtención y análisis de muestras de núcleos y de regis-

etros geofísicos. CFE cubrirá los gastos necesarios para la obtención de núcleos y de registros geofísicos rutinarios necesarios para el desarrollo y exploración del campo.

(2) CFE proporcionará la información necesaria a ERDA para ejecutar sus responsabilidades tal como se establecen en el párrafo B (1) anterior.

(3) CFE pondrá a disposición de ERDA las copias de los registros geofísicos, reportes de perforación, muestras y núcleos de pozos perforados con anterioridad al establecimiento de este Acuerdo, así como de aquellos perforados durante la vigencia de este Acuerdo.

(4) CFE participará tanto en la interpretación de los datos como en el desarrollo de los modelos del campo.

TAREA 2: GEOFISICA.

1.- OBJETIVOS. Los objetivos de esta tarea son los de definir las dimensiones y estructura en conjunto del campo con el objeto de entender mejor el funcionamiento del sistema geotérmico y para monitorear el comportamiento del yacimiento durante la producción a través de técnicas geofísicas superficiales.

2.- INVESTIGACIONES Y PROGRAMA:

1977

El programa geofísico será planeado y coordinado con las personas responsables de los reconocimientos superficiales tal como se especifica en la Tarea 6. Los estudios geofísicos, tal como se establece en las sub-tareas 2A, 2E y 2F, las cuales serán establecidas más adelante, se implementarán primero.

Las restantes sub-tareas 2B, 2C y 2D, serán implementadas en el invierno de 1977-78. Las sub-tareas serán como sigue:

Sub-Tarea 2.A.- Monitoreo sísmico pasivo: Determinación de las dimensiones laterales del yacimiento mediante las variaciones laterales de las velocidades de las ondas P y S. Determinación de la localización de las fallas activas y de sus movimientos relativos en el área del yacimiento.

Sub-Tarea 2.B.- Estudios Magnetotelúricos: Determinación de la

profundidad del basamento y su configuración mediante la utilización de técnicas eléctricas de sondeo profundo.

Sub-Tarea 2.C. Potencial Espontáneo: Llevar a cabo estudios de potencial espontáneo en el Campo de Cerro Prieto para determinar si existe alguna anomalía coincidente con el yacimiento.

Sub-Tarea 2.D. Resistividad Dipolo-Dipolo: Llevar a cabo un estudio dipolo-dipolo de gran amplitud en una línea que cruce el campo, con objeto de medir las características de resistividad asociadas con la estructura tanto del yacimiento como del basamento.

Sub-Tarea 2.E. Gravedad de Precisión: Efectuar el monitoreo de los efectos producidos por las fuerzas que originan las mareas y un estudio de precisión de gravedad para determinar cambios de masa que pudieran estar asociados con el agotamiento del yacimiento y con los efectos de la futura re-inyección del agua de desecho.

Sub-Tarea 2.F. Modelado Gravimétrico: Estimación de la configuración del basamento del Valle de Mexicali, mediante la modelación computada de los datos existentes de gravedad de Bouger calibrados con medidas de densidad de muestras de núcleos de un pozo perforado hasta la roca basal.

1978

Señal necesario efectuar mediciones repetitivas en algunas de las Sub-Tareas para medir los posibles cambios en las características del yacimiento.

1979

Se continuará con los estudios del campo adicionales y repetitivos y toda la información será sintetizada en un modelo del yacimiento y de la estructura geológica.

3.- RESPONSABILIDADES.

A. ERDA.

(1) ERDA y CFE planeardán conjuntamente los estudios geofísicos tal como se menciona anteriormente en las sub-Tareas.

(2) ERDA tendrá la responsabilidad principal para llevar a cabo estos estudios geofísicos de campo y el análisis de la información.

(3) ERDA proporcionará el soporte financiero para los estudios geofísicos de campo y para el análisis de la infor-

mación, así como los vehículos y el equipo geofísico.

B.- CFE

(1) CFE tendrá la responsabilidad conjunta de la planeación de los estudios geofísicos tal como se especifica en las sub-Tareas y párrafo A (1) anteriores.

(2) CFE suministrará cuando menos una persona por grupo o vehículo para ayudar a ERDA en los estudios de campo.

(3) CFE participará en el análisis de la información geofísica.

TAREA 3. INGENIERIA DE YACIMIENTOS.

1.- OBJETIVOS. Los objetivos de esta tarea son los de definir el tamaño, la geometría, las características físicas, el contenido de fluidos, capacidad de recarga, habilidad de producción y duración energética del yacimiento.

2.- Investigaciones y Programa

1977

Un grupo compuesto por elementos tanto de CFE como de ERDA - planearán conjuntamente e iniciará la conducción de pruebas de producción e interferencia, así como también pruebas estáticas de presión-temperatura. Las principales sub-tareas durante el primer año, son como sigue:

Sub-Tarea 3.A. : Planear pruebas de interferencia utilizando - pozos existentes de Cerro Prieto para determinar los parámetros de la formación, tales como heterogeneidades, fallas y barreras de flujo y posibles características de las fracturas.

Sub-Tarea 3.B. : Llevar a cabo pruebas de interferencia utilizando equipo de medición de alta precisión en los pozos existentes de Cerro Prieto.

Sub-Tarea 3.C. : Planear pruebas en los pozos para determinar las propiedades de la formación asociadas con los pozos utilizados para los experimentos de inyección controlada y la modificación de los parámetros que pudiera ocurrir durante los experimentos de inyección.

Sub-Tarea 3.D. : Ejecución de pruebas iniciales de los parámetros de la formación asociados con el experimento de inyección controlada.

Sub-Tarea 3.E. : Planeación de un programa de monitoreo continuo de temperatura, presión, velocidad de flujo y entalpía en la cabeza de todos los pozos de producción de Cerro Prieto.

1978.

Analisis de la informacion del yacimiento y su correlación con los programas en marcha en el Valle Imperial. Conducción de pruebas en conjunción con el experimento controlado de reinyección, cuando éste haya sido programado. Continuar con las pruebas de interferencia (Sub-tarea 3.B)

1979.

Continuación con la correlación y aplicación de la información obtenida para el desarrollo de los yacimientos del Valle Imperial. Ejecución de pruebas de yacimiento empleando pozos de observación y de producción de la C.F.E.

3. RESPONSABILIDADES.**A. ERDA**

- (1) ERDA y CFE planearán conjuntamente las pruebas de yacimiento que se especifican en las sub-tareas.
- (2) ERDA tendrá la principal responsabilidad en la implementación de las mediciones del yacimiento especificadas en el programa.
- (3) ERDA proporcionará el equipo de fondo de pozo y de superficie para efectuar las pruebas.

B. CFE

- (1) CFE tendrá la responsabilidad conjunta de las pruebas del yacimiento que se especifican en las sub-tareas y en el párrafo A (1) anterior.
- (2) CFE permitirá el acceso a los pozos geotérmicos durante todas las pruebas que se señalan en las sub-tareas.
- (3) CFE participará en el análisis de los datos necesarios para llevar a cabo la ingeniería de yacimientos.

TAREA 4: REINYECCION.**1. OBJETIVOS.**

Los objetivos de esta tarea son los de verificar los modelos analíticos del comportamiento del yacimiento bajo explotación y reinyección y analizar los efectos hidrodinámicos, termodinámicos y de asentamiento. Para este objeto el campo de Cerro Prieto será sujeto a un monitoreo bajo condiciones controladas.

2. INVESTIGACION Y PROGRAMA.

1978.

Se terminará la planeación preliminar de pozos profundos - de inyección. Las principales sub-tareas durante el primer año son como sigue:

Sub-Tarea 4.A: Planeación de los experimentos de inyección -- profunda en el campo de Cerro Prieto para determinar los patrones de flujo hidrodinámicos y térmicos, utilizando trazadas y otras técnicas.

Sub-Tarea 4.B: Planeación de los experimentos químicos relacionados con incrustaciones y reducción de la porosidad y permeabilidad in situ.

Sub-Tarea 4.C: Cálculo de los flujos de calor y de fluidos -- causados por la re-inyección en el campo de Cerro Prieto utilizando modelos computarizados.

3. RESPONSABILIDADES.

A. ERDA

- (1) ERDA ayudará a CFE a planear el programa de reinyección.
- (2) ERDA asumirá la responsabilidad principal en la preparación de los modelos de computadora que describan la perturbación del flujo de calor o de fluidos que resulten de la re-inyección.

B. CFE

- (1) CFE planeará el programa de re-inyección con la ayuda de ERDA, tal como se especifica en el párrafo A (1)
- (2) CFE asumirá la responsabilidad principal en la implementación de los experimentos de re-inyección.
- (3) CFE participará tanto en la interpretación de los datos experimentales de reinyección, como en el desarrollo de los modelos del campo.

TAREA 5. ANALISIS ISOTOPICOS.

1. OBJETIVOS.

Los objetivos de esta tarea son los de determinar la edad y el origen de los fluidos geotérmicos, así como las posibles fuentes y regímenes de recarga. Se analizarán los fluidos geotérmicos y las aguas subterráneas y superficiales revisándose los estudios previos realizados respecto a

la química de los fluidos del campo de Cerro Prieto.

2.- INVESTIGACION Y PROGRAMA.

1977

Se revisarán los estudios existentes de las características químicas de los fluidos del campo de Cerro Prieto y se planeará un programa de muestreo que abarque fluidos geotérmicos, aguas superficiales y aguas subterráneas.

Las principales sub-tareas del primer año serán como sigue:

Sub-Tarea 5.A.: Diseño de un programa de estudios isotópicos en cooperación con especialistas mexicanos.

Sub-Tarea 5.B: Recolección de muestras de aguas superficiales — frias y calientes, de aguas y gases de la descarga de los pozos y el fluido del fondo de los pozos.

Sub-Tarea 5.C.: Análisis de Oxígeno 18 y Deuterio en el agua y de Carbono 13, Oxígeno 18 y Azufre 34 disueltas en el CO_2 , H_2S y SO_4 y Tritio y Carbono 14 en agua. También se analizarán químicamente los gases raros activos y ciertos componentes gaseosos (H_2 , CH_4 , CO_2 , H_2O) se analizarán isotópicamente por Deuterio, Carbono 13 y Carbono 14.

Sub-Tarea 5.D.: Estos análisis serán interpretados para definir las áreas de recarga del agua, la profundidad, dirección de circulación y tiempo de residencia del agua en el acuífero, la temperatura en las zonas de producción y en zonas más profundas por debajo de los niveles de perforación y el origen del agua, gases y de los constituyentes disueltos.

1978

Continuación del muestreo y del programa de análisis isotópico — en conjunción con el análisis geoquímico estándar de CFE:

1979

Terminar con los estudios analíticos y evaluar el sistema fluido del recurso.

3.- RESPONSABILIDADES

A. ERDA

(1) Con la ayuda de CFE, ERDA diseñará el programa de estudios isotópicos y de recolección de muestras especificado en las sub-tareas.

(2) ERDA asumirá la principal responsabilidad del análisis e interpretación de los mismos tal como se señala en las sub-tareas.

8. CFE

- (1) CFE participará conjuntamente con ERDA en la planeación de los estudios isotópicos y de recolección de muestras de agua mencionadas en las sub-tareas y en el párrafo A (1) anterior.
- (2) CFE garantizará el acceso de ERDA a los pozos y manifestaciones termales para propósitos de muestreo.
- (3) CFE participará en la interpretación analítica de los datos isotópicos.

TAREA 6 : ASENTAMIENTOS**1.- OBJETIVOS**

Los objetivos de esta tarea son los de establecer y mantener un programa de monitoreo conjunto de las tensiones corticales en el Valle de Mexicali. Las mediciones regionales y locales de los movimientos tanto verticales como horizontales suministraran un nivel básico de información respecto a cambios relacionados con tensiones tectónicas regionales y asentamientos locales relacionados con la extracción de fluidos geotérmicos.

2.- INVESTIGACION Y PROGRAMA**1977 - 78**

Se efectuarán tres tipos de estudios adecuados para determinar la deformación del terreno.

Sub-tarea 6.A. Nivelación de primer orden: Se establecerá una red de nivelación de primer orden, que se extienda desde un banco de nivel del National Geodetic Survey localizado en la frontera internacional hacia el sur a través del área geotérmica de Cerro Prieto, regresando hasta otro banco perteneciente al National Geodetic Survey sobre la frontera por otro camino diferente, para identificar y monitorear los movimientos corticales verticales.

Este control de primer orden se ligará a una red local de bancos de nivel que se extienda a través de toda el área de producción de Cerro Prieto, la cual será periódicamente recorrida con exactitud de segundo orden por C.F.E. Se estima una extensión de 160Km. de este circuito de nivelación de primer orden.

Sub-tarea 6.B: Red. Regional de Trilateración: Establecimiento y estudio topográfico de una red regional geodolítica de trilateración, desde la frontera internacional hacia el sur hasta más allá de Cerro Prieto, para el monitoreo de la tensión cortical. Este esfuerzo requerirá de varios vuelos a lo largo de la línea de estudio topográfico, mientras que se hacen mediciones de largo alcance con rayos laser. No será necesario que el avión que realice estas mediciones aterrice en México. Se utilizará un helicóptero para transportar grupos encargados de los estudios topográficos hasta localizaciones inaccesibles. El helicóptero tendrá su base en los Estados Unidos pero aterrizará para descargar y tomar personal y para reabastecerse de combustible.

Sub-Tarea 6.C. Red Local Horizontal: Establecer y reconocer topográficamente una red local de mediciones electrónicas de desplazamientos horizontales, enlazadas a la red regional para hacer observaciones de monitoreo de tensiones en el área geotérmica de Cerro Prieto.

1979.

Las tres redes serán selectivamente recorridas topográficamente y extendidas.

1980.

Las tres redes serán completamente recorridas. Toda la información será ajustada e interpretada; se editará un reporte de esta interpretación.

3. RESPONSABILIDADES.

A. ERDA

ERDA asumirá la responsabilidad de la ejecución de las Sub-tareas 6B y 6C.

B. CFE

(1) CFE asumirá la responsabilidad de la ejecución de la Sub-tarea 6A.

(2) CFE proporcionará cuando menos una persona por grupo o vehículo empleado en la realización del estudio topográfico a cargo de ERDA, de acuerdo con el párrafo A anterior.

(3) CFE participará en la interpretación de los datos recolectados.

TAREA 7. CONFERENCIAS SOBRE CERRO PRIETO1978 y 1979

Las conferencias se programarán en forma alternada en Baja California y California, con objeto de asegurar una adecuada interpretación de la información obtenida de la investigación del campo de Cerro Prieto, buscando además promover su aplicación al desarrollo de otros campos geotérmicos. Las conferencias consistirán en seminarios o mesas de trabajo, dependiendo de cual resulte más adecuado, para transferir los conocimientos obtenidos en Cerro Prieto a grupos involucrados en actividades geotérmicas en otras localidades hidrotermales, tanto en México como en los Estados Unidos. Entre los participantes se incluirán personas encargadas del desarrollo de localidades geotérmicas, propietarios de terrenos con manifestaciones termales, firmas de ingeniería, compañías de servicio, grupos industriales, representantes gubernamentales, investigadores y público interesado de ambos países.

RESPONSABILIDADESA. ERDA

Contando con la asistencia de CFE, ERDA será responsable de la organización de la(s) conferencia (s) que se realicen en California.

B. CFE

Contando con la asistencia de ERDA, CFE será responsable de la organización de la(s) conferencia (s) que se efectúen en Baja California.

FEDERAL REPUBLIC OF GERMANY

Air Force Personnel Training

*Agreement signed at Bonn and Washington May 24 and
July 6, 1977;
Entered into force July 6, 1977.*

(4859)

TIAS 9081

Agreement

between

The Department of Defense of the United States of America, referred to as--

"DOD"

and

The Federal Minister of Defense of the Federal Republic of Germany, referred to as--"FMOD"

on

the provision of US Army training to the German Air Force in the United States of America (Training Agreement)

Preamble

Pursuant to the Mutual Defense Assistance Agreement signed on 30 June 1955^[1], between the Government of the United States of America and the Government of the Federal Republic of Germany, the DOD will provide training for German Air Force personnel in US Army training facilities under the general terms and conditions set forth hereinafter.

Article I

1. Insofar as capability exists, the DOD agrees to accept for training on an annual basis, German Air Force Personnel at the following DOD training facilities:
 - a. US Army Air Defense School, Fort Bliss, Texas.
 - b. US Army Field Artillery School, Fort Sill, Oklahoma.
 - c. US Army Missile and Munitions Center and School, Redstone Arsenal, Huntsville, Alabama.
2. Conditions and details of the training program, applicable to FMOD, are outlined in Annex A to this Agreement.
3. Conditions and details of the training program, applicable to DOD, are outlined in Annex B to this Agreement.

^[1]TIAS 3448; 6 UST 5999.

Article 2

1. The cost for all training provided by the US Army will be computed in accordance with applicable DOD pricing policies.
2. The course costs will be quoted on a "cost per student" basis as reflected in the current DOD Foreign Military Sales Military Articles and Services Listing (MASL).
3. Costs for DOD quarters (on-post billets for students), furnished in accordance with Annex B to this Agreement, will be reimbursed to DOD by the applicable Letter of Offer and Acceptance (DD Form 1513).

Article 3

1. The settlement of the payments will be in accordance with United States Foreign Military Sales procedures. Conditions of sale are as set forth in the annual United States DOD Letter of Offer and Acceptance (DD Form 1513), to be rendered and accepted prior to the beginning of each fiscal year.
2. Payment will be made by FMOD, in US dollars, in accordance with the provisions of the applicable Foreign Military Sales Case (DD Form 1513) to be written under the provisions of the United States Arms Export Control Act.^[1] Subsequent to acceptance of the specific Foreign Military Sales Case, payment will be made to reimburse the DOD upon presentation to the FMOD by DOD of quarterly billing documents to coincide with scheduled student entry into training.

Article 4

The provisions of the NATO Status of Forces Agreement of 19 June 1951^[2] shall apply to this agreement.

¹ 82 Stat. 1320; 22 U.S.C. § 2751 note.

² TIAS 2846, 5351, 7759; 4 UST 1792; 14 UST 531; 24 UST 2355.

Article 5

1. This Agreement shall become effective when signed by representatives of both parties to the Agreement and shall remain in effect until terminated by either party.
2. If this Agreement is cancelled by either party the terms and conditions of the current DD Form 1513 will be applicable to the termination.
3. Amendments and supplements to this Agreement may be made at any time by mutual agreement of the signatory parties.

Done in

Washington, 6 July 77
(date)

Bonn, 24. Mai 1977
(date)

In two originals, each in the English and German languages, both texts being equally authoritative.

H. M. Fish [¹]
For the Department of Defense
of the United States of America

T. Backes [²]
For the Federal Minister of
Defense of the Federal Republic
of Germany

¹ H. M. Fish
² Backes

ANNEX A

FMOD OBLIGATIONS

1. FMOD agrees to provide qualified students in accordance with the technical prerequisites and rank established by the US Army.
2. For all instruction conducted in English, the German students will have English language comprehension (ECL) as specified by the DOD.
3. Training spaces allocated and scheduled by the US Army will be utilized by the German Air Force or the US Army will be notified of nonuse at least sixty (60) days in advance of the scheduled report date. Failure to provide at least 60 days notice of cancellation or rescheduling will result in an assessment against the applicable Foreign Military Sales Case in an amount constituting 50 percent of the designated course cost. Further, FMOD agrees to reimburse the DOD an amount not less than 50 percent of the designated course cost for any student who commences a course and who, for whatever reason, fails to complete the course.
4. The German Air Force Training Command at Fort Bliss and the German Air Force Liaison personnel at Fort Sill and Redstone Arsenal will be responsible for all student administrative support functions insofar as such functions are performed to support servicemen of the German Air Force who attend courses of instruction under US sponsorship in US Army training facilities.
5. The FMOD will arrange and pay emoluments, travel, and moving costs for all concerned German Air Force students.

ANNEX B

DOD OBLIGATIONS

1. Insofar as capability exists, the DOD will endeavor to allocate and schedule, in the number and timeframe desired by FMOD, spaces in courses of instruction at US Army training facilities in support of the German Air Force training program.
2. Insofar as capability exists, the DOD will endeavor to conduct specialized, German only, classes of instruction at US Army training facilities in response to stated FMOD requirements for such specialized instruction. These individual specialized courses will be held in accordance with an agreed program of instruction. Program changes will be subject to mutual agreement.
3. The annual program of allocated US Army training for the German Air Force will be rendered prior to the beginning of each United States fiscal year.
4. Subject to availability, the DOD will provide billets of the same type as for US officers and enlisted men of comparable rank; should adequate billets not be available, the DOD will assist the German Air Force personnel in obtaining accommodations.
5. Medical and dental support will be provided for German Air Force personnel of the type and scope rendered to US Army officers and enlisted personnel of comparable rank; medical support, as available, will be provided authorized dependents of German Air Force personnel of the type and scope rendered US military dependents.
6. DOD will permit the use of US commissaries and nonappropriated fund organizations by German military personnel when on duty with the United States Armed Services, and their dependents, under the terms and conditions applicable to US Army officers and enlisted personnel of comparable rank.

Vereinbarung**zwischen**

dem Verteidigungsministerium der Vereinigten
Staaten von Amerika,
nachstehend als "DOD" bezeichnet,

und

dem Bundesminister der Verteidigung der
Bundesrepublik Deutschland,
nachstehend als "BMVg" bezeichnet,

über

die Ausbildung von Personal der deutschen Luftwaffe in Einrich-
tungen des US-Heeres in den Vereinigten Staaten von Amerika
(Ausbildungsvereinbarung)

Präambel

Aufgrund der am 30. Juni 1955 zwischen der Regierung der Ver-
einigten Staaten von Amerika und der Regierung der Bundesrepu-
blik Deutschland abgeschlossenen Vereinbarung über gegenseitige
Verteidigungshilfe wird das DOD nach den im folgenden beschrie-
benen allgemeinen Bedingungen Ausbildungsmöglichkeiten für
Personal der deutschen Luftwaffe in Ausbildungseinrichtungen
des US-Heeres zur Verfügung stellen.

Artikel 1

1. Soweit die Kapazität vorhanden ist, erklärt sich das DOD
bereit, Personal der deutschen Luftwaffe auf jährlicher Basis
zur Ausbildung in folgenden Ausbildungseinrichtungen des DOD
aufzunehmen:

- a. US Army Defense School, Fort Bliss, Texas
 - b. US Army Field Artillery School, Fort Sill, Oklahoma
 - c. US Army Missile and Munitions Center and School, Redstone Arsenal, Huntsville, Alabama.
2. Die für das BMVg geltenden Bedingungen und Einzelheiten des Ausbildungsprogramms sind in Anhang A zu dieser Vereinbarung beschrieben.
 3. Die für das DOD geltenden Bedingungen und Einzelheiten des Ausbildungsprogramms sind in Anhang B zu dieser Vereinbarung beschrieben.

Artikel 2

1. Die Kosten für sämtliche vom US-Heer durchgeführte Ausbildung wird nach den geltenden Preisfestsetzungsrichtlinien des DOD berechnet.
2. Die Lehrgangskosten werden auf der Basis "Kosten pro Lehrgangsteilnehmer" nach der gegenwärtigen DOD Foreign Military Sales Military Articles and Services Listing" (MASL) (DOD-Liste der militärischen Artikel und Dienstleistungen für den Verkauf von Rüstungsmaterial an das Ausland) berechnet.
3. Die Kosten für DOD-Unterkünfte (Unterkünfte für Lehrgangsteilnehmer am Standort), die gemäß Anhang B zu dieser Vereinbarung zur Verfügung gestellt werden, sind dem DOD über den einschlägigen Letter of Offer and Acceptance (DD Form 1513) zu erstatten.

Artikel 3

1. Die Abwicklung der Zahlungen erfolgt nach dem FMS-Verfahren der Vereinigten Staaten. Die Verkaufsbedingungen sind die gleichen wie im jährlichen Letter of Offer and Acceptance des DOD (DD Form 1513) festgelegt, der vor Beginn eines jeden Rechnungsjahres vorgelegt und angenommen werden muß.

2. Zahlungen durch den BMVg sind in US-Dollar gemäß den Bestimmungen des einschlägigen FMS-Case (DD Form 1513) zu leisten, der nach den Bestimmungen des US-Gesetzes über Waffenexportkontrolle (US Arms Export Control Act) abzuschließen ist. Nach Annahme dieses FMS-Case ist die Zahlung an das DOD nach Vorlage vierteljährlicher Abrechnungen durch das DOD an den BMVg entsprechend dem geplanten Ausbildungsbeginn der jeweiligen Lehrgangsteilnehmer zu leisten.

Artikel 4

Diese Vereinbarung unterliegt den Bestimmungen des NATO-Truppenstatuts vom 19. Juni 1951.

Artikel 5

1. Diese Vereinbarung tritt mit der Unterzeichnung durch Vertreter beider Vertragsparteien in Kraft und bleibt so lange wirksam, bis sie von einer der beiden Parteien gekündigt wird.
2. Falls diese Vereinbarung durch eine der beiden Parteien gekündigt wird, gelten hierfür die Bedingungen des jeweils gültigen DD-Form 1513.
3. Diese Vereinbarung kann jederzeit nach gegenseitiger Vereinbarung der Unterzeichnerparteien geändert und ergänzt werden.

Geschehen zu

Washington, 6 July 77 Bonn, 24. Mai 1977
(Datum) (Datum)

in zwei Urschriften, jede in englischer und deutscher Sprache, wobei jeder Wortlaut gleichermaßen verbindlich ist.

Ron Zell

Für das Verteidigungsministerium der Vereinigten Staaten von Amerika

Bonne

Für den Bundesminister der Verteidigung der Bundesrepublik Deutschland

Anhang AVERPFLICHTUNGEN DES BMVg

1. Der BMVg verpflichtet sich, qualifizierte Lehrgangsteilnehmer zu entsenden, die die vom US-Heer vorgeschriebenen technischen und rangmäßigen Voraussetzungen erfüllen.
2. Für den in englischer Sprache geführten Unterricht müssen die deutschen Lehrgangsteilnehmer den vom DOD vorgeschriebenen Englisch-Kenntnisstand (ECL) besitzen.
3. Die vom US-Heer zugewiesenen und eingeplanten Ausbildungsplätze sind von der deutschen Luftwaffe in Anspruch zu nehmen; im Falle der Nichtinanspruchnahme ist das US-Heer mindestens sechzig (60) Tage vor Ablauf der Anmeldefrist hiervon in Kenntnis zu setzen. Wird die Annulierung einer Anmeldung oder eine Umdisponierung nicht mindestens 60 Tage vorher mitgeteilt, wird ein Betrag in Höhe von 50 Prozent der angesetzten Lehrgangskosten im Rahmen des einschlägigen FMS-Case berechnet. Außerdem erklärt sich der BMVg bereit, einen Betrag in Höhe von mindestens 50 % der angesetzten Lehrgangskosten an das DOD zu zahlen, falls ein Lehrgangsteilnehmer, der einen Lehrgang begonnen hat, aus welchen Gründen auch immer, diesen Lehrgang nicht ordnungsgemäß abschließt.
4. Das Ausbildungskommando der deutschen Luftwaffe in Fort Bliss und das Verbindungspersonal der deutschen Luftwaffe in Fort Sill und Redstone Arsenal übernehmen alle Aufgaben im Zusammenhang mit der administrativen Betreuung der Lehrgangsteilnehmer, soweit diese Aufgaben der Unterstützung von Soldaten der deutschen Luftwaffe dienen, die von den Vereinigten Staaten veranstaltete Lehrgänge in Ausbildungseinrichtungen des US-Heeres besuchen.
5. Bezüge, Reise- und Umzugskosten für alle betroffenen Lehrgangsteilnehmer der deutschen Luftwaffe werden vom BMVg geregelt und bezahlt.

Anhang BVERPFLICHTUNGEN DES DOD

1. Soweit die Kapazität vorhanden ist, bemüht sich das DOD, Plätze für Lehrgänge in Ausbildungseinrichtungen des US-Heeres zur Ergänzung des Ausbildungsprogramms der deutschen Luftwaffe in der vom BMVg gewünschten Anzahl und Zeit zur Verfügung zu stellen und einzuplanen.
2. Soweit die Kapazität vorhanden ist, bemüht sich das DOD, Sonderausbildungslehrgänge (nur deutsch) in Ausbildungseinrichtungen des US-Heeres durchzuführen, wenn seitens des BMVg der Wunsch nach solcher Sonderausbildung geäußert worden ist. Diese einzelnen Sonderausbildungslehrgänge werden nach einem vereinbarten Lehrprogramm durchgeführt. Programmänderungen bedürfen der gegenseitigen Vereinbarung.
3. Das Jahresprogramm der für die deutsche Luftwaffe zur Verfügung gestellten Ausbildungsmöglichkeiten in Einrichtungen des US-Heeres ist vor Beginn eines jeden Rechnungsjahres der Vereinigten Staaten vorzulegen.
4. Soweit verfügbar, stellt das DOD Unterkünfte der gleichen Art wie für amerikanische Offiziere, Mannschaften und Unteroffiziere vergleichbaren Rangs zur Verfügung; sollten keine angemessenen Unterkünfte verfügbar sein, wird das DOD dem Personal der deutschen Luftwaffe bei der Beschaffung von Unterkünften behilflich sein.
5. Die ärztliche und zahnärztliche Versorgung des Personals der deutschen Luftwaffe erfolgt in gleicher Weise und im gleichen Umfang, wie sie Offizieren, Mannschaften und Unteroffizieren vergleichbaren Rangs des US-Heeres zuteil wird; berechtigte Angehörige des Personals der deutschen Luftwaffe werden, soweit wie möglich, in gleicher Weise und im gleichen Umfang wie Angehörige der amerikanischen Soldaten ärztlich versorgt.
6. Das DOD gestattet die Benutzung der amerikanischen Einkaufsstätten und der ohne Haushaltssmittel arbeitenden Organisationen

durch deutsches militärisches Personal, solange dieses bei den US-Streitkräften Dienst tut, sowie durch dessen Familienangehörige und zwar nach den gleichen Bedingungen, wie sie für Offiziere, Mannschaften und Unteroffiziere vergleichbaren Rangs des US-Heeres gelten.

AFGHANISTAN

Agricultural Credit

*Agreement signed at Kabul September 18, 1977;
Entered into force September 18, 1977.*

**PROJECT AGREEMENT
BETWEEN THE DEPARTMENT OF STATE, AGENCY FOR
INTERNATIONAL DEVELOPMENT (AID), AN AGENCY OF THE
GOVERNMENT OF THE UNITED STATES OF AMERICA, AND**

The Ministry of Planning

AN AGENCY OF THE Government of Afghanistan

The above-named parties hereby mutually agree to carry out a project in accordance with the terms set forth herein and the terms set forth in any annexes attached hereto, as checked below:

PROJECT DESCRIPTION ANNEX A

FOREIGN CURRENCY STANDARD PROVISIONS ANNEX

STANDARD PROVISIONS ANNEX [1]

SPECIAL LOAN PROVISIONS ANNEX

1. PROJECT/ACTIVITY NO.
306-0165

2. AGREEMENT NO.
AO No. 1

3. ORIGINAL OR REVISION NO. _____

4. PROJECT/ACTIVITY TITLE

Agricultural Credit

This Project Agreement is further subject to the terms of the following agreement between the two governments, as modified and supplemented:

GENERAL AGREEMENT FOR TECHNICAL COOPERATION

DATE
02-07-1961 [1]

ECONOMIC COOPERATION AGREEMENT

DATE
06-28-1966 [1]

(other)
TO Program Agreement as amended

DATE
06-30-1968 [1]

5. PROJECT DESCRIPTION AND EXPLANATION

(See Annex A attached)

6. AID APPROPRIATION SYMBOL
72-11X1023

7. AID ALLOTMENT SYMBOL
402-50-806-00-00-71

8. AID FINANCING

DOLLARS LOCAL CURRENCY

PREVIOUS TOTAL

(A)

INCREASE

(B)

DECREASE

(C)

TOTAL TO DATE

(D)

(a) Total

\$5,000,000

\$5,000,000

(b) Contract Services

(c) Commodities

(d) Other Costs

5,000,000

5,000,000

8. COOPERATING AGENCY FINANCING-DOLLAR EQUIVALENT

\$1.00=

(a) Total

(b) Technical and Other Services

(c) Commodities

(d) Other Costs

10. SPECIAL PROVISIONS (Use Additional Continuation Sheets, if Necessary)

11. DATE OF ORIGINAL AGREEMENT
September 18, 1977

12. DATE OF THIS REVISION

13. ESTIMATED FINAL CONTRIBUTION DATE
September 30, 1980

14. FOR THE COOPERATING GOVERNMENT OR AGENCY

ALI AHMAD KHURRAM
SIGNATURE: Ali Ahmad Khurram
DATE: 9/18/77
TITLE: Minister of Planning

15. FOR THE AGENCY FOR INTERNATIONAL DEVELOPMENT

J. B. AMSTUTE
SIGNATURE: Charles B. Grader
DATE: 9/18/77
TITLE: Director, USAID/A, Kabul

¹ Not printed herein. For text, see TIAS 8590: 28 UST 3635.

* TIAS 2210, 2624; 2 UST 592; 3 UST 4883.

* TIAS 3606; 7 UST 2047.

* TIAS 2856, 8646; 4 UST 2012; 28 UST 5466.

A.I.D. Project Number 306-0165
A.I.D. Appropriation Symbol 72-11X1023
A.I.D. Allotment Symbol 402-50-306-00-69-71

**PROJECT
GRANT AGREEMENT
BETWEEN THE
REPUBLIC OF AFGHANISTAN
AND THE
UNITED STATES OF AMERICA
FOR
AGRICULTURAL CREDIT**

Dated: SEPTEMBER 18, 1977

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Project Number: 306-0165
Project Title: Agricultural Credit

PROJECT GRANT AGREEMENT

Dated: SEPTEMBER 18, 1977

Between

THE REPUBLIC OF AFGHANISTAN ("Grantee")

And

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

ARTICLE I: The Agreement

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

ARTICLE II: The Project

The Project, which is further described in Annex 1, will consist of the provision of agricultural credit to the Agricultural Development Bank of Afghanistan ("Ag Bank") through the Grantee to finance short-term fertilizer and improved seeds seasonal crop production loans to small-scale farmers and agricultural cooperatives. (A small-scale farmer is defined as a person who purchases fertilizer and improved seeds for twenty jeribs or less.) Annex 1, attached, amplifies the definition of the Project contained in this Section 2.1. Within the limits of the definition of the Project in this Section 2.1, elements of the amplified description stated in Annex 1 may be changed by written agreement of the authorized representatives of the Parties names in Section 8.2. without formal amendment of this Agreement.

ARTICLE III: 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 Five Million United States ("U.S.") Dollars (\$5,000,000) ("Grant").

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

¹ 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 the Grantee, as contribution of the Ag Bank, for the Project will be not less than the equivalent of three million one hundred and ninety-four thousand U.S. Dollars (\$3,194,000).

SECTION 3.3. Project Assistance Completion Date.

(a) The "Project Assistance Completion Date" (PACD), which is September 30, 1980, or such other date as the Parties may agree to in writing, is the date by which the Parties estimate that all services financed under the Grant will have been 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 or 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 periods 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 IV: Conditions Precedent to Disbursement**SECTION 4.1. First Disbursement.**

Prior to the first disbursement of the Grant, or to the issuance by A.I.D. of documentation pursuant to which the first disbursement of the Grant 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 the Chief Legal Officer of the Republic of Afghanistan or of other counsel acceptable to A.I.D. that this Agreement and the related Letter Agreement of same date, have been duly authorized and/or ratified by, and executed on behalf of the Grantee, and that they constitute valid and legally binding obligations of the Grantee in accordance with all of their terms.

(b) 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.

(c) An agreement between the Grantee and the Ag Bank making the amount of the Grant available to the Ag Bank for the Project which explains the terms and conditions by which the Grantee is lending this amount to the Ag Bank.

(d) Such other evidence or document as A.I.D. may reasonably require.

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 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 the Grantee.

ARTICLE V: Special Covenants

SECTION 5.1. Project Evaluation.

The Parties agree to establish an evaluation program as part of the Project in accordance with Annex I. Except as the Parties otherwise agree in writing, AID's evaluation will be done jointly with evaluations carried out by the IBRD/IDA. Copies of all reports pertaining to the Ag Bank's loans for seasonal crop production loans provided to IBRD/IDA will also be provided to USAID on a routine basis. Additional reports will be provided by the Grantee or the Ag Bank if required and requested by AID and as agreed by both parties.

ARTICLE VI: Procurement Source

SECTION 6.1. 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 Afghanistan ("Local Currency Costs").

ARTICLE VII: Disbursement

SECTION 7.1. 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 by acquisition by A.I.D. with U.S. Dollars by purchase. 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 7.2. 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.

If funds provided under the Grant are introduced into Afghanistan 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 Afghanistan at the highest rate of exchange which, at the time the conversion is made, is not unlawful in Afghanistan.

ARTICLE VIII: 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 | The Ministry of Planning Kabul, Afghanistan |
| Cable Address | MINPLAN KABUL |

To A.I.D.:

| | |
|---------------|---|
| Mail Address | USAID c/o American Embassy Kabul, Afghanistan |
| Cable Address | USAID KABUL |

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 Minister of Planning and A.I.D. will be represented by the individual holding or acting in the office of Director, USAID Mission to Afghanistan, each of whom, by written notice, may designate additional represent-

atives 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.

IN WITNESS WHEREOF, the Republic of Afghanistan 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 AFGHANISTAN

By: **ALI AHMAD KHURRAM**

Name: Ali Ahmad Khurram

Title: *Minister of Planning*

UNITED STATES OF AMERICA

By: **J. B. AMSTUTZ**

Name: J. Bruce Amstutz

Title: *Charge d'Affaires ad interim*

Ag Credit

Part 1

ANNEX 1

The project has been developed in concert with the third IBRD/IDA loan to the Government of Afghanistan (GOA) in the amount of \$12,000,000 and a Canadian International Development Association (CIDA) loan in the amount of \$5,000,000 Canadian dollars. Proceeds from loans are to be on-lent to the Agricultural Development Bank of Afghanistan (Ag Bank) for its agricultural lending operations, supporting services, technical assistance and for preparing a fertilizer study. The IDA credit including its integrated CIDA component was negotiated with the GOA and the Project Agreements were signed on June 20, 1977. USAID's contribution of a \$5 million grant will be given to the GOA which in turn will lend the full amount to the Ag Bank for use in making short-term seasonal crop production loans (fertilizers and improved seeds) to the operators of small farms. In addition, U.S. \$1,756,000 from the IDA loan and \$690,000 from the CIDA loan will be utilized for the seasonal crop production loans. The total allocation for these seasonal loans would be \$7,446,000. The Ag Bank will provide an additional \$3,194,000. The attached Financial Plan breaks out these contributions.

The GOA will lend to the Ag Bank the funds that are provided under the IDA/CIDA loans and the USAID grant. The GOA will loan the funds to the Ag Bank at 4.5 percent per annum for 15 years with a 5-year grace period and 10 years for repayment. The Ag Bank will be reimbursed for 70 percent of annual incremental disbursements commencing from the date of this Agreement for the incremental value of its seasonal crop production loans. The term "annual incremental disbursement" means the difference between the total amounts disbursed in a given year and the total amount disbursed in the twelve months immediately preceding. IDA and CIDA loans together will finance 23 percent of the above-mentioned 70 percent while USAID will finance the remaining 47 percent so long as it is not in excess of the annual total incremental amount loaned to small-scale farmers.

Both parties recognize the difficulty in defining a small farmer. There are many variables involved which create this difficulty such as the number of jeribs under irrigation, type of crop grown, and water availability which will directly affect the income and livelihood of a farmer. It is understood the Ag Bank will conduct analysis of fertilizer usage, land tenure, credit recipients, etc., during the life of this project. It is possible during this analysis that evidence will become available which will make it obvious to both parties that the definition of a small farmer as appears herein as part of Article II, Section 2.1 is no longer appropriate. In that case, both parties agree to meet and jointly revise the definition. Both parties may then agree to amend this Agreement to reflect the more precise definition of a small farmer.

Part 2

ANNEX 1 Financial Plan

| <u>Donor</u> | <u>Contribution</u> (\$US) |
|---------------|-------------------------------|
| AID Grant | 5,000,000 |
| IBRD/IDA Loan | 1,756,000 |
| CIDA Loan | 690,000 |
| Ag Bank | <u>3,194,000</u> |
| TOTAL | 10,640,000 |

GUYANA
Acquisition of Excess Property

*Agreement signed at Washington and Georgetown
June 6 and July 6, 1977;
Entered into force July 6, 1977.*

The Acting Assistant Administrator for Latin America, Agency for International Development, to the Guyanese Minister of Economic Development



UNITED STATES COORDINATOR
ALLIANCE FOR PROGRESS

DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT
Washington, D. C. 20523

June 6, 1977

Honorable
Hugh Desmond Hoyte, S.C., M.P.
Minister of Economic Development
Ministerial Building
Avenue of the Republic
Georgetown, Guyana

Dear Mr. Hoyte:

I am pleased to inform you that the request of the Government of Guyana, hereinafter called the "recipient", to receive United States Government-owned excess property has been approved.

In accordance with Section 607(a) of the Foreign Assistance Act of 1961, as amended,^[1] the Agency for International Development (AID) has authorized the recipient to acquire Section 608 domestic and foreign excess property, to the extent available, in the kinds and amount described in the enclosure to this letter. This letter, when accepted and agreed to by the recipient, authorizes the recipient to initiate the procedures referred to herein for acquiring such property and sets forth terms and conditions governing the transfer and use of such property. The AID authorization and the terms and conditions of this letter will be effective until June 30, 1980, unless sooner modified or terminated by AID.

The total amount of property which can be transferred in accordance with this letter, measured in terms of original acquisition cost, is \$2,000,000.

The following procedures, terms, conditions will govern the acquisition, transfer, and use of all property described in the enclosure to this letter delivered to the recipient:

Section 607(b) Determinations

All transfers hereunder are conditional upon the prior accomplishment of the determinations required by Section 607(b) of the Foreign Assistance Act of 1961, as amended.

Charges

1. Section 608 Domestic and Foreign Excess Property

¹75 Stat. 441; 22 U.S.C. § 2357.

a. General

All transfers hereunder of Section 608 excess property will be effected by AID without charge as to the value of the property. Charges are made for Section 608 excess property covering the applicable AID service charges and the AID outshipment charges.

b. AID Service Charges

(1) Reconditioned property shipped from the AID storage facility -- the sum of (a) actual cost of inland transportation from the holding activity to the AID storage facility, (b) actual cost of reconditioning, and (c) 1% of the original acquisition cost.

(2) Unreconditioned property shipped from the AID storage facility -- the sum of (a) actual cost of inland transportation from the holding activity to the AID storage facility and (b) 3% of the original acquisition cost.

(3) Unreconditioned property shipped from the holding activity -- 3% of the original acquisition cost.

c. AID Outshipment Charges

(1) Ocean shipment via the Military Sealift Command (MSC)-- 14% of the original acquisition cost to cover all outshipment charges through ocean transportation.

(2) Ocean shipment via the recipient's own freight forwarder -- 6% of the original acquisition cost to cover outshipment charges to that freight forwarder at the port of unloading.

d. Deposits

No transfers of Section 608 excess property will be effected under this agreement prior to receipt by AID of the required deposit by the recipient to the U.S. Dollar Trust Fund Account 72X8502. After final disbursements have been made, funds remaining in the trust fund account will be returned to the recipient.

Acquisition

Upon concurrence by the recipient in this agreement, requests for availability of Section 608 excess property will be transmitted to AID Excess Property Division, Building 54-5, New Cumberland Army Depot, New Cumberland, Pennsylvania 17070. The request will be marked "Recipient-Financed" and will include (a) stock number and/or description of the item, (b) quantity, (c) unit of issue, (d) condition (reconditioned or unreconditioned), (e) required delivery date, and (f) planned application or end-use.

Title

1. Title to Section 608 excess property approved for transfer will pass from the United States to the recipient upon delivery of the property to the recipient's designated freight forwarder or, if shipment is via the MSC, when the property is placed aboard the ocean carrier.

2. After title to excess property has passed to the recipient, the recipient shall assume all responsibilities incident to ownership of such property, including, but not limited to, all risks of loss of or damage to the property and of all damage caused by or charges incurred on the property.

Ocean Transportation

1. The provisions of Subpart B, Section 201.15 (U.S.-flag vessel shipping requirement) of AID Regulation 1 (22 CFR Part 201) are applicable to all property transferred hereunder. Property transferred hereunder is deemed to be "commodities financed with AID dollar funds" within the meaning of that section.

2. The recipient agrees to furnish to the AID Mission or U.S. Embassy in the country to which the property is shipped, one copy of the onboard bill of lading covering each shipment not later than 30 days after the date of the shipment.

Use of Property

1. The recipient agrees that the property transferred to it will be used promptly and effectively only in the public sector of Guyana for economic and social development purposes (not for use as support of public safety activities, by the military sector or by the private sector) under the jurisdiction of the various ministries of the Government of Guyana.

2. The recipient agrees that (a) the reconditioning of items of mechanical equipment which require reconditioning before use will commence within 6 months after the date of physical receipt and (b) such items will be utilized within 18 months after the date of placement of the purchase order or Section 607 (a) shipping authorization.

No Warranty on Property

The property transferred hereunder is used and excess to the United States Government and is transferred "as is" with all faults. AID is not responsible for and makes no warranty regarding the fitness, condition, or safety of operation of the property transferred.

Control and Disposition of Property

1. The following provisions are applicable to each item of excess

property for one year after the date of its arrival in the country to which it was shipped by the recipient.

a. The recipient will maintain accountability records on all items except expendable items.

b. All accounts and records pertaining to the item are subject to audit by AID representatives, including the right to inspect the item wherever it is located.

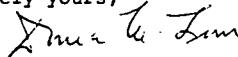
c. The recipient will not retransfer or otherwise dispose of the item without prior approval of the AID Mission or U.S. Embassy in the country to which it was shipped by the recipient.

d. In the event that sale or other disposition of the item is approved, the recipient will conduct such sale or other disposition under terms and conditions, including purchaser eligibility, prescribed by such Mission or Embassy. All proceeds resulting therefrom will accrue directly and in full to the recipient.

2. One year after the date of arrival of an item of excess property in the country to which it was shipped by the recipient, the recipient may dispose of the item without seeking the approval of such Mission or Embassy. All proceeds resulting from such disposition will accrue directly and in full to the recipient.

If you concur in the foregoing conditions, please sign the original of this letter in the space provided below and return it to me.

Sincerely yours,



Donor M. Lion
Acting Assistant Administrator
for Latin America

Enclosure: List of Requirements

ACCEPTED AND AGREED TO:

RECIPIENT: Government of Guyana

BY: H. Hoyte^[1]
Minister of Economic Development
DATE: 6th July 1977

¹ H. Hoyte

LIST OF REQUIREMENTS

U.S. Government-owned excess property which may be furnished to the recipient shall not exceed a total original acquisition cost of \$2,000,000 and shall be furnished from the following Federal Supply Groups:

| <u>Federal Supply Groups</u> | <u>Description</u> |
|------------------------------|---|
| 12 | Fire Control Equipment |
| 19 | Ships, Small Craft, Pontoons, and Floating Docks |
| 20 | Ship and Marine Equipment |
| 23 | Ground Effect Vehicles, Motor Vehicles, Trailers and Cycles |
| 24 | Tractors |
| 25 | Vehicular Equipment Components |
| 26 | Tires and Tubes |
| 30 | Mechanical Power Transmission Equipment |
| 32 | Woodworking Machinery and Equipment |
| 34 | Metalworking Machinery |
| 35 | Service and Trade Equipment |
| 37 | Agricultural Machinery and Equipment |
| 38 | Construction, Mining, Excavating, and Highway Maintenance Equipment |
| 39 | Materials Handling Equipment |
| 40 | Rope, Cable, Chain, and Fittings |
| 41 | Refrigeration, Air Conditioning, and Air Circulation Equipment |
| 42 | Firefighting, Rescue, and Safety Equipment |
| 43 | Pumps and Compressors |
| 45 | Plumbing, Heating, and Sanitation Equipment |
| 46 | Water Purification and Sewage Treatment Equipment |
| 47 | Pipe, Tubing, Hose, and Fittings |
| 49 | Maintenance and Repair Shop Equipment |
| 51 | Hand Tools |
| 52 | Measuring Tools |
| 54 | Prefabricated Structures and Scaffolding |
| 55 | Lumber, Millwork, Plywood, and Veneer |
| 56 | Construction and Building Materials |
| 59 | Electrical and Electronic Equipment Components |
| 61 | Electric Wire, and Power and Distribution Equipment |
| 63 | Alarm and Signal Systems |
| 65 | Medical, Dental, and Veterinary Equipment and Supplies |

| <u>Federal Supply Group</u> | <u>Description</u> |
|-----------------------------|---|
| 66 | Instruments and Laboratory Equipment |
| 69 | Training Aids and Devices |
| 74 | Office Machines, Visible Record Equipment, and Data Processing |
| 75 | Office Supplies and Devices |
| 76 | Books, Maps, and Other Publications |
| 78 | Recreational and Athletic Equipment |

STATEMENT: The above listed group of equipment will be used only in the public sector of Guyana for economic and social development purposes (not for use as support of public safety activities, by the military sector or by the private sector) under the jurisdiction of the various ministries of the Government of Guyana.

HAITI

Trade in Textiles and Textile Products

*Agreements amending the agreement of March 22 and 23, 1976
as amended.*

Effectuated by exchange of notes

Dated at Washington July 19, 1977;

Entered into force July 19, 1977.

And exchange of notes

Dated at Washington August 11, 1977;

Entered into force August 11, 1977.

And exchange of notes

Dated at Washington September 14 and 15, 1977;

Entered into force September 15, 1977.

And exchange of notes

Signed at Washington November 23, 1977;

Entered into force November 23, 1977.

And exchange of notes

Signed at Washington October 13, 1978;

Entered into force October 13, 1978.

The Department of State to the Haitian Embassy

The Department of State acknowledges receipt of the note of June 28, 1977 [¹] from the Embassy of Haiti concerning the consultation levels for Categories 55 and 231 of the bilateral agreement of March 22 and 23, as amended, [²] on trade in cotton, wool and man-made fiber textile products between the United States and the Republic of Haiti (hereafter referred to as the Agreement).

In response to the request from the Embassy of Haiti for permission to exceed the consultation level in Categories 55 and 231, the Government of the United States proposes that Haiti be permitted to exceed the applicable level for each of these Categories for the second agreement year by 1,000,000 square yards equivalent (SYE). The new authorized shipment level for each Category would be 1,700,000 SYE.

If the foregoing proposal is acceptable to the Government of the Republic of Haiti, this note and the Embassy's note of confirmation shall constitute an agreement between the Governments of the Re-

¹ Not printed.

² TIAS 8268, 8395, 8643; 27 UST 1595, 3785; 28 UST 5447.

public of Haiti and of the United States of America pursuant to paragraph 7 of the Agreement.

P H B

DEPARTMENT OF STATE,
WASHINGTON, *July 19, 1977*

The Haitian Embassy to the Department of State

AMBASSADE D' HAITI
WASHINGTON

AW/46-483

THE EMBASSY OF HAITI presents its compliments to the Department of State of the United States and has the honor to refer to its note of July 19, 1977 proposing new levels of 1.7 millions square yard for categories 55 and 231 respectively.

The Embassy confirms that this proposal is acceptable to the Government of Haiti.

Your note and this note of acceptance constitute an agreement amending the Bilateral Agreement on Textiles between the United States and Haiti.

The Embassy of Haiti avails itself of this opportunity to renew to the Department of State of the United States the assurances of its highest consideration.

WASHINGTON, D.C., *July 19, 1977*

GEORGES SALOMON

[SEAL]

THE HONORABLE DEPARTMENT OF STATE
OF THE UNITED STATES OF AMERICA
WASHINGTON, D.C.

The Department of State to the Haitian Embassy

The Department of State acknowledges receipt of the note of August 5, 1977¹] from the Embassy of Haiti concerning the consultation level for Category 51 of the bilateral agreement of March 22

¹ Not printed.

and 23, 1976, as amended, on trade in cotton, wool and man-made fiber textile products between the United States and Haiti (hereafter referred to as the Agreement).

In response to the request from the Embassy of Haiti for permission to exceed the consultation level in Category 51 of the Agreement, the Government of the United States proposes that for the second agreement year Categories 50 and 51 be merged and made subject to a consultation level of 1,700,000 SYE for the merged category.

If the foregoing proposal is acceptable to the Government of the Republic of Haiti, this note and the Embassy's note of confirmation shall constitute an agreement between the Governments of the Republic of Haiti and of the United States of America pursuant to paragraph 7 of the Agreement.

DEPARTMENT OF STATE,
WASHINGTON, *August 11, 1977*

—
The Haitian Embassy to the Department of State

AMBASSADE D' HAITI
WASHINGTON

AW/41-582.

THE EMBASSY OF HAITI IN WASHINGTON presents its compliments to the Department of State of the United States and has the honor to acknowledge receipt of the Note of August 11, 1977 proposing that category 50 and category 51 of the bilateral Textiles Agreement of March 22 and 23, 1976 to be merged and made subject to a consultation level of 1700.000 SYE for the merged categories in the Second year of the Agreement.

The Government of Haiti has given its acceptance to the proposal and this note and the State Department's note shall constitute an agreement between the Government of the United States of America and the Republic of Haiti pursuant to paragraph 7 of the Agreement.

THE EMBASSY OF HAITI avails itself of the opportunity to renew to the Department of State the assurances of its highest consideration.

Washington, D.C. August 11, 1977.

GEORGES SALOMON [SEAL]

Georges Salomon
Ambassadeur

The Department of State to the Haitian Embassy

The Department of State acknowledges receipt of the note of September 7, 1977 [¹] from the Embassy of Haiti concerning the consultation levels for Categories 54, 223 and 215 of the bilateral agreement of March 22 and 23, 1976, as amended, on trade in cotton, wool and man-made fiber textile products between the United States and the Republic of Haiti (hereafter referred to as the Agreement).

The Government of the United States of America agrees to the request of the Republic of Haiti to exceed the consultation levels in Categories 54, 223 and 215 and proposes for the current agreement year the following new consultation levels:

| | |
|--------------|----------------------------------|
| Category 54 | 1,500,000 square yard equivalent |
| Category 223 | 2,500,000 square yard equivalent |
| Category 215 | 5,000,000 square yard equivalent |

If the foregoing proposal is acceptable to the Government of the Republic of Haiti, this note and the Embassy's note of confirmation will constitute an agreement between the Governments of the United States of America and the Republic of Haiti pursuant to paragraph 7 of the Agreement.

P H B

DEPARTMENT OF STATE,
WASHINGTON, *September 14, 1977*

The Haitian Embassy to the Department of State

AMBASSADE D' HAITI
WASHINGTON

AW/41-606

THE EMBASSY OF HAITI IN WASHINGTON presents its compliments to the Department of State of the United States and has the honor to acknowledge receipt of the Note of September 14, 1977 proposing, according to its request, that the consultation levels of categories 54, 223, 215 of the bilateral Textiles agreement of March 22 and 23, 1976 be amended as follows, for the remaining months of the year 1977.

| | | |
|----------------------|---|-----------------|
| <u>Category 54.</u> | Playsuits, sunsuits, washsuits, creepers, rompers | SYE 1. 500. 000 |
| | from: 1.000.000 SYE to | |
| <u>Category 223.</u> | Underwear, Knit from: 2.000.00 to | SYE 2. 500. 000 |
| <u>Category 215.</u> | Hosiery from 4.000.00 to | SYE 5. 000. 000 |

The Government of Haiti has given its acceptance to the proposal and this note and the State Department's note shall constitute an

¹ Not printed.

agreement between the Government of the United States of America and the Republic of Haiti pursuant to paragraph 7 of the Agreement.

THE EMBASSY OF HAITI avails itself of the opportunity to renew to the Department of State the assurances of its highest consideration.

WASHINGTON, D.C., September 15, 1977.

GEORGES SALOMON
[SEAL]

THE HONORABLE DEPARTMENT OF STATE OF THE
UNITED STATES OF AMERICA
WASHINGTON, D.C.

The Acting Secretary of State to the Haitian Ambassador

NOVEMBER 23, 1977

EXCELLENCY:

I have the honor to refer to the Arrangement Regarding International Trade in Textiles done at Geneva on December 20, 1973 [^] (the "Arrangement") and to discussions concerning trade in textiles and textile products between representatives of the Governments of Haiti and the United States of America in Washington from October 3 to 7, 1977. On the basis of these discussions and in accordance with Article 4 of the Arrangement, I have the honor to propose that the Agreement between the United States of America and Haiti Concerning Trade in Cotton, Wool and Man-made Fiber Textiles and Textile Products, of March 23, 1976, as amended (hereinafter referred to as the "Agreement"), be further amended as follows:

1. During the agreement year commencing January 1, 1978, the Government of Haiti will, tentatively, implement the Agreement in accordance with the new category system (Annex A hereto) to be put into effect by the Government of the United States on January 1, 1978 and limit exports of textiles and textile products from Haiti to the United States to the indicative quantities set out in Annex B hereto. Indicative quantities designated as "SL" in Annex B represent specific limits and indicative quantities designated "DCL" or "MCL" in Annex B represent consultation levels. The indicative quantities set out in Annex B are subject to modification in accordance with the procedures set out herein, or as otherwise provided in the Agreement.

2. Both Governments agree that indicative quantities will tend to represent fair and appropriate allocations of export restraint levels under the category system presently in use to categories under the system to be implemented beginning January 1, 1978.

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

3. Prior to December 1, 1977, the Government of Haiti will inform the Government of the United States of America of what it considers to be appropriate indicative quantities for the agreement year beginning January 1, 1978.

The Government of the United States of America will promptly inform the Government of Haiti whether or not it agrees to the indicative quantities proposed by the Government of Haiti. If necessary, representatives of the two Governments will meet promptly to discuss differences between the indicative quantities set under paragraph 1 above and those proposed by the Government of Haiti. The Government of the United States of America assures the Government of Haiti that when a quota for 1977 has been adjusted and is filled either totally or in part, such trade will be considered for automatic inclusion in indicative quantities for the agreement year beginning January 1, 1978 if not questioned by either Government.

4. Concurrently with its proposals under paragraph 3, the Government of Haiti may also propose increases in indicative quantities for 1978; the United States will promptly respond to such proposals. The Government of Haiti may also propose increases in indicative quantities during the course of any discussions held pursuant to paragraph 3 above; the Government of the United States of America will consider such proposals as part of the discussions.

5. Both Governments agree to conduct a major joint review of the operation of the new category system during late March or early April 1978; if warranted, appropriate adjustments to the Agreement or its implementation will be made following the joint review.

6. The Government of the United States of America will cooperate with the Government of Haiti, particularly with respect to the provision of information to technical specialists concerning operation of the new category system.

7. a) For the agreement year beginning January 1, 1977, category 50/51 shall be separated to categories 50 and 51. The Government of the United States of America agrees to the request of the Government of the Republic of Haiti to exceed certain consultation levels for the agreement year beginning January 1, 1977; accordingly, the Categories set out below shall be subject to the following new consultation levels for that agreement year:

| <u>Category</u> | <u>Consultation Level (Square Yards Equivalent)</u> |
|-----------------|---|
| 50 | 2,000,000 |
| 51 | 2,000,000 |
| 53 | 1,500,000 |
| 54 | 2,000,000 |
| 55 | 2,000,000 |
| 215 | 6,000,000 |
| 223 | 3,000,000 |

b) The Government of the United States of America agrees to the request of the Government of the Republic of Haiti to modify certain specific limits for the agreement year beginning January 1, 1977; accordingly, the Categories set out below shall be subject to the following new specific limits for that agreement year:

| <u>Category</u> | <u>Specific Limit</u> (Square Yards Equivalent) |
|-----------------|--|
| 222 | 2, 951, 000 |
| 238 | 7, 000, 000 |

If the foregoing proposal is acceptable to the Government of the Republic of Haiti, this note and Your Excellency's note of confirmation will constitute an agreement between the Government of the Republic of Haiti and the United States of America, amending the Agreement.

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

For the Acting Secretary of State:

WILLIAM BARRACLOUGH

His Excellency

GEORGES SALOMON,

Ambassador of Haiti.

ANNEX A

| <u>Category</u> | <u>Description</u> | <u>Conversion Factor</u> | <u>Unit of Measure</u> |
|-----------------|---------------------|--------------------------|------------------------|
| 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. cellulose | 5. 2 | Lb. |
| 602 | Cont. noncellulosic | 11. 6 | Lb. |
| 603 | Spun cellulose | 3. 4 | Lb. |
| 604 | Spun noncellulosic | 4. 1 | Lb. |
| 605 | Other yarns | 3. 5 | Lb. |
| Fabric: | | | |
| Cotton: | | | |
| 310 | Ginghams | 1. 0 | Syd. |
| 311 | Velveteens | 1. 0 | Syd. |
| 312 | Corduroy | 1. 0 | Syd. |
| 313 | Sheeting | 1. 0 | Syd. |
| 314 | Broadcloth | 1. 0 | Syd. |
| 315 | Printcloths | 1. 0 | Syd. |
| 316 | Shirtings | 1. 0 | Syd. |
| 317 | Twills and Sateens | 1. 0 | Syd. |
| 318 | Yarn-dyed | 1. 0 | Syd. |

ANNEX A—Continued

| <u>Category</u> | <u>Description</u> | <u>Conversion Factor</u> | <u>Unit of Measure</u> |
|-------------------------|---|--------------------------|------------------------|
| Fabric—Continued | | | |
| Cotton—Continued | | | |
| 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. |
| 610 | Cont. cellulosic, n.k. | 1. 0 | Syd. |
| 611 | Spun cellulosic, n.k. | 1. 0 | Syd. |
| 612 | Cont. noncellulosic, n.k. | 1. 0 | Syd. |
| 613 | Spun noncellulosic, n.k. | 1. 0 | Syd. |
| 614 | Other fabrics, n.k. | 1. 0 | Syd. |
| 625 | Knit | 7. 8 | Lb. |
| 626 | Pile and tufted | 1. 0 | Syd. |
| 627 | Specialty | 7. 8 | Lb. |
| Apparel: | | | |
| Cotton: | | | |
| 330 | Handkerchiefs | 1. 7 | Dz. |
| 331 | Gloves | 3. 5 | Dpr. |
| 332 | Hosiery | 4. 6 | Dpr. |
| 333 | Suit-type coats, M and B | 36. 2 | Dz. |
| 334 | Other coats, M and B | 41. 3 | Dz. |
| 335 | Coats, W, G and I | 41. 3 | Dz. |
| 336 | Dresses (inc. uniforms) | 45. 3 | Dz. |
| 337 | Playsuits, sunsuits, washsuits, creepers | 25. 0 | Dz. |
| 338 | Knit shirts, (inc. T-shirts, other and sweatshirts) M and B | 7. 2 | Dz. |
| 339 | Knit shirts and blouses (inc. T-shirts other & sweatshirts) W, G and I | 7. 2 | Dz. |
| 340 | Shirts, n.k. | 24. 0 | Dz. |
| 341 | Blouses, n.k. | 14. 5 | Dz. |
| 342 | Skirts | 17. 8 | Dz. |
| 345 | Sweaters | 36. 8 | Dz. |
| 347 | Trousers, slacks, and shorts (outer) M and B | 17. 8 | Dz. |
| 348 | Trousers, slacks and shorts (outer) W, G and I | 17. 8 | Dz. |
| 349 | Brassieres, etc. | 4. 8 | Dz. |
| 350 | Dressing gowns, inc. bathrobes, and beach robes, lounging gowns, house coats, and dusters | 51. 0 | Dz. |
| 351 | Pajamas and other nightwear | 52. 0 | Dz. |
| 352 | Underwear (inc. union suits) | 11. 0 | Dz. |
| 359 | Other apparel | 4. 6 | Lb. |
| Wool: | | | |
| 431 | Gloves | 2. 1 | Dpr. |
| 432 | Hosiery | 2. 8 | Dpr. |
| 433 | Suit-type coats, M and B | 3. 0 | No. |
| 434 | Other coats, M and B | 4. 5 | No. |
| 435 | Coats, W, G and I | 4. 5 | No. |
| 436 | Dresses | 4. 1 | No. |
| 438 | Knit shirts and blouses | 15. 0 | Dz. |
| 440 | Shirts and blouses, n.k. | 24. 0 | Dz. |
| 442 | Skirts | 1. 5 | No. |
| 443 | Suits, M and B | 4. 5 | No. |
| 444 | Suits, W, G and I | 4. 5 | No. |
| 445 | Sweaters, M and B | 14. 88 | Dz. |
| 446 | Sweaters, W, G and I | 14. 88 | Dz. |

ANNEX A—Continued

| <u>Category</u> | <u>Description</u> | <u>Conversion Factor</u> | <u>Unit of Measure</u> |
|----------------------------|---|--------------------------|------------------------|
| Apparel—Continued | | | |
| Wool—Continued | | | |
| 447 | Trousers, slacks, and shorts (outer), M and B | 1.5 | No. |
| 448 | Trousers, slacks and shorts (outer), W, G and I | 1.5 | No. |
| 459 | Other wool apparel | 2.0 | Lb. |
| Man-made fiber: | | | |
| 630 | Handkerchiefs | 1.7 | Dz. |
| 631 | Gloves | 3.5 | Dpr. |
| 632 | Hosiery | 4.6 | Dpr. |
| 633 | Suit-type coats, M and B | 36.2 | Dz. |
| 634 | Other coats, M and B | 41.3 | Dz. |
| 635 | Coats, W, G and I | 41.3 | Dz. |
| 636 | Dresses | 45.3 | Dz. |
| 637 | Playsuits, sunsuits, washsuits, etc. | 21.3 | Dz. |
| 638 | Knit shirts, (inc. T-shirts), M and B | 18.0 | Dz. |
| 639 | Knit shirts and blouses (inc. T-shirts), W, G and I | 15.0 | Dz. |
| 640 | Shirts, n.k. | 24.0 | Dz. |
| 641 | Blouses, n.k. | 14.5 | Dz. |
| 642 | Skirts | 17.8 | Dz. |
| 643 | Suits, M and B | 4.5 | No. |
| 644 | Suits, W, G and I | 4.5 | No. |
| 645 | Sweaters, M and B | 36.8 | Dz. |
| 646 | Sweaters, W, G and I | 36.8 | Dz. |
| 647 | Trousers, slacks, and shorts (outer), M and B | 17.8 | Dz. |
| 648 | Trousers, slacks and shorts (outer), W, G and I | 17.8 | Dz. |
| 649 | Brassieres, Etc. | 4.8 | Dz. |
| 650 | Dressing gowns, inc. bath and beach robes | 51.0 | Dz. |
| 651 | Pajamas and other nightwear | 52.0 | Dz. |
| 652 | Underwear | 16.0 | Dz. |
| 659 | Other apparel | 7.8 | Lb. |
| Made-ups and misc.: | | | |
| Cotton: | | | |
| 360 | Pillowcases | 1.1 | No. |
| 361 | Sheets | 6.2 | No. |
| 362 | Bedspreads and quilts | 6.9 | No. |
| 363 | Terry and other pile towels | 0.5 | No. |
| 369 | Other cotton manufactures | 4.6 | Lb. |
| Wool: | | | |
| 464 | Blankets and auto robes | 1.3 | Lb. |
| 465 | Floor covering | 0.1 | Sft. |
| 469 | Other wool manufactures | 2.0 | Lb. |
| Man-made fiber: | | | |
| 665 | Floor coverings | 0.1 | Sft. |
| 666 | Other furnishings | 7.8 | Lb. |
| 669 | Other man-made manufactures | 7.8 | Lb. |

ANNEX B
Type of LevelNew CategoryIndicative Quantity
(In Square Yards
Equivalent)300 MCL
301 MCL

ANNEX B—Continued

| <u>New Category</u> | <u>Type of Level</u> | <u>Indicative Quantity (In Square Yards Equivalent)</u> |
|---------------------|----------------------|---|
| 400 | MCL | |
| 600 | MCL | |
| 601 | MCL | |
| 602 | MCL | |
| 603 | MCL | |
| 604 | MCL | |
| 605 | MCL | |
| 310 | MCL | |
| 311 | MCL | |
| 312 | MCL | |
| 313 | MCL | |
| 314 | MCL | |
| 315 | MCL | |
| 316 | MCL | |
| 317 | MCL | |
| 318 | MCL | |
| 319 | MCL | |
| 320 | MCL | |
| 410 | MCL | |
| 411 | MCL | |
| 425 | MCL | |
| 429 | MCL | |
| 610 | MCL | |
| 611 | MCL | |
| 612 | MCL | |
| 613 | MCL | |
| 614 | MCL | |
| 625 | MCL | |
| 626 | MCL | |
| 627 | MCL | |
| 330 | MCL | |
| 331 | SL | 1,744,900 |
| 332 | MCL | |
| 333 | MCL | |
| 334 | MCL | |
| 335 | MCL | |
| 336 | DCL | |
| 337 | DCL | 1,500,000 |
| 338 | MCL | 2,000,000 |
| 339 | MCL | |
| 340 | SL | 2,289,800 |
| 341 | MCL | |
| 342 | MCL | |
| 345 | MCL | |
| 347 | DCL | |
| 348 | DCL | 2,000,000 |
| 349 | MCL | 1,600,000 |
| 350 | DCL | |
| 351 | MCL | 2,000,000 |
| 352 | MCL | |
| 359 | SL | 2,000,000 |
| 431 | MCL | |
| 432 | MCL | |
| 433 | MCL | |
| 434 | MCL | |
| 435 | MCL | |
| 436 | MCL | |
| 438 | MCL | |
| 440 | MCL | |
| 442 | MCL | |
| 443 | MCL | |

ANNEX B—Continued

| <u>New Category</u> | <u>Type of Level</u> | <u>Indicative Quantity (In Square Yards Equivalent)</u> |
|---------------------|----------------------|---|
| 444 | MCL | |
| 445 | MCL | |
| 446 | MCL | |
| 447 | MCL | |
| 448 | MCL | |
| 459 | MCL | |
| 630 | MCL | |
| 631 | DCL | 2,000,000 |
| 632 | DCL | 6,000,000 |
| 633 | MCL | |
| 634 | MCL | |
| 635 | SL | 4,500,000 |
| 636 | DCL | 4,000,000 |
| 637 | SL | 4,910,000 |
| 638 | MCL | |
| 639 | SL | 5,233,625 |
| 640 | DCL | 2,000,000 |
| 641 | SL | 4,236,130 |
| 642 | MCL | |
| 643 | MCL | |
| 644 | SL | 1,700,000 |
| 645 | MCL | |
| 646 | MCL | |
| 647 | MCL | |
| 648 | SL | 10,100,000 |
| 649 | SL | 3,702,245 |
| 650 | DCL | 2,000,000 |
| 651 | DCL | 2,000,000 |
| 652 | SL | 6,200,000 |
| 659 | DCL | 2,000,000 |
| 360 | MCL | |
| 361 | MCL | |
| 362 | MCL | |
| 363 | MCL | |
| 369 | MCL | |
| 464 | MCL | |
| 465 | MCL | |
| 469 | DCL | 200,000 |
| 655 | MCL | |
| 666 | MCL | |
| 669 | MCL | |

The Haitian Ambassador to the Secretary of State

AMBASSADE D' HAITI
WASHINGTON

AW/41-694

WASHINGTON November 23, 1977

EXCELLENCY:

I have the honour to acknowledge receipt of your Excellency's note of November 23, 1977, concerning the consultation between

TIAS 9084

representatives of the Government of the United States and representatives of the Government of Haiti from October 3 to 7, 1977, on arrangements to the bilateral Textiles Agreement of March 22 and 23, 1977.

The Government of Haiti has given its acceptance to the proposal and this note and Your Excellency's note shall constitute an agreement between the Government of the United States of America and the Republic of Haiti pursuant to paragraph 7 of the Agreement.

I avail myself of this opportunity to renew the assurances of my highest consideration.

GEORGES SALOMON

Georges Salomon
Ambassador

[SEAL]

His Excellency

CYRUS VANCE

*Secretary of State of the
United States
Washington, D.C.*

The Secretary of State to the Haitian Ambassador

OCTOBER 13, 1978

EXCELLENCY:

I have the honor to refer to the Arrangement Regarding International Trade in Textiles, with annexes, done at Geneva on December 20, 1973, extended December 14, 1977 and to the Agreement between the United States of America and Haiti concerning Trade in Cotton, Wool and Man-made Fiber Textiles and Textile Products, effected by exchange of notes March 22 and 23, 1976, as amended (hereinafter referred to as the "Agreement"). I have further the honor to refer to discussions concerning trade in textiles and textile products between representatives of the Government of Haiti and the Government of the United States of America in Washington during recent months. On the basis of these discussions and in accordance with Article 4 of the Arrangement, I have the honor to propose that the Agreement be further amended by the following changes to Annex B of the Note of November 23, 1977, setting out indicative quantities:

TIAS 9084

| <u>Category</u> | <u>Type of Level</u> | <u>Indicative Quantity (In Square Yards Equivalent)</u> |
|-----------------|----------------------|---|
| 348 | SL | 2,000,000 |
| 359 | SL | 2,500,000 |
| 632 | DCL | 7,000,000 |
| 636 | DCL | 4,500,000 |
| 637 | SL | 6,000,000 |
| 650 | DCL | 3,000,000 |
| 651 | DCL | 3,200,000 |
| 652 | DCL | 7,300,000 |

If the foregoing proposal is acceptable to the Government of the Republic of Haiti, this note and Your Excellency's note of confirmation will constitute an agreement between the Government of the Republic of Haiti and the United States of America, amending the Agreement, effective on the date of your note of confirmation.

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

For the Secretary of State:

WILLIAM BARRACLOUGH

His Excellency

GEORGES SALOMON,
Ambassador of Haiti.

The Haitian Ambassador to the Secretary of State

AMBASSADE D' HAITI
WASHINGTON

WASHINGTON, October 13, 1978

EXCELLENCY:

I have the honor to acknowledge receipt of the note of October 13, 1978 which refer to the agreement concerning Trade in Cotton, Wool and Man-made Fiber Textiles and Textile Products, of March 22, and 23, 1976 and to further discussions in Washington in recent months between representatives of the United States and Haiti, and proposing the following changes to Annex B of the Note of November 23, 1977 setting out indicative quantities:

| <u>Category</u> | <u>Type of Level</u> | <u>Indicative Quantity (In Square Yards Equivalent)</u> |
|-----------------|----------------------|---|
| 348 | SL | 2,000,000 |
| 359 | SL | 2,500,000 |
| 632 | DCL | 7,000,000 |
| 636 | DCL | 4,500,000 |
| 637 | SL | 6,000,000 |
| 650 | DCL | 3,000,000 |
| 651 | DCL | 3,200,000 |
| 652 | DCL | 7,300,000 |

I have the honor to inform your Excellency that the Government of Haiti accepts the proposed changes and with this acceptation, this note constitutes an agreement between the Government of the United States and the Government of Haiti.

I avail myself of this opportunity to renew to your Excellency, Mr. Secretary of State, the assurances of my highest consideration.

GEORGES SALOMON

Georges Salomon
Ambassador

His Excellency

CYRUS VANCE

*Secretary of State
Department of State
of the United States
Washington, D.C.*

JORDAN
Village Development Project

*Agreement signed at Amman June 28, 1975;
Entered into force June 28, 1975.
And amending agreement
Signed at Washington June 9, 1977;
Entered into force June 9, 1977.*

AID Loan No. 278-K-013

**LOAN AGREEMENT
BETWEEN
THE UNITED STATES OF AMERICA
AND
THE HASHEMITE KINGDOM OF JORDAN
(Village Development Project)**

DATE: JUNE 28, 1975

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LOAN AGREEMENT dated the 28 day of June, 1975 between the HASHEMITE KINGDOM OF JORDAN ("Borrower") and the UNITED STATES OF AMERICA, acting through the AGENCY FOR INTERNATIONAL DEVELOPMENT ("A.I.D.").

ARTICLE I

The Loan

SECTION 1.01. The Loan. Upon the terms and conditions stated herein, A.I.D. agrees to lend to the Borrower, pursuant to the Foreign Assistance Act of 1961, as amended,^[1] an amount not to exceed Eight Million Six Hundred and Fifty Thousand United States Dollars (\$8,650,000) ("Loan"), to assist the Borrower in carrying out the Village Development Project ("Project") referred to in Section 1.02. The Loan shall be used exclusively to finance the Foreign Exchange Costs ("Foreign Exchange Costs") and the Local Currency Costs ("Local Currency Costs") of goods and services required for the project. Goods and services authorized to be financed hereunder are hereinafter referred to as "Eligible Items". The aggregate amount of disbursements under the Loan is hereinafter referred to as "Principal".

SECTION 1.02. The Project. The Project shall consist of the Jordan Valley Commission acting with the cooperation of other governmental entities performing the following activities in the Jordan Valley:

- a) Construction of schools and other buildings and facilities in the Jordan Valley;
- b) The installation of a water distribution system in the central sector of the Valley;
- c) Grading and graveling of roads and asphalt paving of settlement streets;
- d) Surveying, grading and leveling of housing plots;
- e) Establishment of erosion control areas;
- f) Procurement of commodities and equipment for the project;
- g) Mortgage lending financing through the Housing Bank to Valley residents to construct new housing or upgrading existing housing.

The project is more fully described in Annex I, attached hereto which Annex may be modified by written agreement between the Borrower and A.I.D.

ARTICLE II

Loan Terms

SECTION 2.01. Interest. The Borrower shall pay to A.I.D. interest, which shall accrue at the rate of two percent (2%) per annum for ten years following the date of the first disbursement hereunder and at the rate of three percent (3%) per annum thereafter, on the outstanding

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

balance of Principal and on any due and unpaid interest. Interest on the outstanding balance shall accrue from the date of each respective disbursement (as such date is defined in Section 6.05) and shall be computed on the basis of a 365-day year. Interest shall be payable semi-annually. The first payment of interest shall be due and payable no later than six (6) months after the first disbursement hereunder, on a date to be specified by A.I.D.

SECTION 2.02. Repayment. The Borrower shall repay the Principal to A.I.D. within forty (40) years from the date of the first disbursement hereunder in sixty-one (61) approximately equal semi-annual installments of principal and interest. The first installment of Principal shall be due and payable nine and one-half (9½) years after the date on which the first interest payment is due in accordance with Section 2.01. A.I.D. shall provide the Borrower with an amortization schedule in accordance with this Section after the final disbursement under the Loan.

SECTION 2.03. Application, Currency, and Place of Payment. All payments of interest and Principal hereunder shall be made in United States dollars and shall be applied first to the payment of interest due and then to the repayment of Principal. Except as A.I.D. may otherwise specify in writing, all such payments shall be made to the order of the "Agency for International Development" and shall be deemed paid when received by the Office of the Controller, Agency for International Development, Washington, D.C., USA 20523.

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

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

ARTICLE III

Conditions Precedent to Disbursement

SECTION 3.01. Conditions Precedent to Initial Disbursement. Prior to the first disbursement or to the issuance of the first Letter of Commitment or other authorization of disbursement under the Loan, the Borrower shall, except as A.I.D. may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D.:

a) An opinion of the Minister of Justice of the Hashemite Kingdom of Jordan or of other counsel acceptable to A.I.D. that this Agreement has been duly authorized or ratified by, and executed on behalf of, the Borrower, and that it constitutes a valid and legally binding obligation of the Borrower in accordance with all of its terms and that

the person signing the Agreement on behalf of the Borrower has the authority to act as the representative of the Borrower in all matters pertaining to this Loan and Agreement, including the authority to designate other representatives pursuant to Section 8.02;

b) A statement of the names of the persons holding or acting in the office of the Borrower specified in Section 8.02, and a specimen signature of each person specified in such statement;

c) Evidence that a law has been issued by the Borrower which permits the Jordan Valley Commission to acquire title to all lands necessary for the implementation of the Project.

d) An executed agreement between the Jordan Valley Commission and the Ministry of Public Works for supervision of all construction activities.

e) An executed contract for technical assistance approved by A.I.D. for project implementation and engineering and construction management with individuals or a firm acceptable to A.I.D.

f) An executed technical assistance contract approved by A.I.D. with a village planning consultant or firm, acceptable to A.I.D. to assist the Jordan Valley Commission in coordinating, modifying and implementing plans for village development.

g) Written assurances from the Ministries of Education, Social Affairs and Health and the Domestic Water Corporation that they will provide the funds and staff necessary to operate and maintain the facilities to be built under the Project.

h) Such other information as A.I.D. may reasonably request.

SECTION 3.02. Additional Conditions Precedent.

a) Prior to the initial disbursement for any construction financed by the Fixed Amount Reimbursement Method, including school classroom construction, if financed by such method, an agreement shall be entered into between the Jordan Valley Commission and A.I.D. concerning the implementation of the Fixed Amount Reimbursement Method, including methods and procedures for determining the fixed amount to be reimbursed pursuant to Section 6.03 hereof.

b) Prior to disbursements for construction financed other than under the Fixed Amount Reimbursement Method, the Borrower shall submit or cause to be submitted the following in form and substance satisfactory to A.I.D., except as A.I.D. may otherwise agree in writing:

1. An executed contract satisfactory to A.I.D. with an engineering firm acceptable to A.I.D. for the design of the facilities to be built.

2. A written commitment by the Jordan Valley Commission to acquire or cause to be acquired sufficient engineering staff for the purposes of project engineering and construction supervision.

3. The Government's plan, and timetable for execution of the plan, for the turnover of municipal buildings and commercial facilities to the recipient communities.

4. The Domestic Water Corporation's plan, and timetable for implementation of the plan, to establish offices and shops in the Jordan

Valley for the maintenance of the water transmission and distribution system and the collection of water-use charges.

c) Prior to disbursements for upgrading the concrete casting plant, the Borrower shall submit, or cause to be submitted, the following in form and substance satisfactory to A.I.D.:

1. An analysis showing the existence of an effective demand for concrete panels and/or cement blocks sufficient to warrant the proposed expenditure for improvement of the plant.

2. A plan for the upgrading of the plant, including the requirements for equipment and personnel and the administrative/accounting system to be introduced and a schedule for accomplishing the upgrading of the plant.

3. Assurances by the Jordan Valley Commission that the Jordan Valley Commission will turn over or lease the facility to another Governmental or private organization, once the plant improvement program has been completed, including a timetable for such turnover or lease.

d) Prior to disbursement of funds for the mortgage lending program, the Borrower shall submit or cause to be submitted, the following in form and substance satisfactory to A.I.D.:

1. An executed contract for technical assistance services to the Housing Bank.

2. A building code for residential construction in the Jordan Valley.

3. An executed agreement between the Jordan Valley Commission and the Housing Bank for administration of the A.I.D. financed mortgage lending program including operating rules and lending policies.

e) Prior to disbursement of funds for the afforestation program for soil erosion control, the Borrower shall submit, or cause to be submitted the following in form and substance satisfactory to A.I.D.:

1. A plan, including an implementation schedule and cost estimate for the afforestation program.

2. An executed agreement between the Jordan Valley Commission and the Forestry Service setting forth the responsibilities of each party in the implementation of the afforestation program.

SECTION 3.03. Terminal Dates for Meeting Conditions Precedent to Disbursement.

a) If all of the conditions specified in Section 3.01 shall not have been met within four months from the date of this Agreement, or by such later dates as A.I.D. may agree to in writing, A.I.D. may at its option at any time thereafter cancel the then undisbursed balance of the Loan or terminate this Agreement by giving written notice to the Borrower.

- b) If all of the conditions precedent specified in Section 3.02 shall not have been met within six 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 amount of the Loan and/or may terminate this Agreement by giving written notice to the Borrower.
- c) In the event of a termination hereunder, upon the giving of notice, the Borrower shall immediately repay the Principal then outstanding and shall pay any accrued interest and, upon receipt of such payments in full, this Agreement and all obligations of the parties hereunder shall terminate.

SECTION 3.04. Notification of Meeting of Conditions Precedent to Disbursement. A.I.D. shall notify the Borrower upon determination by A.I.D. that the conditions precedent to disbursement have been met.

ARTICLE IV

General Covenants and Warranties

SECTION 4.01. Execution of the Project.

- a) The Borrower shall carry out the Project with due diligence and efficiency, and in conformity with sound engineering, construction, financial, administrative, economic and accounting practices.
- b) The Borrower shall cause the Project to be carried out in conformity with all of the plans, specifications, contracts, schedules, and other arrangements, and with all modifications thereto, approved by A.I.D. pursuant to this Agreement. The Borrower shall at all times employ suitably qualified and experienced engineering consultants to be professionally responsible for the certification and inspection of work, and whenever necessary, suitably qualified and competent construction contractors to carry out the Project.
- c) The Borrower shall ensure or cause to be ensured that the electric power needs of the Project are met.

SECTION 4.02. Funds and Resources to be Provided by the Borrower. The Borrower shall provide promptly as needed all funds, in addition to the Loan, and all other resources required for the punctual and effective execution, maintenance, and repair of the Project.

SECTION 4.03. Continuing Consultation. The Borrower and A.I.D. shall cooperate fully to assure that the purposes of this Agreement will be accomplished. To this end, the Borrower and A.I.D. shall from time to time, at the request of either party, exchange views through their representatives with regard to the progress of the Project, the performance by the Borrower of its obligations under this Agreement, the performance of the consultants, contractors, and suppliers engaged on the Project and other matters relating to the Loan and the Project.

SECTION 4.04. Management. The Borrower shall provide qualified and experienced management for the Project acceptable to A.I.D.

and it shall train such staff as may be appropriate for the maintenance of the Project.

SECTION 4.05. Operation and Maintenance. The Borrower shall 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 4.06. Taxation. This Agreement, the Loan, and any evidence of indebtedness issued in connection herewith shall be free from, and the Principal and interest shall be paid without deduction for and free from, any taxation or fees imposed under the laws in effect within Jordan. To the extent that (a) any contractor, including any consulting firm, any personnel of such contractor financed hereunder, and any property or transactions relating to such contracts and (b) any commodity procurement transaction financed hereunder, are not exempt from identifiable taxes, tariffs, duties, and other levies imposed under laws in effect in Jordan, the Borrower shall, as and to the extent prescribed in and pursuant to Implementation Letters, pay or reimburse the same under Section 4.02 of this Agreement with funds other than those provided under the Loan; provided, however, that this Section 4.06 shall not apply to taxes levied upon the income of citizens and companies of Jordan.

SECTION 4.07. Utilization of Goods and Services.

a) Goods and services financed under the Loan shall be used exclusively for the Project, except as A.I.D. may otherwise agree in writing.

b) Except as A.I.D. may otherwise agree in writing, no goods or services financed under the Loan shall be used to promote or assist any foreign aid project or activity associated with or financed by any country not included in Code 935 of the A.I.D. Geographic Code Book as in effect at the time of such use.

SECTION 4.08. Disclosure of Material Facts and Circumstances. The Borrower represents and warrants that all facts and circumstances that it has disclosed or caused to be disclosed to A.I.D. in the course of obtaining the Loan are accurate and complete, and that it has disclosed to A.I.D., accurately and completely, all facts and circumstances that might materially affect the Project and the discharge of its obligations under this Agreement. The Borrower shall promptly inform A.I.D. of any facts and circumstances that may hereafter arise that might materially affect, or that it is reasonable to believe might materially affect, the Project or the discharge of the Borrower's obligations under this Agreement.

SECTION 4.09. Commissions, Fees, and Other Payments.

a) The Borrower warrants and covenants that in connection with obtaining the Loan, or taking any action under or with respect to this

Agreement, it has not paid, and will not pay or agree to pay, nor to the best of its knowledge has there been paid nor will there be paid or agreed to be paid by any other person or entity, commissions, fees, or other payments of any kind, except as regular compensation to the Borrower's full-time officers and employees or as compensation for bona fide professional, technical, or comparable services. The Borrower shall promptly report to A.I.D. any payment or agreement to pay for such bona fide professional, technical, or comparable services to which it is a party or of which it has knowledge (indicating whether such payment has been made or is to be made on a contingent basis), and if the amount of any such payment is deemed unreasonable by A.I.D., the same shall be adjusted in a manner satisfactory to A.I.D.

b) The Borrower warrants and covenants that no payments have been or will be received by the Borrower, or any official of the Borrower, in connection with the procurement of goods and services financed hereunder, except fees, taxes, or similar payments legally established in Jordan.

SECTION 4.10. Maintenance and Audit of Records. The Borrower shall maintain, or cause to be maintained, in accordance with sound accounting principles and practices consistently applied, books and records relating both to the Project and to this Agreement. Such books and records shall, without limitation, be adequate to show:

- a) The receipt and use made of goods and services acquired with funds disbursed pursuant to this Agreement;
- b) The nature and extent of solicitations of prospective suppliers of goods and services acquired;
- c) The basis of the award of contracts and orders to successful bidders; and
- d) The progress of the Project.

Such books and records shall be regularly audited, in accordance with sound auditing standards, for such period and at such intervals as A.I.D. may require, and shall be maintained for five years after the date of the last disbursement by A.I.D. or until all sums due A.I.D. under this Agreement have been paid, whichever date shall first occur.

SECTION 4.11. Reports. The Borrower shall furnish to A.I.D. such information and reports relating to the Loan and to the Project as A.I.D. may reasonably request.

SECTION 4.12. Inspection. The authorized representatives of A.I.D. shall have the right at all reasonable times to inspect the Project, the utilization of all goods and services financed under the Loan, and the Borrower's books, records, and other documents relating to the Project and the Loan. The Borrower shall cooperate with A.I.D. to facilitate such inspections and shall permit representatives of A.I.D. to visit any part of Jordan for any purpose relating to the Loan.

ARTICLE V
Procurement

SECTION 5.01. Procurement from Eligible Sources. Except as A.I.D. may otherwise agree in writing, disbursements made pursuant to Section 6.01 shall be used exclusively to finance the procurement for the Project of goods and services, including ocean shipping and marine insurance but excluding automobiles manufactured outside the United States, having both their source and origin in countries included in Code 941 of the A.I.D. Geographic Code Book as in effect at the time orders are placed for such goods and services.

SECTION 5.02. Procurement from Jordan. Except as A.I.D. may otherwise agree in writing, disbursements made pursuant to Sections 6.02 and 6.03 shall be used exclusively to finance the procurement for the Project of goods and services having both their source and origin in the Hashemite Kingdom of Jordan.

SECTION 5.03. Eligibility Date. Except as A.I.D. may otherwise agree in writing, no goods or services may be financed under the Loan which are procured pursuant to orders or contracts firmly placed or entered into prior to the date of this Agreement.

SECTION 5.04. Goods and Services not Financed or Reimbursed Under the Loan. Goods and services procured for the Project, but not financed under the Loan, shall have their source and origin in countries included in Code 935 of the A.I.D. Geographic Code Book as in effect at the time orders are placed for such goods and services.

SECTION 5.05. Implementation of Procurement Requirements. The definitions applicable to the eligibility requirements of Sections 5.01, 5.02 and 5.04 will be set forth in detail in Implementation Letters.

SECTION 5.06. Plans, Specifications, and Contracts. Except as A.I.D. may otherwise agree in writing:

a) The Borrower shall furnish to A.I.D. promptly upon preparation, all plans, specifications, construction schedules, bid documents, and contracts relating to the Project, and any modifications thereto, whether or not the goods and services to which they relate are financed under the Loan.

b) All of plans, specifications, and construction schedules furnished pursuant to subsection (a) above shall be approved by A.I.D. in writing.

c) All bid documents and documents related to the solicitation of proposals relating to goods and services financed under the Loan shall be approved by A.I.D. in writing prior to their issuance, which approval shall not be unduly delayed or unreasonably withheld. All plans, specifications and other documents relating to goods and services financed under the Loan shall be in terms of United States standards and measurements.

d) The following contracts financed under the Loan shall be approved by A.I.D. in writing prior to their executions: (i) contracts for engi-

neering and other professional services, (ii) contracts for construction services, (iii) contracts for such other services as A.I.D. may specify, and (iv) contracts for such equipment and materials as A.I.D. may specify. In the case of any of the above contracts for services, A.I.D. shall also approve in writing the contractor and such contractor personnel as A.I.D. may specify. Material modifications in any of such contracts and changes in any of such personnel shall also be approved by A.I.D. in writing prior to their becoming effective.

SECTION 5.07. Shipping and Insurance.

a) Goods financed under the Loan shall be transported to the country of the Borrower on flag carriers of any country included in Code 935 of the A.I.D. Geographic Code Book as in effect at the time of shipment.

b) (i) Gross tonnage. At least fifty percent (50%) of the gross tonnage of all commodities (computed separately for dry bulk carriers, dry cargo liners and tankers) financed hereunder which may be transported on ocean vessels shall be transported on privately-owned United States flag commercial vessels.

(ii) Revenue. Additionally, at least fifty percent (50%) of the gross freight revenue generated by all shipments financed hereunder and transported to Jordan on dry cargo liners shall be paid to or for the benefit of privately-owned United States flag commercial vessels.

(iii) Compliance. Compliance with the requirements of (i) and (ii) above must be achieved with respect to cargo transported from U.S. ports and also to cargo transported from non-U.S. ports, computed separately.

(iv) Reporting. Within ninety (90) days following the end of each calendar quarter, or such other period as A.I.D. may specify in writing, the Borrower shall furnish A.I.D. with a statement, in form and substance satisfactory to A.I.D., reporting on compliance with the requirements of this Section.

c) No such goods may be transported on any ocean vessel (or aircraft) (i) which A.I.D., in a notice to the Borrower, has designated as ineligible to carry A.I.D.-financed goods unless such charter has been approved by A.I.D.

d) If, in connection with the placement of marine insurance on shipments financed under United States legislation authorizing assistance to other nations, the country of the Borrower, by statute, decree, rule, or regulation, favors any marine insurance company of any country over any marine insurance company authorized to do business in any state of the United States of America, goods procured from the United States and financed under the Loan shall, during the continuance of such discrimination, be insured against marine risk in the United States of America with a company or companies authorized to do a marine insurance business in any state of the United States of America.

e) The Borrower shall insure, or cause to be insured, all goods financed under the Loan against risks incident to their transit to the point of their use in the Project. Such insurance shall be issued upon terms and conditions consistent with sound commercial practice, shall insure the full value of the goods, and shall be payable in the currency in which such goods were financed. Any indemnification received by the Borrower under such insurance shall be used to replace or repair any material damage or loss of the goods insured or shall be used to reimburse the Borrower for the replacement or repair of such goods. Any such replacements shall have both their source and origin in countries included in Code 941 of the A.I.D. Geographic Code Book and shall be otherwise subject to the provisions of this Agreement.

SECTION 5.08. Notification to Potential Suppliers. In order that all United States firms shall have the opportunity to participate in furnishing goods and services to be financed under the Loan, the Borrower shall furnish to A.I.D. such information with regard thereto, and at such times, as A.I.D. may request in Implementation Letters.

SECTION 5.09. Reasonable Price. No more than reasonable prices shall be paid for any goods or services financed, in whole or in part, under the Loan, as more fully described in Implementation Letters. Such items shall be procured on a fair and, except for professional services, on a competitive basis in accordance with procedures therefor prescribed in Implementation Letters. No part of the Loan may be used for the procurement of bulk commodities at prices higher than the market price prevailing in the United States at the time of such purchase.

SECTION 5.10. Employment of Third-Country Nationals. The employment of personnel to perform services under construction contracts financed under the Loan shall be subject to requirements with respect to third-country nationals prescribed in Implementation Letters.

SECTION 5.11. United States Government-Owned Excess Property. The Borrower shall utilize, with respect to goods financed under the Loan to which the Borrower takes title at the time of procurement, such reconditioned United States Government-owned Excess Property as may be consistent with the requirements of the Project and as may be available within a reasonable period of time. The Borrower shall seek assistance from A.I.D. and A.I.D. will assist the Borrower in ascertaining the availability of and in obtaining such Excess Property. A.I.D. will make arrangements for any necessary inspection of such property by the Borrower or its representatives. The costs of inspection and of acquisition, and all charges incident to the transfer to the Borrower of such Excess Property, may be financed under the Loan. Prior to the procurement of any goods, other than Excess Property, financed under the Loan and after having sought such A.I.D. assistance, the Borrower shall indicate to A.I.D. in writing, on

the basis of information then available to it, either that such goods cannot be made available from reconditioned United States Government-owned Excess Property on a timely basis or that the goods that can be made available are not technically suitable for use in the Project.

SECTION 5.12. Information and Marking. Borrower shall give publicity to the Loan and the Project as a program of United States aid, identify the Project site, and mark goods financed under the Loan, as prescribed in Implementation Letters.

ARTICLE VI

Disbursements

SECTION 6.01. Disbursements for United States Dollar Costs. Upon satisfaction of applicable conditions precedent, the Borrower may, from time to time request A.I.D. to issue Letters of Commitment for specified amounts to one or more United States banks, satisfactory to A.I.D. committing A.I.D. to reimburse such bank or banks for payments made by them to contractors or suppliers, through the use of Letters of Credit or otherwise, for costs of goods and services procured for the Project in accordance with the terms and conditions of this Agreement. Payment by a bank to a contractor or supplier will be made by the bank upon presentation of such supporting documentation as A.I.D. may prescribe in Letters of Commitment and Implementation Letters. Banking charges incurred in connection with Letters of Commitment and Letters of Credit shall be for the account of the Borrower and may be financed under the Loan.

SECTION 6.02. Disbursement for Local Currency Costs. Upon satisfaction of the conditions precedent set forth in Section 3.01, and, as applicable, Section 3.02, the Borrower, from time to time, may request disbursement by A.I.D. in Jordanian dinars. Such disbursement shall be made to reimburse the Borrower for local currency costs of goods and services procured for the Project in accordance with the terms and conditions of this Agreement, upon submission to A.I.D. of such supporting documentation as A.I.D. may prescribe in Implementation Letters. The rate of exchange for determining the dollar equivalent of the approved amount for reimbursement shall be the highest rate of exchange (i.e. the largest number of Jordanian dinars) at which Jordanian Dinars may be bought with United States Dollars in Jordan on the date of disbursement as defined in Section 6.05. The exchange rate shall be that rate established by the Central Bank of Jordan.

SECTION 6.03. Reimbursement for Predetermined Costs for Units of Work Completed. Upon satisfaction of the Conditions Precedent set forth in Section 3.01, and, as applicable, Section 3.02, the Borrower may, from time to time submit a request for reimbursement to A.I.D. A.I.D. shall reimburse the Borrower an agreed upon portion of the predetermined cost expressed in Jordanian Dinars for units of work

completed, pursuant to the agreement required by Section 3.02(a). Such reimbursement shall be made in Jordanian Dinars. The rate of exchange for determining the dollar equivalent of the approved amount for reimbursement shall be the highest rate of exchange (i.e. the largest number of Jordanian Dinars) at which Jordanian Dinars may be bought with United States Dollars in Jordan on the date of disbursement as defined in Section 6.05. The rate of exchange shall be that rate established by the Central Bank of Jordan.

Each request for reimbursement shall contain a certification that (a) the units of work for which reimbursement is sought have been completed according to approved plans and specifications and (b) that reimbursement has not and will not be obtained from any other source. All certifications submitted with such requests shall be subject to verification by A.I.D. If any units of work are found not satisfactorily completed in accordance with the previously approved plans and specifications, or to have been reimbursed from another source, A.I.D. will deduct the requested amount for that unit of work from the reimbursement request before approving the request. The form and substance of each request for reimbursement shall be described in detail in Implementation Letters.

SECTION 6.04. Other Forms of Disbursement. Disbursements of the Loan may also be made through such other means as the Borrower and A.I.D. may agree to in writing.

SECTION 6.05. Date of Disbursement. Disbursements by A.I.D. shall be deemed to occur in the case of disbursements or reimbursements pursuant to Sections 6.01, 6.02, or 6.03, on the date on which A.I.D. makes a disbursement to the Borrower, to its designee or to a banking institution pursuant to a Letter of Commitment.

In the event of a disbursement under Section 6.04 hereof, the date of disbursement shall be designated in the documentation by which the parties agree to such disbursement, provided that in the absence of such designation, the date of disbursement shall be the date upon which A.I.D. makes payment with respect to goods or services or delivers property into the control of the Borrower or its designee.

SECTION 6.06. Terminal Date for Disbursement. Except as A.I.D. and the Borrower may otherwise agree in writing, no disbursement of loan funds shall be made against documentation submitted after December 31, 1978, and no loan funds shall be disbursed after June 30, 1978. After the latter date, A.I.D. may at any time or times reduce the amount of the A.I.D. assistance hereunder by all or any part to the extent documentation was not received by the former date, in which case liability for payment for any goods and services not paid for will rest with the Borrower.

ARTICLE VII

Cancellation and Suspension

SECTION 7.01. Cancellation by Borrower. The Borrower may, with prior written consent of A.I.D., by written notice to A.I.D., cancel

any part of the Loan which, prior to the giving of such notice, A.I.D. has not disbursed or committed itself to disburse, or which has not then been utilized through the issuance of irrevocable Letters of Credit or through bank payments made other than under irrevocable Letters of Credit.

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

- a) The Borrower shall have failed to pay when due any interest or installment of Principal required under this Agreement;
- b) The Borrower shall have failed to comply with any other provision of this Agreement, including, but without limitation, the obligation to carry out the Project with due diligence and efficiency; or
- c) The Borrower shall have failed to pay when due any interest or any installment of principal or any other payment required under any other loan, guaranty, or other agreement between the Borrower or any of its agencies and A.I.D. or any of its predecessor agencies, then A.I.D., at its option, may give the Borrower notice that all or any part of the unrepaid Principal shall be due and payable sixty (60) days thereafter, and, unless the Event of Default is cured within such sixty (60) days, (i) such unrepaid Principal and any accrued interest hereunder shall be due and payable immediately, and (ii) the amount of any subsequent disbursements made under then outstanding Letters of Commitment or otherwise shall become due and payable as soon as made.

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

- a) an Event of Default has occurred;
- b) an event occurs that A.I.D. determines makes it improbable either that the purposes of the Loan will be attained or that the Borrower will be able to perform its obligations under this Agreement;
- c) any disbursement would be in violation of the legislation governing A.I.D.; or
- d) the Borrower shall have failed to pay when due any interest or any installment of principal or any other payment required under any other loan, guaranty, or other agreement between the Borrower or any of its agencies and the Government of the United States or any of its agencies, then A.I.D., at its option, may: (i) suspend or cancel any outstanding Letters of Commitment to the extent that they have not been utilized through the issuance of irrevocable letters of credit, giving notice to the Borrower promptly thereafter; (ii) decline to make disbursements other than under outstanding Letters of Commitment; (iii) decline to issue additional Letters of Commitment; and (iv) at A.I.D.'s expense, direct that title to goods financed under the Loan shall be transferred to A.I.D. if the goods are from a source outside Jordan, are in a deliverable state, and have not been offloaded in ports of entry of Jordan. Any disbursement made under

the Loan with respect to such transferred goods shall be deducted from Principal in the manner of a prepayment of Principal.

SECTION 7.04. Cancellation by A.I.D. Following any suspension of disbursements pursuant to Section 7.03, if the cause or causes for such suspension of disbursements shall not have been eliminated or corrected within sixty (60) days from the date of such suspension, A.I.D. at its option, may, at any time or times thereafter, cancel all or any part of the Loan that is not then disbursed, including outstanding Letters of Commitment to the extent that they have not been utilized through the issuance of irrevocable letters of credit or bank payments made other than under irrevocable letters of credit.

SECTION 7.05. Continued Effectiveness of Agreement. Notwithstanding any cancellation, suspension of disbursement, or acceleration of repayment, the provisions of this Agreement shall continue in full force and effect until the payment in full of all Principal and any accrued interest hereunder.

SECTION 7.06. Refunds.

a) In case any disbursement is not supported by valid documentation or is not made or used in accordance with the terms of this Agreement, A.I.D. notwithstanding the availability or exercise of any other remedy provided for under this Agreement, may require the Borrower to refund such amount in United States Dollars to A.I.D. within thirty days after receipt of a request therefor. Such refund shall be made available first, in accordance with the provisions of this Agreement, to pay for the procurement of goods and services for the Project; the remainder, if any, of any such refund in United States Dollars to A.I.D. in such manner shall be applied to the remaining installments of Principal in the inverse order of their maturity. Notwithstanding any other provision in this Agreement, A.I.D.'s right to require a refund with respect to any disbursement under the Loan shall continue for five years following the date of such disbursement.

b) In the event that A.I.D. receives a refund from a contractor, supplier, bank, or other third party with respect to goods or services financed under the Loan and such refund relates to an unreasonable price for goods or services, to goods that did not conform with specifications, or to services that were inadequate, A.I.D. shall first make such refund available, in accordance with the provisions of this Agreement, to pay for the procurement of goods and services for the Project; the remainder, if any, of such refund shall be applied to the remaining installments of Principal in the inverse order of their maturity.

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

SECTION 7.08. Non-Waiver of Remedies. No delay in exercising or omission to exercise any right, power, or remedy accruing to A.I.D. under this Agreement shall be construed as a waiver of any such rights, powers, or remedies.

ARTICLE VIII

Miscellaneous

SECTION 8.01. Communications.

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

To Borrower:

Mail Address: Jordan Valley Commission
Amman, Jordan

Cable Address:

Same

To A.I.D. (Three copies):

Mail Address: Office of Capital Development
Bureau for Near East and South Asia
Agency for International Development
Department of State
Washington, D.C. 20523

Cable Address:

A.I.D.
Washington, D.C.

Borrower, in addition, shall provide the American Embassy, Amman, with a copy of each communication sent to A.I.D. Other addresses may be substituted for the above upon the giving of notice.

b) Except as A.I.D. may otherwise agree in writing, (i) all notices, requests, communication, and documents submitted to A.I.D. hereunder shall be in English, and (ii) if the original of any such communication or document is in other than English, a copy in the language of the original shall also be submitted.

SECTION 8.02. Representatives. For all purposes relative to this Agreement, the Borrower will be represented by the individual holding or acting in the office of President, Jordan Valley Commission and A.I.D. will be represented by the individual holding or acting in the office of A.I.D. Representative, USAID/Jordan. Such individuals shall have the authority to designate additional representatives by written notice. In the event of any replacement or other designation of a representative hereunder, Borrower shall submit a statement of the representative's name and specimen signature in form and substance satisfactory to A.I.D. Until receipt by A.I.D. of written

notice of revocation of the authority of any of the duly authorized representatives of the Borrower designated pursuant to this Section, it may accept the signature of any such representative or representatives on any instrument as conclusive evidence that any action effected by such instrument is duly authorized.

SECTION 8.03. Implementation Letters. A.I.D. shall from time to time issue Implementation Letters that will prescribe the procedures applicable hereunder in connection with the implementation of this Agreement.

SECTION 8.04. Promissory Notes. At such time or times as A.I.D. may request, the Borrower shall issue promissory notes or such other evidences of indebtedness with respect to the Loan, in such form, containing such terms and supported by such legal opinions as A.I.D. may reasonably request.

SECTION 8.05. Termination Upon Full Payment. Upon payment in full of the Principal and of any accrued interest, this Agreement and all obligations of the Borrower and A.I.D. under this Loan Agreement shall terminate.

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

FOR THE HASHEMITE KINGDOM OF JORDAN

By: OMAR A. DOKHGAN

Title: *President, Jordan Valley Commission*

FOR THE UNITED STATES OF AMERICA

By: THOMAS R. PICKERING

Title: *Ambassador, U.S. Embassy*

ANNEX 1

Project Description

The Government of Jordan has as its long-term objective the development of 36 settlements, distributed in linear fashion along the main north-south road of the East Bank of the Jordan Valley.

The project consists of (a) the construction of 9 clinics, 17 schools (170 classrooms), 8 municipal buildings, 11 commercial buildings, 1 social development center; (b) installation of water distribution system for 13 communities in the central sector of the Jordan Valley; (c) grading and graveling of about 50 kilometers of farm roads and

asphalt paving of approximately 28 kilometers of settlement streets to a width of 4 meters on both 12 and 18 meter rights of way; (d) surveying, grading and leveling of about 900 housing plots; (e) establishment of erosion control areas and soil conservation activities in and around 17 priority settlements; (f) provision of furniture and equipment for the classrooms and clinics; (g) provision of \$2 million to finance mortgage lending to Valley residents to construct new housing or upgrade existing housing; (h) technical assistance (to be grant funded) to the Jordan Valley Commission to assist the Commission in Project implementation and (i) technical assistance (to be grant funded) to the administrator of the mortgage lending aspect of the Project.

[AMENDING AGREEMENT]

Loan 013A
A.I.D. Loan No. 278-0183

**FIRST AMENDMENT
TO
LOAN AGREEMENT
BETWEEN
THE UNITED STATES OF AMERICA
AND
THE HASHEMITE KINGDOM OF JORDAN
FOR
JORDAN VALLEY VILLAGE DEVELOPMENT**

Dated: JUNE 9, 1977

Loan Agreement Amendment dated June 9, 1977, between the Hashemite Kingdom of Jordan ("Borrower") and the United States of America, acting through the Agency for International Development ("A.I.D.").

WHEREAS, on June 26, 1975, the Hashemite Kingdom of Jordan and A.I.D. entered into an agreement known as A.I.D. Loan No. 278-K-013 ("Loan Agreement") providing for a loan of Eight Million Six Hundred and Fifty Thousand United States Dollars (\$8,650,000) to assist the Hashemite Kingdom of Jordan in carrying out the Village Development Project, and

WHEREAS, the parties hereto now wish to amend that Loan Agreement to provide the additional amount of Five Million Five Hundred Thousand United States Dollars for a total loan amount of Fourteen Million One Hundred and Fifty Thousand United States Dollars (\$14,150,000).

NOW THEREFORE, the parties do hereby agree that:

1. The Loan Agreement is amended as follows:

(a) Section 1.01 is amended by deleting the words "Eight Million Six Hundred and Fifty Thousand Dollars (\$8,650,000)" and substituting therefor the words "Fourteen Million One Hundred Fifty Thousand Dollars (\$14,150,000)."

(b) The following provision is added as Section 4.13 of the Loan Agreement:

SECTION 4.13. Collection of Data. The Borrower agrees to undertake sociological and economic studies necessary for the development of quantitative and qualitative base line data against which attitudinal, social, and economic changes in the Jordan Valley can be measured following physical completion of the project. Such information and analysis would be used also by appropriate GOJ authorities in subsequent planning and development activities in the Jordan Valley.

2. Annex I to the Loan Agreement is amended to read as follows:

Project Description

The Government of Jordan has as its long-term objective the development of 36 settlements, distributed in linear fashion along the main North-South road of the West Bank of the Jordan Valley.

The project consists of (a) construction of 10 clinics, 25 schools (384 schoolrooms, including libraries, chemistry/physics laboratories and other specialized rooms), 8 local administration buildings and 1 social development center; (b) installation of water distribution system in 26 communities in the central and northern sectors of the Jordan River Valley; (c) grading and paving of about 53 kilometers of farm roads; (d) asphalt paving of approximately 28 kilometers of settlement streets; (e) surveying and grading and leveling of about 600–700 housing plots; (f) provision of furniture, books and

equipment for the schools, administrative and social centers and clinics; (g) provision of U.S. \$2.0 million to finance mortgage lending to Valley residents to construct new housing or upgrade existing housing; (h) construction of 300 residential units for GOJ employees who are to staff the schools, clinics, administrative centers, irrigation works, etc. being constructed; (i) technical assistance (grant funded from other funds) to the JVC to assist in project implementation; (j) technical assistance (grant funded from other funds) to the Administrator of the mortgage lending program, and (k) purchase of land by the GOJ for the construction sites.

3. Condition Precedent. Prior to the first disbursement or to the issuance of the first Letter of Commitment or other authorization of disbursement under this Amendment, the Borrower shall, except as A.I.D. may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D.:

(a) An opinion of the Minister of Justice of the Hashemite Kingdom of Jordan or of other counsel acceptable to A.I.D. that it constitutes a valid and legally binding obligation of the Borrower in accordance with all of its terms and that the person signing the First Amendment to the Loan Agreement on behalf of the Borrower has the authority to act as the representative of the Borrower in all matters pertaining to the Loan Agreement and First Amendment thereto, including the authority to designate other representatives pursuant to Section 8.02 of the Loan Agreement.

4. Except as specifically amended hereby, the Loan Agreement dated June 26, 1975, between the Borrower and A.I.D. shall remain in full force and effect.

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 HASHEMITE KINGDOM
OF JORDAN

By: OMAR A. DOKHGAN
Name: Omar A. Dokhgan
Title: President, Jordan Valley
Authority

THE UNITED STATES OF
AMERICA

By: ALFRED D. WHITE
Name: Alfred D. White
Title: Acting Assistant Administrator
Bureau for Near East

UNITED NATIONS
Sale of Excess Property

*Agreement effected by exchange of letters
Signed June 21 and 23, August 26 and September 30, 1976;
Entered into force September 30, 1976.*

UNITED NATIONS NATIONS UNIES

EMERGENCY FORCE

ISMAILIA 21 June 1976

LETTER OF INTENT

This is to confirm that Mr. Robert J. Ryan, Assistant Secretary-General, Office of General Services, United Nations Headquarters, New York, undertakes that the United Nations is agreeable to accept the offer from the SSM for the SFM temporary facilities and the saleable items of foreign excess property in the lots 1 through 5 for the amount of \$125,000.00 within the spirit of the conditions set forth in the draft memorandum of understanding handed over to Mr. Ryan, together with the listing of the saleable items at the subject meeting, such listing to be further defined by the parties. It is our understanding that the material initially will be ready for pick up on 25 June 1976.

The actual mode and timing of payment to be agreed upon between Messrs. Ryan and W. B. Knauf, SSM.

Pending the actual signing of the agreement, this letter and its acknowledgement will constitute the basis of the agreement reached.

JAN G. SCHUMACHER

*Jan G. Schumacher
Chief Administrative Officer
United Nations Emergency Force
Ismailia
A.R.E.*

UNITED STATES SINAI SUPPORT MISSION

JUNE 23, 1976

MR. JAN G. SCHUMACHER
Chief Administrative Officer
United Nations Emergency Force
Ismailia, A.R.E.

DEAR MR. SCHUMACHER:

This letter acknowledges the acceptance of Mr. Robert J. Ryan, Assistant Secretary-General, Office of General Services, United Nations Headquarters, New York, on behalf of the United Nations of the offer of the Sinai Support Mission to sell to the United Nations certain temporary facilities and other saleable items of U.S. Government owned foreign excess property as discussed in your letter of 21 June 1976.

By its terms that letter and its acceptance by me in this manner constitute the required mutual agreement of the parties to consummate this sale.

BARRY S. KNAUF

Barry Knauf
Contracting Officer

UNITED NATIONS

NATIONS UNIES

Reference: US/UNEF/ASSIST/76-30

26 AUGUST 1976

DEAR AMBASSADOR SHERER,

The United Nations requested the Sinai Support Mission to sell to it for use in UNEF-sponsored programs certain United States Government-owned foreign excess property as listed in the attached UNEF Receiving and Inspection Report No. UNEF/SUP/6-331 dated 5 July 1976. It is understood that the request of the UN to purchase United States Government-owned excess property has been approved, subject to the terms and conditions herein.

In accordance with Section 607(a) of the Foreign Assistance Act of 1961, as amended,^[1] the Sinai Support Mission has authorized the UNEF to purchase foreign excess property in the kinds and amount described in the Annex A to this letter. This letter authorizes the UNEF to acquire such property and sets forth terms and conditions governing the sale and use of such property. The terms and conditions of this letter will be effective as of July 1976.

The total amount of property which can be transferred in accordance with this letter, measured in terms of original acquisition cost, is

^[1] 75 Stat. 441; 22 U.S. § 2357. [Footnote added by the Department of State.]

\$391,608.— (freight excluded). The purchase price is \$125,000.— The method of payment is by check upon presentation of invoice.

The following procedures, terms, and conditions will govern the sale, transfer, and use of all property described in the Annex to this letter delivered to the UNEF:

1. Section 607(b) Determinations

All determinations required by Section 607(b) of the Foreign Assistance Act of 1961, as amended, have been accomplished.

2. Foreign Excess (on an "as is-where is" basis)

All transfers hereunder of foreign excess are on an "as is-where is" basis. In addition to the purchase price the UNEF shall arrange and pay for all services incident to the movement of the property from the Sinai Field Mission to the point of use.

3. Inspection of and transfer of title to Foreign Excess (on an "as is-where is" basis)

a. The UNEF has inspected items to be transferred hereunder, and has agreed to accept such items on an "as is-where is" basis.

b. Title to foreign excess property approved for transfer on an "as is-where is" basis will pass from the United States to the UNEF upon physical removal of the property by the recipient from the Sinai Field Mission.

c. After title to excess property has passed to the UNEF, the UNEF shall assume all responsibilities incident to ownership of such property, including, but not limited to, all risks of loss or of damage to the property and of all damage caused by or charges incurred on the property.

4. Use of Property

The UNEF agrees that the property transferred to it will be used promptly and effectively in peace-keeping activities of UNEF (in the Sinai Peninsula).

5. No Warranty on Property

The property transferred hereunder is used and excess to the United States Government and is transferred "as is" with all faults. The Sinai Support Mission is not responsible for and makes no warranty regarding the fitness, condition, or safety of operation of the property transferred.

6. Control and Disposition of Property

The following provisions are applicable to each item of excess property for 6 months after the date of its arrival in the country to which it was shipped by the recipient:

a. The UNEF will maintain accountability, reconditioning, utilization, and maintenance records on all items except expendable items.

- b. All accounts and records pertaining to the item are subject to audit by Sinai Support Mission representatives, including the right to inspect the item wherever it is located.
- c. The UNEF will not retransfer title or otherwise dispose of the item without prior approval of the Director Sinai Field Mission.
- d. In the event that sale or other disposition of the item is approved, the UNEF will conduct such sale or other disposition under terms and conditions, including purchaser eligibility, prescribed by such Sinai Support Mission. All proceeds resulting therefrom will accrue directly and in full to the recipient.
- e. Six months after purchase of title to an item of excess property to the recipient, the recipient may dispose of the item without seeking the approval of Director Sinai Field Mission directly and in full to the new recipient.

Yours sincerely,

GEORGE LANSKY

George Lansky, Director
Field Operations Service
Office of General Services

H.E. MR. ALBERT W. SHERER, JR.

Ambassador

*Deputy Representative on the
Security Council*

*United States Mission to the
United Nations*

*799 United Nations Plaza
New York, NY 10017*

**UNITED NATIONS EMERGENCY FORCE
RECEIVING AND INSPECTION REPORT
PROCUREMENT SECTION**

**VOUCHER:
REQUISITION:**

RECEIVED:

| | | |
|--------|-------------------------|-----------------|
| FROM | U/S/SINAI FIELD MISSION | |
| VENDOR | CHARGES | ROOM |
| VIA | UNEF | (REQUISITIONER) |
| FOR | | |

| | |
|--------------------|-----------------------------------|
| PURCHASE ORDER NO. | UNEFT/SUP/6-331 |
| DELIVERY | Complete (COMPLETE OR PARTIAL) |
| DATE OF DELIVERY | 5 July 1976 |
| ACCOUNT CODE NO. | |

| ITEM NO. | QUANTITY | UNIT | DESCRIPTION OF ARTICLES OR SERVICES |
|----------|----------|------|---|
| 1 | 6 | ea | KELLY CLOSURE Building, clear fiber glass, corrugated walls and roof, insulated ceiling, plywood floor, 116' x 28' |
| 2 | 1 | ea | KELLY CLOSURE Building, clear fiber glass, corrugated walls and roof, insulated ceiling and walls, plywood floor, 56' x 28' |
| 3 | 1 | ea | KELLY CLOSURE Building, clear fiber glass, corrugated walls and roof, insulated walls and ceiling, plywood floor, 12' x 24' |
| 4 | 1 | ea | KELLY CLOSURE Building, clear fiber glass, corrugated walls and roof, insulated ceiling, vinyl covered plywood floor, 112' x 24' |
| 5 | 1 | ea | KITCHEN (Camp) skid mounted, portable, for 35 persons, (self contained) 16' x 8' fiber glass body, 2 doors, 2 windows, with: 1 ea "Fume exhaust"—2 ea "Hot Plate" "Toastmaster" NSF electric, 2 plates—1 ea Deep Fryer "Super Chef" electric—1 ea Oven electric "Toastmaster," NSF Mod. 3012 s.n. A-10-654505-74 KW, 2,7220 W AC, faze 1—All above items mounted in wooden build in cabinet—1 ea Dishwasher automatic "Yack Fash Pray" Mod. JV 24 BF s.n. 24-1719, 6.5 Amp 4.5 Amp 4.36 KW, $\frac{1}{2}$ HP, 1 fase—1 ea Sink, stainless steel, double drain—1 ea water Heater, electric, "Jelglass Jupiter" Mod. 30 JUD-5 s.n. AFEAB 20054, 30 US gallons Watts 4500, 240 V AC—1 ea wood cabinet. |

**UNITED NATIONS EMERGENCY FORCE—CONTINUED
RECEIVING AND INSPECTION REPORT
PROCUREMENT SECTION**

RECEIVED:
**VOUCHER:
REQUISITION:**

FROM _____ U/S/SINAI FIELD MISSION

(VENDOR)

VIA _____ CHARGES _____

FOR UNEF ROOM _____

(REQUISITIONER)

| ITEM NO. | QUANTITY | UNIT | DESCRIPTION OF ARTICLES OR SERVICES | PURCHASE ORDER NO. | UNEF/SUP/6-331 |
|----------|----------|------|---|--------------------|-----------------------------------|
| | | | | DELIVERY | Complete (COMPLETE OR PARTIAL) |
| 6 | 1 | ea | KELLY CLOSURE Building, clear fiber glass, corrugated roof and walls, insulated ceiling and walls, plywood floor 24' x 12', covered with vinyl, 28' x 20' | | |
| 7 | 1 | ea | KELLY CLOSURE Building, clear fiber glass, corrugated roof and walls, plywood floor | | |
| 8 | 6 | ea | DRYER, CLOTHES, electric "HOTPOINT", heavy duty, Mod. DLB 1550 PHLWH 120/240 V 60 HZ 5600 W 24 A 120/208 V 60 HZ 4400 W 22 Amp. s.n. TV2-3777 4H/s.n. TV2-3776H/s.n. TV2-377673H/s.n. TV2-37699H/s.n. TV2-37746H/s.n. TV2-37670H. | | |
| 9 | 6 | ea | WASHING MACHINE, CLOTHES "HOTPOINT" Heavy Duty 18 Model DLB 1550 PHLWH 120/208 V 60 HZ 4400W 22 Amp. 120/240 V 60 HZ 5600 W 24 Amp. | | |
| 10 | 1 | ea | KELLY CLOSURE Building, clear fiber glass, corrugated roof and walls, insulated ceiling and walls, plywood door, 56' x 28' | | |
| 11 | 1 | ea | KELLY CLOSURE Building, clear fiber glass, corrugated roof and walls, insulated ceiling and walls, plywood floor, 20' x 28' | | |

| | | | |
|----|-----|----|--|
| 12 | 1 | ea | KELLY CLOSURE Building, clear fiber glass, corrugated roof and walls, insulated ceiling and walls, plywood floor, 12' x 24' |
| 13 | 1 | ea | KELLY CLOSURE Building, clear fiber glass, corrugated roof and walls, insulated ceiling and walls, plywood floor, 12' x 24' |
| 14 | 1 | ea | KELLY CLOSURE Building, clear fiber glass, corrugated roof and walls, insulated ceiling and walls, plywood floor, 12' x 16' |
| 15 | 1 | ea | HEATER, water, electric "Spartan Bradford"—White Corp. Mod. BN-120 36562 Code 1175, Cap. 120 Gallons 240 V AC, 3 fase, 87 Amps. 6 KW for each of 6 elements 36 KW s.n. 130055 |
| 16 | 1 | ea | HEATER, water, electric "Rheinglas" Commercial Mod. Nr EG 45-120, 240 V, Cap. 119.9 US Gallons s.n. 0674500370 |
| 17 | 2 | ea | HEATER, water, electric, "AO Smith", Mod. No. KEL 20790, 240 V, AC, Cap. 20 US Gallons, s.n. 790-A 74-43864/s.n. 790-A 74-43805 |
| 18 | 1 | ea | GENERATOR "Caterpillar" 105 KW Model SR-4. RPM 1800 HZ 60 Low connection 240V, 316 Amps. High Connection 480 V, 158 Amps. (29.6.76, Hours run 2764 by take over) |
| 19 | 1 | ea | GENERATOR "Witte", 16.5 KVA s.n. 630-7 EM |
| 20 | 1 | ea | SCREENING PLANT, for sand and gravel, 4' x 10' (hopper size) "Cedar Rapids", electric 230/460V, 3 fase. Motor General Electric, Class B, 1740 RPM, w/GRADER, consisting of 3 conveyor belts, w/gear box Fost and Jones |
| 21 | 1 | ea | CONCRETE MIXER "Gilson" Mod. 118-CRT, s.n. 75067 Engine "WISCONSIN" HD/Air cooled. Mod. VF 4D Spec. No. 237896, s.n. 5469021 capacity: ½ cu. Yds. |
| 22 | 2 | ea | TRAILER, Deck-over-Wheel 8' x 18' (Construction Trailer) "Eager Beaver" 3 Rear axles (6 single wheels) Vehicle identification No. 9D 7603-9D 7605 Capacity 22600 Lbs. Gross. UNEF-9019/UNEF 9020 |
| 23 | 219 | ea | LIGHT FIXTURES |
| 24 | 29 | ea | LAVATORIES |

**UNITED NATIONS EMERGENCY FORCE—CONTINUED
RECEIVING AND INSPECTION REPORT
PROCUREMENT SECTION**

**VOUCHER:
REQUISITION:**

RECEIVED:

FROM U/S/SINAI FIELD MISSION
 (VENDOR)

VIA **CHARGES**

FOR UNEF **ROOM**
 (REQUISITIONER)

| | |
|--------------------|--|
| PURCHASE ORDER NO. | <u>UNEF/SUP/6-331</u> |
| DELIVERY | <u>Complete</u> (COMPLETE OR PARTIAL) |
| DATE OF DELIVERY | <u>5 July 1976</u> |
| ACCOUNT CODE NO. | <u> </u> |

| ITEM NO. | QUANTITY | UNIT | DESCRIPTION OF ARTICLES OR SERVICES |
|----------|----------|------|-------------------------------------|
| 25 | 28 | ea | SHOWER STALLS |
| 26 | 28 | ea | COMMODES |
| 27 | 22 | ea | MIRRORS |
| 28 | 220 | ea | SLEEPING BAGS |
| 29 | 308 | ea | BUNKS WITH MATTRESSES |
| 30 | 40 | ea | FOLDING COTS WITH MATTRESSES |
| 31 | 15 | ea | WINDOWS |
| 32 | 20 | ea | PORTA POTTIES |
| 33 | 200 | ea | HARD HATS |

| | | | | |
|----|--|---|----|----------------------|
| 34 | | 1 | ea | FUEL TANK 250 GALLON |
| 35 | | 1 | ea | FUEL TANK 500 GALLON |

CHECKED _____

POSTED STOCK _____

I CERTIFY THAT THE ARTICLES AND SERVICES AS DESCRIBED ABOVE HAVE BEEN
(RECEIVED AND ACCEPTED) (REJECTED FOR REASONS NOTED)

ANDERSEN, Chief Procurement & Supply Officer
(RECEIVING OFFICER)

•PLEASE SIGN AND RETURN TO PROCUREMENT•

FINANCE

UNITED STATES SINAI SUPPORT MISSION
c/o DEPARTMENT OF STATE
WASHINGTON, D.C. 20520

SEPTEMBER 30, 1976

MR. GEORGE LANSKY, DIRECTOR
Field Operations Service
Office of General Services
United Nations
799 United Nations Plaza
New York, New York 10017

DEAR MR. LANSKY:

Enclosed please find a confirming invoice concerning the sale by the Sinai Support Mission to the United Nations of certain foreign excess property located in the Sinai, for use by UNEF.

The terms of the sale are as set forth in United Nations Letter US/UNEF/ASSIST/76-30 dated August 26, 1976.

Please prepare a check in the amount of \$125,000 payable to the Sinai Support Mission, whose address appears above and remit with one copy of SF 1034.

Sincerely,

WILLIAM A. RICE

William A. Rice
Controller

Enclosure:
As stated.

| Standard Form 1034 September 1973 Treasury FPM 2000 1034-115 | PUBLIC VOUCHER FOR PURCHASES AND SERVICES OTHER THAN PERSONAL | | | VOUCHER NO. | | | |
|---|--|--|--|------------------------|-----------------------|--------------------|--|
| U.S. DEPARTMENT, BUREAU, OR ESTABLISHMENT AND LOCATION Sinai Support Mission, Rm. 3420 c/o Department of State Washington, DC 20520 | | DATE VOUCHER PREPARED September 30, 1976 | | SCHEDULE NO. | | | |
| | | CONTRACT NUMBER AND DATE | | PAID BY | | | |
| | | REQUISITION NUMBER AND DATE | | | | | |
| PAYEE'S NAME AND ADDRESS United Nations c/o George Lansky, Director Field Operations Service 799 United Nations Plaza New York, New York 10017 | | | | DATE INVOICE RECEIVED | | | |
| | | | | DISCOUNT TERMS | | | |
| | | | | PAYEE'S ACCOUNT NUMBER | | | |
| | SHIPPED FROM | | TO | FREIGHT | GOVERNMENT B/L NUMBER | | |
| NUMBER AND DATE OF ORDER | DATE OF DELIVERY OR SERVICE | ARTICLES OR SERVICES <i>(Enter description, item number of contract or Federal supply sched- ule, and other information deemed necessary)</i> | QUAN- TITY | UNIT PRICE | | AMOUNT (\$) | |
| | | | | COST | PER | | |
| | | Sale of foreign excess property for use by UNEF | | | | \$125,000 | |
| (Use continuation sheet(s) if necessary) (Payee must NOT use the space below) | | | TOTAL | | | \$125,000 | |
| PAYMENT: <input type="checkbox"/> COMPLETE <input type="checkbox"/> PARTIAL <input type="checkbox"/> FINAL <input type="checkbox"/> PROGRESS <input type="checkbox"/> ADVANCE | APPROVED FOR = \$ | EXCHANGE RATE =\$1.00 | DIFFERENCES | | | | |
| | BY [I] | | | | | | |
| | TITLE | | Amount verified; correct for <i>(Signature or Initials)</i> | | | | |
| | Pursuant to authority vested in me, I certify that this voucher is correct and proper for payment. | | | | | | |
| | (Date) | (Authorized Certifying Officer) [I] | | | (Title) | | |
| ACCOUNTING CLASSIFICATION | | | | | | | |
| PAID BY | CHECK NUMBER ON TREASURER OF THE UNITED STATES | | CHECK NUMBER | | ON (Name of bank) | | |
| | CASH | DATE \$ | PAYEE [I] | | PER | | |
| <small> 1 When stated in foreign currency, insert name of currency. 2 If the ability to certify and authority to approve are combined in one person, one signature only is necessary; otherwise the approving officer will sign in the space provided, over his official title. 3 When the voucher is received in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary", or "Treasurer", as the case may be. </small> | | | | | | | |
| TITLE | | | | | | | |

UNION OF SOVIET SOCIALIST REPUBLICS

Deep Sea Drilling Project

*Memorandum of understanding signed at Washington
February 27, 1974;
Entered into force February 27, 1974.*

MEMORANDUM OF UNDERSTANDING

between the U.S. National Science Foundation
and the U.S.S.R. Academy of Sciences
on participation of the U.S.S.R. in the
Deep Sea Drilling Project

In accordance with the Agreement between the Government of the U.S.S.R.
and the Government of the U.S.A. on Scientific and Technical Cooperation,
signed May 24, 1972, [¹] and with the Agreement between the Government of the
U.S.S.R. and the Government of the U.S.A. on Cooperation in the Field of
World Ocean Studies, signed June 19, 1973: [²]

The sides have agreed as follows:

1. In accordance with the Record of Discussions between the
U.S.S.R. Academy of Sciences and the U.S. National Science Foundation of
October 16-20, 1972, the U.S.S.R. will contribute to the support of the
Deep Sea Drilling Project and its possible extension to a program of deep
crustal drilling by means of a financial payment in U.S. dollars of a total
sum of one million dollars annually. The U.S.S.R. will make this payment
at an annual rate of one million dollars for a period of five years,
beginning January 1, 1974. The payment of this amount will take place
quarterly at the rate of 250,000 U.S. dollars through the U.S. National
Science Foundation. The financial contributions of all participants in
the DSDP will be commingled to support the total program costs. In the

¹ TIAS 7346, 8619; 23 UST 856; 28 UST 5191.

² TIAS 7651, 9008; 24 UST 1452; *ante*, p. 3226.
[Footnotes added by the Department of State.]

event that the project is terminated, the U.S.S.R. will be reimbursed on a prorata basis.

2. The cost of the salaries of Soviet scientists who participate in the DSDP will be paid by the U.S.S.R. The cost of internal U.S. travel and per diem of the members or alternative designates of the advisory committee (executive, planning, and advisory functions) for working sessions of this committee will be paid by the DSDP. All other costs, including the cost of travel to and from the U.S., will be paid by the U.S.S.R. The costs of participation in such meetings held outside the U.S. will be paid by each side for its own nationals. The cost of per diem for Soviet specialists on board Glomar Challenger will be paid by the DSDP. All other costs, including travel to and from Glomar Challenger, will be paid by the U.S.S.R. The cost of internal U.S. travel and per diem for post cruise conferences required for the preparation of the Initial Reports will be paid by the DSDP.*

3. The U.S.S.R. Academy of Sciences via the Institute of Oceanology is now and will continue to be a member of the DSDP scientific advisory committee constituted to provide scientific advice to the Scripps Institution of Oceanography, which functions as the manager of the DSDP. All members of the advisory committee will have an equal voice in the advisory committee deliberations.

4. The Scripps Institution of Oceanography selects the scientific team for each cruise. Because of the limited space for shipboard scientists aboard Glomar Challenger and in order to ensure equitable treatment for all

*The details associated with travel and per diem arrangements will be furnished in a letter from the U.S. National Science Foundation to the U.S.S.R. Academy of Sciences.

non-U.S. nation participants, space, on the average, will be available for one to two Soviet scientists on each cruise of Glomar Challenger during Phase III of DSDP. In some circumstances, more Soviet participation may be appropriate. In the selection of areas in which cruises are to take place, the interests of Soviet scientists will be taken into account. It is expected that a Soviet scientist will be proposed to serve as co-chief scientist for a cruise at least once each year during Phase III of the DSDP. Selection of co-chief scientists for any extension of the DSDP shall be subject to discussion between representatives of the U.S. National Science Foundation and the U.S.S.R. Academy of Sciences.

All concrete proposals concerning participation of Soviet scientists in cruises of Glomar Challenger and in the scientific advisory committee will be sent to the Scripps Institution of Oceanography by the Chairman of the Soviet side of the U.S.-U.S.S.R. Joint Committee on Cooperation in World Ocean Studies or by persons designated by him.

5. The Soviet side will participate in general geophysical and special investigations of drilling sites by using U.S.S.R. oceanographic ships with the goal of assisting the planning and selection of sites for deep drilling which will be conducted throughout the period of the project. The results of these surveys by the Soviet side will be made freely available to all participants in the DSDP and any possible extension. These investigations will be coordinated between the Institute of Oceanology of the U.S.S.R. Academy of Sciences and the Scripps Institution of Oceanography.

6. The U.S.S.R. Academy of Sciences will direct and coordinate the research efforts of Soviet laboratories for the analyses of appropriate DSDP core samples. The results of these analyses will be provided to the Scripps Institution of Oceanography in an acceptable form and in sufficient time to allow the scheduled publication of each volume of the Initial Reports of the Deep Sea Drilling Project.

7. Scientific data from drilling site surveys and laboratory analyses that are gathered by the Institute of Oceanology for the preparation of the Initial Reports of the Deep Sea Drilling Project shall be provided to the Scripps Institution of Oceanography in time to meet mutually agreed schedules. Such scientific data will then be incorporated as appropriate in the Initial Reports of the Deep Sea Drilling Project.

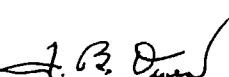
8. In view of the U.S.S.R. contribution to the DSDP, 100 copies of each volume of the Initial Reports of the Deep Sea Drilling Project, beginning with Volume 20, will be provided to the Institute of Oceanology of the U.S.S.R. Academy of Sciences for free distribution among Soviet scientific establishments. The Soviet side may translate these volumes into the Russian language and may publish them in the U.S.S.R., in full or in part, without payment to or additional agreements with the American side. The U.S.S.R., likewise, will provide the U.S. National Science Foundation copies of all U.S.S.R. publications that are based on DSDP materials, which may be translated into English and published in the United States, in full or in part, without payment to or additional agreements with the Soviet side.

9. Other proposals of mutual interest for participation in the Deep Sea Drilling Project will be considered, as appropriate, by representatives of the U.S. National Science Foundation and the U.S.S.R. Academy of Sciences.

10. Scientific and administrative representatives of the U.S. National Science Foundation and the U.S.S.R. Academy of Sciences shall meet at least once a year as mutually agreed to review the program of the Deep Sea Drilling Project, including an annual financial report, and the terms and conditions of this agreement.

11. This Memorandum of Understanding may be terminated by either party giving the other party advance notice of at least six months.

12. Done in Washington, D.C. on February 27, 1974, in duplicate, in the English and Russian languages, both texts being equally authentic.



T. B. Owen
Assistant Director for National
and International Programs
U.S. National Science Foundation

27 FEBRUARY 1974

Date



L. M. Brekhovskikh
Member of the Presidium of the
U.S.S.R. Academy of Sciences,
Academician

27. 02. 1974.

Date

СОГЛАШЕНИЕ
между Академией наук СССР и Национальным научным фондом США
об участии СССР в Проекте глубоководного бурения

В соответствии с Соглашением между правительством СССР и правительством США о научно-техническом сотрудничестве, подписанным 24 мая 1972 г. и Соглашением между правительством СССР и правительством США о сотрудничестве в области исследования Мирового океана, подписанным 19 июня 1973 г.

Стороны договорились о нижеследующем:

1) Согласно Протоколу переговоров между Академией наук СССР и Национальным научным фондом США от 16-20 октября 1972 г. СССР будет поддерживать Проект глубоководного бурения и его возможное продолжение в программе глубокого бурения земной коры путем денежного взноса в долларах США на общую сумму один миллион долларов США ежегодно. СССР будет делать этот ежегодный взнос в течение пяти лет, начиная с 1 января 1974 года. Взнос этой суммы будет осуществляться поквартально в размере 250 тысяч американских долларов через Национальный научный фонд США. Денежные вклады всех участников Проекта ДСПД будут составлять единый фонд, предназначенный для покрытия расходов на реализацию всей программы. В случае, если осуществление Проекта будет прервано, СССР получит обратно свой взнос на пропорциональной основе.

2) Зарплата советским ученым, которые принимают участие в Проекте ДСПД, будет выплачиваться Советским Союзом. Расходы, связанные с переездами в пределах США, и суточные членов (или тех, кто будет их замещать) консультативного комитета (с исполнительными планирующими и консультативными функциями), выезжающих на рабочие заседания данной Комиссии, будут оплачиваться ДСПД. Все

другие расходы, включая стоимость поездок в США и обратно, будет нести советская сторона. Расходы, связанные с участием в подобных заседаниях вне пределов США, каждая сторона будет нести за своих представителей из своих собственных средств. Суточные для советских специалистов, участвующих в рейсах "Гломар Челленджера" будут оплачиваться за счет ДСПД. Все другие расходы, включая проезд до "Гломар Челленджера" и от него, будут оплачиваться Советским Союзом. Расходы по проезду внутри США, а также суточные для участников послерейсовых конференций, необходимых для подготовки предварительных отчетов, будут оплачиваться за счет ДСПД.

3) Академия наук СССР через Институт океанологии является и будет продолжать являться членом научного консультативного комитета ДСПД для того, чтобы давать научные рекомендации Скриппсовскому океанографическому институту, который руководит реализацией проекта ДСПД. Все члены консультативного комитета будут иметь равноправные голоса во время заседаний комитета.

4) Скриппсовский океанографический институт подбирает научный отряд для каждого рейса. Ввиду того, что "Гломар Челленджер" может взять на борт ограниченное число научных работников, а также из-за необходимости обеспечения равных возможностей для участников всех других стран, кроме США, в каждом рейсе "Гломар Челленджера" во время III фазы ДСПД для советских ученых будет предоставлено в среднем одно-два места. В некоторых случаях может потребоваться и большее число советских специалистов. При выборе районов, в которых должны совершаться рейсы, будут

учитываться интересы советских ученых. По меньшей мере раз в год во время реализации III фазы ДСПД в качестве сопровождающего научной части экспедиции может быть назначен, по представлению советской стороны, советский ученый. Выбор ученого-сопровождающего для любой другой программы, которая сменит ДСПД, подлежит обсуждению между представителями Академии наук СССР и Национального научного фонда США.

Все конкретные предложения относительно участия советских ученых в рейсах "Гломар Челленджера" и в научном консультативном комитете должны направляться в Скриппсовский океанографический институт председателем советской части советско-американской совместной комиссии по сотрудничеству в области исследования Мирового океана или лицами, назначенными им.

5) Советская сторона примет участие в общих геофизических и специальных исследованиях участков бурения на своих океанографических судах с целью оказания помощи в планировании и выборе мест для глубокого бурения, которое будет вестись в течение всего периода реализации Проекта.

Советская сторона обеспечивает свободный доступ к результатам произведенных ею съемок для всех участников проекта ДСПД и любого возможного его продолжения. Эти исследования будут координироваться между Институтом океанологии Академии наук СССР и Скриппсовским океанографическим институтом.

6) Академия наук СССР будет направлять и координировать научные исследования советских лабораторий, занимающихся анализами соответствующих кернов, полученных по проекту ДСПД. Результаты

таты этих исследований будут направляться в Скриппсовский океанографический институт в приемлемой форме и заблаговременно с тем, чтобы можно было осуществить запланированные публикации каждого тома предварительных отчетов глубоководного Проекта.

7) Научные данные исследований в районах предполагаемых скв и анализы, выполненные в лабораториях, поступающие в Институт океанологии для подготовки предварительных отчетов проекта глубоководного бурения, должны направляться в Скриппсовский океанографический институт своевременно, чтобы обеспечить выполнение взаимосогласованных планов в установленные сроки. Эти научные данные соответствующим образом будут включаться в "Предварительные отчеты Проекта глубоководного бурения".

8) Учитывая вклад СССР в проект ДСПД, 100 экземпляров каждого тома "Предварительных отчетов Проекта глубоководного бурения", начиная с 20 тома, будет посыпаться в Институт океанологии Академии наук СССР для бесплатного распределения среди советских научных учреждений. Советская сторона может переволить эти тома на русский язык и может публиковать их полностью или частично, не платя за это американской стороне и не заключая с ней дополнительных соглашений на этот счет. Равным образом СССР будет предоставлять Национальному научному фонду США экземпляры всех советских изданий, основанных на материалах ДСПД, которые могут быть переведены на английский язык и опубликованы в США полностью или частично, не платя за это советской стороне и не заключая с ней дополнительных соглашений на этот счет.

9) Если возникнет необходимость, представители Национального научного фонда США и Академии наук СССР рассмотрят и другие предложения, касающиеся участия в проекте глубоководного бурения и представляющие взаимный интерес.

10) Научные и административные представители Национального научного фонда США и Академии наук СССР должны встречаться по меньшей мере один раз в год по взаимному согласию для рассмотрения программы ДСПД, включая ежегодный финансовый отчет, а также положения и условия данного Соглашения.

II) Настоящее Соглашение может быть прервано каждой из сторон, с предупреждением другой стороны, сделанным не менее, чем за шесть месяцев.

12) Совершено в Вашингтоне 27 февраля 1974 года в двух экземплярах на русском и английском языках, причем оба текста имеют одинаковую силу.

АКАДЕМИК-СЕКРЕТАРЬ
ОТДЕЛЕНИЯ ОКЕАНОЛОГИИ,
ФИЗИКИ И ГЕОГРАФИИ
АКАДЕМИИ НАУК СССР

ПОМОЩНИК ДИРЕКТОРА
НАЦИОНАЛЬНОГО НАУЧНОГО ФОНДА
ПО ВОПРОСАМ НАЦИОНАЛЬНЫХ И
МЕЖДУНАРОДНЫХ ПРОГРАММ

Л. Бреходский

АКАДЕМИК Л. М. БРЕХОЕВСКИХ

T. B. Owen

Т. Б. ОУЭН

CANADA
Great Lakes Load Lines

*Memorandum of understanding signed at Ottawa
November 21, 1977;
Entered into force November 21, 1977.*

MEMORANDUM OF UNDERSTANDING

BETWEEN THE UNITED STATES COAST GUARD AND THE CANADIAN COAST GUARD CONCERNING RECIPROCAL RECOGNITION OF GREAT LAKES LOAD LINES

1. The United States Coast Guard and the Canadian Coast Guard reaffirm the reciprocal recognition of load line regulations that each country has in force on the Great Lakes of North America, recognizing that these regulations indicate the mutual desire of the United States and Canada to maintain equivalent levels of safety with respect to Great Lakes shipping.

2. The two agencies recall that from April 1938 to March 1940 the United States and Canada exchanged a series of notes recognizing that the load line regulations of both countries were equally effective.^[1] Since 1964 the two countries have undertaken a technical survey of ship strength and wave research on the Great Lakes, which is continuing under the Volpe-Jamieson Agreement of June 18, 1970. More recently, the two agencies have discussed load line regulation changes, exchanged draft regulations for review and comment, and, in May 1973, published new Great Lakes load line regulations in the Federal Register and the Canada Gazette.

3. Desiring to continue this spirit of mutual respect and cooperation, the United States Coast Guard and the Canadian Coast Guard, agree, subject to the availability of funds:

(A) to maintain official communication between the two agencies for the purpose of identifying possible inequalities in the technical level of safety achieved or in the administration of load line regulations;

(B) to cooperate in research programs aimed at achieving a better understanding of ship strength, stability and survival capability, subdivision and watertight integrity; and

(C) to attempt to eliminate observed discrepancies and to discuss new regulations so as to maintain equivalency of the regulations.

4. The operative provisions of the Memorandum of Understanding shall be reviewed by the United States Coast Guard and the Canadian Coast Guard at least once every three years to ensure that overall objectives are being achieved.

5. Signed and effective this 21st day of November, 1977.



For the United States Coast Guard



For the Canadian Coast Guard

¹ Exchanges of notes Apr. 29, Aug. 24 and Oct. 22, 1938, Sept. 2 and Oct. 18, 1939 and Jan. 10 and Mar. 4, 1940. EAS 172; 54 Stat. 2300.

² W. M. Benkert

³ W. A. O'Neill

PROTOCOLE D'ENTENTE

ENTRE LA GARDE CÔTIÈRE DES ÉTATS-UNIS ET LA GARDE CÔTIÈRE CANADIENNE
CONCERNANT LA RECONNAISSANCE RÉCIPROQUE DES LIGNES DE CHARGE POUR LES
GRANDS LACS

1. La Garde côtière des États-Unis et la Garde côtière canadienne réaffirment leur reconnaissance réciproque du règlement sur les lignes de charge que chaque pays maintient en vigueur sur les Grands lacs de l'Amérique du Nord, reconnaissant que ce règlement indique le désir mutuel des États-Unis et du Canada de maintenir des niveaux de sécurité équivalents relativement à la navigation sur les Grands lacs.

2. Les deux organismes rappellent que d'avril 1938 à mars 1940, les États-Unis et le Canada ont échangé une série de notes reconnaissant que le règlement sur les lignes de charge des deux pays avait la même efficacité. Depuis 1964, les deux pays ont entrepris une enquête technique sur la résistance des navires et sur les recherches relatives aux vagues des Grands lacs, enquête qui se poursuit en vertu de l'entente Volpe-Jamieson du 18 juin 1970. Plus récemment, les deux organismes ont discuté des changements à apporter au règlement sur les lignes de charge, ont échangé des projets de règlement aux fins d'étude et de commentaires, et, en mai 1973, ont publié dans le Federal Register et la Gazette du Canada un nouveau règlement sur les lignes de charge.

3. Souhaitant que cet esprit de respect et de collaboration mutuel demeure, la Garde côtière des Etats-Unis et la Garde côtière canadienne, sous réserve des fonds disponibles, ont convenu:

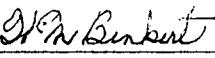
(A) de maintenir des communications officielles entre les deux organismes afin d'identifier les inégalités possibles relativement au niveau technique de sécurité obtenu ou à l'administration du règlement sur les lignes de charge;

(B) de collaborer à des programmes de recherches visant une meilleure compréhension de la résistance, de la stabilité et de la capacité de survie, ainsi que de l'intégrité du cloisonnement et de l'étanchéité aux intempéries des navires; et

(C) d'essayer d'éliminer les différences observées et de discuter des nouveaux règlements de façon à maintenir leur équivalence.

4. La Garde côtière des États-Unis et la Garde côtière canadienne devront réviser les dispositifs du protocole d'entente au moins une fois tous les trois ans de façon à assurer la continuité de l'ensemble des objectifs.

5. Signé et en vigueur ce 21 ième jour de novembre, 1977.


Pour la Garde côtière des
Etats-Unis


Pour la Garde côtière canadienne

BANGLADESH

Investment Guaranties

*Effectuated by exchange of notes
Dated at Dacca January 17 and 20, 1975;
Entered into force October 30, 1978.
With related letters.*

The American Embassy to the Bangladesh Ministry of Foreign Affairs

No. 04

The Embassy of the United States of America presents its compliments to the Ministry of Foreign Affairs of the People's Republic of Bangladesh and has the honor to refer to conversations which have recently taken place between representatives of our two governments relating to investments in Bangladesh which promote the development of the economic resources and productive capacities of Bangladesh and to insurance and guarantees of such investments issued as an incentive by the Government of the United States of America. It also has the honor to confirm the following understandings reached as a result of those conversations:

1. When an investor proposes to invest in a project or activity within Bangladesh, with the assistance of insurance or guarantees (hereinafter referred to as "coverage") issued pursuant to this Agreement by the Government of the United States of America, the Government of the United States of America (the Issuing Government) and the Government of Bangladesh (the Host Government) shall, upon the request of either, consult respecting the nature of the project or activity.
2. The procedures set forth in this Agreement shall apply with respect to coverage of investments in projects or activities hereafter approved by the Host Government.
3. If the Issuing Government makes payment to any investor under coverage referred to in Paragraph 2 of this Agreement, the Host Government shall, subject to the provisions of Paragraph 4, recognize the transfer to the Issuing Government of any currency, credits, assets, or investment on account of which payment under such coverage is made as well as the succession of the Issuing Government

to any right, title, claim, privilege, or cause of action existing, or which may arise, in connection therewith. The Issuing Government shall assert no greater rights than those of the transferring investor with respect to any interests transferred or succeeded to under this paragraph. The Issuing Government does, however, reserve its rights to assert a claim in its sovereign capacity under international law.

4. To the extent that the laws of the Host Government partially or wholly invalidate or prohibit the acquisition from a covered investor of any interests in any property within its territory by the Issuing Government, the Host Government shall permit such investor and the Issuing Government to make appropriate arrangements pursuant to which such interests are transferred to an entity permitted to own such interests under the laws of the Host Government.

5. Amounts in the lawful currency of the Host Government and credits thereof acquired by the Issuing Government under coverage referred to in Paragraph 2 of this Agreement shall be accorded treatment no less favorable than that accorded to funds of nationals of the United States of America deriving from investment activities like those in which the investor has been engaged, and such amounts and credits shall be freely available to the Issuing Government for its use in the territory of the Host Government.

6. (a) Differences between the two Governments concerning the interpretation of the provisions of this Agreement shall be resolved, insofar as possible, through negotiations between the two Governments. If such a difference cannot be resolved within a period of three months following the request for such negotiations, it shall be submitted, at the request of either Government, to an arbitral tribunal for resolution in accordance with Paragraph 6(c). This three month period may be extended by agreement between the two Governments.

(b) Any claim, arising out of any investment referred to in Paragraph 2 of this Agreement, against either of the two Governments, which, in the opinion of the other, presents a question of public international law shall, at the request of the Government presenting the claim, be submitted to negotiations. If at the end of three months or at the end of a mutually agreeable extension following the request for negotiations, the two Governments have not resolved the claim by mutual agreement, the claim, including the question of whether it presents a question of public international law, shall be submitted, at the request of either Government, to an arbitral tribunal for resolution in accordance with Paragraph 6(c).

(c) The arbitral tribunal for resolution of disputes pursuant to Paragraphs 6(a) and 6(b) shall be established and function as follows:

(i) Each Government shall appoint one arbitrator; these two arbitrators shall designate a President by common agreement who shall be a citizen of a third State and be appointed by the two Governments. The arbitrators shall be appointed within two months and the President within three months of the date of receipt of

either Government's request for arbitration. If the appointments are not made within the foregoing time limits, either Government may, in the absence of any other agreement, request the President of the International Court of Justice to make the necessary appointment or appointments, and both Governments agree to accept such appointment or appointments.

(ii) The arbitral tribunal shall base its decision on the applicable principles and rules of public international law. The arbitral tribunal shall decide by majority vote. Its decision shall be final and binding. Only the two Governments may request the arbitral procedure and participate in it.

(iii) Each of the Governments shall pay the expense of its arbitrator and of its representation in the proceedings before the arbitral tribunal; the expenses of the President and the other costs shall be paid in equal parts by the two Governments. The arbitral tribunal may adopt regulations concerning the costs, consistent with the foregoing.

(iv) In all other matters, the arbitral tribunal shall regulate its own procedures.

7. This Agreement shall continue in force until six months from the date of receipt of a note by which one Government informs the other of an intent no longer to be a party to the Agreement. In such event, the provisions of the Agreement with respect to coverage referred to in Paragraph 2 which is issued before termination of the Agreement shall remain in force for the duration of such coverage, but in no case longer than twenty years after the denunciation of the Agreement.

8. This Agreement shall enter into force on the date of the note by which the Host Government communicates to the Issuing Government that the Agreement has been approved in conformity with the Host Government's constitutional procedures.^[1]

Upon receipt of a note indicating that the foregoing provisions are acceptable to the Government of Bangladesh, the Government of the United States of America will consider that this note and the reply thereto constitute an Agreement between our two Governments on this subject, the Agreement to enter into force in accordance with Paragraph 8.

The Embassy of the United States of America avails itself of this opportunity to renew to the Ministry of Foreign Affairs of the People's Republic of Bangladesh the assurances of its highest consideration.

EMBASSY OF THE UNITED STATES OF AMERICA

DACCA, January 17, 1975

¹ Oct. 30, 1978.

The Bangladesh Secretary, Ministry of Industries, to the American Embassy

GOVERNMENT OF THE PEOPLE'S REPUBLIC OF BANGLADESH
MINISTRY OF INDUSTRIES
(INDUSTRIES DIVISION)
DACC

The Government of the People's Republic of Bangladesh presents its best compliments to the Government of the United States and has the honour to refer to conversations which have recently taken place between representatives of our two Governments relating to the United States investments in Bangladesh which promote the development of the economic re-sources and productive capacities of Bangladesh and to insurance and guarantees of such investments issued as an incentive by the Government of the United States of America. It also has the honour to confirm that the following understandings reached as a result of those conversations are acceptable to the Government of the People's Republic of Bangladesh.

1. When an investor proposes to invest in a project or activity within Bangladesh, with the assistance of insurance or guarantees (hereinafter referred to as "coverage") issued pursuant to this Agreement by the Government of the United States of America, the Government of the United States of America (the Issuing Government) and the Government of Bangladesh (the Host Government) shall, upon the request of either, consult respecting the nature of the project or activity.
2. The procedures set forth in this Agreement shall apply with respect to coverage of investments in projects or activities hereafter approved by the Host Government.
3. If the Issuing Government makes payment to any investor under coverage referred to in Paragraph 2 of this Agreement, the Host Government shall, subject to the provisions of Paragraph 4, recognize the transfer to the Issuing Government of any currency, credits, assets, or investment on account of which payment under such coverage is made as well as the succession of the Issuing Government to any right, title, claim, privilege, or cause of action existing, or which may arise, in connection therewith. The Issuing Government shall assert no greater rights than those of the transferring investor with respect to any interests transferred or succeeded to under this paragraph. The Issuing Government does, however, reserve its rights to assert a claim in its sovereign capacity under international law.
4. To the extent that the laws of the Host Government partially or wholly invalidate or prohibit the acquisition from a covered investor of any interest in any property within its territory by the Issuing Government the Host Government shall permit such investor and the Issuing Government to make appropriate arrangements pursuant to

which such interests are transferred to an entity permitted to own such interests under the laws of the Host Government.

5. Amounts in the lawful currency of the Host Government and credits thereof acquired by the Issuing Government under coverage referred to in Paragraph 2 of this Agreement shall be accorded treatment no less favorable than that accorded to funds of nationals of the United States of America deriving from investment activities like those in which the investor has been engaged, and such amounts and credits shall be freely available to the Issuing Government for its use in the territory of the Host Government.

6. (a) Differences between the two Governments concerning the interpretation of the provisions of this Agreement shall be resolved, insofar as possible, through negotiations between the two Governments. If such a difference cannot be resolved within a period of three months following the request for such negotiations, it shall be submitted, at the request of either Government, to an arbitral tribunal for resolution in accordance with Paragraph 6(c). This three month period may be extended by agreement between the two Governments.

(b) Any claim, arising out of any investment referred to in Paragraph 2 of this Agreement, against either of the two Governments, which, in the opinion of the other, presents a question of public international law shall, at the request of the Government presenting the claim, be submitted to negotiations. If at the end of three months or at the end of a mutually agreeable extension following the request for negotiations, the two Governments have not resolved the claim by mutual agreement, the claim, including the question of whether it presents a question of public international law, shall be submitted, at the request of either Government, to an arbitral tribunal for resolution in accordance with Paragraph 6(c).

(c) The arbitral tribunal for resolution of disputes pursuant to Paragraphs 6(a) and 6(b) shall be established and function as follows:

(i) Each Government shall appoint one arbitrator; these two arbitrators shall designate a President by common agreement who shall be a citizen of a third State and be appointed by the two Governments. The arbitrators shall be appointed within two months and the President within three months of the date of receipt of either Government's request for arbitration. If the appointments are not made within the foregoing time limits, either Government may, in the absence of any other agreement, request the President of the International Court of Justice to make the necessary appointment or appointments, and both Governments agree to accept such appointment or appointments.

(ii) The arbitral tribunal shall base its decision on the applicable principles and rules of public international law. The arbitral tribunal shall decide by majority vote. Its decision shall be final and binding. Only the two Governments may request the arbitral procedure and participate in it.

(iii) Each of the Governments shall pay the expense of its arbitrator and of its representation in the proceedings before the arbitral tribunal; the expenses of the President and the other costs shall be paid in equal parts by the two Governments. The arbitral tribunal may adopt regulations concerning the costs, consistent with the foregoing.

(iv) In all other matters, the arbitral tribunal shall regulate its own procedures.

7. This Agreement shall continue in force until six months from the date of receipt of a note by which one Government informs the other of an intent no longer to be a party to the Agreement. In such event, the provisions of the Agreement with respect to coverage referred to in Paragraph 2 which is issued before termination of the Agreement shall remain in force for the duration of such coverage, but in no case longer than twenty years after the denunciation of the Agreement.

8. This Agreement shall enter into force on the date of the note by which the Host Government communicates to the Issuing Government that the Agreement has been approved in conformity with the Host Government's constitutional procedures.

The Government of the People's Republic of Bangladesh avails itself of this opportunity to renew to the Government of the United States the assurances of its highest consideration.

G MOSTAFA

(A.B.M. Ghulam Mostafa)
Secretary.

[SEAL]

[January 20, 1975]

[RELATED LETTERS]

DACCA, BANGLADESH January 17, 1975

Mr. A. B. M. GOLAM MUSTAFA

Secretary

Ministry of Industries

DEAR MR. SECRETARY:

I refer to our past discussions regarding the outstanding claim of Belbagco Incorporated (Bangladesh Fabrics Ltd.) for compensation for its nationalized assets.

In the event that the Overseas Private Investment Corporation (OPIC) settles the claim of Belbagco Inc., the Government of Bangladesh recognizes OPIC's right of subrogation.

Amounts in the lawful currency of the Government of Bangladesh acquired by OPIC from the Government of Bangladesh for compensation of the nationalized assets of Belbagco shall be freely available to the United States Government for its use in the territory of the Government of Bangladesh.

Differences between the two Governments concerning the compensation for the nationalized assets of Belbagco shall be resolved, insofar as possible, through negotiations between the two Governments. If such a difference cannot be resolved within a period of twelve months following the request for such negotiations, it shall be submitted to a mutually agreed upon arbitrator whose decision shall be final. If the two Governments are unable to select a mutually acceptable arbitrator within three months after indication by either Government of its desire for arbitration following expiration of the above negotiating period, either Government may request the President of the International Court of Justice to designate an arbitrator whose decision shall be final.

I would appreciate your confirmation that this is also the understanding of the Government of Bangladesh.

Very truly yours,

DANIEL PARKER

Daniel Parker

Chairman of the Board

Overseas Private Investment Corporation

GOVERNMENT OF THE PEOPLE'S REPUBLIC OF BANGLADESH

MINISTRY OF INDUSTRIES

(INDUSTRIES DIVISION)

DACCA

JANUARY 20, 1975.

Mr. DANIEL PARKER,
Chairman of the Board,
Overseas Private
Investment Corporation.

DEAR MR. PARKER,

I refer to your note dated January 17, 1975, regarding the outstanding claims of Belbagco Incorporated (Bangladesh Fabrics Ltd.) and confirm the position as noted below:

In the event that the Overseas Private Investment Corporation (OPIC) settles the claim of Belbagco Inc., the Government of Bangladesh recognizes OPIC's right of subrogation.

Amounts in the lawful currency of the Government of Bangladesh acquired by OPIC from the Government of Bangladesh for compensation of the nationalised assets of Belbagco shall be freely available to the United States Government for its use in the territory of the Government of Bangladesh.

Differences between the two Governments concerning the compensation for the nationalised assets of Belbagco shall be resolved, insofar as possible, through negotiations between the two Governments. If such a difference cannot be resolved within a period of twelve months following the request for such negotiations, it shall be submitted to a mutually agreed upon arbitrator whose decision shall be final. If the two Governments are unable to select a mutually acceptable arbitrator within three months after indication by either Government of its desire for arbitration following expiration of the above negotiating period, either Government may request the President of the International Court of Justice to designate an arbitrator whose decision shall be final.

Very truly yours,

G MOSTAFA

(A.B.M. Ghulam Mostafa)
Secretary.

[SEAL]

DACCA, BANGLADESH January 17, 1975

Mr. A. B. M. GOLAM MUSTAFA
Secretary
Ministry of Industries

DEAR MR. SECRETARY:

I refer to our past discussions and the Investment Incentive Agreement to be signed today between our two Governments.

The terms of that agreement shall be deemed to apply to any claim arising subsequent to the signing of that agreement involving the investment of E. R. Squibb and Sons, Inc. in Squibb of Bangladesh.

I would appreciate your confirmation that this is also the understanding of the Government of Bangladesh.

Very truly yours,

DANIEL PARKER

Daniel Parker
Chairman of the Board
Overseas Private Investment Corporation

GOVERNMENT OF THE PEOPLE'S REPUBLIC OF BANGLADESH
MINISTRY OF INDUSTRIES
(INDUSTRIES DIVISION)
DACC

JANUARY 20, 1975.

Mr. DANIEL PARKER,
Chairman of the Board
Overseas Private
Investment Corporation.

DEAR MR. PARKER,

I refer to your note dated January 17, 1975, regarding the outstanding claims of Squibb of Bangladesh and confirm the position as noted below:

The terms of the OPIC Agreement shall be deemed to apply to any claim arising subsequent to the signing of that agreement involving the investment of E. R. Squibb and Sons, Inc. in Squibb of Bangladesh.

Very truly yours,

G MOSTAFA

[SEAL]

(A.B.M. Ghulam Mostafa)
Secretary.

ZAIRE
North Shaba Rural Development

*Agreement signed at Kinshasa January 27, 1977;
Entered into force January 27, 1977.*

A.I.D. Loan Number 660-T-016
Project Number 660-0059

**PROJECT
LOAN AGREEMENT
BETWEEN
THE REPUBLIC OF ZAIRE
AND THE
UNITED STATES OF AMERICA
FOR
NORTH SHABA RURAL DEVELOPMENT**

Dated: JANUARY 27, 1977

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A.I.D. Project No. 660-0059

Project Loan Agreement

Dated JANUARY 27, 1977

Between

THE REPUBLIC OF ZAIRE ("Borrower")

And

THE UNITED STATES OF AMERICA, ACTING
THROUGH THE AGENCY FOR INTERNATIONAL
DEVELOPMENT ("A.I.D.")

ARTICLE 1: The Agreement

The purpose of this Agreement is to set out the understandings of the parties named above ("Parties") with respect to the undertaking by the Borrower of the Project described herein, and with respect to the financing of goods and services needed for the Project by the Parties. Annexes I and II [^] are integral to this agreement.

ARTICLE 2: The Project

SECTION 2.1. Definition of Project. The Project which is further described in Annex 1 shall identify major factors of environment and traditional crop production techniques, including transportation and marketing methods in the project area, which adversely affect Zaire's ability to achieve self-sufficiency in maize production, and attempt to develop new techniques, or to modify existing production techniques, so as to increase substantially maize yields. Under the Project the system will consist of six components as follows:

(a) A Sub-system for Research and Extension Operations under which goods, services and training will be financed to establish a research and training center where basic farming systems in use in the Project Area will be replicated, agronomic research will be conducted, innovations will be tested for dissemination to farmers, and agricultural assistants will be trained in collaborative extension methods emphasizing maximum farmer involvement.

¹ Not printed herein. Annex II is deposited in the archives of the Department of State where it is available for reference.

(b) A sub-system for encouraging development of farmer groups or pre-cooperatives under which goods and services will be financed to establish farmer centers in the Project Area that will coordinate small farmer activity such as distribution of inputs, collection of data regarding small-farmer practices; and demonstration of improved practices and intermediate technology, and eventually marketing of output;

(c) A sub-system for development and production of intermediate technology under which goods and services will be financed to establish an intermediate technology development, production and training center at Kongolo where items useful to small farmers will be produced and maintained by people in the Project Area who will be trained for this purpose;

(d) A sub-system for marketing and credit under which vehicles, the services of technical consultants and training will be financed to assist the Borrower in providing credit to small grain merchants to cover the cost of grain purchases from farmers, in improving loading facilities at key railheads, in providing training for small merchants, and in improving the grain marketing operations of the National Office of Cereals (ONACER);

(e) A sub-system for infrastructure development under which equipment and services will be financed for the rehabilitation of secondary roads, of farm penetration roads, and of farm roads in the Project Area, and for the construction of certain project facilities, as part of a program under which the Borrower will finance the rehabilitation of primary roads in the Project Area;

(f) A sub-system for monitoring and evaluation under which goods, services and training will be financed to establish a data collection system in the Project Area that will be used to monitor project implementation, to analyze, in collaboration with farmers, data from the monitoring process to identify and diagnose potential or actual problems, as well as to formulate appropriate modifications in project design and to periodically evaluate the agricultural development of the Project Area.

Annex 1, attached, amplifies the definition of the Project contained in this Section 2.1.

Within the limits of the definition of the project in this Section 2.1., elements of the amplified description stated in Annex 1 may be changed by written agreement of the authorized representatives of the Parties named in Section 9.2.

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

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

the terms of this Agreement not to exceed three million five hundred thousand United States ("U.S.") dollars (\$3,500,000) ("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. 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 the Borrower for the Project will be not less than an average equivalent of U.S. \$1,317,000 per year over the six-year life of the Project, including costs borne on an "in-kind" basis and not less than the equivalent of U.S. \$1,377,000 to be provided during the first year of the Project to capitalize the revolving funds to be established under the marketing and credit component of the Project.

SECTION 3.3. Project Assistance Completion Date.

(a) The "Project Assistance Completion Date" ("PACD"), which is January 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 Loan will have been performed and all goods financed under the Loan will have been furnished for the Project as contemplated in the 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 years following date of the first disbursement hereunder and at the rate of three percent (3%) per annum thereafter on the outstanding

balance of Principal and on any due and unpaid interest. Interest on the outstanding balance will accrue from the date (as defined in Section 8.5.) 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 have payable nine and one-half (9½) years after the date on which the first interest payment is due in accordance with Section 4.1. A.I.D. will provide the Borrower with an amortization schedule in accordance with this Section after the final disbursement under the Loan.

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

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

SECTION 4.5. Renegotiation of Terms.

(a) The Borrower and A.I.D. agree to negotiate, at such time or times as either may request, an acceleration of the repayment of the Loan in the event that there is any significant and continuing improvement in the internal and external economic and financial position and prospects of the Republic of Zaire, 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 the delivery of the requested Party's communication under sub-section (c). The negotiations will take place at a location mutually agreed upon by the representatives of the Parties, provided that, in the absence of mutual agreement, the

negotiations will take place at the Office of the Commissioner of State for the Department of Finance in the Republic of Zaire.

SECTION 4.6. Termination on Full Payment. Upon payment in full of the Principal and any accrued interest, the 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 names of the persons holding or acting in the Office of the Borrower specified in Section 9.3., and a specimen signature of each person specified in such statements;

(c) Documentary evidence of the creation of the Project Steering Committee, which shall be chaired by the Commissioner of State for Agriculture, or his designee, and shall consist of one representative of the Office of the Presidency, the Department of Agriculture (DOA), the National Office of Cereals (ONACER), the National Maize Program (PNM), the National Office of Textile Fibers (ONAFITEX), the National Institute for Agricultural Study and Research (INERA), the Department of National Economy, the Department of Political Affairs, the Department of Public Works, Office of Roads (OR), the Department of Finance, the International Copper Consortium (GECAMINES) and USAID. The document formally establishing this Committee shall provide for at least two meetings annually for the purpose of providing policy and program guidance for the Project. The document shall also provide for the convoking of special meetings upon the mutual agreement of the Chairman of the Committee and the USAID Director.

(d) Documentary evidence of the creation of the field Project Management Unit (PMU) which evidences shall also identify the principal Zairois positions in the PMU and appropriate appointments to those positions, and describe the duties, responsibilities and powers of the Unit. Such description shall relate to all operations of the PMU in the Project Area related to research, extension, farmer group formation and field supervision of the grainmarketing operation of ONACER personnel in the Project Area (although ONACER personnel will continue to have direct reporting responsibility to the Delegate-General of ONACER).

(e) Documentary evidence of the establishment of a special account with a bank serving the Project Area, through which local currency

expenditures by the Borrower will be made for the Project, indicating the responsible signatures on payment vouchers, and documentary evidence of the deposit into such account by the Borrower of at least six hundred thousand Zaires (Z 600,000) initially, together with an undertaking by the Borrower to replenish this account as required, but not less often than semi-annually.

(f) A copy of an executed agreement, which may not thereafter be substantially modified without the prior consent of A.I.D. among OR, DOA, and the Office of Political Affairs, under which OR agrees to complete rehabilitation of the primary road system in the Project Area in a timely manner and a commitment is made to give priority to the provision of fuels and spare parts to Brigade 19. The agreement shall also indicate the following:

- (1) The standards to which the primary roads are to be rehabilitated;
- (2) The time frame within which the primary roads are to be rehabilitated;
- (3) The procedures for rehabilitating the primary roads including phasing;
- (4) The source of funding for the completion of the rehabilitation program for the primary road system; and
- (5) The program for maintaining the primary and secondary roads following their rehabilitation, including cost per km and the source of funding.

(g) Documentary evidence that the Bureau of Materials Management of the Office des Routes (SGMTP) has agreed to act as the procurement agent for the A.I.D. financed commodities to be furnished to the Special Brigade under the Loan.

SECTION 5.2. Notification. When A.I.D. has determined that the conditions precedent specified in Section 5.1. have been met, it will promptly notify the Borrower.

SECTION 5.3. Terminal Dates for Conditions Precedent. If all of the conditions specified in Section 5.1. have not been met within 120 days from the date of this Agreement, or such later date as A.I.D. may agree to in writing, A.I.D., at its option, may terminate this Agreement by written notice to the Borrower.

ARTICLE 6: Special Covenants.

SECTION 6.1. Project Evaluation. The Parties agree to establish an evaluation program as an integral part of the Project. Except as the Parties otherwise agree in writing, the program will include, during the implementation of the Project and at one or more points thereafter:

- (a) evaluation of progress toward attainment of the objectives of the Project;
- (b) identification and evaluation of problem areas or constraints which may inhibit such attainment;

(c) assessment of how such information may be used to help overcome such problems, in this or other projects; and

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

SECTION 6.2. Fulfillment of Rehabilitation Agreement. The Borrower shall assure that the Agreement executed by the OR, DOA, and the Office of Political Affairs pursuant to Section 5.1.(f) is fulfilled in accordance with all its terms.

SECTION 6.3. Special Brigade. The Borrower shall establish a Special Brigade in the Project Area, staffed with qualified and trained personnel, for the purpose of rehabilitating the secondary road system in the Project Area in accordance with a schedule agreed upon with A.I.D. The Borrower shall cause the Special Brigade to be transferred to, and become an integral part of, the OR after the secondary road system is rehabilitated.

SECTION 6.4. Road Maintenance. The Borrower shall provide all funds, trained personnel, equipment, and material necessary to assure that the roads constructed or improved under this Project are adequately maintained. Maintenance of the primary road system shall be undertaken by Brigade 19 until such time as the Special Brigade (created, staffed, and equipped under this Project) is transferred to OR. Maintenance of the secondary road system shall be undertaken by the Special Brigade. Equipment procured under this Loan shall remain in the Project Area for use in the maintenance of the primary and secondary road systems in the Project Area.

SECTION 6.5. Maintenance and Operation. The Borrower shall provide all funds, facilities, trained personnel, material and equipment, in addition to that provided under the A.I.D. Loan and Grant, necessary for the effective operation and maintenance of the Project.

SECTION 6.6. P.L. 480 Title I Proceeds. Although the obligation of the Borrower to make financial contributions to the Project shall not be limited to any particular source of funds, the GOZ shall give priority attention to the use, for purposes of satisfying its financial commitments to this Project, of local currency generated by any Commodity Import Program loan made and P.L. 480 Title I proceeds financed by the Government of the United States.

SECTION 6.7. Procurement and Delivery of Commodities. The Borrower shall use its best efforts to assure that commodities are procured and delivered under this Project in accordance with schedules agreed upon with A.I.D.

SECTION 6.8. Peace Corps. Participation in the Project by Peace Corps volunteers as described in this Agreement shall be subject to mutually acceptable arrangements made between the Peace Corps and the Borrower.

ARTICLE 7: Procurement Source.

SECTION 7.1. Foreign Exchange Costs. 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 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,^[1] Section C.1.(b), with respect to marine insurance.

SECTION 7.2. Local Currency Costs. Disbursements pursuant to Section 8.2. will be used exclusively to finance the costs of goods and services required for the Project having their source and, except as A.I.D. may agree in writing, their origin in Zaire ("Local Currency Costs").

ARTICLE 8: Disbursements.

SECTION 8.1. Disbursement for Foreign Exchange Costs.

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

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

(2) by requesting A.I.D. to issue Letters of Commitment for specified amounts: (i) 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 and services, or (ii) directly to one or more contractors or suppliers, committing to A.I.D. to pay such contractors or suppliers, through Letters of Credit or otherwise, for such goods or services.

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

SECTION 8.2. 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

¹ See footnote 1, p. 4964.

documentation as prescribed in Project Implementation Letters, requests to finance such costs.

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

(1) by acquisition by A.I.D. with U.S. dollars by purchase or from local currency already owned by the U.S. Government; or

(2) by A.I.D. requesting the Borrower to make available the local currency for such costs, and thereafter making available to the Borrower through the opening or amendment by A.I.D. of Special Letters of Credit in favor of the Borrower or its designee, an amount of U.S. dollars equivalent to the amount of local currency made available by the Borrower, which dollars will be utilized for procurement from the United States under appropriate procedures described in Project Implementation Letters.

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

SECTION 8.3. Other Forms of Disbursement. Disbursements of the Loan may also be made through such other means as the Parties may agree to in writing.

SECTION 8.4. Rates of Exchange. Except as may be more specifically provided under Section 8.2., if funds provided under the Loan are introduced into the Republic of Zaire by A.I.D. or any public or private agency for purpose of carrying out obligations of A.I.D., hereunder, the Borrower will make such arrangements as may be necessary so that such funds may be converted into currency of the Republic of Zaire at the highest rate of exchange which, at the time the conversion is made, is not unlawful in the Republic of Zaire.

SECTION 8.5. Date of Disbursement. Disbursements by A.I.D. will be deemed to occur:

(a) on the date on which A.I.D. makes a disbursement to the Borrower or its designee, or to a bank, contractor or supplier pursuant to a Letter of Commitment or a Letter of Credit;

(b) on the date on which A.I.D. disburses to the Borrower or its designee local currency acquired in accordance with Section 8.2.(b); or

(c) if local currency is obtained in accordance with Section 8.2.(b)(2), on the date on which A.I.D. opens or amends the Special Letter of Credit therein referred to.

ARTICLE 9: Miscellaneous.

SECTION 9.1. Communications. Any notice, request, document or other communication submitted by either Party to the other under

this Agreement will be in writing or by telegram or cable, and will be deemed duly given or sent when delivered to such party at the following address:

To the Borrower:

Mail address:

Governor of the Bank of Zaire
B.P. 2696
Kinshasa, The Republic of Zaire

Alternate address for cables:

NACOBANQUE Kinshasa
and: O.G.E.D.E.P., c/o CNECI,
B.P. 11196, Kinshasa I

To A.I.D.:

Mail address:

Director
U.S.A.I.D.
American Embassy
310 Avenue des Aviateurs
Kinshasa, Republic of Zaire

Alternate address for cables:

American Embassy, Kinshasa

All communications will be in the English or French language unless the Parties otherwise agree in writing. Other addresses may be substituted for the above upon the giving of written 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 Governor of the Bank of Zaire of the Republic of Zaire, and A.I.D. will be represented by the individual holding or acting in the Office of the Director, USAID Mission, 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 the Agreement, until receipt of written notice of revocation of their authority.

SECTION 9.3. Language of Agreement. This Agreement is prepared in both the English and French languages. The English language version shall be controlling for purposes of interpretation.

SECTION 9.4. Standard Provisions Annex. A "Project Loan Standard Provisions Annex" (Annex 2) is attached to and forms part of this Agreement.^[1]

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 REPUBLIC OF ZAIRE

By: BOFOSSO WAMBEA NKOSO

Title: *Commissioner of State for Finance*

THE UNITED STATES OF AMERICA

By: WALTER L. CUTLER

Title: *Ambassador to Zaire*

KINSHASA, January 27, 1977

ANNEX 1

Project Description

BACKGROUND:

In response to critical needs in the agriculture sector in Zaire, the Department of Agriculture, the National Office of Cereals (ONACER), the National Office of Roads (OR), the National Railway System (SUCZ), the Planning Service (Service du Plan), and A.I.D. have collaborated in the establishment of the Project. Recognizing the specific long-term problem of dependency on outside sources for maize, the goal of the Project is to help Zaire achieve self-sufficiency in maize production within the shortest possible time frame. Concentrating on the small farmers who constitute the largest group of food producers in Zaire, the Project will have as its purpose the identification of an effective rural development process for improving small farmer production and income which can be replicated outside the Project Area in the North Shaba region in other parts of the country.

The Project has been designed as a system with six component parts. The basic strategy of the Project is to integrate the activities of the six sub-systems into a process that enables small farmers to improve their production and incomes so that the benefits of the Project become self-sustaining. The process will start with an understanding of the current practices of small farmers. New technologies or practices

¹ See footnote 1, p. 4964.

that are acceptable to small farmers will be developed through research and experimentation in close collaboration with the farmers. The most effective approaches for transferring agricultural knowledge will be determined by experimenting with various extension approaches. The critical constraints to increased production will be identified, and new methods will be devised to overcome them. Farmer groups will be encouraged to help carry out basic services which will give small farmers direct access to the providers of such services and will tend to ease the burden on governmental agencies. The implementation of the process will require data collection and analysis capability to plan, monitor, and evaluate all project activities.

PROJECT AREA:

The Project Area is located 110 to 250 kms west of Lake Tanganyika approximately 27° - $28^{\circ} 10'$ west, 5° - $6^{\circ} 40'$ south. It lies in Shaba Region, Tanganyika sub-region, and includes Kongolo Zone east of the Lualaba River and two-thirds of Nyunzu Zone (excluding most of the section northeast of the Kongolo-Nyunzu main road). This area, which has the highest potential for increased maize production in the two zones, covers approximately 15,000 square kms, with a total farm population of 131,500 people.

As early as the 1920's North Shaba was intended to be the bread-basket for the mining communities of South Shaba. With its varying ecological zones, which range from fertile forest areas to the drier savannah, the area can be what it was in the 1950's, a major source of maize, manioc, palm oil, rice, peanuts, fruits and vegetables. Because of neglect, the supporting agricultural services and infrastructure have deteriorated badly and agricultural production has dropped significantly. Nevertheless, there are many local infrastructural, socio-cultural and agricultural strengths on which to build an integrated agricultural development project. From the colonial period there exists a town and rural infrastructure (including a well-laid-out rail network) which will require rehabilitation and a minimum of new construction. Perhaps even more important are the human resources of the Project Area; there are skilled farmers and workers, as well as strong extended family and traditional groupings with a history of collectively solving local development problems.

Project Sub-systems:

1. A Sub-system of Research and Extension Operations Directed Towards the Development and Delivery of Improved Maize and Other Crop Technologies:

A. Conditions in the Project Area: There are four main ecological zones in which farming takes place: the wetter forest areas, the drier forest areas, the savannah area, and the lowland river valleys. Within each type of farming area there are major variations in farmers' production systems, producing a wide range of maize and other

crop yields per hectare. There is need, therefore, to develop new technologies appropriate to local conditions and to establish positive working relationships between the farmers and extension workers.

B. Objectives of the Sub-system: There are three main objectives for this sub-system:

(1) Develop, test, and introduce maize and other crop technologies tailored to the farming systems in the various localities;

(2) Recruit and train extension workers (DOA and para professionals) to provide timely and appropriate technical advise as appropriate technologies are developed; and

(3) Create a system that allows ongoing communication among extension workers and their trainers, the farmers of the Project Area, and researchers.

C. Research and Experimentation: A research and training center will be established at Mbulula. The details concerning the construction of the facilities required at the Center are contained in the portion of this Project Description dealing with the sub-system for infrastructure development.

The Project will draw staffing for the research component of the Center from several sources. PNM will provide three researchers (one of whom will be selected as the director of the center after two years). The initial director of the center will be an American agronomist financed by A.I.D. covenant with experience in extension training. Current ONAFITEX personnel at Mbulula will continue to conduct cotton research, and as experimentation begins with other crops, INERA researchers will be added to the staff as available.

The starting point for the Project's research program will be an intensive, farm-level data collection and analysis effort designed to gain an understanding of farmer decision-making, behavior and constraints. The collection effort will focus on getting hard data on farming systems in use within the Project Area—farm size and inventory, labor and cash inputs, current practices and their timing, yields and net income by crop.

To carry out this effort, the Project's senior research staff will instruct the first group of 20 extension worker trainees (see below) on data collection techniques and supervise their field collection work. They will also consult the farmer leaders and the more productive farmers in the data collection effort. The intensive, farm-level research will begin with the mid-1977 farming season, and will take place in approximately 20 representative localities (about five farms per locality) throughout the Project Area. This type of data collection and analysis will continue during the life of the Project.

Identifying, testing and introducing improved traditional practices tailored to local conditions will be the initial thrust of the research and extension operations. Concurrent to this effort, the

Project will begin agronomic research to develop a more advanced maize technology.

Priority in this research effort will be given to developing a savannah maize technology, because much of this land lies fallow, especially in Nyunzu. The development and testing of the advanced maize technology will be conducted by the PNM researchers on the project staff. It is anticipated that the development of an advanced maize technology tailored to local farming systems will require four or five years. This new technology will be tested on the farmers' own lands when it is apparent that the Borrower can provide the support necessary for promoting this technology.

Long-term studies and experimentation will also be required with other crop technologies, various crop rotation, intercropping and multiple cropping systems and soils. This experimentation will be carried out on the Research and Training Center's farm, with economic and technical assessments of the alternatives developed.

The Project's research program will maximize farmer involvement. As improved practices are identified, they will be tested on experimental plots at field locations by the research/training staff in collaboration with farmer groups being formed. Finally, the improved practices will be tested on the farmers' own lands to determine their reactions and the constraints to adoption.

D. Extension Operations: One main objective of this subsystem is to develop an effective extension system that can be replicated in other parts of Zaire. The first step in this part of the Project will be to select the local areas in which the Project will operate. It is planned that the Project will select approximately 75 localities to which project activities will be extended over the six-year life of the Project. Within each locality, one village will be selected as the location of a Farmers' Center which will be used to support agricultural activities in the area. The Farmer Group Development Division of the project, in collaboration with the Planning and Evaluation Unit, will establish the procedure for making final determinations of their locations.

Each Farmers' Center will be directed by a council of farmers which consists of farmer representatives from all major farming groups in the area. One of the members of the Farmers' Council will be chosen as President.

Assisted by the Farmer Councils, the Project will select individuals to be trained as agricultural assistants (extension workers). Initially, these individuals will be recruited from the Department of Agriculture, ONACER, ONAFITEX, local farm leaders, and other qualified applicants.

The agricultural assistants will be trained at the Mbulula Research and Training Center in groups of 20-25. They will receive instruction in field data collection on farming systems, basic agronomic studies, accounting and management (in support of farmer groups/pre-cooperative development), and basic extension and communication

techniques. A major portion of their training will be on-the-job in the field. The training program for the agricultural assistants will last up to nine months, though the assistants will be brought back frequently for further training as improved practices are identified for recommendation to farmers.

After completing their training, the agricultural assistants will be assigned to a Farmers' Center/Council to work under the supervision of its President. Initially, these agricultural assistants will be financed through A.I.D. funding, but long-term financing shall be the responsibility of the DOA.

The Project will also provide A.I.D.-funded training to the Presidents and other members of the Farmer Councils on a short-term basis, particularly as improved practices are identified for recommendation to farmers. The Farmer Councils and agricultural assistants will organize experimental plots and training programs for farmers in the area served by the Farmers' Centers.

In addition to the basic extension operations outlined above, the Project will institute special programs to assist other groups within the Project Area. These will include special programs for women, students, and pygmy farmers. To develop the women's extension operations female expatriate assistance will be provided under A.I.D. financing.

E. Project Support to Extension Operations: The Project will provide two Zairois staff members who will be responsible for all training activities. Also, the American agronomist with extension experience and other research staff members will be directly involved in the design and implementation of training activities. Further, the Project will provide funding for the costs of the trainees (long- and short-term) at Mbulula and for the training aids for Mbulula and the Farmers' Centers.

Supervision and management of extension operations will be the responsibility of the Assistant Director for each Zone. Staff and logistical support will be provided to assist their work. The Project will furnish bicycles for the Agricultural Assistants and the Presidents of the Farmer Councils, and motorcycles for the middle-level extension staff as it develops. It will also pay the salaries of the agricultural assistants unless Farmer Councils can assume this cost. Salaries for senior and middle-level extension workers will be paid by the Department of Agriculture.

2. A Sub-system for Encouraging the Development of Farmer Group/Pre-Cooperatives:

A. Overview:

The Project will encourage the development of farmer groups or "pre-cooperatives" within the context of popularly-defined needs and opportunities based on existing patterns of cooperation. The Project will aim at the establishment of about 75 Farmers' Centers over

the project life. At the outset, farmer groups will be established to carry out one or two simple functions (e.g., the sale of tools and seeds). As organization and financial capabilities improve, groups will be encouraged to expand their activities (e.g., to include the marketing function). Ultimately, a multitiered organizational structure will be developed which will greatly facilitate the channeling of project resources.

B. Implementation:

The Project will establish a small division which will be responsible for encouraging the development of farmer groups; its work will be directly integrated into the planning and implementation of existing operations. This division will be manned by three Zairois. A.I.D. financing will be used to provide an American rural development specialist with cooperative and marketing experience to assist this division which shall be referred to as the "Farmer Group Development Division."

Upon choosing certain localities for special initial concentration, the Farmer Group Division will begin carrying out operations directed towards:

- (1) Creation of a forum for area farmers to meet and discuss their concerns: in particular, the constraints to, and potential for, improved agricultural production;
- (2) Encouraging the area farmers to form a Farmers' Council consisting of representatives of major groupings such as patriline, landed matrilines, villages, important extended families, and other interested natural farmers' groupings and
- (3) Encouraging the Farmers' Council to initiate an action program.

Concurrently, it will be necessary for similar organizational steps to be taken with the women. Based on the results of meetings and discussions with village women's work groups throughout the area, they will be encouraged to form a Women's Sub-council to be served by the Farmers' Center.

The Farmers' Council will be encouraged to construct a Farmers' Center which will probably consist of a traditional meeting place and perhaps a small office/warehouse combination, also made out of local materials on a self-help basis. Farmers' Centers will serve several important functions. They will be a forum where new farming techniques can be advanced, as well as a staging ground for continued identification of, communication with, and assistance to local farmer groupings. Further, they will serve as the headquarters for the agricultural assistants who will work under the supervision of the Farmers' Councils. From the beginning, crop experimentation will take place—first near the Center and later, as positive findings occur, in the farmers' own fields. Further, the Farmers' Centers can be used to hold intermediate technology demonstrations and can serve as the local

distribution point for this technology (as well as tools, insecticides, and perhaps basic family necessities). In the future, the Farmers' Centers may also be able to provide storage, weighing, and marketing facilities and services.

The projected schedule for Center development is as follows: 10 by 10/77; 25 by 10/78; 40 by 10/79; 55 by 10/80; and 75 by 10/81. It is planned that at least three small farmer groups will be established in each locality served by a Farmers' Center.

C. Project Support for Farmer Group Development:

As noted above, the Farmer Group Development Division will be staffed by three locally-recruited Zairois and an American rural development specialist. Two Zairois will be stationed at Mbulula; the American and other Zairois will be stationed at Nyunzu. In addition to providing administrative and logistical support to this division, the Project will provide A.I.D.-funded short-term third country training for the three Zairois, as well as on-the-job supervision, constructive critique, and other training.

As financial transactions begin to take place (either at the Farmers' Center or at the local group level), simple accounting, management and record systems will have to be developed and introduced. The Project will provide A.I.D.-funded short-term technical assistance in village-level accounting and management systems. Training in these skills will be given at the Mbulula Research and Training Center to farmer leaders.

3. A Sub-system for the Development and Production of Intermediate Technology:

A. Conditions in the Project Area:

Initial experimentation with various types of intermediate technology has been conducted in the Project Area with a strong response from farmers. However, much improvement is needed in cultivation practices, tools, and handling of production in order to increase agricultural productivity.

B. Program Development:

Because of the high initial impact of the introduction of new technology, the Project will initially purchase with A.I.D. grant funds equipment for sale to farmer groups and individual farmers. Project grant funds have been programmed for the purchase of 500 corn shellers, 500 hand mills, 200 peanut and 100 rice decorticators, 100 palm oil presses and 10,000 agricultural implements (mainly machetes and scythes). Demonstration and sale of the equipment and tools will take place at the Farmers' Centers, under the supervision of the President of each Farmers' Council with the help of the agricultural assistant. The proceeds from the sale of the project-procured items will accrue to a special account which the Project will

use to help establish the Kongolo Intermediate Technology Center, provide working capital for its operation, and finance the training of village artisans. The Centers will be established by an A.I.D. grant-financed American technician, and a local work crew with assistance from the American Peace Corps, and will take advantage of an existing but currently inoperable workshop at Kongolo.

A Zairois will be recruited and financed with Project funds who will direct the Center which will be the focus for all activities being carried out under this sub-system. His staff will be built up gradually as the Center's activities are developed. Initially, there will need to be a unit to handle production and training. Ten to fifteen Zairois with blacksmith/mechanical skills will be locally recruited by the Project and trained by the Peace Corps volunteers. Five will be trained for production activities, and the other five to ten will be trained to teach village blacksmiths how to repair the equipment being imported (and eventually produced and sold locally) by the Project.

For the design and production of equipment, the Center will draw on the experience of the CEDECO Center in Bas Zaire, where corn shellers and peanut decorticators are currently produced. Designs for other hand-powered equipment have been developed and are being produced in Ghana, Senegal and Upper Volta. The Project will finance study tours to these countries to tap the expertise that has been developed, both in terms of equipment developed and in terms of the structuring of production and training operations. With this background, the Center will design, field-test, and begin production of the equipment with initial priority being placed on supplying corn shellers. It is estimated that two years after the Project commences, the Kongolo Center will be producing equipment and tools. Further, through discussions with farmer groups, other types of intermediate technology will be identified, designed, and tested, and, if appropriate, produced and sold. At the end of four years, the profitability of the Center will be assessed and a procedure worked out to determine its future ownership (if it proves to be successful).

The Kongolo Center will also perform a training function for village blacksmiths. The immediate need will be to train blacksmiths to repair the equipment imported by the Project. This will be done five to ten blacksmith-trainers at strategically located Farmers' Centers. Blacksmiths from nearby villages will be trained as a group, probably from 2-4 weeks, and the trainers will follow-up with individual instruction. Over the long run, the Center will launch a program to train village blacksmiths to produce various implements such as machetes and simple equipment. The details will be worked out as the Project learns more about the capabilities and interests of village blacksmiths.

The Kongolo Intermediate Technology Center will be responsible for identifying and developing the technologies and training programs for women in collaboration with the female extension

expert (discussed in the Extension/Research Sub-system, Section 1 above).

Another area of initial concentration for the Kongolo Center will be the development of improved storage facilities. To handle this aspect of the program, one ONACER technician will be part of the Kongolo Center staff and located in Mbulula to facilitate his field work. The Project will provide him with A.I.D. grant-funded short-term technical assistance, as well as third country training in such locations as Nigeria and Ghana, where low-cost storage facilities have been developed. Based on the field investigations and other research, the ONACER technician and short-term specialist will design prototype models in cooperation with farmer leaders for testing by local farmers. The research, design and experimentation with storage facilities will be coordinated closely with both the Sub-systems on Research/Extension Operations and on Marketing.

4. A Sub-system for Marketing and Credit:

A. Objectives:

The basic objective of the Credit and Marketing Sub-system is to promote a strong competitive market system over the next five to ten years.

B. Program for Credit and Market Development:

The marketing and credit program shall contain the following components:

- (1) bank credit to small grain merchants and cooperatives for trucks and spare parts;
- (2) bank credit to small grain merchants and cooperatives for grain purchases;
- (3) small farmer production credit;
- (4) improved and expanded railhead facilities;
- (5) assistance to grain commerchants in business training and market communications; and
- (6) assistance to ONACER (grain purchase credit and equipment; agent training; project supervision).

The Marketing and Credit Division of the Project will be headed by two ONACER Directors of Marketing located in Kongolo and Nyunzu and the U.S. Rural Development Specialist at Nyunzu. The Division will be charged with sole Project Area responsibility for licensing corn and rice merchants; with increasing the quantity and quality of private grain traders in the Project Area; and with marketing a maximum of 25 percent of corn production exportable from the Project Area in order to maintain a competitive market and to evacuate marketable corn. The ONACER personnel in the Project Area will function as part of the Project staff.

C. Licensing:

The Division will develop a detailed questionnaire for use in the authorization and licensing process. The questionnaire will seek specific information on prior marketing experience; debt history; cash balances; access to cartage, sacks, storage facilities, and scales. The Project will analyze this data (to be obtained prior to April 15, 1977) and establish priorities for assistance to merchants and ONACER for the current marketing campaign. Based on the Marketing and Credit Division's favorable review of this data, a marketing license authorization will be issued to merchants.

D. Credit Program for Trucks:

The Borrower shall establish a credit fund from which merchants may borrow funds for the local purchase of trucks and associated spare parts required for their marketing requirement terms for truck purchases will be three years at an interest rate of not more than 12.5 percent per annum. Six-month loans will be provided at not more than 12.5 percent per annum interest for spare parts. All factors being equal, loan preference will be given to merchants and cooperatives marketing less than 1,000 MT of grain per year. Criteria for selecting small merchants and cooperatives as loan recipients will be: (1) debt history, (2) marketing experience, (3) education and skills levels, (4) intentions for marketing corn, (5) reputation in the local community. The total amount of the loan fund will be loaned at less than 12.5% per annum from counterpart funds to a banking institution which would open a facility in the Project Area.

E. Truck Rentals:

A truck rental program provides an additional means of making trucks available to small merchants. The trucks would be rented on a weekly or monthly basis, with the Project supplying the driver and providing for maintenance. The project will study the feasibility of establishing such a program.

F. In-House Project Marketing:

Vehicles will be purchased by the Marketing and Credit Division to carry out its in-house marketing program.

G. Credit for Corn Purchases:

To increase credit availability for corn purchases by merchants in the Project Area, a short-term credit revolving fund will be established and will be administered by a private bank in the Project Area. Loans would be provided to a total of ten merchants per year, with allocation to be made by the financial institution with full recommendation by the project Marketing and Credit Division. ONACER officials estimate that a short-term crop-buying credit of Z150,000 would be sufficient to meet the Marketing and Credit Division's marketing objectives. The Marketing and Credit Division

will have access to that amount of credit from counterpart funds. Criteria for selecting small merchants and cooperatives as loan recipients for grain purchases would be similar to the criteria used for the truck loan fund. Loans will be at commercial interest rates to be determined by the banks and will be repaid at the end of the marketing season.

H. Small Farmer Credit:

A systematic assessment of the small farmers' cash flow will be included in the project's information and data system. This ongoing process will assess changes in the Project Area with respect to the need for credit, the purposes of credit, and the most efficacious means of extending credit. The results of this assessment will establish whether small farmer production credit will be necessary or viable during the life of the Project.

I. Improved and Expanded Railhead Facilities:

The borrower will make funds available if required for the costs of improvement of rail sidings at Nyunzu and Kongolo.

J. Assistance to Grain Merchants in Management and Communications:

Through its information system, the Project will provide information to small merchants regarding production patterns and other local environmental matters. The Project will also aid the small merchants in their communications needs with organizations outside the Project Area.

The Marketing and Credit Specialist will be responsible for assessing the training needs of the local small merchants and then setting up the training program to provide seminars and on-the-job training as required. A Zairian trainee will be assigned to assist the U.S. Rural Development Specialist and the two Zairian Directors of Marketing to implement this training component.

K. Organization and Staff:

A special working liaison will be formalized at the Kinshasa level between the Delegue-General of ONACER and USAID project manager to plan the experimentation that will take place in the Project Area. This experimentation will be monitored and evaluated by the ONACER field representatives in cooperation with the Project Data Collection and Analysis Unit. Based on these reports, the Delegue-General and USAID Project Manager will formulate necessary revisions in the implementation of project marketing activities as well as identify alternative approaches to be tested.

To insure effective coordination during the first phase of experimentation, ONACER personnel will operate under the supervision of the Project Management Unit, with direct reporting responsibilities to the Delegue-General; the Project will provide the ONACER agents with formal training in marketing. The Marketing and Credit Division

will be headed by an A.I.D. grant-funded American rural development specialist with experience in marketing and credit operations. Two ONACER field agents will be assigned to the Project Area, with responsibility for overseeing the experimentation in Kongolo and Nyunzu Zones, as well as directing ONACER's buying operations.

5. A Sub-system for Infrastructure Development:

A. Overview:

The infrastructure improvement program is included as a sub-system under the Project to help coordinate the infrastructure development requirements of the other Project sub-systems.

B. Roads Program:

The main objective of the roads component of the infrastructure development program is to facilitate farmer access to improved agriculture inputs and services, as well as to marketing channels. The major elements of the road program for the Project are the rehabilitation or reconstruction of the following:

- Primary Systems: Luizi-Nyunzu: 65 kms and Nyunzu-Kongolo: 175 kms. Total: 240 kms (estimated).
- Secondary System in Kongolo and Nyunzu Zones: 724 kms (estimated).
- Farm Penetration Road System: 100 kms (estimated).
- Farm Roads: up to 500 kms (estimated).

This work will be accomplished by the Office of Roads according to its two-phased schedule already in progress through use of Brigade 19 and Special Brigade to be mobilized for the Project. It is expected that operations in the Project Area will be completed by no later than May of 1980.

(1) Primary Road Construction: The primary road network is to be constructed to a two-lane all-weather standard with permanent steel and concrete bridges. Surfacing under Phase II will provide for assured year-round access.

(2) Secondary System Rehabilitation and Maintenance: Due to a lack of effective maintenance over the past 15 years, the secondary road system has gradually deteriorated to a point where commercial and administrative access to portions of the Project Area is severely limited. The Project will create a Special Brigade (to be funded by the Project) which will rehabilitate and maintain these roads. Over a 2½ year period, the brigade will rehabilitate a total of 723 kms: 420 in Kongolo Zone, 132 kms north of the Lukuga River, and 104 kms south of the river in Nyunzu Zone. On completion of the rehabilitation work, the brigade will remain in the area as part of the office of Roads and will have responsibility for maintaining the primary and secondary systems in the Kongolo and Nyunzu Zones.

(3) Special Brigade: The Project will form and equip a Special Brigade which will be headquartered in Kongolo. The Special Brigade will be equipped and staffed to support one surfacing unit, two grading units, and six bridge construction crews. The project will also construct two equipment maintenance centers (located in Kongolo and Nyunzu) to service both OR and Special Brigade equipment.

(4) Staffing and Training of the Special Brigade: The senior-level management positions of the Special Brigade will initially be filled by expatriates with French language capabilities. These positions include: the Construction Management Specialist, the Road Rehabilitation Specialist, the Bridge and Building Construction Superintendent and the Master Mechanic. OR will second Zairois counterparts to the Project for these technical specialists. The Zairois counterparts will have received the SGMTP management-level training, though they will still need intensive on-the-job training. This will be provided by the four expatriates. Training of the supervisors of the various units will also take place on the job, particularly through the day-to-day interaction between the senior managers and the construction units.

Heavy equipment operators and mechanics will also be trained by OR SGMTP and seconded to the Project. Their skills will be upgraded through training and close supervision by the expatriate specialists. Many of the other skills required by the Special Brigade may be found in the Project Area—light mechanics, machinists, masons and carpenters. If there are additional requirements for semi-skilled or skilled workers, the OR SGMTP may be requested to recruit and train additional craftsmen. While the primary output of this component of the Project will be the rehabilitation of the secondary roads, the training that takes place will provide the skills required to organize each unit into an effective construction crew from the salaried-laborer low level through the unit-supervisor level.

To the maximum extent possible unskilled laborers and farmer groups will be utilized to provide the hand labor necessary for rehabilitating the secondary roads.

(5) Timetable for Construction: Recruitment of the first two expatriates, the Construction Management specialist and the Bridge/Buildings Superintendent, will commence during the early months of the Project; it is expected that these individuals can be quickly identified.

In addition to renovating and constructing the Mbulula Research and Extension Center and staff housing, the Project will construct one equipment maintenance center at Kongolo to service the equipment of OR and the Special Brigade. This center will provide eight bays for equipment repair, a tire shop, welding shop, machine shop, tool room and warehouse. The center's compound will be fenced and include a major fuel dump and electrical generation capacity. A

second center will be built at Nyunzu to service the fleets of OR and project equipment in that area; it will be a facility similar to, though smaller than, that provided at Kongolo.

It is expected that the second two expatriates, the Roads Rehabilitation Specialist and the Master Mechanic, will arrive the first year of the Project. They will assist in the completion of the building program and start the recruitment and selection of individuals with the skills required to staff the road and bridge construction crews. It is expected that by the 22nd month of the Project, the OR will have completed the training necessary to provide the skilled manpower for the permanent road and bridge crews. By the end of the second year, it is expected that the equipment and staff necessary to begin road rehabilitation operations will be in place.

The full road rehabilitation operations will begin at that time. It is expected that after six months (30th month of the Project), 15 bridges and 150 kms of roads will be completed and that by the end of the fourth year of the Project, the 724 kms of roads will be completed in addition to 65 bridges. Six months later, it is expected that the bridge work will be completed.

(6) Road Rehabilitation and Maintenance Process: Road rehabilitation will be accomplished through a combination of mechanized equipment and hand labor. After the roads have been rehabilitated, a follow-up hand labor effort will be needed twice a year, and a light machine grading will be required on approximately half of the secondary system once per year.

(7) Construction of Farm Area Penetration Roads: The roads included in this category lead from the primary and secondary routes to satellite villages which are inhabited only during the farming season. These sodded roads are used only for marketing grain. Rocks and stumps on these roads are often obscured by high grass; when the loaded grain trucks strike these objects, the truck sustains substantial damage. Removal of such objects is the only improvement required.

(8) Farm Road Construction: The farm road system connects the farmers' fields with their villages (permanent or temporary). There is a strong tradition of self-help work on these roads, primarily to open them to grain trucks. If and when local groups wish to improve these roads through their own efforts, the Project will make tools available to them through the 75 Farmers' Centers. Each center will be allocated enough tools to supply a 12-man crew.

C. Buildings and Facilities:

The following facilities will be required as a minimum:

- House restoration: 5 houses.
- House construction: 33 houses.
- Indigenous student housing construction: 40 man unit.
- Classroom building, indigenous type: 1 building.
- Office building (for Nyunzu): 1 building.

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- Office restoration (Kongolo): 1 building.
- Warehouse restoration (Kongolo): 1 building.
- Shop building restoration Kongolo (intermediate technology): 1 building.
- Maintenance Centers:
 - (1) Construction at Kongolo: 1 center.
 - (2) Construction at Nyunzu: 1 center.
- Office restoration at Nbulula: 1 building.
- Warehouse and small shop at Mbulula: 1 (joint) building.

6. A Sub-System for Project Monitoring and Evaluation:

The objectives of this sub-system are:

A. Purpose:

(1) To monitor Project implementation and the achievement of Project objectives in terms of:

(a) The key assumptions or the possible condition changes or data revisions which may imply danger to successful Project implementation (including attainment of farmers' articulated goals) and thus the need for changes in implementation strategy;

(b) The financial, equipment, commodity, training and technical assistance inputs and allocations to the various project sub-systems and to the localities within the Project area;

(c) The direct action results or outputs such as bridges constructed, roads rehabilitated, Farmers' Councils and Farmers' Centers established, farmer groups participating, results of agronomic tests, etc., that are necessary for the achievement of Project objectives. Included also will be the initial effects of the interrelationships developed between the local population and project personnel and activities, with special concentration on their implications for the area's agricultural development;

(d) The achievement of key objectives in terms of benefits and costs on society in general, the target population, and the actual project participants.

(2) To analyze the monitored data with respect to the implied causal relationships determining the extent to which specific factors detract from or contribute to successful project implementation and achievement of project objectives.

(3) To evaluate project performance and the project implementation experience, with particular attention to the process of involvement, assumption of responsibility, and capability of sustaining the development effort of the local farm population, and to develop recommendations for design and implementation that may be implied for other rural development projects, as well as the present project.

B. Organization and Technical Support: The Data Collection and Analysis (DCA) Center will be located at Kongolo to facilitate interactions with project management. The Center will be responsible for overall coordination of data collection and analysis activities and for conducting such activities which the various sub-project operations have in common. It will also provide the operational support for implementing the special *ad hoc* data collection and analysis and general data collection activities, as well as the formal and informal evaluation activities of the project. The Center will work with the DCA Chiefs at Mbulula, Kongolo, and Nyunzu in training agricultural assistants and others in data collection and analysis effort and in developing proper safeguards to ensure data and information privacy. In these functions, the Center will work closely with the Deputy Project Director who will be an American financed with A.I.D. funds with a strong background in rural development and in information systems for monitoring and evaluating agricultural development efforts.

The Center Chief will be a Zairois who is experienced in data collection and analysis methods and operations, as well as in social science research. In addition to the Chief, the Center staff will consist of two research assistants (high school graduates), three statistical clerks, three enumerators and one secretary. Maximum use will be made of agricultural assistants and farmer leaders to carry out the necessary work in the project area. A data processing expeditor administratively linked to the Center will be located in Lubumbashi.

The DCA Chief at the Mbulula Research and Training Center will be responsible for training the agricultural assistants and farmer leaders in data collection techniques such as the farm journals, field measurements, yield estimations, and interview methods, as well as in simple aggregations and analyses that can be performed in the field. Similar training, especially in farm recordkeeping and basic analysis, will be provided the leaders and members of the Farmers' Councils who come to Mbulula for training and discussions. The DCA Chief in Mbulula will also be a Zairois fluent in Swahili with agronomic training, demonstrated ability to live and work in the village-level rural milieu, and training and experience in field data collection and analysis methods and operations. He will work closely with the American agronomist/extensionist and woman extension expert assigned to the Mbulula Center.

There will also be DCA Chiefs in Kongolo and Kyunzu with responsibility for field operations in their respective zones—data collection backstopping and supervision, and intermediate-level data review, tabulation, aggregation and analysis—as well as for monitoring sub-system activities within their zones. These individuals will be expected to travel extensively, live in the villages and work together with farmer groups to analyze information about their farming systems. These individuals will be Zairois fluent in Swahili with agronomic training, demonstrated ability to work in the village-level rural

milieu, and training and experience in field data collection and analysis methods and operations.

The staff of the DCA Unit will be supported as required with technical assistance provided by the DOA Bureau d'Etudes and Division Statistique, by A.I.D.-financed short-term consultants, and other resources technically qualified in data collection and analysis and in monitoring and evaluation activities.

The Bureau d'Etudes will provide resources qualified in project monitoring and evaluation, as well as in statistical methods relevant to the economic analysis of agricultural development processes. In addition, the Bureau d'Etudes will play an active role in the Kinshasa Project Support Unit.

An A.I.D.-financed American agricultural specialist will work with the Bureau d'Etudes staff in the development and field testing of a basic data processing and analytical methodology that can be utilized by the Project staff in meeting information needs. This methodology will be designed to facilitate on-site *ad hoc* assessment and evaluation of the actual and potential benefits and costs of alternative approaches and actions relevant to the Project.

The Division Statistiques will provide data collection resources particularly with respect to the general coverage baseline and follow-up surveys.

The short-term consultants, either local hire or U.S. based, will design, test and implement various components of the data collection and analysis system, in collaboration with the DCA Unit. They will also participate in the regularly-scheduled project evaluations. These short-term consultants will be Ph.D. or equivalent information systems specialists experienced in the design and implementation of monitoring and evaluation activities for rural development projects.

In addition, the Project will have a Research Fund that may be drawn upon as required to provide Zairois expertise for study of a wide range of phenomena bearing on project approach and implementation.

LOAN FINANCING

Proceeds from the Loan will be used to cover the Foreign Exchange (FX) and Local Currency* costs of the following items at approximately the following levels. Significant modification to the allocations below may be agreed upon by the Parties. (*expressed in U.S. Dollars.)

| | <u>FX</u> | <u>LC</u> | <u>TOTAL</u> |
|--|----------------------|-------------------|----------------------|
| A. Vehicles, equipment, etc. for road rehabilitation | \$1, 350, 000 | \$50, 000 | \$1, 400, 000 |
| B. Construction of Staff Housing | 644, 000 | 110, 000 | 754, 000 |
| C. Fuel for Project Operations | 1, 346, 000 | — | 1, 340, 000 |
| <u>Totals:</u> | <u>\$3, 340, 000</u> | <u>\$160, 000</u> | <u>\$3, 500, 000</u> |

PROJECT ORGANIZATION:

The organization and functions of the Parties involved in the implementation of the Project are as follows:

A. Office of the Presidency:

Because the implementation of the project involves important inputs and support from several GOZ agencies outside the DOA (e.g., Office of Roads, Office of National Economy, Department of Finance, etc.), the Office of the Presidency has concurred in the establishment of a special relationship with the project.

Under this relationship, the Office of the Presidency (through its agricultural advisor) will participate in meetings of the steering committee (see discussion below) and will be advised of any special circumstances arising under the project.

B. Commissioner of State and the Director General of Agriculture:

Direct responsibility for project implementation at the national level will rest with the Department of Agriculture. The Commissioner of State for Agriculture will be looked to for guidance on a continuing basis. The Director General will provide guidance at a technical and program level and insure coordination of GOZ support for the project at the national and regional levels.

C. The Project Steering Committee:

The Project Steering Committee, chaired by the Commissioner of State for Agriculture or his designee, will be the mechanism through which high-level policy and program guidance will be provided to the project management. It will meet biannually to review progress under the project. Membership would include the following GOZ offices:

- Office of the Presidency
- Department of Agriculture
 - Commissioner of State for Agriculture
 - Director General of Agriculture
 - National Office of Cereals (ONACER)
 - National Maize Program (PNM)
 - National Office of Textile Fibers (ONAEITEX)
 - National Institute for Agricultural Study and Research (INERA)
- Department of National Economy
- Department of Political Affairs
- Department of Public Works, Office of Roads
- Department of Finance
- USAID/Zaire
- GECAMINES (International Copper Consortium)
- Department of Transport and Communications (ONATRA)
- The National Railroads (SNCZ)

D. Project Liaison Staff Committee:

A Project Liaison Staff Committee will also be established. This staff committee will be responsible for backstopping the project at the national level. It will include counterparts to the AID Project Manager from the following offices:

- Department of Agriculture
- ONACER
- Office of Political Affairs
- Office of Roads
- Department of Finance

E. The Project Director: (stationed in Kongolo)

The Project Director will be responsible for all project activities, he will be assisted by a Deputy Project Director (also stationed in Kongolo), an expatriate agricultural economist with experience in the management of agricultural development programs. He will also have primary responsibility for the technical direction of the data collection and analysis unit of the project.

F. The Project Advisory Committee:

The Project Advisory Committee will consist of zonal-level administrative officials. It will help insure coordination of local government and project activities within the zones.

G. Assistant Project Directors:

The Assistant Project Directors will be located in Kongolo and Nyunzu and will be responsible for daily administrative operations. They will work in close coordination with the expatriate administrative/financial manager.

H. The Data Collection and Analysis Unit:

The Data Collection and Analysis Unit will be responsible for data collection and analysis for planning, monitoring and evaluating all project activities. A Zairois experienced in data collection and analysis for agricultural development programs will head the unit with technical direction from the Deputy Project Director. The DOA Bureau of Studies and Division Statistiques, as well as U.S.-based consultants, will also assist this unit.

I. The Administration and Financial Management Unit:

The Administration and Financial Management Unit will be headed by an expatriate. This unit will be responsible for administrative, financial and logistical operations of the project, as well as communications with Kinshasa.

J. Divisions will be created with responsibility for each of the remaining five sub-systems.

—The initial Director for Research/Extension will be an expatriate agronomist with experience in extension training. Research

and extension training will take place at the Mbulula Center, with the project staff being assisted by three PNM/CIMMYT research personnel. Further assistance will be provided by INERA researchers, as available, in the development of other crop technology and in soil analysis.

—The Director of the Farmer Group Development Division will be assisted by an expatriate advisor who will be a rural development specialist with cooperative development experience. This division will be staffed by three Zairois with knowledge of the local social and production systems within the project area.

—The Director for Intermediate Technology will be assisted by temporary expatriate technicians and by one or two Peace Corps volunteers with backgrounds in blacksmith or machine shop work. Further assistance will be provided by the CEDECO Center in southern Zaire where intermediate technology is currently being produced.

—The Director for Marketing/Supply will be an expatriate assisted as required by short-term consultants and the USAID sponsored marketing advisor to the Department of Agriculture.

—The project and the Office of Roads will hold joint responsibility for infrastructure development. The Director for Infrastructure Development will be an expatriate with construction management experience. Other expatriate inputs in this unit, which covers the Special Brigade, will include a construction supervisor, a specialist in the construction of low cost bridges and an equipment maintenance specialist and assistance by a Peace Corps mechanic.

REPRESENTATIVES FOR SPECIFIC PROJECT AREAS OF RESPONSIBILITIES

The Project Steering Committee shall recommend to the Commissioner of State of the Department of Finance, a list of individual office holders to be delegated responsibilities for specific project components within their areas of special competence. The Commissioner shall then designate such office holders as representatives for specified project actions and these representatives will thereafter deal directly with A.I.D. in their areas of responsibility. A.I.D. project inputs will be made directly to the organizations headed by such representatives.

FINANCIAL PLAN

The Financial Plan, attached to this Project Description as Attachment 1, shall form the basis on which the Parties make their respective contributions to the Project. The Financial Plan shall be subject to change by the representatives named in Section 9.2 of the Agreement without formal amendment of the Agreement. It is understood that present grant financing is limited to the first three years of the Project and that future funding beyond the amounts currently obligated are subject to future 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.

Financial Plan—North Shaba Rural Development Project, Estimated as of December 10, 1976

[Source—Project Paper Pages 174–200]

| Subsystem | GOZ/LC | FY 77 | | GOZ/LC | FY 78 | |
|-----------------------------------|--------|-------|-------|--------|-------|-------|
| | | Loan | Grant | | Loan | Grant |
| I. Research & Ext. | | | | | | |
| Contract Svcs/Pers----- | 62 | 0 | 120 | 71 | 0 | 120 |
| Commodities----- | 116 | 40 | 115 | 17 | 0 | 21 |
| Training----- | 47 | 0 | 103 | 42 | 0 | 103 |
| Other----- | 0 | 6 | 0 | 0 | 6 | 0 |
| Totals----- | 225 | 46 | 338 | 130 | 6 | 244 |
| II. Farmer Group Devel. | | | | | | |
| Contract Svcs/Pers----- | 20 | 0 | 80 | 20 | 0 | 104 |
| Commodities----- | 41 | 24 | 32 | 4 | 0 | 2 |
| Training----- | 3 | 0 | 6 | 5 | 0 | 10 |
| Other----- | 0 | 2 | 0 | 0 | 2 | 0 |
| Totals----- | 64 | 26 | 118 | 29 | 2 | 116 |
| III. Intermediate Tech. | | | | | | |
| Contract Svcs/Pers----- | 42.6 | 0 | 68 | 42.6 | 0 | 20 |
| Commodities----- | 93 | 60 | 128 | 27 | 0 | 32 |
| Training----- | 4 | 0 | 4 | 7 | 0 | 14 |
| Other----- | 0 | 4 | 0 | 0 | 4 | 0 |
| Totals----- | 139.6 | 64 | 200 | 76.6 | 4 | 66 |
| IV. Marketing & Credit | | | | | | |
| Contract Svcs/Pers----- | 35 | 0 | 0 | 35 | 0 | 0 |
| Commodities----- | 1,150 | 0 | 95 | 5 | 0 | 3 |
| Training----- | 2 | 0 | 2 | 4 | 0 | 4 |
| Other----- | 0 | 12 | 0 | 0 | 12 | 0 |
| Totals----- | 1,187 | 12 | 97 | 44 | 12 | 7 |
| V. Infrastructure Dev. | | | | | | |
| Contract Svcs/Pers----- | 0 | 0 | 120 | 27 | 0 | 320 |
| Commodities----- | 145 | 1,820 | 0 | 145 | 0 | 0 |
| Training----- | 0 | 0 | 0 | 0 | 0 | 0 |
| Other----- | 30 | 12 | 0 | 60 | 36 | 0 |
| Totals----- | 175 | 1,832 | 120 | 232 | 36 | 320 |
| VI. Monitoring/Eval. | | | | | | |
| Contract Svcs/Pers----- | 58.2 | 0 | 88 | 46.2 | 0 | 88 |
| Commodities----- | 83.9 | 40 | 33 | 44.1 | 0 | 2 |
| Training----- | 0 | 0 | 0 | 0 | 0 | 0 |
| Other----- | 0 | 5 | 0 | 0 | 5 | 0 |
| Totals----- | 142.1 | 45 | 121 | 90.3 | 5 | 90 |

*Financial Plan—North Shaba Rural Development Project, Estimated as of
December 10, 1976—Continued*

[Source—Project Paper Pages 174–200]

| Subsystem | GOZ/LC | FY 77 | | GOZ/LC | FY 78 | |
|--|----------------|--------------|--------------|--------------|-----------|--------------|
| | | Loan | Grant | | Loan | Grant |
| VII. Project Manag. | Zaires | \$ | \$ | Zaires | \$ | \$ |
| Contract Svcs/Pers----- | 40.7 | 0 | 176 | 40.7 | 0 | 176 |
| Commodities----- | 302 | 170 | 137 | 7 | 0 | 6 |
| Training----- | 16 | 0 | 12 | 16 | 0 | 12 |
| Other----- | 0 | 5 | 0 | 43 | 5 | ----- |
| Totals----- | 358.7 | 175 | 325 | 106.7 | 5 | 194 |
| <i>Grand totals all subsys.: Uninflated totals from above-----</i> | <i>2,291.4</i> | <i>2,200</i> | <i>1,319</i> | <i>708.6</i> | <i>70</i> | <i>1,037</i> |
| Inflation factors: GOZ/ U.S. \$----- | 1.00 | 1.00 | 1.13 | | 1.06 | |
| Inflated totals----- | 2,292 | 2,200 | 1,319 | 801 | 74 | 1,099 |

Financial Plan—North Shaba Rural Development Project, Estimated as of December 10 1976

[Source—Project Paper Pages 174-200]

| Subsystem | GOZ/LC | FY 79 | | GOZ/LC | FY 80 | |
|-----------------------------------|-------------|------------|------------|-------------|------------|------------|
| | | Loan | Grant | | Loan | Grant |
| I. Research & Ext. | | | | | | |
| Contract Svcs/Pers----- | 80 | 0 | 120 | 89 | 0 | 128 |
| Commodities----- | 25 | 0 | 20 | 32 | 0 | 53 |
| Training----- | 45 | 0 | 53 | 45 | 0 | 53 |
| Other----- | 0 | 6 | 0 | 0 | 6 | ----- |
| Totals----- | 150 | 6 | 193 | 166 | 6 | 226 |
| II. Farmer Group Devel. | | | | | | |
| Contract Svcs/Pers----- | 20 | 0 | 104 | 20 | 0 | 104 |
| Commodities----- | 4 | 0 | 4 | 3 | 0 | 28 |
| Training----- | 5 | 0 | 10 | 3 | 0 | 6 |
| Other----- | 0 | 2 | 0 | 0 | 2 | 0 |
| Totals----- | 29 | 2 | 118 | 26 | 2 | 138 |
| III. Intermediate Tech. | | | | | | |
| Contract Svcs/Pers----- | 42.6 | ----- | 20 | 42.6 | ----- | 20 |
| Commodities----- | 27 | ----- | 7 | 7 | ----- | 15 |
| Training----- | 7 | ----- | 14 | 0 | ----- | ----- |
| Other----- | 0 | 4 | ----- | 0 | 4 | ----- |
| Totals----- | 76.6 | 4 | 41 | 49.6 | 4 | 35 |
| IV. Marketing & Credit | | | | | | |
| Contract Svcs/Pers----- | 35 | ----- | 35 | ----- | ----- | 0 |
| Commodities----- | 5 | ----- | 3 | 5 | ----- | 3 |
| Training----- | 4 | ----- | 4 | 2 | ----- | ----- |
| Other----- | 0 | 12 | ----- | 0 | 12 | ----- |
| Totals----- | 44 | 12 | 7 | 42 | 12 | 3 |
| V. Infrastructure Devel. | | | | | | |
| Contract Svcs/Pers----- | 0 | ----- | 0 | ----- | ----- | 0 |
| Commodities----- | 5 | ----- | 320 | 10 | ----- | 320 |
| Training----- | 0 | ----- | 0 | 0 | ----- | ----- |
| Other----- | 600 | 328 | ----- | 530 | 328 | ----- |
| Totals----- | 605 | 328 | 320 | 540 | 328 | 320 |

Financial Plan—North Shaba Rural Development Project, Estimated as of December 10, 1976—Continued

[Source—Project Paper Pages 174-200]

| Subsystem | GOZ/LC | FY 79 | | GOZ/LC | FY 80 | |
|--|--------------|----------|------------|-------------|----------|------------|
| | | Loan | Grant | | Loan | Grant |
| VI. Monitoring/Eval. | | | | | | |
| Contract Svcs/Pers----- | 46.2 | ----- | 48 | 46.2 | ----- | 80 |
| Commodities----- | 28.6 | ----- | 2 | 27.5 | ----- | 14 |
| Training----- | 0 | ----- | 0 | 0 | ----- | 0 |
| Other----- | 0 | 5 | ----- | 0 | 5 | ----- |
| Totals----- | 74.8 | 5 | 50 | 73.7 | 5 | 94 |
| VII. Project Manag. | | | | | | |
| Contract Svcs/Pers----- | 40.7 | ----- | 168 | 40.7 | ----- | 168 |
| Commodities----- | 7 | ----- | 16 | 7 | ----- | 6 |
| Training----- | 11 | ----- | 12 | 0 | ----- | 0 |
| Other----- | 43 | 5 | ----- | 43 | 5 | ----- |
| Totals----- | 101.7 | 5 | 196 | 90.7 | 5 | 174 |
| <i>Grand Totals all subsys.: Uninflated totals from above-----</i> | | | | | | |
| | 1,081.1 | 362 | 925 | 988 | 362 | 990 |
| Inflation factors GOZ/ U.S. \$----- | | | | | | |
| Inflated totals----- | 1,384 | 1,28 | 1,12 | 1,45 | 1,19 | 1,178 |

Financial Plan—North Shaba Rural Development Project, Estimated as of December 10, 1976

[Source—Project Paper Pages 174-200]

| Subsystem | GOZ/LC | FY 81 | | GOZ/LC | FY 82 | |
|-----------------------------------|--------|-------|-------|--------|-------|-------|
| | | Loan | Grant | | Loan | Grant |
| I. Research & Ext. | | | | | | |
| Contract Svcs/Pers----- | 98 | 0 | 120 | 107 | 0 | 120 |
| Commodities----- | 27 | 0 | 63 | 28 | 0 | 12 |
| Training----- | 44 | 0 | 31 | 46 | 0 | 31 |
| Other----- | 0 | 6 | 0 | 0 | 6 | 0 |
| Totals----- | 169 | 6 | 214 | 181 | 6 | 163 |
| II. Farmer Group Devel. | | | | | | |
| Contract Svcs/Pers----- | 20 | 0 | 0 | 20 | 0 | 0 |
| Commodities----- | 6 | 0 | 5 | 5 | 0 | 2 |
| Training----- | 3 | 0 | 6 | 3 | 0 | 6 |
| Other----- | 0 | 2 | 0 | 0 | 2 | 0 |
| Totals----- | 29 | 2 | 11 | 28 | 2 | 8 |
| III. Intermediate Tech. | | | | | | |
| Contract Svcs/Pers----- | 42. 6 | 0 | 20 | 42. 6 | 0 | 0 |
| Commodities----- | 7 | 0 | 2 | 6 | 0 | 1 |
| Training----- | 0 | 0 | 0 | 0 | 0 | 0 |
| Other----- | 0 | 4 | 0 | 0 | 4 | 0 |
| Totals----- | 49. 6 | 4 | 22 | 48. 6 | 4 | 1 |
| IV. Marketing & Credit | | | | | | |
| Contract Svcs/Pers----- | 35 | 0 | 0 | 35 | 0 | 0 |
| Commodities----- | 5 | 0 | 3 | 5 | 0 | 3 |
| Training----- | 0 | 0 | 0 | 0 | 0 | 0 |
| Other----- | 0 | 12 | 0 | 0 | 12 | 0 |
| Totals----- | 40 | 12 | 3 | 40 | 12 | 3 |
| V. Infrastructure Dev. | | | | | | |
| Contract Svcs/Pers----- | 8 | 0 | 236 | 8 | 0 | 100 |
| Commodities----- | 15 | 0 | 0 | 21 | 0 | ----- |
| Training----- | 0 | 0 | 0 | 0 | 0 | ----- |
| Other----- | 140 | 116 | 0 | 100 | 116 | ----- |
| Totals----- | 163 | 116 | 236 | 129 | 116 | 100 |
| VI. Monitoring/Eval. | | | | | | |
| Contract Svcs/Pers----- | 46. 2 | 0 | 80 | 54. 2 | 0 | 80 |
| Commodities----- | 28. 1 | 0 | 1 | 28. 6 | 0 | 2 |
| Training----- | 0 | 0 | 0 | 0 | 0 | 0 |
| Other----- | 0 | 5 | 0 | 0 | 5 | 0 |
| Totals----- | 74. 3 | 5 | 81 | 82. 8 | 5 | 82 |

Financial Plan—North Shaba Rural Development Project, Estimated as of December 10, 1976—Continued

[Source—Project Paper Pages 174–200]

| Subsystem | GOZ/LC | FY 81 | | GOZ/LC | FY 82 | |
|--|---------------|----------|------------|---------------|----------|------------|
| | | Loan | Grant | | Loan | Grant |
| VII. Project Manag. | <i>Zaires</i> | \$ | \$ | <i>Zaires</i> | \$ | \$ |
| Contract Svcs/Pers----- | 40.7 | 0 | 160 | 40.7 | 0 | 160 |
| Commodities----- | 4 | 0 | 36 | 4 | 0 | 4 |
| Training----- | 0 | 0 | 0 | 0 | 0 | 0 |
| Other----- | 43 | 5 | 0 | 43 | 5 | 0 |
| Totals----- | 87.7 | 5 | 196 | 87.7 | 5 | 164 |
| <i>Grand totals all subsys.: Uninflated totals from above-----</i> | | | | | | |
| | 612.6 | 150 | 763 | 597.1 | 150 | 521 |
| <i>Inflation factors:</i> | | | | | | |
| GOZ/U.S. \$----- | 1.64 | | 1.26 | | 1.85 | |
| Inflated totals----- | 1,005 | | 189 | 961 | 1,105 | 201 |
| | | | | | | 698 |

Financial Plan—North Shaba Rural Development Project, Estimated as of December 10, 1976

[Source—Project Paper Pages 174-200]

| Subsystem | GOZ/LC | Total | |
|--------------------------------------|---------------|---------------|---------------|
| | | Loan | Grant |
| I. Research & Ext. | | | |
| Contract Services/Personnel..... | 508 | 0 | 720 |
| Commodities..... | 244 | 40 | 284 |
| Training..... | 269 | 0 | 374 |
| Other..... | 0 | 36 | 0 |
| Totals..... | 1, 021 | 76 | 1, 378 |
| II. Farmer Group Development | | | |
| Contract Services/Personnel..... | 120 | 0 | 392 |
| Commodities..... | 63 | 24 | 73 |
| Training..... | 22 | 0 | 44 |
| Other..... | 0 | 12 | 0 |
| Totals..... | 205 | 36 | 509 |
| III. Intermediate Technology | | | |
| Contract Services/Personnel..... | 255. 6 | 0 | 148 |
| Commodities..... | 167 | 60 | 185 |
| Training..... | 18 | 0 | 32 |
| Other..... | 0 | 24 | 0 |
| Totals..... | 440. 6 | 84 | 365 |
| IV. Marketing & Credit | | | |
| Contract Services/Personnel..... | 210 | 0 | 0 |
| Commodities..... | 1, 175 | 0 | 110 |
| Training..... | 12 | 0 | 10 |
| Other..... | 0 | 72 | 0 |
| Totals..... | 1, 397 | 72 | 120 |
| V. Infrastructure Development | | | |
| Contract Services/Personnel..... | 43 | 0 | 1, 416 |
| Commodities..... | 341 | 1, 660 | 0 |
| Training..... | 0 | 0 | 0 |
| Other..... | 1, 460 | 936 | 0 |
| Totals..... | 1, 844 | 2, 596 | 1, 416 |
| VI. Monitoring/Evaluation | | | |
| Contract Services/Personnel..... | 297. 2 | 0 | 464 |
| Commodities..... | 240. 8 | 40 | 54 |
| Training..... | 0 | 0 | 0 |
| Other..... | 0 | 30 | 0 |
| Totals..... | 538. 0 | 70 | 518 |

Financial Plan—North Shaba Rural Development Project, Estimated as of December 10, 1976—Continued

[Source—Project Paper Pages 174-200]

| Subsystem | GOZ/LC | Total | |
|--|------------------|---------------|---------------|
| | | Loan | Grant |
| VII. Project Management | <i>Zaires</i> | \$ | \$ |
| Contract Services/Personnel----- | 244. 2 | 0 | 1, 008 |
| Commodities----- | 331 | 170 | 205 |
| Training----- | 43 | 0 | 36 |
| Other----- | 215 | 30 | 0 |
| Totals----- | 833. 2 | 200 | 1, 249 |
| <i>Grand totals all subsys.: Uninflated totals from above-----</i> | <i>6, 278. 8</i> | <i>3, 134</i> | <i>5, 555</i> |
| Inflation factors: GOZ/U.S.\$----- | | | |
| Inflated totals----- | 8, 020 | 3, 500 | 6, 291 |

ACCORD DE PRET en date du 27 jour du mois de janvier 1977 entre le GOUVERNEMENT DE LA REPUBLIQUE DU ZAIRE ("Emprunteur") et les ETATS UNIS D'AMERIQUE agissant par l'entremise de l'Agence pour le Développement International ("A.I.D.").

ARTICLE 1

L'Accord

L'objectif de cet Accord est de stipuler les responsabilités respectives des parties susmentionnées ("Parties") en ce qui concerne l'engagement par l'Emprunteur de mener à bien le projet décrit ici et le financement par les Parties des biens et services nécessaires au Projet. Les Annexes I et II sont parties intégrantes de cet Accord.

ARTICLE 2

Le Projet

SECTION 2.1. Définition du Projet Le Projet qui est décrit par la suite en Annexe I identifiera les principaux facteurs de l'environnement et les techniques traditionnelles pour la production agricole, y compris les méthodes de commercialisation et de transport qui constituent un obstacle à une production de maïs auto-suffisante au Zaïre et essayera de mettre au point de nouvelles techniques ou de modifier les méthodes existantes afin d'augmenter de façon substantielle la production de maïs aux Nord Shaba. Le Projet comprendra six différents éléments:

(a) Un Sous-Système concernant les Activités de Recherche et de Vulgarisation aux termes duquel seront financés les biens, services et la formation pour l'établissement d'un centre de recherche et de formation où l'on reproduira les systèmes agricoles de base employés dans la Région du Projet, où on fera des essais de recherche agronomique, testera les nouvelles méthodes qui seront ensuite diffusées auprès des cultivateurs, formera les assistants agricoles aux méthodes de vulgarisation en coopération, en mettant l'accent sur la participation des cultivateurs.

(b) Un Sous-Système pour encourager le développement de groupements de cultivateurs/Pré-Coopératives aux termes duquel seront financés les biens et services pour l'établissement dans la Région du Projet de Centres Agricoles qui coordonneront les activités des petits cultivateurs telles que la distribution des intrants, la collecte des informations en ce qui concerne les méthodes utilisées par les petits cultivateurs, la démonstration des méthodes améliorées, la technologie intermédiaire et éventuellement la commercialisation de la production.

(c) Un Sous-Système pour la développement et la production d'une technologie intermédiaire aux termes duquel seront financés les biens et services pour l'établissement d'une technologie intermédiaire,

d'un centre de production et de formation à Kongolo où des habitants de la Région du Projet qui auront reçu une formation spéciale fabriqueront et entretiendront les outils nécessaires aux petits cultivateurs.

(d) Un Sous-Système de Commercialisation et de Crédit aux termes duquel seront financés les services des consultants techniques, les véhicules et la formation pour aider l'Emprunteur à accorder des crédits aux petits commerçants en céréales pour couvrir le coût des achats de céréales aux cultivateurs, améliorer les installations ferroviaires de chargement donner une formation aux petits commerçants et améliorer les activités de commercialisation des céréales de l'Office National des céréales (ONACER).

(e) Un Sous-Système pour le Développement de l'Infrastructure aux termes duquel seront financés l'équipement et les services pour la remise en état des routes secondaires, des routes d'accès aux fermes et des routes agricoles dans la Région du Projet ainsi que la construction de certaines installations pour le projet, faisant partie d'un Programme selon lequel l'Emprunteur financera la remise en état des routes primaires dans la Région du Projet.

(f) Un Sous-Système pour le contrôle et l'évaluation aux termes duquel seront financés les biens et services et la formation pour l'établissement dans la Région du Projet d'un système de collecte des informations qui permettra de contrôler la mise à exécution du projet, d'analyser, en collaboration avec les cultivateurs les données obtenues grâce au processus de contrôle afin d'identifier et de déterminer les problèmes potentiels et actuels, de formuler des modifications appropriées dans l'élaboration du projet et de faire une évaluation périodique du développement agricole dans la Région du Projet.

L'annexe I ci-jointe, donne une plus ample définition du Projet que celle contenue dans la Section 2.1.

Dans les limites de la définition du projet donnée dans la Section 2.1., certains éléments de la description plus détaillée donnée en Annexe 1 pourront être modifiés après accord écrit des représentants autorisés des Parties nommés dans la Section 9.2.

ARTICLE 3

Financement

SECTION 3.1. Le Prêt. Afin d'aider l'Emprunteur à faire face aux coûts du projet, l'A.I.D. conformément à la Loi d'Assistance à l'Etranger telle qu'amendée, accepte de prêter à l'Emprunteur aux termes de cet accord une somme n'excédant pas trois millions cinq cent mille dollars U.S. (\$3 500 000) ("Prêt"). Le montant global des déboursements aux termes du Prêt est dénommé le "Principal".

Le prêt ne peut être utilisé que pour financer les coûts en devises étrangères, comme spécifié dans la Section 7.1., ainsi que les coûts en monnaie locale, comme spécifié dans la Section 7.2, des biens et services nécessaires au Projet.

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SECTION 3.2. Ressources de l'Emprunteur destinées au Projet.

(a) L'Emprunteur accepte de fournir, ou de faire fournir tous les fonds pour le Projet, en plus du Prêt, et toutes les autres ressources nécessaires pour mener à bien le Projet dans les délais convenus.

(b) Les ressources fournies par l'Emprunteur pour le Projet ne seront pas inférieures à une moyenne équivalent à 1 317 000 U.S. \$ par an pendant les six ans du Projet, y compris les coûts en nature qui ne sont pas inférieurs à l'équivalent de 1 377 000 U.S. \$ et qui doivent être fournis pendant la première année du Projet pour capitaliser les fonds renouvelables qui doivent être institués aux termes du Sous-Système de Commercialisation et de Crédit du Projet.

SECTION 3.3. Date d'Achèvement de l'Assistance dans le cadre du Projet.

(a) La "Date d'Achèvement de l'Assistance dans le cadre du Projet" ("DAAP"), le 1er Janvier 1983 ou une autre date sur laquelle les Parties se seront mis d'accord par écrit, est la date à laquelle les Parties estiment que tous les services financés aux termes du prêt auront été achevés et que tous les biens financés aux termes du Prêt auront été fournis au Projet comme envisagé dans l'Accord.

(b) Sauf si l'A.I.D. en décidaient autrement par écrit, l'A.I.D. ne fournira ni n'approuvera de documentation autorisant de déboursement du Prêt pour les services accomplis postérieurement au DAAP ou pour les biens fournis au Projet, comme envisagé dans cet Accord, postérieurement au DAAP.

(c) Les requêtes pour le déboursement accompagnées de la documentation justificative nécessaire requise par les Lettres de Mise à Exécution du Projet seront reçues par l'A.I.D. ou une banque, comme prévu dans la Section 8.1, dans les neuf mois (9) suivant le DAAP ou pendant toute autre période fixée par écrit par l'A.I.D. A l'issue de cette période, l'A.I.D. pourra, en avisant l'Emprunteur par écrit, réduire à tout moment le montant du Prêt en tout ou en partie lorsque les requêtes pour le déboursement corresp pondantes, accompagnées de la documentation justificative nécessaire requise par les Lettres de Mise à Exécution du Projet, n'auront pas été reçues avant la date d'expiration fixée précédemment.

ARTICLE 4**Conditions du Prêt**

SECTION 4.1. Interêt. L'emprunteur paiera à l'A.I.D. un intérêt annuel de 2% pendant les dix ans qui suivront la date du premier déboursement effectué en vertu du prêt et à un taux annuel de trois pour cent (3%) par la suite sur le Principal non remboursé et sur les intérêts dus et impayés. L'intérêt sur le Principal non remboursé augmentera à partir de la date de chaque déboursement (comme stipulé dans la Section 8.5.) et sera remboursable semestriellement. Le premier paie-

ment de l'intérêt sera dû et remboursable dans les six (6) mois qui suivront le premier déboursement effectué en vertu du Prêt à une date qui sera spécifiée par l'A.I.D.

SECTION 4.2. Remboursement. L'emprunteur remboursera le Principal à l'A.I.D. dans les quarante (40) ans qui suivront la date du premier déboursement du Prêt en soixante et un (61) versements trimestriels d'une valeur à peu-près égale du principal et de l'intérêt. Le premier versement du Principal sera remboursable neuf ans et demi (9½) après la date à laquelle le premier paiement est dû, conformément à la Section 4.1. L'A.I.D. fournira à l'Emprunteur le calendrier d'amortissement qui se rapporte à cette section après que le dernier déboursement aux termes du Prêt ait été effectué.

SECTION 4.3. Imputation, Monnaie et Lieu de Remboursement. Tous les remboursements d'intérêt et de Principal seront effectués en dollars des Etats-Unis et seront tout d'abord imputés à tout intérêt exigible, et ensuite au remboursement du Principal. Tout remboursement sera fait à l'ordre du Bureau du Contrôleur du Service de Gestion Financière de l'Agence pour le Développement International, Washington D.C. 20523 U.S.A. et sera supposé être fait lors de sa réception par le Service de Gestion Financière, sauf stipulation différente formulée par l'A.I.D.

SECTION 4.4 Remboursement anticipé. L'Emprunteur aura le droit d'effectuer des remboursements anticipés, sans pénalité, à tout moment où un paiement d'intérêt ou un remboursement est dû, de la totalité ou de quelque fraction que ce soit du Principal. Sauf stipulation différente formulée par l'AID., tout remboursement anticipé s'appliquera d'abord au paiement des versements du Principal dans l'ordre inverse de leur échéance.

SECTION 4.5. Renégociation des Termes du Prêt.

(a) L'emprunteur et l'A.I.D. sont d'accord pour négocier, au moment ou aux moments jugés apportuns par l'un des deux, l'accélération du remboursement du Prêt dans le cas où une nette amélioration de la situation économique et financière et ou de meilleures perspectives d'avenir pour la République du Zaïre permettraient à l'Emprunteur de rembourser le Prêt plus rapidement que prévu.

(b) Toute requête dans ce sens de la part de l'une des Parties sera faite conformément à ce qui est stipulé dans la Section 9.2, et devra mentionné le nom et l'adresse de la personne ou des personnes qui représenteront la Partie qui fait cette requête au cours des négociations.

(c) Dans les trente jours qui suivront la requête de négociation, la Partie qui a émis cette requête devra donner à l'autre Partie, conformément à ce qui est stipulé dans la Section 9.2., le nom et l'adresse de la personne ou des personnes qui la représenteront au cours des négociations.

(d) Les représentants des Parties se réuniront pour mener les négociations dans les trente (30) jours qui suivront la communication de la requête aux termes de la sous-section (c).. Les négociations

auront lieu au Bureau du Commissaire d'Etat au Département des Finances de la République du Zaïre, ou dans tout autre lieu sur lequel les représentants des Parties se seront mis d'accord;

SECTION 4.6. Fin des Paiements. Lorsque le remboursement total du Principal et des intérêts accumulés aura eu lieu, l'Accord et toutes les obligations de l'Emprunteur et de l'A.I.D. prendront fin.

ARTICLE 5

Conditions Préalables au Déboursement

SECTION 5.1. Premier Déboursement. Préalablement au premier déboursement aux termes du Prêt ou à l'émission par l'A.I.D. de la documentation conformément à laquelle le déboursement pourra être effectué, l'Emprunteur, sauf avis contraire écrit des Parties, fournira à l'A.I.D. d'une manière acceptable par celle-ci quant au fond et à la forme:

(a) Un avis juridique agréé par l'A.I.D. stipulant que cet Accord a été dûment autorisé et ou ratifié par, et exécuté au nom de l'Emprunteur, et qu'il constitue au engagement valable et légalement irrévocable de la part de l'Emprunteur en conformité avec tous ses termes et conditions.

(b) Le nom de la ou des personnes qui agiront en tant que représentants de l'Emprunteur conformément à la Section 9.3. et un spécimen de la signature de chaque personne ainsi désignée.

(c) La documentation à l'appui de la création d'un Comité de Direction du Projet qui sera présidé par le Commissaire d'Etat à l'Agriculture ou son mandataire, et sera composé d'un représentant du Bureau du Président, du Département de l'Agriculture (DA), de l'Office National des Céréales (ONACER), du Programme National maïs (PNM), de l'Office National des Fibres Textiles (ONAFITEX), de l'Institut National pour l'Etude et la Recherche Agricoles (INERA), du Département de l'Economie Nationale, du Département des Affaires Politiques, du Département des Travaux Publics, de l'Office des Routes (OR), du Département des Finances, du Consortium International pour le Cuivre (GECAMINES) et de l'USAID/Zaïre. Le document établissant officiellement ce Comité devra prévoir au moins deux réunions par an dans le but de donner des directives concernant la politique à suivre et le programme à établir dans le cadre du Projet. Le document devra également prévoir une clause pour la convocation de réunions spéciales avec l'accord du Président du Comité et du Directeur de l'USAID.

(d) La documentation à l'appui de la création de l'Unité de Direction du Projet sur place, qui permettra également d'identifier les principaux emplois qui seront occupés par des Zairois dans cette Unité, de nommer le personnel qui convient et de décrire le rôle, les responsabilités et les pouvoirs de l'Unité. Cette description doit se rapporter à toutes les activités de l'Unité dans la région du projet en ce qui

concerne la recherche la vulgarisation, la formation de groupes de cultivateurs et la supervision sur place des activités de commercialisation des céréales du personnel de l'ONACER dans la région du Projet (bien que le personnel de l'ONACER continue à dépendre directement du Délégué Général de l'ONACER).

(e) La documentation à l'appui de la création d'un compte spécial dans une Banque de la Région du Projet, au travers duquel se feront les dépenses en monnaie locale de l'Emprunteur pour le Projet, en faisant figurer les signatures des responsables sur les pièces justificatives de paiement et en fournissant la documentation à l'appui du dépôt fait à ce compte par l'Emprunteur s'élevant au moins à six cent mille zaires (Z 600 000) au départ ainsi que l'engagement de l'Emprunteur de réapprovisionner ce compte lorsque cela sera nécessaire, au moins deux fois par an.

(f) Une copie de l'accord passé entre l'OR, Le DA et le Bureau des Affaires politiques qui ne pourra pas être modifié substantiellement par la suite sans l'accord préalable de l'A.I.D., par lequel l'OR s'engage àachever la remise en état du système des routes primaires dans la région du projet dans les délais prévus et à donner la priorité à la fourniture de carburant et de pièces de rechange pour la Brigade 19;

L'accord devra également indiquer:

(1) Les critères selon lesquels les routes primaires devront être remises en état,

(2) Le temps nécessaire à la remise en état des routes primaires,

(3) Les méthodes de remise en état des routes primaires, y compris le programme de construction,

(4) La source de financement pour l'exécution du programme de remise en état des routes primaires,

(5) Le programme d'entretien des routes primaires et secondaires après leur remise en état, y compris le coût au Km et la source de financement.

(g) La documentation justificative de l'accord donné par le Service de Gestion du Matériel de Travaux Publics de l'Office des Routes (SGMTP) de servir d'agent d'achat pour les fournitures financées par l'A.I.D. qui seront attribuées à la Brigade Spéciale aux termes du Prêt.

SECTION 5.2. Notification L'A.I.D. notifiera l'Emprunteur dès qu'elle aura déterminé que les conditions numérotées dans la Section 5.1. auront été remplies.

SECTION 5.3. Date Limite pour Remplir les Conditions Précédentes. Si toutes les conditions spécifiées à la Section 5.1. n'ont pas été remplies dans les 120 jours qui suivent la date de cet Accord ou toute date ultérieure que l'A.I.D. peut fixer par écrit, l'A.I.D. peut, à son gré, résilier cet Accord en notifiant l'Emprunteur de la cessation du présent Accord.

ARTICLE 6**Conventions spéciales**

SECTION 6.1. Evaluation du Projet. Les Parties se sont mises d'accord pour établir un programme d'évaluation qui fasse partie intégralement du Projet. Sauf stipulations contraires des Parties, le programme comprendra, pendant la mise à exécution du Projet et à un ou plusieurs moments par la suite.

(a) Une évaluation des progrès réalisés en vue de la réalisation des objectifs du Projet.

(b) Une identification et une évaluation des Régions qui posent des problèmes et des contraintes qui peuvent empêcher d'atteindre ces objectifs;

(c) Une évaluation de la façon dont cette information peut être utilisée pour aider à surmonter ces problèmes dans ce projet et dans d'autres projets;

(d) Une évaluation, dans toute la mesure du possible, de l'impact du Projet sur le développement général.

SECTION 6.2. Exécution de l'Accord concernant la Remise en Etat. L'Emprunteur devra s'assurer que l'Accord exécuté par l'OR, le DA et le Bureau des Affaires Politiques est réalisé conformément à tous les termes stipulés dans la Section 5.1.

SECTION 6.3. Brigade Spéciale. L'Emprunteur devra fournir les fonds, le personnel qualifié, l'équipement et le matériel nécessaires à l'entretien des routes construites et remises en état dans le cadre du Projet. L'entretien du réseau de routes primaires devra être effectué par la Brigade 19 jusqu'à ce que la Brigade Spéciale (créée, pourvue de personnel et de matériel aux termes du Projet) soit transférée à l'OR. L'entretien du réseau de routes secondaires sera effectué par la Brigade Spéciale. Le matériel fourni aux termes de ce Prêt devra rester dans la Région du Projet afin d'être utilisé pour l'entretien des réseaux de routes primaires et secondaires dans la Région du Projet.

SECTION 6.4. Entretien et Fonctionnement. L'Emprunteur devra fournir les fonds, les installations, le personnel qualifié, le matériel et l'équipement nécessaires au bon fonctionnement et à l'entretien dans la Région du Projet, en plus de ce qui a été fourni aux termes du Prêt et du Don de l'A.I.D.

SECTION 6.6. Revenus du P.L. 480 Titre 1. Bien que l'obligation de l'Emprunteur d'apporter sa contribution financière à ce Projet ne soit pas limitée à une source de financement particulière, le GZ devra, dans le but de satisfaire ses engagements financiers vis à vis du Projet, donner une attention toute particulière à l'utilisation de la monnaie locale provenant d'un prêt pour le Programme d'Importation des Marchandises et des revenus du PL 480, Titre 1 financé par le Gouvernement des Etats Unis.

SECTION 6.7. Achat et Livraison des Marchandises. L'Emprunteur devra s'efforcer de faire en sorte que les marchandises soient achetées et fournies aux termes du Projet dans les délais fixés avec l'A.I.D.

SECTION 6.8. Corps de la Paix. La participation des volontaires du Corps de la Paix conformément à cet Accord dépendra des accords mutuels passés entre le Corps de la Paix et l'Emprunteur.

ARTICLE 7

Source d'Achat

SECTION 7.1. Coûts en Devises Etrangères. Les déboursements faits conformément à la Section 8.1 serviront exclusivement à financer le coût des biens et services nécessaires au Projet et provenant de pays inclus dans le Code 941 de Code Géographique de l'A.I.D. tels qu'en vigueur au moment où les commandes ont été faites ou les contrats signés pour ces biens et services, "Coûts en Devises Etrangères", sauf stipulation contraire de l'A.I.D. ou dans l'Annexe sur les Dispositions standards de l'Accord de Prêt, Section C.1. (b) en ce qui concerne l'assurance maritime.

SECTION 7.2. Coûts en Monnaie Locale. Les déboursements faits conformément à la Section 8.2. serviront exclusivement à financer les coûts des biens et services nécessaires au Projet, et provenant sauf stipulation contraire de l'A.I.D., du Zaïre ("Coûts en Monnaie Locale").

ARTICLE 8

Déboursements

SECTION 8.1. Déboursements pour les coûts en Devises Etrangères.

(a) Lorsque les conditions préalables auront été remplies, l'Emprunteur pourra obtenir de déboursement des fonds aux termes du Prêt pour les coûts en Devises Etrangères des biens et services nécessaires au Projet, selon les termes de l'Accord, et grâce aux méthodes suivantes qui auront été décidées en accord mutuel:

(1) En soumettant à l'AID, avec la documentation à l'appui, comme stipulée dans les Lettres de Mise à Exécution du Projet: (i) les demandes de remboursement pour ces biens et services ou (ii) les demandes faites à l'AID de fournir les marchandises ou services au Projet au nom de l'Emprunteur; ou

(2) En demandant à l'AID d'émettre des Lettres d'Engagement pour des sommes déterminées: (i) à une ou plusieurs banques américaines approuvées par l'AID, engageant l'AID à rembourser cette banque ou ces banques pour les paiements faits par celles-ci aux entrepreneurs et aux fournisseurs, aux termes des Lettres de Crédit ou d'une autre façon, pour ces biens et services, ou (ii) à un ou plusieurs entrepreneurs ou fournisseurs directement, engageant l'AID à payer ces entrepreneurs ou fournisseurs, par l'intermédiaire des Lettres de Crédit ou autrement, pour ces biens et services.

(b) Les frais de banque encourus par l'Emprunteur en relation avec les Lettres d'Engagement et les Lettres de Crédit seront financés aux termes du prêt à moins que l'Emprunteur ne donne des instructions contraires à l'AID.. Les autres frais sur lesquels les Parties seleront mis d'accord pourront également être financés aux termes du Prêt.

SECTION 8.2. Déboursement pour les Coûts en Monnaie Locale.

(a) Lorsque les conditions préalables auront été remplies, l'Emprunteur pourra obtenir des déboursements de fonds aux termes du prêt pour les Coûts en Monnaie Locale nécessaires au projet conformément aux termes de cet Accord, en soumettant à l'AID, avec la documentation à l'appui comme stipulé dans les Lettres de Mise à Exécution du Projet, des requêtes pour le financement de ces coûts.

(b) La monnaie Locale nécessaire à ce déboursement peut être obtenue:

(1) Par l'acquisition par l'AID avec des dollars U.S. en achetant ou grâce à de la monnaie locale déjà en possession du Gouvernement des Etats-Unis; ou

(2) par demande de l'AID à l'Emprunteur de mettre à disposition de la monnaie locale pour ces coûts, et, par la suite, de mettre à la disposition de l'Emprunteur grâce à l'ouverture ou à l'amendement par l'AID de Lettres Spéciales de Crédit en faveur de l'Emprunteur ou de son mandataire, une somme en dollars U.S. équivalente à la somme en monnaie locale mise à disposition par l'Emprunteur, et qui pourra être utilisée pour et effectuer des achats des Etats-Unis conformément aux procédures appropriées décrites dans les Lettres de Mise à Exécution du Projet.

L'équivalent en Dollars U.S. du montant en monnaie locale mis à disposition sera, dans le cas de la sous-section (b) (1) ci-dessus, le montant en dollars U.S. nécessaire à l'AID pour obtenir la monnaie locale, et, dans le cas de la sous-section (b) (2) ci-dessus, un montant calculé au taux de change stipulé dans le Mémorandum de Mise à Exécution de la Lettre Spéciale de Crédit appropriée, en date de l'ouverture de l'amendement de la Lettre Spéciale de Crédit appropriée.

SECTION 8.3. Autres Formes de Déboursement. Les débourssements du prêt peuvent aussi être effectués par tout autre moyen convenu par écrit par les Parties.

SECTION 8.4. Taux de Change. A moins que cela ne soit spécifié dans la Section 8.2., si les fonds obtenus aux termes du Prêt sont introduits dans la République du Zaïre par l'AID ou un autre organisme privé ou public dans le but de mener à bien les obligations de l'AID stipulées ici, L'Emprunteur fera tous les arrangements nécessaires pour que ces fonds soient convertis en monnaie de la République du Zaïre au taux de change le plus élevé qui ne soit pas illégal dans la République du Zaïre au moment où la conversion est faite.

SECTION 8.5. Date de Déboursement. Les déboursements seront effectués par l'AID:

(a) à la date à laquelle l'AID fera un déboursement à l'Emprunteur ou à son mandataire, ou à une banque, à un entrepreneur ou à un fournisseur conformément à une lettre d'Engagement ou à une lettre de Crédit.

(b) à la date à laquelle L'AID déboursera à l'Emprunteur ou à son mandataire la monnaie locale obtenue conformément à la Section 8.2.(b); ou

(c) si la monnaie locale est obtenue conformément à la Section 8.2.(b)(2) à la date à laquelle L'AID ouvre ou amende la lettre de Crédit Spéciale à laquelle on se réfère ici.

ARTICLE 9

Divers

SECTION 9.1. Communications. Tout avis, demandes, documents ou autres communications effectués par l'une des parties à l'autre conformément au présent Accord devront l'être par écrit ou par télégramme, cable ou radiogramme et seront considérés comme étant dûment remis à la partie destinatrice lorsqu'ils auront été remis à ladite partie en mains propres ou par voie postale, télégramme cable ou radiogramme, aux adresses suivantes:

A l'Emprunteur

Adresse Postale: Ci toyen Gouverneur et O.G.E.D.E.P
de la Banque du Zaïre C/o CNECI
B. P. 2696 B.P. II.I96
Kinshasa, Zaïre Kinshasa I.

Adresse Télégraphique: NACOBANQUE KINSHASA

A l'A.I.D.

Adresse Postale: Monsieur le Directeur
Agence Américaine pour le Développement
International
B.P. 8599
Kinshasa I, Zaïre

Adresse Télégraphique: AMEMBASSY KINSHASA

Toutes les communications devront être rédigées en langue anglaise ou française, à moins que les parties n'en conviennent autrement par écrit. D'autres adresses pourront remplacer celles indiquées ci-dessus après que notification par écrit en aura été donnée.

SECTION 9.2. Représentants: A toutes fins d'application du présent accord, l'Emprunteur sera représenté par le titulaire ou le suppléant du poste de Gouverneur de la Banque du Zaïre, et l'A.I.D. sera représenté par le titulaire ou le suppléant du poste de Directeur de

la Mission de l'USAID. Ces personnes seront habilitées à désigner d'autres représentants par voie de notification écrite, pour toute autre raison que d'exercer les pouvoirs stipulés dans la Section 2.I. afin de revoir les éléments de la Description détaillée donnée en Annexe I. Les noms des représentants de l'Emprunteur avec un spécimen de leur signature devront être soumis à l'A.I.D., qui pourra accepter la signature de l'un quelconque des représentants au exécution de cet Accord, jusqu'à réception d'une notification écrite de révocation de leur autorité.

SECTION 9.3. Langue utilisée pour la rédaction de l'Accord: Cet Accord a été rédigé à la fois en langue anglaise et en langue française. La version en langue anglaise fait autorité.

SECTION 9.4. Dispositions Standards. Une Annexe au Prêt du Projet concernant les Dispositions Standards (Annexe (2) est jointe à cet Accord et en fait partie intégrante.

EN FOI DE QUOI, l'Emprunteur et les Etats Unis d'Amérique, chacun agissant par l'intermédiaire de ses représentants respectifs dûment mandatés, ont fait établir et signer cet Accord en bonne et due forme en vertu despouvoirs dûment conférés à cet effet, à la date et à l'année indiquées en premier lieu ci-dessus.

REPUBLIQUE DU ZAIRE

Par: BOFOSO WAMBEA NKOSO

Titre: *Commissaire d'Etat aux Finances*

ETATS UNIS D'AMERIQUE

Par: WALTER L. CUTLER

Titre: *Ambassadeur des Etats-Unis d'Amérique au Zaïre.*

KINSHASA, le 27 Janvier, 1977

ANNEXE I

Description Du Projet

En réponse aux besoins critiques du secteur agricole au Zaïre, le Département de l'Agriculture, l'Office National des Céréales, l'Office des Routes, les Chemins de Fer Nationaux, le Service du Plan, et l'AID, ont collaboré à l'établissement de ce Projet. Conscient du problème spécifique à long terme de la dépendance du pays sur les sources extérieures de maïs, le but du projet est d'aider le Zaïre à atteindre une auto-suffisance dans la production du maïs aussi rapidement que possible. En se concentrant sur les petits cultivateurs qui constituent le groupe le plus important de producteurs de denrées alimentaires au Zaïre, le Projet aura comme but l'identification d'une procédure de

développement rurale efficace destinée à l'amélioration de la production et du revenu du petit cultivateur qui pourra être répétée en-dehors de la région du projet (Nord Shaba) dans d'autres régions du projet.

Le Projet a été conçu sous forme de système comprenant six parties. La stratégie de base du Projet est d'intégrer les activités des six sous-systèmes en un processus général qui permettrait aux petits cultivateurs d'améliorer leur production et leur revenu de telle sorte que les bénéfices du projet deviennent auto-suffisants. La procédure débutera par une bonne compréhension des pratiques actuelles des petits cultivateurs. Les nouvelles technologies et les nouvelles pratiques qui sont acceptables par les petits cultivateurs seront élaborées au moyen de recherches et d'expérimentation, en étroite collaboration avec les cultivateurs. Les approches les plus efficaces pour la transmission des connaissances agricoles seront déterminées en faisant des expériences avec les diverses approches de vulgarisation. Les obstacles critiques à une production accrue seront identifiés, et de nouvelles méthodes seront conçues pour les surmonter. Des groupes de cultivateurs seront encouragés à donner leur aide pour la mise à exécution des services de base, ce qui donnera aux petits cultivateurs l'accès direct aux fournisseurs de tels services et allègera le fardeau des agences gouvernementales. La mise à exécution de la procédure nécessitera un rassemblement des données d'information et la possibilité de les analyser afin de planifier, contrôler et évaluer toutes les activités du projet.

REGION DU PROJET

La région du projet est située de 110 à 250 Km à l'Ouest du Lac Tanganyika, approximativement entre 27° et 28°10' de longitude-ouest, et entre 5° et 6°40' de latitude sud. Elle se trouve dans la région du Shaba, la sous-région du Tanganyika, et elle comporte la zone de Kongolo à l'est du fleuve Lualaba, et deux-tiers de la zone de Nyunzu (à l'exception du secteur au Nord-Est de la route principale Kongolo-Nyunzu). Cette région a le plus grand potentiel d'augmentation de la production de maïs dans les deux zones; elle recouvre environ 15.000 Km² et a une population rurale totale de 131.500 habitants.

Dès les années 20, le Nord Shaba avait essayé de devenir la source d'approvisionnement en céréales pour les communautés minières du Sud Shaba. Etant donné ses zones écologiques diverses, qui varient des forêts fertiles à la savane plus sèche, la région peut redevenir la source principale de maïs, manioc, huile de palme, arachides, fruits et légumes, comme elle était pendant les années 50. Par négligence, les services agricoles et l'infrastructure se sont beaucoup détériorés et production agricole a diminué.

Néanmoins, il y a plusieurs facteurs d'ordre infrastructurel, socio-culturel et agricole au niveau local, sur lesquels un projet intégré de développement agricole peut s'appuyer. De l'époque coloniale, il reste une petite ville et une infrastructure rurale (comprenant un réseau routier bien planifié) qui auraient besoin d'être reconstruites; un minimum de constructions neuves seraient nécessaires. D'autre part, il faut souligner que les ressources humaines dans la région du projet ne sont

pas négligeables; il y a des cultivateurs et des ouvriers qualifiés, ainsi que des groupements solides de grandes familles et autres groupements traditionnels, qui sont habitués à résoudre en commun leurs problèmes locaux de développement.

Sous-Systèmes du Projet

1. UN SOUS-SYSTEME DE RECHERCHES ET DE VULGARISATION ORIENTE VERS LE DEVELOPPEMENT ET LA TRANSMISSION DE TECHNOLOGIES AMELIOREES POUR LA CULTURE DU MAIS ET AUTRES CULTURES.

(A) Conditions de la Région du Projet

Les fermes se trouvent dans quatre zones écologiques principales: les régions de forêts humides, les régions de forêts sèches, les régions de savanes, et les vallées des plaines basses des rivières. Dans chaque type de région, il y a des variations importantes des systèmes de production, donnant une large gamme de maïs et autres cultures par hectare. Par conséquent, il est nécessaire de développer de nouvelles technologies appropriées aux conditions locales et d'établir des relations de travail solides entre les cultivateurs et les agents de vulgarisation.

(B) Objectifs du Sous-Système

Ce Sous-Système comprend de nombreux objectifs:

(1) Développer, tester et introduire des technologies se rapportant au maïs et à d'autres cultures qui s'inspirent des systèmes de fermes dans les diverses localités;

(2) Recruter et former les agents de vulgarisation (Département de l'Agriculture et paraprofessionnels) destinés à fournir des conseils techniques appropriés au fur et à mesure que les technologies sont élaborées; et

(3) Créer un système qui permette les communications entre les agents de vulgarisation et leurs stagiaires, les cultivateurs de la région du projet, et les chercheurs.

(C) Recherche et Expérimentation

Afin de réaliser les recherches et la formation requises aux termes du Projet, un centre de recherche et de formation sera établi à Mbulula. Les détails concernant la construction des installations nécessaires du Centre se trouvent dans la partie de cette Description de Projet se rapportant au sous-système du Développement de l'Infrastructure.

Le projet recruterà du personnel pour le Département de Recherches du Centre parmi des sources différentes. Le PNM fournira trois chercheurs (dont l'un sera choisi comme Directeur du Centre à l'issu des deux premières années). Au départ, le Directeur du Centre sera un agronome américain financé par l'AID, possédant de l'expérience dans le domaine de la formation des vulgarisateurs. Le personnel actuel de l'ONAFITEX de Mbulula poursuivra ses recherches sur le coton, et des chercheurs de l'INERA lui seront adjoints en fonction des disponibilités afin de commencer des recherches sur les autres cultures.

La première étape du programme de recherches du projet sera de procéder à une collecte et une analyse intensive des informations au niveau des agriculteurs. Ces procédures seront destinées à mieux connaître les décisions des agriculteurs, leur comportement et les obstacles qu'ils rencontrent. La collecte des informations essaiera de réunir les informations difficiles à obtenir telles que les méthodes de culture dans la région du projet, la taille des entreprises agricoles et leur dénombrement, la main-d'oeuvre et les fonds disponibles, les méthodes couramment utilisées et leur calendrier d'exécution, la production et le revenu net pour chaque culture.

Afin de mener à bien ce programme, les cadres de la recherche assureront la formation d'un premier groupe de 20 vulgarisateurs (voir ci-dessous) en ce qui concerne les méthodes de collecte des informations et superviseront leurs travaux de collecte sur le terrain. Ils auront des échanges de vues au sujet du programme de collecte des informations avec les représentants des cultivateurs et ceux qui ont obtenu le meilleur rendement de production. La recherche intensive à l'échelon des cultivateurs commencera au milieu de la saison agricole 1977 et s'étendra sur 20 localités—types (environ 5 entreprises agricoles par localité) dans toute la région du projet. Ce genre de collecte et d'analyse des informations se poursuivra pendant toute la durée du projet.

L'identification, la mise à l'essai et la diffusion de méthodes traditionnelles améliorées et adaptées aux conditions locales forment la première étape des opérations de recherche et de vulgarisation. En même temps, le projet commencera à faire une recherche agronomique de façon à développer des techniques de culture du maïs plus élaborées.

Il faudra donner la priorité au développement de la technologie pour la culture du maïs dans la savane, car cette terre est souvent en jachère, en particulier dans la région de Nyunzu. La mise au point et la mise à l'essai d'une technologie plus perfectionnée pour la culture du maïs seront dirigées par des chercheurs du PNM et du Projet. Il est prévu que la mise au point d'une technologie plus perfectionnée et adaptée aux systèmes de culture locaux demandera 4 à 5 ans. Cette nouvelle technologie sera mise à l'essai sur les propres terres du cultivateur lorsque l'Emprunteur sera en mesure de donner l'appui nécessaire à la promotion de cette technologie.

Des études et une expérimentation à long terme seront également nécessaires, comprenant des essais de diverses technologies, applicables à des cultures différentes, plusieurs assolements, des cultures intercalaires et différents systèmes de culture ainsi que la pédologie. Cette expérience sera réalisée à la ferme pilote du Centre de Recherche et de Formation, et sera complétée par des évaluations techniques et économiques des diverses méthodes de mises au point.

Le programme de recherche du Projet essaiera de mettre l'accent sur la participation des cultivateurs. Lorsque les méthodes seront mises au point, elles seront alors appliquées sur des terrains d'essai par le personnel chargé de la recherche et de la formation, en collaboration avec les groupes de cultivateurs en cours de formation:

les techniques améliorées seront alors mises à l'essai sur les propres terres des cultivateurs afin de connaître leurs réactions et les obstacles qui empêchent leur adoption.

(D) Opérations de Vulgarisation

L'un des principaux objectifs de ce sous-système est de mettre au point un système de vulgarisation qui puisse être reproduit dans d'autres régions du Zaïre. La première étape de cette partie du projet sera de choisir les localités où le projet sera appliqué: on propose que le projet retienne environ 75 localités où il mettra à l'essai ses diverses activités au cours des six années. A l'intérieur de chaque localité, on choisira un village pour y créer un Centre Agricole qui aura pour rôle de soutenir les activités agricoles de la région. La Division chargée du Développement des Groupes de Cultivateurs au sein du projet, établira, en collaboration avec l'unité de Planification et d'Evaluation, un processus qui permettra de déterminer leur emplacement.

Chaque Centre Agricole sera dirigé par un Conseil de Cultivateurs qui sera formé de représentants de tous les principaux groupes de cultivateurs de la région. Un des membres du Conseil des Cultivateurs sera nommé président.

Le projet, avec l'assistance des Conseils de Cultivateurs, choisira ceux qui recevront une formation d'aides-agricoles (vulgarisateurs). Au départ, ils seront recrutés parmi le personnel du Département de l'Agriculture, de l'ONACER, de l'ONAFITEX, parmi les cultivateurs les plus actifs et autres candidats qualifiés. Les vulgarisateurs recevront une formation au Centre de Recherche et de Formation de Mbulula par groupe de 20 à 25. Leur formation comprendra un enseignement sur la collecte des informations sur place concernant les systèmes de culture, un enseignement leur donnant des notions agricoles élémentaires, des notions de comptabilité et de gestion (pour participer au développement des groupes/pré-coopératives de cultivateurs), ainsi que des techniques élémentaires de vulgarisation et de diffusion. La plus grande partie de leur formation sera une formation sur le tas sur place. La durée maximum du programme de formation pour les vulgarisateurs sera de 9 mois, mais ils viendront se recycler très souvent, au fur et à mesure que des méthodes améliorées auraient été mises au point pour être recommandées aux cultivateurs. A l'issue de leur stage de formation, les vulgarisateurs seront envoyés auprès d'un Conseil de Cultivateurs d'un Centre Agricole afin d'y travailler sous la supervision du Président. Au départ, trois vulgarisateurs seront financés par l'AID, mais à long terme, leur financement relèvera du Département de l'Agriculture.

Le projet assurera également, à l'aide du financement de l'AID, la formation à court terme, des présidents et autres membres des Conseils de Cultivateurs au fur et à mesure que des méthodes améliorées seront mises au point et prêtées à être recommandées aux cultivateurs. Le Conseil des Cultivateurs et les vulgarisateurs organiseront des terrains d'essai et des programmes de formation pour les cultivateurs dans la région desservie par le Centre Agricole.

En plus des opérations de vulgarisation de base décrites précédemment, le projet mettra au point des programmes spéciaux destinés à aider les autres groupes dans la région du projet. Ces programmes comprendront des programmes spéciaux pour les femmes, les étudiants et les cultivateurs pygmés. Afin de développer les opérations de vulgarisation des femmes, l'aide d'une expatriée sera fournie aux termes du financement de l'AID.

(E) Soutien Apportée par le Projet aux Opérations de Vulgarisation.

Le projet fournira deux cadres zaïrois qui seront chargés de toutes les activités de formation. L'agronome américain expérimenté dans le domaine de la vulgarisation et les autres membres de la recherche joueront également un rôle direct dans la création et la mise en place des activités de formation. En outre, le projet fournira les fonds nécessaires pour couvrir les coûts des formateurs (court terme et long terme) à Mbulula, et de formation des vulgarisateurs à Mbulula et dans les Centres Agricoles.

La supervision et la direction des opérations de vulgarisation seront du ressort du Directeur Adjoint de chaque zone. Un soutien en personnel et en logistique leur sera fourni pour les aider dans l'accomplissement de leur tâche. Le projet fournira des bicyclettes pour les vulgarisateurs du niveau intermédiaire. Il devra également rémunérer les Aides Agricoles, à moins qu'un système soit mis au point pour que les Conseils de Cultivateurs prennent ce coût en charge. Les salaires des vulgarisateurs à l'échelon supérieur et intermédiaire seront payés par le Département de l'Agriculture.

2. UN SOUS-SYSTEME POUR ENCOURAGER LE DEVELOPPEMENT DE GROUPEMENTS DE CULTIVATEURS/PRE-COOPERATIVES.

(A) Aperçu.

Le projet encouragera le développement de groupes de cultivateurs ou "pré-coopératives" dans le contexte des nécessités et occasions populaires définies, basées sur le système existant de coopération. Le projet aura pour but l'établissement d'environ 75 Centres Agricoles au cours de toute la durée du projet. Au départ, les groupes de cultivateurs seront établis pour s'occuper d'une ou deux tâches simples (par exemple, la vente d'outils ou de semences). Au fur et à mesure que les capacités financières et d'organisation s'améliorent, les groupes recevront des encouragements pour étendre leurs activités (par exemple inclure la commercialisation). Finalement, une structure d'organisation hiérarchique sera élaborée, ce qui facilitera énormément l'acheminement des ressources du projet.

(B) Mise à Exécution.

Le projet établira une division qui aura la responsabilité d'encourager le développement des groupes de cultivateurs; son travail sera directement intégré dans la planification et la mise à exécution des opérations de vulgarisation. Cette division sera pourvue de trois zaïrois. Le financement de l'AID sera utilisé pour fournir un conseiller américain, Spécialiste en Développement Rural et possédant de l'expérience en

commercialisation et en coopératives, dans le but d'assister cette Division qui sera désignée comme "La Division de Développement des Groupes de Cultivateurs".

En choisissant certaines régions pour les applications du projet, la Division pour les Groupes de Cultivateurs commencera la mise à exécution des opérations orientées vers:

(1) La création d'un forum qui servira aux cultivateurs de la région des obstacles à une augmentation de la production agricole et des potentialités qui permettraient de les réaliser.

(2) L'encouragement des cultivateurs de la région à former un Conseil de Cultivateurs qui sera composé de représentants des groupes les plus importants comme ceux de descendance patrilinéaire, de descendance matrilinéaire pour les terres, des villages des grandes familles et autres groupements naturels de cultivateurs; et

(3) L'encouragement du Conseil de Cultivateurs à entamer un programme d'action.

Il faudra en même temps prendre des mesures similaires pour l'organisation des femmes. Elles seront encouragées à former un Sous-Conseil de Femmes fondé sur les résultats obtenus au cours des réunions et des discussions dans les groupes de travail de femmes du village dans toute la région desservie par le Centre Agricole. Les Conseils de Cultivateurs seront encouragés à construire des Centres Agricoles qui seront probablement constitués par un lieu de réunions traditionnel, et peut être un petit bureau et en magasin, fabriqués entièrement par les cultivateurs avec des matériaux locaux.

Le Centre Agricole constituera un forum où de nouvelles techniques agricoles seront présentées, ainsi qu'un lieu servant à identifier les groupements locaux de cultivateurs, communiquer avec eux, et leur apporter une assistance. Ce sera également l'endroit où se trouvera l'expert agricole travaillant sous la direction du Conseil de Cultivateurs. Dès le départ, on fera des expériences en ce qui concerne les cultures—près du Centre tout d'abord, puis dans les champs des cultivateurs, au fur et à mesure que ces expériences s'avèrent être positives. En outre, les Centres peuvent faire des démonstrations de technologie intermédiaire et peuvent servir de point de diffusion et de distribution de cette technologie aux cultivateurs (y compris les outils, les insecticides, et peut-être les articles de première nécessité pour les familles). Dans l'avenir, les Centres Agricoles peuvent aussi approvisionner les installations et les services de stockage, de pesage et de commercialisation.

Le programme projeté pour l'installation des Centres est le suivant:

10 Centres avant Octobre 1977

25 Centres avant Octobre 1978

40 Centres avant Octobre 1979 et enfin,

75 Centres avant Octobre 1981.

On prévoit de créer au moins trois petits groupes de cultivateurs dans chaque localité desservie par un Centre Agricole.

(C) Support du Projet pour le Développement des Groupes de Cultivateurs.

Comme cela a été mentionné ci-dessus, la Division de Développement des Groupes de Cultivateurs recruterà localement trois Zaïrois et un Expert américain pour le Développement Rural. Deux Zaïrois seront envoyés à Mbulula, tandis que l'Expert américain et l'autre Zaïrois seront envoyés à Nyunzu. En plus de fournir le support administratif et logistique à cette Division, le projet fournira la formation à court terme dans des pays tiers et aux termes d'un financement de l'AID, ainsi que la surveillance du travail, la critique constructive, et les autres stages de formation.

Lorsque les transactions financières commenceront, soit au niveau des Centres Agricoles, soit au niveau des groupes locaux, une comptabilité simple, ainsi que des systèmes de gestion et de tenue des dossiers devront être introduits et développés. Le projet fournira, aux termes d'un financement de l'AID, une assistance technique à court terme au niveau du village, dans le domaine des systèmes de gestion et de comptabilité. Les stages de formation dans ces branches seront effectués au Centre de Formation et de Recherches de Mbulula pour les responsables des cultivateurs.

3. SOUS-SYSTEME POUR LE DEVELOPPEMENT ET LA PRODUCTION D'UNE TECHNOLOGIE INTERMEDIAIRE.

(A) Situation dans la Région du Projet.

L'expérimentation initiale de divers types de technologie intermédiaire a été réalisée dans la région du projet avec un réaction favorable de la part des cultivateurs. Cependant, de nombreuses améliorations devront être apportées dans les pratiques culturales, les outils, et la manutention de la production, afin de permettre une augmentation de la productivité agricole.

(B) Développement du Programme.

Etant donné l'impact initial important de l'introduction d'une nouvelle technologie, le projet achètera d'abord, au moyen de dons de l'AID, des équipements destinés à la vente aux groupes de cultivateurs et aux cultivateurs. Des dons ont été prévus dans le cadre du projet pour l'achat de 500 égreneuses à maïs, 500 moulins manuels, 200 décortiqueuses à arachides et 100 à riz, 100 pressoirs d'huile de palme, et 10.000 instruments agricoles (en majorité machettes et faux).

Les démonstrations et la vente de l'équipement et des outils se déroulent aux Centres Agricoles sous la direction du président de chaque Conseil de Cultivateurs, avec l'assistance de l'agent de vulgarisation. Les revenus provenant de la vente de matériel fourni par le projet iront à un compte spécial qui sera utilisé par le projet pour aider à établir le Centre de Technologie Intermediaire de

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Kongolo, fournira un fonds de roulement qui permettra de faire fonctionner ce Centre et financera la formation des artisans et des forgerons dans les villages.

Les Centres seront établis par un Conseiller américain financé par un don de l'AID, et une équipe de travail locale avec l'assistance de Corps de la Paix des Etats-Unis, et profiteront d'un atelier existant à Kongolo mais étant actuellement hors d'état de fonctionnement.

Un Zaïrois sera recruté et financé par des fonds du Projet dans le but de diriger le Centre. Ce Centre sera le siège de toutes les activités réalisées dans le cadre de ce sous-système. Le personnel sera recruté au fur et à mesure que les activités du Centre se développeront. Il sera nécessaire au départ de former une équipe chargée de la production et de la formation. On recruterá localement dix à quinze Zaïrois ayant de bonnes connaissances des travaux de forge et de mécanique et qui recevront une formation par les volontaires du Corps de la Paix. Cinq membres de cette équipe seront initiés aux activités relatives à la production, et les autres recevront une formation leur permettant d'enseigner aux forgerons de village comment réparer le matériel importé par le projet (et éventuellement fabriqué et vendu sur place).

En ce qui concerne la conception et la fabrication du matériel, le Centre s'appuiera sur les expériences faites par le Centre CEDECO dans le Bas-Zaïre, où des égreneuses pour le maïs et des décortiqueuses pour les arachides sont couramment fabriqués. Divers autres matériels manuels sont également créés et fabriqués au Ghana, au Sénégal et en Haute-Volta. Le projet financera des voyages d'études dans ces pays afin de profiter de l'expérience acquise dans la création de matériel et dans le domaine de la structuration des opérations de production et de formation. En prenant cela comme point de départ, le Centre concevra, mettra à l'essai et commencera à produire du matériel en donnant la priorité à la fabrication des égreneuses. Il est prévu qu'au bout de deux ans, le Centre de Kongolo produira du matériel et des outils. Plus tard, en s'appuyant sur les échanges de vue avec les groupes de cultivateurs, d'autres éléments de technologie intermédiaire seront déterminés, créés et mis à l'essai, et, s'il est opportun, seront fabriqués et vendus. Au bout de quatre (4) ans, la rentabilité du Centre sera évaluée et on étudiera alors une procédure pour fixer sa future appartenance (si l'expérience semble avoir été un succès).

Le Centre de Kongolo sera également chargé d'assurer la formation des forgerons de village. Il faudra d'abord apprendre à ces forgerons à réparer le matériel importé par le projet: cela sera réalisé par les cinq ou dix forgerons instructeurs qui se trouveront dans des centres agricoles d'emplacement stratégique. Les forgerons des villages voisins recevraient une formation en groupe pendant deux à quatre semaines. Cette formation sera ensuite complétée par un enseignement individuel. Le Centre mettra au point par la suite un programme de formation destiné à apprendre aux forgerons de village à produire du matériel comprenant les machettes et d'autres outils rudimentaires. Les détails de cet aspect du programme de formation seront mis au

point au fur et à mesure que le projet connaîtra mieux les aptitudes et les intérêts des forgerons de village.

Le Centre de Technologie Intermédiaire de Kongolo sera chargé de découvrir et de créer les technologies et les programmes de formation pour les femmes, en collaboration avec l'expert-vulgarisateur féminin. (Voir la lère Section du sous-système sur la Vulgarisation et la Recherche).

Le Centre de Kongolo devra également concentrer ses efforts sur l'amélioration des installations destinées au stockage. Un technicien de l'ONACER sera affecté au Centre de Kongolo et sera chargé de s'occuper de cette question. Il sera envoyé à Mbulula de façon à faciliter son travail sur place. Le projet lui donnera une assistance technique à court terme et lui assurera une formation dans un pays tiers comme le Nigeria ou le Ghana où il existe déjà des installations de stockage d'un coût peu élevé. En s'appuyant sur les enquêtes menées sur place et les autres recherches effectuées, le technicien de l'ONACER et les techniciens à court terme mettront au point, en collaboration avec les principaux cultivateurs, des prototypes qui seront mis à l'essai par des cultivateurs de la région. La recherche, la conception et la mise à l'essai des installations de stockage, seront faites en étroite collaboration avec le sous-système sur les Opérations de Recherche et de Vulgarisation et celui sur la Commercialisation.

4. SOUS-SYSTEME DE COMMERCIALISATION ET DE CREDIT

(A) Objectifs.

L'objectif principal du sous-système de Commercialisation et de Crédit sera de promouvoir un système de commercialisation fortement concurrentielle durant les prochaines cinq à dix années.

(B) Programme pour le Développement des Crédits et de la Commercialisation.

Le programme pour le développement des crédits et de la commercialisation comporte les éléments suivants:

- (1) Crédit bancaire aux commerçants de céréales, pour camions et pièces de rechange;
- (2) Crédit bancaire aux commerçants de céréales pour l'achat des céréales;
- (3) Crédit de production aux petits cultivateurs;
- (4) Amélioration et extension des installations ferroviaires;
- (5) Formation en gestion et communications pour les commerçants de céréales;
- (6) Aide à l'ONACER (crédit d'achat et équipement, formation des agents, direction du projet).

La section "Crédits et Commercialisation" du projet sera gérée par les deux Directeurs de Commercialisation de l'ONACER, situés à Kongolo et à Nyunzu, ainsi que par l'expert en développement rural (USA) à Nyunzu. La section sera chargée d'accorder toutes les autorisations aux commerçants du maïs et du riz dans la région du

projet seulement; d'augmenter la quantité et la qualité des commerçants privés dans la région du projet et de commercialiser un maximum de 25% de la production du maïs exporté de la région du projet afin de maintenir un marché concurrentiel et d'évacuer le maïs mis en vente. Le personnel de l'ONACER dans les zones du projet sera intégré dans l'organisation générale du projet.

(C) Autorisation

Le projet élaborera un questionnaire détaillé qui conviendrait aux enquêtes d'autorisations. Le questionnaire cherchera des renseignements précis sur la marche de ses affaires: résumé de ses dettes, comptes de caisse, accès aux crédits, et accès au transport, aux sacs, aux entrepôts et aux balances. Le projet fera l'analyse de ces données (obtenues avant le 15 Avril 1977) et établira des priorités d'assistance aux commerçants et à l'ONACER pour la campagne actuelle de commercialisation. Selon l'avis favorable de la Division des Crédits et de la Commercialisation, un permis de commercialisation sera accordé aux commerçants.

(D) Programme de Crédit pour Camions

L'Emprunteur établira un fonds de crédit à partir desquels les commerçants peuvent emprunter des fonds destinés à l'achat sur place de camions et pièces de rechange nécessaires pour la commercialisation. Les conditions du prêt pour l'achat de camions seront de trois ans à un taux d'intérêt annuel ne dépassant pas 12, 5%. Des prêts d'une durée de six mois seront octroyés à un taux d'intérêt annuel ne dépassant pas 12, 5% pour les pièces de rechange. A conditions égales, le prêt sera accordé de préférence aux commerçants et coopératives commercialisant moins de 1000 Tonnes par an. Les critères de sélection des petits commerçants et des coopératives comme bénéficiaires d'un prêt seront (1) résumé des dettes, (2) expérience en commercialisation, (3) niveau d'éducation et professionnel, (4) but poursuivi pour la commercialisation du maïs, (5) réputation dans la communauté locale.

Le montant total de ce prêt sera prêté à partir de fonds de contrepartie, à un taux favorable, à une institution bancaire qui ouvrira une succursale dans la région du projet.

(E) Location de Camions

Un programme de location de camions fournit un moyen supplémentaire d'avoir des camions disponibles pour les petits commerçants. Les camions seraient loués sur une base hebdomadaire ou mensuelle, le projet fournissant le chauffeur et se chargeant de l'entretien du véhicule.

(F) Projet de Commercialisation Interne

Des véhicules seront achetés par la Division de Crédit et de Commercialisation afin de mettre à exécution son programme de commercialisation interne.

(G) Crédits destinés à l'Achat de Maïs

Afin d'accroître la disponibilité des crédits pour l'achat de maïs par les commerçants dans la région du projet, un fonds renouvelable

de crédit à court terme sera institué et sera administré par une banque privée de la région du projet. Des prêts seraient attribués à un total de dix commerçants par année, les allocations devant être effectuées par une institution financière accompagnée des recommandations de la Division de Crédit et de Commercialisation du projet; les responsables de l'ONACER estiment qu'un crédit de \$150,000 à court terme pour l'achat de maïs serait suffisant pour atteindre les objectifs de commercialisation de la Division de Crédit et de Commercialisation.

La Division de Crédit et de Commercialisation aura accès au crédit à partir des fonds de contrepartie. Les critères de sélection des petits commerçants et des coopératives en tant que bénéficiaires du prêt destiné à l'achat de céréales seront semblables à ceux utilisés pour les fonds de prêts pour les camions. Les prêts seront effectués à des taux d'intérêt commerciaux devant être déterminés par les banques et seront remboursés à la fin de la saison de commercialisation.

(H) Crédit au Petit Cultivateur

Une évaluation systématique des disponibilités en espèces des cultivateurs fera partie du système de rassemblement des données et des informations du projet. Ces procédures en cours détermineront les modifications dans la région du projet en ce qui concerne le crédit, les buts poursuivis par le crédit, et la manière la plus efficace d'attribuer ce crédit. Les résultats obtenus par cette évaluation permettront de déterminer si le crédit à la production du petit cultivateur sera nécessaire ou viable pendant toute la durée du projet.

(I) Amélioration et Extension des Installations Ferroviaires

L'Emprunteur rendra des fonds disponibles selon les besoins pour le financement des frais se rapportant à l'amélioration d'une voie de garage à Nyunzu et Kongolo.

(J) Assistance aux Commerçants de Céréales et Matière de Gestion et Communications

Le système de renseignements établi dans le cadre du projet fournira des renseignements aux petits commerçants et ce qui concerne la production et autres problèmes de l'environnement local. Le projet assurera en outre les communications entre les petits commerçants et les organisations à l'extérieur de la région du projet.

L'Expert en Commercialisation et Crédit sera chargé de déterminer leurs besoins en formation et d'établir un programme de formation pratique et théorique selon ces exigences. Un stagiaire zairois sera affecté auprès de l'Expert en Développement Rural (USAID) et des deux Directeurs de Commercialisation (Zairois) en vue de les aider dans la mise à réalisation de ces stages de formation.

(K) Organisation et Personnel

Une liaison opérationnelle spéciale sera établie à Kinshasa entre le Délégué Général de l'ONACER et le Directeur de Projet de l'USAID afin de prévoir l'expérimentation qui aura lieu dans la région du projet. Cette expérimentation sera contrôlée et évaluée par les agents de l'ONACER sur le terrain en coopération avec l'Equipe d'Analyse et de Rassemblement des Données. A partir de ces rapports, le Délégué

Général et le Directeur de Projet de l'USAID détermineront quelles seront les révisions nécessaires pour réaliser les objectifs formulées, et la façon d'identifier les approches alternatives à expérimenter.

En vue d'assurer une coordination effective pendant la première étape d'expérimentation, le personnel de l'ONACER agira sous le contrôle de l'unité de gestion du projet, mais il fournira des rapports directement au Délégué Général. Le personnel de l'ONACER sera formé en commercialisation par le projet. La Division de Commercialisation et de Crédit sera dirigée par l'Expert en Développement Rural (USA) financé par le don de l'AID et ayant une expérience dans les opérations de crédits et de commercialisation. Deux agents de l'ONACER sur le terrain travailleront dans la région du projet, et dirigeront l'expérimentation à Kongolo et à Nyunzu, ainsi que les opérations d'achat de l'ONACER.

5. SOUS-SYSTEME POUR LE DEVELOPPEMENT DE L'INFRASTRUCTURE.

(A) Aperçu.

Le projet comprend, en tant que sous-système, un programme pour l'amélioration de l'infrastructure afin de coordonner les besoins de développement de l'infrastructure des autres sous-systèmes.

(B) Programme Routier

Le principal objectif de la construction des routes dans le cadre du programme de développement de l'infrastructure sera de faciliter l'accès des cultivateurs aux techniques et services agricoles améliorés, ainsi que d'assurer l'accès aux marchés. Les principaux éléments du programme routier pour la région du projet sont la remise en état ou la construction des routes suivantes:

—Système Primaires: Luizi-Nyunzu: 65 Km et Nyunzu-Kongolo: 175 Km. Total: 240 Km.

—Système Secondaire dans les zones de Nyunzu et Kongolo: 724 Km.

—Système routier d'accès aux exploitations agricoles: 100 Km.

—Routes Agricoles: jusqu'à 500 Km.

Ces travaux seront réalisés par l'Office des Routes selon un programme en deux étapes qui est déjà en cours grâce à la Brigade 19 et une Brigade de Spécial qui sera créée pour le projet. On espère que les diverses opérations dans la région du projet seront achevées en Mai 1980.

(1) Construction du Réseau Primaire

Le réseau primaire répondra aux critères d'une route à deux voies, capable de supporter toutes les conditions atmosphériques, avec des ponts durables en acier et en béton. L'accessibilité pendant toute l'année sera garantie grâce aux travaux de nivellation de la deuxième étape.

(2) Remise en Etat et Entretien du Réseau Secondaire

En raison de l'absence d'entretien efficace au cours des 15 dernières années, le réseau des routes secondaires s'est graduellement détérioré

et en est arrivé au point où l'accès commercial et administratif à plusieurs zones de la région du projet, est excessivement limité. Le projet créera une Brigade Spéciale chargée de la réhabilitation et de l'entretien des routes. Pendant 2 ans 1/2, la Brigade remettra en état un total de 724 Km; 428 Km dans la région de Kongolo, 132 Km au nord de la Lukuga, et 164 Km au sud de la rivière dans la région de Nyunzu. Lorsque les travaux de remise en état seront achevés, la Brigade restera dans la région pour l'Office des Routes et sera chargée de l'entretien des réseaux primaires et secondaires dans la région de Kongolo et de Nyunzu.

(3) Brigade Spéciale

Une Brigade Spéciale sera formée et équipée dans le cadre du projet, et aura son siège à Kongolo. La Brigade Spéciale comportera l'équipement et le personnel suffisant pour faire fonctionner une unité de revêtement (surfacing), deux unités de nivellation, et six équipes de construction de ponts. Deux centres d'entretien pour cet équipement seront construits à Kongolo et Nyunzu; ils répareront l'équipement de la Brigade Spéciale et celle de l'Office des Routes.

(4) Personnel et Formation de la Brigade Spéciale

Les principaux postes de direction de la Brigade Spéciale seront initialement réservés aux expatriés ayant une bonne connaissance de la langue française. Ces postes comprennent: Un Expert en Gestion de Construction, Un Expert en réhabilitation routière, Un Superviseur pour la Construction des Ponts et Bâtiments, Un Expert Mécanicien. L'OR fournira des homologues Zaïrois, qui seront détachés auprès des experts. Les homologues Zaïrois auront déjà acquis une formation théorique au SGMTP, et la compléteront par une formation pratique sur le tas. Leur formation pratique sera assurée par les quatre expatriés. Les superviseurs de différentes équipes recevront également une formation sur les tas au cours des relations quotidiennes entre les cadres supérieurs et les unités de construction.

Les conducteurs et mécaniciens de l'équipement lourd seront formés par l'OR-SGMTP, et seront détachés pour le projet. Une bonne formation et une supervision constante leur permettront de perfectionner leurs connaissances. Il existe une main-d'œuvre qualifiée dans la région, qui pourra répondre aux besoins de la Brigade Spéciale, notamment des mécaniciens d'équipement léger, des machinistes, des maçons et des charpentiers. Il existe aussi d'autres ouvriers qualifiés ou semi-qualifiés. Bien que l'objectif principalement visé soit la réhabilitation des routes secondaires, l'encadrement et la formation de tous les ouvriers jusqu'aux superviseurs, permettront la création d'équipes de construction efficaces.

La main-d'œuvre nécessaire à la remise en état du réseau secondaire sera fournie, dans toute la mesure du possible, par les ouvriers non qualifiés et les groupes de cultivateurs.

(5) Programme de Construction

L'Expert en Gestion de Construction ainsi que le Superviseur des Ponts et Bâtiments (expatriés) seront recrutés pendant le premier

mois du projet; on s'attend à ce qu'ils puissent être nommés rapidement. En plus de la rénovation et la construction d'un Centre de Recherche et de vulgarisation à Mbulula et des logements du personnel, un centre d'entretien pour l'équipement sera construit à Kongolo afin d'entretenir l'équipement de l'OR et de la Brigade Spéciale. Le centre comportera huit subdivisions de réparation, un atelier de pneus, un atelier de soudure, un atelier de mécanique, une salle d'outils et un entrepôt. Le centre sera clôturé, et comportera un grand entrepôt de carburant et un générateur électrique. Un deuxième centre construit à Nyunzu entretiendra l'équipement du projet et de l'OR; celui-ci ressemblera au premier, mais sera plus petit.

L'Expert en Réhabilitation des Routes et l'Export Mécanicien arriveront en principe au cours du 14^e mois du projet. Ils participeront à l'achèvement des constructions en cours, et commenceront à recruter le personnel nécessaire pour les équipes de construction de routes et de ponts. Vers le 22^e mois du projet, le personnel qualifié aura été formé par l'OR, et sera assez compétent pour former des équipes permanentes pour les routes et les ponts.

Vers la fin de la deuxième année, le personnel et l'équipement prévus pour commencer la réhabilitation des routes devraient être sur place. Tous les travaux de réhabilitation démarrent à ce moment-là. Il est prévu qu'après une période de 6 mois (30 ème mois du projet), 15 ponts et 150 Km de routes seront achevés; à la fin de la seconde année, les 724 Km de routes seront terminés, ainsi que 65 ponts. Il est prévu que tous les ponts seront terminés 6 mois plus tard.

(6) Processus de Remise en Etat et d'Entretien des Routes

La remise en état des routes sera effectuée à la fois de façon motorisée et manuelle. Lorsque les routes auront été remises en état, l'entretien manuel devra être effectué deux fois par an et une nivelleuse devra être utilisée une fois par an sur la moitié du réseau secondaire.

(7) Construction de Routes d'Accès aux Exploitations Agricoles

Les routes comprises dans cette catégorie sont celles qui partent des routes primaires et secondaires et vont vers les villages satellites, habités seulement pendant la période de culture. Ces routes d'herbes servant seulement à l'écoulement des céréales. La brousse cache souvent des rochers et des souches, ce qui provoque des dégâts importants lors du passage des camions chargés de céréales. La seule amélioration nécessaire sera d'enlever ces obstacles.

(8) Construction des Routes Agricoles

Ce système relie les champs de cultivateurs à leurs villages (temporaires ou définitifs). Il y a une longue tradition d'entraide dans ce domaine, principalement pour faciliter l'accès aux camions chargés de céréales. Lorsque ces collectivités souhaiteront améliorer les routes par leurs efforts personnels, le projet prêtera des outils aux 75 Centres Agricoles.

Chaque centre aura suffisamment d'outils à sa disposition pour équiper un groupe de 12 personnes.

(C) Bâtiments et Installations

Le Centre de Kongolo aura besoin des installations suivantes:

(D) Personnel.

L'Expert en construction de ponts embauchera de la main-d'oeuvre qualifiée locale à Kongolo et formera deux unités de construction. Lorsque la plupart des travaux de construction seront achevés à Kongolo, un des expatriés (tous deux se trouvant déjà à Kongolo) sera transféré à Mbulula afin d'organiser les équipes et lancer la construction du Centre de Recherche et de Vulgarisation. Lorsque les équipes de Kongolo et de Mbulula travailleront de façon efficace, les équipes seront transférées à Nyunzu.

Les travaux de construction seront accomplis par les ressources du projet (personnel, équipement) plutôt que par un contrat officiel. La plus grande partie du travail à Kongolo consiste à restaurer les bâtiments.

Les bâtiments et les installations construites dans le cadre du projet seront entretenus par un petit groupe de techniciens qualifiés qui seront choisis parmi les travailleurs des équipes de construction. Ils travailleront sous la direction du directeur de construction du projet. L'équipe se trouvera à Kongolo et sera chargée de l'entretien des installations à Kongolo, Nyunzu et Mbulula.

6. SOUS-SYSTEME POUR L'EVALUATION ET LE CONTROLE DU PROJET.

Les objectifs de ce sous-système sont:

(1) Contrôler la mise à exécution du projet et la réalisation des objectifs du projet en ce qui concerne:

(a) Les hypothèses-clés ou les autres conditions éventuelles qui peuvent représenter un danger pour l'application du projet (y compris la réalisation des objectifs exprimés par les cultivateurs) et doivent donc être modifiées pour que la stratégie puisse être appliquée;

(b) Les intrants en argent, matériel, installations, assistance technique et les crédits alloués aux divers sous-systèmes et aux localités dans la région du projet;

(c) Les résultats de l'action directe ou les extrants tels que les ponts construits, les routes remises en état, les Conseils de Cultivateurs et les Centres Agricoles créés, les groupes de cultivateurs participants,

les résultats des essais agronomiques, etc. . . qui sont nécessaires à la réalisation des objectifs du projet. On inclueré également les premiers effets des relations entre la population locale et le personnel ainsi que les activités du projet, en s'intéressant tout particulièrement à leurs implications pour le développement agricole de la région;

(d) La réalisation des objectifs-clés en ce qui concerne les bénéfices et les coûts pour la société en général, pour la population visée et pour ceux qui participent actuellement au projet.

(2) Analyser les données obtenues en ce qui concerne les relations causales qui déterminent dans quelle mesure certains facteurs spécifiques nuisent ou contribuent à la bonne mise à exécution du projet et à la réalisation des objectifs du projet.

(3) Faire un évaluation des réalisations du projet et de l'expérience de mise à exécution du projet et, plus particulièrement, l'évolution de la participation de la population agricole, la responsabilité éventuelle et l'aptitude à maintenir l'effort de développement de la population agricole locale et formuler des recommandations pour l'élaboration et la mise à exécution qui pourraient être reproduites dans d'autres projets de développement rural ainsi que dans le projet actuel.

(E) Soutien Structurel et Technique

Le Centre de Collecte et d'Analyse des Informations sera situé à Kongolo de façon à faciliter les rapports avec la direction du projet. Le centre sera chargé de coordonner les diverses activités de collecte et d'analyse des informations et de diriger les activités communes aux différentes opérations du sous-projet. Il fournira également son soutien opérationnel pour la mise à exécution de la collecte et de l'analyse spéciales des données ad hoc et des activités générales de collecte des informations ainsi que les évaluations formelles et informelles des activités du projet. Le centre travaillera en collaboration avec les chefs des centres de Mbulula, Kongolo et Nyunzu pour assurer la formation des Assistants Agricoles et pour les autres techniques de collecte et d'analyse des informations, en faisant participer les cultivateurs à l'effort de collecte et d'analyse des informations et en mettant au point des méthodes appropriées pour assurer la protection des informations. Dans ce cadre, le centre travaillera en étroite collaboration avec le Directeur Adjoint du Projet qui sera un Américain financé par l'AID et possédant de solides connaissances de développement rurale des systèmes d'informations pour le contrôle et l'évaluation des efforts de développement agricole.

Le chef du centre sera un Zaïrois possédant une grande expérience des méthodes de collecte et d'analyse des informations ainsi que de la recherche sociologique. Il sera aidé par le Sous-Directeur du projet, un américain ayant une grande expérience du développement rural et des systèmes d'information pour le contrôle et l'évaluation du développement agricole. En plus du chef, le personnel du centre comprendra deux assistants à la recherche (diplômés de l'école secondaire), trois statisticiens, trois recenseurs et un secrétaire. On utilisera au maximum

les Assistants Agricoles, et les cultivateurs-chef de file pour les travaux nécessaires dans ce domaine dans toute la région du projet.

Le chef du Service de Collecte et d'Analyse des Informations (SCAI) du Centre de Recherche et de Formation de Mbulula sera chargé de la formation des Assistants Agricoles et des cultivateurs-chefs de file aux méthodes de collecte des informations comme la tenue du Régistre du cultivateur, la mesure des champs, les évaluations de la production, les méthodes de discussions ainsi que les analyses et les aggregations qui peuvent être réalisées sur place. Une formation identique, en ce qui concerne en particulier la tenue des registres des cultivateurs et l'analyse de base sera donnée au chefs et aux membres des Conseils de Cultivateurs qui rendront alors à Mbulula. Le chef SCAI de Mbulula sera également un Zaïrois parlant couramment le Swahili et ayant une formation d'agronome; il devra être capable de vivre et travailler en milieu rural au niveau des villages et devra avoir des notions des méthodes de collecte et d'analyse des informations. Il travaillera en étroite collaboration avec l'agronome/vulgarisateur américain et l'agent de vulgarisation féminin nommé du Centre de Mbulula.

Il aura également des chefs SCAI à Kongolo et à Nyunzu; ils seront chargés des actions menées sur place dans leur région respective supervision et soutien de la collecte des informations, révision des informations au niveau intermédiaire, classification, agrégation et analyse ainsi que du contrôle des activités des sous-systèmes dans leur zone. Ils devront beaucoup voyager, vivre dans les villages et travailler avec les groupes de cultivateurs pour analyser les informations relatives à leurs systèmes de culture. Ce seront des Zaïrois parlant couramment le Swahili, possédant une formation agricole et capables de vivre en milieue rural au niveau des villages; ils auront également des notions des méthodes de collecte et d'analyse des informations et de la façon de les mener à bien.

Le personnel du service chargé de la collecte et de l'analyse des informations bénéficiera comme cela a été demandé de l'assistance technique fournie par le Bureau d'Etudes et la Division des statistiques de DA, par des consultants à court terme financés par l'AID et autres personnes qualifiées dans le domaine de la collecte et de l'analyse des informations.

Un spécialiste agricole américain financé par l'AID travaillera avec le personnel du bureau d'Etudes pour développer et mettre à l'essai sur le terrain un système d'informatique de base et une méthodologie analytique qui pourront être utilisés par le personnel du projet pour satisfaire ses besoins en information. Cette méthodologie permettra de faciliter l'évaluation ad hoc sur place et l'évaluation des bénéfices actuels et potentiels des coûts respectifs des différentes approches et des actions relatives au projet.

La division des statistiques fournira le personnel chargé de la collecte des informations nécessaires à l'étude de base et aux études suivantes.

Les consultants à court terme engagés localement ou venant des Etats-Unis élaboreront, mettront à l'essai et à exécution les divers éléments du système de collecte et d'analyse des informations en collaboration avec le Service de Collecte et d'Analyse des Informations. Ils participeront également à des évaluations régulières du projet. Ces consultants à court terme seront titulaires d'un Doctorat (Ph.D) ou seront des spécialistes possédant de l'expérience dans le domaine de l'élaboration et de la mise à exécution des activités de contrôle et d'évaluation pour les projets de développement rural.

Le projet disposera d'un fonds de Recherche que l'on utilisera pour fournir les cadres zaïrois nécessaires à la réalisation de toute une gamme d'études en ce qui concerne l'approche et la mise à exécution du projet.

FINANCEMENT DU PRÊT

Les fonds provenants du prêt serviront à couvrir les coûts en devises étrangères (FX) et en monnaie locale exprimé en U.S. dollars pour les rubriques suivantes. Des modifications significatives pourront être apportées aux diverses allocations avec l'accord des parties engagées.

| | <u>US \$</u> | <u>ML</u> | <u>Total</u> |
|--|--------------------|-----------------|--------------------|
| a) Véhicules, Equipment etc. destinés à la remise en état des routes | 1. 350. 000 | 50. 000 | 1. 400. 000 |
| b) Construction de logements pour le personnel | 644. 000 | 110. 000 | 754. 000 |
| c) Carburant pour les activités du projet. | 1. 346. 000 | ----- | 1. 346. 000 |
| Total | 3. 340. 000 | 160. 000 | 3. 500. 000 |

ORGANISATION DU PROJET

L'organisation du projet et les fonctions des diverses parties engagées dans sa mise à exécution sont les suivantes:

A. Bureau du Président:

En raison de l'importance et de la complexité de ce projet, engageant plusieurs agences du GOZ en plus du DOA (e.g. Office des Routes, Office de l'Economie Nationale, Département des Finances), le Bureau du Président s'est chargé d'établir une liaison spéciale avec le projet.

Selon cet accord, le Bureau du Président (à travers son Conseiller Agricole) participera aux réunions du comité dirigeant, et sera informé de tout ce qui touchera au projet.

B. Commissaire d'Etat et Directeur Général de l'Agriculture:

Au niveau national, le Département de l'Agriculture sera directement responsable de la réalisation de ce projet. Le Commissaire d'Etat aux Affaires Agricoles proposera ses conseils au cours du projet. Le Directeur Général offrira ses conseils du point de vue technique et programmation; il assurera en outre la coordination du soutien du GOZ au projet au niveau national et régional.

C. Comité de Direction du Projet:

Le Comité de Direction du Projet, présidé par le Commissaire d'Etat aux Affaires Agricoles ou son suppléant sera l'organisme qui fournira l'encadrement politique à la direction du projet.

Ce comité se réunira semestriellement afin d'évaluer les progrès réalisés. Les membres de ce comité représenteront les bureaux gouvernementaux suivants:

- Le Bureau du Président
- Le Département de l'Agriculture
Commissaire d'Etat aux Affaires Agricoles
Directeur Général de l'Agriculture
ONACER (Office National des Céréales)
PNM (Programme National Maïs)
ONAFITEX (Office National des Fibres et du Textile)
INERA (Institut National pour l'Etude et la Recherche Agricole)
- Département de l'Economie Nationale
- Département des Affaires Politiques
- Département des Travaux Publics
INERA (Institut National pour l'Etude et la Recherche)
Office des Routes
- Département des Finances
- USAID/ZAIRE
- GECAMINES (consortium international du cuivre)
- Département des Transports et Communications (ONATRA)
- Les Chemins de Fer Nationaux (S. N. C. Z.)

D. Comité de Liaison du Projet:

Un Comité de Liaison du Projet sera également créé. Ce comité aura la responsabilité des liaisons au niveau national. Il sera composé des homologues du Directeur de l'AID des bureaux suivants:

- Département de l'Agriculture
- ONACER
- Office des Affaires Politiques
- Département des Finances.
- Office des Routes

E. Le Director du Projet (à Kongolo) sera responsable de toutes les activités du projet; il sera assisté par un Sous-Directeur (également à Kongolo). Le Sous-Directeur sera un économiste agricole expatrié ayant une expérience approfondie des programmes de développement agricole. Il sera directement responsable de la direction technique du sous-système de collecte et d'analyse des informations dans le cadre du projet.

F. Le Comité du Conseil sera constitué de tous les administrateurs des zones. Il assurera la coordination avec le gouvernement local en ce qui concerne les activités du projet dans leurs zones.

G. Les Adjoints du Directeur siégeront à Kongolo et à Nyunzu, et seront responsables de l'administration quotidienne du projet. Ils travailleront en proche collaboration avec le directeur administratif/financier expatrié.

H. Le Bureau de Collecte et d'Analyse des informations sera chargé de planifier, contrôler et évaluer toutes les activités du projet. Un Zaïrois expérimenté dans ce domaine dirigera le bureau et la Direction Technique sera assurée par le Directeur Adjoint du Projet. Le Bureau d'Etudes et la Division des Statistiques du DA ainsi que des experts aux Etats-Unis, prêteront leur assistance.

I. Le Département de l'Administration et des Finances sera dirigé par un expatrié. Ce département sera chargé de l'administration, des finances et du soutien logistique du projet, ainsi que de la liaison entre le projet et Kinshasa.

J. Les Divisions correspondant aux 5 autres sous-systèmes seront créées:

—Au départ, le Directeur de Recherche et de Vulgarisation sera un agronome expatrié possédant une grande expérience dans le domaine de la formation. La recherche et la vulgarisation feront partie de la formation assurée au Centre Mbulula; trois chercheurs du PNM/CIMMYT y participeront, ainsi que des chercheurs de l'INERA (dès qu'ils seront disponibles), afin de contribuer à l'analyse des sols et au développement de nouvelles technologies agricoles.

—Le Directeur de la Division du Développement des Groupes/Précoopératives des Cultivateurs sera assisté par un conseiller expatrié, expert en développement rural et en formation des coopératives. Trois Zaïrois, ayant une connaissance approfondie de la société locale et de ses techniques agricoles seront indispensables.

—Le Directeur de la Technologie Intermédiaire aura l'assistance à court terme de techniciens expatriés et d'un ou deux volontaires du Corps de la Paix, qui auront une expérience du travail de forgeron et de la mécanique. En outre, le projet bénéficiera de la collaboration du CEDEDÖ à Kimpèse, centre de développement de la technologie intermédiaire dans le Bas-Zaïre.

—Le Directeur pour la Commercialisation et l'Approvisionnement sera un expatrié et sera assisté à court terme (si cela est nécessaire) d'experts et du conseiller en matière de commercialisation de l'US AID au Département de l'Agriculture.

—Le projet et l'Office des Routes partageront la responsabilité du développement de l'infrastructure. Le Directeur pour le Développement de l'Infrastructure sera un expatrié avec une grande expérience de la gestion des travaux de construction. Les autres expatriés de cette division qui comprend la Brigade Spéciale seront un superviseur de construction, un constructeur spécialisé dans la construction de ponts de faible coût et un expert dans le domaine de l'entretien du matériel assistée d'un Mécanicien du Corps de la Paix.

REPRÉSENTANTS DANS LES DIFFÉRENTS DOMAINES DE RESPONSABILITÉ DU PROJET.

Le Comité de Direction du Projet devra présenter au Commissaire d'Etat du Département des Finances une liste de personnes auxquelles on déléguera des responsabilités dans le cadre du projet dans les domaines qui sont de leur compétence. Le Commissaire devra alors désigner parmi eux des représentants pour les actions particulières du projet. Ils devront traiter directement avec l'AID par la suite dans leur domaine particulier. Les intrants du projet de l'AID proviendront directement des organisations dirigées par les représentants.

PRÉVISIONS BUDGÉTAIRES.

Les prévisions budgétaires jointes à la Description de ce Projet (Annexe 1) formeront la base sur laquelle les Parties accorderont leur contribution respective. Les prévisions budgétaires seront sujettes à des modifications de la part des représentants nommés dans la Partie 9.2 de l'Accord sans la révision officielle de cet accord. Il est bien entendu que le présent financement de don se limite aux trois premières années du projet et qu'un financement complémentaire supérieur au montant actuellement imposé sera fonction de la disponibilité de fonds de la part de l'AID pour cet objectif et de l'accord mutuel des Parties à l'époque où une augmentation substantielle aura lieu.

Previsions Budgétaires—Projet de Développement Rural du Nord Shaba, Estimation de Coût à la date du 10 Décembre, 1976

| Sous-systèmes | GZ/ML | AF 77 | | GZ/ML | AF 78 | |
|--|--------|-----------|-------|-----------|-------|-------|
| | | Prêt | Don | | Prêt | Don |
| I. Recherches & Vulgarisation | | | | | | |
| Services de Contractant/ Personnel | | Zaires \$ | \$ | Zaires \$ | \$ | \$ |
| Personnel----- | 62 | ----- | 120 | 71 | 0 | 120 |
| Marchandises----- | 116 | 40 | 115 | 17 | 0 | 21 |
| Formation----- | 47 | ----- | 103 | 42 | 0 | 103 |
| Autres----- | 0 | 6 | 0 | 0 | 6 | 0 |
| Total----- | 225 | 46 | 338 | 130 | 6 | 244 |
| II. Dévelop. de Groupes de Cultivateurs | | | | | | |
| Services de Contractant/ Personnel | | Zaires \$ | \$ | Zaires \$ | \$ | \$ |
| Personnel----- | 20 | ----- | 80 | 20 | ----- | 104 |
| Marchandises----- | 41 | 24 | 32 | 4 | ----- | 2 |
| Formation----- | 3 | ----- | 6 | 5 | ----- | 10 |
| Autres----- | 0 | 2 | ----- | 0 | 2 | ----- |
| Total----- | 64 | 26 | 118 | 29 | 2 | 116 |
| III. Technologie Intermédiaire | | | | | | |
| Services de Contractant/ Personnel | | Zaires \$ | \$ | Zaires \$ | \$ | \$ |
| Personnel----- | 42. 6 | ----- | 68 | 42. 6 | ----- | 20 |
| Marchandises----- | 93 | 60 | 128 | 27 | ----- | 32 |
| Formation----- | 4 | ----- | 4 | 7 | ----- | 14 |
| Autres----- | 0 | 4 | ----- | 0 | 4 | ----- |
| Total----- | 139. 6 | 64 | 200 | 76. 6 | 4 | 66 |
| IV. Commercialisation & Crédit | | | | | | |
| Services de Contractant/ Personnel | | Zaires \$ | \$ | Zaires \$ | \$ | \$ |
| Personnel----- | 35 | ----- | 35 | ----- | ----- | ----- |
| Marchandises----- | 1150 | ----- | 95 | 5 | ----- | 3 |
| Formation----- | 2 | ----- | 2 | 4 | ----- | 4 |
| Autres----- | 0 | 12 | ----- | 0 | 12 | ----- |
| Total----- | 1187 | 12 | 97 | 44 | 12 | 7 |
| V. Dévelop. Infrastructure | | | | | | |
| Services de Contractant/ Personnel | | Zaires \$ | \$ | Zaires \$ | \$ | \$ |
| Personnel----- | 0 | ----- | 120 | 27 | ----- | 320 |
| Marchandises----- | 145 | 1. 820 | ----- | 145 | ----- | ----- |
| Formation----- | 0 | ----- | ----- | 0 | ----- | ----- |
| Autres----- | 30 | 12 | ----- | 60 | 36 | ----- |
| Total----- | 175 | 1. 832 | 120 | 232 | 36 | 320 |

Previsions Budgetaires—Projet de Développement Rural du Nord Shaba, Estimation de Coût à la date du 10 Décembre, 1976—Continued

| Sous-systemes | GZ/ML | AF 77 | | GZ/ML | AF 78 | |
|---|--------|-----------|-------|-----------|-------|-------|
| | | Prêt | Don | | Prêt | Don |
| VI. Contrôle/Evaluation | | | | | | |
| Services de Contractant/ | | Zaires \$ | \$ | Zaires \$ | \$ | \$ |
| Personnel----- | 58.2 | ----- | 88 | 46.2 | ----- | 88 |
| Marchandises----- | 83.9 | 40 | 33 | 44.1 | ----- | 2 |
| Formation----- | 0 | ----- | ----- | 0 | ----- | ----- |
| Autres----- | 0 | 5 | ----- | 0 | 5 | 90 |
| Total----- | 142.1 | 45 | 121 | 90.3 | 5 | 90 |
| VII. Administration du Projet | | | | | | |
| Services de Contractant/ | | Zaires \$ | \$ | Zaires \$ | \$ | \$ |
| Personnel----- | 40.7 | ----- | 176 | 40.7 | ----- | 176 |
| Marchandises----- | 302 | 170 | 137 | 7 | ----- | 6 |
| Formation----- | 16 | ----- | 12 | 16 | ----- | 12 |
| Autres----- | 0 | 5 | ----- | 43 | 5 | ----- |
| Total----- | 358.7 | 175 | 325 | 106.7 | 5 | 194 |
| Grands totaux des sous-systèmes: Totaux, sans taux d'inflation----- | 2296.4 | 2.200 | 1.319 | 708.6 | 70 | 1.037 |
| Facteurs d'Inflation: GZ/\$US----- | 1.00 | 1.000 | ----- | 1.13 | 1.06 | ----- |
| Totaux, avec taux d'Inflation----- | 2292 | 2.200 | 1.319 | 801 | 74 | 1.099 |

TIAS 9090

Previsions Budgetaires—Projet de Développement Rural du Nord Shaba Estimation de Coût à la date du 10 Décembre, 1976

| Sous-systèmes | GZ/ML | AF 79 | | GZ/ML | AF 80 | |
|--|-------------|-----------|-----|-------------|-----------|-----|
| | | Prêt | Don | | Prêt | Don |
| I. Recherches & Vulgarisation | | | | | | |
| Services de Contractant/ Personnel | Zaires \$ | \$ | \$ | Zaires \$ | \$ | \$ |
| Personnel----- | 80 | 0 | 120 | 89 | 0 | 120 |
| Marchandises----- | 25 | 0 | 20 | 32 | 0 | 53 |
| Formation----- | 45 | 0 | 53 | 45 | 0 | 53 |
| Autres----- | 0 | 6 | 0 | 0 | 6 | 0 |
| Total----- | 150 | 6 | 193 | 166 | 6 | 226 |
| II. Dévelop. de Croupes de Cultivateurs | | | | | | |
| Services de Contractant/ Personnel | 20 | 0 | 104 | 20 | 0 | 104 |
| Marchandises----- | 4 | 0 | 4 | 3 | 0 | 28 |
| Formation----- | 5 | 0 | 10 | 3 | 0 | 6 |
| Autres----- | 0 | 2 | 0 | 0 | 2 | 0 |
| Total----- | 29 | 2 | 118 | 26 | 2 | 138 |
| III. Technologie Intermédiaire | | | | | | |
| Services de Contractant/ Personnel | 42. 6 ----- | | 20 | 42. 6 ----- | | 20 |
| Marchandises----- | 27 ----- | | 7 | 7 ----- | | 15 |
| Formation----- | 7 ----- | | 14 | 0 ----- | | |
| Autres----- | 0 ----- | 4 ----- | | 0 ----- | 4 ----- | |
| Total----- | 76. 6 | 4 | 41 | 49. 6 | 4 | 35 |
| IV. Commercialisation & Crédit | | | | | | |
| Services de Contractant/ Personnel | 35 ----- | | 35 | ----- | | |
| Marchandises----- | 5 ----- | | 3 | 5 ----- | | 3 |
| Formation----- | 4 ----- | | 4 | 2 ----- | | |
| Autres----- | 0 ----- | 12 ----- | | 0 ----- | 12 ----- | |
| Total----- | 44 | 12 | 7 | 42 | 12 | 3 |
| V. Dévelop. Infrastructure | | | | | | |
| Services de Contractant/ Personnel | 0 ----- | | 320 | 0 ----- | | 320 |
| Marchandises----- | 5 ----- | | 10 | ----- | | |
| Formation----- | 0 ----- | | 0 | ----- | | |
| Autres----- | 600 ----- | 328 ----- | | 530 ----- | 328 ----- | |
| Total----- | 605 | 328 | 320 | 540 | 328 | 320 |

Previsions Budgetaires—Projet de Développement Rural du Nord Shaba, Estimation de Coût à la date du 10 Décembre, 1976—Continued

| Sous-systèmes | GZ/ML | AF 79 | | GZ/ML | AF 80 | |
|--|---------|--------|-------|--------|-------|-------|
| | | Prêt | Don | | Prêt | Don |
| VI. Contrôle/Evaluation | | | | | | |
| Services de Contractant/ | | Zaires | \$ | Zaires | \$ | \$ |
| Personnel----- | 46.2 | ----- | 48 | 46.2 | ----- | 80 |
| Marchandises----- | 28.6 | ----- | 2 | 27.5 | ----- | 14 |
| Formation----- | 0 | ----- | 0 | 0 | ----- | 0 |
| Autres----- | 0 | 5 | ----- | 0 | 5 | ----- |
| Total----- | 74.8 | 5 | 50 | 73.7 | 5 | 94 |
| VII. Administration du Projet | | | | | | |
| Services de Contractant/ | | Zaires | \$ | Zaires | \$ | \$ |
| Personnel----- | 40.7 | ----- | 168 | 40.7 | ----- | 168 |
| Marchandises----- | 7 | ----- | 16 | 7 | ----- | 6 |
| Formation----- | 11 | ----- | 12 | 0 | ----- | 0 |
| Autres----- | 43 | 5 | ----- | 43 | 5 | ----- |
| Total----- | 101.7 | 5 | 196 | 90.7 | 5 | 174 |
| <i>Grands totaux des sous-systemes: Totaux, sans taux d'inflation-----</i> | 1.081.1 | 362 | 925 | 988 | 362 | 990 |
| Facteurs d'Inflation: GZ/ \$US----- | 1.28 | 1.12 | | 1.45 | 1.19 | |
| Totaux, avec taux d'Inflation----- | 1384 | 405 | 1.036 | 1.433 | 431 | 1.178 |

Previsions Budgétaires—Projet de Développement Rural du Nord Shaba, Estimation de Coût à la date du 10 Décembre, 1976

| Sous-systèmes | GZ/ML | AF 81 | | GZ/ML | AF 82 | |
|--|--------|-------|-------|--------|-------|-------|
| | | Prêt | Don | | Prêt | Don |
| I. Recherches & Vulgarisation | | | | | | |
| Services de Contractant/ Personnel | Zaires | \$ | \$ | Zaires | \$ | \$ |
| Personnel----- | 98 | 0 | 120 | 107 | 0 | 120 |
| Marchandises----- | 27 | 0 | 63 | 28 | 0 | 12 |
| Formation----- | 44 | 0 | 31 | 46 | 0 | 31 |
| Autres----- | 0 | 6 | 0 | 0 | 6 | 0 |
| Total----- | 169 | 6 | 214 | 181 | 6 | 163 |
| II. Dévelop. de Groupes de Cultivateurs | | | | | | |
| Services de Contractant/ Personnel | 20 | 0 | 0 | 20 | 0 | 0 |
| Marchandises----- | 6 | 0 | 5 | 5 | 0 | 2 |
| Formation----- | 3 | 0 | 6 | 3 | 0 | 6 |
| Autres----- | 0 | 2 | 0 | 0 | 2 | 0 |
| Total----- | 29 | 2 | 11 | 28 | 2 | 8 |
| III. Technologie Intermédiaire | | | | | | |
| Services de Contractant/ Personnel | 42.6 | ----- | 20 | 42.6 | ----- | 1 |
| Marchandises----- | 7 | ----- | 2 | 6 | ----- | 1 |
| Formation----- | 0 | ----- | 0 | 0 | ----- | 0 |
| Autres----- | 0 | 4 | ----- | 0 | 4 | ----- |
| Total----- | 49.6 | 4 | 22 | 48.6 | 4 | 1 |
| IV. Commercialisation & Crédit | | | | | | |
| Services de Contractant/ Personnel | 35 | ----- | 35 | ----- | ----- | 3 |
| Marchandises----- | 5 | ----- | 3 | 5 | ----- | 3 |
| Formation----- | 0 | ----- | 0 | 0 | ----- | 0 |
| Autres----- | 0 | 12 | ----- | 0 | 12 | ----- |
| Total----- | 40 | 12 | 3 | 40 | 12 | 3 |
| V. Dévelop. Infrastructure | | | | | | |
| Services de Contractant/ Personnel | 8 | ----- | 236 | 8 | ----- | 100 |
| Marchandises----- | 15 | ----- | ----- | 21 | ----- | ----- |
| Formation----- | 0 | ----- | 0 | 0 | ----- | 0 |
| Autres----- | 140 | 116 | ----- | 100 | 116 | ----- |
| Total----- | 163 | 116 | 236 | 129 | 116 | 100 |

*Previsions Budgetaires—Projet de Développement Rural du Nord Shaba, Estimation
de Coût à la date du 10 Décembre, 1976—Continued*

| Sous-systemes | GZ/ML | AF 81 | | GZ/ML | AF 82 | |
|--|----------------|---------|-------|----------------|---------|-------|
| | | Prêt | Don | | Prêt | Don |
| VI. Contrôle/Evaluation | | | | | | |
| Services de Contractant/ Personnel----- | Zaires 46.2 | \$----- | \$80 | Zaires 54.2 | \$----- | \$80 |
| Marchandises----- | 28.1 | ----- | 1 | 28.6 | ----- | 2 |
| Formation----- | 0 | ----- | ----- | 0 | ----- | ----- |
| Autres----- | 0 | 5 | ----- | 0 | 5 | ----- |
| Total----- | 74.3 | 5 | 81 | 82.8 | 5 | 82 |
| VII. Administration du Projet | | | | | | |
| Services de Contractant/ Personnel----- | 40.7 | ----- | 160 | 40.7 | ----- | 160 |
| Marchandises----- | 4 | ----- | 36 | 4 | ----- | 4 |
| Formation----- | 0 | ----- | ----- | 0 | ----- | ----- |
| Autres----- | 43 | 5 | ----- | 43 | 5 | ----- |
| Total----- | 87.7 | 5 | 196 | 87.7 | 5 | 164 |
| Grands totaux des sous- systemes: Totaux, sans taux d'inflation----- | 612.6 | 150 | 763 | 597.1 | 150 | 521 |
| Facteurs d'Inflation: GZ/ \$US----- | 1.64 | 1.26 | ----- | 1.851 | 1.34 | ----- |
| Totaux, avec taux d'Inflation----- | 1.005 | 189 | 961 | 1.105 | 201 | 698 |

Prévisions Budgétaires—Projet de Développement Rural du Nord Shaba, Estimation de Coût à la date du 10 Décembre, 1976

| Sous-systèmes | GZ/ML | Total | |
|--|---------------|---------------|---------------|
| | | Prêt | Don |
| I. Recherches & Vulgarisation | | | |
| Services de Contractant/Personnel----- | Zaires 508 | \$ 0 | 720 |
| Marchandises----- | 244 | 40 | 284 |
| Formation----- | 269 | 0 | 374 |
| Autres----- | 0 | 36 | 0 |
| Total----- | 1021 | 76 | 1. 378 |
| II. Dévelop. de Groupes de Cultivateurs | | | |
| Services de Contractant/Personnel----- | 120 | 0 | 392 |
| Marchandises----- | 63 | 24 | 73 |
| Formation----- | 22 | 0 | 44 |
| Autres----- | 0 | 12 | 0 |
| Total----- | 205 | 36 | 509 |
| III. Technologie Intermédiaire | | | |
| Services de Contractant/Personnel----- | 255. 6 | ----- | 148 |
| Marchandises----- | 167 | 60 | 185 |
| Formation----- | 18 | ----- | 32 |
| Autres----- | 0 | 24 | ----- |
| Total----- | 440. 6 | 84 | 365 |
| IV. Commercialisation & Crédit | | | |
| Services de Contractant/Personnel----- | 210 | ----- | ----- |
| Marchandises----- | 1175 | ----- | 110 |
| Formation----- | 12 | ----- | 10 |
| Autres----- | 0 | 72 | ----- |
| Total----- | 1397 | 72 | 120 |
| V. Dévelop. Infrastructure | | | |
| Services de Contractant/Personnel----- | 43 | ----- | 1. 416 |
| Marchandises----- | 341 | 1. 820 | ----- |
| Formation----- | 0 | ----- | ----- |
| Autres----- | 1460 | 936 | ----- |
| Total----- | 1844 | 2. 756 | 1. 416 |
| VI. Contrôle/Evaluation | | | |
| Services de Contractant/Personnel----- | 297. 2 | ----- | 464 |
| Marchandises----- | 240. 8 | 40 | 54 |
| Formation----- | 0 | ----- | ----- |
| Autres----- | 0 | 30 | ----- |
| Total----- | 538. 0 | 70 | 518 |

Previsions Budgetaires—Projet de Développement Rural du Nord Shaba, Estimation de Coût à la date du 10 Décembre, 1976—Continued

| Sous-systemes | GZ/ML | Total | |
|--|------------------|---------------|---------------|
| | | Prêt | Don |
| VII. Administration du Projet | Zaires | \$ | \$ |
| Services de Contractant/Personnel----- | 244. 2 | | 1. 008 |
| Marchandises----- | 331 | 170 | 205 |
| Formation----- | 43 | | 36 |
| Autres----- | 215 | 30 | |
| Total----- | 833. 2 | 200 | 1. 249 |
| <i>Grands totaux des sous-systèmes: Totaux, sans taux d'inflation-----</i> | <i>6. 278. 8</i> | <i>3. 294</i> | <i>5. 555</i> |
| Facteurs d'Inflation: GZ/\$US ----- | | | |
| Totaux, avec taux d'Inflation----- | 8020 | 3. 500 | 6. 291 |

GUINEA

Agricultural Production Capacity and Training

*Agreement signed at Conakry September 27, 1977;
Entered into force September 27, 1977.*

And amending agreement

*Signed at Conakry March 31, 1978;
Entered into force March 31, 1978.*

A.I.D. Project Number 675-0201

PROJECT
GRANT AGREEMENT
BETWEEN
THE REPUBLIC OF GUINEA
AND THE
UNITED STATES OF AMERICA
FOR
THE GUINEA AGRICULTURAL
PRODUCTION CAPACITY AND TRAINING
PROJECT

Dated: 27 September 1977

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Project No. 675-0201

Project Grant Agreement

Dated: 27 September, 1977

Between

The Republic of Guinea ("Grantee")

And

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

Project No. 675-0201

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 assisting the Grantee increase food production through the integrated development and strengthening of agricultural research, education, and extension. Implementation of the Project will involve (a) development of a 135 ha demonstration/research farm complex at Tindou, involving long-term technical assistance, construction and equipment; (b) strengthening of the agricultural research capability at the existing Agricultural Research Institute at Foulaya through participant training, equipping and constructing research and auxiliary facilities, and technical assistance; and (c) constructing and equipping facilities at the existing Faculty of Agronomy at Faranah.

By the end of the Project there is expected to be a functioning agricultural research structure performing relevant and applicable research, and supplying answers and recommendations to the extension segment for transfer to the farmer producer. The education element will help provide better qualified graduates to staff the extension service or technical agricultural services; or to undergo higher-level agricultural 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 8.3, 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 Eight Hundred Thousand

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

United States ("U.S.") Dollars (\$800,000) ("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 Grantee's contribution to the Project will be provided in increments paralleling the A.I.D. contribution, and appropriate to the anticipated requirement for the funding period.

(c) The resources provided by Grantee for the Project will be not less than the equivalent of U.S. \$255,000, including costs borne on an "in-kind" basis.

(d) It is understood that all funds to be provided by the Grantee will derive from PL 480 counterpart funds as described in Section 7.2.

SECTION 3.3. Project Assistance Completion Date

(a) The "Project Assistance Completion Date" (PACD), which is 30 September 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 request 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 name of the person holding or acting in the office of the Grantee specified in Section 8.3., and of any additional representatives, together with a specimen signature of each person specified in such statement.

(b) A notice of Transfer of Funds from the "Type D" Account No. 32-31-5 to the "Special Account entitled" "Guinea Agricultural Production Capacity and Training Project Special Account" covering the initial Grantee contribution described in Section 3.2. (c).

SECTION 4.2. Additional Disbursement. Prior to the first disbursement of funds for construction services at Foulaya, and prior to the first disbursement of funds for construction services at Faranah, and prior to the first disbursement of funds for construction services at Tindou, or to the issuance of commitment documents with respect thereto, the Grantee shall provide to A.I.D., in form and substance satisfactory to A.I.D.,

1. concurrence on a set of Final Architectural and Engineering Drawings, detailing all construction, engineering, and utilities-development to be undertaken by the Project;
2. an executed contract(s) for construction services to be performed at each location;
3. a plan providing maintenance services for each of the facilities and for the manner in which such services will be financed or provided.

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, within fifteen days.

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 Grantee.
- (b) If all of the conditions specified in Section 4.2. have not been met within 360 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 such information may be used to help overcome such problems;
- (d) evaluation, to the degree feasible, of the overall development impact of the Project; and
- (e) development of a baseline figure of relevant agricultural yields in the Project area upon which to gauge impact of the Project.

SECTION 5.2. Continuing Support. The Grantee shall provide for, or continue to provide, amounts of funding and staff necessary for the effective operation and maintenance of the facilities constructed or improved under this Project.

SECTION 5.3. Non-Resident Privileges. The Grantee shall grant full non-resident privileges for AID personnel and AID contract personnel for the life of the Project, including duty-free privileges for automobiles, and personal and household effects.

SECTION 5.4. Unrestricted Official Travel. The Grantee shall permit unrestricted travel that is in furtherance of the Project to AID personnel and AID contract personnel between Conakry and project implementation sites at Foulaya and Faranah.

SECTION 5.5. Radio Communication. The Grantee shall take all necessary measures to facilitate communications including radicommunications on the condition that such communication is under the effective surveillance of competent Guinean authorities. Communication by radio will be transmitted only between the project sites and project headquarters in Conakry.

SECTION 5.6. Counterparts. The Grantee shall assign qualified Guinean counterpart staff, as appropriate, to involved institutions.

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 Selected Free World (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 for the construction services which may have their origin in Geographic Code 935 (Special Free World) countries, and except as A.I.D. may otherwise agree in writing, and except as provided in the Project Grant Standard Provisions Annex, [1] 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,

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

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) The Grantee shall provide or cause to be provided all disbursements of funds under the Project for local Currency Costs required for the Project in accordance with the terms of this Agreement.

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

(1) From the Type "D" PL-480 generated counterpart fund Account No. 32-31-5 at the Banque Guineenne du Commerce Extérieur and deposited in Special Account No. 32-39-03-2 at the same Bank and entitled: "Guinea Agricultural Production Capacity and Training Project Special Account". Disbursements from the Special Account will be authorized only by the Representative of the Grantee as described in Section 8.3. Records of disbursements from the Special Account shall be made available to A.I.D. on request.

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. If funds provided under the Grant are introduced into the Republic of Guinea 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 Republic of Guinea at the highest rate of exchange which, at the time the conversion is made, is not unlawful in the Republic of Guinea.

Article 8: Miscellaneous**SECTION 8.1. Not applicable.**

SECTION 8.2. 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 Grantee:

Mail address: Ministry of the Domain of Education and Culture
Conakry, Guinea

Alternate address: MINEDUCATION
for cables: Conakry, Guinea

To A.I.D.:

Mail address: USAID/Conakry
c/o American Embassy
Conakry, Guinea

Alternate address: USAID/Conakry
for cables: Bp 603
Conakry, Guinea.

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.

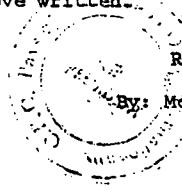
SECTION 8.3. Representatives. For all purposes relevant to this Agreement, the Grantee will be represented by the individual holding or acting in the office of Project Co-Director and A.I.D. will be represented by the individual holding or acting in the office of Project Manager each of whom, by written 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 8.4. Standard Provisions Annex. A "Project Grant Standard Provisions Annex" (Annex 2)[¹] is attached to and forms part of this Agreement.

SECTION 8.5. Language of Agreement. This Agreement is prepared in both English and French. In the event of ambiguity or conflict between the two versions, the English Language version will control.

IN WITNESS WHEREOF, the 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.



REPUBLIC OF GUINEA
By: Moussa DIAKITE


Title: President of State Committee
for Cooperation with the
Americas

UNITED STATES OF AMERICA
By: Edward A. MAINLAND



Edward A. Mainland
Title: Chargé d'Affaires a.i.

¹ See footnote 1, p. 5054.

APPENDIX 1AMPLIFIED DESCRIPTION OF THE PROJECT

—.8.—

The Guinea Agricultural Production Capacity and Training Project, entered into between the Government of the Republic of Guinea and the Government of the United States of America acting through the Agency for International Development, is designed coordinated effort to bring appropriate and modern agricultural practices to the rural community in Guinea. An integrated package of activities stressing the importance of a combined approach of agricultural research, education, and extension is to be developed under the Project. The primary objective of this integrated Project, is to improve the depth and scope of agricultural research and to train agricultural researchers and extension agents.

The Project involves development at three sites.

1. First, there is the existing Agricultural Research Institute at Foulaya (IRAF), located 7km west of Kindia. The construction and equipping of research laboratories and support facilities, technical assistance, and participant training, are designed to help IRAF strengthen its agricultural research capability.

2. Secondly, there will be upgrading of the services provided at the Faculty of Agronomy at Faranah through constructing and equipping facilities there. The Faculty is located in the town of Faranah, some 600 km from Conakry.

3. Thirdly, will be development of a Demonstration/Research Farm Complex at Tindou, on a presently undeveloped section of land some 12 km south of Faranah and bordering the Niger River. Development at Tindou involves constructing and equipping facilities, and providing technical assistance.

All construction, engineering and utilities development to be performed under the Project, will be done under contract with a reliable contractor from a country qualifying under the terms of the Grant Authorization of this Project. The contract shall be

executed between the Government of Guinea and the Contractor. Also to assist in monitoring construction, coordinating procurement of construction materials, and in negotiating construction contracts a full-time Supervising Engineer will be employed under the Project.

A Final Architectural and Engineering Design will be developed mutually acceptable to the Grantee and to AID, incorporating all details of construction, engineering, and utilities development to be undertaken by the Project. The mutual acceptance by the Parties of the Final Design will infer acceptance of those elements therein detailed as satisfying the intent of the Project.

All Local Currency disbursements for the Project will emanate from the Special Account No. 32-39-03-2 established at the Banque Guineenne du Commerce Exterieur, and described in Section 7.2.

The training element envisioned under the Project involves not only Academic and Practical type technical training, but also training of personnel necessary to maintain and operate equipment and machinery supplied under the Project. This latter training will be supplied from African training centers whenever possible, but some training may be required in the United States.

Also, in furtherance of the Project, certain key personnel involved with the Project may be required to travel for liaison with various international research centers, for attendance at appropriate international conferences, or for consultation in the United States.

Technical Assistance to be furnished under the Project will be provided through contracted technical consultants from the United States. It is anticipated that approximately 48 person-months of short term technical assistance will be provided at IRAF, and that approximately 103 person-months of long term technical assistance will be provided at Tindou. The consultants will work with Guinean technicians in accomplishing the objectives of the Project. One or two Guinean counterparts will work with each technical consultant

provided under the Project. The schedule of arrival of the various consultants will be determined by the needs of the Project and by the implementation schedule of construction and research.

The Parties agree that exotic plant germplasm necessary to initiate or support any segment of agricultural research under the Project can be supplied from resources in the United States, and through research liaisons with international research centers. For the various livestock programs, exotic lines will be furnished under the Project from the United States in forms such as frozen semen and fertile eggs.

Commodities such as certain reagents and chemicals, fertilizers, and pesticides, which deteriorate rapidly in a tropical environment, will be delivered during the life of the Project on an incremental basis.

The Project description found herein, describes the Phase II or continuation of the Project as initiated by a Phase I Project Agreement signed 30 June 1976. Phase I essentially involved authorizing and financing of preliminary studies necessary to proceed with Phase II, and provision to train seven participants to the M.S. level in various agricultural research and livestock disciplines at U.S. universities.

These seven participants, on their return to Guinea, will assume positions at IRAF as professors and researchers. The laboratories and laboratory equipment provided IRAF under the Project are intended for the use of the participants in carrying out their individual programs. The seven participants, on their return, will not only be responsible for various research programs at IRAF, but will also be involved with the research program to be developed and carried out at Tindou.

The focus of the agricultural research effort will be on major subsistence crops such as maize, rice, peanuts, and root-crops, and on such crops of major potential importance as soybeans, sorghum, and vegetables. Research topics will include varietal improvement, sequential cropping patterns, integrated pest management systems, soil-type/fertilizer response, development of fertilizer recommendations, and water management.

In the area of livestock and livestock research, cooperative efforts by agronomists and livestock scientists will be undertaken. Programs including herd and breed development, animal health, pasture development and management, and artificial insemination will be established.

All research will be relevant to the agricultural situation existing in Guinea and its anticipated development. Recommendations based on the above research will be made available to the agricultural sector through the extension service and any other appropriate means.

THE AGRICULTURAL RESEARCH
INSTITUTE AT FOULAYA

The elements of assistance to be furnished under the Project for IRAF include construction, commodities, technical assistance, and participant training. Construction will consist of four agricultural research laboratories for the following activities:

- (1) Plant Breeding and Genetics;
- (2) Soil Fertility and Science;
- (3) Plant Protection and Pesticides; and,
- (4) Agricultural Biology.

Engineering and utility items necessary to support the laboratories will be supplied either through renovation and extension of existing systems such as water and electrical power; or through development of systems specific for the laboratories, as in the case of sewage and waste disposal. Other engineering renovations at IRAF of systems not necessarily related directly to the new laboratories, but supporting the research function of IRAF may be undertaken.

Each of the above laboratories constructed at Foulaya will be supplied with scientific equipment, furnishings, and supplies appropriate to carry out its intended function. Field work will be a necessary adjunct of the laboratory research; therefore, sufficient agricultural research field equipment will be provided IRAF to add to its present inventory so that suitable field work can be carried out. Modest amounts of equipment or supplies will also be provided for classroom work, the library, and upgrading the IRAF weather station. Under Phase I of the Project, two livestock participants were sent to study at the graduate level in the United States. On their return to Guinea these two participants will assume positions at IRAF in the fields of Animal Breeding and Animal Health. Sufficient

and appropriate equipment and supplies will be provided to IRAF for the returning livestock participants so that they might carry out their assigned functions.

Technical Assistance in the form of Academic/Research consultants will be provided IRAF mainly to assist the returning agricultural research and livestock participants set-up laboratories and equipment at IRAF, and plan the course of their research. Other related technical assistance will be provided as appropriate. Ad hoc lectures and training sessions by the consultants for students and faculty at IRAF will be organized as schedules permit.

Under Phase I of the Project a total of seven participants were sent for graduate training in the United States. It is anticipated that as the Project progresses further training requirements will present themselves. Therefore, appropriate academic and practical training will be provided either in the United States or other African countries in fields related to agricultural research or to practical skills necessary in its support.

THE TINDO DEMONSTRATION/RESEARCH
FARM COMPLEX

At the Tindo site, the Project involves elements of construction, commodities, and technical assistance. The intent is to develop a Demonstration/Research Farm Complex to serve as a training center primarily for agricultural extension agents, farmers, and students. An integral input to its function as a training center will be the agricultural research to be performed there. Appropriate results and best methods determined through research will form a basis for the substantive content of the training sessions, both practical and lecture.

Construction under the Project at Tindo will provide a Training Center consisting of a training room, dining room with kitchen, office space, and a dormitory capable of accommodating the approximately 34 trainees per session.

Also, a Demonstration/Research Farm will be developed. Construction will include appropriate livestock shelters with auxiliary facilities, administrative offices, technicians quarters to include four for U.S. technicians, farm laborer quarters, road network, and space for feed mixing, feed storage, an agricultural implement shed, and repair area. Perimeter and secondary fencing for the farm will be provided as adequate for security, deliniation, and animal enclosure.

The farm fields at Tindo will be properly developed consistent with their intended use and present physiography. The development of the flood plain will entail leveling, and diking an area sufficient for undertaking programs of research and demonstration appropriate to the Project. A pumping system will be incorporated, allowing controlled irrigation and drainage of the diked area. Upland areas will be cleared either for crop planting with irrigation, or variously cleared for pasture consistent with planned research.

All buildings at the Training Center will be adequately and appropriately furnished. The training hall will also be supplied with the audio-visual equipment and teaching aids necessary to conduct an agricultural training program.

The Demonstration/Research Farm will be furnished appropriate agricultural equipment and tools, equipment and supplies to operate the poultry and livestock units, and sufficient fertilizers and pesticides to carry out research and farm unit plantings over a period of several years.

Development of Tindou will involve not only construction and commodities, but also an input of technical assistance. When and until appropriate, four U.S. contractors will work directly and full time at the Tindou Demonstration/Research Complex developing the farm along side Guinean counterparts. There will be a U.S. Team Leader responsible for the expatriate contractors, and who will be counterparted by the Guinean Farm Manager. With the Team Leader, and each to be counterparted with a Guinean, will be an Agronomist (with extension experience), a Livestock Specialist, and an Agricultural Engineer.

The professorial staffs and students of the various colleges of agriculture in Guinea will, on a rotational basis, be invited to attend various seminars and lecture sessions organized at Tindou, with participation by the Technical Consultants.

FACULTY OF AGRONOMY
AT FARANAH

Assistance to Faranah will involve elements of construction and commodities. Construction under the Project will provide dormitories, classroom space, a library, administrative offices, teaching laboratories, and an infirmary. An auxiliary facility to be provided include space for a repair shop, garage, spare parts storage, and carpentry shop.

On the campus of the Faculty of Agronomy there will also be developed a College Farm. Farm-site construction will provide poultry houses, animal barns, machinery and implement sheds, repair space, spare parts storage, and appropriate commodity storage space. Electricity and water at the farm site are to be provided for under the Project. An access road will also be built.

Engineering and utility items to be provided at Faranah include renovation, upgrading, and extension of the water supply system; and, renovation, upgrading, and extension of the electrical system. Appropriate sewage and solid waste disposal systems will be provided for all construction under the Project, as well as for selected buildings already on the site.

Commodities to be provided Faranah under the Project will include the following:

A. Academic

The teaching laboratories provided will be appropriately equipped and supplied for their intended use in the areas of chemistry, plant biology, and animal biology. The library will be provided with proper furniture, and a basic collection of books.

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Appropriate audio-visual equipment and teaching aids will be provided for classroom use.

B. College Farm

Trucks, tractors, spare parts, and sufficient and appropriate implements will be provided for the proper functioning of the College Farm. Animal barns and poultry houses will be properly equipped and furnished the necessary supplies and chemicals for the initial routine care and needs of the animals. Tools and necessary repair equipment are to be provided.

C. Auxiliary Facilities

The infirmary will be furnished, and supplied with basic diagnostic equipment and an initial supply of medicines. The repair and carpentry shops will be equipped with the basic requirements of their intended use. The administrative offices to be provided under the Project will be furnished with standard office equipment.

**INCREMENTALLY FUNDED
PROJECT FINANCIAL PLAN**

As of September 30, 1977

Project No. 675-0201

| PROJECT INPUTS | Cumulative Oblig. Commitments as of Sept. 30, 1977 A.I.D. Grantee | Future Years Anticipated A.I.D. Grantee | TOTAL | | A.I.D. Grantees |
|---|---|--|----------------------------------|---------------------------------------|----------------------------------|
| | | | A.I.D. | Grantees | |
| 1. Personnel - U.S. a. IR (approx. 108PM) b. ST (approx. 45PM) | 38 - (38) | 14 - (14) | 1,070 (810) (260) | 180 (120) (60) | 1,108 (810) (298) |
| 2. Personnel - GOG a. Farm Counter-parts b. Research Workers c. Farm Laborers d. Others | - - - - | - - - - | - - - - | 505 (30) (30) (190) (255) | 505 (30) (30) - - |
| 3. Participant Training a. 6 practical b. 12 academic | 150 - (150) | 45 - (45) | 150 (40) (110) | 14 (4) (10) | 300 (40) (260) |
| 4. Equipment a. Foulaya b. Faranah c. Tindo | 300 (85) (215) | 41 (19) - | 1,100 (475) (480) (145) | 199 (103) (67) (29) | 1,400 (560) (480) (360) |

| | | | | | | |
|----|-----------------------|-------|-------|---------|-------|---------|
| | | | | | | |
| 5. | Construction | 500 | 214 | 4,120 | 1,797 | 4,620 |
| a. | Foulaya | | | (597) | (260) | (597) |
| b. | Faranah | | | (1,330) | (570) | (1,330) |
| c. | Tindo | | | (1,120) | (480) | (1,120) |
| d. | Contingencies | (50) | (21) | (559) | (240) | (609) |
| e. | Supervision | (426) | (183) | — | — | (426) |
| d. | Inflation | (24) | (10) | (514) | (221) | (538) |
| | | | | | | |
| 6. | Tindo Trainee Support | — | — | — | 130 | 130 |
| 7. | POL | — | — | — | 701 | 701 |
| | | | | | | |
| | Total | | | 7,428 | 3,819 | |

A.I.D. Project N° 675-0201

ACCORD DE DON POUR PROJET
ENTRE
LA REPUBLIQUE DE GUINEE
ET
LES ETATS-UNIS D'AMERIQUE
AGISSANT PAR L'INTERMEDIAIRE DE
L'AGENCE POUR LE DEVELOPPEMENT INTERNATIONAL
(A.I.D.)

Date : 27 septembre 1977

TIAS 9091

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Projet N° 675-0201

ACCORD DE DON POUR PROJET

Date : 27 septembre, 1977

Entre :

La République de Guinée ("Bénéficiaire")

Et

Les Etats-Unis d'Amérique, agissant
par l'intermédiaire de l'Agence pour
le Développement International ("A.I.D.").

Projet No. 675-0201

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 décrit ci-dessous et quant au financement du Projet par les Parties.

Article 2 : Le Projet**SECTION 2.1. Définition du Projet.**

Le Projet décrit plus en détail dans l'Annexe 1 jointe au présent Accord, permettra l'accroissement de la production agricole en développant la recherche, la formation et la vulgarisation agricoles par : (a) la réalisation d'un Complexe de Ferme de Démonstration et Recherche à Tindou, avec l'assistance technique à long terme, la construction de l'infrastructure et la fourniture de l'équipement. (b) le renforcement de la capacité de recherche à l'actuel Institut de Recherches Agronomiques de Foulaya en assurant la formation, de cadres en construisant et en équipant l'infrastructure et les annexes nécessaires pour la recherche. (c) la construction et l'équipement de différents éléments utilitaires à l'actuelle Faculté d'Agronomie de Faranah.

A la fin du Projet, il devra exister une structure fonctionnelle de recherche agricole permettant l'accomplissement opportune de la recherche appliquée, et fournissant des résultats de recherche et des recommandations à vulgariser au niveau des producteurs par le canal de la section de vulgarisation.

Par l'assistance à la formation le Projet aidera à préparer des cadres suffisamment qualifiés pour encadrer les services de vulgarisation ou de

l'agriculture, ou pour subir un enseignement supérieur d'un niveau plus élevé.

SECTION 2.2. Nature différentielle du Projet

(a) la contribution de l'AID au Projet se fera par augmentation, la première étant mise à disposition conformément à la Section 3.1. du présent Accord. Des augmentations ultérieures seront sujettes à la disponibilité des fonds de l'AID à cette fin, ainsi qu'à l'accord mutuel des Parties d'entreprendre le Projet, au moment d'une augmentation ultérieure.

(b) Dans le cadre de la date d'achèvement d'assistance pour le Projet énoncée dans le présent Accord, l'AID après consultation avec le Bénéficiaire, peut préciser dans les lettres d'exécution du Projet, les périodes appropriées pour l'utilisation des fonds accordés par l'AID au titre d'une augmentation individuelle d'assistance.

Article 3 : Financement

SECTION 3.1. Le Don. Pour aider la République de Guinée à financer les coûts de l'exécution du Projet, l'AID, conformément à la Loi 1961 sur l'aide étrangère telle qu'elle a été amendée accepte de donner au Bénéficiaire aux termes du présent Accord un montant qui ne dépassera pas HUIT CENT MILLE dollars des Etats-Unis (\$800,000) ("Don"). Ce don ne peut être utilisé que pour financer les coûts en devises, comme défini à la section 6.1., des biens et services nécessaires à l'exécution du Projet.

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 en temps voulu le Projet.

(b) La contribution du Bénéficiaire au Projet sera fournie par tranches parallèlement à la contribution de l'AID et chaque tranche sera fonction des besoins à couvrir.

(c) Les ressources au Projet par le Bénéficiaire ne seront pas inférieures à l'équivalent de U.S.\$255.000, y compris les coûts supportés sur une base en nature.

(d) Il reste entendu que tous les fonds à fournir par le Bénéficiaire seront prélevés sur les fonds de contrepartie de la PL 480, conformément aux dispositions de la Section 7.2.

SECTION 3.3. Date d'Achèvement d'Assistance du Projet

(a) La date d'achèvement d'assistance pour le Projet (DAAP) à savoir le 30 septembre 1981, 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 exécutés et que tous les biens financés au titre de ce Don auront été fournis pour l'exécution du Projet comme l'envisage le présent Accord.

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

(c) Les demandes de décaissement, accompagnées des pièces justificatives nécessaires qu'indiquent les lettres d'exécution du Projet doivent parvenir à l'AID ou à la Banque mentionnée à la Section 7.1. au plus tard neuf (9) mois après la DAAP ou toute autre période dont l'AID, convient par écrit. Après cette période l'AID, après avoir envoyé avis 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 l'expiration de ladite période.

Article 4 : Conditions à Remplir avant le Décaissement**SECTION 4.1. Premier Décaissement**

Avant le premier décaissement effectué au titre du Don ou avant la publication par l'AID des documents en vertu desquels le décaissement sera fait, le Bénéficiaire fournira à l'AID, sous une forme et dans un fonds établis à la satisfaction de cette dernière :

(a) Une déclaration du nom de la personne représentant la Partie Guinéenne en son nom comme l'indique la Section 8.3. et de tout autre représentant, ainsi qu'un spécimen de chaque personne dont le nom figure sur ladite déclaration.

(b) Un avis de virement de fonds du compte n° 32-31-5 "Type D" au Compte Spécial dénommé "Compte Spécial pour le Projet de Capacité de Production et Formation Agricole de Guinée" couvrant la contribution initiale du Bénéficiaire décrit dans la Section 3.2. (c).

SECTION 4.2. Décaissement Additionnel

Avant le premier décaissement de fonds pour les constructions à Foulaya, et avant le premier décaissement de fonds pour les constructions à Tindou et Faranah, ou avant la publication par l'AID des documents en vertu desquels le décaissement sera effectué, le Bénéficiaire fournira à l'AID, sous une forme et dans un fond établis à la satisfaction de cette dernière :

(a) son accord sur l'ensemble des devis et plans architecturaux finaux détaillés des constructions et aménagements divers à entreprendre dans le cadre du Projet.

(b) une ou des contrats établis pour les travaux de construction à réaliser en chaque site.

(c) un plan dégageant les moyens prévus pour l'entretien de chacune des installations et la manière dont ces moyens seront financés ou fournis.

SECTION 4.3. Notifications

Lorsque l'AID a établi que les conditions mentionnées à la Section 4.1. et à la Section 4.2. ont été remplies, elle le notifiera au Bénéficiaire dans un délai de quinze jours.

**SECTION 4.4. Dates Finales d'Accomplissement
des Conditions Susmentionnées**

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

(b) Si toutes les conditions mentionnées à la Section 4.2. n'ont pas été remplies dans les 360 jours qui suivent la date de signature du présent Accord ou à une date ultérieure dont l'AID peut convenir par écrit, l'AID à la faculté d'annuler le solde non décaissé du Don dans la mesure où elle/s'est pas engagée envers les Parties tiers et elle peut mettre fin au présent Accord en envoyant un avis écrit 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) 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 ;

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

(e) l'élaboration d'un graphique des rendements agricoles découlant des activités du Projet et sur lequel on se basera pour déterminer l'impact du Projet.

SECTION 5.2. Continuation des Objectifs du Projet

Le Bénéficiaire fournira ou continuera de fournir les fonds et le personnel nécessaires pour l'utilisation efficace et l'entretien des constructions et fournitures faites dans le cadre du présent Projet.

SECTION 5.3. Priviléges du Non-résident

Le Bénéficiaire accordera tous les priviléges du non-résident au personnel de l'AID et au personnel contractual de l'AID pendant la vie du Projet, y compris les priviléges d'exonération des droits de douane pour les véhicules, équipement ménager et effets personnels.

SECTION 5.4. Liberté de Déplacement Officiel
Le Bénéficiaire accordera la liberté des voyages dans le cadre du Projet sans restriction au personnel de l'AID et au personnel contractual de l'AID entre Conakry et les sites de mise en œuvre du Projet à Foulaya et Faranah.

SECTION 5.5. Communication Radio

Le Bénéficiaire prendra toutes les dispositions nécessaires pour faciliter les communications y compris celles radiophoniques, à condition qu'elles soient sous le contrôle effectif des Autorités Guinéennes compétentes. Les communications radiophoniques ne devront se faire qu'entre les sites du Projet et la Direction du Projet à Conakry.

SECTION 5.6. Personnel de Contrepartie

Le Bénéficiaire convient de désigner la contrepartie guinéenne de personnel qualifié aux institutions concernées du Projet.

Article 6 : Source d'Achat

SECTION 6.1. Coûts en Devises

Conformément à la Section 7.1, les décaissements seront uniquement utilisés pour financer les coûts des biens et services requis pour l'exécution du Projet et ayant leur origine dans le "Selected Free World" (Code 941 du Code Géographique de l'AID tel qu'il est en vigueur à l'époque où les commandes sont placées et les marchés

passés pour ces biens et services) ("Coûts en devises"), excepté pour les services de construction qui peuvent avoir leur origine dans les pays du Code Géographique 935 (Special Free World) et à moins que l'AID n'en convienne autrement par écrit et à moins que la Section C.1. (b) de l'Annexe sur les dispositifs types du Don pour Projet n'en stipule autrement quant à l'assurance maritime.

Article 7 : Décaissements

SECTION 7.1. Décaissement des Coûts en Devises

(a) Après avoir rempli avec satisfaction les conditions sus-mentionnées, 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'AID, 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) les demandes à l'AID d'achat des biens et services au nom du Bénéficiaire pour l'exécution du Projet ; ou

(2) en demandant à l'AID 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'AID à rembourser cette banque ou ces banques pour les paiements effectués par elle à des entrepreneurs, ou fournisseurs, dans le cadre d'une lettre de crédit par exemple, pour l'achat de ces biens et services ou (B) directement à un ou plusieurs entrepreneurs ou fournisseurs engageant l'AID à payer ces entrepreneurs ou fournisseurs pour l'achat de ces biens et services.

(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'AID de faire le contraire. Les autres frais dont les Parties peuvent convenir peuvent également être financés dans le cadre du Don.

SECTION 7.2. Décaissement des Coûts en Monnaie Locale

(a) Le Bénéficiaire fournira ou prendra les dispositions pour que soient fournis tous les décaissements de fonds dans le cadre du Projet, pour les dépenses locales exigées pour l'exécution du Projet conformément aux termes du présent Accord.

(b) La monnaie locale nécessaire pour ces décaissements sera prélevée sur les fonds de la PL 480 du compte type "D" n° 32-31-5. (Fonds de Contrepartie) à la Banque Guinéenne du Commerce Extérieur et déposée dans le compte spécial n° 32-39-03-2 à la même Banque et dénommé "Compte Spécial pour le Projet de Capacité de Production et Formation Agricole de Guinée".

Le Représentant du Bénéficiaire tel que défini à la Section 8.3. autorise seul les décaissements de ce compte. Un relevé des décaissements faits à partir de ce compte spécial sera tenu à la disposition de l'AID sur sa demande.

SECTION 7.3. Autres formes de Décaissements

Les décaissements de fonds peuvent s'effectuer par d'autres moyens dont les Parties peuvent convenir par écrit.

SECTION 7.4. Taux de Change

Si les fonds fournis dans le cadre du Don sont introduits en République de Guinée par l'AID ou par un organisme privé ou public pour satisfaire aux obligations de l'AID, le Bénéficiaire prendra les mesures nécessaires pour s'assurer que ces fonds peuvent être transformés dans la monnaie de la République de Guinée au taux le plus élevé qui, à l'époque de la conversion n'est pas illégal en Guinée.

Article 8 : Divers

SECTION 8.2. Communications

Tout avis, demande, document ou toute autre communication présentée par une partie à l'autre dans le cadre du présent Accord sera présenté par écrit, télégramme ou par câble et sera considéré comme remis ou envoyé lorsqu'il parviendra à la partie intéressée à l'adresse ci-après :

Au Bénéficiaire :

Adresse : Ministère du Domaine de
l'Education et de la Culture
Conakry, Guinée

Adresse télé-
graphique : MINEDUCATION, Conakry

A l'A.I.D.

Adresse : USAID/Conakry
s/c Ambassade Américaine
Conakry, Guinée

Adresse télé-
graphique : USAID/Conakry
BP 603, Conakry, Guinée.

Toutes les communications seront rédigées en
français. D'autres adresses pourront remplacer l'adresse
ci-dessus sur avis de l'intéressé.

SECTION 8.2. Représentants : Aux fins du présent
Accord, le Bénéficiaire sera représenté par une
personne occupant le poste de Co-Directeur du Projet
et l'AID sera représentée par une personne occupant le
poste de Directeur du Projet, 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 des-
cription élargie à l'Annexe 1. Les noms des représentants
du Bénéficiaire accompagnés des signatures spécimens
seront communiqués à l'AID qui peut accepter comme dûment
agréé n'importe quel instrument signé par ces représen-
tants en application du présent Accord jusqu'à réception
de l'avis écrit de révocation de leur autorité.

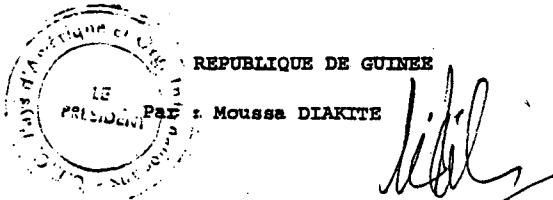
**SECTION 8.4. Annexe Relatives aux Dispositions
Standard**

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

SECTION 8.5. Libellé de l'Accord

Le présent Accord est préparé en anglais et en français.
En cas d'ambiguité ou de conflit entre les deux versions,
la version anglaise seule fera foi.

EN FOI DE QUOI, la Bénéficiaire et les Etats-Unis d'Amérique, chacun agissant par l'intermédiaire de son représentant dûment agréé ont fait signer le présent Accord en leur nom et l'ont fait remettre à la date de l'année susmentionnée.



Titre : Président du Comité d'Etat
de Coopération avec les Pays
d'Amérique

ETATS-UNIS D'AMERIQUE

Par : Edward A. MAINLAND

Edward A. Mainland

Titre : Chargé d'Affaires a.i.

ANNEXE I

DESCRIPTION AMPLIFIEE
DU PROJET

—o—
.o.

Le Projet Guinéen de Capacité de Production et de Formation Agricole, établi entre le Gouvernement de la République de Guinée, et le Gouvernement des Etats-Unis d'Amérique à travers l'Agence pour le Développement International (A.I.D.), est l'expression de l'effort conjoint des deux Parties pour introduire en milieu rural guinéen les pratiques agricoles modernes appropriées. Il sera développé dans le cadre du Projet un ensemble d'activités intégrées mettant l'accent sur l'importance d'une approche combinée de la recherche, de l'éducation et de la vulgarisation agricole. Ce programme a pour principal objectif le développement de la capacité et de l'ampleur de la recherche et la formation de chercheurs et d'agents de vulgarisation.

Le Projet comprend le développement de trois sites.

1. L'Institut de Recherche Agronomique de Foulaya (INRAF) situé à 7 km à l'ouest de Kindia où il sera prévu la construction et l'équipement de laboratoires de recherches, l'aménagement des éléments d'infrastructure, l'assistance technique et la formation des cadres aideront l'INRAF à renforcer sa capacité de recherche.

2. Les services existant de la Faculté d'Agronomie de Faranah située à 600 km sud-ouest de Conakry seront élargis et développés par la construction et l'équipement des éléments appropriés en ce lieu.

3. Au Domaine de Tindo à 12 km au sud de Faranah près du Fleuve Niger, un complexe de Ferme de Démstration et de Recherche sera créé. L'assistance technique y sera également fournie.

Tous les travaux de construction, de génie et d'aménagement, seront exécutés sous contrat passé avec un contractant provenant d'un pays défini selon les termes de l'Autorisation de Don du présent Projet. Le contrat sera établi entre le Gouvernement de la République de Guinée et le contractant. L'assistance d'un Ingénieur Superviseur à plein temps sera requise.

pour la surveillance des travaux de construction, la coordination de l'acquisition des matériaux de construction et, la négociation du contrat de construction.

Un Plan Final d'Architecture et de Génie sera mutuellement agréé par le Bénéficiaire et l'AID développant et incorporant tous les détails de la construction, du génie, et des charges entreprises par la Projet. L'Accord mutuel de ce Plan Final par les deux Parties exprimera l'acceptation des éléments y figurant comme satisfaisant le but du Projet.

Tous les financements locaux du Projet émaneront du Compte Spécial n° 32-39-03-2 établi à la Banque Guinéenne du Commerce Extérieur et décrit dans la Section 7.2.

Le principe de formation envisagé sous le Projet ne comportera pas seulement un enseignement de type pratique et académic, mais aussi, la formation du personnel nécessaire à l'entretien et au fonctionnement de l'équipement et machine fournis sous le Projet. Cette dernière formation proviendra des Centres de Formation Africains autant que possible, mais pourra être effectuée aux Etats-Unis d'Amérique.

Aussi, pour la bonne marche du Projet, certains cadres appartenant au Projet peuvent être demandés pour voyager aux Centres de Recherches Internationales, assister à des Conférences Internationales appropriées, ou procéder à des consultations aux Etats-Unis d'Amérique.

L'assistance technique sera fournie à travers les services de consultants techniques contractuels des Etats-Unis, à raison d'environ 48 hommes/mois (H.M.) à Foulaya et environ 103 (H.M.) à Tindo. Les consultants assisteront les techniciens guinéens dans la réalisation des objectifs du Projet. Le calendrier d'arrivée des consultants sera établi en fonction des besoins et du calendrier d'exécution des travaux de construction et de recherche. Il sera placé auprès de chaque consultant technique un ou deux homologues guinéens.

Les Parties conviennent que les variétés des plantes nécessaire pour initier ou aider certains secteurs de la recherche agricole sous ce Projet peuvent être fournies par les Etats-Unis d'Amérique, ou les centres de recherche internationaux. Pour les programmes variés de l'élevage, des lignées seront fournies sous le Projet par les Etats-Unis sous forme de semences congelées, et œufs fécondés.

Des produits chimiques, engrains, pesticides, et herbicides pouvant se détériorer par suite d'une longue conservation, seront livrés d'une manière échelonnée et régulière.

La présente description de Projet concerne en fait la Phase II ou mieux la continuation du Projet commencé en Phase I et dont l'Accord a été signé le 30 juin 1976. Cette Phase couvrait le financement des études préliminaires préparatoires de la Phase II ainsi que la formation dans des universités aux Etats-Unis de sept participants guinéens dans diverses disciplines de l'agriculture et de l'élevage.

Ces sept participants à leur retour en Guinée assumeront des fonctions de professeurs, chercheurs à l'INRAF. Les laboratoires et équipement de laboratoires fournis dans le cadre du Projet leur serviront pour réaliser les programmes de recherches. Les sept participants à leur retour ne seront pas seulement responsables des programmes variés de la recherche à l'INRAF, mais seront aussi concernés par les programmes qui seront développés et effectués à Tindou.

Les efforts de recherches dans le cadre du Projet seront axés sur les principales cultures vivrières, telles que : riz, maïs, arachide, tubercules et aussi sur des cultures d'avenir telles que : le soja, le sorgho et les légumes. Les thèmes de recherche couvriront l'amélioration de variétés locales, la rotation culturelle et l'assollement, l'emploi des engrains, les aménagements hydro-agricoles.

Dans le domaine de l'Elevage, des efforts conjoints entre Agronomes et Spécialistes de l'élevage seront entrepris pour des programmes d'amélioration des races et des troupeaux, la médecine vétérinaire, l'aménagement des pâturages et l'insémination.

artificielle.

Toute autre technique jugée apte à améliorer la capacité de production dans les conditions guinéennes pourra être entreprise et développée.

L'INSTITUT DE RECHERCHE AGRONOMIQUE
DE FOULAYA
(INRAF)

Les éléments de l'assistance prévus à l'INRAF comprennent les constructions et aménagements, l'équipement, l'assistance technique et la formation des cadres. Les constructions comprendront quatre laboratoires de recherche dans les domaines suivants :

- (1) Sélection des plantes et génétiques ;
- (2) Science des sols et fertilité ;
- (3) Protection des plantes et phytopharmacie ;
- (4) Biologie agricole (entomologie, nématologie, phytopathologie)..

Les aménagements nécessaires au bon fonctionnement des laboratoires seront réalisés soit par la rénovation et l'extension de ce qui existe tels que les systèmes de fourniture et de distribution d'eau, d'électricité, soit par le développement de système spécifique pour les laboratoires, tel que le dispositif d'évacuation des eaux usées. D'autres rénovations de génie qui ne sont pas forcément liées directement aux nouveaux laboratoires, mais cependant nécessaires aux travaux de recherche à l'INRAF peuvent être entreprises dans le cadre du Projet.

Chacun des laboratoires construits à l'INRAF sera pourvu d'équipement scientifique et d'annexes appropriés pour la réalisation des objectifs prévus. Les travaux en plein champ sont le complément indispensable aux recherches en laboratoire. Aussi, un outillage suffisant sera fourni en complément de celui existant présentement à l'INRAF, afin de mener à bien ces travaux de champ. De modestes quantités d'équipement et de fournitures seront obtenues pour les études en classe, la librairie de l'INRAF, et pour améliorer la station climatologique de l'INRAF.

En Phase I du Projet, deux participants guinéens ont été envoyés aux Etats-Unis pour étudier les sciences animales. Ils seront chargés à leur retour de mener

les programmes d'amélioration des animaux et de médecine vétérinaire à l'INRAF. Du matériel vétérinaire approprié sera donc fourni à l'INRAF pour leur permettre de jouer pleinement et efficacement leurs rôles.

L'assistance technique de consultants de niveau académique sera fournie pour aider les techniciens guinéens actuellement en formation aux Etats-Unis, à installer les laboratoires et l'équipement, et à établir les programmes de recherche à l'INRAF. L'assistance technique sera fournie aussi pour impulser des éléments de recherche en rapport avec les buts du Projet.

Les consultants seront disponibles selon leur emploi du temps pour dispenser des cours et donner des conférences à la Faculté d'Agronomie de l'INRAF.

Sous la Phase I du Projet un total de 7 participants ont été envoyés aux Etats-Unis pour recevoir un enseignement supérieur. Il est à prévoir qu'au fur et à mesure de l'avancement du Projet d'autres formations pourront être envisagées. Ainsi donc, un enseignement académique et pratique pourra être fourni soit aux Etats-Unis soit dans des pays africains dans le domaine de la recherche agricole ou/la compétence pratique nécessaire à la conduite de la recherche.

**LA FERME DE DEMONSTRATION
ET DE RECHERCHE DE TINDO**

A Tindo le Projet couvre les constructions, les fournitures et l'assistance technique. Le but est de réaliser un complexe de Ferme de Recherche et Démonstration pour servir de centre de formation pour des agents de vulgarisation agricole, des agriculteurs et des étudiants. La recherche effectuée sur la Ferme sera partie intégrale de sa fonction de Centre de Formation. Les résultats de la recherche constitueront la base du programme des séminaires à la fois pratique et théorique qui y seront organisés.

Le Centre de Formation comprendra une salle d'études, un réfectoire avec cuisine, l'emplacement des bureaux, et un dortoir capable d'accueillir approximativement 34 personnes.

Une station de démonstration de recherche sera réalisée, comprenant les installations d'élevage avec les annexes nécessaires, les bureaux d'administration, les logements des techniciens américains, les logements pour les travailleurs de la ferme, les magasins pour le mélange et le stockage des aliments pour les animaux, un hangar pour abriter les outils agricoles et un atelier de réparation. Une clôture sera construite sur tout le périmètre de la ferme pour la délimiter et pour le maintien des animaux.

Les champs à Tindo seront réalisés en fonction des buts et de leur physiographie. La mise en valeur de la plaine inondée comprendra le nivellement et l'endiguement de la superficie nécessaire pour l'application des programmes de recherche et de démonstration. Une station de pompage sera installée pour permettre l'irrigation et le drainage de la partie endiguée. Les parties exondées seront aménagées soit pour les cultures sous irrigation, soit pour installer les pâturages nécessités par le programme de recherche.

Tous bâtiments du Centre de Formation seront entièrement équipés et la salle d'étude sera pourvue de l'équipement audio-visuel approprié pour l'enseignement agricole.

La ferme de démonstration-recherche sera pourvue en outils et engins, en équipement et matières pour l'exploitation des poulaillers et étables, engrains et pesticides pour les besoins de la recherche et de la ferme pendant plusieurs années.

Les éléments de l'assistance à Tindou couvrent également l'assistance technique. Quatre techniciens contractuels des Etats-Unis travailleront directement et à plein temps à Tindo aux côtés du personnel de contrepartie guinéens. Il y aura un Chef de Groupe américain chargé des contractuels expatriés, et un Directeur guinéen pour la ferme. Outre le Chef de Groupe, il y aura, avec chacun un ou des homologues guinéens, un agronome (avec de l'expérience en vulgarisation agricole), un Spécialiste d'Elevage, et un Ingénieur d'Agriculture.

**LA FACULTÉ D'AGRONOMIE
DE FARANAH**

L'assistance à la Faculté d'Agronomie de Faranah couvrira des constructions et fournitures diverses. Il y sera construit, dans le cadre du Projet, des dortoirs, des classes, une librairie, des bureaux administratifs, des laboratoires d'enseignement et une infirmerie. Des annexes comprenant atelier de réparation, garage, magasin de pièces détachées et menuiserie seront construites.

Il sera construit également sur le domaine de la Faculté une ferme scolaire comprenant des poulaillers, étable et porcherie, des hangars pour abriter les machines et les outils, un atelier de réparation, des magasins de stockage de pièces détachées et de fournitures. La fourniture d'eau et d'électricité sera également assurée, de même que la construction d'une voie d'accès.

Les aménagements à réaliser à Faranah consistent à rénover, améliorer et étendre les systèmes électriques et d'eau. Le réseau d'évacuation des eaux usées et déchets solides sera créé pour les nouveaux bâtiments de même que ceux déjà existants sur le campus.

Les fournitures à faire comprendront :

A. Pour l'enseignement

Les trois laboratoires prévus seront pourvus en équipement, matériel et fourniture appropriés pour leur usage dans les disciplines suivantes : biologie animale, biologie végétale et chimie. La bibliothèque sera pourvue de l'équipement nécessaire et d'une collection de livres de base. D'équipement audio-visuel et de matériel didactique seront fournis pour les classes.

B. Pour la ferme scolaire

des véhicules, tracteurs, pièces détachées et des quantités suffisantes d'outils seront fournis de manière à permettre le fonctionnement correcte de la ferme. Les étables et porcherie et les poulaillers seront suffisamment équipés et pourvus de produits chimiques nécessaires pour l'entretien régulier des animaux. L'équipement de réparation et les outils seront également fournis.

C. Installations annexes

Les médicaments de base et l'équipement de consultation et diagnostic seront fournis pour l'infirmerie. Les ateliers et les bureaux recevront l'équipement approprié.

PLAN FINANCIER DU PROJET
SOURCE ET APPLICATION DES FONDS

Au 30 Septembre 1977

Projet N° 675-0201

| INTRANTS DU PROJET | Obligations cumulatives engagements au 30 Sept. 1977 A.I.D. | Bénéficiaire | Années futures A.I.D. | Bénéficiaire | Total A.I.D | Bénéficiare |
|-------------------------------|--|--------------|--------------------------|--------------|----------------|-------------|
| 1. Personnel Américain | 38 | 14 | 1,070 | 180 | 1,108 | 194 |
| a. LF (approx. 108 HM) | - | - | (810) | (120) | (810) | (120) |
| b. CT (approx. 45 HM) | 38 | (14) | (260) | (60) | (298) | (74) |
| 2. Personnel Guinéen | - | - | - | 505 | 505 | |
| a. Contrepartie ferme | - | - | - | (30) | - | (30) |
| b. Chercheurs | - | - | - | (30) | - | (30) |
| c. Laborantins | - | - | - | (190) | - | (190) |
| d. Autres | - | - | - | (255) | - | (255) |
| 3. Formation des Participants | 150 | 45 | 150 | 14 | 300 | 59 |
| a. 6 pratiques | - | - | (40) | (4) | (40) | (4) |
| b. 12 académique | (150) | (45) | (110) | (10) | (260) | (65) |
| 4. Equipment | 300 | 41 | 1,100 | 199 | 1,400 | 250 |
| a. Poulaya | (85) | (19) | (475) | (103) | (560) | (125) |
| b. Faranah | - | - | (480) | (67) | (480) | (85) |
| c. Tindo | (215) | 22 | (145) | (29) | (360) | (40) |

| | | | | | | |
|----|------------------|-------|-------|---------|---------|-------|
| | | | | | | |
| 5. | Construction | | | | | |
| a. | Foulaya | | | | | |
| b. | Paranah | | | | | |
| c. | Tindo | | | | | |
| d. | Prévisions | (50) | (21) | (597) | 1.797 | 4.620 |
| e. | Supervision | (426) | (183) | (1.330) | (260) | (260) |
| f. | Initiation | (24) | (10) | (1.120) | (570) | (570) |
| 6. | Tindo Stagiaires | - | - | (480) | (1.120) | (480) |
| 7. | Carpurants | - | - | (240) | (609) | (261) |
| | Total | | | | 7.428 | 3,819 |

[AMENDING AGREEMENT]

A.I.D. Project Number 675-0201

PROJECT
GRANT AGREEMENT
BETWEEN
THE REPUBLIC OF GUINEA
AND THE
UNITED STATES OF AMERICA
FOR
THE GUINEA AGRICULTURAL
PRODUCTION CAPACITY AND TRAINING
PROJECT

_____ 000 _____

AMENDMENT NUMBER ONE

Dated: March 31, 1978

Project No. 675-0201

Amendment No. 1 to the
Project Grant Agreement

Dated: March 31, 1978

Between

The Republic of Guinea ("Grantee")

And

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

TIAS 9091

Project No. 675-0201

Article 1: Amendment to the Agreement

The purpose of this Amendment to the Project Grant Agreement of 27 September 1977, is to set out further understandings of the parties named above ("Parties") with respect to the financing of the Project by the Parties. All terms of the Project Grant Agreement continue to remain in force.

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, agrees to grant the Grantee under the terms of the Agreement and this Amendment an increase in the Grant of not to exceed One Million Eight Hundred and Ten Thousand United States ("U.S.") Dollars over the previous total of \$800,000.

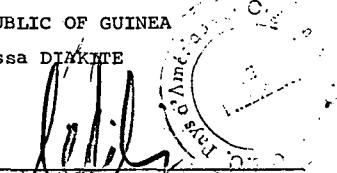
Section 3.2. Grantee Resources for the Project

(c) The resources provided by the Grantee for the Project will not be less than the equivalent of U.S. \$837,000 over the previous total of the equivalent of U.S. \$255,000. The Grantee's contribution corresponding to this Amendment will be made available to the Project at a time appropriate to its anticipated requirement.

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

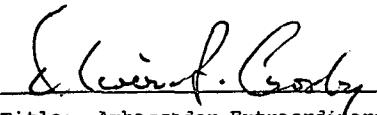
REPUBLIC OF GUINEA

By: Moussa DIAKHATE


Title: President of the State
Committee for Cooperation
with the Americas

UNITED STATES OF AMERICA

By: Oliver S. CROSBY


Title: Ambassador Extraordinary
and Plenipotentiary to the
Republic of Guinea

PROJET A.I.D. No. 675-0201

ACCORD DE DON POUR PROJET
ENTRE
LA REPUBLIQUE DE GUINEE
ET
LES ETATS-UNIS D'AMERIQUE
AGISSANT PAR L'INTERMEDIAIRE DE
L'AGENCE POUR LE DEVELOPPEMENT INTERNATIONAL
(A.I.D.)

PROJET DE CAPACITE DE PRODUCTION ET
D'EDUCATION AGRICOLE DE GUINEE

A M E N D E M E N T N° U N

DATE: 31 mars 1978

ACCORD DE DON POUR LE PROJET: GUINEE A.I.D. N° 672.0201

AMENDEMENT N° I

DATE: 31 MARS 1978

ENTRE

LA REPUBLIQUE DE GUINEE ("BENEFICIAIRE")

ET

LES ETATS-UNIS D'AMERIQUE AGISSANT PAR
L'INTERMEDIAIRE DE L'AGENCE INTERNATIONALE
DE DEVELOPPEMENT ("A.I.D.")

PROJET N° 675-0201

ARTICLE I : Amendement à l'Accord

L'objet du présent Amendement à l'Accord de Don pour le Projet est de dégager un accord additional des parties nommées ci-dessus ("Parties") en ce qui concerne le financement du Projet par elles. Tous les termes de l'Accord de Don pour le Projet continuent de demeurer en vigueur.

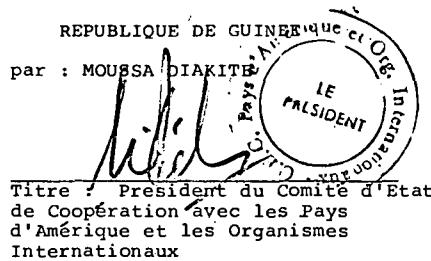
ARTICLE 3 : Financement

SECTION 3-I: Le DON. Pour aider la République de Guinée a financer les coûts d'exécution du Projet, l'AID conformément à la loi de 1961 sur l'Aide à l'Etranger, telle qu'elle a été amendée, accepte de donner à la République de Guinée aux termes de l'Accord et du présent Amendement, une somme dont le montant ne dépassera pas Un Million Huit cent Dix mille Dollars (\$1,810,000) des Etats-Unis qui s'ajoute au don total antérieur de 800,000 dollars U.S.

SECTION 3.2 : Ressources du Bénéficiaire pour l'Exécution du Projet

(c) Les ressources fournies au Projet par le bénéficiaire ne seront pas inférieures a l'équivalent de \$837,000 qui s'ajoutent aux ressources totales antérieures de \$255,000 U.S. La Contribution du Bénéficiaire correspondant au présent Amendement sera rendue disponible pour l'exécution du Projet au moment opportun lorsque les besoins en auront été préalablement exprimés.

EN FOI DE QUOI, le Bénéficiaire et les Etats-Unis d'Amérique, chacun agissant par l'intermédiaire de son représentant dément agréé ont fait signer le présent Amendement en leur nom et l'ont fait remettre à la date de l'Année susmentionnée.



ETATS-UNIS D'AMERIQUE

par : OLIVER S. CROSBY

Titre : Ambassadeur Extraordinaire
et Plénipotentiaire des
Etats-Unis d'Amérique en
République de Guinée

INDONESIA
Technical Assistance and Consulting Services

*Agreement signed at Jakarta July 28, 1976;
Entered into force July 28, 1976.*

*And amending agreements
Signed at Jakarta July 27, 1977;
Entered into force July 27, 1977.
And signed at Jakarta April 12, 1978;
Entered into force April 12, 1978.*

Conformed Copy
A.I.D. Loan No. 497-T-040

LOAN AGREEMENT
(Indonesia: Technical Assistance/Consulting Services)
BETWEEN THE
GOVERNMENT OF THE REPUBLIC OF INDONESIA
AND THE
GOVERNMENT OF THE UNITED STATES OF AMERICA

Dated: JULY 28, 1976

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LOAN AGREEMENT

Loan agreement dated July 28, 1976 between the REPUBLIC OF INDONESIA ("Borrower") and the UNITED STATES OF AMERICA ("United States") acting through the AGENCY FOR INTERNATIONAL DEVELOPMENT ("A.I.D."):

ARTICLE I

The Loan

SECTION 1.01. The Loan. A.I.D. agrees to lend to the Borrower pursuant to the Foreign Assistance Act of 1961, as amended,^[1] an amount not to exceed Five Million United States Dollars (\$5,-000,000) ("Loan") to assist the Borrower in carrying out the Project defined in Section 1.02. The Loan shall be used exclusively to assist in financing the Foreign Exchange and Local Currency Costs of professional services and related materials and equipment required for the Project. The aggregate amount of disbursements under the Loan is hereinafter referred to as "Principal."

SECTION 1.02. The Project. The "Project" shall mean the performance of prefeasibility and feasibility studies, sector or regional studies, market studies and various economic, technical and managerial consulting services related to capital projects in Indonesia, or which are otherwise in support of economic development interests as may be mutually agreed by the Borrower and A.I.D. Such studies and services are hereinafter referred to as "subprojects."

ARTICLE II

Loan Terms

SECTION 2.01. Interest. The Borrower shall pay to A.I.D. interest which shall accrue at the rate of 2% per annum for 10 years following the date of the first disbursement hereunder and at the rate of 3% per annum thereafter on the outstanding balance of the Principal and on any due and unpaid interest. Interest on the outstanding balance shall accrue from the date of each respective disbursement (as such date is defined in Section 6.04), and shall be computed on the basis of a 365-day year. Interest shall be payable semi-annually. The first payment of interest shall be due and payable no later than six (6) months after the first disbursement hereunder, on a date to be specified by A.I.D.

SECTION 2.02. Repayment. The Borrower shall repay to A.I.D. the Principal within forty (40) years from the date of the first disburse-

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

ment hereunder in sixty-one (61) approximately equal semi-annual installments of Principal and interest. The first installment of Principal shall be payable nine and one-half (9½) years after the date on which the first interest payment is due in accordance with Section 2.01. A.I.D. shall provide the Borrower with an amortization schedule in accordance with this Section after the final disbursement under the Loan.

SECTION 2.03. Application, Currency, and Place of Payment. All payments of interest and Principal hereunder shall be made in United States dollars and shall be applied first to the payment of interest due and then to the repayment of Principal. Except as A.I.D. may otherwise specify in writing, all such payments shall be made to the Controller, Agency for International Development, Washington, D.C., U.S.A., and shall be deemed made when received by the office of the Controller.

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

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

ARTICLE III

Conditions Precedent to Disbursement

SECTION 3.01. Conditions Precedent to Initial Disbursement. Unless A.I.D. otherwise agrees in writing, prior to the first disbursement or to the issuance of the first Letter of Commitment or other commitment document under the Loan, the Borrower shall furnish A.I.D. in form and substance satisfactory to A.I.D.:

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

(b) A statement of the names of the persons holding or acting in the office of the Borrower specified in Section 8.02, and a specimen signature of each person specified in such statement.

SECTION 3.02. Specific Conditions Precedent to Disbursement for Each Subproject. Prior to Disbursement or to the issuance of a Letter of Commitment or other disbursing authorization for any particular subproject, the Borrower shall, except as A.I.D. may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D.:

- (a) Evidence that all Indonesian currency necessary for such sub-project is available;
- (b) An application for financing containing all data deemed relevant by A.I.D., including:
- (i) A detailed description of the subproject services required;
 - (ii) A detailed cost estimate broken down into local currency costs and foreign exchange costs for each Indonesian Fiscal Year involved;
 - (iii) A schedule showing the amount of A.I.D. loan funds needed and the Borrower's contribution, broken down into local currency costs and foreign exchange costs for each Indonesian Fiscal Year involved;
 - (iv) Evidence that the Borrower's contribution will be made available on a timely basis;
 - (v) An economic assessment of the subproject including discussion of its priority in and relation to the Second Five-Year Plan (Pelita II);
 - (vi) A description of ways in which the subproject (or the development activity to result from the subproject) will benefit Indonesia's lower income majority;
 - (vii) A reasonably definitive, even if preliminary, scope of work for the required services;
 - (viii) In those cases where engineering final design services are required, (a) evidence that project feasibility has been established, (b) evidence that financing will be available on a timely basis to undertake the project as designed; and (c) evidence that there are no significant adverse environmental effects of the proposed project.
 - (ix) The name of the Project Manager having primary responsibility in the implementing agency for subproject execution plus the designation of any counterpart personnel who are expected to work with those whose services are procured for the subproject; and
 - (x) A schedule of the logistical support to be provided by the implementing agency to the consultant(s) for the timely and efficient conduct of the work.
- (c) A fully-negotiated draft contract covering the subproject services, with the terms of such contract and the selection of such consultant acceptable to A.I.D.

SECTION 3.03. Terminal Dates for Meeting Conditions Precedent to Disbursement. If all of the conditions specified in Section 3.01 shall not have been met within 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 giving written notice to the Borrower. Upon the giving of such notice, this Agreement and all obligations of the parties hereunder shall terminate.

SECTION 3.04. Notification of Meeting of Conditions Precedent to Disbursement. A.I.D. shall notify the Borrower upon determination by A.I.D. that the conditions precedent to disbursement specified in Section 3.01 have been met; and, with respect to a particular sub-project, that the conditions precedent to disbursement specified in Section 3.02 have been met.

ARTICLE IV

General Covenants and Warranties

SECTION 4.01. Execution of the Project.

(a) The Borrower shall carry out the Project with due diligence and efficiency, and in conformity with sound engineering, financial, administrative and planning practices.

(b) The Borrower shall cause the Project to be carried out in conformity with all of the plans, specifications, contracts, schedules, and other arrangements, and with all modifications therein, duly approved by A.I.D. pursuant to this Agreement.

(c) The Borrower covenants and agrees that not less than fifty percent (50%) of the funds provided hereunder shall be used for sub-projects related to Food and Nutrition.

SECTION 4.02. Funds and Other Resources to be Provided by Borrower. The Borrower shall provide promptly as needed all funds, in addition to the Loan, and all other resources required for the punctual and effective carrying out of the Project, on the further condition that these contributions by the Borrower shall constitute at least 25% of the costs of the entire Project.

SECTION 4.03. Continuing Consultation. The Borrower and A.I.D. shall cooperate fully to assure that the purpose of the Loan will be accomplished. To this end, the Borrower and A.I.D. shall from time to time, at the request of either party, exchange views through their representatives with regard to the progress of the Projects, the performance by the Borrower of its obligations under this Agreement, the performance of the consultants, contractors, and suppliers engaged on the Project, and other matters relating to the Project.

SECTION 4.04. Utilization of Goods and Services.

(a) Goods and services financed under the Loan shall be used exclusively for the Project, except as A.I.D. may otherwise agree in writing. Upon completion of the Project or at such other time as goods financed under the Loan can no longer usefully be employed for the Project, the Borrower may use such goods in such manner as to further the objectives sought in carrying out the Project.

(b) Except as A.I.D. may otherwise agree in writing, no goods or services financed under the Loan shall be used to promote or assist any foreign aid project or activity associated with or financed by any country not included in Code 935 of the A.I.D. Geographic Code Book as in effect at the time of such use.

SECTION 4.05. Taxation. This Agreement, the Loan and any evidence of indebtedness issued in connection herewith shall be free from, and the Principal and interest shall be paid without deduction for and free from, any taxation or fees imposed under the laws in effect within Indonesia. To the extent that (a) any expatriate contractor, including any expatriate consulting firm, any expatriate personnel of such expatriate contractor financed hereunder, and any property or transactions relating to such contracts, and (b) any foreign commodity procurement transaction financed hereunder, are not exempt from identifiable taxes, tariffs, duties, and other levies imposed under laws in effect in Indonesia, the Borrower shall pay or reimburse the same under Section 4.02 of this Agreement with funds other than those provided under the Loan. Taxes, tariffs, duties, and other levies imposed under laws in effect in Indonesia on Indonesian contractors, consultants and commodity procurement transactions shall not be financed with funds provided under the Loan.

SECTION 4.06. Disclosure of Material Facts and Circumstances. The Borrower represents and warrants that all facts and circumstances that it has disclosed or caused to be disclosed to A.I.D. in the course of obtaining the Loan are accurate and complete, and that it has disclosed to A.I.D., accurately and completely, all facts and circumstances that might materially affect the Project and the discharge of its obligations under this Agreement. The Borrower shall promptly inform A.I.D. of any facts and circumstances that may hereafter arise that might materially affect, or that it is reasonable to believe might materially affect, the Project or the discharge of the Borrower's obligations under this Agreement.

SECTION 4.07. Commissions, Fees, and Other Payments.

(a) Borrower warrants and covenants that in connection with obtaining the Loan, or taking any action under or with respect to this Agreement, it has not paid, and will not pay or agree to pay, nor to the best of its knowledge has there been paid nor will there be paid or agreed to be paid by any other person or entity, commissions, fees, or other payments of any kind, except as regular compensation to the Borrower's full-time officers and employees or as compensation for bona fide professional, technical, or comparable services. The Borrower shall promptly report to A.I.D. any payment or agreement to pay for such bona fide professional, technical or comparable services to which it is a party or of which it has knowledge (indicating whether such payment has been made or is to be made on a contingent basis), and if the amount of any such payment is deemed unreasonable by A.I.D., the same shall be adjusted in a manner satisfactory to A.I.D.

(b) The Borrower warrants and covenants that no payments have been or will be received by the Borrower or any official of the Borrower, in connection with the procurement of goods and services financed hereunder, except fees, taxes, or similar payments legally established in the country of the Borrower.

SECTION 4.08. Maintenance and Audit of Records. The Borrower shall maintain, or cause to be maintained, in accordance with sound accounting principles and practices consistently applied, books and records relating both to the Project and to this Agreement. Such books and records shall, without limitation, be adequate to show:

- (a) The receipt and use made of goods and services acquired with funds disbursed pursuant to this Agreement;
- (b) The nature and extent of solicitation of prospective suppliers of goods and services acquired;
- (c) The basis of the award of contracts and orders to successful bidders; and
- (d) The progress of the Project.

Such books and records shall be regularly audited, in accordance with sound auditing standards, for such period and at such intervals as A.I.D. may require, and shall be maintained for five years after the date of the last disbursement by A.I.D. or until all sums due A.I.D. under this Agreement have been paid, whichever date shall first occur.

SECTION 4.09. Reports. The Borrower shall furnish to A.I.D. such information and reports relating to the Loan and to the Project as A.I.D. may reasonably request.

SECTION 4.10. Inspections. The authorized representatives of A.I.D. shall have the right at all reasonable times to inspect the Project, the utilization of all goods and services financed under the Loan, and the Borrower's books, records, and other documents relating to the Project and the Loan. The Borrower shall cooperate with A.I.D. to facilitate such inspections and shall permit representatives of A.I.D. and consultants and contractors to visit areas relating to the Project for purposes relating to the Loan.

ARTICLE V

Procurement

SECTION 5.01. Procurement Source and Origin. Except as A.I.D. may otherwise agree in writing, the source and origin of goods and services financed under the Loan shall be in countries included in Code 941 of the A.I.D. Geographic Code Book as in effect at the time orders are placed or contracts are entered into for such goods and services, except that to the extent that Local Currency Costs are financed under the Loan, goods and services shall have their source and origin in Indonesia. All ocean shipping financed under the Loan shall have its source and origin in countries included in Code 941 of the A.I.D. Geographic Code Book as in effect at the time of shipment.

SECTION 5.02. Eligibility Date. Except as A.I.D. may otherwise agree in writing, no goods or services may be financed under the Loan which are procured pursuant to orders or contracts firmly placed or entered into prior to the date of this Agreement. Provided further, and except as A.I.D. may otherwise agree in writing, no services may be

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financed under the Loan which are procured pursuant to contracts entered into after twenty-four (24) months after the date of this Agreement.

SECTION 5.03. Implementation of Procurement Requirements. The definitions applicable to the eligibility requirements of Section 5.01 will be set forth in detail in Implementation Letters.

SECTION 5.04. Plans, Specifications, and Contracts. In order for there to be mutual agreement on the following matters, and except as the Parties may otherwise agree in writing:

(a) The Borrower will furnish to A.I.D. upon preparation,

(1) any plans, specifications, procurement schedules, contracts, or other documentation relating to goods or services to be financed by A.I.D., including documentation relating to the prequalification and selection of contractors and to the solicitation of bids and proposals. Material modifications in such documentation will likewise be furnished A.I.D. on preparation;

(2) such documentation will also be furnished to A.I.D., upon preparation, relating to any goods or services which, though not financed by A.I.D., are deemed by it to be of major importance to the Project. Aspects of the Project involving matters under this subsection (a)(2) will be identified in Implementation Letters;

(b) Bid documents related to the prequalification of contractors, and documents related to the solicitation of proposals for goods and services financed under the Loan will be duly approved by A.I.D. in writing prior to their issuance;

(c) Contracts and contractors financed by A.I.D. for engineering and other professional services, and for such other services, equipment or materials as may be specified in Implementation Letters, will be duly approved by A.I.D. in writing prior to execution of the contract. Material modifications in such contracts will also be duly approved in writing by A.I.D. prior to execution; and

(d) Consulting firms used by the Borrower for the Project but not financed under the Loan, the scope of their services and such of their personnel assigned to the Project as A.I.D. may specify shall be acceptable to A.I.D.

SECTION 5.05. Reasonable Price. No more than reasonable prices shall be paid for any goods or services financed, in whole or in part, under the Loan, as more fully described in Implementation Letters. Such items shall be procured on a fair and, except for professional services, on a competitive basis in accordance with procedures therefor prescribed in Implementation Letters.

SECTION 5.06. Shipping and Insurance.

(a) Goods financed under the Loan shall be transported to the country of the Borrower on flag carriers of any country included in Code 935 of the A.I.D. Geographic Code Book as in effect at the time of shipment.

(b) At least fifty percent (50%) of the gross tonnage of all goods financed under the Loan (computed separately for dry bulk carriers, dry cargo liners, and tankers) which shall be transported on ocean vessels shall be transported on privately owned United States flag commercial vessels unless A.I.D. shall determine that at the time of shipment such vessels are not available, or if available, not available at fair and reasonable rates for United States flag commercial vessels. In addition, unless A.I.D. makes the determination of unavailability noted above, at least fifty percent (50%) of the gross freight revenue generated by all shipments financed under the Loan which shall be transported on dry cargo liners shall be paid to or for the benefit of privately owned United States flag commercial vessels. No such goods may be transported on any ocean vessel (or aircraft) (i) which A.I.D., in a notice to the Borrower, has designated as ineligible to carry A.I.D.-financed goods or (ii) which has been chartered for the carriage of A.I.D.-financed goods unless such charter has been approved by A.I.D.

(c) Marine insurance on goods financed under the Loan may also be financed under the Loan with disbursements made pursuant to Section 6.01, provided (i) such insurance is placed at the lowest available competitive rate in Indonesia or in a country included in Code 941 of the A.I.D. Geographic Code Book as in effect at the time of placement, and (ii) claims thereunder are payable in the currency in which such goods were financed. If the government of the Borrower, by statute, decree, rule, regulation, or practice discriminates with respect to A.I.D.-financed procurement against any marine insurance company authorized to do business in any State of the United States, then all goods shipped to the country of the Borrower financed under the Loan shall be insured against marine risks and such insurance shall be placed in the United States with a company or companies authorized to do a marine insurance business in a State of the United States.

(d) The Borrower shall insure, or cause to be insured, all goods financed under the Loan against risks incident to their transit to the port of entry in Indonesia and, except as A.I.D. may otherwise agree in writing, to the point of their use in the Project. Such insurance shall be issued upon terms and conditions consistent with sound commercial practice, shall insure the full value of the goods, and shall be payable in the currency in which such goods were financed. Any indemnification received by the Borrower under such insurance shall be used to replace or repair any material damage or any loss of the goods insured or shall be used to reimburse the Borrower for the replacement or repair of such goods. Any such replacements shall have both their source and origin in countries included in Code 941 of the A.I.D. Geographic Code Book and shall be otherwise subject to the provisions of this Agreement.

SECTION 5.07. Port Charges. With respect to ocean freight costs which qualify as eligible for financing under the Loan, and except as

A.I.D. may otherwise agree in writing, A.I.D. will finance ninety percent (90%) of all ocean freight costs of each shipment, and ninety-eight percent (98%) of such costs on any shipment under free-out terms. The remaining ten percent (10%), or two percent (2%) of free-out shipments, represent port charges in Indonesia and Borrower covenants that it shall make available foreign exchange to finance said port charges in accordance with procedures which may be prescribed by A.I.D. in Implementation Letters.

SECTION 5.08. Notification to Potential Suppliers. In order that all United States firms shall have the opportunity to participate in furnishing goods and services to be financed under the Loan, the Borrower shall furnish to A.I.D. such information with regard thereto, and at such times, as A.I.D. may request in Implementation Letters.

SECTION 5.09. Information and Marking. Borrower shall give publicity to the Loan and the Project as a program of United States aid, identify the Project site(s), and provide other markings or publicity as prescribed in Implementation Letters.

ARTICLE VI Disbursements

SECTION 6.01. Disbursement for Foreign Exchange Costs—Letters of Commitment to United States Banks. Upon satisfaction by the Borrower of conditions precedent, the Borrower may, from time to time, request A.I.D. to issue Letters of Commitment for specified amounts to one or more United States banks, designated by Borrower and satisfactory to A.I.D., committing A.I.D. to reimburse such bank or banks for payments made by them to contractors or suppliers, through the use of Letters of Credit or otherwise, for Foreign Exchange Costs of goods and services procured for the Project in accordance with the terms and conditions of this Agreement. Payment by a bank to a contractor or supplier will be made by the bank upon presentation of such supporting documentation as A.I.D. may prescribe in Letters of Commitment and Implementation Letters. Banking charges incurred in connection with Letters of Commitment and Letters of Credit shall be for the account of the Borrower and may be financed under the Loan.

SECTION 6.02. Disbursement for Local Currency Costs. After satisfaction of conditions precedent, the Borrower may, from time to time, obtain disbursement from A.I.D. for local Currency Costs of goods and services required for the Project in accordance with the terms of this Agreement by requesting A.I.D. to finance such Local Currency Costs by submitting to A.I.D. necessary supporting documentation as prescribed by A.I.D. in Implementation Letters. A.I.D., at its option, may finance such costs either:

- (a) by making such local currency available from currency of the country of the Borrower obtained by A.I.D. with U.S. dollars,

whether by purchase or from such currency already owned by the U.S. Government; or

(b) by

(i) requesting the Borrower to make available the local currency for such costs, and

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

The U.S. dollar equivalent of the local currency made available hereunder will be, in the case of local currency made available as described in Paragraph (a) above, the amount of U.S. Dollars required by A.I.D. to obtain the local currency calculated using the highest official rate of exchange at which the Bank Indonesia sells local currency for U.S. dollars in effect on the date of disbursement, and in the case of Paragraph (b) above, an amount calculated at the rate of exchange specified in the applicable Special Letter of Credit Implementation Memorandum as of the date of the opening or amendment of the Special Letter of Credit.

SECTION 6.03. Other Forms of Disbursement. Disbursement of the Loan may also be made through such other means as the Borrower and A.I.D. may agree to in writing.

SECTION 6.04. Date of Disbursement. Disbursements by A.I.D. shall be deemed to occur (a) on the date on which A.I.D. makes a disbursement pursuant to Section 6.01 to the Borrower, to its designee, or to a banking institution pursuant to a Letter of Commitment; (b) in the case of disbursement made pursuant to Section 6.02(a) on the date on which A.I.D. disburses the local currency to the Borrower or its designee; (c) on the date on which A.I.D. opens or amends the Special Letter of Credit referred to in Section 6.02(b); or (d) in the case of disbursements made pursuant to Section 6.03, on the date on which A.I.D. makes a disbursement pursuant to the terms of such other disbursement documents.

SECTION 6.05. Terminal Date for Disbursement. Except as A.I.D. may otherwise agree in writing, no Letter of Commitment or other document making a commitment for payment will be issued or amended pursuant to requests received by A.I.D. after March 1, 1979, and no disbursement will be made against documentation received by A.I.D. or any bank making payments hereunder after August 31, 1979. After the latter date, A.I.D. may at any time or times reduce the amount of the Loan by all or any part thereof for which documentation was not received by such date.

ARTICLE VII

Cancellation and Suspension

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

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

(a) The Borrower shall have failed to pay when due any interest or installment of Principal required under this Agreement;

(b) The Borrower shall have failed to comply with any other provision of this Agreement, including, but without limitation, the obligation to carry out the Project with due diligence and efficiency;

(c) The Borrower shall have failed to pay when due any interest or any installment of Principal or any other payment required under any other Loan Agreement, any guaranty agreement, or any other agreement between the Borrower or any of its agencies and A.I.D. or any of its predecessor agencies; then A.I.D. may, at its option, give to the Borrower notice that all or any part of the unpaid Principal shall be due and payable sixty (60) days thereafter, and, unless the Event of Default is cured within such sixty (60) days:

(i) such unpaid Principal and any accrued interest hereunder shall be due and payable immediately; and

(ii) the amount of any further disbursements made under then outstanding irrevocable Letters of Credit or otherwise shall become due and payable as soon as made.

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

(a) An Event of Default has occurred;

(b) An event occurs that A.I.D. determines to be an extraordinary situation that makes it improbable either that the purpose of the Loan will be attained or that the Borrower will be able to perform its obligations under this Agreement;

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

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

Then A.I.D. may, at its option:

- (i) suspend or cancel outstanding commitment documents to the extent that they have not been utilized through the issuance of irrevocable Letters of Credit or through bank payments made other than under irrevocable Letters of Credit, in which event A.I.D. shall give notice to the Borrower promptly thereafter;
- (ii) decline to make disbursements other than under outstanding commitment documents;
- (iii) decline to issue additional commitment documents;
- (iv) at A.I.D.'s expense, direct that title to goods financed under the Loan shall be transferred to A.I.D. if the goods are from a source outside the country of the Borrower, are in a deliverable state and have not been offloaded in ports of entry of the country of the Borrower, in which event A.I.D. shall give notification to the Borrower promptly thereafter. Any disbursements made or to be made under the Loan with respect to such transferred goods shall be deducted from Principal.

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

SECTION 7.05. Continued Effectiveness of Agreement. Notwithstanding any cancellation, suspension of disbursement, or acceleration of repayment, the provisions of this Agreement shall continue in full force and effect until the payment in full of all Principal and any accrued interest hereunder.

SECTION 7.06. Refunds.

(a) In the case of any disbursement not supported by valid documentation in accordance with the terms of this Agreement, or of any disbursement not made or used in accordance with the terms of this Agreement, A.I.D. notwithstanding the availability or exercise of any of the other remedies provided for under this Agreement, may require the Borrower to refund such amount in United States dollars to A.I.D. within sixty (60) days after receipt of a request therefor. Such amount shall be made available first for the cost of goods and services procured for the Project hereunder, to the extent justified; the remainder, if any, shall be applied to the installments of Principal in the inverse order of their maturity and the amount of the Loan shall be reduced by the amount of such remainder. Notwithstanding any other provision in this Agreement, A.I.D.'s right to require a refund with respect to any disbursement under the Loan shall continue for five years following the date of such disbursement.

(b) In the event that A.I.D. receives a refund from any contractor, supplier, or banking institution, or from any other third party connected with the Loan, with respect to goods and services financed under the Loan, and such refund relates to an unreasonable price for goods or services, or to goods that did not conform to specifications, or to services that were inadequate, A.I.D. shall first make such refund available for the cost of goods and services procured for the Project hereunder, to the extent justified; the remainder to be applied to the installments of Principal in the inverse order of their maturity and the amount of the Loan shall be reduced by the amount of such remainder.

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

SECTION 7.08. Nonwaiver of Remedies. No delay in exercising or omission to exercise any right, power, or remedy accruing to A.I.D. under this Agreement shall be construed as a waiver of any such rights, powers, or remedies.

ARTICLE VIII

Miscellaneous

SECTION 8.01. Communications. Any notice, request, document, or other communication given, made, or sent by the Borrower or A.I.D. pursuant to this Agreement shall be in writing or by telegram, cable, or radiogram and shall be deemed to have been duly given, made, or sent to the party to which it is addressed when it shall be delivered to such party by hand or by mail, telegram, cable, or radiogram at the following addresses:

To BORROWER:

Mail Address: Departemen Luar Negeri
Pejambon 6
Jakarta, Indonesia

Cable Address: DEPLU Jakarta

To A.I.D.:

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

Cable Address: USAID AMEMB Jakarta

Other addresses may be substituted for the above upon the giving of notice. All notices, requests, communications, and documents sub-

mitted to A.I.D. hereunder shall be in the English Language, except as A.I.D. may otherwise agree in writing.

SECTION 8.02. Representatives. For all purposes relative to this Agreement, the Borrower will be represented by the individual holding or acting in the office of 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 Mission Director, USAID Mission to Indonesia. Such individuals shall have the authority to designate additional representatives by written notice. In the event of any replacement or other designation of a representative hereunder, Borrower shall submit a statement of the representative's name and specimen signature in form and substance satisfactory to A.I.D. Until receipt by A.I.D. of written notice of revocation of the authority of any of the duly authorized representatives of the Borrower designated pursuant to this Section, it may accept the signature of any such representative or representatives on any instrument as conclusive evidence that any action effected by such instrument is duly authorized.

SECTION 8.03. Implementation Letters. A.I.D. shall from time to time issue Implementation Letters that will prescribe the procedures applicable hereunder in connection with the implementation of this Agreement.

SECTION 8.04. Promissory Notes. At such time or times as A.I.D. may request, the Borrower shall issue promissory notes or such other evidences of indebtedness with respect to the Loan, in such form, containing such terms and supported by such legal opinions as A.I.D. may reasonably request.

SECTION 8.05. Termination Upon Full Payment. Upon payment in full of the Principal and of any accrued interest, this Agreement and all obligations of the Borrower and A.I.D. under this Loan Agreement shall terminate.

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

UNITED STATES OF AMERICA

By: DAVID D. NEWSOM

David D. Newsom
Ambassador to
Indonesia

REPUBLIC OF INDONESIA

By: B. S. ARIFIN

Dr. B. S. Arifin
Director General for
Economic, Social and
Cultural Relations

[AMENDING AGREEMENTS]

A.I.D. Loan No. 497-T-040
AMENDMENT NO. 1

**Amendment No. 1 to
Loan Agreement Between the
Republic of Indonesia
and the
United States of America
for
Technical Assistance/Consulting Services**

Dated: JULY 27, 1977

This Amendment No. 1 dated July 27, 1977, is entered into between the REPUBLIC OF INDONESIA ("Borrower") and the UNITED STATES OF AMERICA, acting through the AGENCY FOR INTERNATIONAL DEVELOPMENT ("A.I.D.").

WITNESSETH:

WHEREAS, the Borrower and A.I.D. entered into a loan agreement, designated as A.I.D. Loan No. 497-T-040, on July 28, 1976, ("Loan Agreement"), whereby A.I.D. agreed to lend to the Borrower up to five million United States dollars (\$5,000,000) to assist the Borrower in carrying out a program of pre-feasibility and feasibility studies, sector or regional studies, market studies and various economic, technical and managerial consulting services related to capital projects in Indonesia; and

WHEREAS, by reason of recent changes in A.I.D. policies, the Borrower and A.I.D. desire to amend the Loan Agreement to reflect such changes;

NOW, THEREFORE, the Borrower and A.I.D. agree that A.I.D. Loan Agreement No. 497-T-040 is hereby amended as follows:

1. Section 5.07 is hereby modified to read as follows:

"SECTION 5.07. Port Charges. With respect to commitments made prior to the date of execution of this amendment to finance eligible ocean freight costs, except as A.I.D. may otherwise agree in writing, A.I.D. will finance ninety percent (90%) of such costs for each shipment, and ninety-eight percent (98%) of such costs on any shipment under free-out terms. The remaining ten percent (10%), or two percent (2%) of free-out shipments, represent port charges in Indonesia and Borrower covenants that it shall make available foreign exchange to finance said port charges in accordance with procedures which may be prescribed by A.I.D. in Implementation Letters. With respect to commitments made after the execution of this amendment to finance eligible ocean freight costs, A.I.D. will finance one hundred percent (100%) of all such costs including port charges for each shipment."

2. Except as hereinabove expressly amended, the Loan Agreement remains in full force and effect in accordance with all of its terms.

IN WITNESS WHEREOF, the Borrower and the United States of America, each acting through its respective duly authorized representative, have caused this Amendment No. 1 to be signed in their names and delivered as of the day and year first above written.

UNITED STATES OF AMERICA

By: S. J. LITTLEFIELD,

*Acting Director
USAID Mission to
Indonesia*

REPUBLIC OF INDONESIA

By: DR. B. S. ARIFIN,

*Director General for Foreign
Economic
Social and Cultural
Relations,
Department of Foreign
Affairs*

A.I.D. Loan No. 497-T-040

**Amendment No. 2 to
Loan Agreement Between the
Republic of Indonesia
and the
United States of America
for
Technical Assistance/Consulting Services**

Dated: APRIL 12, 1978

This Amendment No. 2 dated April 12, 1978, is entered into between the REPUBLIC OF INDONESIA ("Borrower") and the UNITED STATES OF AMERICA, acting through the AGENCY FOR INTERNATIONAL DEVELOPMENT ("A.I.D.").

WITNESSETH:

WHEREAS, the Borrower and A.I.D. entered into a loan agreement, designated as A.I.D. Loan No. 497-T-040, on July 28, 1976, ("Loan Agreement"), whereby A.I.D. agreed to lend to the Borrower up to five million United States dollars (\$5,000,000) to assist the Borrower in carrying out a program of pre-feasibility and feasibility studies, sector or regional studies, market studies and various economic, technical and managerial consulting services related to capital projects in Indonesia; and

WHEREAS, the Loan Agreement was amended on July 27, 1977; and

WHEREAS, the Borrower and A.I.D. desire to further amend the Loan Agreement to reflect an increase in the amount of the loan from \$5,000,000 to \$6,000,000;

Now, THEREFORE, the Borrower and A.I.D. agree that A.I.D. Loan Agreement No. 497-T-040 is hereby amended as follows:

1. Section 1.01 of the Loan Agreement is hereby amended by substituting the words "six million United States dollars (\$6,000,000)" in lieu of the words, "five million United States dollars (\$5,000,000)."

2. Section 3.02 of the Loan Agreement is hereby amended to read as follows:

"SECTION 3.02. Specific Conditions Precedent to Approval of Each Subproject. Prior to A.I.D. acceptance of any particular subproject for financing under this Loan, the Borrower shall, except as A.I.D. may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D.:

- (a) A detailed description of the subproject services required, including a reasonably definitive, even if preliminary, scope of work for the required services;
- (b) A cost estimate, divided into local currency costs and foreign exchange costs, for the subproject including the amount to be financed from the Loan;
- (c) An economic assessment of the subproject including discussion of its priority in and relation to the Second Five-Year Plan (PELITA II);
- (d) A description of ways in which the subproject (or the development activity to result from the subproject) will benefit Indonesia's lower income majority;
- (e) A statement that the Borrower's contribution, including logistical support and counterpart personnel, will be made available on a timely basis.

- (f) In those cases where engineering final design services are required, evidence that (i) project feasibility has been established, (ii) financing will be available on a timely basis to undertake the project as designed; and (iii) there are no significant adverse environmental effects of the proposed project."

3. SECTION 5.02 of the Loan Agreement is hereby amended by deleting the last sentence of said section and by substituting the following sentence in lieu thereof:

"Provided further, and except as A.I.D. may otherwise agree in writing, funds under the Loan are not available to finance contracts for which procurement action begins after June 30, 1978."

4. Except as hereinabove expressly amended, the Loan Agreement remains in full force and effect in accordance with all of its terms.

IN WITNESS WHEREOF, the Borrower and the United States of America, each acting through its respective duly authorized representative, have caused this Amendment No. 2 to be signed in their names and delivered as of the day and year first above written.

REPUBLIC OF INDONESIA

By: MOCHTAR KUSUMAATMADJA
Prof. Dr. Mochtar Kusumaatmadja
Minister for Foreign Affairs

UNITED STATES OF AMERICA

By: EDWARD E. MASTERS
Edward E. Masters
Ambassador

MALI

Increased Cereal Crops

*Agreement signed at Bamako May 13, 1977;
Entered into force May 13, 1977.*

— — —
AID Project Number 688-11-130-202

PROJECT GRANT AGREEMENT

between

THE REPUBLIC OF MALI

and the

UNITED STATES OF AMERICA

for

OPERATION MILS

DATED: MAY 13 1977

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ANNEX 1: Project Description and Financial Plan

A.I.D PROJECT No. 688-11-030-202

Project Grant Agreement between the GOVERNMENT OF THE REPUBLIC OF MALI (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 the Project. The Project, which is further described in Annex 1, will consist of activities directed toward increasing the productivity and commercialization of cereal crops in the Mopti Region. This will be accomplished by focusing on two distinct but closely related areas of activities:

A. The "Operation Mils" activity area, focusing on the agricultural aspect of increasing production and productivity. Activities include: (1) applied research, (2) demonstrations through a pilot farmer system, (3) use of improved seeds and tools, improved handling and preservation of harvests and better marketing organizations, (4) making available to farmers agricultural tools and implements as well as production inputs on a cash or credit basis, (5) creation of a special fund to assure timely availability of financing for ongoing project activities and, (6) a training program to upgrade staff and extension agents.

B. The rural infrastructure element of the project includes:

- 1) the repair and improvement of certain priority agricultural roads in the Operation Mils area which are vital to the successful accomplishment of the project purpose,
- 2) a program of village water well development and improvement in the cercles of Bankass and Koro, and
- 3) training and equipping of blacksmiths in the cercles of Bankass and Koro.

Annex 1, attached, amplifies the definitions of the project contained in this Section. 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) AID's contribution to the project will be provided in increments, the first having been made in accordance with Project Agreement

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No. 76-1 of June 29, 1976. The second increment is being made available in accordance with Section 3.1. of this Agreement. Subsequent increments will be subject to availability of funds to AID 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, AID, based upon consultation with the Grantee, may specify in Project Implementation Letters appropriate time periods for the utilization of funds granted by AID under an increment of assistance.

ARTICLE 3: Financing

SECTION 3.1. The Grant. To assist the Grantee to meet the cost of carrying out the Project, AID, 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 THOUSAND United States (U.S.) dollars (\$1,600,000).

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, and all other resources required to carry out the project effectively and in a timely manner.

(b) The resources provided by the Grantee over the life of the Project will be not less than the equivalent of U.S. \$1,716,000, 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, 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 by this Agreement.

(b) Except as AID may otherwise agree in writing, AID 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 AID or any bank described in Section 7.1. no later than nine (9) months following the PACD, or such other period as AID agrees to in writing. After such period, AID, giving notice in

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

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 this Project Agreement, or to the issuance by AID of documentation pursuant to which disbursement will be made, the Grantee will, except as the Parties may otherwise agree in writing, furnish to AID in form and substance satisfactory to AID:

- (a) A work plan for calendar year 1977 which includes a precise definition of project targets, actions necessary to achieve these targets and resources committed to these actions.
- (b) A detailed budget plan, based on the work plan showing sources and uses of funding.

SECTION 4.2. Notification. When AID 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. 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 AID may agree to in writing, AID, 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, in this or other projects, and (d) evaluation, to the degree feasible, of the overall development impact of the project.

SECTION 5.2. Joint Fund.

5.2.1. Parties agree to establish within three months of execution of this Agreement a Joint Fund to receive cash transfers from the Government of Mali and the United States Government as well as receipts from project operations. Receipts from project operations are defined as repayments of credit extended in kind, commissions for procurement of grain for the account of OPAM, any commissions deriving from procurement of other commodities under the project, deposits of

amounts from travel allowances which are set aside for renewal of vehicles and any other revenues which may be generated by the project. "Cash transfers" will include all funds destined for Project use excepting USG and GOM funds for paying personnel salaries and personnel-related costs, training outside West Africa, and commodity procurement from the U.S. With the exception of salaries for GOM officials, fund assets may be used to pay for any activity of Operation Mils previously agreed to in writing by the Parties to this Agreement.

5.2.2. The management of the fund will be vested in the Director of Operation Mils who will consult with USAID/Mali on matters of policy related to the fund. The depository of the fund will be the Mali Development Bank (BDM).

5.2.3. It is further agreed that disbursements from the fund will be made by the Director of Operation Mils in accordance with an annual working and budget plan. Semi-annual working and budget plans will further be established, to be submitted on a mutually agreed timetable. After review and approval by appropriate GOM officials and USAID/Bamako, these plans will be the basis for disbursements from the fund as well as for deposits to the fund from the GOM and USG grant funds. An integral part of the plans and budgets will be projections of expected receipts from the "cash transfers" element of the fund.

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, except as AID may otherwise agree in writing, and except as provided in the Project Standard Provisions Annex,^[1] Section C.1.(b), with respect to marine insurance.

SECTION 6.2. Local Currency Costs. Disbursements pursuant to Section 7.2., and disbursements pursuant to Section 5.2.3. attributable to USG cash transfers deposited in the Joint Fund, will be used exclusively to finance the costs of goods and services required for the project having their source and, except as AID may otherwise agree in writing, their origin in the Republic of Mali. To the extent provided for under this Agreement, "Local Currency" may also include the provision of local currency resources required for the project.

ARTICLE 7: Disbursement

SECTION 7.1. Disbursement for Foreign Costs. 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 submitting to AID, with necessary supporting documentation as prescribed in Project Implementation Letters, (a)

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

requests for reimbursement for such goods or services, or, (b) requests for AID to procure commodities or services in Grantee's behalf for the project.

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 AID, with necessary supporting documentation as prescribed in Project Implementation Letters, request to finance such costs.

(b) The local currency needed for such disbursements will be obtained by acquisition by AID with U.S. Dollars by purchase. The U.S. Dollar equivalent of the local currency made available hereunder will be the amount of U.S. Dollars required by AID 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 in writing.

SECTION 7.4. Rate of Exchange. If funds provided under the Grant are introduced into the Republic of Mali by AID or any public or private agency for purposes of carrying out obligations of AID hereunder, the Grantee will make such arrangements as may be necessary so that such funds may be converted into currency of the Republic of Mali at the highest rate of exchange which, at the time the conversion is made, is not unlawful in the Republic of Mali.

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: Ministry of Rural Development
Bamako, Mali

To AID: USAID, American Embassy
B. P. 34
Bamako, Mali.

Alternative address for cables: USAID, AMEMBASSY, BAMAKO.

All such communications may be in English or in French. If AID communicates with the Government of Mali in both English and French, the English text is the controlling language. 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 Minister in charge of Rural Development and AID will be represented by the individual holding or acting in the office of Country Development Officer, USAID, Mali, 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 or the amplified description in Annex 1. The names of the representatives of the Grantee, with specimen signatures, will be provided to AID, 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. Controlling Language. This Agreement is signed in both English and French. In all matters of interpretation concerning this Agreement, the English text will be the controlling language.

SECTION 8.4. Standard Provisions Annex. A "Standard Provisions Annex" (Annex 2) is attached to and forms part of this Agreement.^[1]

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.

GOVERNMENT OF THE
REPUBLIC OF MALI

THE UNITED STATES
OF AMERICA

By: SORI COULIBALY

By: JOHN GILLIGAN

Title: *Minister of Rural Develop-
ment*

Title: *Administrator of AID*

ANNEX 1

Project Description

The project setting is the 5th Region (Mopti Region) and will encompass most of the dryland agriculture area of the Mopti Region. The purpose of the project is to increase productivity and commercialization of cereal crops in the Mopti area. The end of Project Status which will indicate that the purpose has been achieved includes the following:

- a. A 5% per year increase in marketing of cereal grains over the life of the project.
- b. Per hectare yields of 1200 kg/ha on farms of pilot farmers by year 3 of their participation in the program.
- c. Per hectare yields of 15,000 participating farmers to increase 5% per year to 900 kg/ha at a minimum.

¹ See footnote 1, p. 5134.

d. Kilometer/ton costs at 1975 prices of private transport to areas served by roads improved in project decreased by 20% in 1979.

To accomplish the above the project will involve two sets of related activities: (1) an agriculture production activity and (2) a rural infrastructure activity.

1. THE AGRICULTURE PRODUCTION ACTIVITY

The agriculture production activity will be essentially an extension and expansion of the "Operation Mils" project, an activity which has received USAID PL-480 assistance. It will consist of several types of activities carried out by an initial staff of some 130 technicians working in 3 cercles, 18 arrondissements and 120 villages or groups of villages, and supported by a suitable staff of secretaries, chauffeurs, etc. As the project expands through the period 1976-1980, the technical staff will expand by the addition of approximately 30 agricultural agents each year to reach a total of approximately 280 by the 5th year. The area covered by the project will expand to encompass 24 arrondissements in 6 cercles or essentially all of the sorghum and millet areas in the Mopti Region (Region 5). A population of approximately 500,000 individuals representing 60,000 families or family units and a cultivated area of 300,000 ha. will be served.

Several integrated action programs will be undertaken throughout the area served:

(a) Applied research testing of practices to test results and recommendations from local as well as external research organizations in actual farmer's field trials for confirmation of adaptability and utility to the local conditions. In practice 1-5 such tests will be carried out in each cercle.

The trials will include testing of: (1) new varieties of millet and sorghum in the areas in which sorghum is adapted—areas with heavier soils. Particular attention will be given to testing high lysine sorghum varieties which may become available through research programs, and of other crops which fit in a rotation with the grain crops; (2) recommended fertilizer practices with differing rotation systems and with different fertilizer materials including locally produced ground phosphate rock; (3) effects of different levels of plant populations including interplanting of legume crops with the grain crops on productivity; (4) different rotational patterns; (5) different soil preparation practices including use of mulches and organic manure and composts; and (6) the possibility of producing sorghum and/or millet as a second crop in floating rice areas in residual moisture after the rice harvest. It is the intent of the project to test under actual field conditions in the area by local farmers, practices which have been developed and recommended by local and foreign institutions.

(b) Demonstrations of proven practices in farmer fields through the pilot farmer system developed in earlier Operation Mils program. Through a number of pilot farmers, usually 10 are chosen in each

"secteur de base" (S.B.) (a unit of area comprising one or more villages covered by a single extension agent), proven practices are applied under close supervision of the agents. Agricultural inputs are provided to the demonstration areas during the demonstration period. The demonstrations will focus on simple practices which can be applied by most farmers as well as more sophisticated practices which will require off-the-farm inputs. Use of natural manure and compost, seeding in rows, use of optimum plant populations, timely planting and weeding operations, rotations, plowing and cultivation with animal drawn equipment, use of seed treatments, use of improved seeds, use of chemical fertilizers are practices which are demonstrated.

(c) In certain areas of the Dogon Plateau in the Cercle of Bandiagara the applied research and extension demonstration activities will be extended to market gardening because of the significant role of market gardening in the agricultural production pattern of those areas. Special attention will be given to use of improved seeds, use of tools, better water utilization, improved handling and preservation of harvests and better market organizations.

(d) The project will make available to farmers agricultural tools and implements as well as production inputs which will be stocked at each S.B. and made available to farmers on a cash or credit basis. While interest rates were originally 4% with one year grace, and 3 years repayment, it is anticipated that over the life of the project, interest rates will rise to a point which more realistically reflect the cost of money in the Malian economy.

(e) Initially Operation Mils agents will perform the function of procuring surplus grain at the official price for OPAM, assuring the official price for the farmers' surplus production. As production of peanuts increases as a rotational crop, it is expected that a similar arrangement will be made with SOMIEX for procurement of this crop at the official price. Concurrent with these activities economic studies will be conducted to determine alternative techniques of increasing the self-sufficiency of and returns to Operation Mils. These studies will include, but not be limited to the analysis of varying marketing systems. The Parties agree that they will discuss varying in marketing systems and other means of assuring the financial self-sufficiency of Operation Mils at the end of this project.

(f) As defined in Section 5.2 of the main body of this Agreement, a special fund will be created to assure timely availability of financing for ongoing project activities. The fund will receive transfers from both Governments as well as receipts from project operations. At the end of the project it is anticipated that the resources of this fund will be sufficient to allow continuation and expansion of Operation Mils activities.

(g) A training program at the local level will serve to upgrade agents as new practices become available for demonstration. This program will operate on a continuing basis through short courses and seminars

at the level of the cercle headquarters for upgrading agents working at the village level.

Training and more specialized personnel, especially in the area of market gardening, will be provided by short term observation and training visits to specialized institutions and production enterprises in Mali or in other African countries.

Limited opportunities for training in the U.S. will be provided for higher levels of personnel.

Approximately 10 months of work of technical advisory services per year will be provided by AID through short term assignments of direct hire or contractor personnel.

Field activities will be under the direction of the Director of Operation Mils. Working through a direct line of command to the agricultural agent at the village level and supported by a headquarters staff, the Director will be responsible for carrying out the purposes of the project. The initial staff of 146 of which 130 represent technical personnel will increase to 280 plus additional support personnel to handle logistics etc.

Procurement of materials, establishment of stocks of production inputs and agricultural implements at points accessible to the farmer and other logistics will be carried out by the "Operation".

The technical support staff at project headquarters (Mocti) will work with the field staff and with advice from the short term specialists follow through on experimental and demonstration plots including holding village meetings and field days to permit farmers to observe results.

Recycling training of all agents at the village level will be carried out each year.

Annual meetings at the cercle level will be held for reporting on the year's activities, evaluating results and for planning the next year's program.

2. THE RURAL INFRASTRUCTURE ELEMENT

Concurrent with the agricultural activities, a major support effort will be undertaken to improve the infrastructure supporting the farming areas of the fifth region. The three sub-elements of this effort are a rural roads improvement and maintenance brigade, six village well digging units which will also be used to improve existing sources of water, and tools and materials for improving the responsiveness and capabilities of village blacksmiths.

The road brigade will be used in the cercles of Bankass and Koro, two of the most populous in the project area. These cercles are deficient in road communications. It is anticipated that approximately 470 kilometers of road will be renovated during the three years of the project. The priorities for the renovation of the roads will be set by the Director of Operation Mils and the criteria will be based on their importance in the evacuation of cereals and the transportation of inputs to the project areas.

Concurrent with the above activities, an activity to improve the quantity of water available to the cercles of Bankass and Koro will be undertaken. Six units, three each for each cercle, will be equipped with the type of equipment suitable for deepening existing wells, digging new wells and supporting labor intensive efforts to improve the supply of water. The rural wells bureau (Operation Puits) of the Ministry of Industrial Development and Tourism will be the director of these efforts. The priorities in terms of the wells to be improved will be set by the Director of Operation Mils in collaboration with the local leadership of the cercles and arrondissements in which the units will be working. It is anticipated that approximately 3400 meters of new or deep dug wells will be produced over the life of the project. These efforts are expected to produce between 300,000 and 400,000 liters of additional water resources per day in the target areas.

Blacksmiths are essential for the successful transformation of the rural agriculture of the target areas. At the present time there are potentially numerous smiths in the area who are insufficiently equipped and trained to handle the increasingly complicated tasks they will be asked to do. In addition to training, the project will provide these blacksmiths with essential tools and a starter supply of working materials to enable them to re-enter the monetary economy with adequate supplies and materials. These individuals will be able to provide the basic handtools which will be required by the farmers in the project area after several years have elapsed. It is anticipated that the increased economic activity in the two cercles will make this aspect of the project self-supporting in a minimum of time.

Attachment I to Annex 1
As of May 1977

PROJECT No. 688-11-130-202

PROJECT FINANCIAL PLAN¹

(Source and Application of Funding—\$ Thousands)

| Inputs | Prior Obligations | | Current FY Increment | | Future Years Anticipated | | Total | | Grand Total | |
|---------------------------------------|-------------------|-----|----------------------|-----|--------------------------|-----|--------------|-----|--------------|-----|
| | AID | GOM | AID | GOM | AID | GOM | AID | GOM | AID | GOM |
| A. Contract Services | | | | | | | | | | |
| 1. Horticulturalist | 30 | | 35 | | 70 | | 135 | | | |
| 2. Agronomie Rshr | 70 | | 90 | | 90 | | 250 | | | |
| 3. Well digging supervisor | 30 | | 40 | | 40 | | 110 | | | |
| 4. Com. Dev. Spec. | 30 | | 40 | | 35 | | 105 | | | |
| Sub-total, Contract Services | 160 | | 205 | | 235 | | 600 | | | |
| B. Participant Training, Total | 21 | | 26 | | 69 | | 116 | | | |
| C. Commodities | | | | | | | | | | |
| 1. Operation Mils | 264 | | 159 | | 343 | | 766 | | | |
| 2. Operation Puits | 221 | | --- | | 293 | | 514 | | | |
| 3. Travaux Publics | 565 | | --- | | 488 | | 1,053 | | | |
| 4. Blacksmiths | 100 | | --- | | --- | | 100 | | | |
| 5. Miscellaneous | 12 | | --- | | --- | | 12 | | | |
| Sub-total, Commodities | 1,162 | | 159 | | 1,124 | | 2,445 | | 2,445 | |

See footnotes at end of table.

Attachment I to Annex 1
As of May 1977

TIAS 9093

PROJECT No. 688-11-130-202

PROJECT FINANCIAL PLAN 1—Continued
(Source and Application of Funding—\$ Thousands)

| Inputs | Prior Obligations | | Current FY Increment | | Future Years Anticipated | | Total | | Grand Total |
|--|-------------------|-----|----------------------|-----|--------------------------|-------|-------|-------|-------------|
| | AID | GOM | AID | GOM | AID | GOM | AID | GOM | |
| D. Other Costs | | | | | | | | | |
| 1. Operating Costs | | | | | | | | | |
| a) Operation Mils | 199 | 140 | 340 | 202 | 703 | 998 | 1,242 | 1,340 | 2,582 |
| b) Operation Puits | 46 | 3 | 165 | 6 | 55 | 34 | 266 | 43 | 309 |
| c) Travaux Publics | 102 | 6 | 251 | 62 | 217 | 66 | 570 | 134 | 704 |
| d) Contribution from Receipts ¹ | | | | | 279 | 3,020 | | | 3,299 |
| Sub-total, Operating Costs | 347 | 149 | 756 | 549 | 975 | 4,118 | 2,078 | 4,816 | 6,894 |
| 2. Construction | 188 | - | 30 | - | 30 | - | 248 | - | 248 |
| 3. Agricultural Inputs | 311 | - | 264 | - | 1,677 | - | 2,252 | - | 2,552 |
| 4. Contingency/Inflation ³ | | | 160 | - | 976 | 199 | 1,136 | 199 | 1,335 |
| Total Project Finances | 2,189 | 149 | 1,600 | 549 | 5,086 | 4,317 | 8,875 | 5,015 | 13,890 |

¹ 15% variation will be permitted between major line items A, B, C and D provided no line is eliminated.

² Includes commissions for procurement from OPAM, from mobylette renewal fund and from credit repayments.

³ AID contingency/inflation amount for FY 76 applied to meet increased commodity costs.
[Footnotes in the original.]

PROJET A.I.D. No. 688-11-130-202

ACCORD DE SUBVENTION DE PROJET
ENTRE
LA REPUBLIQUE DU MALI
ET
LES ETATS-UNIS D'AMERIQUE
POUR
L'OPERATION MILS

DATE: MAY 13 1977

TIAS 9093

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ANNEXE 1: Description de Projet et Plan Financier Explicatif**ANNEXE 2: Annexe des Dispositions Standards**

PROJET A.I.D. No. 688-11-130-202

Accord De Subvention De Projet En date du: Entre Le GOUVERNEMENT DE LA RÉPUBLIQUE DU MALI (Le Donataire) 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 de cet Accord est d'exposer les arrangements mutuels des parties nommées ci-dessus (les "Parties") concernant l'entreprise par le Donataire du projet décrit dans le présent document, et concernant le financement du projet par les Parties. La contribution des Etats-Unis se fera sous forme de Subvention.

ARTICLE 2: Le Projet

SECTION 2.1. Définition du Projet. Le Projet, qui est décrit plus largement à l'Annexe 1, consistera en des activités visant à l'augmentation de la productivité et à la commercialisation des cultures de céréales dans la région de Mopti. Pour réaliser cet objectif, on portera une attention particulière à deux domaines distincts mais étroitement liés:

A. Le champ d'activité de l' "Opération Mils" qui s'attache à l'aspect agricole de l'augmentation de la production et de la productivité. Ses activités comprennent: (1) une recherche appliquée, (2) des démonstrations effectuées par un système de paysans pilotes, (3) l'utilisation de semences et d'outils améliorés, une meilleure manipulation et conservation des récoltes, de meilleures organisations commerciales, (4) la mise à la disposition des paysans de matériel et d'outils agricoles ainsi que des entrants de production contre un paiement comptant ou à crédit, (5) La création d'un fonds spécial qui permettra aux activités du projet en cours de disposer de fonds au moment opportun et, (b) un programme de formation qui permettra de parfaire la formation du personnel et des agents d'encadrement.

8. La partie infrastructure rurale du projet comprend:

- 1) La réparation et l'amélioration de certaines pistes agricoles prioritaires dans la région de l'Opération Mils qui sont d'une importance vitale pour la réussite du projet.
- 2) un programme de développement et d'amélioration des peints d'eau dans les villages des cercles de Bankass et de Koro, et,
- 3) la formation et l'équipement de forgerons dans les cercles de Bankass et de Koyo.

L'Annexe 1 ci-jointe développe la définition du Projet contenue dans cette Section. Dans les limites de la définition du Projet précitée, les éléments de la description développée dans l'Annexe 1 peuvent être modifiés par accord écrit des représentants autorisés des Parties nommés dans la Section 8.2., sans amendement officiel de cet Accord.

SECTION 2.2. Echelonnement du Projet.

(a) La contribution de l'A.I.D. au projet se fera par tranches la première ayant été faite conformément à l'Accord de Projet No. 76-1 du 29 juin 1976. La deuxième tranche est actuellement mise à disposition conformément à la Section 3.1. de cet Accord. Les tranches suivantes dépendront des fonds dont pourra disposer l'A.I.D. à cet effet, ainsi que du consentement mutuel des Parties de poursuivre le Projet au moment de la tranche suivante.

(b) Dans les limites de la Date de Fin d'Assistance au Projet, indiquée dans cet Accord, l'A.I.D., en se basant sur les consultations qu'elle aura avec le Donataire, peut spécifier dans des Lettres d'Exécution de projet (PIL—Project Implementation Letters) les périodes de temps appropriées pour l'utilisation des fonds accordés par l'A.I.D. dans le cadre d'une tranche de fonds d'assistance donnée.

ARTICLE 3: Financement

SECTION 3.1. La Subvention. Pour aider le Donataire à faire face aux aoûts de réalisation du Projet, l'A.I.D., conformément à la Lei d'Assistance aux Pays Etrangers de 1961, telle qu'elle a été amendée, accepte d' accorder au Donataire, conformément aux termes de cet Accord, une somme qui n'excèdera pas UN MILLION SIX CENT MILLE DOLLARS DES ETATS UNIS (1.600.000 \$US).

La subvention pourra être utilisée pour financer des coûts en devises étrangères, comme prévu à la Section 6.1., et des coûts en monnaie locale, comme prévu à la Section 6.2., de biens et de services nécessaires au Projet.

SECTION 3.2. Contributions du Donataire au Projet

(a) La Donataire accepte de fournir ou de faire fournir au projet tous les fonds, en sus de la Subvention, et toutes les autres ressources nécessaires à la réalisation efficace et opportune du Projet.

(b) Les ressources fournies par le Donataire au cours de la durée du Projet ne seront pas inférieures d l'équivalent de 1.716.000 \$US, contributions "en natura" incluses.

SECTION 3.3. Date de Fin d'Assistance au Projet

(a) La "Date de Fin d'Assistance au Projet" (PACD—Project Assistance Completion Date), Fixée au 30 juin 1983, eu à toute autre date dont les Parties pourront convenir par écrit, est la date à laquelle les Parties estimeront que tous les services financés dans le cadre de la Subvention duront été accomplis et tous les biens financés dans le cadre de cette Subvention auront été Fournis au Projet, comme prévu dans cet Accord.

(b) A moins que l'A.I.D. n'en décide autrement par écrit, l'A.I.D. n'émettra pas ou n'approuvera pas de documents autorisant des décaissements de la Subvention pour des services effectués postérieurement au

PACD ou pour des biens Fournis pour le Projet, comme prévu dans cet Accord, postérieurement au PACD.'

(c) Les demandes de décaissement, accompagnées des pieces justificatives nécessaires prescrites dans les Lettres d'Exécution de Projet, doivent parvenir à l'A.I.D. ou à toute banque mentionnée à la Section 7.1. au plus tard neuf (9) mois après le PACD, ou à toute autre période dont l'A.I.D. pourra convenir par écrit. Apres cette période, l'A.I.D., par avis écrit au Donataire pourra à tout moment réduire le montant de la Subvention de la tocalité pu d'une partie, quelle qu'elle soit, des sommes pour Iesquelles les demandes de décaissement, accompagnées des pièces justificatives nécessaires indiquées dans les Lettres d'Exécution de Projet, ne sont pas arrivées avant l'expiration de ladite période.

ARTICLE 4: Conditions Préalables au Décaissement

SECTION 4.1. Premier Décaissement. Avant le premier décaissement prévu dans le cadre de cet Accord de Projet, ou avant l'omission par l'A.I.D. de document grâce auxquels le décaissement sera effectué, le Donataire devra, à moins que les Parties n'en convenient autrement par écrit, fournir à l'A.I.D. dans les conditions de forme et de fond satisfaisants pour l'A.I.D.

(a) Un plan de travail pour l'Année Civile 1977 comprenant une définition précise des objectifs du projet, les actions nécessaires à la réalisation de ces objectifs et les ressources engagées dans ces actions.

(b) Un plan budgétaire détaillé, basé sur le plan de travail, montrant la source et l'utilisation des fonds.

SECTION 4.2. Notification. Lorsque l'A.I.D. aura déterminé que les conditions préalables spécifiées à la Section 4.1. ont été remplies, il en avertira le Donataire sans tarder.

SECTION 4.3. Dates limites pour les Conditions Préalables. Si toutes les conditions spécifiées dans la Section 4.1. n'ont pas été remplies dans les 90 jours qui suivront la date de cet Accord, ou toute autre date ultérieure dont l'A.I.D. pourra convenir par écrit, l'A.I.D. peut, s'il le désire resilier cet Accord par décision écrite au Donataire.

ARTICLE 5: Conventions Spéciales

SECTION 5.1. Evaluation du Projet. Les parties conviennent d'établir un programme d'évaluation qui Fera partie du Projet. A moins que les Parties n'en conviennent autrement par écrit, le programme comprendra au cours de la mise en oeuvre du Projet et à une ou plusieurs reprisus par la suite (a) une évaluation de l'étsi d'avancement du Projet; (b) la reconnaissance et l'évaluation des problèmes ou obstacles pouvant empêcher d'atteindre ces objectifs; (c) l'évaluation de la manière dont ces renseignements peuvent être utilisés pour aider à surmonter ces problèmes, dans ce projet ou dans d'autres projets; et (d) l'évaluation, dans la mesure du possible, de l'impact du Projet sur le développement dans son ensemble.

SECTION 5.2. Fonds Conjoint.

3.2.1. Les Parties conviennent d'établir dans les trois mois qui suivront l'exécution de cet Accord, un Fonds Conjoint destiné à recevoir les versements en espèces du Government du Mali et du Gouvernement des Etats-Unis, ainsi que les recettes des opérations du Projet. Les recettes des opérations du Projet sont définies comme étant les remboursements des crédits accordés en nature, les commissions pour l'achat de grains pour le compte de l'OPAM, toutes commissions dérivant de l'achat d'autres produits dans le cadre du Projet, le dépôt des sommes des remboursements des moyens de transport cédés aux agents de terrains ainsi que tous les autres revenus qui pourraient provenir du Projet. Les "versements en espèces" comprendront tous les fonds destinés au Projet excepté les fonds du Gouvernement des Etats-Unis et du GOM destinés au paiement du personnel et aux coûts relatifs au personnel, aux stages de formation en dehors de l'Afrique de l'Ouest, et à l'achat de biens d'équipement en provenance des Etats-Unis. A l'exception des salaires des fonctionnaires du GOM, les fonds disponibles pourront être utilisés pour financer toute activité de l'Opération Mils dont les Parties de cet Accord auront convenu par écrit au préalable.

5.2.2. La gestion du fonds reviendra au Directeur de l'Opération Mils qui consultera l'USAID/Mali pour toute question relative à l'utilisation du fonds. Le dépositaire du fonds sera la Banque de Développement du Mali (BDM).

5.2.3. Il est de plus convenu que les décaissements en provenance du fonds seront effectués par le Directeur de l'Opération Mils conformément à un plan de travail et un plan budgétaire annuels. Des plans de travail et des plans budgétaires semestriels seront également établis, et ils seront soumis selon un calendrier fixé d'un commun accord. Après vérification et accord des responsables voulus du GOM et de l'USAID/Bamako, ces plans représenteront la base des décaissements du fonds ainsi que des sommes versées à ce fonds en provenance des fonds de subvention du GOM et du Gouvernement des Etats-Unis. Feront partie intégrante des plans et des budgets les prévisions des entrées attendues grâce à l'élément versements en espèces du fonds.

ARTICLE 6: Source d'Achat

SECTION 6.1. Coûts en Devises Entrangères. Les décaissements effectués conformément à la Section 7.1. seront utilisés exclusivement pour financer les coûts de marchandises et de services nécessaires au Projet ayant pour source et origine les Etats-Unis, à moins que l'A.I.D. n'en convienne autrement par écrit, et sauf en ce qui concerne l'assurance maritime, comme stipulé dans l'Annexe des Dispositions Uniformes de la Subvention de Projet, à la Section C.1.(b).

SECTION 6.2. Coûts en Monnaie Locale. Les décaissements effectués conformément à la Section 7.2. ainsi que les décaissements effectués

conformément à la Section 5.2.3. attribuables aux versements en espèces du Gouvernement des Etats-Unis déposés dans le Fonde Conjoint, seront utilisés exclusivement pour financer les coûts de marchandises et des services nécessaires au Projet ayant leur source, et à moins que l'A.I.D. n'en convienne autrement par écrit, leur origine en République du Mali. Dans les limites définies dans le cadre de cet Accord, la "Monnaie Locale" peut également comprendre l'apport de ressources en monnaie locale nécessaire au Projet.

ARTICLE 7: Décaissements

SECTION 7.1. Décaissements pour les Coûts en Devises Entrangères. Une fois que les conditions préalables auront été remplies, le Donataire pourra obtenir des décaissements de fonds dans le cadre de la Subvention pour les coûts en devises étrangères de marchandises et de services nécessaires au Projet conformément aux termes de cet Accord, en soumettant à l'A.I.D., avec les pièces justificatives nécessaires telles qu'elles auront été prescrites dans les Lettres d'Exécution de Projet, (a) des demandes de remboursement pour ces marchandises ou services, ou (b) des demandes pour que l'A.I.D. achète des marchandises ou loue des services pour la projet au profit du Donataire.

SECTION 7.2. Décaissements pour les Coûts en Monnaie Locale.

(a) Une fois que les conditions préalables auront été remplies, le Donataire pourra obtenir des décaissements de fonds dans le cadre de la Subvention pour Les Coûts en Monnaie Locale nécessaires au Projet conformément aux termes de cet Accord, en présentant à l'A.I.D., avec les pièces justificatives nécessaires telles qu'elles auront été prescrites dans les Lettres d'Exécution de Projet, une demande pour financer de tels coûts.

(b) La monnaie locale nécessaire à ces décaissements sera obtenue par l'A.I.D., qui en fera l'acquisition en l'achetant avec des dollars des Etats-Unis. L'équivalent en dollars des Etats-Unis de la monnaie locale débloquée à cet effet représentera le montant en dollars des Etats-Unis dont l'A.I.D. aura besoin pour obtenir la monnaie locale.

SECTION 7.3. Autres Formes de Décaissement. Les Décaissements de la Subvention peuvent également être effectués par tous les autres moyens dont les Parties pourraient convenir par écrit.

SECTION 7.4. Taux de Change. Si les fonds fournis dans le cadre de la Subvention sont introduits en République du Mali par l'A.I.D. ou par tout autre organisme public ou privé dans le but de réaliser les engagements de l'A.I.D. dans ce Projet, le Donataire prendra toutes les dispositions nécessaires pour que ces fonds soient convertis dans la monnaie de la République du Mali au taux de change le plus élevé qui, au moment où s'effectue la conversion, n'est pas illégal en République du Mali.

ARTICLE 8: Divers

SECTION 8.1. Communications. Tous les avis, toutes les demandes, tous les documents et autres communications présentés par une Partie à l'autre dans le cadre de cet Accord se feront par écrit ou par télégramme ou par câble, et seront considérés comme dûment remis ou envoyés lorsqu'ils auront été expédiés à cette Partie aux adresses suivantes:

Au Donataire:

A l'A.I.D.: USAID, Ambassade Américaine
B.P. 34
BAMAKO, MALI

Adresse Télégraphique: USAID, AMEMBASSY, BAMAKO

Toutes ces communications pourront être faites en anglais ou en français. Si l'A.I.D. communique avec la Gouvernement du Mali à la fois en anglais et en français, le texte anglais fera autorité. D'autres adresses peuvent être substituées à celles indiquées ci-dessus sur notification.

SECTION 8.2. Représentants. Pour tout ce qui est relatif à cet Accord, le Donataire sera représenté par la personne remplissant les fonctions de Ministre du Développement Rural ou agissant en son nom et l'A.I.D. sera représenté par la personne remplissant les fonctions de Directeur de l'A.I.D. à Bamako ou agissant en son nom, chacune pouvant, par notification écrite, désigner des représentants supplémentaires à toutes fins autres que l'exercice du pouvoir de révision des éléments de la description détaillée de l'Annexe 1, conformément à la Section 2.1. Le nom des représentants du Donataire, avec le modèle des signatures, sera fourni à l'A.I.D., qui pourra accepter comme dûment autorisé tout instrument signé par ces représentants en exécution de cet Accord, jusqu'à réception de la notification écrive de la révocation de leur pouvoir de décision.

SECTION 8.3. Langue faisant Autorité. Cet Accord est signé à la fois en anglais et en français. Pour tous les problèmes d'interprétation concernant cet Accord, ce sera le texte anglais qui fera autorité.

SECTION 8.4. Annexe des Dispositions Standards. Une "Annexe des Dispositions Standards" (Annexe 2) est jointe à cet Accord et en fait partie intégrante.

En foi de quoi, le Donataire et les Etats-Unis d'Amérique, chacun agissant par l'intermédiaire de des représentants dûment autorisés, ont fait signer cet Accord en leur nom et l'ont fait remettre au jour et à l'année indiquée précédemment.

LE GOUVERNEMENT
DE LA REPUBLIQUE
DU MALI

Signé par SORI COULIBALY
Titre *Ministre du Développement Rural*

LES ETATS-UNIS
D'AMERIQUE

Signé par JOHN GILLIGAN
Titre *Administrator of AID*
[SEAL]

ANNEXE 1

Description Du Projet

Le cadre du Projet est la 5ème Région (Région de Mopti) et il englobera la majeure partie des terres agricoles en zone aride de la Région de Mopti. L'objectif de ce Projet est d'augmenter la productivité et la commercialisation des cultures de céréales dans la région de Mopti. La fin de l'Etat de Projet qui indiquera que l'objectif a été atteint, comprendra les points suivants:

- a) Une augmentation de 5% par an de la commercialisation des céréales au cours de la durée du projet.
- b) Des rendements de 1200 kg/ha dans les exploitations de Paysans Pilotes à partir de la 3ème année de leur participation au programme.
- c) Une augmentation de 5% par an des rendements par hectare de 15.000 paysans pour arriver à un minimum de 900 Kg/ha.
- d) Une diminution de 20% en 1979 du coût par kilomètre/tonne du transport privé par rapport aux prix de 1975 jusqu'aux régions desservies par les routes améliorées dans le cadre du Projet.

La réalisation du projet ci-dessus impliquera deux catégories d'activités liées entre elles: (1) la production agricole et (2) l'infrastructure rurale.

1. LE PROJET DE PRODUCTION AGRICOLE

Le projet de production agricole sera essentiellement un prolongement et une expansion du projet "Opération Mils", projet qui a reçu l'aide PL-480 de l'USAID. Il consistera en plusieurs types d'activités qui seront entreprises au départ par une équipe de près de 130 techniciens travaillant dans 3 cercles, 18 arrondissements et 120 villages ou groupes de villages et assistés par le personnel voulu: secrétaires, chauffeurs, etc. Au fur et à mesure que le projet prendra de l'expansion au cours de la période 1976-1980, le personnel technique augmentera par l'addition chaque année d'environ 30 agents agricoles pour atteindre un total d'environ 280 d'ici la 5ème année. La zone couverte par le projet a'élargira pour englober 24 arrondissements dans 6 cercles, soit essentiellement toutes les terres à sorgho et à mil de la Région de Mopti (5ème Région). Une population d'environ 500.000 personnes représentant environ 60.000 familles ou cellules familiales et une superficie cultivée de 300.000 ha. seront desservies.

Plusieurs programmes à action intégrée seront entrepris sur l'ensemble de la zone desservie:

- (a) Expérimentation en recherche appliquée de méthodes destinées à tester les résultats et les recommandations d'organismes de recherche locaux et étrangers dans des essais qui seront entrepris dans les champs mêmes des paysans pour obtenir la confirmation des possibilités

d'adaptation et d'utilisation d'après les conditions locales. En pratique, 1 à 5 de ces tests seront entrepris dans chaque cercle. Les essais comprendront l'expérimentation: (1) de nouvelles variétés de mil et de sorgho dans les zones où le sorgho est adapté, c'est-à-dire dans les régions aux sols plus lourds. On portera une attention particulière aux variétés de sorgho à haute teneur en lysine dont on pourra disposer grâce aux programmes de recherche, et aux autres cultures pouvant s'insérer dans une rotation avec les cultures céréalières; (2) des méthodes recommandées en matière d'engrais avec différents systèmes de rotation et avec différents engrals y compris du phosphate exploité localement; (3) les effets sur la productivité de différentes quantités de plants y compris les cultures de légumineux entreprises en même temps que les cultures céréalières; (4) des systèmes de rotation différents; (5) de différentes méthodes de préparation des sols y compris l'utilisation de paillis, d'engrais organiques et d'engrais composés; et (6) la possibilité de produire du sorgho et/ou du mil comme seconde culture dans les zones de culutre du riz flottant dans l'humidité résiduelle présente après la récolte du riz. Il est prévu dans le projet de tester, dans les conditions réelles sur le terrain de la région et par les paysans locaux, des méthodes qui ont été mises au point recommandées par des instituts locaux et étrangers.

(b) Démonstration de méthodes ayant fait leurs preuves dans les champs de paysans grâce au système de paysan pilote instauré dans le programme précédent de l'Opération Mils. Par l'intermédiaire d'un certain nombre de paysans pilotes (on en choisit généralement 10 par secteur de base (S.B.), unité de zone comprenant un ou plusieurs villages couverts par un seul agent d'encadrement), des méthodes ayant fait leurs preuves sont appliquées sous la supervision étroite des agents. Les intrants agricoles sont fournis dans les zones de démonstration au cours de la période de démonstration. Les démonstrations porteront sur des méthodes simples pouvant être appliquées par la majorité des paysans, et également sur des méthodes plus sophistiquées nécessitant l'apport d'intrants produits hors de l'exploitation. Parmi les méthods mises en démonstration, citons l'utilisation d'engrais naturels et d'engrais composés, la plantation en ligne, l'utilisation d'un nombre maximum de plants, des plantations et des opérations de sarclage effectuées en temps voulu, des rotations de cultures, le labour et la culture effectués par un équipement utilisant la traction animale, l'utilisation de traitements pour les semences, l'utilisation de semences améliorées, et l'utilisation d'engrais chimiques.

(c) Dans certaines zones du plateau Dogon dans le Cercle de Bandiagara, la recherche appliquée et les activités démonstration de l'enacadrement porteront également sur les cultures maraîchères à cause du rôle important de la production maraîchère dans le schéma de production agricole de ces régions. On portera une attention particulière à l'utilisation de semences améliorées, à l'utilisation d'outils à une meilleure utilisation de l'eau, une meilleure manutention et préservation des récoltes et de meilleures organisations commerciales.

(d) Le projet mettra à la disposition des paysans de l'équipement et des outils agricoles ainsi que des intrants de production qui seront stockés dans chaque secteur de base et mis à la disposition des paysans contre paiement en espèces ou à crédit. Bien que les taux d'intérêt soient à l'origine de 4% avec une année de délai et un remboursement étalé sur 3 ans, on prévoit qu'au cours de la durée du projet les taux d'intérêt s'élèveront à un niveau qui reflètera de manière plus réaliste le coût de l'argent dans l'économie malienne.

(e) Au début, les agents de l'Opération Mils auront la responsabilité d'acheter les grains excédentaires au prix officiel pour l'OPAM, assurant ainsi à la production excédentaire des paysans le tarif officiel. Au fur et à mesure que la production d'arachides augmentera en tant que culture de rotation, on prévoit qu'un arrangement semblable sera pris avec la SOMIEX pour l'achat de ces récoltes au tarif officiel. Parallèlement à ces activités, des études économiques seront entreprises pour mettre au point d'autres techniques permettant d'augmenter les bénéfices de l'Opération Mils ainsi que sa capacité à se suffire à elle-même. Ces études porteront entre autre sur l'analyse de différents systèmes de commercialisation. Les Parties acceptent de discuter des différents systèmes de commercialisation et des autres moyens permettant à l'Opération Mils de se suffire à elle-même à la fin de ce projet.

(f) Conformément à la Section 5.2. de la partie principale de cet Accord, un fonds spécial sera créé pour assurer en temps voulu la disponibilité des fonds pour les activités en cours de projet. Le fonds recevra des versements des deux Gouvernements ainsi que les recettes provenant des opérations du projet. On prévoit qu'à la fin du projet les ressources de ce fonds seront suffisantes pour permettre la continuité et l'expansion des activités de l'Opération Mils.

(g) Au fur et à mesure que les nouvelles méthodes seront prêtes à être mises en démonstration, un programme de formation servira à recycler les agents. Ce programme fonctionnera de manière continue par de courts stages et séminaires au niveau de l'administration du cercle pour recycler les agents travaillant au niveau du village.

Du personnel de formation et du personnel plus spécialisé, particulièrement dans le domaine des cultures maraîchères, sera fourni par des observations à court terme et des visites de formation dans des instituts spécialisés et des entreprises de production au Mali ou dans d'autres pays africains.

Quelques possibilités de stages aux Etats-Unis seront offertes au personnel de plus haut niveau.

Environ 10 mois d'assistance technique par an seront fournis par l'A.I.D. par des missions à court terme de personnel en engagement direct ou de personnel contractuel.

Les activités sur le terrain seront placées sous la direction du Directeur de l'Opération Mils. Travaillant par l'intermédiaire d'une ligne de commande directe allant jusqu'à l'agent agricole au niveau du village et assisté par un personnel administratif, le Directeur aura

la responsabilité de la réalisation des objectifs du projet. L'équipe initiale composée de 146 personnes, dont 130 pour le personnel technique, passera à 280 plus le personnel de soutien supplémentaire pour s'occuper de la logistique, etc.

Le personnel de soutien technique au siège du Projet (Mopti) travaillera avec le personnel sur le terrain et grâce aux conseils que leur prodigueront les spécialistes à court terme sur les parcelles expérimentales et les parcelles de démonstration et également à l'occasion de réunions de village et de journées sur le terrain qui permettront aux paysans d'observer les résultats.

Des stages de recyclage de tous les agents au niveau du village seront entrepris chaque année.

Des réunions annuelles se dérouleront au niveau du cercle pour faire le rapport des activités de l'année écoulée, pour évaluer les résultats et pour prévoir le programme de l'année suivante.

2. L'INFRASTRUCTURE RURALE

Parallèlement aux activités agricoles, un effort de soutien important sera entrepris pour améliorer l'infrastructure des régions agricoles de la cinquième Région. Les trois sous-éléments de cet effort sont une brigade d'amélioration et d'entretien des routes rurales, six unités de puisatiers de village qui seront également utilisées pour améliorer les sources d'eau existantes, et des outils et de l'équipement pour améliorer la volonté de coopération et les possibilités des forgerons de village.

La brigade des routes sera utilisée dans les cercles de Bankass et de Koro, deux des cercles les plus peuplés de la zone du projet. Ces cercles sont mal équipés en matière de communications routières. On prévoit que 470 kilomètres de routes environ seront rénovées au cours des trois années du projet. Les priorités pour la rénovation des routes seront établies par le Directeur de l'Opération Mils et le critère de choix dépendra de leur importance pour l'évacuation des céréales et le transport des intrants jusqu' aux zones du projet.

Parallèlement aux activités ci-dessus, un projet destiné à augmenter la quantité d'eau disponible dans les cercles de Bankass et de Koro sera entrepris. Six unités, trois pour chaque cercle, seront munies du type d'équipement approprié pour l'approfondissement des puits existants, le creusage de nouveaux puits et des travaux de soutien utilisant une main d'oeuvre nombreuse pour améliorer l'approvisionnement en eau. Le bureau des puits ruraux (l'Opération Puits) du Ministère du Développement Industriel et du Tourisme aura la direction de ces travaux. Les priorités en matière de puits à améliorer seront établies par le Directeur de l'Opération Mils en collaboration avec la direction locale des cercles et arrondissements où opéreront les unités. On prévoit que 3400 mètres environ de nouveaux puits et de puits approfondis seront creusés au cours de la durée du projet. Ces travaux doivent produire entre 300.000 et 400.000 litres par jour de ressources en eau supplémentaires dans les régions concernées.

Les forgerons sont essentiels à la réussite de la transformation de l'agriculture rurale des régions concernées. Il y a actuellement dans la région un nombre important de forgerons potentiels qui sont insuffisamment équipés et formés pour pouvoir accomplir les tâches de plus en plus difficiles qui leur seront demandées. En plus de la formation, le projet fournira à ces forgerons des outils de base et une certaine quantité de matériaux de travail de base qui leur permettront d'entrer à nouveau dans le circuit économique monétaire avec des fournitures et des matériaux adéquats. Ces personnes pourront fournir les outils de base qui seront nécessaires aux paysans de la zone du projet une fois que quelques années se seront écoulées. On prévoit que l'augmentation de l'activité économique dans les deux cercles rendra cet aspect du projet autonome en un minimum de temps.

Pièce Jointe 1 de l'Annexe 1
En date du mois de mai 1977

PLAN FINANCIER DU PROJET^a

(Source et demande de financement—en milliers de dollars)

| AUPORTS | Treck la pour l'Année Budgéttaire en cours | | | | | | Années Futures Prévues | | | Total | | |
|---|---|-----|------------|-----|--------------|-----|---------------------------|-----|--------------|-------|--------------|-----|
| | Engagements Cumulés | | AID | | GRM | | AID | | GRM | | AID | |
| | AID | GRM | AID | GRM | AID | GRM | AID | GRM | AID | GRM | AID | GRM |
| A. Services Contractuels | | | | | | | | | | | | |
| 1. Horticulteur | 30 | | 35 | | 70 | | 90 | | 135 | | 135 | |
| 2. Agronome Rsr | 70 | | 90 | | 40 | | 40 | | 250 | | 250 | |
| 3. Contrôleur Puisatier | 30 | | 40 | | 35 | | 35 | | 110 | | 110 | |
| 4. Spéc. du Développement Comm. | 30 | | 40 | | 35 | | 35 | | 105 | | 105 | |
| Sous-Total, Services Contractuels | 160 | | 205 | | 235 | | 600 | | 600 | | 600 | |
| B. Formation des Participants, Total | | | | | | | | | | | | |
| | 21 | | 26 | | 69 | | 69 | | 116 | | 116 | |
| C. Biens d'Équipement | | | | | | | | | | | | |
| 1. Opération Mils | 264 | | 159 | | 343 | | 293 | | 766 | | 766 | |
| 2. Opération Puits | 221 | | --- | | --- | | 488 | | 514 | | 514 | |
| 3. Travaux Publics | 565 | | --- | | --- | | --- | | 1,053 | | 1,053 | |
| 4. Forgerons | 100 | | --- | | --- | | --- | | 100 | | 100 | |
| 5. Divers | 12 | | --- | | --- | | --- | | 12 | | 12 | |
| Sous-Total, Biens D'Équipement | 1,162 | | 159 | | 1,124 | | 2,445 | | 2,445 | | 2,445 | |

| | | | | | | | | |
|---|-------|-----|-------|-----|-------|-------|-------|--------|
| D. Autres Frais | | | | | | | | |
| 1. Frais de Fonctionnement | | | | | | | | |
| a. Opération Mils | 199 | 140 | 340 | 202 | 703 | 998 | 1,242 | 1,340 |
| b. Opération Puits | 46 | 3 | 165 | 6 | 55 | 34 | 266 | 43 |
| c. Travaux Publics | 102 | 6 | 251 | 62 | 217 | 66 | 570 | 134 |
| d. Contribution en provenance des recettes ² | — | — | — | 279 | — | 3,020 | — | 3,299 |
| Sous-Total, Frais De Fonctionnement | 347 | 149 | 756 | 549 | 975 | 4,118 | 2,078 | 4,816 |
| 2. Construction | 188 | — | — | 30 | — | 30 | — | 248 |
| 3. Entrants agricoles | 311 | — | — | 264 | — | 1,677 | — | 2,252 |
| 4. Aléas/Inflation ³ | — | — | — | 160 | — | 976 | — | 199 |
| Total | 2,189 | 149 | 1,600 | 549 | 5,086 | 4,317 | 8,875 | 5,015 |
| | | | | | | | | 13,890 |

¹ Une variation de 15% sera autorisée entre les grands points des articles A, B, C et D à condition qu'aucun point ne soit éliminé.

² Comprend les commissions pour les achats à l'OPAM, celles du fonds de renouvellement des mobylettes et celles des remboursements de crédit.

³ Le montant des aléas et inflations pour l'Année Fiscal 76 appliqué pour faire face aux coûts des biens d'équipement en hausse de prix.

HAITI

Health Services

*Agreement signed at Port-au-Prince August 30, 1977;
Entered into force August 30, 1977.*

**“STRENGTHENING HEALTH SERVICES II
PROJECT GRANT AGREEMENT BETWEEN
THE REPUBLIC OF HAITI AND
THE UNITED STATES**

PROJECT GRANT AGREEMENT

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ANNEX 1: PROJECT DESCRIPTION

PROJECT GRANT AGREEMENT

Dated AUGUST 30, 1977

Between the REPUBLIC OF HAITI ("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 described in Annex 1, will consist of the planning and design of a model rural health delivery system, the strengthening of the Department of Public Health and Population's ("DSPP") capability to expand such a system nationwide, and the funding of a decreasing share of the operating costs of the National Society for Endemic Disease's ("SNEM") malaria control programs leading to eventual full support of such programs by Grantee by the Project Assistance Completion Date defined herein. 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., in furtherance of the purposes of the Alliance for Progress, and 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 Twenty Five Thousand United States ("U.S.") Dollars (\$7,525,000) ("Grant"). The Grant may be used to finance foreign exchange 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, 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 the equivalent of U.S. \$5,600,000, 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 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 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. Unless A.I.D. otherwise agrees, prior to the first disbursement under the Grant, or to the issuance by

^[1]75 Stat. 424; 22 U.S.C. § 2151 note. [Footnote added by the Department of State.]

A.I.D. of documentation pursuant to which disbursement will be made, the Grantee will, 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;

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;

(c) Evidence that Grantee has duly and lawfully established a department for administration within DSPP.

SECTION 4.2. Additional Disbursement. Unless A.I.D. otherwise agrees, prior to disbursement under the Grant, or to issuance by A.I.D. of documentation pursuant to which disbursement will be made, for any purpose other than to finance the technical advisor to SNEM, the Grantee will furnish to A.I.D. in form and substance satisfactory to A.I.D. an implementation plan containing a time phased work schedule for SNEM's activities during the first year of the Project and a similar schedule for DSPP, which schedules describe the activities to be carried out, the goals and targets to be achieved, and the offices or individuals responsible for each activity.

SECTION 4.3. Disbursement for Operating and Personnel Expenses. Prior to disbursement under the Grant, or to issuance by A.I.D. of documentation pursuant to which disbursement will be made, to finance operating or personnel expenses of SNEM or DSPP, Grantee will furnish to A.I.D. in form and substance satisfactory to A.I.D., a plan including:

(a) An itemization of the specific operating and personnel expenses for SNEM and DSPP during the first year of the Project for which Grant funds will be used; and

(b) A staffing plan for SNEM and DSPP showing the organization and positions necessary for the Project, the schedule for establishing and filling these positions, the salaries for these positions, and the source of funds for paying the salaries.

SECTION 4.4. Disbursement for Equipment and Materials. Prior to disbursement under the Grant, or to issuance by A.I.D. of documentation pursuant to which disbursement will be made, to finance equipment or materials, 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 plan for procurement of equipment and materials for the Project, including for each procurement the estimated cost, source

and origin, purpose, destination, delivery time and method of effecting the procurement; and

(b) Plans and specifications, bid documents, cost estimate, and time schedules for Grant financed equipment and materials.

SECTION 4.5. Disbursement for Training. Prior to disbursement under the Grant, or to issuance by A.I.D. of documentation pursuant to which disbursement will be made to finance training, Grantee will, except as the Parties may otherwise agree in writing, furnish A.I.D. in form and substance satisfactory to A.I.D. a training plan for the Project including:

- (a) Proposed long and short term training;
- (b) The schedule and estimated costs of the proposed training;
- (c) The criteria used in selecting participants; and
- (d) Measures to be taken for insuring that trainees continue to work in the positions for which they receive training.

SECTION 4.6. Disbursement For SNEM. Unless A.I.D. otherwise agrees, prior to disbursement under the Grant or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made after December 31, 1979, to finance any SNEM activity, the Grantee will furnish to A.I.D. in form and substance satisfactory to A.I.D. a plan for the integration or merger of SNEM and the DSPP.

SECTION 4.7. Notification. When A.I.D. has determined that the conditions precedent specified in Sections 4.1 through 4.6 have been met, it will promptly notify the Grantee.

SECTION 4.8. Terminal Dates for Conditions Precedent.

(a) 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.

(b) If all of the conditions specified in Section 4.2, 4.3, and 4.4 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.

(c) If all of the conditions specified in Section 4.5 have not been met within 180 days from the date of this Agreement, or such later date as A.I.D. may agree to in writing, A.I.D., at its option, may cancel the then undisbursed balance of the Grant to the extent not irrevocably committed to third parties, and may terminate this Agreement by written notice to the Grantee.

(d) If all of the conditions specified in Section 4.6 have not been met by December 31, 1979, or such later date as A.I.D. may agree to in writing, A.I.D., at its option, may cancel the then undisbursed balance of the 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. Grantee shall furnish A.I.D. within 180 days from the date of this Agreement an evaluation plan which will be revised annually during the Project. Except as the Parties otherwise agree in writing, the plan 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. Revised Plan for Operating and Personnel Expenses. Grantee and A.I.D. will, except as the Parties may otherwise agree in writing, revise and update annually during the Project the plan submitted by Grantee under Section 4.3.

SECTION 5.3. Revised Training Plans. Grantee will, except as the Parties may otherwise agree in writing, furnish A.I.D. semi-annually during the Project in form and substance satisfactory to A.I.D. a revised updated version of the training plan submitted by Grantee under Section 4.5.

SECTION 5.4. Rural Health Policy. During this Project and thereafter, Grantee will continue to give the extension of health services to rural areas high priority as a national goal and will coordinate the activities of A.I.D. and the Pan American Health Organization ("PAHO") relating to DSPP's extension of health services to rural areas to insure that A.I.D.'s and PAHO's efforts complement and reinforce each other without wasteful duplication or inconsistency.

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 and 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,[1] 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

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

services required for the Project having their source and, except as A.I.D. may otherwise agree in writing, their origin in Haiti ("Local Currency Costs").

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 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 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 by purchases or from local currency already owned by the U.S. Government; 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 favor 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 Haiti 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 Haiti at the highest rate of exchange which at the time the conversion is made, is not unlawful in Haiti!

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: Secretary of State for Public
Health and Population Depart-
ment of Public Health and
Population
Port-au-Prince, Haiti

Alternate address for cables:

Secretary of State for Public
Health and Population Depart-
ment of Public Health and
Population
Port-au-Prince, Haiti

To A.I.D.:

Mail Address:

Director
USAID Mission to Haiti
c/o United States Embassy
Port-au-Prince, Haiti

Alternate address for cables:

DIR USAID
United States Embassy
Port-au-Prince, Haiti

Other addresses may be substituted for the above upon the giving of notice. All notices, requests, communications, and documents submitted to A.I.D., hereunder may be in French, but must be accompanied by an official English translation.

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 Secretary of State for Public Health and Population and A.I.D. will be represented by the individual holding or acting in the office of Mission Director of USAID/Haiti, 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.

SECTION 8.4. Language of Agreement. This Agreement is prepared in both English and French. In the event of ambiguity or conflict between the two versions, the English language version will control.

IN WITNESS WHEREOF, the 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 the day and year first above written.

REPUBLIC OF HAITI

By: **WILLY VERRIER**

Dr. Willy Verrier

Title: *Secretary of State for
Public Health & Population*

By: **E BROS**

Emmanuel Bros

Title: *Secretary of State for
Finance & Economic Af-
fairs*

By: **RAOUL BERRET**

Raoul Berret

Title: *Executive Secretary
CONADEP*

UNITED STATES OF
AMERICA

By: **FRAZIER MEADE**

Frazier Meade

Title: *Chargé d'Affaires a.i.
American Embassy
Port-au-Prince, Haiti*

By: **P D MASSEY**

Parke D. Massey

Title: *Acting Director
USAID/Haiti*

¹ See footnote 1, p. 5166. [Footnote added by the Department of State.]

ANNEX 1**Project Description****A. The Project**

This Project represents the second phase of a planned three-phase program, the goal of which is to extend affordable health services to a majority of the population in Haiti's rural areas. The purpose of this project is to develop the capacity of the Department of Public Health & Population (DSPP) to plan and administer an integrated rural health delivery system (RHDS).

Specifically, the DSPP will (a) conduct national health planning based on community health needs, (b) design a rural health delivery system suitable for nation-wide, replication; and (c) take steps to strengthen its planning and administrative capacity so as to be capable of supporting such a nation-wide rural health delivery system (RHDS). Concurrently, the National Malaria Service (SDEM) will carry out activities aimed at reducing malaria to an annual incidence of 500 cases per million people or less in order to make it feasible to incorporate malaria control into an integrated RHDS. The DSPP's Directorate General will have principal responsibility for implementing the project, and for administering the flow and utilization of project-financed resources and services to organizational entities within the DSPP. SDEM will be responsible for administering the malaria control program, until such time as DSPP's strengthened administrative capacity and the lowered incidence of malaria make possible the integration of SDEM into the DSPP. Since the Pan American Health Organization (PAHO) is also providing assistance to the DSPP in carrying out the Government of Haiti's program to regionalize health administration, the DSPP will coordinate PAHO & AID-assisted efforts to insure that these efforts are complementary and mutually reinforcing. Specific activities to be undertaken under this Project are as follows:

1) Health Planning

The primary objective of planning activities carried out under this project will be to develop all details of a Rural Health Delivery System (RHDS) suitable for nation-wide replication under a follow-on project.

The RHDS model will be designed to alleviate the major health problems of rural Haiti as defined by epidemiological and demographic data, and will represent a synthesis of the experience to date of the most cost-effective health interventions in Haiti. The design process will examine these and alternative interventions, including refinements deriving from regional differences, and will include considerations of malnutrition, fertility rates, water supply, traditional practices, socio-economic conditions, and additional factors affecting the health status of rural Haitians. Because of the limited budgetary

resources of the Government of Haiti, the planning process will focus on least-cost approaches to rural health service delivery.

Under the previous Strengthening Health Services I project, long and short term technical assistance is being provided through a contract with Westinghouse Health Systems (WHS) to assist the DSPP in producing a revised national health plan which will reflect analysis of health sector needs and priorities and in conducting certain analyses preliminary to planning a model rural health delivery system (RHDS) including analysis of national health legislation; clarification of relationships between other donor projects as these relate to planning, and implementing health projects in the North and South regions; analysis and synthesis of various existing health sector projects for potential adaptation under the RHDS; assistance in clarifying intra-DSPP organizational relationships for purposes of planning the RHDS; analysis of health sector manpower needs; identification of transportation system requirements; inventory of rural health facilities, as well as the renovations, equipment, and maintenance needed to create a functioning facilities network under the RHDS; and analysis of DSPP's central and field communications needs to implement the RHDS.

Under this project, additional technical assistance will be provided to assist the DSPP in conducting the analyses and tests necessary, and drawing up the formal plans, for nation-wide implementation of the RHDS. As to be addressed will include, but not be limited to construction, vehicle, and maintenance requirements of the central and field transportation systems (estimated to require six (6) person/months of technical assistance); construction, drugs, medical supplies, equipment and management systems needed by DSPP's supply and logistics units (estimate to require nine (9) person/months of technical assistance), and development of a time-phase plan for integration of SDEM within the DSPP in order to carry out malaria control programs within an integrated RHDS. The first draft of this integration plan will be completed by June, 1978.

Additional technical assistance will be provided to assist the DSPP in identifying opportunities for coordination of rural health services with private voluntary agencies; developing a unified training program for integration into public and private health sector training plans; developing staffing patterns, including salary requirements for central and field health personnel under a nation-wide RHDS; and evaluating the immediate and longer term cost implications for all elements of the proposed RHDS model, and proposed funding sources.

The project will finance two years worth of certain personnel and operating costs, as well as training, equipment and materials for the DSPP's Bureau of Health Planning and Evaluation; design and some testing of the RHDS model, and a technical exchange and training program in the School of Medicine's Department of Community Medicine.

The DSPP's Bureau of Health Planning and Evaluation will be primarily responsible for organizing, carrying out, and evaluating all activities related to the design of the RHDS, and will present this design to AID on or about June, 1978.

2) Institutional Strengthening

Under the previous Strengthening Health Services I project, long and short-term technical assistance is being provided through Westinghouse Health Systems contract to assist the DSPP in strengthening its institutional capabilities. This includes analysis and recommendations in the fields of manpower (in the central headquarters), transportation, supply and logistics, and information systems; it also includes analysis of, and assistance in implementing, recommendations of the Commission on Administrative Reform; and preliminary technical services to the Statistics Section in improving the DSPP's health data and management information systems.

Under this project, additional technical services will be financed in the areas of program budgeting and budget systems (estimated as 2 person/months of technical assistance); continuing support to strengthen data handling, and information systems (estimated at 12 person/months of technical assistance); DSPP evaluation of this project and on-going internal evaluation capability (estimated at 2 person/months of technical assistance and general long and short-term assistance to all parts of the organization in administration, and initial implementation of the RHDS. The project will finance two years worth of certain personnel and operating expenses as well as training, equipment, and materials for the DSPP's Bureau of Administration and the Statistics Section.

3) Malaria Control

Project funds will be used to finance a contract for an administrative advisor to SDEM. In addition, this Project will finance a decreasing share of the costs of personnel and some operating costs of SDEM. These costs will be absorbed by the GOH on an increasing basis over the life of the Project. The GOH will finance the cost of drugs and medicine, equipment and materials, pesticides and larvicides, and vehicles to carry out malaria control activities over the life of the Project.

Continued PAHO technical advisory support to SDEM, and provision of advanced long-term training for a SDEM epidemiologist and parasitologist during this Project, are considered essential to reaching the previously stated goal for reduced malaria incidence, which will in turn provide a basis for the future merger of SDEM and DSPP.

B. Resources

The A.I.D. grant of \$7.525 million will constitute approximately 54% of the total project cost of \$14.977 million. These funds will be made available on an incremental basis, with \$7.1 million to be

approved in A.I.D.'s Fiscal Year 1977 and \$425,000 in Fiscal Year 1978 (subject to availability of funds). The A.I.D. contribution will cover the costs of technical assistance, personnel and operating expenses, training, equipment and materials as shown in Tables I and II attached to this Annex. The Government of Haiti will provide the equivalent of up to \$5.6 million, or 40% of total project cost. A continuing PAHO contribution to SNEM in the form of technical advisory services and training would constitute 6% (\$852,000) of the total project cost. DSPP's activities under this project (totaling \$1.525 million will take place over two-year period.) SNEM's activities will take place over a five year period.

The Government of Haiti may make changes among line items up to 10% of the value of each line item set forth in Financial Tables I and II attached to this Annex. Proposed changes exceeding 10% must be by mutual, written agreement between A.I.D. and the Government of Haiti.

Attachments: Table I: Projected Expenditures
Table II: Projected Inputs

Annex 1
Table I

STRENGTHENING HEALTH SERVICES II
SCHEDULE OF PROJECTED EXPENDITURES
(\$U.S. 000)

| | A.I.D. CONTRIBUTION | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Total |
|----------------|--|---|---|---|---|---|--|
| DSPP | Technical Assistance ² (DSPP Staff) (Petit Gove) (Crox-des Bouquet's Area) (Technical Exchange) | 495 156 (51) (10) (15) (86) (86) 103 80 23 12.5 | 2430 156 (50) (11) (15) (86) 116.5 231 12.5 | 1331 | 882 | 779 | 735 |
| | Operating Costs Equipment/Materials | | | | | | 495 312 (101) (21) (36) (160) 219.5 311 35.5 |
| | Contingency/Inflation | 66 | 86 | | | | 152 |
| DSPP Sub-Total | | 923 | 602 | | | | 1,525 |
| SNEM | Personnel (Salaries, Allowances, Per Diem) Operating Expenses (Incentives, P.O.L.) Other | 1,342 55 110 | 1,386 60 55 | 1,285 66 - | 810 72 - | 700 79 - | 5,503 332 165 |
| | SNEM Sub-Total | 1,507 | 1,481 | 1,351 | 882 | 779 | 6,000 |
| SNEM | GOVERNMENT OF HAITI CONTRIBUTION | 920 | 1,020 | 1,120 | 1,220 | 1,320 | 5,600 |
| | Technical Assistance Personnel Costs (Office Furniture/Other) Operating Costs (Office Furniture/Other) Commodities (Equipment & Materials) (Drugs & Medical Supplies) (Pesticides, Larvicides) (Vehicles and Spare Parts) | 61 203 656 (149) (200) (245) (62) | 62 260 698 (145) (220) (274) (59) | 60 366 694 (235) (150) (254) (55) | 60 356 391 (2) (110) (222) (57) | 56 337 375 (1) (100) (216) (58) | 269 945 1,542 2,814 (532) (780) (1,211) (201) |
| SNEM | PAHO Contribution (Est.) Technical Assistance, Training | 186 | 154 | 160 | 171 | 181 | 852 |
| | Total Project Expenditures | 3,536 | 3,257 | 2,631 | 2,273 | 2,280 | 13,977 |

¹ Subject to Project Agreement, Section 2.2.

² Includes funds for one year of administrative advisor to SNEM.

Annex 1
Table II

STRENGTHENING HEALTH SERVICES II
PROJECT INPUTS TO ENTITIES
(\$U.S. 000)

| Department of Public Health and Population (DSPP) | | | | | | | | | | | SNEM | | | Totals | |
|---|-----|------------------|----|--------------------|-----|-----|----------------|-----|----|-------------------------|-------|-------|-------|--------|----|
| Bureau of Planning | | Bureau of Admin. | | Statistics Section | | | Design of RHDS | | | Department of Com. Med. | | | | | |
| FX | LC | FX | LC | FX | LC | FX | LC | FX | LC | FX | LC | FX | LC | FX | LC |
| Foreign (FX) or Local (LC) Currency | | | | | | | | | | | | | | | |
| A.I.D. Contribution ¹ | 399 | 164 | | 72 | 106 | 116 | | 335 | 80 | 101 | | 6,000 | 737 | 6,788 | |
| Technical Assistance ² | | | | | | | | | | | | | | | |
| Personnel | | | | | | | | | | | | | | | |
| Training | | | | | | | | | | | | | | | |
| (DSPP Staff) | | | | | | | | | | | | | | | |
| Petit Gave | | | | | | | | | | | | | | | |
| Croix-des-Bouquets | | | | | | | | | | | | | | | |
| (Croix des Bouquets) (Technical Exchange) | | | | | | | | | | | | | | | |
| Operating Costs ³ | | | | | | | | | | | | | | | |
| Equipment & Materials | | | | | | | | | | | | | | | |
| Other | | | | | | | | | | | | | | | |
| Contingency/Inflation | | | | | | | | | | | | | | | |
| GOH Contribution | | | | | | | | | | | | | | | |
| PAHO Contribution (est.) | | | | | | | | | | | | | | | |
| Total Inputs | 399 | 164 | | 72 | 106 | 116 | | 335 | 80 | 101 | 3,134 | 9,318 | 3,871 | 10,106 | |

¹ Subject to Section 2.2 of Project Agreement.² Includes funds for one year of administrative advisor to SNEM.³ Includes \$150,000 operating costs for the Petit Gave project and \$109,000 for Croix-des-Bouquets.

**“REINFORCEMENT DES SERVICES DE SANTE II
ACCORD DE DON ENTRE
LA REPUBLIQUE D'HAITI ET
LES ETATS-UNIS**

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Project de l'A.I.D. numero 521-0086

ACCORD DE DON POUR PROJET

En date du 30/8/1977

Entre la REPUBLIQUE D'HAITI ("Beneficiaire") Et Les ETATS-UNIS d'AMÉRIQUE, par l'intermédiaire de l'Agence pour le développement international ("A.I.D.").

ARTICLE 1: L'Accord

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

ARTICLE 2: Le Projet

SECTION 2.1 Définition du Projet. Le Projet, qui est décrit plus en détail à l'Annexe 1, comprendra la planification et l'étude d'un système de modèle de livraison de santé rurale, le renforcement des capacités du Département de la Santé Publique et de la Population (DSPP) pour l'expansion d'un tel système à l'échelle nationale et le financement d'une partie décroissante des dépenses de l'opération des programmes du contrôle de la malaria de la Société Nationale, pour les maladies endémiques (SNEM) conduisent à un support total de ces programmes par le Bénéficiaire par la Date d'achèvement d'Assistance pour le Projet définie ici. 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 nommées à la Section 8.2., sans amendement officiel du présent Accord.

SECTION 2.2. Nature différentielle du Projet.

(a) La contribution de l'A.I.D. au Projet se fera par augmentations, la première étant mise à disposition conformément à la SECTION 3.1. du présent Accord. Des augmentations ultérieures seront sujettes à la disponibilité des fonds de l'A.I.D. à cette fin, ainsi qu'à l'accord mutuel des Parties d'entreprendre le Projet, au moment d'une augmentation ultérieure.

(b) Dans le cadre de la date d'achèvement d'assistance pour le Projet énoncée dans le présent Accord, l'A.I.D., après consultation

TIAS 9094

avec le Beneficiaire, peut preciser dans les lettres d'exécution du Projet, les periodes appropriées pour l'utilisation des fonds accordés par l'A.I.D. au titre d'une augmentation individuelle 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. aux fins de l'Alliance pour le Progres et conformément à la loi 1961 sur l'aide étrangère telle qu'elle a été amendée, accepte de prêter au Bénéficiaire aux termes du présent Accord un montant qui ne dépassera pas sept millions cinq cent vingt cinq mil dollars des Etats-Unis ("E.U.") (\$7,525,000) ("Don").

SECTION 3.2. Resources du Bénéficiaire pour l'execution dy Projet.

(a) Le Bénéficiaire accepte de fournir ou de faire fournir pour l'execution du Projet, tous les fonds, oûtre le Don et toutes les autres ressources requises pour executer, efficacement et en temps voulu le Projet.

(b) Les ressources fournies par le Bénéficiaire pour le Projet ne seront pas inférieures a l'équivalent de dollars E.U. \$5,000,600, y compris les coûts supportés sur une base "en nature".

SECTION 3.3. Date d'achèvement d'assistance pour le Projet.

(a) La "Date d'Achèvement d'Assistance pour le Projet" (DAAP) qui est le 30 Aout, 1982, ou toute autre date dont les Parties peuvent convenir par écrit, est la data a laquelle les Parties estiment que tous les services financés au titre du Don auront été executé et que tous les biens financés aut titre de ce Don auront été fournis pour l'execution du Projet comme l'envisage le présent Accord.

ARTICLE 3: Financement (suite)

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

(c) Les demandes de décaissement, accompagnées des pieces justificatives nécessaires qu'indiquent les lettres d'exécution du Projet, doivent parvenir a l'A.I.D. ou à la banque mentionnée à la Section 7.1 au plus tard neuf (9) mois aprés la DAAP ou toute autre période dont l'A.I.D. convient par écrit. Apres cette période, l'A.I.D. apres avoir envoyé avis écrit au Beneficiaire, 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 pieces justificatives nécessaires qu'indiquent les lettres d'exécution du Projet, n'ont pas été reçues avant l'arrivée à expiration de ladite période.

ARTICLE 4: Conditions à remplir avant le décaissement

SECTION 4.1. Premier décaissement. A moins que l'A.I.D. n'accepte 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, a moins que les Parties n'en décident autrement par écrit fournira à l'A.I.D. sous une forme et dans un fond établis à la satisfaction de cette dernière:

SECTION 4.1. Premier décaissement (suite).

(a) L'opinion d'un avocat-conseil acceptable par l'A.I.D. selon laquelle le présent Accord a été dûment autorisé et/ou ratifié par le Bénéficiaire et exécuté en son nom et en vertu de laquelle le présent Accord constitue une obligation valable et juridiquement obligatoire du Bénéficiaire conformément à tous ses termes;

(b) Une déclaration du nom de la personne représentant le Bénéficiaire ou agissant en son nom comme l'indique la section 8.3, et de tout autre représentant, ainsi qu'une signature specimen de chaque personne dont le nom figure dans ladite déclaration;

(c) Evidence que le Bénéficiaire a légalement et dûment établi un département pour l'administration au sein du DSPP.

SECTION 4.2. Décaissement additionnel. A moins que l'A.I.D. accepte avant le décaissement à effectuer au titre du Don ou avant la publication par l'A.I.D. des documents selon lesquels le décaissement sera effectué, seulement dans le but d'apporter une assistance de conseil technique au SNEM, le Bénéficiaire, sauf indication contraire écrite des Parties, fournira à l'A.I.D., un plan d'Execution contenant un horaire de travail pour les activités du SNEM pendant la première année du Projet et un similaire pour le DSPP, lesquels décrivent les activités à accomplir, les buts et objectifs à atteindre, et, les offices ou individus responsables pour chaque tâche.

SECTION 4.3. Décaissement pour les Frais d'Operation et de Personnel. Avant le décaissement à effectuer au titre du Don ou avant la publication par l'A.I.D. des documents, selon lesquels le décaissement sera effectué pour financer les frais d'operation et du personnel du SNEM ou du DSPP, le Beneficiaire, fournira à l'A.I.D. sous une forme et dans un fond établis à la satisfaction de l'A.I.D. un plan comprenant:

(a) Detail des dépenses spécifiques pour les opérations et le personnel du SNEM et du DSPP pendant la première année du Projet pour lesquels les fonds du Don seront utilisés; et

(b) Un plan du personnel pour le SNEM et le DSPP montrant l'organisation et les positions nécessaires pour le Projet, l'horaire pour l'établissement et le recrutement pour ces positions; les salaires pour lesdites positions et l'origine des fonds pour leur paiement.

(c) Preuve qu'un Comité a été formé pour développer un plan pour l'intégration du SNEM dans le DSPP. Un tel comité comprendrait un personnel clef représentant le DSPP, le SNEM, et devrait inclure le

conseiller financié de l'A.I.D. au SNEM et le chef de l'équipe de la Westinghouse.

SECTION 4.4. Décaissement pour Equipement et Materiel. Avant le décaissement à effectuer au titre du Don ou avant la publication par l'A.I.D. des documents selon lesquels le décaissement sera effectué pour financer l'équipement ou le matériel, le Bénéficiaire, sauf indication contraire écrite des Parties, devra fournir à l'A.I.D.:

(a) Un plan pour acquisition d'équipement et du matériel de ce projet, comprenant pour chaque acquisition, le devis, la source et l'origine, le but, la destination, délai de livraison et la méthode à effectuer l'acquisition; et

(b) Plans et spécifications, appels d'offre, devis et horaire pour l'équipement et le matériel financés du Don.

SECTION 4.5. Décaissement pour Formation du Personnel. Avant le décaissement à effectuer au titre du Don ou avant la publication par l'A.I.D. des documents selon lesquels le décaissement sera effectué pour financer la formation du personnel, le Bénéficiaire, sauf indication contraire écrite des Parties, devra fournir à l'A.I.D. sous une forme et dans un fond établis à la satisfaction de l'A.I.D. un plan de formation pour le projet:

(a) Une proposition pour la formation à long et à court terme;
(b) L'horaire et les devis de la formation proposé;
(c) Les critères à être utilisées dans la sélection des participants; et
(d) Les mesures à être prises pour assurer que les participants continueront à travailler dans les positions pour lesquelles ils ont reçu la formation.

SECTION 4.6. Décaissement pour le Support de la SNEM. A moins que l'A.I.D. accepte avant le décaissement à effectuer au titre du Don ou avant la publication par l'A.I.D. des documents selon lesquels le décaissement sera effectué pour financer toutes activités du SNEM, après le 31 Décembre, 1979, le Bénéficiaire, devra fournir à l'A.I.D. des formes et substances satisfaisantes à l'A.I.D. un plan pour l'intégration ou l'unification du SNEM et du DSPP.

SECTION 4.7. Notification. Lorsque l'A.I.D. a établi que les conditions précédentes mentionnées dans la section 4.1, à la section 4.6 ont été remplies, elle en notifiera rapidement le Bénéficiaire.

SECTION 4.8. Dates finales d'accomplissement des conditions susmentionnées.

(a) Si toutes les conditions mentionnées à la section 4.1 n'ont pas été remplies dans les 60 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. à la faculté de mettre fin au présent Accord par avis écrit envoyé au Bénéficiaire.

(b) Si toutes les conditions mentionnées aux sections 4.2, 4.3 et 4.4 n'ont pas été remplies dans les 120 jours qui suivent la date de signature

du présent Accord ou a une date ultérieure dont l'A.I.D. peut convenir par écrit, l'A.I.D. ne s'est pas engagée envers les Parties tiers et elle peut mettre fin au présent Accord en envoyant un avis écrit au Bénéficiaire.

(c) Si toutes les conditions mentionnées dans la section 4.5 n'ont pas été remplies dans les 180 jours qui suivent la date de signature du présent Accord, ou a une date ultérieure dont l'A.I.D. peut convenir par écrit, l'A.I.D. à la faculte d'annuler le solde non décaissé du Don dans la mesure où elle ne s'est pas engagée envers les Parties tiers et elle peut mettre fin au present Accord en envoyant un avis écrit au Bénéficiaire.

(d) Si toutes les conditions mentionnées dans la Section 4.6 n'ont pas été remplies au plus tard le 31 Decembre, 1979, ou a une date ultérieure dont l'A.I.D. peut convenir par écrit, l'A.I.D. à la faculté d'annuler le solde non décaissé dans la mesure où elle ne s'est pas engagée envers les Parties tiers et elle peut mettre fin au présent Accord en envoyant un avis écrit au Bénéficiaire.

ARTICLE 5: Conventions spéciales

SECTION 5.1. L'Evaluation du Projet. Le Bénéficiaire devra fournir a l'A.I.D. dans les 180 jours qui suivent la date de signature du présent Accord un programme d'évaluation qui sera revisé annuellement pendant le cours du Projet. Sauf indication contraire par écrit des Parties, le programme comprendra pendant l'exécution du Projet une ou plusieurs phases:

- (a) une évaluation de l'état d'avancement pour la réalisation des objectifs du Projet;
- (b) identification et évaluation des problèmes ou obstacles qui peuvent empêcher la réalisation des objectifs fixés;
- (c) l'évaluation de la maniere dont ces observations peuvent être utilisées pour aider à surmonter ces problemes; et
- (d) l'évaluation dans la mesure du possible de l'impact du Projet sur le développement en général.

SECTION 5.2. Plan Révisé pour les Dépenses d'Operation et du Personnel. Le Bénéficiaire et l'A.I.D., sauf indication contraire par écrit des Parties, reviseront et mettront à jour pendant le cours du Projet, le plan pour les dépenses d'opération et du personnel soumis par le Bénéficiaire conformément à la section 4.3.

SECTION 5.3. Plans Revisés pour la formation du Personnel. Sauf indication contraire par écrit, des Parties le Bénéficiaire fournira à l'A.I.D. deux fois par an durant le Projet, une version mise à jour des plans pour la formation soumise par le Bénéficiaire conformément à la section 4.5, sous une forme et dans un fond établis à la satisfaction de l'A.I.D.

SECTION 5.4. Politique de la Santé Rurale. Durant ce Projet et même après, le Bénéficiaire devra continuer à donner majeure priorité

aux soins medicaux des zones rurales comme un but national, et coordonnera les activités de l'A.I.D. et de l'Organisation de la Santé Pan Americaine ("PAHO") relatives à l'extension des services médicaux dans les zones rurales pour assurer que les efforts de l'A.I.D. et du PAHO se complètent et se renforcent sans double emploi ni gaspillage.

ARTICLE 6: Source d'achat

SECTION 6.1. Coûts en devises. Conformément à la section 7.1, les décaissements seront uniquement utilisés pour financer les coûts des biens et services requis pour l'exécution du Projet et ayant leur source et origine aux Etats-Unis (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 en Haïti ("Coûts en monnaie locale"). Dans la mesure où le présent Accord le stipule, les "coûts en monnaie locale" peuvent également inclure la fourniture des ressources en monnaie locale requis pour l'exécution du Projet.

ARTICLE 7; Decaissements

SECTION 7.1. Decaissement des coûts en devises.

(a) Après avoir rempli avec satisfaction les conditions susmentionnées, le Bénéficiaire peut obtenir le décaissement des fonds autre la 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) les demandes à l'A.I.D. d'achat des biens et services ou 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'A.I.D., 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) Les frais bancaires encourus par le Bénéficiaire pour ce que est des lettres d'engagement et des lettres de crédit seront finançés 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 également être financés dans le cadre du Don.

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., accompagnées des preuves justificatives requises comme le stipulent les lettres d'exécution du Projet, les demandes de financement de ces coûts.

(b) La monnaie locale requise pour ces décaissements peut être obtenue:

1) par l'acquisition par l'A.I.D. en dollars E.U. par achat ou de la monnaie locale que détient déjà le gouvernement des Etats-Unis; ou

2) par l'A.I.D. A) en demandant au Bénéficiaire de mettre à disposition la monnaie locale requise pour financer ces coûts et B) en mettant à disposition du Bénéficiaire par l'ouverture ou l'amendement de lettres de crédit spéciales en faveur du bénéficiaire ou de son mandataire, un montant en dollars E.U. équivalent au montant en monnaie locale rendu disponible par le Bénéficiaire, dollars qui seront utilisés pour l'achat aux Etats-Unis dans le cadre de procédures appropriées décrites dans les lettres d'exécution du Projet. L'équivalent en dollars de la monnaie locale rendu disponible au titre du Don sera, dans le cas de l'alinéa b)1 ci-dessus, le montant en dollars E.U. requis par l'A.I.D. pour obtenir la monnaie locale, et dans le cas de l'alinéa b)2 ci-dessus, un montant calculé au taux de change indiqué dans le mémoire d'exécution de la lettre spéciale de crédit applicable à la date d'ouverture ou d'amendement de la lettre de crédit spéciale.

SECTION 7.3. Autres formes de décaissement. Les décaissements du Don peuvent également s'effectuer par d'autres moyens dont les Parties peuvent convenir par écrit.

SECTION 7.4. Taux de change. Sauf indication spécifique prévue à la section 7.2, si les fonds fournis dans le cadre du Don sont introduits en Haïti par l'A.I.D. ou par un organisme privé ou public pour satisfaire aux obligations de l'A.I.D., le Bénéficiaire prendra les mesures nécessaires pour s'assurer que ces fonds peuvent être transformés dans la monnaie d'Haïti au taux de change le plus élevé, qui à l'époque de la conversion n'est pas illégal en Haïti.

ARTICLE 8: Divers

SECTION 8.1. Communications. Tout avis, demande, document ou autre communication presente par une Partie a l'autre dans le cadre du present Accord sera presente par ecrit, telegramme ou par cable et sera considere comme remis ou envoye lorsqu'il parviendra a la partie interessee a l'adresse ci-apres:

AU BENEFICIAIRE

Adresse: Secretaire d'Etat de la Sante Publique
et de la Population
Departement de la Sante Publique et de
la Population Port-au-Prince, Haiti

A L'A.I.D.

Adresse: Directeur de l'USAID
Ambassade Americaine
Port-au-Prince, Haiti

ADRESSE TELEGRAPHIQUE: DIRUSAID

Ambassade Americaine
Port-au-Prince, Haiti

D'autres adresses peuvent remplacer l'adresse ci-dessus sur avis de l'interesse. De plus tout avis ou documents soumis a l'A.I.D. peuvent etre ecrits en francais mais devront etre accompagnes d'une traduction officielle anglaise.

SECTION 8.2. Representants. Aux fins du present Accord, le Beneficiaire sera represente par une personne occupant le poste de Secretaire d'Etat de la Sante Publique et de la Population, et, l'A.I.D. sera representee par une personne occupant le poste de Directeur de l'USAID en Haiti; chacun d'eux pouvant, par avis ecrit, designer d'autres representants a toutes les fins autres que celles d'exercer le pouvoir au titre de la section 2.1 de reviser les elements de la description elargie a l'Annexe 1. Les noms des representants du Beneficiaire accompagnes des signatures specimens seront communiquees a l'A.I.D. qui peut accepter comme dument agree n'importe quel instrument signe par ces representants en application du present Accord jusqu'a reception de l'Avis ecrit de revocation de leur autorite.

SECTION 8.3. Annexe relative aux dispositions standard. Une "Annexe relative aux dispositions standard regissant le don pour projet" (Annexe 2) figure ci-joint au present Accord et en fait partie.

SECTION 8.4. Libelle de l'Accord. Le present Accord est prepare en anglais et en francais. En cas d'ambiguite ou de conflit entre les deux versions, la version anglaise seule fera foi.

En foi de quoi, le Beneficiaire et les Etats-Unis d'Amérique, chacun agissant par l'intermediaire de son representant dument agree, ont fait signer le present Accord en leur nom et l'ont fait remettre a la date de l'annee susmentionnee.

| REPUBLIQUE D'HAITI | | ETATS UNIS D'AMERIQUE | |
|--------------------|--|-----------------------|---|
| Par: | WILLY VERRIER | Par: | FRAZIER MEADE |
| Titre: | Dr. Willy Verrier <i>Secretaire d'Etat de la Sante Publique et de la Population</i> | Titre: | Frazier M. Meade <i>Charge d'Affaires Ambassade Americaine</i> |
| Par: | E BROS | Par: | P D MASSEY |
| Titre: | Emmanuel Bros <i>Secretaire d'Etat des Finances et des Affaires Economiques</i> | Titre: | Parke D. Massey <i>Directeur a.i. USAID/Haiti</i> |
| Par: | RAOUL BERRET | | |
| Titre: | Dr. Raoul Berret <i>Secretaire Executif Du CONADEP</i> | | |

ANNEX 1

Description Du Projet

A. Le Projet

Ce Projet représente la deuxième phase d'un programme concu en 3 étapes dont l'objectif est de mettre les services de santé à la portée d'une majorité de la population des régions rurales en Haïti.

Ce projet a pour but de développer la capacité du Département de la Santé Publique et de la Population DSPP à planifier et à administrer un système rural intégré de distribution des services de santé (RHDS).

Plus particulièrement, le DSPP devra: (a) diriger une planification à l'échelle nationale basé sur les besoins de santé de la communauté, (b) élaborer un système rural de distribution des services de santé susceptible de reproduction à l'échelle nationale et (c) prendre des mesures de renforcer sa capacité de planification et d'administration afin de pouvoir soutenir un tel système de distribution des services de santé à l'échelle nationale. Conurremment, le Service National des Endémies Majeures (SNEM) entreprendra des activités visant à réduire l'incidence annuelle des cas de malaria à 500 par million d'habitants voire moins dans le but de faciliter l'incorporation du contrôle de la malaria au RHDS intégré.

Le Directorate General du DSPP sera principalement responsable de l'exécution de ce projet aussi bien que de la régulation et de l'utilisation des ressources et des services financés par le projet au niveau des entités qui se trouvent au sein du DSPP. Le SNEM sera principalement responsable de l'administration du programme de contrôle de la malaria, jusqu'à ce que le renforcement de la capacité administrative

du DSPP et la réduction de l'incidence de la malaria permettent l'intégration du SNEM au DSPP. Puisque l'Organisation Pan-Américaine de la Santé (PAHO) fournit également une assistance au DSPP dans l'exécution du programme gouvernemental de régionalisation de l'administration de la Santé, le DSPP devra coordonner les efforts de la PAHO et de l'AID en vue de les rendre complémentaires et mutuellement enrichissants. Les activités spécifiques qui doivent être entreprises au nom de ce projet sont suivantes:

1) Planification de La Santé

Les activités entreprises au nom de ce projet auront comme objectif primordial de développer les détails d'un Système Rural de Distribution des Services de Santé (RHDS) susceptible de reproduction à l'échelle nationale dans un projet à venir.

Le modèle de RHDS sera conçue en vue de soulager les problèmes majeurs de la population rurale en fait de santé tels qu'ils sont définis par les données épidémiologiques et démographiques. Il représentera une synthèse des expériences accumulées aux cours des interventions les moins coûteuses faites dans le domaine de la santé en Haïti jusqu'à cette date. Ce processus de planification comprendra également un examen de ces interventions et d'autres alternatives, y compris certaines révisions relatives aux différences régionales, ainsi que des considérations sur la malnutrition le, taux de fertilité, l'approvisionnement en eau, les coutumes traditionnelles, les conditions socio-économiques et les autres facteurs susceptibles d'affecter le standard de santé de la population rurale en Haïti. A cause du caractère limité des ressources budgétaires du gouvernement haïtien, le processus de planification concentrera ses efforts sur les approches les moins coûteuses du système rural de distribution des services de santé.

Au nom d'un projet de Renforcement des Services de Santé antérieur un contrat d'assistance à long et à court terme a été signé avec "Westinghouse Health Systems" (WHS) afin d'aider le DSPP dans l'élaboration d'un plan National de Santé revisé qui tiendra compte de l'analyse des besoins et des priorités du secteur de la santé et dans la conduite de certaines analyses préliminaires relatives à la planification d'un système modèle de distribution des services de santé (RHDS); ce travail doit inclure une analyse des législations nationales relatives à la santé, la clarification des relations qui doivent exister entre les autres programmes d'assistance, dans ce que ces programmes ont en commun avec la planification et l'exécution des projets de santé pour les régions du Nord et du Sud; l'analyse et la synthèse des divers programmes actuellement en cours dans le domaine de la santé en vue d'une adaptation éventuelle au RHDS; une assistance dans la clarification des relations au sein du DSPP susceptibles de faciliter la planification du RHDS, une analyse des besoins en personnel, une détermination des besoins du système de transport, un inventaire des dispensaires ruraux, sans oublier les rénovations, l'équipement et l'entretien nécessaires à la création d'un réseau de facilités fonctionnelles au niveau du RHDS, et enfin une analyse des

besoins en moyens de communications ressentis par le bureau central et les bureaux régionaux du DSPP pour la mise en oeuvre du RHDS.

Selon ce projet, une assistance technique supplémentaire sera fournie au DSPP dans la conduite des analyses et essais requis, dans l'élaboration des plans définitifs pour l'extension à l'échelle nationale du RHDS. Les divers aspects qui doivent être considérés—sans pour autant exclure tout autre—comprendront les besoins en transport et entretien du bureau central et ceux en moyens de transport des bureaux régionaux (évalués à 6 "mois-personnes" d'assistance technique); construction, médicament et produits pharmaceutiques, équipement et système d'administration requis pour l'approvisionnement et les sections logistiques (évalués à 9 "mois-personnes" d'assistance technique, et le développement d'une esquisse de calendrier pour l'intégration du SNEM au DSPP afin d'implanter les programmes de contrôle de la malaria au sein d'un RHDS intégré. La première esquisse de ce plan d'intégration sera prête vers le mois de Juin 1978.

Une assistance technique supplémentaire sera offerte dans le but d'aider la DSPP à identifier les opportunités pour la coordination des services de santé rurale avec les activités des agences bénévoles privées, à élaborer un programme d'entraînement unifié à intégré aux programmes de formation des institutions de santé tant publiques que privées; à développer des organigrammes, comprenant les salaires des membres du personnel central et des bureaux locaux dans un RHDS national, et à évaluer des implications monétaires immédiates et éloignées pour tous les éléments du RHDS-modèle ainsi que les sources de financement en perspective.

Le projet fournira des fonds équivalents à 2 ans de frais pour une partie du personnel et des dépenses opérationnelles, aussi bien que pour l'entraînement, l'équipement et les matériels, du Bureau de Planification et d'Evaluation du DSPP, la préparation et certains essais du RHDS-modèle et un programme d'échange technique et d'entraînement du département de médecine communautaire de la faculté de médecine.

Le Bureau de Planification et d'Evaluation de la Santé du DSPP sera principalement responsable de l'organisation, de l'exécution et de l'évaluation de toutes les activités relatives à la planification du RHDS et devra soumettre ce plan à l'AID aux environs du mois de Juin 1978.

2) Renforcement Institutionnel

Au nom du projet de Renforcement des Services de Santé antérieur à celui-ci (projet 1) un contrat d'assistance technique à long et à court termes a été signé avec le "Westinghouse Health Systems" dans le but d'aider le DSPP à renforcer ses capacités institutionnelles. Ce travail de renforcement comprend l'analyse et les recommandations à faire en termes de main-d'œuvre (dans le bureau central du DSPP) les moyens de transport, l'approvisionnement, la logistique et les systèmes d'information. Il comprendra également l'analyse et l'assistance requises dans l'exécution du projet, des recommandations

faites par la Commission de réforme Administrative ainsi que dans les services techniques préliminaires offerts à la Section de Statistique pour l'amélioration des données recueillies et des systèmes d'information du DSPP.

Ce projet envisage également de financer des services techniques supplémentaires dans des domaines tels que la préparation du budget du programme et la préparation de systèmes budgétaires (évalués à 2 "mois-personnes" d'assistance technique). Il entend aussi continuer le support nécessaire au renforcement de la manipulation des données et des systèmes d'information (évalué à 12 "mois-personnes" d'assistance technique); évaluation de ce projet et la capacité d'auto-évaluation (estimée à 2 "mois-personnes" d'assistance technique) et une assistance à long et à court terme dans tous les aspects de l'organisation en fait d'administration et d'exécution au début du RHDS.

Le projet fournira les fonds équivalents à 2 ans de frais pour une partie du personnel et les dépenses opérationnelles aussi bien que pour l'entraînement l'équipement et le matériel du bureau d'administration et de la section des statistiques du DSPP.

3) Contrôle de la Malaria

Les fonds de projet seront utilisés pour le financement d'un contrat avec un conseiller administratif pour le SNEM. En outre les fonds de projet serviront au financement d'une proportion décroissante du coût du personnel et de certaines dépenses opérationnelles du SNEM. Ces frais seront absorbés en proportions inverses par le GOH au cours de la durée du projet. Le GOH fera les frais en médicaments, produits pharmaceutiques, matériels et équipements, insecticides germicides et en véhicules pour mener à bien les activités de contrôle de la malaria pendant la durée du projet.

Le maintien du support technique accordé au SNEM ainsi que l'opportunité d'un recyclage avancé et à long terme pour un expert en épidémiologie et en parasitologie attaché au SNEM tout au cours du projet sont considérés comme indispensable à la réalisation de l'objectif pré-établi au niveau de la réduction de l'incidence de la malaria; ce qui à son tour, servira de base à la fusion éventuelle du SNEM et du DSPP.

B. Ressources

Le don de \$7.525.000,00 accordé par l'AID représente environ 54% des \$13.977.000,00 du coneraple projet. Ces fonds seront rendus disponibles avec par augmentation \$7.100.000,00 approuvé pour l'année budgétaire 1977 et \$425.000,00 pour 1978, (sous réserve de fonds disponibles). La contribution de l'AID fera les frais de l'assistance technique, du personnel et des dépenses opérationnelles, d'entraînement, d'équipement et de matériel conformément aux tableaux I et II de cette annexe. Le Gouvernement Haïtien fournira une somme équivalente à \$5.600.000,00, soit 40% du total. Le maintien de la contribution offerte au SNEM par le PAHO, sous forme de conseils

techniques et d'entraînement représenterait 6% du total, soit \$852.000,00. Les activités du DSPP relativement à ce projet (coût total 1.525.000,00 dollars) s'étendront sur une période de 2 ans. Celles du SNEM dureront 5 ans.

Le Gouvernement Hatien pourra changer, jusqu'à 10% les valeurs affectées a chacune des catégories figurant aux tableaux financiers I et II de cette annexe. Tout changement dépassant 10% doit faire l'objet de l'accord mutuel écrit entre l'AID et le Gouvernement Haitien.

Annexes: Tableau I Dépenses
Tableau II Investissements

REINFORCEMENT DES SERVICES DE SANTE
CALENDRIER DES DEPENSES ENVISAGEES
 (\$E.U. 000)

Annexe 1
 Tableau I

| | | Année 1 | Année 2 | Année 3 | Année 4 | Année 5 | Total |
|-------------|---|---|---|---|--|--|--|
| 1 | CONTRIBUTION DE L'AID | 2,430 | 2,083 | 1,351 | 882 | 779 | 7,525 |
| DSPP | Assistance Technique : Formation (DSPP Personnel) (Petit-Gove) (Région de Croix-des-Bouquets) (Échange Technique) Personnel Prix d'opération Equipment/Matériaux | 405 156 (61) (10) (15) (80) 103 89 23 | 166 (50) (11) (15) (80) 116.5 231 12.5 | | | | 495 312 (101) (21) (30) (160) 219.5 311 35.5 |
| | Contingence/Inflation | 66 | 86 | | | | 152 |
| | Sous-Total DSPP | 923 | 602 | | | | 1,525 |
| SNEM | Personnel (salaire, allocation, Per Diem, Dépenses d'Operations (ameublement Bureau) Autres | 1,342 35 110 | 1,366 60 55 | 1,285 66 - | 810 72 - | 700 79 - | 5,503 332 165 |
| | Sous-Total SNEM | 1,507 | 1,481 | 1,351 | 882 | 779 | 6,000 |
| | CONTRIBUTION DU GOUVERNEMENT D'HAITI | 920 | 1,020 | 1,120 | 1,220 | 1,320 | 5,600 |
| SNEM | Assistance Technique Personnel Dépenses d'Operations (Matériel de Bureaux/Autres) Dénées (Équipements/Matériaux) (Médicaments & fourniture médicales) (Pesticides, Larvicides) (Voiries et Pièces de Recharge) | 61 203 636 (149) (200) (245) (62) | 62 260 698 (145) (220) (274) 39 | 60 366 694 (235) (150) (274) (65) | 60 413 356 391 (235) (110) (222) (57) | 56 532 357 375 (1) (100) (216) (58) | 299 945 1,542 2,814 (532) (780) (1,211) (291) |
| SNEM | Estimation Contributions PAHO Formation en Assistance Technique | 186 | 154 | 160 | 171 | 181 | 852 |
| | Total des Dépenses du Projet | 3,536 | 3,237 | 2,631 | 2,273 | 2,280 | 13,977 |

¹ Sujet aux Accords de Projet, Section 2.2.

² Fonds inclus pour une année du Conseil Administratif au SNEM.

Annexe 1
Tableau II

REFORCEMENT DES SERVICES DE SANTÉ
INTRANTS DU PROJET AUX DIVISIONS
(\$E.U. 000)

| Département de la Santé Publique et de la Population (DSPP) | | | | | | | | | | SNEM | | | | Totaux | |
|---|-------------------------|------|------|--------------------|------|-----|-------------------------|----|----------------|------|--------------------------|-------|-------|--------|-------|
| | Bureau de Planification | | | Bureau de l'Admin. | | | Section de Statistiques | | Étude des SSSP | | Département de Med. Com. | | | | |
| | FX | LC | FX | LC | FX | LC | FX | LC | FX | LC | FX | LC | FX | LC | |
| Devise Étrangère (FX) ou Locale (LC) | 389 | 164 | | 72 | 106 | 116 | | | 335 | 80 | 101 | | 6,000 | 737 | 6,788 |
| Contribution de L'AID : | | | | | | | | | | | | | | | |
| Assistance technique ² | 389 | 128 | 33 | 96 | 19.5 | 39 | | | | | | | | | |
| Personnel | | 17 | 23 | | 61 | 30 | | | | | | | | | |
| Formation | | (17) | (23) | | (61) | | | | | | | | | | |
| (Personnel DSPP) | | | | | | | | | | | | | | | |
| (Petit Gove) | | | | | | | | | | | | | | | |
| (Croix-des-Bouquets) | | | | | | | | | | | | | | | |
| (Échange Technique) | | | | | | | | | | | | | | | |
| Coutis Opérationnels ³ | | 11 | 11 | 10 | 30 | 5.5 | | | | | | | | | |
| Équipement & Matériaux | | 8 | 5 | | | | | | | | | | | | |
| Divers | | | | | | | | | | | | | | | |
| Contingence/Inflation | | | | | | | | | | | | | | | |
| Contribution du GOH | | | | | | | | | | | | | | | |
| Assistance Technique | | | | | | | | | | | | | | | |
| Personnel | | | | | | | | | | | | | | | |
| Coutis opérationnels | | | | | | | | | | | | | | | |
| Démêles | | | | | | | | | | | | | | | |
| Divers | | | | | | | | | | | | | | | |
| Contribution de PAHO (Est.) | | | | | | | | | | | | | | | |
| Total des Intrants | 389 | 164 | 72 | 106 | 116 | | 335 | 80 | | 101 | 3,134 | 9,318 | 3,871 | 10,106 | |

¹ Sujet de la Section 2.2. de l'Accord de Projet.² Fonds inclus pour une partie du conseil administratif au SNEM.³ \$150,000 inclus de couts opérationnels pour le projet du Petit-Goave et \$109 de la Croix des Bouquets.

ISRAEL

Economic Assistance: Cash Grant

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

Agreement No. 271-K-611

CASH GRANT AGREEMENT

between

THE GOVERNMENT OF ISRAEL

and

THE GOVERNMENT OF THE UNITED STATES OF AMERICA

acting through

THE AGENCY FOR INTERNATIONAL DEVELOPMENT

Date: DEC 5 1977

TIAS 9095

CASH GRANT AGREEMENT

BY THIS AGREEMENT dated the day of , 1977, the
Government of Israel ("Government") and the Government of the
United States of America, acting through the Agency for International
Development ("A.I.D."), taking cognizance of the Government of Israel's
need for immediately available foreign exchange to meet short-term
balance of payments requirements agrees as follows:

1. A.I.D. will grant to the Government pursuant to the Foreign Assistance Act of 1961, as amended, [¹] Three Hundred Million United States Dollars (\$300,000,000) (the "Grant"), in order to provide necessary foreign exchange to support the economic requirements of the Government.
2. Within thirty (30) days after the signing of this Agreement, and thereafter, on or about January 1, 1978, April 1, 1978 and July 1, 1978, A.I.D. will deposit the sum of Seventy-Five Million United States Dollars (\$75,000,000) in special account number 001-1-3673-5 of the Treasury of the State of Israel in the National Bank of North America.
3. It is the understanding of the parties hereto that the proceeds of the Grant will not be used for financing military requirements of any kind, including the procurement of commodities or services for military purposes.
4. Program uses of these funds shall be restricted to the geographic areas which were subject to State of Israel administration prior to June 5, 1967.

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

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

GOVERNMENT OF ISRAEL

By: E. Raff [¹]Title: Economic CounsellorDate: DEC 5 1977GOVERNMENT OF THE UNITED STATES
OF AMERICABy: Alfred D. White [²]Title: ACTING ASSISTANT ADMINISTRATORDate: DEC 5 1977

¹ E. Raff.² Alfred D. White.

SYRIA
Agricultural Commodities

*Agreement signed at Damascus May 3, 1978;
Entered into force May 3, 1978.
With minutes of negotiations
Signed at Damascus May 4, 1978.
And amending agreement
Effectuated by exchange of notes
Signed at Damascus July 25, 1978;
Entered into force July 25, 1978.*

AGREEMENT BETWEEN THE GOVERNMENT OF THE
 UNITED STATES OF AMERICA AND THE GOVERNMENT
 OF THE SYRIAN ARAB REPUBLIC
 FOR THE SALE OF AGRICULTURAL COMMODITIES
 UNDER THE PUBLIC LAW 480 TITLE I PROGRAM

The Government of the United States of America and the Government of the Syrian Arab Republic agree to the sales of agricultural commodities specified below. This agreement shall consist of the preamble, Parts I and III of the Title I Agreement signed on November 20, 1974, [1] together with the following Part II:

Part II - PARTICULAR PROVISIONS

Item I. Commodity Table:

| <u>Commodity</u> | <u>Supply Period</u> (U.S. Fiscal Year) | <u>Approximate Maximum Quantity</u> (Metric Tons) | <u>Maximum Export Market Value</u> (Millions) U.S. Dollars |
|------------------------------------|--|--|---|
| Wheat/Wheat Flour (flour Basis) | 1978 | 35,000 | 7.5 |
| Rice | 1978 | 15,000 | 6.5 |

Item II. Payment Terms:

Dollar Credit

- A. Initial payment - five percent
- B. Currency Use Payment - five percent for Section 104 (A) purposes
- C. Number of Installment Payments - 19
- D. Amount of Each Installment Payment - Approximately equal annual amount.
- E. Due Date of First Installment - Two years after date of last delivery of commodities in each calendar year.
- F. Initial Interest Rate - Two percent
- G. Continuing Interest Rate - Three percent

¹ TIAS 8119; 26 UST 1577.

Item III. Usual Marketing Table:

| <u>Commodity</u> | <u>Import Period</u> (U.S. Fiscal Year) | <u>Usual Marketing Requirements</u> (Metric Tons) |
|---|--|--|
| Wheat/Wheat Flour (Grain Equivalent) | 1978 | 250,000 |
| Rice | 1978 | 34,000 |

Item IV. Export Limitations:

- A. The export limitation period shall be United States Fiscal Year 1978 or any subsequent U.S. Fiscal Year during which commodities financed under this agreement are being imported or utilized.
- B. For the purposes of Part I, Article III A (4) of the agreement, the commodities which may not be exported are: for wheat/wheat flour -- wheat, wheat flour, rolled wheat, semolina, farina or bulgur (or the same product under a different name); and 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 the Syrian Arab Republic agrees to:
 - 1. Strengthen the Ministry of Agriculture and Agrarian Reform's capabilities and to undertake a land classification and soil survey, and to maintain a current inventory of Syria's soil resources in order to maximize the use of land for increased agricultural production.
 - 2. Expand and improve its system of grain storage facilities in order to provide for orderly marketing and to prevent losses and maintain stable prices to farmers.
 - 3. Continue to expand the area of irrigated agriculture, emphasizing those crops most needed for internal use, and land reclamation and construction of irrigation works in the Euphrates Basin.
 - 4. Emphasize increased production of livestock and poultry by giving budgetary priority (A) to establishing pricing and marketing policies, (B) for a specialized extension service to assist poultry and livestock farmers and (C) expand egg production.

5. Expand and strengthen agricultural education and training institutions, including the re-establishment of an agricultural extension service to assist farmers and rural people.
6. Expand applied and basic research on food crops and livestock. In the case of livestock, emphasis should be given to increasing production from arid lands while at the same time improving pasture and range management.

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 Item V of the agreement and for the agricultural 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.

IN WITNESS WHEREOF, the respective representatives, duly authorized for the purpose, have signed the present agreement.

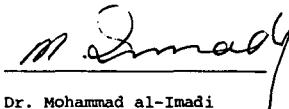
DONE at Damascus, in duplicate in the English and Arabic languages, each being equally authentic, this 25 day of May 1978.

FOR THE GOVERNMENT OF THE
UNITED STATES OF AMERICA



Robert H. Pelletreau
Charge d'Affairs ad Interim
Embassy of the United States
of America

FOR THE GOVERNMENT OF THE
SYRIAN ARAB REPUBLIC



Dr. Mohammad al-Imadi
Minister of Economy and
Foreign Trade

وأقرارا بما تقدم ، تم توقيع الاتفاقية من قبل ممثلي الجانبين المخولين رسميًا بذلك .

وقع في دمشق على نسختين باللغتين الإنجليزية والعربية ، وبكل من كلا الإثنين معتمدين للعمل بموجبهما . حرر في دمشق بتاريخ ٢٦ من شهر

نوفمبر عام ١٩٧٨ .

عن حكومة الجمهورية العربية السورية
الدكتور محمد الحمادى
وزير الاقتصاد والتجارة الخارجية

عن حكومة الولايات المتحدة الأمريكية
روبرت هـ .. بيـات روـ
القائم بالأعمال بالنيابة

- ب — توافق حكومة الجمهورية العربية السورية على :
- ١ — تقوية امكانيات وزارة الزراعة والاصلاح الزراعي والقيام بمسح وتصنيف الاراضي ، والقيام ب مجرد مستمر لموارد التربة السورية وذلك لاستثمار أكبر مساحات من الارضي بهدف زيادة الانتاج الزراعي .
 - ٢ — توسيع وتحسين تسهيلات تخزين الحبوب لديها بغية ايجاد التسويق المنظم ، وتجنب الخسارة والمحافظة على أسعار ثابتة للمزارعين .
 - ٣ — الاستمرار في توسيع ساحة الزراعة المروية مع التأكيد على المحافظة على احتياجاته للاستعمال الداخلي ، والعمل على اصلاح الاراضي واقامة مشاريع الري في حوض الفرات .
 - ٤ — التأكيد على زيادة انتاج الثروة الحيوانية والدواجن باعطاء الموازنة : (آ) لسياسات للتسويق والتسعير (ب) للعمل على توسيع الخدمات المتخصصة لمساعدة مربي الدواجن والثروة الحيوانية (ج) لتوسيع انتاج البيض .
 - ٥ — توسيع وتعزيز التعليم الزراعي ومؤسسات التدريب بما في ذلك اعادة اقامة الخدمات الزراعية المتخصصة وذلك لمساعدة المزارعين وسكان الريف .
 - ٦ — توسيع الابحاث التطبيقية والاساسية على المحاصل الغذائية والثروة الحيوانية . وفيما يتعلق بالثروة الحيوانية يجب التأكيد على زيادة الانتاج من الاراضي القاحلة والعمل على تحسين ادارة المراعي في الوقت نفسه .

البند السادس: أغراض التنمية الاقتصادية التي من أجلها يستخدم البلد المستورد العائدات

المترافقمة :

- آ — تستحمل العائدات المترافقمة للبلد المستورد التي تنشأ عن بيع السلع الممولة بموجب هذه الاتفاقية في تمويل اجراءات المساعدة الذاتية المنصوص عليها في البند الخامس من الاتفاقية وفي تمويل القطاع الزراعي .
- ب — عند استعمال العائدات لهذه الاغراض ، تولى عناية خاصة للتحسين العام لحياة أشد الناس فقراً من شعب البلد المستفيد وقد رتهم على المساهمة في تطوير بلد هم .

د - مقدار كل دفعة - مقادير سنوية

متباينة تقريباً .

هـ - تاريخ استحقاق الدفعة الأولى - بعد مرور

ستين على تاريخ تسليم آخر شحنة من السلع

في كل سنة ميلادية .

اثنان ٢ بالمائة

و - معدل الفائدة الأولية

ثلاثة ٣ بالمائة

ز - معدل الفائدة المستمر

البند الثالث : لائحة التسويق الاعتيادية :

حاجة التسويق الاعتيادية

فترة الاستيراد

السلع

(بالطنان المترية)

(حسب السنة المالية الأمريكية)

سنة

قمح / دقيق القمح

(على أساس ما يعادله

٢٥٠,٠٠٠

١٩٧٨

من الحبوب)

٣٤,٠٠٠

١٩٧٨

الارز

البند الرابع : تحديدات التصدير :

آ - تكون فترة حدود التصدير السنة المالية الأمريكية ١٩٧٨ أو أي سنة

مالية لا حقة تستورد خلالها أو تستعمل السلع الممولة بموجب هذه

الاتفاقية .

ب - فيما يتعلّق بالقسم الأول ، المادة الثالثة آ (٤) من الاتفاقية

فإن السلع التي لا يجوز تصديرها بالنسبة للقمح / دقيق القمح هي :

القمح ، دقيق القمح ، القمح المقشر ، السميد ، الفرخة أو البغرل

(أو السلعة ذاتها تحت اسم مختلف) ، وبالنسبة للارز هي : الارز

غير المقشور ، البني اللون ، أو المقشور .

البند الخامس : اجراءات المساعدة الذاتية :

آ - يراعى في تنفيذ اجراءات المساعدة الذاتية هذه التأكيد بمذكرة خاصة

على المساعدة المباشرة في تقديم التنمية في المناطق الريفية الفقيرة ،

وعلى تمكين الفقراً من المساعدة الفعالة في زيادة الانتاج الزراعي

عن طريق زراعة المزارع الصغيرة .

اتفاقية بين حكومة الولايات المتحدة الاميركية
وحكومة الجمهورية العربية السورية
لبيع السلع الزراعية بموجب برنامج القانون الاميركي
العام رقم / ٤٨٠ / الفصل الاول

تنفق حكومة الولايات المتحدة الاميركية وحكومة الجمهورية العربية السورية على
بيع السلع الزراعية المدرجة أدناه . وتألف هذه الاتفاقية من المقدمة والقسمين
الاول والثالث من اتفاقية الفصل الاول الموقعة في ٢٠ تشرين الثاني ، ١٩٧٤ اضافة

الى القسم الثاني الوارد أدناه :

القسم الثاني : أحكام خاصة :

البلد الاول : لائحة السلع :

| السلعة | فترة التسليم | القيمة القصوى | القيمة التسويدية | القصوى للتصدير |
|--------|--------------|---------------|-------------------------------|--|
| القمح | ١٩٧٨ | ٢٥٠٠٠ | (حسب السنة المالية الاميركية) | (أطنان مترية) (٦٣٥٠٠٠) الاميركية |
| الارز | ١٩٧٨ | ١٥٠٠٠ | (أطنان مترية) | |

البلد الثاني : شروط الدفع :

الحساب بالدولار

آ - الدفعة الاولى

ب - الدفعة من أجل استعمال العملة على

أن تستعمل لافراغ المتعلقة بالفقرة ٤ (آ) خمسة ٥ بالمائة

ج - عدد أقساط المدفوعات

١٩

MINUTES OF NEGOTIATIONS BETWEEN REPRESENTATIVES
of
THE GOVERNMENT OF THE UNITED STATES OF AMERICA
and
OF THE GOVERNMENT OF THE SYRIAN ARAB REPUBLIC

On April 18, 1978, a negotiation session was held to discuss the proposed P.L. 480, Title I Agreement for U.S. Fiscal Year 1978 (October 1, 1977 to September 30, 1978). Shackford Pitcher, Agricultural Attache, American Embassy represented the Government of the United States of America, and Nadim Ibrahim, director general, General Establishment for Cereal Processing and Trade, Salem Haddad, director general of TAFCO and Husni Diab of the Ministry of Economy and Foreign Trade represented the Government of the Syrian Arab Republic.

The U.S. representative pointed out that the proposed agreement provides for 35,000 MT of wheat flour and 15,000 MT of rice valued at \$7.5 million and \$6.5 million respectively and that neither the quantity nor the export value can be exceeded.

The U.S. representative pointed out that purchase authorizations will be issued only after a determination is made that (A) adequate storage facilities are available for the commodities at the time of shipment to prevent spoilage or waste, and (B) the distribution of the commodity will not result in a substantial disincentive to Syrian rice or wheat production.

The U.S. representative pointed out that purchases under the proposed agreement must be made on the basis of invitations for bids publicly advertised in the United States and on the basis of bid offerings which must conform to the invitation. Bid offerings must be received and publicly opened in the United States. All awards must be consistent with open, competitive, and responsive bid procedures. The representatives of the Syrian Arab Republic, after indicating their preference of purchasing in Syria, acknowledged the requirement for purchasing the commodities in the United States and indicated that the arrangements for freight will also be handled in the United States.

The question of sending a delegation to the United States or having the Embassy of the Syrian Arab Republic in Washington to handle the contracting was discussed. The representative of the Syrian Arab Republic will advise promptly which procedure will be used. The U.S. representative pointed out that the terms of all invitations for bids (including invitations for ocean freight) must be approved by the General Sales Manager, U.S. Department of Agriculture, prior to issuance.

The U.S. representative pointed out that commissions, fees or other payments to any selling agent are prohibited in any purchase of food commodities under the agreement.

The U.S. representative pointed out that if the Government of the Syrian Arab Republic nominates a purchasing agent and/or shipping agent to procure commodities or arrange ocean transportation under the agreement, the General Sales Manager must be notified in writing of such nomination and be provided along with the nomination a copy of the proposed agency agreement. All purchasing and shipping agents must be approved by the Office of the General Sales Manager in accordance with new regulatory standards designed to eliminate certain potential conflicts of interest.

The U.S. representative notified the representatives of the Syrian Arab Republic that commodity suppliers are refusing to load vessels when acceptable letters of credit for both commodity and freight suppliers are not available at time of loading. Delays in opening letters of credit and settlement of final 10 percent of freight will also result in higher commodity prices and freight rates.

The U.S. representative received assurances that the Embassy of the Syrian Arab Republic in Washington, D.C. will be notified of and receive all instructions, information, and authority necessary to enable the timely implementation of the agreement.

The U.S. representative mentioned the importance of timely submission of the reports required under the provisions of the agreement as well as the importance of the measures concerning identification and publicity of the commodities.

For the Government of the
United States of America

Shackford Pitcher
Shackford Pitcher
Agricultural Attaché

For the Government of the
Syrian Arab Republic

Nadim Ibrahim
Nadim Ibrahim
General Director
General Establishment for
Cereal Processing and Trade

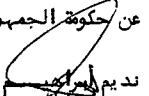
Salem Haddad
Director General, TAFCO

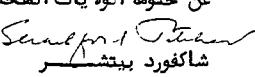
Husni Diab
Husni Diab
Head of Department of
Monetary & Banking
Ministry of Economy and
Foreign Trade

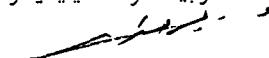
Damascus, May 4 , 1978:

تم التأكيد لممثل الولايات المتحدة بأن يتم اعلام سفارة الجمهورية العربية السورية في واشنطن . . سبب هذه المفاوضات ويتم ارسال جميع التعليمات اليها والمعلومات والبيانات اللازم ،كي تتمكن من القيام بتنفيذ الاتفاقية في الوقت المحدد .

وقد نوه مثل الجانب الأميركي بأهمية تقديم التأثير المطلوب في أوقاتها المحددة وفقا لما جاء بأحكام الاتفاقية ، كما نوه بأهمية الإجراءات المتعلقة بالمطابقة والإعلان عن السلع .

عن حكومة الجمهورية العربية السورية

 نديم الحداد
 مدير العام للمؤسسة العامة
 لتجارة وتصنيع الحبوب

عن حكومة الولايات المتحدة الأميركيه

 شاكفورد بيتشير
 الملحق الزراعي

سالم حداد
 مدير العام للمؤسسة التجارية
 الخارجية للمواد الكيميائية والغذائية

 حسني دياب
 رئيس دائرة الشؤون الكيميائية والمصرفية
 وزارة الاقتصاد والتجارة الخارجية

دمشق في ٤ أيار ، ١٩٧٨

أن يكون فتح العروض عليهما . ويتم التعاقد حسب اجراءات اعلانية وتنافسية متجاهلة مع العروض . وبعد أن أعلن ممثلو الجمهورية العربية السورية أن أفضلية الشراء يجب أن تتم في سوريا ، أذروا بأن عملية شراء السلع يجب أن تتم في الولايات المتحدة الاميركية ، وأشاروا أيضا إلى أن ترتيبات الشحن يجب أن تتخذ في الولايات المتحدة الاميركية .

وقد بحثت مسألة التعاقد وذلك اما عن طريق ارسال وفدا الى الولايات المتحدة الاميركية ، أو عن طريق سفارة الجمهورية العربية السورية بواشنطن . وسوف يعلن ممثلو الجمهورية العربية السورية على وجه السرعة عن الاجراءات التي ستتخذ . وأعلن ممثل الجانب الاميركي بأن شروط كافة العروض (بما في ذلك مناقصات الشحن البحري) يجب أن تتم الموافقة عليها من قبل مدير المبيعات العامة في وزارة الزراعة الاميركية وذلك قبل اعلانها .

أعلن ممثل الجانب الاميركي وجوب حظر العمولات والا جور والدفعات الاخرى لاي وكيل باائع او اية صفة من سلع المواد الغذائية الواردة في الاتفاقية .

وأعلن ممثل الجانب الاميركي بأنه اذا عينت حكومة الجمهورية العربية السورية وكيل شراء / أو وكيل شحن لتدبير البضاعة أو لترتيب أمور الشحن البحري الوارد في الاتفاقية فيجب اشعار مدير المبيعات العامة في وزارة الزراعة الاميركية بهذا التفويض خطيا ، ويجب تزويد هذه بنسخة عن التفويض وعن موافقة الوكالة المقترحة . يجب أن تتم موافقة مكتب مدير المبيعات العامة على جميع وكلاء الشراء والشحن حسب الأنظمة الحديثة الموضوعة لخاله التضارب للممكן في المصالح

واسترجوا الممثل الاميركي انتباه ممثل الجانب السوري بأن مزودي السلع يرفضون تحمل البضاعة مالم تكون رسائل الاعتماد اللازمة للبائعين والشاحنين متوفرة في وقت تعبئة البضاعة . ان التأخير في فتح رسائل الاعتماد وتسييد آخر ١٠ بالمائة من أجور الشحن سيؤدي أيضا الى ارتفاع أسعار البضائع وارتفاع رسوم الشحن .

حضر المفاوضات بين ممثلي
حكومة الولايات المتحدة الاميركية
وحكومة الجمهورية العربية السورية
==س==س==س==س==س==س==س==

عقدت جلسة مفاوضات لاتفاقية القانون العام الاميركي / ٤٨٠ / المقترحة
(الفصل الاول) للسنة المالية الاميركية ١٩٧٨ (١١ تشرين الاول ، ١٩٧٧
ولغاية ٣٠ ايلول ، ١٩٧٨) بتاريخ ١٨ نيسان ، ١٩٧٨ . وقد مثل
حكومة الولايات المتحدة الاميركية السيد شاكفورد بيتشر، الملحق الزراعي
لدى سفارة الولايات المتحدة الاميركية . ومثل حكومة الجمهورية
العربية السورية في هذه الجلسة كل من الاستاذ نديم ابراهيم ، مدير
عام المؤسسة العامة للتجارة وتصنيع الحبوب ، والاستاذ سالم حداد ، مدير
عام مؤسسة (تافكو) والاستاذ حسني دياب من وزارة الاقتصاد والتجارة
الخارجية .

أعلن ممثل الجانب الاميركي أن الاتفاقية المقترحة تتضمن على
تزويد الجمهورية العربية السورية بكمية ٣٥٠٠٠ طن متري من
دقيق القمح بقيمة ٦٥ مليون دولار اميركي ، وكمية ١٥٠٠٠ طن
متري من الارز بقيمة ٦٥ مليون دولار اميركي على ألا تتجاوز الكمية
والقيمة المذكوريتين .

أعلن ممثل الجانب الاميركي بأن تخفيقات الشراء لا تصدر الا بعد
تحديد (آ) تسهيلات ملائمة لخزن البضاعة عند شحنها وذلك لتجنب
فسادها أو تلفها ، (ب) عدم وقوف توزيع البضاعة المستوردة كعائق كبير
في وجه انتاج الارز والقمح السوري

أعلن ممثل الجانب الاميركي بأن حالات الشراء بموجب الاتفاقية
 المقترحة يجب أن تتم على أساس استدراج طلبات عروض يتم الإعلان عنها
في الولايات المتحدة الاميركية ، وعلى أساس عروض مطابقة لطلب
العرض . ويجب أن تتم العروض في الولايات المتحدة الاميركية على

[AMENDING AGREEMENT]

The American Chargé d'Affaires ad interim to the Syrian Minister of Economy and Foreign Trade



EMBASSY OF THE
UNITED STATES OF AMERICA

Damascus

July 25, 1978

His Excellency
Dr. Mohammad al-Imadi
Minister of Economy and Foreign Trade
Damascus, S.A.R.

Dear Mr. Minister:

I have the honor to refer to the Public Law 380, Title I Agricultural Sales Agreement signed by representatives of our two governments on May 3, 1978, and to propose that the agreement be amended as follows:

(A) In Part II - Item I - Commodity Table -- under the appropriate columns (I) for wheat/wheat flour delete quote 35,000 metric tons and million U.S. dollars 7.5. unquote and insert 7,400 metric tons and U.S. dollars 1.3 million unquote, and

(B) For rice delete quote 15,000 metric tons and U.S. dollars 6.5 million unquote and insert quote 35,000 metric tons and U.S. dollars 12.7 million unquote, and

(C) Under Maximum export market value of the line designated as total remains unchanged at quote U.S. dollars 14.0 million unquote.

All other terms and conditions of the May 3, 1978, Title I agreement remain the same. I propose that this letter and your reply concurring therein constitute an agreement between our two governments to be effective on the date of your letter in reply.

Sincerely,

Robert H. Pelletreau
Robert H. Pelletreau
Charge d'Affaires, a.i.

TIAS 9096

*The Syrian Minister of Economy and Foreign Trade to the American
Charge d'Affaires ad interim*



الموضوع

الرقم

وزارة الاقتصاد والتجارة الخارجية

التاريخ

25/7/1978

عدد المستندات

Mr. Robert H. Pelletreau
Charge d'Affairs ad Interim
Embassy of the United States of America
Damascus, S.A.R.

Dear Mr. Pelletreau:

I have the honor to refer to the Public Law 480, Title I Agricultural Sales Agreement signed by representatives of our two governments on May 3, 1978, and agree to the amendment of that agreement proposed in your letter dated July 25, 1978, which is as follows:

(A) In Part II - Item I - Commodity Table - under the appropriate columns (1) for wheat/wheat flour delete quote 35,000 metric tons and million U.S. dollars 7.5 unquote and insert 7,400 metric tons and U.S. dollars 1.3 million unquote, and

(B) For rice delete quote 15,000 metric tons and U.S. dollars 6.5 million unquote and insert quote 35,000 metric tons and U.S. dollars 12.7 million unquote, and

(C) Under maximum Export Value of the line designated as total remains unchanged at quote U.S. dollars '14.0 million unquote.

All other terms and conditions of the agreement of May 3, 1978, remain unchanged.

It is my pleasure to confirm that this reply constitutes an agreement between our two governments, to be effective on the date of my letter in reply to your letter.

Accept, Mr. Charge d'Affaires, s.i., the renewed assurances of my highest consideration.

Sincerely,
Mohammed Al-Imady

M. Al-Imady
Minister of Economy
& Foreign Trade



ISRAEL

Economic Assistance: Loan

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

Agreement No. 271-K-144

LOAN AGREEMENT

between

THE GOVERNMENT OF ISRAEL

and

THE GOVERNMENT OF THE UNITED STATES OF AMERICA

acting through

THE AGENCY FOR INTERNATIONAL DEVELOPMENT

Date: DEC - 5 1977

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

ARTICLE I

The Loan

SECTION 1.01. The Loan. In accordance with the Technical Cooperation Agreement between the United States of America and Israel entered into force on February 26, 1951, and upon the terms and conditions stated herein, A.I.D. agrees to lend to the Borrower, pursuant to the Foreign Assistance Act of 1961, as amended, [¹] an amount not to exceed One Hundred and Eighty Two Million United States Dollars (\$182,000,000) (the "Loan"), to be made available for disbursement in four installments the first upon the signing of this Agreement in the amount of Forty-Seven Million United States Dollars (\$47,000,000) and, thereafter, on or about January 1, 1978, April 1, 1978 and July 1, 1978, in equal amounts of Forty-Five Million United States Dollars (\$45,000,000) each for the purpose of financing the foreign exchange costs of certain commodities, commodity-related services and other related expenditures to promote the economic and political stability of Israel. Such commodities, services and expenses authorized to be financed hereunder are hereinafter referred to as "Eligible Items". The aggregate amount of disbursements under the Loan is hereinafter referred to as "Principal".

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

Loan Terms

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

SECTION 2.02. Repayment. The Borrower shall repay to A.I.D. the Principal within forty (40) years from the date of the first disbursement hereunder in sixty-one (61) approximately equal semi-annual installments of Principal and interest. The first installment of Principal shall be payable nine and one-half (9½) years after the date on which the first interest payment is due in accordance with Section 2.01. A.I.D. shall provide the Borrower with an amortization schedule in accordance with this Section after the final disbursement under the Loan.

SECTION 2.03. Application, Currency and Place of Payment.

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

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

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

ARTICLE III

Conditions Precedent to Disbursement

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

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

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

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

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

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

ARTICLE IV

General Covenants

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

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

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

SECTION 4.03. Ocean Shipment.

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

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

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

ARTICLE V

Procurement, Utilization and Eligibility of Commodities

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

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

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

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

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

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

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

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

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

ARTICLE VI

Procedures

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

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

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

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

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

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

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

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

ARTICLE VII

Cancellation and Suspension

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

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

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

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

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

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

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

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

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

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

SECTION 7.06. Refunds. If A.I.D. determines that any disbursement is not supported by valid documentation in accordance with this Agreement, or is a violation of U.S. law, or that the commodities financed under this Agreement are not financed or used in accordance with the terms of this Agreement, A.I.D. may at its option either:

(1) authorize the Borrower to present valid documentation to cover the amount found to be ineligible; or (2) require the Borrower to pay to A.I.D., within 90 days of receipt of notification by A.I.D., an amount not to exceed the amount of ineligible disbursements. Except as A.I.D. may otherwise agree in writing, refunds paid by the Borrower to A.I.D. resulting from violations of the terms of this Agreement shall be considered as a reduction in the amount of A.I.D.'s obligation under the Agreement and shall not be available for reuse under the Agreement.

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

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

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

ARTICLE VIII

Miscellaneous

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

SECTION 8.02. Use of Representatives.

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

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

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

To Borrower:

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

To A.I.D.:

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

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

GOVERNMENT OF ISRAEL [1]

By: E. Raff
Title: Economic Counsellor
Date: 1/5/77

UNITED STATES OF AMERICA [2]

By: Refugee Devise
Title: ACTING ASSISTANT ADMINISTRATOR
Date: DEC 5 1977

¹ E. Raff.

² Alfred D. White.

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

Invoice Number/s

Invoice Date/s

The undersigned, an official of

(Company)

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

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

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

Signature _____

Title _____

Date _____

EXHIBIT B

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

Invoice Number/s

Invoice Date/s

The undersigned, an official of

(Company)

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

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

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

Signature _____

Title _____

Date _____

ISRAEL

Economic Assistance: Program Assistance Grant

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

Agreement No. 271-K-612

PROGRAM ASSISTANCE GRANT AGREEMENT

between

THE GOVERNMENT OF ISRAEL

and

THE GOVERNMENT OF THE UNITED STATES OF AMERICA

acting through

THE AGENCY FOR INTERNATIONAL DEVELOPMENT

Date: DEC 5 1977

TIAS 9098

PROGRAM ASSISTANCE GRANT AGREEMENT

AGREEMENT, dated this day of , 1977 between the
GOVERNMENT OF ISRAEL ("Grantee") and the GOVERNMENT OF THE UNITED
STATES OF AMERICA, acting through the Agency for International
Development ("A.I.D.").

ARTICLE I. The Grant

SECTION 1.1. The Grant. In accordance with the Technical Cooperation Agreement between the United States of America and Israel entered into force on February 26, 1961,[¹] and subject to the terms and conditions of this Agreement, A.I.D. hereby agrees to grant to the Grantee pursuant to the Foreign Assistance Act of 1961, as amended,[²] up to Two Hundred Twenty-Five Million United States Dollars (\$225,000,000) (the "Grant") to be made available for disbursement in four installments the first upon the signing of this Agreement in the amount of Sixty Million United States Dollars (\$60,000,000), and, thereafter, on or about January 1, 1978, April 1, 1978 and July 1, 1978 in equal amounts of Fifty-Five Million United States Dollars (\$55,000,000) each for the purpose of financing the foreign exchange costs of certain commodities, commodity-related services and other related expenditures to promote the economic and political stability of Israel. Recognizing the exceptional burden the Grantee faces in terms of recurring defense expenditures; the economic support provided by this program will assist the Grantee in meeting overall financial needs associated with stimulating economic growth, increasing public services and the adjustment costs arising from the resettlement in Israel of large numbers of new immigrants. Such commodities, services and expenses authorized to be financed hereunder are hereinafter referred to as "Eligible Items".

¹Should read "February 26, 1951". TIAS 2401; 3 UST 379.

²75 Stat. 424; 22 U.S.C. § 2151 note.

ARTICLE 2. Conditions Precedent to
Disbursement

SECTION 2.1. Conditions Precedent. Except as A.I.D. may otherwise agree in writing, prior to issuance of the first disbursing authorization, Grantee shall furnish in form and substance satisfactory to A.I.D.:

(a) An opinion 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;

(b) The name of the person or persons who will act as the representative or representatives of the Grantee pursuant to Section 8.2 hereunder together with evidence of his or their authority and a specimen signature of each person certified as to its authenticity.

SECTION 2.2. Terminal Date for Fulfillment of Conditions Precedent. Except as A.I.D. may otherwise agree in writing, if the conditions required by Section 2.1 have not been satisfied within ninety (90) days from the date of this Agreement, A.I.D. may at its option terminate this Agreement by written notice to Grantee.

ARTICLE 3. General Covenants

SECTION 3.1. Commissions, Fees, and Other Payments. Grantee warrants and covenants that in connection with obtaining the assistance to be furnished hereunder or any action under this Agreement it has not

paid and will not pay or agree to pay, nor to the best of its knowledge has there been paid or will there be paid or agreed to be paid by any other person or entity, commissions, fees, or other payments of any kind, except as regular compensation to Grantee's full-time officers and employees or as compensation for bona fide professional, technical, or other comparable services. Grantee shall promptly report to A.I.D. any payment or agreement to pay for such bona fide professional, technical, or other comparable services to which it is a party or of which it has knowledge and if the amount of any such payment is deemed unreasonable by A.I.D., Grantee shall cause a reduction satisfactory to A.I.D. to be made therein.

SECTION 3.2. Marine Insurance. If in connection with the placement of marine insurance on shipments eligible for reimbursement hereunder, Grantee by statute, decree, rule or regulation discriminates against any marine insurance company authorized to do business in any state of the United States, during the continuance of such discrimination commodities otherwise eligible for reimbursement thereunder shall not be so reimbursed unless they have been insured against marine risk in the United States with a company or companies authorized to do a marine insurance business in any state of the United States.

SECTION 3.3. Ocean Shipment.

(a) At least 50% of the gross tonnage of all commodities (computed separately for dry bulk carriers, dry cargo liners and tankers) for which reimbursement is requested, which may be transported

on ocean vessels shall have been transported on privately-owned U.S. flag commercial vessels, to the extent such vessels are available at fair and reasonable rates for U.S. flag commercial vessels. Determination that U.S. flag commercial vessels are not so available must be made by A.I.D. Additionally, at least 50% of the gross freight revenue generated by all shipments financed hereunder and transported on dry cargo liners shall be paid to or for the benefit of privately-owned U.S. flag commercial vessels.

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

SECTION 3.4. U.S. Treasury Department Regulations: Procurement transactions shall comply with the requirements of the Foreign Assets Control Regulation and Cuban Assets Control Regulation of the U.S. Treasury Department.

ARTICLE 4. Procurement, Utilization and Eligibility of Commodities

SECTION 4.1. Source Requirement. The authorized A.I.D. Geographic Code for purposes of determining Eligible Items is Code 000 (United States) as defined in the A.I.D. Geographic Code Book. Eligible Items shall meet the "source" requirements set forth in A.I.D. Regulation 1, Section 201.11(b). "Source" is defined in A.I.D. Regulation 1, Section 201.01(q).

SECTION 4.2. Date of Procurement. No commodities or commodity-related services may be financed hereunder for which delivery to the

importer or his agent was made prior to the Eligibility Date, which shall be October 1, 1977.

SECTION 4.3. Eligible Items. Unless otherwise agreed by A.I.D. in writing, Eligible Items for financing under this Grant shall consist of new and unused commodities listed as eligible in the A.I.D. Commodity Eligibility Listing dated December 16, 1974, as amended, (provided as an attachment of the Commodity Procurement Instruction transmitted with the first of the Implementation Letters which shall be issued to the Grantee) and of those commodity-related services as defined in paragraphs (1), (1), (o) of Section 201.01 of A.I.D. Regulation 1 and declared to be eligible in Sections 201.12 and 201.13 of A.I.D. Regulation 1. A.I.D. may decline to finance any specific commodity or commodity-related service when in its judgment such financing would be inconsistent with the purposes of this Grant or the Foreign Assistance Act of 1961, as amended.

SECTION 4.4. Utilization of Commodities. Grantee shall use its best efforts to prevent the use of commodities financed under this Agreement to promote or assist any project or activity associated with or financed by any country not included in Code 935 of the A.I.D. Geographic Code Book as in effect at the time of such projected use, except with the prior written consent of A.I.D. Grantee shall use its best efforts to restrict the purchase of Eligible Items to purchases for use within the geographic areas which were subject to State of Israel administration prior to June 5, 1967.

SECTION 4.5. Minimum Value of Transactions. Except where authorized by A.I.D. in writing, no transaction financed under this Agreement shall be in an amount less than five thousand dollars (\$5,000). Individual procurements of less than five thousand dollars may be combined and treated as one transaction to satisfy this requirement if they involve procurements from the same supplier and the total of such procurements equals or exceeds five thousand dollars and the documentation is submitted simultaneously. The supplier must identify each transaction by separate invoice number and date in the "Certificate to A.I.D." attached to this Agreement or in A.I.D. Form 282.

SECTION 4.6. Prices. Reimbursement will not be made for purchase of any commodity purchased at prices higher than the market price prevailing in the United States at the time of purchase, adjusted for differences in the cost of transportation to destination, quality and terms of payment.

SECTION 4.7. Eligible Suppliers. Commodities financed under this Grant shall be purchased from eligible suppliers as described in paragraph (j), Section 201.11 of A.I.D. Regulation 1.

SECTION 4.8. Effective Use of Commodities. The Grantee shall ensure that the Eligible Items financed under this Agreement shall be effectively used for the purpose for which the assistance is made available. Such effective use shall include the prompt processing of commodity imports through customs at ports of entry and the removal from customs of such commodities by the importer.

ARTICLE 5.

Procedures

SECTION 5.1. Disbursements. To obtain disbursements hereunder, Grantee may from time to time submit to A.I.D. or its designee, documentation of the foreign exchange costs of and importation of Eligible Items. Such documentation shall consist of:

- (a) Supplier's invoice with evidence of payment,
- (b) Bill of Lading, or delivery receipt, or such other document evidencing delivery and which is acceptable to A.I.D.,
- (c) (1) A "Certificate to A.I.D.", a copy of which is attached hereto as Exhibit A, or "Certificate to A.I.D. for Agricultural Commodities", which is hereto attached as Exhibit B, executed by the supplier; or
- (2) A.I.D. Form 282 Supplier's Certificate, executed by the supplier.

SECTION 5.2. Additional Information. Should A.I.D. require any information in addition to that submitted under Section 5.1 above, concerning the purchase price or other information relevant to any given transaction, the Grantee agrees to secure such information and furnish the same to A.I.D.

SECTION 5.3. Terminal Date of Disbursements. Except as A.I.D. may otherwise agree in writing, no disbursements shall be made against documentation received after October 1, 1979.

ARTICLE 6

Counterpart Deposit

SECTION 6.1. Deposit of Counterpart. The Grantee shall establish a special account in the Bank of Israel, which account is hereinafter referred

to as the "Special Account", and the Grantee shall make such arrangements as may be necessary to deposit therein currency of the State of Israel in amounts equal to the proceeds accruing to the Grantee or any authorized agency thereof as a result of the sale or importation of the Eligible Items in accordance with the following terms and conditions:

- (a) Deposits to the Special Account shall become due and payable quarterly upon advice from A.I.D. as to disbursements made under the Agreement. Grantee shall make such deposits at the official rate of exchange in effect on the date of disbursements by A.I.D.
- (b) Upon notification from time to time by the A.I.D. of the local currency requirements of the United States, the Grantee shall make available to A.I.D., in the manner requested by it, such sums from the Special Account as are stated in such notifications to be necessary for the requirements of the Government of the United States.
- (c) The Grantee may draw upon any remaining balances in the Special Account for such purposes beneficial to the Grantee as may be agreed upon in writing by the appropriate representatives of the State of Israel and the United States. Such program uses shall be restricted to the geographic areas which were subject to State of Israel administration prior to June 5, 1967.
- (d) Any unencumbered balances of funds which remain in the Special Account upon termination of assistance hereunder shall be disposed of for such purposes as may, subject to applicable law, be agreed to between Grantee and A.I.D.

ARTICLE 7

Remedies of A.I.D.

SECTION 7.1. Termination of Disbursements. In the event that at any time:

- (a) Grantee shall fail to comply with any provision contained herein; or
- (b) Any representation or warranty made by or on behalf of Grantee with respect to obtaining this Grant or made or required to be made hereunder is incorrect in any material respect; or
- (c) An event has occurred which A.I.D. determines to be an extraordinary situation which makes it improbable that the purposes of the Grant will be attained or that Grantee will be able to perform its obligations hereunder; or
- (d) Any disbursement would be in violation of any provision of the laws of the United States; or
- (e) A default shall have occurred under any other agreement between Grantee or any of its agencies and the United States or any of its agencies; then A.I.D., at its option, may (1) decline to issue further disbursing authorizations, or (2) suspend or cancel outstanding disbursing authorizations to the extent that A.I.D. has not made direct reimbursement to the Grantee thereunder.

SECTION 7.2. Refunds. If A.I.D. determines that any disbursement is not supported by valid documentation in accordance with this Agreement, or is in violation of United States law, or that the commodities financed under this Agreement are not financed or used in accordance with the terms

of this Agreement, A.I.D. may at its option either: (1) authorize the Grantee to present valid documentation to cover the amount found to be ineligible; or (2) require the Grantee to pay to A.I.D., within ninety (90) days after receipt of notification by A.I.D., an amount not to exceed the amount of the ineligible disbursement. Except as A.I.D. may otherwise agree in writing, refunds paid by the Grantee to A.I.D. resulting from violation of the terms of this Agreement shall be considered as a reduction in the amount of A.I.D.'s obligation under the Agreement and shall not be available for reuse under the Agreement.

SECTION 7.3. Waivers of Default. No delay in exercising or omitting to exercise, any right, power, or remedy accruing to A.I.D. under this Agreement shall be construed as a waiver of any of these rights, powers, or remedies.

SECTION 7.4. Expenses of Collection. All reasonable costs incurred by A.I.D. (other than salaries of its staff) in connection with the collection of amounts due under this Agreement may be charged to Grantee and reimbursed as A.I.D. may specify.

ARTICLE 8

Miscellaneous

SECTION 8.1. Reports. The Grantee shall furnish A.I.D. with such information and reports relating to this Grant, and permit such inspection, review of records, or audit, as A.I.D. may reasonably request.

SECTION 8.2. 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) The Grantee hereby designates the Economic Minister, Embassy of Israel, as its representative with the authority to designate in writing other representatives of Grantee in its dealing with A.I.D. Grantee's representatives designated pursuant to the preceding sentence, unless A.I.D. is given 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 8.3. Communications. Any notice, request, or other communication or any document given, made or sent by Grantee or A.I.D. pursuant to this Agreement shall be in writing and shall be deemed to have been duly given, made or sent to the party to which it is addressed when it shall be delivered by hand or by mail, telegram, cable, or radiogram to such party at the following address:

To Grantee:

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

To A.I.D.:

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

TIAS 9098

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

GOVERNMENT OF ISRAEL

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

UNITED STATES OF AMERICA

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

¹ E. Raff.² Alfred D. White.

MALAWI
Bunda College of Agriculture

*Agreement signed at Lilongwe April 29, 1976;
Entered into force April 29, 1976.*

**PROJECT AGREEMENT
BETWEEN THE DEPARTMENT OF STATE, AGENCY FOR
INTERNATIONAL DEVELOPMENT (AID), AN AGENCY OF THE
GOVERNMENT OF THE UNITED STATES OF AMERICA, AND
Ministry of Finance**

AN AGENCY OF THE Government of Malawi

The above-named parties hereby mutually agree to carry out a project in accordance with the terms set forth herein and the terms set forth in any annexes attached hereto, as checked below:

PROJECT DESCRIPTION ANNEX A

FOREIGN CURRENCY STANDARD PROVISIONS ANNEX

STANDARD PROVISIONS ANNEX

SPECIAL LOAN PROVISIONS ANNEX

1. PROJECT/ACTIVITY NO.
690-0054

2. AGREEMENT NO.
76-M-10

3. ORIGINAL OR REVISION NO. ____

4. PROJECT/ACTIVITY TITLE

Bunda College of Agriculture

This Project Agreement is further subject to the terms of the following agreement between the two governments, as modified and supplemented:

GENERAL AGREEMENT FOR TECHNICAL COOPERATION

DATE

ECONOMIC COOPERATION AGREEMENT

DATE

5. PROJECT DESCRIPTION AND EXPLANATION

(See Annex A attached)

6. AID APPROPRIATION SYMBOL
72-11X1023

7. AID ALLOTMENT SYMBOL
402-52-690-00-69-61

8. AID FINANCING
 DOLLARS LOCAL CURRENCY

PREVIOUS TOTAL
(A)

INCREASE
(B)

DECREASE
(C)

TOTAL
TO DATE
(D)

(a) Total

\$1,445,000

\$1,445,000

(b) Contract Services

(see page 2 [p.] for component breakdown)

(c) Commodities

(d) Other Costs

9. COOPERATING AGENCY FINANCING-DOLLAR EQUIVALENT

\$1.00=

(a) Total

888,300

888,300

(b) Technical and Other Services

56,300

56,300

(c) Commodities

(d) Other Costs

782,000

782,000

10. SPECIAL PROVISIONS (Use Additional Continuation Sheets, if Necessary)

11. DATE OF ORIGINAL AGREEMENT
April 29, 1976

12. DATE OF THIS REVISION

13. ESTIMATED FINAL CONTRIBUTION DATE
March 31, 1979

14. FOR THE COOPERATING GOVERNMENT OR AGENCY

15. FOR THE AGENCY FOR INTERNATIONAL DEVELOPMENT

SIGNATURE: D T Matenje
DATE: 4-29-76
TITLE: Minister of Finance

SIGNATURE: Robert A. Stevenson
DATE: 4-29-76
TITLE: Ambassador of the United States

AID Financing**Details of U.S. Contribution by Cost Component and Method of Implementation**

| Cost Component Method of Implementation | Previous Total | Increase | Decrease | Total to Date |
|--|----------------|--------------------|----------|--------------------|
| Total | | 1, 445, 000 | | 1, 445, 000 |
| Personal Services PASA Contract | | 405, 000 | | 405, 000 |
| Participants Direct AID PASA Contract | | 30, 000 | | 30, 000 |
| Commodities Direct AID PASA Contract | | | | |
| Other Costs Direct AID PASA Contract | | 1, 010, 000 | | 1, 010, 000 |

I. SUMMARY

This project is designed to provide assistance to meet a priority development need identified by the Government of Malawi and the University of Malawi. The need specifically is to improve the quality and expand the numbers of middle and high level agriculture technicians by extending the capacity of the existing agriculture training institution: Bunda College of Agriculture, University of Malawi.

This project described herein is scheduled to continue for six years and during that time A.I.D. plans to provide technical services, finance the training of Malawian nationals, purchase pertinent equipment and materials, provide local cost funding for the establishment of Rural Development Special Studies and Seminars and fund construction on the Bunda campus in direct support to the objectives of this activity. Financing for these project components after FY 1976 will depend on the availability of A.I.D. funds and mutually agreed upon satisfactory progress.

The rationale for this project is set forth in the Project Paper (PP) prepared by A.I.D. in collaboration with the Government of Malawi. It is mutually accepted by the parties to this Agreement that the Project Paper will serve as the basis for their planned inputs to the project and will be the working document for implementation of project activities. The specific inputs agreed to by both parties during the first eighteen months of the project are included in this Agreement.

II. PROJECT DESCRIPTION**A. Problem**

Malawi's economy is and, for the foreseeable future, will be primarily agricultural. Thus it is essential that Bunda College of Agriculture, which is the sole institution producing middle and high level agriculture technicians, become a modern, efficient, localized agricultural training institution. The scarcity of trained personnel has been identified (see PP) as one of the most serious constraints to the achievement of Malawi's goal of general improvement in rural development. This constraint is, most critical, given the magnitude and complexity of personnel requirements for agriculture development activities.

B. Purpose and Outputs

The purpose of the project is to extend the capacity of the existing agriculture training institution, Bunda College of Agriculture, to provide competent and skilled personnel cognizant of the technical, social and managerial conditions affecting development. Specifically, this project will assist the University of Malawi and support its efforts to enable Bunda College of Agriculture to:

1. increase its annual output of diplomates to 65;
2. increase its annual output of graduates to 23;
3. adopt a new diplomate/graduate curriculum;
4. localize senior staff positions to 37;
5. increase effectiveness of practicals in diplomate courses;
6. expand campus facilities to allow total enrollment of 365 by 1981.

C. Course of Action

This project will provide for up to 27 man-years of technical assistance to senior staff positions at Bunda plus short term consultancies at various times throughout the life of the project. This technical assistance will be primarily in the fields of Rural Development and Crop Production.

The U.S.-provided staff will fully participate in the academic affairs of Bunda. They will teach regular and unscheduled courses, participate in curriculum development and conduct approved research.

Overseas training for Malawians to replace the AID-provided technicians will amount to approximately 40 man-years of participant training. Equipment will be provided to support the AID-financed technical assistance and funding for annual Rural Development Conferences will be made available. Additional facilities to be constructed include student housing, a soils/crops laboratory, an animal science laboratory, renovation to the auditorium; staff housing for 21 senior, 34 junior and 30 support staff; student union renovation, maintenance shop and agricultural engineering shop.

III. UNITED STATES CONTRIBUTION

A. U.S. Fiscal Year 1976 Commitments

This Agreement provides funding in the amount of \$1,445,000 broken down as follows:

1. Technical Services (\$405,000). This funding is for six technicians for eighteen months each, or nine man-years of service, plus short-term consultancies.

2. Participant Training (\$30,000). This funding is for three man-years of degree training.

3. Commodities. None to be financed by this Agreement. (NOTE: Materials and supplies for construction will be financed under item 4.b, Other Costs.)

4. Other Costs.

a. Costs incidental to interviews of technical assistance personnel (\$5,000).

b. Construction costs (\$1,005,000). This funding will be for the foreign exchange and local costs for construction materials and services.

B. Projected Life-of-Project Costs

Subject to the availability of funds, mutually satisfactory progress and subsequent AID approvals, the following financial estimate is projected for the anticipated life of this project (in thousands of U.S. dollars):

| | Foreign Exchange | Local Cost | Total Cost |
|------------------------------|------------------|------------|------------|
| 1. Technical Assistance Cost | | | |
| AID | \$1,925 | \$75 | \$2,000 |
| GOM | ----- | | |
| 2. Recurrent Cost | | | |
| AID | | | |
| GOM | ----- | 819 | 819 |
| 3. Capital Cost | | | |
| AID | 1,019 | 981 | 2,000 |
| GOM | ----- | 1,164 | 1,164 |
| Sub-Total | 1,019 | 2,145 | 3,164 |
| 4. Total Cost | | | |
| AID | 2,944 | 1,056 | 4,000 |
| GOM | ----- | 1,983 | 1,983 |
| | \$2,944 | \$3,039 | \$5,983 |

IV. GOVERNMENT OF MALAWI CONTRIBUTION**A. General**

The Government of Malawi, through the University of Malawi, agrees to provide on a timely basis the necessary funds, facilities, personnel, services and other resources required for the effective support of AID inputs to this project and the achievement of stated project objectives. Details of the GOM inputs are specified in the Project Paper.

B. Specific GOM Inputs Under this Agreement

For support to this Agreement, the GOM agrees to provide:

1. Qualified and experienced project management (see Section VII).

2. Salaries for U.S. staff. The GOM will pay the base salaries (less agreed-to deductions) into a trust fund. This contribution will be used to meet a portion of the local costs of the project in accordance with the Trust Account Agreement set forth as Annex B, hereto.

3. Working Space. The GOM will provide adequate working space for the U.S.-provided staff.

4. Equipment and Supplies. The GOM will supply any needed equipment and supplies not provided by AID to support the U.S. staff.

5. Local Travel and Maintenance. The GOM will provide all local travel costs for U.S. staff.

6. Support of Participants. Suitable candidates will be made available on a timely basis for participating in the special courses or degree programs in the U.S. provided for under this Agreement. Local costs incidental to their training programs while in Malawi and their salaries or a family maintenance allowance during the period of training, whether in or outside Malawi, will be paid for by the GOM.

7. Temporary Accommodation for U.S.-provided staff. In the event that permanent housing is not available for occupancy by the U.S.-provided staff and family upon arrival in Malawi, the GOM will provide suitable, furnished, temporary accommodation at no cost to the staff member until permanent housing is available. If such temporary accommodation is not located on the Bunda Campus, the GOM will either provide transportation, or reimburse the staff member for use of personal transportation, between his residence and the campus.

8. Permanent Housing for U.S.-provided Staff. Permanent housing will be provided without cost to the U.S.-provided staff and will be equipped with basic hard furnishings of a type assigned to other University of Malawi employees of comparable rank. The individual occupant will be responsible for utility bills.

9. Architectural and Engineering Services. The GOM will provide all required architectural and engineering design and supervision services.

10. Recurrent Costs. The GOM will finance, in addition to the aforementioned salaries, all of the recurrent costs, as defined in the Project Paper.

V. SPECIAL CONDITIONS

The Government of Malawi (GOM) will furnish to A.I.D. prior to the issuance of the first disbursement authorization for capital expenditure, in form and substance satisfactory to A.I.D., evidence that an adequate water supply will be developed to support the proposed expansion of facilities at Bunda. Such evidence may include, without limitation, (1) executed agreements with other donor agencies to finance the expansion of water supply facilities, and (2) Government appropriations which have been obligated in amounts sufficient to indicate the timely completion of water supply facilities. A.I.D. will notify the GOM in writing upon satisfactory compliance with this condition.

In the event such evidence has not been furnished to A.I.D. within 90 days of the execution of this Agreement, or by such later date as A.I.D. may otherwise agree to in writing, A.I.D., at its option, may terminate this Agreement by written notice to the GOM.

Notwithstanding A.I.D.'s prior acceptance of evidence regarding development of an adequate water supply, should it become apparent to A.I.D. at any time during the life of the project that an adequate water supply will not, in fact, be available to support the expansion of facilities contemplated by this Project, then A.I.D. may, after consultation with the GOM, terminate this Project in whole or in part as deemed appropriate.

VI. CONDITIONS AND COVENANTS

A. General. The GOM shall carry out the Project with due diligence and efficiency, and in conformity with sound engineering, construction, financial and administrative practices. In this connection, the GOM shall at all times employ suitably qualified and competent construction contractors to carry out the Project.

B. Non-A.I.D. Financed Goods and Services. Goods and Services procured for the Project, but not financed by A.I.D., shall have their source and origin in countries included in Code 935 of the A.I.D. Geographic Code Book.

C. Reasonable Price. No more than reasonable prices will be paid for any goods or services financed in whole or in part, under the Grant. Such items will be procured on a fair and, except for professional services, on a competitive basis.

D. Reports, Records, Inspections and Audit. The GOM will:

(1) Furnish A.I.D. such information and reports relating to the Project and to this Agreement as A.I.D. may reasonably request;

(2) Maintain or cause to be maintained, in accordance with sound accounting principles and practices consistently applied, books and records relating to the Project and to this Agreement, adequate to show, without limitation:

- (a) The receipt and use of goods and services acquired under the Grant;
- (b) The nature and extent of solicitation of prospective suppliers of goods and services acquired;
- (c) The basis of award of contracts and orders; and
- (d) The progress of the Project.

Such books and records will be regularly audited, in accordance with sound accounting standards, and maintained for three years after the date of last disbursement by A.I.D.; and

(3) Afford authorized representatives of A.I.D. the opportunity at all reasonable times to inspect the Project, the utilization of goods and services under the Grant, and books, records and other documents relating to the Project and the Grant.

E. Assignment of Cause. The Ministry of Finance agrees to execute an assignment to A.I.D., upon request, of any cause of action which may accrue to the Government of Malawi in connection with or arising out of a contractor's performance or breach of performance of any contract financed in whole or in part by funds provided by the United States Government under this Agreement.

F. Information and Marking. The GOM shall give publicity to this Agreement and the Project as a program of United States assistance, identify the Project site and mark goods financed by A.I.D., as prescribed in subsequent Implementation Letters.

G. Additional Conditions and Covenants.

(1) Any resources financed by A.I.D. pursuant to this Agreement will, unless otherwise agreed in writing by A.I.D., be devoted to the Project until the completion of the Project, and thereafter will be used so as to further the objectives sought in carrying out the Project.

(2) Goods or services financed under the Grant, except as A.I.D. may otherwise agree in writing, will not be used to promote or assist a foreign aid project or activity associated with or financed by a country not included in Code 935 of the A.I.D. Geographic Code Book as in effect at the time of such use.

(3) The GOM covenants:

(a) That the facts and circumstances of which it has informed A.I.D., or caused A.I.D. to be informed, in the course of reaching agreement with A.I.D. on the Grant, are accurate and complete, and include all facts and circumstances that might materially affect the Project and the discharge of responsibilities under this Agreement, and

(b) That it will inform A.I.D. in a timely fashion of any subsequent facts and circumstances that might materially affect or that it is reasonable to believe might so affect, the Project or the discharge of responsibilities under this Agreement.

(4) The A.I.D.-financed technical assistance personnel under this Project will not be subject to transfer or reassignment outside this Project, without the prior written consent of A.I.D.

(5) The GOM will assign individuals who have undergone long-term training financed by A.I.D. under this Project to positions occupied by U.S.-provided technicians or in closely related activities or as otherwise mutually agreed.

VII. IMPLEMENTATION ARRANGEMENTS

A. Designation of Responsible U.S. AID Officials

1. For A.I.D., overall responsibility for implementation and management for U.S.-financed inputs will lie with the U.S. AID Regional Office for Southern Africa (U.S.A.I.D./Southern Africa). The Regional Development Officer (RDO) in charge of that office shall designate appropriate technical staff for this purpose.

2. The initial point of contact with A.I.D. on all matters will be through the officer in the United States Embassy in Malawi who has been designated responsibility for A.I.D. affairs in Malawi.

3. Under the general direction of the U.S.A.I.D./Southern Africa, the A.I.D. Regional Economic Development Services Office (REDSO) located in Nairobi, which provides legal, engineering and contracting services for A.I.D. field offices in east and southern Africa, will be responsible on behalf of A.I.D. for approvals and monitoring related to the construction element of the project. With the prior concurrence of U.S.A.I.D./Southern Africa, the REDSO/Nairobi will issue Implementation Letters providing detailed guidance and instructions relative to implementation of the construction activities of the project.

4. U.S.A.I.D./Southern Africa shall be directly responsible for issuing implementation documents relative to initiating and carrying out the technical assistance, training and commodity procurement elements of the project. The A.I.D. Controller in U.S.A.I.D./Southern Africa shall be responsible for review and approval of all A.I.D. payments and claims for reimbursement for all elements of the project.

B. Designation of Responsible GOM Officials

1. For purposes relative to this Agreement, the Government of Malawi will be represented by the individual holding or acting in the office of Minister of Finance. This individual shall have the authority to designate additional representatives by written notice, including specimen signatures of all such designees. Until receipt by A.I.D. of written notice of revocation of the authority of any duly authorized representatives of the Government of Malawi designated pursuant to this Section, it may accept the signatures of any such representative(s).

on any instrument as conclusive evidence that any action effected by such instrument is duly authorized.

2. For normal operations, the GOM management of this project will be provided through the regular channels of the University of Malawi (UM). The Vice-Chancellor of that institution shall be responsible for the overall management of the project. The UM Registrar shall be responsible for implementation of the construction component and will coordinate the activities of the UM architect, Norman and Dawbarn. After construction contracts are awarded, he will be responsible for forwarding all relevant documentation to U.S.A.I.D./Southern Africa and REDSO/Nairobi through the GOM Ministry of Finance. The Principal of Bunda will be responsible for all details related to the technical assistance, training and commodity procurement components of the project. He will be the chief supervisor of the A.I.D.-financed staff, who will work within their assigned departments.

C. Disbursement of A.I.D. Contributions

(1) Disbursements for technical assistance, participant training and commodities will be made directly by A.I.D. following established Agency procedures.

(2) Other Costs: Disbursement procedures for construction costs and other costs will vary depending upon whether disbursement is for foreign exchange or local currency costs. Local currency costs will be handled on a reimbursable basis. Documentation and procedures required for the Government of Malawi to obtain reimbursement from A.I.D. will be defined in a separate Implementation Letter. The various alternatives for handling disbursement of foreign exchange costs of construction will be discussed by A.I.D. and the G.O.M. and the most satisfactory method will be mutually agreed upon.

D. Procurement

(1) The authorized source of procurement for construction materials and related supplies under this Agreement shall be those countries in A.I.D. Geographic Code 935, as in effect on the date of procurement. All other procurement of goods and services, exclusive of construction materials and related supplies, shall be of U.S. and local source.

(2) Contracting for construction services and construction related commodities financed by A.I.D. will be conducted in accordance with standard GOM contracting rules, procedures and forms.

(3) Off-shelf procurement of commodities and materials shall be in accordance with A.I.D. rules and regulations as set forth in A.I.D. Handbooks and Manual Orders, to be more fully described in Implementation Letters.

E. Plans, Specifications and Contracts for Construction. In order for there to be mutual agreement on the following matters, and except as the parties may otherwise agree in writing:

(1) The GOM will furnish to A.I.D., upon preparation:

(a) any plans, specifications, construction schedules, bid documents, and contracts relating to the Project (and any modifications therein) which are to be financed under the Grant, together with

(b) such documentation for any goods or services which though not financed under the Grant, are of critical importance to the Project. Aspects of the Project involving matters under this subsection (1)(b) will be identified in Implementation Letters issued by REDSO/Nairobi.

(2) Prior to their issuance, bid documents and documents related to the solicitation of proposals for goods and services financed under the Grant will be approved by A.I.D. in a manner to be defined by Implementation Letters.

(3) Contracts and contractors financed by A.I.D., or identified in accordance with Section (1)(b) above, for engineering and other professional services, for construction services, and for such other services, equipment or materials as may be specified in Implementation Letters, will be approved by A.I.D. in writing prior to execution of the Contract. Material modifications in such contracts will also be approved in writing by A.I.D. prior to execution.

(4) The employment of personnel to perform services under construction contracts financed by A.I.D. is subject to certain requirements, which will be described in Implementation Letters, as necessary, with respect to nationals of countries other than Malawi and the United States.

F. Issuance of Implementing Documents. Pursuant to A.I.D. Handbook 19, Ch. 1, Sec. 1.D.3, issuance of the necessary implementing documents for the non-construction components of the Project is waived for the periods shown below:

PIO/Ts Not more than six months

PIO/Ps Not more than twelve months

PIO/Cs Not more than six months.

VIII. REVIEW AND EVALUATION

The GOM and U.S.A.I.D./Southern Africa mutually agree that regular periodic reviews of project progress and careful formal evaluations using predetermined terms of reference are essential to project success. Toward that end, the parties agree to carry out the review and evaluation processes described below.

A. On-going Evaluation

The on-going evaluation will consist of periodic reporting by the contractor and continuous monitoring by the AID Project Manager.

B. Annual Evaluations

The annual evaluations will be designed to accomplish minor corrections and revision in project design and implementation as needed. These annual evaluations will be based on the results of new data obtained regarding the outcome of project activities. These evaluations will be participated in by members of the Bunda staff as well as GOM officials.

C. End of Project Evaluation

There will be a comprehensive end-of-project evaluation carried out by a team of specialists financed under the project, and participated in by GOM, University of Malawi and Bunda College officials.

IX. EXEMPTION FROM DUTIES AND TAXES

Pursuant to the terms of the attached Standard Provisions Annex, which is part of this Agreement, the Government of Malawi agrees to arrange for the exemption from or for reimbursement of:

1. All duties and taxes imposed on and relating to the import of household and personal effects (including one motor vehicle) which are the property of each U.S.-supplied technician or his family intended for their own personal and/or domestic use and are imported by him within a period of six months of his arrival at his post of assignment. If any of the above effects are sold prior to re-export, the U.S.-financed specialists will be liable to pay duty or taxes on them at appropriate rates.
2. All export duties and taxes on the above items.
3. All social security taxes, personal taxes and all direct taxes on all income of the U.S.-supplied staff received from the U.S. Government, either directly or indirectly.
4. The Agreement will be free from any taxation or fees imposed under laws in effect in Malawi. To the extent that (a) any contractor, including any consulting firm, any personnel of such contractor financed hereunder, and any property or transaction relating to such contracts and (b) any commodity procurement transaction financed hereunder, are not exempt from identifiable taxes, tariffs, duties or other levies imposed under laws in effect in Malawi, the GOM will, as and to the extent provided in Implementation Letters, pay or reimburse the same

X. STANDARD PROVISIONS ANNEX

The following Standard Provisions Annex is incorporated into this Agreement and made a part thereof as Annex A. Should any clause of Annex A be at variance with any other provision of this Agreement then the latter shall be controlling.

ANNEX A

| | | |
|--|--|---|
| AIO 1330-1B (8-63) | PROJECT AGREEMENT BETWEEN AID AND MINISTRY OF FINANCE | 1. PROJECT/ACTIVITY NO. <u>690-0054</u> |
| PROAG STANDARD PROVISIONS ANNEX | AN AGENCY OF THE GOVERNMENT OF MALAWI | 2. AGREEMENT NO. <u>76-M-1</u> |
| | | 3. <input checked="" type="checkbox"/> ORIGINAL OR REVISION NO. |

A. As used herein, the term "AID" refers to the Agency for International Development, any component agency, or any successor agency. References to "this Project Agreement" shall mean the original Project Agreement as modified by any revisions which have entered into effect.

B. (1) AID will make available the amounts specified in Block 8 of this Project Agreement, as necessary for the project, for use for the designated purposes and as may be further described in Annex A, as required by Block 5 hereof. In addition, as may be further specified in Annex A, AID will, subject to the availability of funds and (where required by AID procedures) as provided for in Project Implementation Orders (PIOs) issued by AID in accordance with its procedures, make available funds (a) to pay costs of furnishing technical services to be performed by United States Government employees in connection with the project, (b) to pay a share of the costs of providing training outside the cooperating country in

connection with the project for qualified persons from the cooperating country, and (c) to pay such additional costs as may be specified.

(2) The Cooperating Government Agency will make available the amounts specified in Block 9 of this Project Agreement, as necessary for the project, for use for the designated purposes and as may further be described in Annex A. The Cooperating Government Agency will also make, or arrange to have made, additional contributions of property, services, facilities and funds required for carrying out the project as may be specified in Annex A, or as may subsequently be agreed upon by the two parties.

C. AID and the Cooperating Agency may obtain the assistance of other public and private agencies in carrying out their respective obligations under this Project Agreement. The two parties may agree to accept contributions of property, services, facilities and funds for purposes of this Project Agreement from other public and

private agencies, and may agree upon the participation of any such third party in carrying out activities under this Project Agreement.

D. AID shall not be required to make any contribution after the expiration of six months following the estimated final contribution date (Block 13 of the Project Agreement form AID 1330-1) or any amended final contribution date specified herein. Except as otherwise specified herein or subsequently agreed by the parties, all contributions of the Cooperating Agency pursuant to this Project Agreement shall be made on or before said estimated termination date, or amended date. A contribution of goods or services shall be considered to have been made when the goods or services, provided or financed by the contributing party, are delivered in accordance with commercial practice.

E. The procurement of commodities and contract services to be financed in whole or in part by AID may (where so required by AID procedures) be undertaken only pursuant to PIOs issued by AID in accordance with its procedures.

F. Unless otherwise specified in the applicable PIO, the procurement of commodities financed with the AID contribution referred to in Block 8 of this Project Agreement shall be subject to the provisions of AID Regulation 1.

G. Unless otherwise specified in the applicable PIO, title to all property procured through financing by AID pursuant to Block 8(c) of this Project Agree-

ment shall be in the Cooperating Agency, or such public or private agency as it may authorize. This provision is inapplicable to any property which may be used in connection with the project but is not financed pursuant to said Block 8(c).

H. Any property furnished to either party through financing by the other party pursuant to this Project Agreement shall, unless otherwise agreed by the party which financed the procurement, be devoted to the project until completion of the project, and thereafter shall be used so as to further the objectives sought in carrying out the project. Either party shall offer to return to the other, or to reimburse the other for, any property which it obtains through financing by the other party pursuant to this Project Agreement which is not used in accordance with the preceding sentence.

I. (1) If AID and any public or private organization furnishing commodities through AID financing for operations hereunder in the cooperating country, is, under the laws, regulations or administrative procedures of the cooperating country, liable for customs duties and import taxes on commodities imported into the cooperating country for purposes of carrying out this Project Agreement, the Cooperating Agency will pay such duties and taxes unless exemption is otherwise provided by any applicable international agreement.

(2) If any personnel (other than citizens and residents of the cooperating country), whether United States Government em-

ployees, or employees of public or private organizations under contract with, or individuals under contract with AID, the Cooperating Agency or any agency authorized by the Cooperating Agency, who are present in the cooperating country to provide services which AID has agreed to furnish or finance under this Project Agreement, are, under the laws, regulations or administrative procedures of the cooperating country, liable for income and social security taxes with respect to income upon which they are obligated to pay income or social security taxes to the Government of the United States of America, for property taxes on personal property intended for their own use, or for the payment of any tariff or duty upon personal or household goods brought into the cooperating country for the personal use of themselves and members of their families (not including such personal or household goods as may be sold by any such personnel in the cooperating country), the Cooperating Agency will pay such taxes, tariff, or duty unless exemption is otherwise provided by any applicable international agreement.

J. Any personnel (other than citizens and residents of the cooperating country), whether United States Government employees or employees of public or private organizations under contract with, or individuals under contract with, AID, the Cooperating Agency or any agency authorized by the Cooperating Agency, who are present in the cooperating country

to provide services which AID has agreed to furnish or finance under this Project Agreement shall be subject to the approval of the Cooperating Agency and AID, and shall be under the general direction of the Director of the Mission to the cooperating country.

K. If any commodity is furnished to the Cooperating Agency, or any public or private agency authorized by the Cooperating Agency, on a grant basis through financing by AID pursuant to this Project Agreement under arrangements which will result in the accrual of proceeds to the Cooperating Agency or any authorized agency and if the applicable agreement between the two governments referred to on the first page of this Project Agreement does not provide for the establishment of a Special Account and the deposit therein of currency of the cooperating country, the Cooperating Agency will make such arrangements as may be necessary to establish a Special Account and to deposit therein currency of the cooperating country in amounts equal to such proceeds, in accordance with such terms and conditions as may be agreed upon. Funds in the Special Account may be used only as agreed upon by AID and the Cooperating Agency, provided, that such portion of the funds in the Special Account as may be designated by AID shall be made available to AID to meet the requirements of the United States.

L. The Cooperating Agency will make such arrangements as

may be necessary so that funds introduced into the cooperating country by AID or any public or private agency for purposes of carrying out obligations of AID hereunder shall be convertible into currency of the cooperating country at the highest rate which, at the time the conversion is made, is not unlawful in the cooperating country.

M. AID shall expend funds and carry on operations pursuant to this Project Agreement only in accordance with the applicable laws and regulations of the United States Government.

N. The two parties shall have the right at any time to observe operations carried out under this Project Agreement. Either party during the term of the Project and three years after the completion of the project, shall further have the right (1) to examine any property procured through financing by that party under this Project Agreement, wherever such property is located, and (2) to inspect and audit any records and accounts with respect to funds provided by, or any properties and contract services procured through financing by, that party under this Project Agreement, wherever such records may be located and maintained. Each party, in arranging for any disposition of any property procured through financing by the other party under this Project Agreement, shall assure that the rights of examination, inspection and audit described in the preceding sen-

tence are reserved to the party which did the financing.

O. Upon completion of the project, a Completion Report shall be drawn up, signed by appropriate representatives of AID and the Cooperating Agency, and submitted to AID and the Cooperating Agency. The Completion Report shall include a summary of the actual contributions by both AID and the Cooperating Agency to the project, and shall provide a record of the activities carried out, the objectives achieved, and related basic data. AID and the Cooperating Agency shall each furnish the other with such information as may be needed to determine the nature and scope of operations under this Agreement and to evaluate the effectiveness of such operations.

P. The present Agreement shall enter into force when signed. Either party may terminate this Project Agreement by giving the other party 30 days written notice of intention to terminate it. Termination of this Project Agreement shall terminate any obligations of the two parties to make contributions pursuant to Blocks 8 and 9 of this Project Agreement, except for payments which they are committed to make pursuant to noncancelable commitments entered into with third parties prior to the termination of the Project Agreement. It is expressly understood that the obligations under paragraph H relating to the use of property shall remain in force after such termination.

ANNEX B

| | | |
|--|-------------------------------------|---|
| PROJECT AGREEMENT BETWEEN AID AND MINISTRY OF FINANCE AN AGENCY OF THE GOVERNMENT OF MALAWI | 1. PROJECT/ACTIVITY NO. 690-0054 | |
| | 2. AGREEMENT NO. 76-M-1 | 3. <input checked="" type="checkbox"/> ORIGINAL OR REVISION NO._ |
| | 3. PROJECT/ACTIVITY TITLE | Bunda College of Agriculture |

**TRUST ACCOUNT AGREEMENT BETWEEN THE AGENCY
FOR INTERNATIONAL DEVELOPMENT AND THE GOV-
ERNMENT OF MALAWI**

In accordance with the legislative requirements specified in the U.S. Foreign Assistance Act, [1] the Government of Malawi is to bear a fair share of the costs of assistance programs in Malawi. In order to provide one means for carrying out the above undertaking, the United States Agency for International Development (referred to below as "A.I.D.") and the Government of Malawi (referred to below as GOM) hereby agree upon the following arrangements:

1. The GOM will make contributions of local currency to a trust account in the name of the U.S. Disbursing Officer upon request of A.I.D. subject to approval by the G.O.M. Such contributions shall be made in amounts and on the schedules established by relevant Project Agreements. Disbursements from the trust account may be made on behalf of the G.O.M. by the Government of the United States, following mutual agreement on an annual budget, to cover the following costs of United States assistance programs in Malawi.

Trust account funds will be used in support of the joint G.O.M./A.I.D. Bunda College Project No. 690-0054. To the extent that costs are incurred in and payable in local currency, funds will be used for the following types of support:

1. Travel and transport
2. Local procurement of supplies, equipment and services
3. Repair and maintenance of teaching and laboratory equipment
4. Fees or honorariums for guest lecturers or consultants
5. Other uses mutually agreed to in annual budgets.

It is understood that paragraph B(1) of the Standard Provisions Annex of project agreements now in force or to be entered into shall

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

be construed to permit payment from the trust account of the above types of costs incurred pursuant to project agreements.

2. Funds advanced under this Agreement shall be held in trust for the G.O.M. and all interest earnings on funds so held shall be added to the fund. An accounting shall be rendered annually to the G.O.M. of the uses made of all funds deposited under this Agreement. Any balance remaining in the trust account upon termination of this Agreement or of United States assistance programs in Malawi whichever is earlier, shall be returned to the G.O.M.

3. The A.I.D. will maintain records of all property purchased from the funds supplied by the G.O.M. These records may be inspected by representatives of the G.O.M. All property so purchased shall be identified as belonging to the G.O.M., and shall be transferred to the G.O.M. when no longer required for the support of United States assistance programs in Malawi. Proceeds of sale of such property during the life of the Trust Agreement shall be deposited in the trust account.

4. Either party may terminate this Agreement by giving the other party thirty days written notice to terminate it.

By: D T MATENJE

Date: April 29, 1976

GOVERNMENT OF MALAWI

By: ROBERT A. STEVENSON

Date: April 29, 1976

U.S. GOVERNMENT

UNITED NATIONS CHILDREN'S FUND

Agricultural Commodities: Transfer Under Title II

*Agreement signed at Washington and New York May 4 and 11.
1977;
Entered into force May 11, 1977.*

DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D.C. 20528

TRANSFER AUTHORIZATION

| | | |
|--------------------------------|-------------------------|-------------------------------|
| Program Classification | AID No. | 663-048-8440-000- |
| Emergency Food Assistance | | 7631 |
| Maternal Child Feeding | | |
| Executive Vice President | Program Approval Dated: | |
| Commodity Credit Corporation | | March 28, 1977 |
| U.S. Department of Agriculture | Program Title: | Drought |
| Washington, D.C. | | Emergency Ethiopia— UNICEF |

In accordance with the provisions of Title II, PL 480 (as amended), [¹] Section 2 of Executive Order 10900 [²] and State Department Delegation Order No. 104 effective September 30, 1961, the Commodity Credit Corporation is hereby authorized to transfer and deliver INSTANT CORN SOY MILK TO UNITED NATIONS CHILDREN'S FUND in an amount not to exceed \$1,276,222 pursuant to the following instructions:

1. Quantity - Metric tons not to exceed:

| Previous Total | Increase | Decrease | Total to Date |
|----------------|----------|----------|---------------|
| | 2,500 | | 2,500 |

2. Commodities to be shipped:

| Code No. | Commodity | Amount Metric Tons | CCC Value \$ | Export Mrkt. Value \$ |
|----------|-----------------------|-----------------------|-----------------|--------------------------|
| 048.8440 | Sweetened Instant CSM | 2,500 | \$1,276,224 | \$1,137,504 |

¹ 68 Stat. 457; 7 U.S.C. §1721 *et seq.*

² 26 Fed. Reg. 143.

3. Estimated Ocean Transportation Costs: \$345,000

All actual ocean transportation expenditures under this program regardless of the estimate shown above, are to be charged to the Blanket Freight Transfer Authorization No. 935-9500-000-7899. An individual Ocean Freight Transfer Authorization will not be issued. Transportation cost based on 2,500 M/T sweetened flavored I/CSM.

4. Specifications:

Sweetened and Flavored Instant Corn Soy Milk—Packed in 50 pound bags.

NOTE: Costs of sweetening to be charged to and paid by UNICEF. Contact Mr. A. J. Parenti, UNICEF/New York, Telephone 212-754-8008

5. Shipping Instructions:

A. Delivery Schedule and Port of Discharge:

500 MTS: April/May '77 (Massawa)
500 MTS: July '77 (Assab)
1000 MTS: Sept. '77 (Assab)
500 MTS: Nov. '77 (Assab)

B. (Notify UNICEF shipping regarding provisional bookings)

C. Consignee: United Nations Children's Fund
UNICEF Representative in Ethiopia
P.O. Box 1169
Addis Ababa, Ethiopia

D. Distribution of Bills of Lading:

- 1) Three originals and eight copies to shipping section; UNICEF, United Nations, New York, N.Y. 10007. (NOTE: UNICEF will make distribution to Consignee.)
- 2) Original and one copy to Consignee accompanying cargo or via airmail within 24 hours.
- 3) Original and two copies to A.I.D. Transportation and Support Division, Office of Commodity Management, Washington, D.C. 20523 Attn: Mr. Robert E. James.
- 4) Original and three copies via airmail to American Embassy/USAID, Addis Ababa, Ethiopia.

6. Program Objectives and Use of Commodity

The commodity authorized herein is contributed by the United States Government (USG) to the United Nations Children's Fund (UNICEF) for distribution to needy pre-school children and pregnant and lactating women who are particularly in need of supplemental nutrition. The intent of this program is the con-

tinuation of MCH feeding where urgent need is recognized by the Ethiopian Relief and Rehabilitation Commission in collaboration with the Ministry of Public Health and the Nutrition Institute. This program is designed to bridge the period between past emergency feeding and the institutionalization of a GOE endorsed/supported MCH feeding program under GOE non-emergency criteria. This program will operate for the period required to distribute to approved MCH recipients the commodities authorized herein in amounts per recipient as already established by UNICEF but not to exceed 12 months duration from date of commodity arrival.

- A. The USG will supply the commodity (Instant Corn Soy Milk) and pay ocean transportation costs to port(s) of discharge.
- B. UNICEF will be responsible for all handling, storage and internal transportation and distribution costs.
- C. UNICEF agrees to keep the American Embassy/USAID in Ethiopia fully informed concerning the status of commodity receipts and distribution and to provide detail on program activities through periodic reports as requested by USAID. Representatives of the USG will be permitted to audit and have access to all records pertaining to the use of the commodity provided by this Transfer Authorization.
- D. UNICEF agrees to the terms of AID Regulation 11 with specific attention to Section 211.9 (c) "ocean carrier loss and damage" and will furnish the prescribed documents on a priority basis to the USAID or Diplomatic Post.

KATHLEEN S. BITTERMANN

MAY 4, 1977
Date

Kathleen S. Bittermann
Coordinator, Office for FFP

REQUEST AND ACCEPTANCE: The assistance described in this authorization is hereby requested and the terms and conditions of this Agreement and of AID Regulation 11, 33FR2918, 1968 (attached and incorporated herein by reference) except as otherwise specifically provided herein are hereby accepted.

F F SMITHWICK

F. F. Smithwick,
*Acting Director
Programme Division*

11 MAY 1977
Date

FOR UNITED NATIONS CHILDREN'S FUND (UNICEF)

UNITED NATIONS CHILDREN'S FUND

Agricultural Commodities: Transfer Under Title II

*Agreement signed at Washington and New York April 29 and
May 11, 1977;
Entered into force May 11, 1977.*

DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D.C. 20523

TRANSFER AUTHORIZATION

Emergency Maternal Child
Feeding

AID No. 654-XXX-000-7601

Executive Vice President
Commodity Credit Corporation
U.S. Department of Agriculture
Washington, D. C.

Program Approval Date
March 25, 1977

Program Title: Emergency
Maternal Child Feeding
Angola

In accordance with the provisions of Title II, PL 480 (as amended), [1] Section 2 of Executive Order 10900 [2] and State Department Delegation Order No. 104 effective September 30, 1961, the Commodity Credit Corporation is hereby authorized to transfer and deliver BLENDDED FOODS TO UNITED NATIONS CHILDREN'S FUND for use in the People's Republic of Angola in an amount not to exceed \$4,785,600 pursuant to the following instructions:

1. Quantity - Metric tons not to exceed :

| Previous Total | Increase | Decrease | Total to Date |
|----------------|----------|----------|---------------|
| | 12,000 | | 12,000 |

¹ 68 Stat. 457; 7 U.S.C. §1721 *et seq.*

² 26 Fed. Reg. 143.

Commodities to be shipped:

| Code | Commodity | Amount Metric Tons | CCC Value \$ | Export Market Value \$ |
|----------|-----------------------|--------------------------|-----------------|------------------------------|
| 048.8440 | Sweetened Instant CSM | 6,000 | \$3,063,600 | \$2,730,600 |
| 047.0250 | S.F. Sorghum Grits | 6,000 | 1,722,000 | 1,536,000 |

2. Specifications:

- A. ICSM/W sweetening and flavoring @ 7.5 percent in 50-lb. bags, USDA specifications. NOTE: Costs of sweetening to be charged to and paid by UNICEF. Contact Mr. A. J. Parenti, UNICEF/New York, Telephone 212/754-8008
- B. S.F. Sorghum Grits in 50-lb. bags, USDA specifications.
- C. Abbreviated bag markings required consisting of: (1) Name of commodity; (2) Furnished by the people of the United States of America; (3) Contract No.; (4) Net weight; and (5) UNICEF.

3. Estimated Ocean Transportation Costs: \$1,600,000

All actual ocean transportation expenditures under this program regardless of the estimate shown above, are to be charged to the Blanket Freight Transfer Authorization No. 935-9500-000-7899. An individual Ocean Freight Transfer Authorization will not be issued.

4. Shipping Instructions:

- A. Delivery schedule: Six shipments at two month intervals with commodity split evenly between ports.
- B. Ports of Discharge: Luanda and Lobito
- C. Consignee: UNICEF United Nations Children's Fund—Caixa Postal 2707
Luanda, Angola
- D. Distribution of Bills of Lading:
 - 1) Three originals and eight copies to Shipping Section—Attn: Mr. E. F. Kenny—UNICEF, United Nations, New York, N.Y. 10007. (NOTE: UNICEF will make distribution to Consignee).
 - 2) Original and one copy to Consignee accompanying cargo.
 - 3) Original and two copies to A.I.D. Transportation and Support Division, Office of Commodity Management, Washington, D.C. 20523
Attn: Mr. Robert E. James.

5. Program Objectives and Use of Commodity:

The commodity authorized herein is contributed by the United States Government (USG) to the United Nations Children's Fund (UNICEF) for distribution to children and women who are particularly in need of supplemental nutrition in war ravaged and food-security areas of Angola. This program is expected to be completed within 12 months of delivery of first shipment.

- A. The USG will supply the commodity and pay ocean transportation costs to ports of discharge.
- B. UNICEF will be responsible for all handling, storage and internal transportation and distribution costs.
- C. UNICEF agrees to keep the Food for Peace Office in Washington fully informed concerning the status of commodity receipts and distribution and to provide detail on program activities as appropriate. Representatives of the USG will be permitted to audit and have access to all records pertaining to the use of the commodity provided by this Transfer Authorization.
- D. UNICEF agrees to the specific terms of A.I.D. Regulation 11 Section 211.9(c) "ocean carrier loss and damage" and will furnish the prescribed documents with pertinent comments on a priority basis to Chief, Claims and Collections Division, Praire Village ASCS Commodity Office, P.O. Box 8377, Shawnee Mission, Kansas 66208 with duplicate copies to Office of Food for Peace, Food for Development Division, AID/Washington.

KATHLEEN S. BITTERMANN

APRIL 29, 1977

Date

Kathleen S. Bittermann
Coordinator, Food for Peace

REQUEST AND ACCEPTANCE: The assistance described in this authorization is hereby requested and the terms and conditions of this agreement and of AID Regulation 11, 33FR2918, 1968, (attached and incorporated herein by reference) except as otherwise specifically provided herein are hereby accepted.

F F SMITHWICK

F. F. Smithwick,
Acting Director
Programme Division

11 MAY 1977

Date

FOR UNITED NATIONS CHILDREN'S FUND (UNICEF)

RWANDA

Agricultural Commodities: Transfers Under Title II

*Agreement signed at Washington April 26 and 29, 1977;
Entered into force April 29, 1977.*

DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D.C. 20528

TRANSFER AUTHORIZATION

| | |
|--------------------------------|--|
| Emergency Relief | AID No. 696-045.9015-000- 7603 |
| Executive Vice President | |
| Commodity Credit Corporation | Program Approval Dated: |
| U.S. Department of Agriculture | March 29, 1977 |
| Washington, D.C. | Program Title: Emergency Food Relief—Rwanda |

In accordance with the provisions of Title II, PL 480 (as amended), [¹] Section 2 of Executive Order 10900 [²] and State Department Delegation Order No. 104 effective September 30, 1961, the Commodity Credit Corporation is hereby authorized to transfer and deliver FOOD GRAIN TO THE GOVERNMENT OF RWANDA in an amount not to exceed \$262,500 pursuant to the following instructions:

1. Quantity—Metric tons not to exceed:

| Previous Total | Increase | Decrease | Total to Date |
|----------------|----------|----------|---------------|
| | 2, 500 | | 2, 500 |

2. Commodity to be shipped:

| Code | Commodity | Amount Metric tons | CCC Value \$ | Export Market Value \$ |
|----------|-----------|-----------------------|-----------------|---------------------------|
| 045.9015 | Sorghum | 2, 500 | \$262, 500 | \$232, 500 |

¹ 68 Stat. 457; 7 U.S.C. § 1721 *et seq.*

² 26 Fed. Reg. 143.

3. Estimated Ocean Transportation Costs: \$315,000

All actual ocean transportation expenditures under this program regardless of the estimate shown above, are to be charged to the Blanket Freight Transfer Authorization No. 935-9500-000-7899. An individual Ocean Freight Transfer Authorization will not be issued.

4. Specifications:

Grain Sorghum—Grade No. 2 not to exceed 5 percent foreign material and not to exceed 2 percent total damage.

5. Shipping Instructions:

- A. Delivery Schedule: Two tranches of 1,250 MT, one month apart.
- B. Port of Discharge: Mombasa, Kenya
- C. Point of Entry: (to land-locked country) Kigali, Rwanda.
- D. Consignee: OPROVIA Kigali, Rwanda
- E. Send copy of Bills of Lading to:

- 1) First original and one copy to Consignee via airmail.
- 2) After ships loading: second original and one copy accompanying cargo to consignee.
- 3) Third original and two copies to A.I.D. Transportation and Support Division, Office of Commodity Management, Washington, D.C. 20523, Attn: Mr. R. E. James.
- 4) Original and two copies to USAID/K . nd , c/o American Embassy, Kigali, Rwanda via airmail.

6. Program Objective and Distribution of Commodities:

The commodity authorized herein is contributed by the United States Government (USG) to the Government of Rwanda (GOR) to assist in alleviating the shortage of food caused by extensive crop failures. No portion of the commodity is authorized for sale. A portion of this commodity may, however, be used on a one to one basis to replace OPROVIA stocks already issued for free distribution for emergency feeding.

APRIL 26, 1977

DATE

KATHLEEN S. BITTERMAN

Kathleen S. Bitterman
Coordinator, *Food for Peace*

REQUEST AND ACCEPTANCE: The assistance described in this authorization is hereby requested and the terms and conditions of this agreement and of AID Regulation 11, 33FR2918, 1968 (attached and incorporated herein by reference) except as otherwise specifically provided herein are hereby accepted.

APRIL 29, 1977

DATE

BONAVENTURE UBALIJORO

For the Government of Rwanda
The Honorable, Bonaventure Ubalijoro,
Ambassador of the Republic of Rwanda

SOCIALIST REPUBLIC OF ROMANIA

Agricultural Commodities: Transfer Under Title II

*Agreement signed at Bucharest May 31, 1977;
Entered into force May 31, 1977.*

DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT
Washington, D.C. 20523

TRANSFER AUTHORIZATION

Program Classification: Disaster Relief AID No. 180-022.2040-000-7602

Executive Vice President
Commodity Credit Corporation
U.S. Department of Agriculture
Washington, D.C.

Program Approval Date:
April 1, 1977

Program Title: Humanitarian
Relief for Earthquake
Disaster Emergency

In accordance with the provisions of Title II, PL-480 (as amended),^[1]
Section 2 of Executive Order 10900,^[2] State Department Delegation
Order No. 104 effective September 30, 1961, the Commodity Credit
Corporation is hereby authorized to transfer NON-FAT DRY MILK TO
ROMANIA in an amount not to exceed \$476,400 pursuant to the
following instructions:

1. Quantity (Metric tons not to exceed)

| <u>Previous Total</u> | <u>Increase</u> | <u>Decrease</u> | <u>Total to Date</u> |
|-----------------------|-----------------|-----------------|----------------------|
| 300 | | | 300 |

2. Commodity Authorized:

| <u>Code</u> | <u>Commodity</u> | <u>Amount</u> | <u>Export</u> | |
|-------------|---------------------|--------------------|---------------------|------------------------|
| | | <u>Metric Tons</u> | <u>CCC Value \$</u> | <u>Market Value \$</u> |
| 022.2040 | Non-Fat Dry Milk | 300 | \$476,400 | \$424,500 |
| | Total: | 300 | \$476,400 | \$424,500 |

3. Estimated U.S. Government Ocean Transportation Costs: \$38,000

NOTE: This figure represents costs of transshipment and ocean
transportation of the commodity from Alexandria, Egypt to
Constanta, Romania.

¹ 68 Stat. 457; 7 U.S.C. § 1721 *et seq.*

² 26 Fed. Reg. 143.

All actual ocean transportation expenditures under this program, regardless of estimate shown above, are to be charged to Blanket Freight Transfer Authorization No. 935-9500-000-7899. An individual Ocean Freight Transfer Authorization will not be issued.

4. Commodity Specifications:

Non-Fat Dry Milk

5. Shipping Instructions:

A. Delivery Schedule: Commodity originally consigned to Catholic Relief Services-USCC Title II program in Egypt was offloaded o/a March 25, 1977 and reloaded o/a same day for onward transshipment to Constanta, Romania. Consignment discharged in Constanta o/a April 1, 1977.

B. Discharge Port: Constanta, Romania

C. Consignee: Comitetul National De Ajutoare
Complexul Exicazional
Pavilionul E., Bucharest

D. Copies of Bills of Lading were sent as follows:

- (1) After ship's loading in Alexandria, FIRST original and ONE copy by international airmail to Consignee.
- (2) SECOND original and ONE copy of Consignee-accompanied cargo.
- (3) THIRD original and TWO copies to A.I.D. Transportation and Support Division, Office of Commodity Management, Washington, D.C. 20523 ATTN: R.E.James
- (4) Original and ONE copy to Disaster Relief Officer, U.S. Embassy, Bucharest, Romania.

E. Transportation:

- (1) The U.S. Government is responsible for all costs incurred in the procurement, inspection and delivery of the commodity authorized herein F.A.S. vessel at designated ports and is responsible for arrangement of ocean transportation and payment of ocean freight.

- (2) The Non-Fat Dry Milk was originally shipped to Alexandria, Egypt for the CRS-USCC Title II program there and reconsigned to the Government of Romania. The commodity was transshipped from Alexandria to Constanta, Romania.

6. Program Objectives, Use of Commodity and Conditions of Transfer:

The Non-Fat Dry Milk authorized herein was donated by the United States in response to an appeal from the Government of the Socialist Republic of Romania for foodstuffs and other material to assist victims of the earthquake which struck there on March 4.

- A. The commodity authorized herein is being used primarily as humanitarian assistance being donated by the United States Government for an emergency feeding program being mounted to assist victims of the earthquake.
- B. Delivery shall be construed as meaning at discharge of ship's lighters as commodity was transshipped to Constanta, Romania aboard a LASH vessel, at which time the Government of the Socialist Republic of Romania will be fully responsible for maintenance, use and disposal of this commodity and all related costs.
- C. This Transfer Authorization is subject to the following conditions:
- (1) The Government of the Socialist Republic of Romania shall furnish to the U.S. Embassy reports on the receipt, both in quantity and quality, of the Non-Fat Dry Milk provided herein by means of outturn and cargo survey reports described in Section 211.9C of AID Regulation 11.
- (2) The Government of the Socialist Republic of Romania will furnish a report based on the provisions of Section 211.10b of AID Regulation 11 which will describe how the milk provided herein was used in assisting victims of the recent earthquake disaster.

(3) The Government of the Socialist Republic of Romania agrees to give reasonable assistance to U.S. Government representatives to enable them to review compliance with this Transfer Authorization.

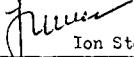
5/31/77
Date


FOR THE GOVERNMENT OF THE
UNITED STATES OF AMERICA

Richard C. Scissors

REQUEST AND ACCEPTANCE: The assistance described in this Authorization was hereby requested and the terms and conditions of this Agreement are hereby accepted.

31 V 1977.
Date


FOR THE GOVERNMENT OF THE SOCIALIST
REPUBLIC OF ROMANIA

Ion Stoica

TANZANIA

Agricultural Commodities: Transfer Under Title II

*Agreement signed at Dar es Salaam August 15, 1977;
Entered into force August 15, 1977.*

DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D.C. 20523

TRANSFER AUTHORIZATION

Emergency Drought
Rehabilitation

AID No. 621-047.250-000-7624

Program Approval Dated:

Executive Vice President
Commodity Credit Corporation
U.S. Department of Agriculture
Washington, D.C. 20250

Program Title: Emergency
Drought Rehabilitation—
Tanzania

In accordance with the provisions of Title II, P.L. 480 (as amended),^[1] Section 2 of Executive Order 10900^[2] and State Delegation Order No. 104 effective September 30, 1961, the Commodity Credit Corporation is hereby authorized to transfer and deliver Food GRAIN TO THE GOVERNMENT OF TANZANIA in an amount not to exceed \$5,740,000 pursuant to the following instructions:

1. Quantity—Metric tons not to exceed:

| Previous Total | Increase | Decrease | Total to Date |
|----------------|----------|----------|---------------|
| | 20,000 | | 20,000 |

¹68 Stat. 457; 7 U.S.C. §1721 *et seq.*

²26 Fed. Reg. 143.

2. Commodity to be shipped:

| Code | Commodity | Amount Metric Tons | CCC Value \$ | Export Market Value |
|----------|--------------------|--------------------------|--------------|---------------------------|
| 047.0250 | S.F. Sorghum Grits | 20,000 | 5,740,000 | 5,120,000 |

3. Estimated Ocean Transportation Costs: \$3,000,000

All actual ocean transportation expenditures under this program regardless of the estimate shown above, are to be charged to the Blanket Freight Transfer Authorization No. 935-9500-000-7899. An individual Ocean Freight Transfer Authorization will not be issued.

4. Specifications:

Soy Fortified Sorghum Grits—Bagged 50 pounds net. USDA specifications.

5. Shipping Instructions:

- A. Delivery Schedule: 6,000 MT ASAP, 9,000 MT one month later, 5,000 MT two months after first shipment.
- B. Port of Discharge: Dar es Salaam.
- C. Consignee: National Milling Corporation, P.O. Box 9502, Dar es Salaam, Tanzania.
- D. Send copies of Bills of Lading to:
 - (1) Original and 2 copies to consignee via airmail.
 - (2) Original and 2 copies to consignee accompanying cargo.
 - (3) Original and 2 copies to SER/COM/TR, Agency for International Development, Washington, D.C. 20523, Attn: R. E. James.
 - (4) Original and 2 copies to USAID/Tanzania, c/o American Embassy, Dar es Salaam, Tanzania, via airmail.

6. Program Objective and Distribution of Commodities:

The commodities authorized herein are contributed by the United States Government (USG) to the Government of Tanzania (GOT) to assist in alleviating the shortage of food caused by prolonged drought. No portion of the commodity is authorized for sale.

7. Survey Reports: The United States Government will arrange for cargo discharge surveys.

AUGUST 15, 1977
Date

VERNON C. JOHNSON
FOR THE GOVERNMENT
OF THE UNITED STATES
OF AMERICA

Vernon C. Johnson

REQUEST AND ACCEPTANCE: The assistance described in this authorization is hereby requested and the terms and conditions of this agreement and of AID Regulation 11, 33FR2918, 1968, as amended September 19, 1974 (39FR33668), except as otherwise specifically provided herein are hereby accepted.

AUGUST 15, 1977
Date

A S M JANGUO
FOR THE GOVERNMENT
OF TANZANIA

A. S. M. Janguo

UPPER VOLTA

Agricultural Commodities: Transfer Under Title II

*Agreement signed at Ouagadougou September 9, 1977;
Entered into force September 9, 1977.*

DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D.C. 20523

TRANSFER AUTHORIZATION

Program Classification: AID No. 686-XXX-000-7610
Emergency Food Assistance
Executive Vice President Program Approval Dated:
Commodity Credit Corporation May 3, 1977
U.S. Department of Agriculture Program Title: Drought
Washington, D.C. Emergency Food Relief—
Upper Volta

In accordance with the provisions of Title II, PL 480 (as amended), [¹] Section 2 of Executive Order 10900 [²] and State Department Delegation Order No. 104 effective September 30, 1961, the Commodity Credit Corporation is hereby authorized to transfer and deliver food to Upper Volta in an amount not to exceed \$1,790,222 pursuant to the following instructions:

1. Quantity—Metric tons not to exceed:

| Previous Total | Increase | Decrease | Total to Date |
|----------------|----------|----------|---------------|
| | 9,722 | | 9,722 |

2. Commodities to be shipped:

| Code | Commodity | Amount Metric Tons | CCC Value \$ | Export Mar- ket Value \$ |
|-----------|--------------------------------|--------------------------|-----------------|-----------------------------|
| 045. 9015 | Grain Sorghum | 5,000 | \$605,000 | \$540,000 |
| 047. 0250 | Soy Fortified Sorghum Grits | 4,722 | 1,185,222 | 1,053,006 |

¹ 68 Stat. 457; 7 U.S.C. § 1721 *et seq.*

² 26 Fed. Reg. 143.

3. Estimated Ocean Transportation Costs: \$732,000

All actual ocean transportation expenditures under this program, regardless of the estimate shown above, are to be charged to Blanket Freight Transfer Authorization No. 935-9500-000-7899. An individual Ocean Freight Transfer Authorization will not be issued.

4. Specifications:

Grain Sorghum—Grade No. 2 or better. Bagged 100 pounds net, and/or bulk, bags accompanying. USDA specifications.

Soy Fortified Sorghum Grits. Bagged 50 pounds net. USDA specifications.

5. Shipping Instructions:

A. Delivery Schedule – As soon as possible
B. Port of Discharge – Abidjan, Ivory Coast

C. Points of Entry – (to land-locked country); Ouagadougou, Bobo-Dioulasso, Banfora, Koudougou, Upper Volta

D. Consignee – Ministry of Plan
Ouagadougou, Upper Volta

E. Send copy of Bills of Lading to:

- (1) First original and one copy by airmail to Consignee, Ministry of Plan, Ouagadougou, Upper Volta.
- (2) After ships loading; second original and one copy to Consignee accompanying cargo.
- (3) Third original and two copies to A.I.D. Transportation and Support Division, Office of Commodity Management, Washington, D.C. 20523, Att. R. E. James.
- (4) Original and one copy to CDO, U.S. Embassy, Ouagadougou.
- (5) One copy to REDSO, Amembassy, Abidjan.

6. Program Objectives, Use of Commodities and Conditions of Transfer:

The commodities authorized herein are contributed by the United States Government (USG) to the Government of Upper Volta (GOUV) to assist in alleviating the shortage of food caused by drought.

A. The commodities herein contributed are for (1) free direct distribution to victims of drought unable to purchase food supplies, rate of distribution not to exceed the amount the recipient and his dependents can consume during the period for which the distribution is made; (2) for sale as specified B. below.

B. Subject to GOUV guarantees that those persons unable to buy food will receive the U.S. contributed grain without cost, the GOUV may sell such grain not required for direct free distribution on the open market in food deficit areas at prices mutually agreed upon by the USAID Country Development Officer (CDO), American Embassy, Ouagadougou, and the GOUV.

- Within sixty days after completion of such sales herein authorized, the GOUV will deposit the total sales proceeds in a separate special account established for this purpose. Sales taxes, customs taxes including statistical and toll fees and salaries of GOUV officials may not be deducted from the sales proceeds.
- C. The specific uses of the local currency proceeds, including payment of local distribution, transport, handling and storage costs, shall be agreed upon in writing between the GOUV and CDO, Ouagadougou, prior to any disbursement of said funds. The GOUV agrees to provide quarterly reports on all currencies generated under this agreement giving details of deposits and disbursements until such time as all funds are expended.
- D. The GOUV will pay all storage, internal handling and transportation and distribution costs on the commodities herein provided for direct distribution in excess of the sums generated from the sales as authorized per B. above.
- E. The USG will supply the commodities herein provided and pay ocean transport and inland transportation costs to designated points of entry in Upper Volta.
- F. The GOUV agrees to keep the CDO, American Embassy/Ouagadougou fully informed concerning the status of commodity receipts, distribution and sales and will provide complete details, as requested. Representatives of the USG will be permitted to audit and have access to all records pertaining to the use of commodities provided by this Transfer Authorization.
- G. This Transfer Authorization is prepared in both English and French. In the event of ambiguity or conflict between the two versions, the English version will control.

Pierre R. Graham
United States Ambassador
to Upper Volta

SEPTEMBER 9, 1977

PIERRE R. GRAHAM

Date

FOR THE GOVERNMENT OF
THE UNITED STATES OF
AMERICA

REQUEST AND ACCEPTANCE: The assistance described in this authorization is hereby requested and the terms and conditions of this agreement and of AID Regulation 11, 41F.R.47919-47927, November 1, 1976 (attached and incorporated herein by reference), except as otherwise specifically provided herein, are hereby accepted.

Patrice Ouattara
Minister of Plan

P OUATTARA

SEPTEMBER 9, 1977

FOR THE GOVERNMENT OF
UPPER VOLTA

Date

DEPARTEMENT D'ETAT
AGENCE POUR LE DEVELOPPEMENT INTERNATIONAL
Washington, D.C. 20523

AUTORISATION DE TRANSFERT

Classification du Programme :
Aide Alimentaire d'Urgence No. AID 686-XXX-000-7610

Vice Président Exécutif Approbation du programme daté :
Commodity Crédit Corporation 3 mai 1977
Etats-Unis Département Titre du Programme : Secours
de l'Agriculture Alimentaire d'Urgence- Sécheresse
en Haute-Volta

Washington, D.C.

En accord avec les clauses du Titre II, PL 480 (comme modifié), Section 2 du Décret-loi 10900 et le Décret de Délegation du Département d'Etat No. 104, effectif à la date du 30 septembre 1961, le "Commodity Crédit Corporation" est, par la présente, autorisé à transférer et livrer des aliments en HAUTE-VOLTA pour un montant ne devant pas excéder 1.790.222 dollars E.U., conformément aux instructions suivantes :

1. Quantité - Tonnes métriques ne devant pas excéder :

| Total Précédent | Augmentation | Diminution | Total à ce jour : |
|-----------------|--------------|------------|-------------------|
| | 9.722 | | 9.722 |

2. Marchandises à expédier :

| Code | Marchandises | Montant tonnes métriques | Valeur CCC \$ | Valeur du Marché d'Exportation |
|----------|-------------------------------------|-----------------------------|------------------|-----------------------------------|
| 045.9015 | Sorgho (grain) | 5.000 | \$605.000 | 540.000 |
| 047-0250 | Grain de sorgho Enrichis de soja | 4.722 | 1.185.222 | 1.053.006 |

3. Frais de transport par voie maritime estimés à : \$ 723.000

Tous les frais effectifs de transport par voie maritime au titre de ce programme sans tenir compte de l'estimation ci-dessus devront être imputés à l'Autorisation Général de Transfert de Frêt No. 935-9500-000-7899. Une Autorisation de Transfert de Frêt Maritime distincte ne sera pas émise.

4. Spécifications :

Sorgho (grain) -Qualité No. 2 ou meilleure, en sac de 100 livres, et/ou en vrac avec sacs. Spécifications USDA.

Gruaux de sorgho fortifié de soja. En sacs de 50 livres net. Spécification USDA.

5. Instructions pour l'Expédition :

- A. Délai de Livraison : Dans les meilleurs délais
- B. Port de Déchargement : Abidjan, Côte-d'Ivoire
- C. Points d'Entrée : (Pour un pays enclavé); Ouagadougou, Bobo-Dioulasso, Banfora, Koudougou, Haute-Volta
- D. Destinataire : Ministère du Plan, Ouagadougou, Haute-Volta
- E. Envoyez une copie des factures d'embarquement à :
 - (1) Premier original et une copie par avion au Destinataire-Ministère du Plan, Ouagadougou, Haute-Volta.
 - (2) Après le chargement des bateaux, le second original et une copie au destinataire qui accompagne les marchandises.
 - (3) Le troisième original et deux copies à la Devision AID de Transport et d'Appui, Office of Commodity Management, Washington, D.C. 20523, Att. R. E. James.
 - (4) L'original et une copie à CDO, Ambassade Américaine, Ouagadougou.
 - (5) Une copie à REDSO, Ambassade Américaine, Abidjan.

6. Objectifs Programme, Utilisation des Marchandises et Conditions de Transfert :

Les marchandises ici autorisées, sont une contribution de la part du Gouvernement des Etats-Unis en faveur du Gouvernement de la Haute-Volta, contribution qui aidera à atténuer la disette alimentaire causée par la sécheresse.

- A. Les marchandises ici contribuées sont destinées (1) à la distribution gratuite directement aux victimes de la sécheresse incapables d'acheter des vivres, la quantité distribuée ne devant pas dépasser la quantité que le receveur et sa famille pourront consommer au cours de la période pour laquelle la distribution est faite, (2) pour la vente comme précisé en B. ci-dessous.
- B. Sous condition que le Gouvernement donne la garantie que les personnes incapables d'acheter les denrées alimentaires recevront gratuitement les céréales procurées avec la contribution des Etats-Unis, le Gouvernement pourrait vendre ces céréales non requises pour une distribution gratuite directe, sur les marchés des régions déficitaires en denrées alimentaires à des prix conventionnels établis par le Directeur de la Mission U.S.A.I.D. (CDO), l'Ambassade Américaine à

Ouagadougou et le Gouvernement de la Haute-Volta. Dans les 60 jours après la fin des telles ventes ici autorisées, le Gouvernement Voltaïque déposera, dans un compte spécial ouvert pour ce but, la totalité du résultat des ventes. Les impôts sur les ventes, les taxes douanières y compris les taxes statistiques et péage, les salaires des officiels du Gouvernement de la Haute-Volta, ne peuvent pas être déduits du résultat des ventes.

- C. Les utilisations spécifiques des résultats en espèce locales y compris paiement des frais locaux de manutention, transport, emmagasinage et distribution, seront acceptées, d'un commun accord, par écrit entre le Gouvernement Voltaïque et le CDO à Ouagadougou. Le Gouvernement Voltaïque accepte de fournir un rapport trimestriel sur les sommes engendrées au titre de cet accord, en donnant des détails sur les décaissements et dépôts.
- D. Le Gouvernement Voltaïque s'acquittera de tous les frais de stockage, de manutention, de transport et de distribution intérieures des marchandises fournies pour distribution directe, tous les frais excédant les sommes provenant des ventes autorisé à la clause B. ci-dessus.
- E. Le Gouvernement des Etats-Unis fournira les denrées ici contribuées et paiera les frais de transport maritime et de transport à l'intérieur du territoire jusqu'aux points d'entrée désignés en Haute-Volta.
- F. Le Gouvernement de la Haute-Volta accepte de tenir le CDO, Ambassade Américaine/Ouagadougou pleinement au courant de l'état des recettes, de la distribution et des ventes, et fournira des détails complets, ainsi qu'il lui est demandé. Des représentants du Gouvernement des Etats-Unis seront habilités à faire des vérifications comptables et auront accès à tous les documents se rapportant à l'utilisation des denrées fournies par cette Autorisation de Transfert.
- G. Le présent Autorisation de Transfert est préparé en anglais et en français. En cas d'ambiguité ou de conflit entre les deux versions, la version anglaise fera foi.

Pierre R. GRAHAM
Ambassadeur des Etats-Unis
en Haute Volta

le 9 septembre 1977

Date

Pour le Gouvernement des
Etats-Unis d'Amérique

Demande et Approbation : L'aide décrite dans cette autorisation est demandée par la présente et les termes et conditions de cet accord et de la Réglementation 11 de l'AID, 41F.R.47919-47927, 1er Novembre 1976 (ci-jointe et incorporée pour référence), sauf disposition contraires prévues pour le présent accord, sont acceptés par le présent accord.

Patrice OUATTARA
Ministre du Plan

le 9 septembre 1977

Date

Pour le Gouvernement de la
Haute-Volta

TOGO

Agricultural Commodities: Transfer Under Title II

*Agreement signed at Lome October 12, 1977;
Entered into force October 12, 1977.*

DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D.C., 20523

TRANSFER AUTHORIZATION

| | |
|--------------------------------|------------------------------|
| Program Classification: | AID No. 693-XXX-000-7602 |
| Emergency Food Assistance | Program Approval Dated: |
| Executive Vice President | July 20, 1977 |
| Commodity Credit Corporation | Program Title: Drought Emer- |
| U.S. Department of Agriculture | gency Food Relief—Togo |
| Washington, D.C. | |

In accordance with the provisions of Title II, PL 480 (as amended),^[1] Section 2 of Executive Order 10900^[2] and State Department Delegation Order No. 104 effective September 30, 1961, the Commodity Credit Corporation is hereby authorized to transfer and deliver Agricultural Commodities To Togo in an amount not to exceed \$819,964 pursuant to the following instructions:

1. Quantity – Metric tons not to exceed:

| Previous Total | Increase | Decrease | Total to Date |
|----------------|----------|----------|---------------|
| | 5, 352 | | 5, 352 |

¹ 68 Stat. 457; 7 U.S.C. § 1721 *et seq.*

² 26 Fed. Reg. 143.

2. Commodities to be shipped:

| Code | Commodity | Amount Metric Tons | CCC Value \$ | Export Market Value \$ |
|-----------|--------------------------------|--------------------------|-----------------|------------------------------|
| 045. 9015 | Grain Sorghum | 3, 874 | \$468, 754 | \$418, 392 |
| 047. 0250 | Soy Fortified Sorghum Grits | 454 | 113, 954 | 101, 242 |
| 048. 8440 | WSB | 240 | 77, 040 | 68, 640 |
| 047. 0220 | S.F. Cornmeal | 453 | 103, 284 | 91, 959 |
| 048. 1110 | Bulgur | 331 | 56, 932 | 50, 643 |

3. Estimated Ocean Transportation Costs: \$555,000

All actual ocean transportation expenditures under this program, regardless of the estimate shown above, are to be charged to Blanket Freight Transfer Authorization No. 935-9500-000-7899. An individual Ocean Freight Transfer Authorization will not be issued.

4. Specifications:

Grain Sorghum—Grade No. 2 or better. Bagged 100 pounds net, and/or bulk, bags accompanying. USDA specifications.

5. Shipping Instructions:

- A. Delivery Schedule – As soon as possible.
- B. Port of Discharge – Lome, Togo
- C. Consignee – Ministry of Rural Development and Social Affairs, B.P. 386, Lome, Togo
- D. Send copy of Bills of Lading to:
 - (1) First original and one copy by airmail to Consignee Ministry of Rural Development and Ministry of Social Affairs, B.P. 386, Lome, Togo.
 - (2) After ships loading; second original and one copy to Consignee accompanying cargo.
 - (3) Third original and two copies to A.I.D. Transportation and Support Division, Office of Commodity Management, Washington, D.C. 20523, Att. R.E. James.
 - (4) Original and one copy to USAID, U.S. Embassy, Lome, Togo.
 - (5) One copy to Regional Food for Peace Coordinator REDSO, AmEmbassy, Abidjan.

6. Program Objectives, Use of Commodities and Conditions of Transfer:

The commodities authorized herein are contributed by the United States Government (USG) to the Government of Togo (GOT) to assist in alleviating the shortage of food caused by drought.

- A. The commodities herein contributed are for free direct distribution to victims of drought, particularly in the four circumscriptions of Kandé, Mango, Dapango & Tabligbo, unable to purchase food supplies, rate of distribution not to exceed the amount the recipient and his dependents can consume during the period for which the distribution is made.
- B. The GOT will pay all storage, internal handling and transportation and distribution costs on the commodities herein provided for direct distribution.
- C. The USG will supply the commodities herein provided and pay ocean transport, and independent survey report costs, to designated point of entry in Togo.
- D. After the date of the AID/Washington approval of the project but before arrival of the authorized Title II commodities, the GOT may borrow the same or similar commodities from local sources to meet the requirements of the project. Such of the commodities borrowed as are used in accordance with the terms of this Transfer Authorization may be replaced on an equivalent value basis with the Title II commodities furnished to the project.
- E. The GOT agrees to keep the USAID American Embassy, Lome, fully informed concerning the status of commodity receipts and distributions and will provide complete details, as requested. Representatives of the USG will be permitted to audit and have access to all records pertaining to the use of commodities provided by this Transfer Authorization. The GOT further agrees to submit a monthly report to the USAID Lome, no later than ten days following the end of the preceeding month to include the following:
 - a) Beginning stocks
 - b) Arrivals
 - c) Distributions
 - d) Damaged stocks
 - e) Ending stocks

[SEAL]

OCTOBER 12, 1977

RONALD D. PALMER

Date

FOR THE GOVERNMENT OF
THE UNITED STATES OF
AMERICA

REQUEST AND ACCEPTANCE: The assistance described in this authorization is hereby requested and the terms and conditions of this agreement and of AID Regulation 11, 41F.R.47919-47927, November 1, 1976 (attached and incorporated herein by reference), except as otherwise specifically provided herein and hereby accepted.

OCTOBER 12, 1977

HODABALA BODJONA

Date

FOR THE GOVERNMENT OF
TOGO

TIAS 9106

GUINEA-BISSAU

Agricultural Commodities: Transfer Under Title II

*Agreement signed at Bissau November 10, 1977;
Entered into force November 10, 1977.*

DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT
Washington, D.C. 20523

TRANSFER AUTHORIZATION

Program Classification:
Emergency Food Assistance

AID No. 906-XXX-000-7601

Program Approval Dated:
August 24, 1977

Executive Vice President
Commodity Credit Corporation
U.S. Department of Agriculture
Washington, D.C.

Program Title: Drought
Emergency Food Relief
Guinea-Bissau

In accordance with the provisions of Title II, PL 480 (as amended),^[1] Section 2 of Executive Order 10900^[2] and State Department Delegation Order No. 104 effective September 30, 1961, the Commodity Credit Corporation is hereby authorized to transfer and deliver Agricultural Commodities To Guinea-Bissau in an amount not to exceed \$1,176,000 pursuant to the following instructions:

1. Quantity - Metric tons not to exceed:

| <u>Previous Total</u> | <u>Increase</u> | <u>Decrease</u> | <u>Total to Date</u> |
|-----------------------|-----------------|-----------------|----------------------|
| 4,500 | | | 4,500 |

2. Commodities to be shipped:

| <u>Code</u> | <u>Commodity</u> | <u>Amount</u> <u>Metric Tons</u> | <u>CCC</u> <u>Value \$</u> | <u>Export</u> <u>Market</u> <u>Value \$</u> |
|-------------|------------------|-------------------------------------|-------------------------------|---|
| 044.0020 | Corn | 2,000 | \$266,000 | \$238,000 |
| 042.2050 | Rice | 2,500 | 910,000 | 810,000 |

3. Estimated Ocean Transportation Costs: \$450,000

All actual ocean transportation expenditures under this program, regardless of the estimate shown above, are to be charged to Blanket Freight Transfer Authorization No. 935-9500-000-7899. An individual Ocean Freight Transfer Authorization will not be issued.

¹ 68 Stat. 457; 7 U.S.C. § 1721 *et seq.*

² 26 Fed. Reg. 143.

4. Specifications:

Corn bagged 100 pounds net. USDA specifications.

Rice bagged 50 pounds net. USDA specifications.

5. Shipping Instructions:

A. Delivery Schedule - As soon as possible.

B. Port of Discharge - Bissau, Guinea-Bissau

C. Consignee - Comissariado Do Estrado De
DeSenvolvimento E. Planificacao
Bissau, Guinea-Bissau

D. Send copy of Bills of Lading to:

(1) First original and one copy by airmail to Consignee:
Comissariado Do Estado De DeSenvolvimento E. Planificacao,
Bissau, Guinea-Bissau

(2) After ships loading; second original and one copy to
Consignee accompanying cargo.

(3) Third original and two copies to A.I.D. Transportation and
Support Division, Office of Commodity Management, Washington,
D.C. 20523, Attn. R.E. James.

(4) Original and one copy to USAID, U.S. Embassy, Bissau,
Guinea-Bissau.

6. Program Objectives, Use of Commodities and Conditions of Transfer:

The commodities authorized herein are contributed by the United States Government (USG) to the Government of Guinea-Bissau (GOGB) to assist in alleviating the shortage of food caused by drought.

A. The commodities herein contributed are for (1) free direct distribution to victims of drought unable to purchase food supplies, rate of distribution not to exceed the amount the recipient and his dependents can consume during the period for which the distribution is made; (2) for sale as specified B. below.

- B. Subject to GOGB guarantee that those persons unable to buy food will receive the U.S. contributed grain without cost, the GOGB may sell such grain not required for direct free distribution on the open market in food deficit areas at prices mutually agreed upon by the USAID, American Embassy, Bissau, and the GOGB.
- C. The specific uses of the local currency proceeds shall be agreed upon in writing between the GOGB and CDO, Bissau. The GOGB agrees to provide a monthly report on all currencies generated under this agreement giving details of deposits and disbursements. All such amounts remaining unexpended after two years from date of deposit and accrued interest, if any, shall be deposited with U.S. Disbursing Officer AmEmbassy, Bissau.
- D. The GOGB will pay all storage, internal handling and transportation and distribution costs on the commodities herein provided for direct distribution in excess of the sums generated from the sales as authorized per B. above.
- E. The USG will supply the commodities herein provided and pay ocean transport, and independent survey report costs, to designated point of entry in Bissau.
- F. After the date of the A.I.D./Washington approval of the project but before arrival of the authorized Title II commodities, the GOGB may borrow the same or similar commodities from local sources to meet the requirements of the project. Such of the commodities borrowed as are used in accordance with the terms of this Transfer Authorization may be replaced on an equivalent value basis with the Title II commodities furnished to the project.
- G. The GOGB agrees to keep CDO Bissau fully informed concerning the status of commodity receipts, distribution and sales and will provide complete details, as requested. Representatives of the USG will be permitted to audit and have access to all records pertaining to the use of commodities provided by this Transfer Authorization. The GOGB further agrees to submit a monthly report to the CDO Bissau, no later than ten days following the end of the preceding month to include the following:

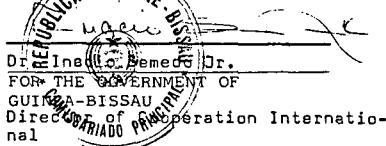
- a) Beginning stocks
- b) Arrivals
- c) Distributions
- d) Sales
- e) Damaged stocks
- f) Ending stocks

November 10, 1977
Date

Edward Marks
Ambassador Edward Marks
FOR THE GOVERNMENT OF THE
UNITED STATES OF AMERICA

REQUEST AND ACCEPTANCE: The assistance described in this authorization is hereby requested and the terms and conditions of this agreement and of AID Regulation 11, 41F.R.47919-47927, November 1, 1976 (attached and incorporated herein by reference), except as otherwise specifically provided herein are hereby accepted.

Date



MOZAMBIQUE

Agricultural Commodities: Transfer Under Title II

*Agreement signed at Maputo December 2, 1977;
Entered into force December 2, 1977.*

DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D.C. 20523

TRANSFER AUTHORIZATION

| | |
|--------------------------------|-------------------------------|
| Program Classification: | AID No. 656-XXX-000-7602 |
| Emergency Food Assistance | Program Approval Dated: |
| Executive Vice President | October 17, 1977 |
| Commodity Credit Corporation | Program Title: Emergency Food |
| U.S. Department of Agriculture | Assistance—Mozambique |
| Washington, D.C. | |

In accordance with the provisions of Title II, PL 480 (as amended), [¹] Section 2 of Executive Order 10900 [²] and State Department Delegation Order No. 104 effective September 30, 1961, the Commodity Credit Corporation is hereby authorized to transfer and deliver Agricultural Commodities To Mozambique in an amount not to exceed dollars 6,366,218 pursuant to the following instructions:

1. Quantity—Metric tons not to exceed:

| Previous Total | Increase | Decrease | Total to Date |
|----------------|----------|----------|---------------|
| | 29, 788 | | 29, 788 |

2. Commodities to be shipped:

| Code | Commodity | Amount Metric Tons | CCC Value \$ | Export Market Value \$ |
|-----------|-----------|-----------------------|-----------------|------------------------------|
| 041. 0020 | Wheat | 20, 000 | \$2, 480, 000 | \$2, 220, 000 |
| 042. 2C50 | Rice | 7, 190 | 2, 307, 990 | 2, 056, 340 |
| 022. 2040 | NFDM | 2, 438 | 1, 477, 428 | 1, 316, 520 |
| 421. 2040 | Vegoil | 160 | 100, 800 | 89, 920 |

¹ 68 Stat. 457; 7 U.S.C. § 1721 et seq.

² 26 Fed. Reg. 143.

3. Estimated ocean transportation costs: dollars 2,360,000

All actual ocean transportation expenditures under this program, regardless of the estimate shown above, are to be charged to the blanket freight transfer authorization No. 935-9500-000-7899. An individual ocean freight transfer authorization will not be issued.

4. Specifications:

Wheat (hard red winter No. 2): Bulk (no bags or needless accompanying)

Rice—Packed in 50 pound bags. USDA specifications.

NFDM—Packed in 50 pound bags. USDA specifications.

Vegoil—USDA specifications.

5. Shipping Instructions:

A. Ports of discharge—

Maputo, Nacala, Beira, Mozambique

B. Consignee—

In Maputo—Direccao Nacional de Comercio Interno-Maputo

In Beira—Delegacao da Direccao Nacional do Comercio Interno-Beira

In Nacala—Delegacao da Direccao Nacional do Comercio Interno-Nacala

C. Send copies of bills of lading to:

1. First original and one copy to consignee via airmail

2. After ships loading; second original and one copy to consignee accompanying cargo

3. Third original and two copies to: A.I.D. Transportation Support Division, Office of Commodity Management, Washington, D.C. 20523 (ATTN: Mr. R. E. James)

4. Original and one copy to U.S. Embassy Maputo

5. One copy to REDSO, American Embassy Nairobi, Kenya

6. Program Objectives. Use of Commodity and Conditions of Transfer:

A. Up to 27,000 MT of commodities provided herein (including 20,000 MT wheat, 5,000 MT rice and 2,000 MT NFDM) may be sold and currencies generated used to:

1) Help offset inland handling costs and,

2) Promote the Government of the Peoples Republic of Mozambique's food production and nutrition programs mutually agreed upon with U.S. Embassy Maputo.

B. 2,788 MT including 2,190 MT of rice, 438 MT of NFDM, and 160 MT of vegoil will be used for direct free distribution to Zimbabwean refugees in Mozambique. The Government of the Peoples Republic of Mozambique agrees pay all storage, internal handling and transportation and distribution costs asso-

- ciated with this program in excess of sums generated from the sales authorized para. A above.
7. The Government of the Peoples Republic of Mozambique agrees to provide documentation as set forth in A.I.D. Regulation 11 as follows:
- A. Section 211.9C(1). To provide outturn/cargo survey reports at the time of ships discharge.
 - B. Section 211.10.
 - (a) to maintain records/documents that will accurately reflect all transactions pertaining to receipt/sale of the donated commodities.
 - (b) provide summary reports on receipts generated from sales.
 - (c) provide reports every four months to the U.S. Embassy on deposit/release of funds generated from commodity sales.
 - C. Special attention is called to Section 211.11: This provides for the termination of the program if the provisions of this transfer authorization are not met.

Date: DECEMBER 2, 1977

WILLARD A DEPREE

FOR THE GOVERNMENT OF
THE UNITED STATES

Willard A. DePree, *Ambassador
of the United States of America*

REQUEST AND ACCEPTANCE: The assistance described in this authorization is hereby requested and the terms and conditions of this agreement and of AID Regulation 11, 33FR2918, 1968, (attached and incorporated herein by reference) except as otherwise specifically provided herein are hereby accepted.

Date: DECEMBER 2, 1977

J B COSME

FOR THE GOVERNMENT OF
THE PEOPLES REPUBLIC
OF MOZAMBIQUE

Joao Baptista Cosme, *National
Director for International
Cooperation*

SOMALIA

Agricultural Commodities: Transfer Under Title II

*Agreement signed at Mogadiscio December 18, 1977;
Entered into force December 18, 1977.*

DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D.C. 20528

TRANSFER AUTHORIZATION

Program Classification: Emergency Feeding AID No. 649-XXX-000-8617
Executive Vice President Program Approval Dated:
Commodity Credit Corporation November 11, 1977
U.S. Department of Agriculture Program Title: Emergency Feeding
Washington, D.C. for Somalia

In accordance with the provisions of Title II, PL 480 (as amended)^[1] Section 2 of Executive Order 10900^[2] and State Department Delegation Order No. 104 effective September 30, 1961, the Commodity Credit Corporation is hereby authorized to transfer and deliver Agricultural Commodities to the Government of the Somali Democratic Republic (GSDR) in an amount not to exceed \$6,315,981 pursuant to the following instructions:

1. Quantity—Metric tons not to exceed:

| Previous Total | Increase | Decrease | Total to date |
|----------------|----------|----------|---------------|
| 23,596 | | | 23,596 |

2. Commodities to be shipped:

| Code | Commodity | Amount M.T. | Estimated Value |
|----------|-----------|-------------|-----------------|
| 044.0020 | Corn | 12,150 | \$1,287,900 |
| 042.2050 | Rice | .6,871 | 2,205,591 |
| 421.2040 | Vegoil | 2,085 | 1,313,550 |
| 022.2040 | NFDM | 2,490 | 1,508,940 |
| | | 23,596 | \$6,315,981 |

¹ 68 Stat. 457; 7 U.S.C. § 1721 *et seq.*

² 26 Fed. Reg. 143.

3. Estimated Ocean Transportation Costs: \$3,500,000

All actual ocean transportation expenditures under this program regardless of the estimate shown above, are to be charged to the Blanket Freight Transfer Authorization No. 935-9500-000-8899. An individual Ocean Freight Transfer Authorization will not be issued.

4. Specifications:

| | |
|---------------------------------|---------------------|
| Corn bagged | USDA specifications |
| Rice bagged | USDA specifications |
| Vegoil—1 gal. cans, no drums | |
| NFDM bagged | USDA specifications |

5. Shipping Instructions:

- A. Delivery Schedule—As soon as possible
- B. Port of Discharge—Mogadiscio
- C. Consignee —Ministry of Finance, Mogadiscio, Somalia
- D. Send copies of bills of lading to:
 1. First original and one copy to consignee via airmail
 2. After ships loading; second original and one copy to consignee accompanying cargo
 3. Third original and two copies to: A.I.D. Transportation Support Division, Office of Commodity Management, Washington, D.C. 20523 (Attn: Mr. R. E. James)
 4. Original and one copy to American Embassy, Mogadiscio, Somalia via airmail
 5. One copy to American Embassy, Dar es Salaam, Tanzania, Attn: Paul Russell, FFPO
 6. One copy to Regional Food for Peace Officer, REDSO/EA American Embassy, Nairobi, Kenya.

6. Program Objectives. Use of Commodity and Conditions of Transfer:

- A. The commodities authorized herein is contributed by the United States Government (USG) to the Government of the Somalia Democratic Republic (GSDR) for direct free food distribution to displaced persons (DPS) and to people in agricultural resettlement centers due to prolonged drought conditions.
- B. The U.S. Ambassador or his designee(s) can visit affected areas and is allowed reasonable access to observe the problems during operation and to make end-use examination as necessary.
- C. The GSDR agrees to keep the U.S. Embassy Mogadiscio informed concerning the status of commodity receipts and distributions and will provide complete details, as requested. Representatives of the USG will be permitted to audit and to have access to records pertaining to the commodities provided

by this Transfer Authorization. The GSDR further agrees to submit quarterly reports to the U.S. Embassy, Mogadiscio, including the following information:

1. Beginning stocks
2. Arrivals
3. Distributions
4. Damaged Stocks
5. Ending Stocks

JOHN L. LOUGHREN

Date

DECEMBER 18, 1977

FOR THE GOVERNMENT OF
THE UNITED STATES

John L. Loughran

*Ambassador Extraordinary
and Plenipotentiary of the
United States of America*

REQUEST AND ACCEPTANCE: The assistance described in this authorization is hereby requested and the terms and conditions of this agreement and of AID Regulation 11, 41 F.R. 47919-47927, November 1, 1976 (attached and incorporated herein by reference) except as otherwise specifically provided herein are hereby accepted.

A NUR HERSI

Date

DECEMBER 18, 1977

FOR THE GOVERNMENT OF
THE SOMALI DEMOCRATIC
REPUBLIC

Abdirahman Nur Hersi

*Minister of Finance
Somali Democratic Republic*

VENEZUELA

**Technical Assistance to Develop Civil Aviation
Infrastructure**

*Memorandum of agreement signed at Washington and Caracas
February 1 and 4, 1977;
Entered into force February 4, 1977.*

MEMORANDUM OF AGREEMENT

BETWEEN

UNITED STATES OF AMERICA
DEPARTMENT OF TRANSPORTATION
FEDERAL AVIATION ADMINISTRATION

AND

REPUBLIC OF VENEZUELA
MINISTRY OF COMMUNICATIONS

WHEREAS, the Federal Aviation Administration (hereinafter referred to as the FAA) of the United States of America (hereinafter referred to as the U.S.A.) provides technical assistance to foreign governments on an actual cost (non-profit) basis in furtherance of FAA objectives to promote the development of international civil aviation;

WHEREAS, the Directorate General of Air Transport and Traffic, (hereinafter referred to as the DGATT), of the Ministry of Communications of the Republic of Venezuela (hereinafter referred to as The Ministry), desiring to stimulate the development of civil aviation and to promote the safety of air transportation within the territory of the Republic of Venezuela, requires unavailable technical assistance which could be obtained from the U.S.A. as represented by the FAA; and

WHEREAS, the furnishing of such assistance to the DGATT is in furtherance of the objectives of promoting the development of international civil air transportation, and the FAA is willing to furnish such assistance at cost, according to the terms and conditions hereinafter set forth;

NOW THEREFORE, the Ministry of Communications of the the Republic of Venezuela and the Federal Administration of the United States of America agree as follows:

ARTICLE I - OBJECTIVE OF THE AGREEMENT

The FAA undertakes to provide the Ministry with technical assistance to implement its plans for developing and modernizing the civil aviation infrastructure of the Republic of Venezuela. In order to fulfill the objective of this Agreement, the FAA will provide the personnel, the resources available to it, and the services necessary to assist the Ministry, through the DGATT, in the improvement of the aviation systems.

ARTICLE II - OBLIGATIONS OF THE FAA UNDER THIS AGREEMENT

For the purposes of this Agreement, the FAA will assign to the Ministry qualified technical personnel who shall be approved by the Ministry through the DGATT. As a complementary measure, FAA will provide, as required, specialized administrative and technical support from FAA headquarters.

The FAA undertakes to coordinate technical training in the U.S.A. for qualified candidates proposed by the DGATT.

ARTICLE III - OTHER RIGHTS OF THE DGATT UNDER THIS AGREEMENT

The Ministry, through the DGATT, may also:

1. Request services of FAA personnel to assist in aeronautical training or other related services conforming to the objectives of this Agreement.

2. Request flight inspection services subject to availability of personnel and resources, at current cost per hour at time of annex execution.

This provision is included to provide for use of FAA flight inspection personnel and flight check aircraft during the period of assignment of FAA technical advisors.

3. Require that the FAA assign experienced and duly qualified technical personnel to carry out the obligations specified in this Agreement.

ARTICLE IV - ANNEXES TO THE AGREEMENT

All services rendered under this Agreement shall be specified in corresponding annexes which, duly signed by the parties, will become part of this Agreement.

The parties agree that each annex will contain a concise description of the tasks to be performed by FAA personnel for DGATT, the manpower and other resources required to accomplish these tasks, the estimated cost of the tasks, and an implementation schedule.

Each annex to this Agreement will be identified in the following manner: the number of the Agreement (NAT-I-531) followed by a letter to be assigned to the annexes in strict alphabetical order. The first annex will be identified as NAT-I-531-A.

ARTICLE V - LEGAL STATUS OF FAA PERSONNEL

The parties agree that FAA personnel assigned for the implementation of this Agreement will retain their legal status as FAA employees and will be subject to its policies and procedures. However, said employees shall observe the standards of discipline and trustworthiness which are mandatory for officials in public service.

ARTICLE VI - PRIVILEGES AND IMMUNITIES

The Ministry undertakes to request that FAA personnel coming to Venezuela in implementation of this Agreement be granted the following privileges and immunities:

1. Inviolability of all papers and documents.
2. Exemption from customs duties on their furniture and personal effects.
3. Exemption from customs duties for the importation of one automobile for each person, for private use, under the conditions established in Article 4 of the Joint Decree of the Ministries of Foreign Affairs, Finance, and Development, No. 254, No. 1.441, and No. 5.497, respectively, dated November 22, 1972.
4. Exemption from national taxes on salaries.
5. Any other privileges and facilities normally granted by a special order by the Government of Venezuela to experts and technicians sent to Venezuela by foreign governments and international organizations in implementation of technical assistance agreements.

ARTICLE VII - OTHER PROVISIONS CONCERNING FAA PERSONNEL

FAA personnel assigned to the DGATT under this Agreement will be under the administrative direction of one of its members who will be the principal FAA representative to the Ministry with regard to the implementation of this Agreement.

The center of operations of FAA personnel will be the DGATT headquarters in Caracas, Venezuela.

FAA personnel to be assigned under this Agreement will be listed in the appropriate annexes.

A detailed definition of personnel functions and responsibilities, within the scope of this Agreement, will be established jointly by the DGATT and the FAA and will appear in the appropriate annex.

ARTICLE VIII - LIABILITY FOR PERSONAL ACCIDENTS OR FOR PROPERTY DAMAGE OR LOSS

The Ministry will be liable with respect to any legal action, claim, or suit resulting from accidents to persons or from damage or loss of property caused by FAA personnel in the performance of their functions under the provisions of this Agreement. The Ministry will indemnify and will hold the FAA and its personnel harmless against any legal action, claim, or suit, except when the parties signatory to this Agreement agree that such personal accident or property damage or loss was the result of gross negligence or willful misconduct by FAA personnel.

ARTICLE IX - SUPPORT FOR PERFORMANCE OF WORK

The Ministry, through the DGATT, will provide the FAA with office space, furnishings, office supplies and equipment, including telephones, and other communications services which may be necessary.

The Ministry, through the DGATT, will provide the secretarial and administrative support necessary to meet the requirements of the FAA personnel in implementing this Agreement.

The Ministry, through the DGATT, will pay transportation and expenses for travel necessary for movements of FAA personnel under this Agreement.

ARTICLE X - FINANCIAL OBLIGATIONS

Except as provided by the foregoing Article, the FAA will arrange for all services to its personnel required for the implementation of this Agreement and will pay the necessary costs for that purpose in accordance with FAA regulations and practices.

The Ministry, through the DGATT, will pay to FAA, in accordance with the provisions of this Agreement, the amount of all costs incurred by FAA in furnishing services, including reasonable expenses for the conclusion of services covered in this Agreement, in accordance with its terms.

The Ministry, through the DGATT, will advance to the FAA an amount estimated to be sufficient to cover costs for each six-month period. Advance payments are to be made by check in dollars payable to the Federal Aviation Administration.

The DGATT will be informed by separate correspondence of the estimated amounts of further advance payments. This information is to be furnished by the FAA 60 days before each payment is due.

The FAA will charge the costs for furnishing services required for the implementation of this Agreement to the amounts advanced.

The FAA will provide the DGATT with a statement 45 days after the end of the period for which the funds were advanced. The statement will indicate the amount expended, the amount required to cover unforeseen expenses, and remaining balances. Any amount not used within the period for which funds were advanced will be used to complete subsequent advance payments. Similarly, the DGATT will supplement the amount originally advanced for a period by an amount estimated by the FAA to cover any deficit which may be incurred for that period.

Immediately after completion of the project and final accounting, the FAA will submit to DGATT a statement setting forth all expenditures made under this Agreement. Any funds remaining in the account to the credit of the DGATT will be refunded by the FAA. Similarly, the FAA will

bill, and the DGATT will pay, for any deficit incurred in implementing this Agreement.

"The Ministry" identifies the Instituto Autónomo Aeropuerto Internacional de Maiquetía [Autonomous Entity Maiquetía International Airport], located in Maiquetía, Federal District, as the office to which the FAA will submit statements and consult on financial matters related to this Agreement.

ARTICLE XI - IDENTIFICATION OF THE AGREEMENT

The FAA has identified this Agreement as Agreement No. NAT-I-531. This identification number should be referred to in all related correspondence.

ARTICLE XII - AMENDMENTS

Any changes in agreed services, charges; or other provisions of this Agreement or its annexes must be formalized by appropriate written amendments.

ARTICLE XIII - EFFECTIVE DATE AND TERMINATION

This Agreement becomes effective upon signature by the duly authorized representatives of the Ministry and of the FAA.

It may be denounced by either of the parties by providing notice in writing 60 days in advance of the date when it wishes to terminate it. The FAA will have a period of 120 days from receipt of the notice of denunciation to close out the activities undertaken pursuant to this Agreement, unless otherwise specified in the corresponding annex.

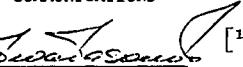
The Ministry agrees to reimburse the FAA for all costs incurred by it as the result of the denunciation and subsequent termination of the Agreement.

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The parties state that they accept the provisions contained in
this Agreement.

REPUBLIC OF VENEZUELA

MINISTRY OF COMMUNICATIONS

By:  [1]

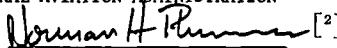
Title: Minister of Communications

Date: February 4, 1977

UNITED STATES OF AMERICA

DEPARTMENT OF TRANSPORTATION

FEDERAL AVIATION ADMINISTRATION

By:  [2]

For Assistant Administrator for

Title: International Aviation Affairs

Date: February 1, 1977

BY  [3]

Ambassador of the United States
of America

February 4, 1977

¹ J. E. Vivas Casanova.

² Norman H. Plummer.

³ Viron P. Vaky.

MEMORANDUM DE ACUERDO

ENTRE EL MINISTERIO DE COMUNICACIONES
DE LA REPUBLICA DE VENEZUELA

Y LA
ADMINISTRACION FEDERAL DE AVIACION
DEPARTAMENTO DE TRANSPORTE
ESTADOS UNIDOS DE AMERICA

CONSIDERANDO que la Administración Federal de Aviación, de aquí en adelante identificada como "FAA", de los Estados Unidos de América, de aquí en adelante identificados como "E. U. A.", suministra asistencia técnica a gobiernos extranjeros en base a costo actual, sin fines de lucro, conforme a los objetivos de la "FAA" de promover el desarrollo de la aviación civil internacional;

CONSIDERANDO que la Dirección General de Transporte y Tránsito Aéreo, de aquí en adelante identificada como "DGTAA", del Ministerio de Comunicaciones de la República de Venezuela, de aquí en adelante identificado como "El Ministerio", con el deseo de impulsar el desarrollo de la aviación civil y promover la seguridad del transporte aéreo dentro del territorio de la República de Venezuela, requiere de asistencia técnica no disponible, la cual podría obtenerse de los "E. U. A.", representados por la "FAA"; y

CONSIDERANDO que el suministro de tal asistencia a la "DGTAA" es en cumplimiento de los objetivos de promover el desarrollo del transporte

aéreo civil internacional, y que la "FAA" está dispuesta a suministrar tal asistencia al costo, conforme a los términos y condiciones especificados a continuación.

El Ministerio de Comunicaciones de la República de Venezuela, por una parte, y por la otra la Administración Federal de los Estados Unidos de América convienen en lo siguiente:

Artículo I. OBJETIVO DEL ACUERDO.

La "FAA" se compromete a proporcionar a "El Ministerio" asistencia técnica para implementar los planes de desarrollo y modernización de la infraestructura de la aviación civil de la República de Venezuela. A los fines de dar cumplimiento al objeto del presente Acuerdo, la "FAA" suministrará el personal, los recursos que tenga disponibles y los servicios necesarios para asistir a "El Ministerio", a través de la "DGTAA", en el mejoramiento de los sistemas aeronáuticos.

Artículo II. OBLIGACIONES DE LA "FAA" RESPECTO AL PRESENTE ACUERDO.

A los fines del presente Acuerdo, la "FAA" asignará a "El Ministerio" personal técnico calificado, el cual deberá ser aprobado por "El Ministerio" a través de la "DGTAA". Como medida complementaria, la "FAA" suplirá, cuando le sea requerido, el apoyo especializado administrativo y técnico desde las oficinas principales de la "FAA".

La "FAA" se compromete a coordinar el entrenamiento técnico en los "E. U. A." de candidatos calificados propuestos por la "DGTAA".

Artículo III. OTROS DERECHOS DE LA "DGTIA" RESPECTO AL PRESENTE ACUERDO.

"El Ministerio", a través de la "DGTIA", podrá además:

1. - Requerir los servicios de personal de la "FAA" para asistir en entrenamiento aeronáutico u otros servicios relacionados, conforme a los objetivos del presente Acuerdo.

2. - Requerir servicios de inspección de vuelos sujetos a la disponibilidad de personal y recursos, al costo por hora al momento del otorgamiento del correspondiente anexo. Esta disposición se incluye para prever el uso de personal de inspección de vuelo y aeronave de revisión de vuelo de la "FAA", durante el período de asignación de los asesores técnicos de la "FAA".

3. - Exigir de la "FAA" la asignación de personal técnico experimentado y debidamente calificado para llevar a cabo las obligaciones especificadas en este Acuerdo.

Artículo IV. ANEXOS DEL ACUERDO.

Todos los servicios prestados bajo este Acuerdo serán especificados en los anexos respectivos que, debidamente firmados por las partes, se integrarán al presente Acuerdo.

Las partes convienen en que cada anexo tendrá una concisa descripción de las tareas a ser realizadas por el personal de la "FAA" para la

"DGTTA", la mano de obra y otros recursos necesarios para llevar a cabo esas tareas, el costo estimado de los trabajos y un programa de implementación.

Cada anexo a este Acuerdo será identificado de la siguiente manera: el número del Acuerdo (NAT-I-531) seguido de una letra que se asignará a los anexos en estricto orden alfabético. El primer anexo se identificará como NAT-I-531-A.

Artículo V. CONDICION LEGAL DEL PERSONAL DE LA "FAA".

Las partes convienen en que el personal de la FAA, designado para la ejecución del presente Acuerdo, mantendrá su condición legal de empleados de la "FAA" y estará sometido a las normas y procedimientos de ésta. Sin embargo, dichos empleados deberán observar las normas de disciplina y confiabilidad obligatorias para los funcionarios que prestan un servicio público.

Artículo VI. PRIVILEGIOS E INMUNIDADES.

"El Ministerio" se compromete a solicitar el otorgamiento, a favor del personal de la "FAA" que venga a Venezuela en ejecución del presente Acuerdo, de los siguientes privilegios e inmunidades:

1. - Inviolabilidad de todo papel o documento.
2. - Exención de derechos de aduana, respecto de sus muebles y efectos.

- 3.- Exención de derechos de aduana para la importación de un automóvil por persona, para uso particular, en las condiciones establecidas en el Art. 4 de la Resolución Conjunta de los Ministerios de Relaciones Exteriores, Hacienda y Fomento N° 254, N° 1.441 y N° 5.497, respectivamente, del 22-11-72.
- 4.- Exención de impuestos nacionales sobre sueldos.
- 5.- Otros privilegios y facilidades que normalmente otorga el Gobierno de Venezuela, por medio de resoluciones especiales, a expertos y técnicos enviados al país por gobiernos extranjeros u organismos internacionales, en cumplimiento de acuerdos sobre asistencia técnica.

Artículo VII. OTRAS DISPOSICIONES RELACIONADAS CON EL PERSONAL DE LA "FAA".

El personal de la "FAA" asignado a la "DGTAA", en cumplimiento de este Acuerdo, estará bajo la dirección administrativa de uno de sus integrantes, el cual será el representante principal de la "FAA" ante "El Ministerio", respecto de la ejecución del presente Acuerdo.

El centro operacional del personal de la "FAA" será la sede de la "DGTAA", en Caracas, Venezuela.

El personal de la "FAA" a ser asignado bajo el presente Acuerdo se indicará en los anexos pertinentes.

Una detallada definición de las funciones y responsabilidades del personal, dentro del alcance de este Acuerdo, será establecida entre "El Ministerio" y la "FAA", e indicada en el anexo correspondiente.

Artículo VIII. RESPONSABILIDAD POR ACCIDENTES PERSONALES O POR DAÑO O PERDIDA DE BIENES.

"El Ministerio" será responsable ante toda acción, reclamación o demanda resultante de accidentes personales o daños o pérdidas de bienes causados por el personal de la "FAA", que se deriven del cumplimiento de las funciones que este personal realice en virtud de lo estipulado en el presente Acuerdo. "El Ministerio" indemnizará y no tendrá por responsable a la "FAA" ni a su personal respecto de toda acción, reclamación o demanda, salvo cuando las partes que suscriben el presente Acuerdo convengan en que dicho accidente personal, daño o pérdida de bienes ha obedecido a negligencia grave o a conducta dolosa del personal de la "FAA".

Artículo IX. APOYO PARA LA REALIZACION DE LOS TRABAJOS.

"El Ministerio", a través de la "DGTAA", proporcionará a la -- "FAA" locales, muebles, útiles de oficina y equipo, incluyendo teléfonos, y los otros servicios de comunicaciones que sean necesarios.

"El Ministerio", a través de la "DGTAA", suministrará el personal secretarial y administrativo que sea necesario para cubrir los requerimientos del personal de la "FAA" en el cumplimiento del presente -- Acuerdo.

"El Ministerio", a través de la "DGTAA", pagará los gastos de transporte y de viajes que sean necesarios para la movilización del perso

nal de la "FAA" en cumplimiento del presente Acuerdo.

Artículo X. OBLIGACIONES FINANCIERAS.

Con excepción de lo previsto en el artículo anterior, la "FAA" hará los arreglos para el suministro a su personal de todos los servicios requeridos en el cumplimiento del presente Acuerdo y cubrirá los gastos necesarios para ello, conforme a las regulaciones y prácticas de la "FAA".

"El Ministerio", a través de la "DGTAA", pagará a la "FAA", conforme a lo previsto en este Acuerdo, el monto de todos los gastos en los cuales incurra la "FAA" para el suministro de servicios, incluyendo los gastos razonables para la conclusión de los servicios contemplados en el presente Acuerdo, conforme a sus términos.

"El Ministerio", a través de la "DGTAA", adelantará a la "FAA" una cantidad estimada como suficiente para cubrir los gastos de cada semestre. Los pagos adelantados deberán hacerse mediante cheques en dólares, pagaderos a la "Federal Aviation Administration".

La "DGTAA" será informada, por correspondencia separada, de las sumas estimadas para los siguientes pagos por adelantado. Esta información deberá suministrárla la "FAA" con sesenta (60) días de anticipación a la fecha en que deba hacerse cada pago.

La "FAA" imputará los costos del suministro de servicios requeridos en el cumplimiento del presente Acuerdo a las sumas adelantadas.

La "FAA" presentará a la "DGTAA" un estado de cuenta, a los -

cuarenta y cinco (45) días de la fecha de terminación del período para el cual hayan sido adelantados los fondos. El estado de cuenta deberá indicar la suma gastada, el monto requerido para cubrir los gastos no previstos y los saldos remanentes. Cualquier suma no utilizada en el período - para el cual fueron adelantados los fondos se utilizará para completar subsiguentes pagos por adelantado. Igualmente, la "DGTAA" deberá completar la cantidad adelantada originalmente para un período con la cantidad estimada por la "FAA" para cubrir cualquier déficit que se pueda producir en ese período.

Inmediatamente después de concluido el proyecto y realizada la contabilidad final, la "FAA" presentará a la "DGTAA" un estado de cuenta, indicando todos los egresos hechos bajo este Acuerdo. Cualesquiera fondos que quedaren en la cuenta a favor de la "DGTAA" serán reembolsados por la "FAA". Igualmente, la "FAA" facturará y la "DGTAA" pagará - por cualquier déficit en que se haya incurrido en la realización del presente Acuerdo.

"El Ministerio" identifica al Instituto Autónomo Aeropuerto Internacional de Maiquetía "Simón Bolívar", con sede en Maiquetía, Distrito Federal, como la dependencia a la cual la "FAA" presentará los estados de cuenta y consultará sobre los asuntos financieros relacionados con este - Acuerdo.

Artículo XI. IDENTIFICACION DEL ACUERDO.

La "FAA" ha identificado el presente Acuerdo como Acuerdo Número

NAT-1- 531 y deberá hacerse referencia a esta identificación en toda co
rrespondencia relacionada con el mismo.

Artículo XII. ENMIENDAS.

Cualesquiera cambios en los servicios convenidos, en los cargos o en otras previsiones del presente Acuerdo o de sus anexos deberán ser for
malizados mediante apropiadas enmiendas escritas.

Artículo XIII. FECHA EFECTIVA Y REVOCACION.

El presente Acuerdo se hará efectivo a la firma de los representantes debidamente autorizados de "El Ministerio" y la "FAA".

Podrá ser denunciado por cualquiera de las partes, previa notificación por escrito con sesenta (60) días de anticipación a la fecha en que se desee darle término. La "FAA" tendrá un período de ciento veinte (120) días, contados a partir de la fecha de recibo de la notificación de denuncia, para concluir las actividades realizadas conforme a este Acuerdo, a menos que se estipule de otra manera en el anexo correspondiente.

"El Ministerio conviene en reembolsar a la "FAA" todos los gastos en que esta incurra como resultado de la denuncia y posterior terminación del Acuerdo.

Las partes declaran que aceptan las disposiciones contenidas en el presente Acuerdo.

Este Acuerdo ha sido aprobado por la Contraloría General de la -
República de Venezuela, según consta en Oficio N° DAC-1-111555 de
fecha 31-12-1976, de la Dirección de Control sobre la Administra -
ción Central.

REPUBLICA DE VENEZUELA
MINISTERIO DE COMUNICA-
CIONES

POR: Edmundo Sosa

TITULO: _____

FECHA: _____

ESTADOS UNIDOS DE AMERICA
DEPARTAMENTO DE TRANSPORTE
ADMINISTRACION FEDERAL DE
AVIACION

POR: John P. Mahy

TITULO: _____

FECHA: _____

IRAN

Aviation: Technical Assistance

*Memorandum of agreement signed May 12 and June 9, 1977;
Entered into force June 9, 1977.*

NAT-I-488

MEMORANDUM OF AGREEMENT

BETWEEN

UNITED STATES OF AMERICA
DEPARTMENT OF TRANSPORTATION
FEDERAL AVIATION ADMINISTRATION

AND

IMPERIAL GOVERNMENT OF IRAN
MINISTRY OF WAR
CIVIL AVIATION ORGANIZATION

WHEREAS, the Government of the United States of America, represented by the Federal Aviation Administration of the Department of Transportation, hereinafter referred to as the FAA, is able to furnish, on an advance payment basis, services requested by the Imperial Government of Iran, hereinafter referred to as the GOI, represented by the Civil Aviation Organization of the Ministry of War, hereinafter referred to as the CAO; and

WHEREAS, Section 305 of the Federal Aviation Act of 1958, as amended,^[1] directs the FAA to encourage and foster the development of civil aeronautics and air commerce in the United States and abroad and Section 5 of the International Aviation Facilities Act of 1948, as amended,^[2] authorizes the FAA to accept funds from any foreign government as payment for any facilities supplied or services performed for such government; and

WHEREAS, Section 313(d) of the Federal Aviation Act, as amended, authorizes the training of foreign nationals in aeronautical and related subjects essential to the orderly and safe operation of civil aircraft;

¹ 72 Stat. 749; 49 U.S.C. § 1346.

² 62 Stat. 451; 49 U.S.C. § 1154.

NOW, THEREFORE, the Parties hereto mutually agree as follows:

ARTICLE I - Purpose of the Agreement

The purpose of this Memorandum of Agreement (MOA) is to establish the terms and conditions under which the FAA will provide technical assistance to the CAO to support their ongoing programs and the planning and implementation of a program for the improvement of the Iranian National Airspace System (INAS). Such technical assistance will generally follow the approach set forth in the FAA Study Report, dated January 1975, entitled, "Iranian National Airspace System" and any subsequent agreed upon and authorized addenda to said report.

It is understood and agreed that the FAA's ability to furnish the full scope of technical assistance provided by this Agreement depends on the GOI's use of systems and equipment that are similar to those used by the FAA in the United States' National Airspace System. To the extent that other systems and equipment are used in the INAS, the FAA's support under this Agreement would be necessarily lessened commensurately.

ARTICLE II - Description of Services

Under the terms and conditions stated in this MOA and its related annexes, the FAA will provide technical assistance to the CAO in a major civil aviation program to improve the Iranian National Airspace System. The program will provide for a phased development of a

modernized Air Traffic Control System (ATCS) that will complement and ultimately interface with the proposed Imperial Iranian Air Force (IIAF) improved Air Defense System (ADS). Such assistance and related services will consist of assignments of FAA personnel to Iran who will serve in an Iran Aviation Assistance Group (IAAG) as advisors to the CAO, training of Iranian nationals, factory inspection and other assistance agreed upon by the FAA and CAO. Specific services rendered under this MOA shall be specified in annexes which will become a part of this Agreement.

ARTICLE III - Status of FAA Personnel in Iran

1. The principle FAA representative, in regard to all IAAG operations, will be designated the IAAG Chief. In the context of this Agreement, the IAAG Chief will assist and relate directly with the Iranian Civil Aviation Administrator (ICAA) in carrying out the functions of this program. The IAAG Chief will also relate directly with the Commander of the IIAF, the Chief ARMISH MAAG, and other high level GOI and U.S. officials. He is expected to serve in an advisory capacity on any committee or board the ICAA may deem appropriate.
2. The FAA, in establishing the FAA IAAG in Iran, will submit the names of all personnel to be assigned to the IAAG in Iran to the CAO for approval. FAA personnel assigned to this program will retain their status as U.S. Government, FAA employees and their

supervision and administration shall be in accordance with the policies and procedures of the FAA. They will be subject to the discipline of the FAA as an organization of the Government of the United States of America and will perform at the level of conduct and technical execution required by FAA.

3. The movement of household effects of FAA employees who are permanently assigned to the IAAG is planned for partial air shipment and partial surface shipment. Air shipment will be limited to 3,500 pounds per family with the remainder of the authorized balance to be transported by surface shipment. Such air shipment of effects will be by U.S. or Iranian commercial aircraft. FAA will make arrangements and determine the carrier for all shipments. GOI will advise FAA of any special requirements associated with these shipments.
4. FAA IAAG will receive local administrative support from the U.S. Embassy including but not limited to housing and travel assistance. The full scope of Embassy support will be defined between the FAA and the U.S. Department of State under appropriate support documentation.
5. The GOI will accord to the personnel of the FAA in Iran the rights, protections, advantages, privileges and exemptions accorded to non-diplomatic official personnel of the United States Mission in Iran (i.e. the Military Assistance Advisory Group, Technical Assistance Field Team, and the technical staff of the American Embassy) of equivalent rank in all matters, including but not limited to exemption from national income and municipal taxes, fiscal matters, customs, privileges

TIAS 9111

and exemption from import and other customs taxes and exemption from other local and national license and permit fees.

ARTICLE IV - GOI Support

1. Except for transportation in the municipality of residency, the CAO will provide all official transportation of FAA personnel in Iran under the terms of this Agreement. This may be accomplished by use of GOI aircraft or by use of commercial Iran air, rail or other ground vehicle transportation systems and will include local transportation within Iran for FAA personnel on official field trips and assignments away from their duty stations. Additionally, properly qualified and Iranian licensed FAA pilots would be extended the privilege of the use of GOI aircraft as necessary for FAA official use within Iran. The GOI will make such aircraft available for IAAG use as required upon request of the IAAG Chief.
2. CAO will provide, at its expense, all administrative support required by the IAAG, including but not limited to suitable office and work space, furnishings and supplies for the IAAG and publication and duplication assistance. However, for the first two years under this Agreement the FAA will provide IAAG office space until the CAO can construct or provide other, more adequate and suitable, space for the IAAG. During this period, supplementary office space will be made available to FAA at the CAO Flight Standards Building. All costs to the FAA for office

space and other support not provided by CAO will be reimbursed by the CAO.

3. The GOI in cooperation with the U.S. Embassy will assist the FAA in clearing through Iranian customs household effects and personally owned vehicles of IAAG members. The GOI will also assist FAA in locating IAAG household effects and vehicles which may be delayed or lost in transit within Iran and to insure timely processing for such incoming items through Iranian customs.
4. CAO will provide to FAA specifications temporary office equipment such as desks, typewriters, filing cabinets, copying equipment, etc., at the outset of the IAAG establishment until such time as the FAA procures permanent equipment under the provisions of this Agreement.
5. The Civil Aviation Organization of the Government of Iran agrees to assume full liability for payment of all Government of Iran income or other taxes which may be imposed on the salaries and allowances of FAA employees or contract personnel hired by the FAA and specifically assigned under the terms and conditions of this MOA.
6. GOI will insure the participation of all agencies of the GOI and provision of information as required by the IAAG under the terms and conditions of this Agreement. FAA will insure that its personnel have appropriate U.S. Government security clearances to receive and work with classified information and documentation.

ARTICLE V - Liability

The GOI agrees that no claim will be brought by the GOI, its instrumentalities or employees, against the Government of the United States, the Department of Transportation, the Federal Aviation Administration, or any instrumentality, officer or contract employee of the United States, arising out of activities under this Agreement. The GOI further agrees to defend any suit brought against the United States, the Department of Transportation, the FAA, or any instrumentality or officer of the United States arising out of work under this Agreement and to hold the Government of the United States, the Department of Transportation, the FAA or any instrumentality or officer of the United States, harmless against any claim for personal injury, death, property damage or other loss arising out of activities under this Agreement.

ARTICLE VI - Financial Provisions

- A. Except for local support provided by the CAO in accordance with Article IV above, FAA shall arrange and pay all other necessary costs of providing the services under this Agreement in accordance with FAA regulations and practices.
- B. The CAO shall pay to FAA, in accordance with provisions set forth in Annexes made a part of this Agreement, the amount of such actual costs incurred by FAA, including all costs arising from expiration or termination of the Agreement.

- C. The CAO identifies the office to which the FAA will render financial statements and consult on related financial matters as:

Administrator, Civil Aviation Organization

Mehrabad International Airport

Tehran, Iran

- D. Agreement Number NAT-I-488 has been assigned by FAA to identify this project and should be referred to in all related correspondence.

ARTICLE VII - Annexes to Agreement

All services rendered under this Agreement shall be specified in corresponding annexes which when duly signed by the parties, will become part of this Agreement.

The parties agree that each annex will contain a description of the services to be performed by FAA personnel for the CAO, the manpower and other resources required to accomplish these tasks, the estimated costs of the tasks and related payments, planned implementation, and duration.

Each annex to this Agreement will be identified in the following manner: the number of the Agreement (NAT-I-488) followed by a Roman numeral. The first annex will be identified as NAT-I-488-I.

ARTICLE VIII - Amendments

This MOA may be amended to provide for expansion of requirements

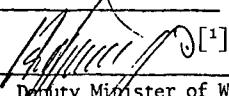
and continuation of the program. Any changes in the services furnished, charges or other provisions of this Agreement or its annexes shall be formalized by an appropriate written amendment which shall outline the nature of the change.

ARTICLE IX - Effective Date and Termination

This Agreement becomes effective upon signature of the duly authorized representatives of FAA and GOI and shall remain in effect until such time as the program concept and implementation plan as contained in the FAA INAS Study Report, as amended, is completed as agreed to by FAA and CAO and set forth in related annexes. This MOA or related annexes may be terminated at any time by either party by 60 days notice in writing. Any such termination will allow FAA 120 days to close out the IAAC and domestic support program operations and return FAA personnel to their regular FAA duty assignments. All FAA costs incurred as a result of termination of this Agreement or any of its annexes shall be reimbursed by the CAO to the FAA.

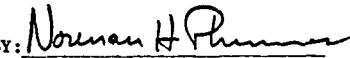
The FAA and the GOI agree to the provisions of this Agreement as indicated by the signatures of their duly authorized officers.

IMPERIAL GOVERNMENT OF IRAN
MINISTRY OF WAR

BY: 
Deputy Minister of War,
TITLE: Director General, CAO

DATE: June 9, 1977

UNITED STATES OF AMERICA
DEPARTMENT OF TRANSPORTATION
FEDERAL AVIATION ADMINISTRATION

BY: 
Norman H. Plummer
Acting Assistant Administrator for
TITLE: International Aviation Affairs

DATE: MAY 12 1977

¹ Haji Moniri.

² Norman H. Plummer.

FEDERAL REPUBLIC OF GERMANY

Air Transport Services: Low-Cost Fares

Agreement modifying the agreement of July 7, 1955, as amended.

Effectuated by exchange of notes

Dated at Bonn-Bad Godesberg and Bonn December 1 and 2, 1977;

Entered into force December 2, 1977.

*The American Embassy to the German Ministry of Foreign Affairs
No. 330*

The Embassy of the United States of America presents its compliments to the Auswaertiges Amt and has the honor to refer to tariff filings recently made by Deutsche Lufthansa for new Super-Apex fares between the United States and Europe for the 1977-78 winter traffic season.

The United States is committed to an international aviation policy which features low fare, competitive international air services. At the same time, the United States believes that the new Super-Apex fares must be regarded as experimental in nature because their effect on the competitive structure of North Atlantic passenger rates is as yet unclear. However, the possibility exists that these experimental fares, once introduced, could become permanent even though they might later prove to have a disruptive effect on the market. This is due to the fact that the provisions of Article 11 of the United States-Federal Republic of Germany Air Services Agreement of 1955^[1] do not easily permit the suspension of existing fares.

In view of this possibility, the United States proposes that the authorities of both countries agree that the new Super-Apex filings presented by Lufthansa are experimental and will not continue in effect after March 31, 1978 if the summer 1978 season Super-Apex filings cannot be agreed upon. Moreover, during the 1977-78 winter season, either government may take action to prevent the continuation

¹ TIAS 3536, 6434; 7 UST 534; 19 UST 4402.

of such fares on or before their respective dates of expiration, provided that it notifies the other government six weeks in advance of its intention to take such action and agrees to consult with the other government if consultations are requested. Both governments agree that they will not act to suspend these fares before March 28, 1978, or until four months from their date of effectiveness, whichever comes sooner.

The Embassy would appreciate a reply from the Auswaertiges Amt confirming that the foregoing is acceptable to your government.

The Embassy of the United States of America avails itself of this opportunity to assure the Auswaertiges Amt of its highest consideration.

Embassy of the United States of America

Bonn-Bad Godesberg, December 1, 1977

The German Ministry of Foreign Affairs to the American Embassy

AUSWÄRTIGES AMT
404-455.00/7 USA

Verbalnote

Das Auswärtige Amt beeckt sich, der Botschaft der Vereinigten Staaten von Amerika den Empfang der Verbalnote Nr.330 vom 1.Dezember zu bestätigen und mitzuteilen, daß die Regierung der Bundesrepublik Deutschland sich mit dem in Absatz 3 der Verbalnote gemachten Vorschlag einverstanden erklärt. Der Bundesminister für Verkehr als Luftfahrtbehörde der Bundesrepublik Deutschland geht davon aus, daß die Suspendierung der von der Deutschen Lufthansa AG beim Civil Aeronautics Board hinterlegten Winter-Super-Apex-Tarife nunmehr unverzüglich aufgehoben wird.

Das Auswärtige Amt benutzt diesen Anlaß, die Botschaft der Vereinigten Staaten von Amerika erneut seiner ausgezeichneten Hochachtung zu versichern

Bonn, den 2. Dezember 1977



An die
Botschaft der Vereinigten
Staaten von Amerika
5300 Bonn

TRANSLATION

The Ministry of Foreign Affairs

404-455.00/7 USA

Note Verbale

The Ministry of Foreign Affairs has the honor to acknowledge to the Embassy of the United States of America the receipt of its note verbale No. 330 of December 1, and to state that the Government of the Federal Republic of Germany agrees to the proposal made in paragraph 3 of the note verbale. The Federal Minister for Transport, as the aeronautical authority of the Federal Republic of Germany, assumes that the suspension of the winter Super-Apex fares filed by Deutsche Lufthansa AG with the Civil Aeronautics Board will now be promptly lifted.

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

Bonn, December 2, 1977

[Seal]

The Embassy of the
United States of America
5300 Bonn

MEXICO

Narcotic Drugs: Additional Cooperative Arrangements to Curb Illegal Production and Traffic

*Agreement effected by exchange of letters
Signed at México February 16, 1977;
Entered into force February 16, 1977.
And amending agreement
Effectuated by exchange of letters
Signed at México July 28, 1977;
Entered into force July 28, 1977.*

*The American Chargé d'Affaires ad interim to the Mexican
Attorney General*



EMBASSY OF THE
UNITED STATES OF AMERICA

February 16, 1977

His Excellency
Lic. Oscar Flores
Attorney General of the Republic
San Juan de Letran 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 willing to enter into additional cooperative arrangements with the Government of Mexico to reduce such traffic.

1. The United States Government will reimburse and/or advance the Government of Mexico in an amount not to exceed Two Hundred and Fifty Thousand Dollars (\$250,000) for contract services beginning January 1, 1977 for:

A. The provision of a rotary wing flight instructor for training Mexican pilots in aerial spraying techniques for a period of twelve (12) months.

B. The provision of a spray and ground support equipment technician to work with and train Mexican personnel for a period of twelve (12) months.

C. The provision of a STOL aircraft (Pilatus Porter) flight instructor for training of Mexican pilots for a period not to exceed four (4) months.

D. The provision of a STOL aircraft (Pilatus Porter) mechanic to maintain the aircraft and to train Mexican personnel for a period not to exceed thirty (30) days.

2. Additionally, the Government of the United States will reimburse and/or advance the Government of Mexico in an amount equal to the cost of supplements to salaries in order to augment the present wage scale restrictions of the Office of the Attorney General for Mexican support personnel as mutually agreed upon exclusively dedicated to the program to curb illegal production and trafficking in narcotics for a period of twelve (12) months and in an amount not to exceed Three Hundred Thousand Dollars (\$300,000).

3. The Government of Mexico agrees to provide the resources required for the most effective use of the training provided and also agrees to adhere to the training program schedules once mutually developed and implemented. Additionally, the Government of Mexico agrees to provide supporting documents periodically as mutually agreed upon to substantiate all disbursement made on a reimbursable and/or advance basis and will undertake to propose the elimination of the present wage scale restrictions of the Office of the Attorney General for Mexican support personnel at the earliest possible date as well as assure adequate budgetary resources to meet such costs subsequent to the period specified in paragraph 2 above.

4. The total cost to the Government of the United States for reimbursement to the Government of Mexico under this agreement will not exceed Five Hundred and Fifty Thousand Dollars (\$550,000). 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 narcotics control effort of the Government of Mexico remain in full force and effect, and applicable to this agreement unless otherwise expressly modified herein.

If the foregoing is acceptable to the Government of Mexico, this letter and your reply will constitute an agreement between our two governments.

I take this opportunity to reiterate to you the assurance of my highest consideration and personal esteem.

Herbert B. Thompson
Herbert B. Thompson
Chargé d'Affaires ad interim

*The Mexican Attorney General to the American Chargé d'Affaires
ad interim*



PROCURADURÍA GENERAL
DE LA
REPÚBLICA

México, D.F., a 16 de Febrero de 1977.

SR. HERBERT B. THOMPSON
ENCARGADO DE NEGOCIOS
AD INTERIM
PRESENTE,

Excelentísimo señor:

Me es grato dar respuesta a su atenta comunicación de 16 de los corrientes, cuyo texto traducido al español es - el siguiente:

"Confirmando las 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 avisarle que el Gobierno de los Estados Unidos está dispuesto a concertar con el Gobierno de México arreglos cooperativos adicionales para reducir dicho tráfico.

1.- El Gobierno de los Estados Unidos reembolsará y/o adelantará al Gobierno de México una suma que no excederá de Doscientos Cincuenta Mil Dólares (US\$250,000) por servicios contratados, comenzando el 1 de enero de 1977, para:

A.- Un piloto instructor de ala rotativa para entrenar pilotos Mexicanos en las técnicas de fumigación aérea por un período de doce (12) meses.

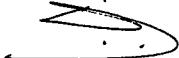
B.- Un técnico de equipo de fumigación y equipo de apoyo terrestre para trabajar con y entrenar personal Mexicano por un período de doce (12) meses.

C. - Un piloto instructor de avión STOL (Pilatus Porter) para entrenar pilotos Mexicanos por un período que no excederá de cuatro (4) meses.

D. - Un mecánico de avión tipo STOL (Pilatus-Porter) para mantener el avión y entrenar a personal Mexicano por un período que no excederá de treinta (30) días.

2. - Además, el Gobierno de los Estados Unidos reembolsará y/o adelantará al Gobierno de México por un monto igual al costo de remuneración complementaria a salarios para el aumento de las restricciones actuales en materia de escalas salariales de la Procuraduría General para el personal Mexicano de apoyo, tal y como sea acordado mutuamente que se dedica exclusivamente al programa para frenar la producción y el tráfico ilegales de estupefacientes durante un período de doce (12) meses, por una cantidad que no excederá de Trescientos Mil Dólares (US \$300,000).

3. - El Gobierno de México está de acuerdo en proporcionar los recursos que sean requeridos para lograr el uso más eficaz del entrenamiento, y también está de acuerdo en adherirse a los horarios del programa de entrenamiento una vez que estos hayan sido mutuamente desarrollados y puestos en práctica. Además, el Gobierno de México está de acuerdo en proveer periodicamente documentos respaldando los desembolsos efectuados procedentes de fondos dados sobre una base de reembolso y/o por adelantado, según sea convenido, y procederá a proponer que se supriman las restricciones salariales de la Procuraduría-General para el personal Mexicano de apoyo, a la mayor brevedad posible, así como a asegurar recursos presupuestales adecuados para hacer frente a los costos subsecuentes al período especificado en el párrafo 2 anterior.



4.- El costo total al Gobierno de los Estados Unidos para reembolsar al Gobierno de México bajo este acuerdo no excederá de Quinientos Cincuenta Mil Dólares (US\$550,000). Se tiene por entendido que las disposiciones de todos los acuerdos previos entre el Gobierno de México y el Gobierno de los Estados Unidos, en relación con los esfuerzos del Gobierno de México para el control de estupefacientes, permanecen en pleno vigor y efecto, y serán aplicables a este acuerdo, a menos que se modifiquen expresamente en los presentes.

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.



TIAS 9113

TRANSLATION

UNITED MEXICAN STATES
Office of the Attorney
General of the Republic

Mexico, D.F.,
February 16, 1977

Mr. Herbert B. Thompson
Charge d'Affaires ad interim
Mexico, D.F.

Excellency:

I am pleased to reply to your letter of February 16, 1977, the text of which, translated into Spanish, reads as follows:

[For the English language text, see pp. 5335-5336.]

I should like to inform you that the terms of the letter transcribed above are acceptable to the Government of Mexico.

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

[AMENDING AGREEMENT]

The American Ambassador to the Mexican Attorney GeneralEMBASSY OF THE
UNITED STATES OF AMERICA

July 28, 1977

His Excellency
Lic. Oscar Flores
Attorney General of the Republic
San Juan de Letran 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 illegal traffic in narcotics, I am pleased to advise you that the Government of the United States, represented by the Embassy of the United States of America, is willing to enter into additional cooperative arrangements with the Government of Mexico, represented by the Office of the Attorney General of the Republic, to reduce such traffic. These additional arrangements are for the effect of extending or amending prior cooperative arrangements to the extent provided herein.

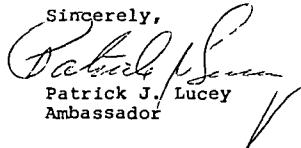
The United States Government agrees to make the following changes in the agreement effected by an exchange of letters dated February 16, 1977:

- (a) In the eighth line of numbered paragraph two of the Embassy's letter, add the words "beginning on January 1, 1977," following the words "twelve (12) months";
- (b) in the ninth line of numbered paragraph two of the Embassy's letter, delete the words "Three Hundred Thousand Dollars (\$300,000)" and substitute therefor the words "Eight Hundred Thousand Dollars (\$800,000)";
- (c) in the third and fourth lines of numbered paragraph four of the Embassy's letter, delete the words "Five Hundred and Fifty Thousand Dollars (\$550,000)" and substitute therefor the words "One Million Fifty Thousand Dollars (\$1,050,000)".

It is understood that the remaining provisions of the agreement dated February 16, 1977, and of all previous agreements between the Government of the United States and the Government of Mexico in relation to the narcotics control effort of the Government of Mexico remain in full force and effect, and applicable to this agreement unless otherwise expressly modified herein.

If the foregoing is acceptable to the Government of Mexico, this letter and your reply will constitute an agreement between our two governments.

I take this opportunity to reiterate to you the assurance of my highest consideration and personal esteem.

Sincerely,

Patrick J. Lucey
Ambassador

The Mexican Attorney General to the American Ambassador

Oficio No. 1/466

México, D.F., a 28 de Julio de 1977.

PROCURADURÍA GENERAL
DE LA
REPÚBLICA

Excelentísimo Señor
Patrick J. Lucey.
Embajador Extraordinario y Plenipotenciario
de los Estados Unidos de América.
C i u d a d

Estimado Señor Embajador:

Me es grato dar respuesta a su atenta comu-
nicación del día de hoy, cuyo texto traducido al español es el sí
guiente:

"Confirmando recientes conversaciones en-
tre funcionarios de nuestros dos Gobiernos, relativas a la coope-
ración entre México y los Estados Unidos para frenar el tráfico
y la producción ilegal de estupefacientes, me complace avisarle
que el Gobierno de los Estados Unidos, representado por la Em-
bajada de los Estados Unidos de América, está dispuesto a con-
certar con el Gobierno de México, representado por la Oficina -
del Procurador General de la República, arreglos cooperativos a
dicionales para reducir dicho tráfico. Estos arreglos adiciona-
les tienen el efecto de prorrogar o enmendar arreglos cooperati-
vos previos en la medida aquí prevista.

El Gobierno de los Estados Unidos está de a
cuerdo a efectuar los cambios siguientes al Acuerdo efectuado-
por un intercambio de cartas con fecha 16 de febrero de 1977:

(a) En la octava línea del párrafo numera-
do dos de la carta de la Embajada, agréguese las palabras "em-
pezando el primero de enero de 1977," después de las palabras
"doce (12) meses.";

(b) en la novena línea del párrafo numerado dos de la carta de la Embajada, suprímase las palabras "Trecientos Mil Dólares (\$300,000) y substitúyanse las palabras "Ochocientos Mil Dólares (\$800,000); y

(c) en la tercera y cuarta línea del párrafo numerado cuatro de la carta de la Embajada, suprímase las palabras "Quinientos Cincuenta Mil Dólares (\$550,000)" y substitúyanse las palabras "Un Millón Cincuenta Mil Dólares (\$1,050,000)."

Se tiene por entendido que todas las disposiciones restantes del Acuerdo con fecha 16 de febrero de 1977, y todos los Acuerdos previos entre el Gobierno de los Estados Unidos y el Gobierno de México para el control de estupefacientes permanecen en pleno vigor y efecto y son aplicables a este Acuerdo a menos de que se modifique expresamente aquí.

Si lo antedicho es aceptable al Gobierno de México, esta carta y su contestación constituirán un acuerdo en entre nuestros dos Gobiernos.

Aprovecho esta oportunidad para reiterar a usted las seguridades de mí 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 mas 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

No. 1/466

Mexico, D.F.
July 28, 1977

His Excellency
Patrick J. Lucey
Ambassador Extraordinary and
Plenipotentiary of the
United States of America
Mexico, D.F.

Dear Mr. Ambassador:

I take pleasure in replying to your note of this day, the text
of which, translated into Spanish, reads as follows:

[For the English language text, see pp. 5341-5342.]

I wish to inform you that the Government of Mexico agrees with
the terms of the note transcribed above.

I avail myself of this opportunity to renew to Your Excellency
the assurances of my highest consideration.

Oscar Flores

Oscar Flores
Attorney of the Republic

MEXICO

Narcotic Drugs: Additional Cooperative Arrangements to Curb Illegal Production and Traffic

Agreement extending the agreement of February 16, 1977, as amended.

Effectuated by exchange of letters

Signed at México December 19, 1977;

Entered into force December 19, 1977.

The American Ambassador to the Mexican Attorney General

EMBASSY OF THE
UNITED STATES OF AMERICA

DECEMBER 19, 1977

His Excellency

LIC. OSCAR FLORES

*Attorney General of the Republic
San Juan de Letran 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 illegal traffic in narcotics, I am pleased to advise you that the Government of the United States, represented by the Embassy of the United States of America, is willing to enter into additional cooperative arrangements with the Government of Mexico represented by the Office of the Attorney General of the Republic, to reduce such traffic. These additional arrangements are for the effect of extending or amending prior cooperative arrangements to the extent provided herein.

The United States Government agrees to make the following change in the agreement effected by an exchange of letters dated February 16, 1977, as previously amended by an exchange of letters dated July 28, 1977:^[1]

¹ TIAS 9113; *ante*, p. 5334.

In the eighth line of numbered paragraph two of the Embassy's letter dated February 16, 1977, delete the words, "twelve (12) months" and substitute therefor the words "twenty-two (22) months".

It is understood that the remaining provisions of the agreement dated February 16, 1977, as amended, and of all previous agreements between the Government of the United States and the Government of Mexico in relation to the narcotics control effort of the Government of Mexico remain in full force and effect, and applicable to this agreement unless otherwise expressly modified herein.

If the foregoing is acceptable to the Government of Mexico, this letter and your reply will constitute an agreement between our two governments.

I take this opportunity to reiterate to you the assurance of my highest consideration and personal esteem.

Sincerely,

PATRICK J LUCEY

Patrick J Lucey
Ambassador

The Mexican Attorney General to the American Ambassador

México, D.F., a 19 de diciembre de 1977.

PROCURADURÍA GENERAL

DE LA
REPÚBLICA

Excelentísimo Señor
PATRICK J. LUCEY
EmbaJador Extraordinario y Plenipotenciario
de los Estados Unidos de América.
Ciudad.

Estimado Señor Embajador:

Me es grato dar respuesta a su atenta comunicación fechada el 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 avisarle que el Gobierno de los Estados Unidos, representado por la Embajada de los Estados Unidos de América, está dispuesto a concertar con el Gobierno de México, representado por la Oficina del Procurador General de la República, arreglos cooperativos adicionales para reducir dicho tráfico. Estos arreglos adicionales tienen el efecto de prorrogar o enmendar arreglos cooperativos previos en la medida aquí prevista.

El Gobierno de los Estados Unidos está de acuerdo a efectuar el cambio siguiente al Acuerdo efectuado por un intercambio de cartas con fecha 16 de febrero de 1977, de conformidad con la enmienda previa ejecutada en el intercambio de cartas con fecha 28 de julio de 1977.

En la octava línea del párrafo numerado dos de la carta de la Embajada con fecha de 16 de febrero de 1977, suprímanse las palabras "doce (12) meses" y sustitúyanse las palabras "veintidos (22) meses".



Se tiene por entendido que todas las disposiciones restantes del Acuerdo con fecha 16 de febrero de 1977, de conformidad con las enmiendas y todos los Acuerdos previos entre el Gobierno de los Estados Unidos y el Gobierno de México para el control de estupefacientes permanecen en pleno vigor y efecto y son aplicables a este Acuerdo a menos de que se modifique expresamente aquí.

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

Mexico, D.F., December 19, 1977

His Excellency
Patrick J. Lucey
Ambassador Extraordinary and Plenipotentiary
of the United States of America
Mexico, D.F.

Dear Mr. Ambassador:

I am pleased to reply to your communication, dated today,
the text of which, translated into Spanish, is as follows:

[For the English language text, see pp. 5347-5348.]

I should like to inform you that the Government of Mexico
concurs in the terms of the transcribed note.

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 Production and Traffic

Agreement amending the agreement of February 16, 1977, as amended and extended.

Effectuated by exchange of letters

Signed at México January 3, 1978;

Entered into force January 3, 1978.

The American Ambassador to the Mexican Attorney General

EMBASSY OF THE
UNITED STATES OF AMERICA

JANUARY 3, 1978

His Excellency

LIC. OSCAR FLORES

*Attorney General of the Republic
San Juan de Letran 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 illegal traffic in narcotics, I am pleased to advise you that the Government of the United States, represented by the Embassy of the United States of America, is willing to enter into additional cooperative arrangements with the Government of Mexico, represented by the Office of the Attorney General of the Republic, to reduce such traffic. These additional arrangements are for the effect of extending or amending prior cooperative arrangements to the extent provided herein.

The United States Government agrees to make the following changes in the Agreement effected by an exchange of letters dated February 16, 1977, as amended by an exchange of letters dated July 28, 1977, and December 19, 1977: [¹]

¹ TIAS 9113, 9114; *ante*, pp. 5334 and 5347.

In the third line of numbered paragraph one of the Embassy's letter dated February 16, 1977, delete the word "fifty" and substitute therefor the word "sixty" to read "Two Hundred and Sixty Thousand Dollars (\$260,000)."

In the third line of numbered paragraph 1. A. of the Embassy's letter dated February 16, 1977, delete the word "twelve" and substitute therefor the words "thirteen and a half" to read "thirteen and a half (13½) months."

In the third line of numbered paragraph 1. B. of the Embassy's letter dated February 16, 1977, delete the word "twelve" and substitute therefor the word "fifteen" to read "fifteen (15) months".

In the third and fourth line of numbered paragraph four of the Embassy's letter dated February 16, 1977, as amended in letter of July 28, 1977, delete the word "Fifty" and substitute therefor the word "Sixty" to read "One Million Sixty Thousand Dollars (\$1,060,000)".

It is understood that the remaining provisions of the agreement dated February 16, 1977, as amended, and of all previous agreements between the Government of the United States and the Government of Mexico in relation to the narcotics control effort of the Government of Mexico remain in full force and effect, and applicable to this agreement unless otherwise expressly modified herein.

If the foregoing is acceptable to the Government of Mexico, this letter and your reply will constitute an agreement between our two governments.

I take this opportunity to reiterate to you the assurance of my highest consideration and personal esteem.

Sincerely,

PATRICK J LUCEY

Patrick J. Lucey
Ambassador

The Mexican Attorney General to the American Ambassador

PROCURADURÍA GENERAL
DE LA
REPÚBLICA

México, D.F., a 3 de Enero de 1978.

Excelentísimo Señor
Patrick J. Lucey.
Embajador Extraordinario y Plenipotenciario
de los Estados Unidos de América.
Ciudad.

Estimado 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 avisarle que el Gobierno de los Estados Unidos, representado por la Embajada de los Estados Unidos de América, está dispuesto a concertar con el Gobierno de México, representado por la Oficina del Procurador General de la República, arreglos cooperativos adicionales para reducir dicho tráfico. Estos arreglos adicionales tienen el efecto de prorrogar o enmendar arreglos cooperativos previos en la medida aquí prevista.

El Gobierno de los Estados Unidos está de acuerdo a efectuar el cambio siguiente al Acuerdo efectuado por el intercambio de cartas con fecha 16 de febrero de 1977, de conformidad con las enmiendas ejecutadas en el intercambio de cartas con fecha 28 de julio de 1977 y 19 de diciembre de 1977:

En la tercera línea del párrafo numerado uno de la carta de la Embajada con fecha 16 de febrero de 1977, su

primase la palabra "Cincuenta" y substitúyase por la palabra "Sesenta", para que se lea: "Doscientos Sesenta Mil Dólares" (\$260,000).

En la tercera línea del párrafo numerado --
1.A. de la carta de la Embajada con fecha 16 de febrero de 1977, su
primase la palabra "Doce" y substitúyase por las palabras "Trece y -
Medio", para que se lea: "Trece y Medio (13 1/2) Meses".

En la tercera línea del párrafo numerado --
1.B. de la carta de la Embajada con fecha 16 de febrero de 1977, su
primase la palabra "Doce" y substitúyase por la palabra "Quince", -
para que se lea: "Quince (15) Meses".

En la tercera y cuarta línea del párrafo nu
merado 4 de la carta de la Embajada con fecha 16 de febrero de 1977,
con las enmiendas en la carta con fecha 28 de julio de 1977, supr
mase la palabra "Cincuenta" y substitúyase por la palabra "Sesenta"
para que se lea: "Un Millón Sesenta Mil Dólares (\$1,060,000)".

Se tiene por entendido que todas las dispos
iciones restantes del Acuerdo con fecha 16 de febrero de 1977, de
conformidad con las enmiendas y todos los Acuerdos previos entre
el Gobierno de los Estados Unidos y el Gobierno de México para el -
control de estupefacientes permanecen en pleno vigor y efecto y son
aplicables a este Acuerdo a menos de que se modifique expresamen
te aquí.

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 perso
nal."

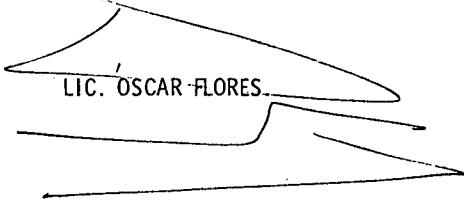


Deseo expresar a usted que el Gobierno de México está de acuerdo en los términos de la nota transcrita.

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., January 3, 1978

His Excellency
Patrick J. Lucey
Ambassador Extraordinary and Plenipotentiary
of the United States of America
Mexico, D.F.

Dear Mr. Ambassador:

I am pleased to reply to your letter of today, the text
of which, translated into Spanish, reads as follows:

[For the English language text, see pp. 5352-5353.]

I should like to inform you that the Government of Mexico
concurs in the terms of the transcribed letter.

I avail myself of this opportunity to renew to Your
Excellency the assurance of my highest consideration.

Oscar Flores

Oscar Flores
Attorney General of the Republic

OMAN
Peace Corps

*Agreement amending the agreement of November 15 and 28,
1972.^[1]*

Effectuated by exchange of notes

Signed at Muscat May 4 and August 25, 1977;

Entered into force August 25, 1977.

*The American Ambassador to the Omani Minister of State for Foreign
Affairs*

EMBASSY OF THE UNITED STATES OF AMERICA

MUSCAT, May 4, 1977

EXCELLENCY:

I have the honor to refer to recent conversations between representatives of our two governments and to propose the following understandings with respect to the men and women of the United States of America who volunteer to serve in the Peace Corps and who, at the request of your Government, would live and work for periods of time in the Sultanate of Oman.

1. The Government of the United States will furnish such Peace Corps Volunteers as may be requested by the Sultanate of Oman and approved by the Government of the United States to perform mutually agreed tasks in the Sultanate of Oman. The Volunteers will work under the immediate supervision of governmental or private organizations in Oman designated by our two governments. The Government of the United States will provide training to enable the Volunteers to perform more effectively these agreed tasks.

2. The Government of the Sultanate of Oman will accord equitable treatment to the Volunteers and their belongings; afford them full aid and protection, including treatment no less favorable than that accorded generally to nationals of the United States residing in the Sultanate of Oman; and fully inform, consult, and cooperate with representatives of the Government of the United States with respect to all matters concerning them. The Government of the Sultanate of

¹ TIAS 7614; 24 UST 1013.

Oman will exempt the Volunteers from all taxes on payments which they receive to defray their living costs and on income from sources outside the Sultanate of Oman, from all customs duties or other charges on their personal effects imported into the Sultanate of Oman for their own use at or about the time of their arrival, and from all other taxes or other charges (including immigration fees) except license fees and taxes and other charges included in the prices of equipment, supplies and services.

3. The Government of the United States will provide the Volunteers with such limited amounts of equipment and supplies as our two governments may agree are needed to enable the Volunteers to perform their tasks effectively. The Government of the Sultanate of Oman will exempt from all taxes, customs duties and other charges, all equipment and supplies introduced into or acquired in Oman by the Government of the United States, or any contractor financed by it, for use hereunder.

4. To enable the Government of the United States to discharge its responsibilities under this agreement, the Government of the Sultanate of Oman will receive a representative of the Peace Corps and such staff of the representative and such personnel of the United States private organizations performing functions hereunder under contract with the Government of the United States as are acceptable to the Government of the Sultanate of Oman. The Government of the Sultanate of Oman will exempt such persons from all taxes on income derived from their Peace Corps work or sources outside the Sultanate of Oman, and from all other taxes or other charges (including immigration fees) except license fees and taxes and other charges included in the prices of equipment, supplies and services. The Government of the Sultanate of Oman will allow the Peace Corps representative and the staff of the representative to import free of duty or other charges their personal effects and furniture up to the limit of 4,000 pounds in weight. The personnel of the United States private organizations performing functions hereunder will be allowed the same exemption from customs duties or other charges on their personal effects as is accorded to volunteers hereunder.

5. The Government of the Sultanate of Oman will exempt from investment and deposit requirements and currency controls all funds introduced into the Sultanate of Oman for use hereunder by the Government of the United States or contractors financed by it. Such funds shall be convertible into currency of the Sultanate of Oman at the highest rate which is not unlawful in the Sultanate of Oman.

6. Appropriate representatives of our two governments may make from time to time such arrangements with respect to Peace Corps Volunteers and Peace Corps programs in the Sultanate of Oman as appear necessary or desirable for the purpose of implementing this agreement. The undertakings of each government herein are subject to the availability of funds and to the applicable laws of that government.

I have the further honor to propose that, if these understandings are acceptable to your Government, this note and your Government's reply note concurring therein shall constitute an agreement between our two governments which shall enter into force on the date of your Government's note and shall remain in force until ninety days after the date of the written notification from either government to the other of intention to terminate it.

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

WILLIAM D. WOLLE

His Excellency

QAIS ABD AL-MUN'LM AL-ZAWAHL,
Minister of State for Foreign Affairs,
Ministry of Foreign Affairs,
Ruwl, Sultanate of Oman.

The Omani Minister of State for Foreign Affairs to the American Ambassador

SULTANATE OF OMAN
MINISTRY OF FOREIGN AFFAIRS
OFFICE OF THE MINISTER

Ref: 11/3/11/77/5940

Muscat August 25, 1977

EXCELLENCY,

I have the pleasure to refer to your Note dated May 4, 1977, concerning the conclusion of an agreement, in respect of men and women of the United States of America who volunteer to serve in the Peace Corps and who would live and work for periods of time in the Sultanate of Oman, between the Government of the United States of America and the Government of the Sultanate of Oman, and to confirm the result reached on the subject as follows:

1. The Government of the United States will furnish such Peace Corps Volunteers as may be requested by the Sultanate of Oman and approved by the Government of the United States to perform mutually agreed tasks in the Sultanate of Oman. The Volunteers will work under the immediate supervision of governmental or private organizations in Oman designated by our two governments. The Government of the United States will provide training to enable the Volunteers to perform more effectively these agreed tasks.
2. The Government of the Sultanate of Oman will accord equitable treatment to the Volunteers and their belongings; afford them full

aid and protection, including treatment no less favourable than that accorded generally to nationals of the United States residing in the Sultanate of Oman; and fully inform, consult, and cooperate with representatives of the Government of the United States with respect to all matters concerning them. The Government of the Sultanate of Oman will exempt the Volunteers from all taxes on payments which they receive to defray their living costs and on income from sources outside the Sultanate of Oman, from all customs duties or other charges on their personal effects imported into the Sultanate of Oman for their own use at or about the time of their arrival, and from all other taxes or other charges (including immigration fees) except licence fees and taxes and other charges included in the prices of equipment, supplies and services.

3. The Government of the United States will provide the Volunteers with such limited amounts of equipment and supplies as our two governments may agree are needed to enable the Volunteers to perform their tasks effectively. The Government of the Sultanate of Oman will exempt from all taxes, customs duties and other charges, all equipment and supplies introduced into or acquired in Oman by the Government of the United States, or any contractor financed by it, for use hereunder.

4. To enable the Government of the United States to discharge its responsibilities under this agreement, the Government of the Sultanate of Oman will receive a representative of the Peace Corps and such staff of the representative and such personnel of the United States private organizations performing functions hereunder under contract with the Government of the United States as are acceptable to the Government of the Sultanate of Oman. The Government of the Sultanate of Oman will exempt such persons from all taxes on income derived from their Peace Corps work or sources outside the Sultanate of Oman, and from all other taxes or other charges (including immigration fees) except licence fees and taxes and other charges included in the prices of equipment, supplies and services. The Government of the Sultanate of Oman will allow the Peace Corps representative and the staff of the representative to import free of duty or other charges their personal effects and furniture up to the limit of 4,000 pounds in weight. The personnel of the United States private organizations performing functions hereunder will be allowed the same exemption from customs duties or other charges on their personal effects as is accorded to volunteers hereunder.

5. The Government of the Sultanate of Oman will exempt from investment and deposit requirements and currency controls all funds introduced into the Sultanate of Oman for use hereunder by the Government of the United States or contractors financed by it. Such funds shall be convertible into currency of the Sultanate of Oman at the highest rate which is not unlawful in the Sultanate of Oman.

6. Appropriate representatives of our two governments may make from time to time such arrangements with respect to Peace Corps

Volunteers and Peace Corps programs in the Sultanate of Oman as appear necessary or desirable for the purpose of implementing this agreement. The undertakings of each government herein are subject to the availability of funds and to the applicable laws of that government.

Being the foregoing provisions acceptable to the Government of the Sultanate of Oman, it is agreed that your Note together with this reply constitute an Agreement between our two Governments on this subject and that the Agreement will enter into force on the day of this reply and shall remain in force until ninety days after the date of the written notification from either Government to the other of intention to terminate it.

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

Q A ZAWAWI

Qais A. Zawawi
Minister of State for Foreign Affairs
Sultanate of Oman

[SEAL]

His Excellency

WILLIAM D. WOLLE,
Ambassador Extraordinary & Plenipotentiary,
Embassy of the United States of America,
Muscat (Sultanate of Oman)

UPPER VOLTA
Integrated Rural Development

*Agreement signed at Ouagadougou June 30 and July 1, 1977;
Entered into force July 1, 1977.*

**PROJECT AGREEMENT
BETWEEN THE DEPARTMENT OF STATE, AGENCY FOR
INTERNATIONAL DEVELOPMENT (AID), AN AGENCY OF THE
GOVERNMENT OF THE UNITED STATES OF AMERICA, AND**
Ministry of Rural Development (Ministère du Développement Rural)

AN AGENCY OF THE Republic of Upper Volta (République de Haute-Volta)

The above-named parties hereby mutually agree to carry out a project in accordance with the terms set forth herein and the terms set forth in any annexes attached hereto, as checked below:

- | | |
|---|---|
| <input checked="" type="checkbox"/> PROJECT DESCRIPTION ANNEX A | <input type="checkbox"/> FOREIGN CURRENCY STANDARD PROVISIONS ANNEX |
| <input checked="" type="checkbox"/> ANNEX B | <input type="checkbox"/> SPECIAL LOAN PROVISIONS ANNEX |
| <input checked="" type="checkbox"/> STANDARD PROVISIONS ANNEX [1] | |

This Project Agreement is further subject to the terms of the following agreement between the two governments, as modified and supplemented:

| | |
|---|--------------------------------|
| <input checked="" type="checkbox"/> GENERAL AGREEMENT FOR TECHNICAL COOPERATION | DATE 6/1/81 (1/6/81) [1] |
|---|--------------------------------|

| | |
|---|------|
| <input type="checkbox"/> ECONOMIC COOPERATION AGREEMENT | DATE |
|---|------|

| | |
|----------------------------------|------|
| <input type="checkbox"/> (other) | DATE |
|----------------------------------|------|

1. PROJECT/ACTIVITY NO.
688-11-110-201

PAGE 1 OF _ PAGES

2. AGREEMENT NO.

3. ORIGINAL OR REVISION ND. 2

4. PROJECT/ACTIVITY TITLE
Integrated Rural Development
(Développement Rural Intégré)

5. PROJECT DESCRIPTION AND EXPLANATION
(See Annex A attached)

6. AID APPROPRIATION SYMBOL
72-11X1031

7. AID ALLOTMENT SYMBOL
481-52-688-00-37-51

| 8. AID FINANCING | PREVIOUS TOTAL | INCREASE | DECREASE | TOTAL TO DATE |
|-----------------------|----------------|----------|----------|---------------|
| | (A) | (B) | (C) | (D) |
| (a) Total | 3,063,000 | 127,800 | 127,800 | 3,063,000 |
| (b) Contract Services | 880,300 | 81,600 | | 911,900 |
| (c) Commodities | 464,000 | 98,200 | | 560,200 |
| (d) Other Cost | 1,718,700 | | 127,800 | 1,590,900 |

| 9. COOPERATING AGENCY FINANCING-DOLLAR EQUIVALENT | PREVIOUS TOTAL | INCREASE | DECREASE | TOTAL TO DATE |
|---|----------------|----------|----------|---------------|
| | (A) | (B) | (C) | (D) |
| \$1.00= | | | | |
| (a) Total | 501,000 | | | 501,000 |
| (b) Technical and other Services | 384,000 | | | 384,000 |
| (c) Commodities | | | | |
| (d) Other Costs | 117,000 | | | 117,000 |

10. SPECIAL PROVISIONS (Use Additional Continuation Sheets, if Necessary)

The purpose of this revision is to:

1. Make adjustments in project elements (PIO's, etc.) of the Integrated Rural Development Project to support the increased decentralization of the Eastern ORD

(Le but de cette révision est de:

1. Faire les ajustements dans les éléments du projet (PIO's, etc.) du projet de Développement Rural Intégré pour supporter la décentralisation accrue dans l'ORD

| 11. DATE OF ORIGINAL AGREEMENT | 12. DATE OF THIS REVISION | 13. ESTIMATED FINAL CONTRIBUTION DATE |
|--------------------------------|---------------------------|---------------------------------------|
| 31 déc. 1974 | 1 juillet 1977 | 30 avril/80 |

| 14. FOR THE COOPERATING GOVERNMENT OR AGENCY SIGNATURE: A WININGA DATE: 30/06/77 TITLE: Minister for Rural Development | 15. FOR THE AGENCY FOR INTERNATIONAL DEVELOPMENT SIGNATURE: JOHN A. HOSKINS DATE: 1/7/77 TITLE: Country Development Officer |
|--|---|
|--|---|

¹ Not printed herein. The annex is deposited in the archives of the Department of State where it is available for reference. For text, see TIAS 8590; 28 UST 3635.

² TIAS 4787; 12 UST 867.

[Footnotes added by the Department of State.]

and more efficiently achieve project purposes.

2. Add to the text (Annex A) of the Integrated Rural Development project agreement a summary of objectives and responsibilities of the Government of Upper Volta and AID.

3. Revise Annex B, the Budget, to reflect item 1, above.

4. The requirement for the Government of Upper Volta to prepare and submit an annual plan of operations for the Eastern ORD acceptable in form and substance to AID shall be considered fulfilled by the presentation of the definitive programme de campagne, the ORD budget including functions and geographic assignments.

5. Per Annex B, Table II, within the total amount of USAID funds obligated by this agreement, shifts of up to 15% among line items of this budget may be made.

de l'Est, et accomplir plus efficacement les buts du projet.

2. Ajouter au texte (Annexe A) de l'Accord de Projet du Développement Rural Intégré, un résumé des objectifs et responsabilités du Gouvernement de Haute-Volta et de l'USAID.

3. Réviser l'Annexe B, le budget, pour refléter l'article 1 ci-dessus.

4. La demande du Gouvernement de Haute-Volta de préparer et soumettre un plan annuel des opérations dans l'ORD de l'Est acceptable en forme et contenu par l'USAID doit être considérée remplie par présentation du programme définitif de campagne, du budget de l'ORD incluant les contributions des autres donateurs et d'une liste du personnel incluant les fonctions et les affectations géographiques.

5. Par l'Annexe B, Tableau II, sur le montant total des fonds fournis par l'USAID par cet Accord, on pourra apporter des changements de l'ordre de 15% dans les rubriques du budget.

ANNEX A**PROJECT DESCRIPTION**

In addition to the Project Description text contained in this Project Agreement (See original and Revision No 1) a summary is presented below which extracts, redefines and clarifies the objectives, approach and responsibilities of both parties signatory to the Agreement, the Government of Upper Volta and the Agency for International Development of the United States (U.S. A.I.D.).

Objectives:

Improve the quality of rural life in the Eastern ORD through increasing agricultural and livestock production and improving the delivery of ORD development services.

Approach:

1. Improve the ORD's capacity to function as a development agency by the provision of additional resources (equipment, budget, personnel), technical assistance and training.
2. Create four intensive development centers (Intensive Zones) in high potential areas ("foyers de progrès") by the introduction and testing of technical packages and the delivery system required to extend these interventions. The Intensive Zones are defined as Diabo Sub-Sector, Piela Sub-Sector, Matiakoali and Ougarou Sub-Sectors, and Logobou and parts of Partiaga and/or Diapaga Sub-Sectors which are yet to be identified.

ANNEXE A

En plus du texte de description du projet contenu dans cet Accord de Projet (voir original et révision No. 1), un résumé est présenté ci-dessous qui extrait, redéfinit et clarifie les objectifs, l'approche et les responsabilités des deux parties signataires de l'Accord, le Gouvernement de Haute-Volta et l'Agence des Etats-Unis pour le Développement International (USAID).

Objectifs:

Améliorer la qualité de vie rurale dans l'ORD de l'Est en accroissant la production agricole et l'élevage et en améliorant les services de développement de l'ORD.

Approche:

1. Améliorer la capacité de l'ORD de fonctionner comme agence de développement, en fournissant des ressources additionnelles (équipement, budget, personnel), l'assistance technique et la formation.
2. Créer quatre (4) centres de développement intensif ("Zones Intensives") dans des foyers à haut potentiel ("foyers de progrès") en introduisant et testant des ensembles techniques et le système de distribution requis pour vulgariser ces interventions. Les zones intensives sont définies comme suit: le Sous-Secteur de Diabo, le Sous-Secteur de Piéla, les sous-secteurs de Matiakoali et Ougarou, et Loguvou et en

When and as these interventions and delivery systems are proven valid in the Intensive Zones, the concepts are expanded throughout the ORD.

3. As the strengthened ORD capacity permits (per 1., above), provide additional services to farmers and herders in encadred areas Extensive Zones) and throughout the ORD territory.

Responsibilities:

1. Of USAID:

- a. provide \$3,063,000 through the period ending *April 30, 1980* in technical assistance, equipment, training, construction, research, special funds and revolving funds as listed in Budget Annex B.

- b. continue efforts to secure additional financing, USAID or other, for activities described in the Project Agreement but not directly financed by the Project, which contribute to the development of the Eastern ORD region (Département de l'Est).

2. The Government of Upper Volta:

- a. provide \$501,000, or not less than 110,220,000 FCFA (calculated at an exchange rate at 220 FCFA equal to \$US 1.00), through

partie les sous-secteurs de Partiaga et Diapaga qui devront être identifiés. Quand et si ces interventions et systèmes de distribution s'avèrent valables dans ces zones intensives, les concepts seront vulgarisés à travers l'ORD.

3. Si la capacité accrue de l'ORD le permet, (voir 1 ci-dessus) fournir des services supplémentaires aux fermiers et éleveurs dans les zones encadrées ("zones extensives") et à travers le territoire de l'ORD.

Responsabilités:

1. de l'USAID:

- a. fournir \$3 063 000 pendant la période jusqu'au *30 avril 1980* en assistance technique, équipement, formation, construction, recherche, fonds spéciaux et fonds de roulement comme cela est décrit dans l'Annexe B.

- b. poursuivre les efforts pour assurer un financement supplémentaire, USAID ou autre, pour les activités décrites dans l'Accord de Projet mais pas financées directement par le Projet et qui contribuent au développement de la région de l'ORD de l'Est (Département de l'Est).

2. du Gouvernement de Haute-Volta:

- a. fournir \$501 000 ou pas moins de 110,220,000 FCFA (calculés au taux de change de 220 FCFA égal \$1.00), pendant la période

the period ending *April 30, 1980* as listed in Budget Annex B. The Government of Upper Volta's contribution shall include salaries and usual indemnities of personnel, operating costs and the value of land, goods and services provided in kind.

b. recruit and/or assign not less than 170 personnel to the ORD by December 31, 1977 and 195 personnel by December 31, 1978 excluding the personnel of services integrated into the ORD after the signature of the original Project Agreement on December 31, 1974, i.e.

—the Animal Husbandry and Young Farmer Training Services. Within these overall totals, the Government will assign not less than ten (10) agents (including chiefs of Sub-Sector, encadreurs and animatrices) to each Project Intensive Zone as defined in *Approach: 2*, above, by June 30, 1977 in order to encadre 750-1,000 farmers per Intensive Zone by Dec. 31, 1979.

s'étendant jusqu'au *30 avril 1980* comme cela est décrit dans l'Annexe B. La contribution du Gouvernement de Haute-Volta inclura les salaires et indemnités habituelles du personnel, les coûts d'administration et la valeur des terres, des biens et services fournis en nature.

b. recruter et affecter pas moins de 170 membres du personnel à l'ORD d'ici le 31 décembre 1977 et 195 d'ici le 31 décembre 1978, en excluant le personnel des services intégrés à l'ORD après la signature de l'Accord original du Projet le 31 décembre 1974, i.e.

—les services d'Elevage et de Formation des Jeunes Agriculteurs. Au sein de ces totaux généraux, le Gouvernement affectera pas moins de dix (10) agents (incluant les chefs de sous-secteurs, encadreurs et antimatrices) à chaque zone intensive du Projet définie dans *Approche: 2*, ci-dessus, d'ici le 30 Juin 1977 afin d'encadrer 750-1,000 fermiers par zone intensive d'ici le 31 décembre 1979.

ANNEX (E) B

EASTERN ORD INTEGRATED RURAL DEVELOPMENT
(DEVELOPPEMENT RURAL INTEGRE DE L'ORD DE L'EST)Table I—Summary Project Budget
(Tableau I—Résumé du Budget du Projet)

(\$000)

| | FY 75-76 a | FY 77 | FY 78 | FY 79 | FY 75-79 |
|---|------------|-----------|---------|---------|-------------|
| Total Project Funding (Financement Total du Projet) | 994.0 | 1,482.1 | 775.0 | 312.9 | 3,564.0 |
| 1. AID Financed (Financé par USAID) | 771.0 | 1,204.1 | 775.0 | 312.9 | 3,063.0 |
| Contract services (Services de contrat) | 121.0 | 170.0 | 370.0 | 250.9 | 911.9 |
| Commodities (Maté- riel) | 230.0 | 250.0 | 80.2 | ----- | 560.2 |
| Other costs (Divers) | 420.0 | 784.1 | 324.8 | 62.0 | 1,590.9 |
| 2. Host Country Financed b (Financé par H. Volta) | 223.0 | 278.0 | (185.0) | (185.0) | 501.0 |
| 3. Corps de la Paix c | | | | | (240.0) |
| 4. PNUD/FAO d | d (755.0) | d (652.0) | (d) | (d) | d (1,427.0) |

a FY 76 includes IQ 7/1/76-9/30/76. (AF 76 incluant les périodes d'Interim, 1/7/76-30/9/76.)

b Converted at 220 FCFA equal \$1.00, contribution to ORD from National Budget for recurring personnel costs and certain operating costs. (Convertis 220 FCFA égal \$1.000; contribution à l'ORD du Budget National pour le coût du personnel, et certain coûts d'administration.)

c Peace Corps participation in project under review. (Participation du Corps de la Paix dans le Projet que l'on revoit.)

d UNDP/FAO three year commitment. Due to UNDP financial restraints, this remains a commitment in principle. (Engagement sur 3 ans du PNUD/FAO. Etant donné les contraintes du PNUD, ceci n'est qu'un engagement de principe.)

ANNEX (E) B

TABLE II—BILATERAL PROJECT FINANCIAL PLAN¹
(TABLEAU II—BUDGET BILATERAL DU PROJET)Source and Application of Funding—\$000
(Source et Utilisation des Fonds)

| | FY 75-76 AID ² (USAID) | GOUV (GHV) | FY 77 AID ² (USAID) | GOUV (GHV) | FY 78 AID ² (USAID) | GOUV (GHV) | FY 79 AID ² (USAID) | GOUV (GHV) | Total | FY 76-79 AID ² (USAID) | GOUV (GHV) | Grand total | |
|---------------------------------------|---|---------------|--------------------------------------|---------------|--------------------------------------|---------------|--------------------------------------|---------------|---------|---|---------------|-------------|---|
| Personnel (Personnel) | | | | | | | | | | | | | |
| Project Manager (Directeur du Projet) | 121.0 | — | 70.0 | — | 19.0 | — | — | — | 210.0 | — | — | 210.0 | — |
| MSU Contract (Contrat avec MSU) | — | 100.0 | — | 351.0 | — | 250.9 | — | — | 701.9 | — | — | 701.9 | — |
| GOUV (GHV) | 223.0 | — | 161.0 | — | (185.0) | — | (185.0) | — | 560.2 | — | — | 384.0 | — |
| Commodities (Matériel) | 230.0 | — | 250.0 | — | 80.2 | — | — | — | — | — | — | 560.2 | — |
| Other Costs (Divers) | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Training (Formation) | — | — | 20.0 | — | 52.0 | — | 62.0 | — | 134.0 | — | — | 134.0 | — |
| Construction | 35.5 | — | 354.3 | — | 14.3 | — | — | — | 404.1 | — | — | 404.1 | — |
| Special Funds (Fonds spéciaux) | 250.0 | — | 100.0 | — | — | — | — | — | 350.0 | — | — | 350.0 | — |
| Revolving Funds (Fonds de Roulement) | 100.0 | — | — | — | 293.0 | — | 258.5 | — | 651.5 | — | — | 651.5 | — |
| Research (Recherche) | 34.5 | — | — | — | 16.8 | — | — | — | 51.3 | — | — | 51.3 | — |
| Budget Support (Soutien au Budget) | — | — | — | — | 117.0 | — | (117.0) | — | (117.0) | — | — | 117.0 | — |
| Grand total | 771.0 | 223.0 | 1,204.1 | 278.0 | 775.0 | (302.0) | 312.9 | (302.0) | 3,063.0 | 501.0 | 3,564.0 | — | — |

¹ Within the total amount of AID funds obligated by this Agreement, shifts of up to 15% among the line items of this budget may be made. (Sur le total des fonds alloués par l'USAID par cet Accord, on pourra exécuter des changements dans les rubriques jusqu'à 15%).

² All AID funds are grant funds. (Tous les fonds de l'USAID sont des fonds accordés par subvention.)

ANNEX (E) B

EASTERN ORD INTEGRATED RURAL DEVELOPMENT PROJECT
BUDGET(BUDGET DU PROJET DE DEVELOPPEMENT RURAL INTEGRÉ
DANS L'ORD DE L'EST)

Table III (Tableau III)

| | FY 75-76 | FY 77 | FY 78 | FY 79 | FY 75-79 |
|---|----------|--------|----------|----------|-----------|
| <u>Personnel Costs</u> (Coûts du Personnel) | 393. 3 | 331. 0 | 374. 7 | 250. 9 | 1, 295. 9 |
| Host Country (Haute-Volta) <u>Estimated ORD Personnel costs</u> (Coûts estimés du Personnel de l'ORD) | 223. 0 | 161. 0 | (185. 0) | (185. 0) | 384. 0 |
| Peace Corps (Corps de la Paix) Under review (En revue) | ----- | ----- | ----- | (240. 0) | |
| UNDP/FAO personnel: 3 experts, 8 assoc. experts, UN volunteers (Personnel PNUD/FAO: 3 experts, 8 experts associés, volontaires NU) | (d) | (d) | (d) | (d) | (d) |
| <u>US Personnel—AID</u> (Personnel Américain USAID) | 121. 0 | 170. 0 | 374. 7 | 250. 9 | 911. 9 |
| I Project Manager (1 directeur/Projet) | 121. 0 | 70. 0 | 23. 7 | ----- | 210. 0 |
| Institutional contract, 8 man-years Mktg. & Transport Econ., Credit & Coops Spec., An. Hus./Range Mgmt. Spec. plus consultants (Contrat institutionnel, 8 années/hommes, économiste/transport, économiste/production, spécialiste crédit/coopératives, spécialistes en élevage/ aménagement des paturages, plus consultants). | ----- | 100. 0 | 351. 0 | 250. 9 | 701. 9 |

Footnote on table I.

TIAS 9117

ANNEX (E) B

EASTERN OFD INTEGRATED RURAL DEVELOPMENT PROJECT
BUDGET
(BUDGET DU PROJET DE DEVELOPPEMENT RURAL INTEGRÉ
DANS L'ORD DE L'EST)

Table IV (Tableau IV)

| | FY 75-76 | FY 77 | FY 78 | FY 79 | FY 75-79 |
|--|----------|-------|-------|-------|--------------|
| <u>Commodities & Equipment (Matériel, Equipement)</u> | 230.0 | 250.0 | 80.2 | ----- | <u>560.2</u> |
| <u>ORD Central Equipment (Equipment Central de l'ORD)</u> | | | | | <u>457.4</u> |
| —15 Vehicles: 9 pick-ups, 2 station-wagons for ORD, 3 pick-ups and 1 station-wagon for contract team (15 véhicules: 9 camionnettes, 2 breaks pour l'ORD, 3 camionnettes et 1 break pour l'équipe contractuelle) | | | | | 89.2 |
| —1 7-8 T Truck (1 camion 7-8 tonnes) | | | | | 13.0 |
| —6 3-5 T Trucks (6 camions 3-5 tonnes) | | | | | 78.0 |
| —225 mobylettes for encadreurs, animatrices, enquêteurs, live-stock agents, admin. personnel, sub-sector and sector chiefs (225 mobylettes pour encadreurs, animatrices, enquêteurs, agents de l'élevage, personnel administratif, chefs de sous-secteurs et secteurs) | | | | | 70.0 |
| —Central repair shop tools and equipment (Atelier de réparation, outils et équipement) | | | | | 20.0 |
| —farm equipment workshop and tools and equipment (Atelier de matériel agricole, outils et équipement) | | | | | 15.0 |
| —Generator(s) totaling 100 KVA (Groupes électrogènes totalisant 100 KVA) | | | | | 30.0 |
| —Radio communications network (Réseau de communications radiophoniques) | | | | | 73.0 |

| | FY 75-76 | FY 77 | FY 78 | FY 79 | FY 75-79 |
|--|----------|-------|-------|-------|----------|
| —Office equipment & furnishings; ORD sector and sub-sector (Équipement de bureau et meubles; ORD, secteur et sous-secteur) | | | | 53.2 | |
| —2 trailers (2 remorques) | | | | 8.0 | |
| —Technical equipment and supplies (Équipement technique et fournitures) | | | | 8.0 | |
| Marketing (Commercialisation) | | | | | |
| Includes use of ORD Central Equipment as well (Incluant l'utilisation de l'équipement central de l'ORD également) | | | | 29.6 | |
| —600 grain measures (600 tines) | | | | 4.6 | |
| —Marketing equipment and supplies (Équipement et fournitures de commercialisation) | | | | 20.0 | |
| —Rice decorticicator (décortiqueuse à riz) | | | | 5.0 | |
| Rural Engineering (Génie Rural) | | | | | |
| Includes use of ORD Central Equipment as well (Incluant l'utilisation de l'équipement central de l'ORD également) | | | | 30.6 | |
| —8 brick making presses (8 presses à briques) | | | | 3.2 | |
| —1 tractor 75 hp. discs plow and attachments (1 tracteur 75 CV, charrue à disque et accessoires) | | | | 27.4 | |
| Animal Husbandry/Range Management (Elevage/Aménagement des pâturages) | | | | | |
| Includes use of ORD Central Equipment as well (Incluant l'utilisation de l'équipement central également) | | | | 17.6 | |
| —8 refrigerators (8 réfrigérateurs) | | | | 3.1 | |
| —3 freezers (3 congélateurs) | | | | 3.0 | |
| —1 ice-maker (1 machine à faire de la glace) | | | | 6.5 | |
| —Veterinary equipment and supplies (Équipement et fournitures vétérinaires) | | | | 5.0 | |
| Demonstrations & Training (Démonstrations et Formation) | | | | 25.0 | |
| —5 sets of equipment, tools, fertilizer, seed, breeding stock, etc. (5 ensembles d'équipement, outils, engrais, semences, bétail, etc.) | | | | 25.0 | |

ANNEX (E) B

**EASTERN ORD INTEGRATED RURAL DEVELOPMENT PROJECT
BUDGET—TABLE V**
**(BUDGET DU PROJET DE DEVELOPPEMENT RURAL INTEGRE
DANS L'ORD DE L'EST—TABLEAU V)**

| | FY 75-76 | FY 77 | FY 78 | FY 79 | FY 75-77 |
|---|--------------|--------------|--------------|--------------|----------------|
| Other Costs (Autres Coûts) | 420.0 | 784.1 | 324.8 | 62.0 | 1,599.9 |
| A. Training (Formation) | ----- | 20.0 | 52.0 | 62.0 | 134.0 |
| Participant Training; details provided in individual PIO/P's (Formation des participants; détails fournis dans les PIO/P's) | ----- | 40.0 | 52.0 | 92.0 | |
| In-country training; in operating budget support (Formation sur place; pays hôte) | ----- | 20.0 | 12.0 | 10.0 | 42.0 |
| B. Construction | 35.5 | 354.3 | 14.3 | ----- | 404.1 |
| Encadreur Center, Matourkou (Centre des encadreurs à Matourkou) | 35.5 | ----- | ----- | ----- | 35.5 |
| ORD Admin. Complex (Complexe admin. ORD) | ----- | 244.3 | 14.3 | ----- | 258.6 |
| 1-4 modules, shop, mtg. hall, fence (1-4 modules, atelier, salle de réunion clôture) | ----- | 215.0 | ----- | ----- | 215.0 |
| 2-power and water installations (2-installations d'électricité et d'eau) | ----- | 15.0 | ----- | ----- | 15.0 |
| 3-Village/Sector storage facilities (3-magasins de stockage village/secteur) | ----- | 14.3 | 14.3 | ----- | 28.6 |
| AID Contractor Houses (Logements pour contractants USAID) | ----- | 110.0 | ----- | ----- | 110.0 |
| C. Research (Recherche) | 34.5 | 16.8 | ----- | ----- | 51.3 |
| Contracts, two Voltaic research organizations (Contrats, 2 organisations Voltaïque de recherche) | | | | | |

| | FY 75-76 | FY 77 | FY 78 | FY 79 | FY 75-79 |
|---|--------------|--------------|--------------|-------|--------------|
| Group organization and ag credit (Organisation des groupes et crédit) | 19.7 | | | | 19.7 |
| Sedentarist-nomad eco-social relationships (Rapports éco-sociaux, sédentaire/nomades) | 14.8 | 16.8 | | | 31.6 |
| D. Special Funds (Fonds Spéciaux) | 250.0 | 100.0 | | | 350.0 |
| Operating Budget Support (Soutien du budget de fonctionnement) | 250.0 | 100.0 | | | 350.0 |
| GOUV contribution, operating budget support exclusive of recurring personnel costs (Contribution du GHV, support du budget excluant les coûts du personnel) | (..) | (117.0) | () | () | (117.0) |
| E. Revolving Funds (Fonds de Roulement) | 100.0 | 293.0 | 258.5 | | 651.5 |
| Medium Term Rural Credit (Crédit rural moyen-terme) | ----- | 208.0 | 258.5 | | 466.5 |
| Marketing Fund; cash crops, etc. (Fonds pour la commercialisation des cultures de rentes, etc.) | 100.0 | 85.0 | | | 185.0 |

NIGER

Cereals Production

*Agreement signed at Niamey September 17, 1975;
Entered into force September 17, 1975.*

*And amending agreement
Dated at Niamey July 23, 1977;
Entered into force July 23, 1977.*

**PROJECT AGREEMENT
BETWEEN THE DEPARTMENT OF STATE, AGENCY FOR
INTERNATIONAL DEVELOPMENT (AID), AN AGENCY OF THE
GOVERNMENT OF THE UNITED STATES OF AMERICA, AND**

The Ministry of Foreign Affairs and Cooperation

AN AGENCY OF THE Government of Niger

The above-named parties hereby mutually agree to carry out a project in accordance with the terms set forth herein and the terms set forth in any annexes attached hereto, as checked below:

- | | |
|---|---|
| <input checked="" type="checkbox"/> PROJECT DESCRIPTION ANNEX A | <input type="checkbox"/> FOREIGN CURRENCY STANDARD PROVISIONS ANNEX |
| <input checked="" type="checkbox"/> STANDARD PROVISIONS ANNEX [1] | <input type="checkbox"/> SPECIAL LOAN PROVISIONS ANNEX |

This Project Agreement is further subject to the terms of the following agreement between the two governments, as modified and supplemented:

| | |
|---|--------------------------|
| <input checked="" type="checkbox"/> GENERAL AGREEMENT FOR TECHNICAL COOPERATION | DATE May 26, 1961 [?] |
|---|--------------------------|

| | |
|---|------|
| <input type="checkbox"/> ECONOMIC COOPERATION AGREEMENT | DATE |
|---|------|

| | |
|----------------------------------|------|
| <input type="checkbox"/> (other) | DATE |
|----------------------------------|------|

| | |
|---|---|
| 1. PROJECT/ACTIVITY NO. 683-11-130-201 | 3. <input checked="" type="checkbox"/> ORIGINAL OR REVISION NO. _____ |
| 2. AGREEMENT NO. 683-201-6-1 | |

| |
|---|
| 4. PROJECT/ACTIVITY TITLE Niger Cereals Production |
|---|

5. PROJECT DESCRIPTION AND EXPLANATION

(See Annex A attached)

| 8. AID FINANCING <input checked="" type="checkbox"/> DOLLARS <input type="checkbox"/> LOCAL CURRENCY | PREVIOUS TOTAL (A) | 6. AID APPROPRIATION SYMBOL | | 7. AID ALLOTMENT SYMBOL 721-11-X-1031 431-52-683-00-67-61 |
|---|-----------------------|-----------------------------|-----------------|---|
| | | INCREASE (B) | DECREASE (C) | |
| (a) Total | | 5,912,000 | | 5,912,000 |
| (b) Contract Services | | 1,274,000 | | 1,274,000 |
| (c) Commodities | | 2,408,000 | | 2,408,000 |
| (d) Other Costs | | 2,230,000 | | 2,230,000 |
| 9. COOPERATING AGENCY FINANCING-DOLLAR EQUIVALENT \$1.00= | | | | |
| (a) Total | | | | |
| (b) Technical and other Services | | | | |
| (c) Commodities | | | | |
| (d) Other Costs | | | | |

10. SPECIAL PROVISIONS (Use Additional Continuation Sheets, if Necessary)

Special Provisions are set forth in Annex B, page 23 [19].

| | | |
|---|--|--|
| 11. DATE OF ORIGINAL AGREEMENT September 17, 1975 | 12. DATE OF THIS REVISION | 13. ESTIMATED FINAL CONTRIBUTION DATE December 31, 1978 |
| 14. FOR THE COOPERATING GOVERNMENT OR AGENCY A MOUNKAJLA SIGNATURE: A Mounkaila DATE: 9/17/75 TITLE: Secretary of State for Cooperation | 15. FOR THE AGENCY FOR INTERNATIONAL DEVELOPMENT L. DOUGLAS HECK SIGNATURE: L. Douglas Heck DATE: 9/17/75 TITLE: American Ambassador | |

¹ Not printed herein. The annex is deposited in the archives of the Department of State where it is available for reference. For text, see TIAS 8590; 28 UST 3635.

² TIAS 4786; 12 UST 858.

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- G. Project Budget

II. ANNEX B Special Provisions

ANNEX A

ANNEX I—PROJECT DESCRIPTION

A. Summary Description

Situated in the Sahel-Sudano zone of West Africa, Niger has suffered seriously from the effects of the recent drought. Despite major constraints, Niger was a net exporter of cereals, peanuts and cotton prior to the drought. Niger was also a major supplier of beef to Nigeria and other coastal countries. During the worst period of the drought, Niger was the recipient of emergency foodstuffs from the donor community in an international effort to prevent more starvation. As Niger enters, hopefully, the post-drought period, the U.S. and other members of the donor community are anxious to assist Niger in rebuilding and expanding the agricultural sector with special emphasis on increased production of basic staple cereals.

In April 1974 the Government of Niger requested A.I.D. assistance in launching a national cereals production program. The Government of Niger has made increased cereal production a basic target of agricultural policy and resource allocation. The Government goal to attain self-sufficiency in cereals production entails meeting current consumption requirements, re-establishing on-farm, carry-over stocks, and filling the emergency supply/market stabilization storage capacity of the Government credit organization and the national cereals marketing board. In response to this request for assistance, and within the framework of the A.I.D. medium-term assistance program for the Sahel states, A.I.D. has designed a major project to promote increased cereals production in Niger.

A.I.D. assistance, in the form of grant funding, will provide financing for the following interrelated components:

- (1) An intensified adaptive research effort to develop improved varieties of millet for the specific conditions of Niger;
- (2) A foundation seed farm which will multiply breeder seed released by the research station;
- (3) A system of five seed multiplication centers producing improved seed and also selecting, training, and providing inputs for demonstration farmers, each of whose one-hectare plots will concurrently serve as a demonstration unit for the new varieties and for the recommended package of cultural practices;
- (4) Expansion of the agricultural cooperative structure of Niger (the UNCC) to extend its coverage into areas where it is currently inactive; and
- (5) Expansion and improvement of training centers for the instruction of personnel for the extension service, for various functions in the cooperative system and for demonstration farmers.

The project is now planned to cover a four-year funding period at a cost to A.I.D. of approximately \$9.6 million. Slightly less than \$6 million is required for the first two years of the project. Prior to obligation of additional funds, an in-depth evaluation will be made. Annual evaluations will also be carried out in conjunction with preparation of annual work plans. A.I.D. will finance the services of seven U.S. contract employees as technical advisors and will also recruit eleven junior-level technicians (such as former Peace Corps volunteers) for U.S.-Nigerien staff support.

The Government of Niger will meet the requirement for 25% contribution to project costs in the third and fourth years.

B. Statement of Project Goal, Purpose and Outputs

Goal: Strengthen the predominantly agricultural sector of Niger, ending its dependence upon donated external cereal supplies except in years of extraordinary drought, and improving the economic condition and performance of the farm community to support a viable and ecologically secure way of life for the Sahelian population.

Purpose: Achieve increased production and availability of cereals at prices within the reach of non-producing consumers through a sustainable agricultural production system.

Outputs:

- (1) Annual availability of incrementally-improved varieties of millet and other cereals providing higher yields and increased resistance to drought and other conditions which limit cereal production in Niger;
- (2) Higher yields of cereals per hectare cultivated and per unit of farm labor applied;
- (3) More reliable production in years of reduced rainfall;

- (4) Improved services and stronger farmer institutions at the village level; and
- (5) Improved soil quality and productive capacity;
- (6) Increased use of animal traction;
- (7) Broadened availability of credit and extension services; and
- (8) Trained personnel for these activities.

Target:

Increase of 200,000 MT of cereal production by 1980 over the 10 year average for 1965-1974.

C. Adaptive Research

The adaptive research component of the project is proposed to rapidly evaluate the complete package of improved inputs and practices which are to be distributed to Nigerien farmers. The research will test the technical soundness and economic feasibility of each aspect of the extension package. This research will be utilized immediately in the seed multiplication, extension and cooperative components. Thus, from the first, the research goals of the project should focus on what is readily adaptable for use by the Nigerien farmers. Research activities will be conducted at one main station (the National Research Center) with supportive research to be carried on at three branch stations.

1. Research Division of Plant Breeding

Major emphasis will be on improved millet varieties, and secondary emphasis will be on the improvement of sorghum and cowpea varieties. This division will identify and develop foundation seed of superior types and varieties of cereals which are high yielding, drought resistant and pest resistant. Research will also focus on developing strains of millet which are better suited for different climatic and soil conditions in Niger. Desirable characteristics will be genetically reproduced by developing improved "pure-line" strains, composite varieties and hybrids.

Manpower requirements include a Nigerien and an expatriate scientist, both of whom should be capable of planning and carrying out the above functions and adapting the research to a package that is usable by local farmers.

The Nigerien scientist should have a university degree or have research experience. This scientist will assist in research experimentation and in integration of the research efforts and conclusions of the other research divisions.

The expatriate counterpart scientist should be a senior plant breeder capable of handling research design and implementation responsibilities.

The division will be aided by two Nigerien research assistants. Candidates require at least a high school degree and may have some university education.

2. Research Division of Soil Management

Major research responsibilities will be to systematically identify soil mineral nutrient deficiencies, effective use of fertilizers and soil amendments, and use of legumes and animal manure to improve soil fertility. Other major types of research activities will include evaluation of tillage practices on soil structures, improved planting practices, crop rotation and effect of crop rotation on soils in different climatic zones and different types of soil.

Manpower requirements include an agronomist or soils scientist to plan and conduct the research and develop an integrated national soil research capacity. Also required are a Nigerien research counterpart and two Nigerien research assistants.

3. Research Division of Agricultural Engineering

Research responsibilities of this division will focus on the identification of predominant types of soil structures and the potential availability of sufficient sub-soil moisture for irrigation. Other responsibilities include the design of irrigation systems for use at the National Research Center and the construction of facilities at the Center and branch stations. The first year's activities include the construction of the Center and one branch station.

The manpower required in this division will be a senior agricultural engineer capable of assuming the above responsibilities and training Nigeriens in similar capacities and skills. The division will also have a Nigerien research counterpart and two Nigerien research assistants.

4. Research Division of Plant Physiology and Ecology

Major research responsibility will be the isolation of genetic characteristics in cereal plants that are resilient to drought conditions, soil and air-borne diseases and fungi, and insect pests. Research on early-maturing varieties of cereals will be necessary as well as efficient use of soil moisture by the promotion of certain soil and water management practices. The major effort will be in identifying and isolating the desirable characteristics and coordinating efforts with the plant breeding division to combine these characteristics into one variety.

Management of the division will require the services of a senior plant physiologist capable of assuming the above responsibilities, integrating the division's research with the other team members and training Nigeriens to continue such research.

a. Branch Stations

Two additional branch stations will be constructed in the second and third years of the project. The rationale for these branch stations is: (i) to place research centers in major crop-producing areas where local farmers can see the results of various research activities and (ii) to test different varieties of cereals in differing climatic and soil

conditions. The branch stations will also provide assistance to the cooperative and extension units in their immediate areas. The staffing will be modest and the research center will be designed with assistance from the National Research Center staff. Specific research activities will be determined by INRAN.

Personnel requirements for each branch station include a Nigerien Manager responsible for the station's research program which will be jointly designed by the National Research Center and the branch station management. The manager will have a former Peace Corps volunteer to assist him in his technical and administrative duties. Two Nigerien research assistants also will be assigned to each branch station. Supportive assistance such as vehicle, driver, equipment operator, and seasonal field labor will also be provided as required.

b. Coordination of the Research Effort

It is essential to establish an information system between the various project components. The basic system should provide information inputs to the National Research Center on the current production problems in the agricultural regions of Niger. This is necessary to keep the research adaptable to local farmers' needs. Secondly, the findings of the research efforts will be disseminated to the primary producers through the extension service. To keep the research current and responsive to the needs of the farmers, communication must be frequent and continual.

To insure such coordination and communication, several institutional devices will be used. First, overall coordination and communication will be established through INRAN which will provide compatibility and uniformity of goals and objectives. Secondly, this top-level coordination will continue most frequently through the Project Manager's office. Thirdly, each component is designed with a liaison-type office to coordinate and insure the orderly and timely flow of information between these components. Lastly, team efforts will be organized among the project components in areas where the branch stations are located.

Coordination is also necessary between the National Research Center and other agencies involved in agriculture research. To facilitate this, the Government of Niger has created INRAN as the instrument for coordinating all agriculture research in Niger.

D. Foundation Seed Production and Seed Multiplication

The principal goals and responsibilities of the seed production and multiplication component are as follows:

(1) Increase the quantity of seed of superior varieties of millet, sorghum, and cowpeas to assure those farmers receiving the seed that will have performance characteristics equivalent to the variety released by the National Research Center;

(2) Train a corps of Nigerien technicians and farm-seed producers in the techniques required for the production, processing, distribution and marketing of high quality seed to provide the basis for a self-sustaining Nigerien seed program; and

(3) To the degree possible, and within technical, financial and supervisory constraints, produce seed by utilizing a "package" of production practices within the economic and technical capability of the average Nigerien farmers.

The above goals largely restrict the role of the seed production and multiplication component to technical production and first-level distribution of seed as a production input.

During the first year or two of project activity, emphasis will be placed on the multiplication of seeds of the best available varieties of millet and sorghum. However, the scope of activity will be expanded to include the multiplication of other crop seed when possible.

As in other components, the training of national staff will be required. It is assumed that the National Seed Farm will function a year before the completion of the regional seed multiplication centers. Before assignment to these centers, the staff will be trained on the National Seed Farm. In addition to on-the-job training, scheduled group training sessions will be conducted in conjunction with the National Research Center. The Agriculture Service will be responsible for the design of such training programs for its personnel.

Manpower required to staff the Foundation Seed Farm includes a Nigerien national director acting as chief administrative officer and capable of the policy and management functions described above. Two senior seed specialists with experience in seed technology, management of a seed activity and planning and implementation of training programs in seed technology, will be assigned to this component. They will emphasize the technical and training aspects of the seed production service. Responsibility will also be assumed for coordinating the establishment of the Seed Multiplication Centers.

The services of a Nigerien accountant with training and experience in cost accounting and maintenance of inventory records will also be required. His primary responsibility will be to maintain records of expenses and seed sales, an inventory of seed supplies and billings for sales and services.

Staffing also includes an administrative assistant and necessary clerical staff.

1. National Seed Farm (NSF)

A National Seed Farm will serve as the vehicle for launching the technical operations of the seed production and multiplication program. Operationally, the process begins with the production of breeder's seed and continues with seed multiplication, harvest, drying, processing, storage, marketing and distribution. The NSF is well suited for in-

service training of personnel for future responsibilities in the expansion of the program.

The National Seed Farm will produce and supply some seed for use by farmers at least in the initial stages of operation. However, its orientation should be maintained as an elite organization whose primary function is to make the initial multiplication of breeder's seed received from the National Research Center and to distribute its seed output to seed multipliers.

Personnel Requirements:

(a) Senior Seed Specialist: this technician should have an advanced degree in seed technology or agronomy, plus experience in training programs related to seed technology. Duties will include working with the NSF management in the planning and execution of their responsibilities, plus the development and implementation of the desired training programs. The incumbent will report to the Team Leader and the Director of the National Foundation Seed Farm.

(b) Senior Seed Technology Specialist: This technician should have an advanced degree in Seed Technology or Agronomy plus experience with all aspects of seed production and seed processing equipment. Duties will include installation of equipment for NSF and Seed Multiplication Centers and execution of programs to train Nigeriens in the functioning, maintenance and general use of all such equipment. The incumbent will report to the team leader and the Director of the National Foundation Seed Farm.

(c) Managerial Assistant (former PCV): the incumbent will be responsible for coordinating physical outputs and information between the seed multiplication, adaptive research, extension, and cooperative components. He will also assume some training responsibilities, working both with the senior Seed Specialist, above, and the Agricultural Engineer (adaptive research component).

(d) Seed Analyst: duties will include evaluation and reporting on the physical and biological quality of all seed produced under the NSF auspices. The Nigerien will report to the Manager.

(e) Processing Technicians: there will be three positions for Nigeriens to operate and maintain seed processing and storage equipment and to handle distribution activities. They will report to the Manager.

(f) Production Assistants: two Nigeriens will be responsible for soil preparation, planting, cultivation, pest protection and harvesting. These positions are important because of the necessity of quality controls in the production of seed-bearing plants. They will report to the Assistant Manager.

2. Seed Multiplication Centers

A series of five regional seed multiplication centers will be used to increase the quantity of seed in the second stage of multiplication and to shorten the distribution channels between the seed producers and the primary cereal producers.

Each seed multiplication center will function as an active seed production unit by operating a farm of approximately thirty hectares. The centers will receive seed from the National Seed Farm for planting; then the seed will be harvested, processed, stored, tested and distributed. The equipment designed for use at these centers will be low-cost and for use with animals. Consequently, the seed multiplication centers will also serve to a limited extent as demonstration units.

The location of these regional multiplication facilities will be determined in conjunction with the establishment of the research branch stations. This is necessary for the production of different strains of cereals which are best suited for certain areas. Equally, the proximity of these facilities can serve to reduce some overhead costs as well as to promote organizational coordination of effort.

Three seed multiplication centers will be established in the first year of project activity after the National Seed Farm is in operation. The remaining two centers will be established as soon thereafter as is feasible and will be located close enough to an existing seed multiplication center so that the seed can be trucked to and processed at the other center and then transported back to the original producing center for distribution. In this way additional transport requirements will be less expensive than installing and maintaining additional seed processing equipment.

Personnel Requirements for Each Seed Multiplication Center:

(a) Nigerien Manager: The Manager will be responsible for fiscal, technical and personnel management of the center, coordinating the center activity with various departmental and arrondissement agencies, and reporting back to the National Seed Farm. The incumbent will also be responsible for planning, supervising and implementing farm activities in seed production, processing, storage and distribution. He will report to the Director of the NSF.

(b) Ex-PCV Assistant Manager: His primary responsibility will be supervising the daily activity of the farm and assisting the Manager in the distribution of seed during the dry season. He will report to the SMC Manager.

(c) Niger Co-Manager: The incumbent will work with the Manager and Assistant Manager in developing planning and technical skills, supervising the repair and maintenance of equipment, and maintaining necessary records and inventory control. He will also report to the Director of the National Seed Farm.

(d) Production Assistants: Three Nigeriens will be responsible for soil preparation, planting, cultivation, pest protection and harvesting and will report to the Manager. The incumbents will be recent graduates of the Young Farmers Training Centers and will have experience in innovative farming practices.

(e) Processing Technicians: There will be three Nigerien positions to operate and maintain the farm equipment. They will report to the

Seed Multiplication Center Manager. These positions are necessary only for the first three seed multiplication centers.

(f) A limited number of supportive staff and seasonal labor will be needed.

E. Cooperatives and Credit

The general scope of activity to be undertaken in the cooperative and credit component of the project is to increase the capability of the Union Nationale de Credit et Cooperatives (UNCC) to deliver agricultural production inputs and its capacity to market agricultural outputs. These objectives require numerous specific activities involving a delivery capacity of tangible inputs such as seed, fertilizer, animal-drawn implements, work animals and hand tools. It also involves increasing the UNCC's capacity to procure produced cereals, peanuts, and cotton. The UNCC will act as the market channel from the farm gate to the first processor which will in turn act as a production incentive for the farmer. The effective functioning of UNCC also involves a delivery capacity of selected services and non-tangible goods, such as credit and farm management practices.

As a result of AID inputs the capacity of the organization's guidance function will be increased by including training programs for top and middle management personnel located at the national and regional levels. This training will specifically attempt to create more systematic information and communication channels as well as strengthen planning and scheduling capabilities.

The national office is in operation, and assistance will include only some short-term in-service training seminars designed to increase the organizational management capabilities of its officers. Since an increasingly important function of UNCC will be the extension of credit to village cooperatives, seminars will be conducted to assess the value of different type credit programs in the Nigerien socio-economic system. These seminars will be organized as conferences rather than typical training sessions because of the input capability these officials can provide.

AID Inputs

An expatriate advisor will be assigned to the national office to design and schedule these training seminars/conferences and to assist in the design and implementation of various programs to be undertaken by the UNCC. The UNCC is a multi-purpose organization, and its organizational structure does not reflect its current and envisioned activities. The advisor should jointly consider with UNCC officials organizational patterns that reflect its functions as a credit supplier, cooperative commodity marketing agent, and agricultural input supplier.

In addition twelve passenger-type vehicles will be provided to increase the mobility of the staff at the national level which will be

charged with the design and implementation of training programs for regional-level personnel. These vehicles will be assigned to specific divisions that demonstrate a need for transportation in their program activities.

At the secondary or departmental level, AID inputs will include the construction of twelve office compounds, each containing a minimum of six offices depending on the area serviced by the departmental office. Also included in the building design will be a training room, storage for office and training equipment, and limited storage for agricultural supplies available to farmers. These offices will support smaller operational units in the region. Three smaller sub-departmental stations will also be constructed in regions where the concentration of activities demands.

Seven vehicle and equipment maintenance and repair centers will be constructed in connection with the centrally located department level offices. This construction includes a garage facility and equipment plus storage space for repairs, parts and maintenance supplies. One center may be constructed at the national office.

To partially meet the needs of UNCC's grain marketing and storage function, AID will provide up to one hundred and fifty (150) silos. These silos will be of ten metric ton capacity and will be constructed in outlying areas where production and marketing is sufficient to utilize such storage. The management of these silos will be supervised from the department level. Up to nine trucks will be assigned to the department level to be used to transport grain. The trucks will be used to transport grain from the department silos to national distribution centers. Up to twenty pick-up vehicles will be provided to the department offices for dispatch to the lower-level operation units to transport the grain from the village level to the department silos. The trucks and pick-ups will also be used to deliver supplies to be sold or distributed free for demonstration purposes.

At the cooperative level, staff must be trained in explaining the basic cooperative concepts and functions. The cooperative representative will explain UNCC procedures for selling inputs, credit, consultative services and grain purchasing. He will also explain (1) how the credit program functions, i.e., in what form the farmer will receive the credit and how it must be repaid; (2) the responsibilities of being a cooperative system; and (3) the legal status of the cooperative and the legal requirements it must meet. Training courses will be designed at the department level to provide this type of basic understanding.

F. Agricultural Extension

The extension service is a subdivision of the Department of Agriculture in the MER. Its organizational design includes divisions from the national to the village level. Currently, extension staffing is complete only to the arrondissement level. The staff at the village level are considered volunteer workers although they receive a small compensation during the five-month cropping season.

The major impact of the planned involvement in the extension service will be to identify areas where AID can increase the effectiveness and efficiency with which the extension service and agricultural policy form the parameters within which this project component will be implemented. The activities which will be undertaken are not directly planned to create new functions or facilities for the extension service.

1. Training

To stimulate collaboration and to oversee the AID inputs to the extension service, a full-time Extension Specialist will be provided. Organizational problems will be discussed with ministry officials, and in-service training programs for top-level managers will be devised and conducted to facilitate control and coordination between various administrative divisions. Such training will include the Nigeriens involved in the direction of each department and the directors of agencies which make up these departments. The trainer will be a senior short-term consultant specialized in organizational design of agricultural services. He will also be French-speaking with experience in dealing with African public organizations.

In addition to top-level in-service training, some participant training is required. This training will be academic, non-degree training for a year in a specially designed course to include field observations. Five participants will be selected and given in-country English language training. They will then be sent to the U.S. to study extension in the various technical aspects of agricultural production:

- (a) land and water management
- (b) technical seed research
- (c) use of organic and non-organic fertilizers
- (d) farm management
- (e) communications systems to reach target groups.

Upon their return, these persons will form a functional nucleus to staff the training division of the National Extension Office.

The project will also include third country training for Nigeriens. Approximately half will receive a year's training emphasizing general agricultural systems and public administration. They will then occupy positions in the department directorate of the extension service. Their positions will be primarily administrative to guide, control, and co-ordinate various departmental activities in which the extension service is involved.

The remaining participants will be trained in a third country programs to develop a cadre of national service trainers. These persons will staff the future in-service training programs designed to up-grade and up-date, on an annual basis, the extension service personnel.

A training and reporting division will be created in the National Extension Office. This six-man team will be responsible for designing, implementing, and evaluating the training programs offered to the extension service personnel. The office will be staffed by participants

trained in the U.S. Until their return from the U.S., the Extension Specialist, his assistants and the Assistant Project Manager will supervise such training programs with a small national staff. This national staff will then take positions at the department level where they will coordinate and supervise the training programs undertaken in their jurisdiction.

2. Extension Operations

A major effort in this component is promoting mobility and upgrading the lower echelons of the extension service. A common problem facing extension agents is the difficulty of visiting the villages to which they are assigned. Part of this problem would be solved by increasing the manpower in the extension service, thereby decreasing the geographical area covered by an individual agent.

Efforts of the extension service will be concentrated in millet-producing areas. The project will not attempt to extend the extension service to those areas marginally engaged in cereal production which are presently covered by the service.

The national and department offices will concurrently organize personnel teams so that a team of agents with diverse experience and skills will be operating at least on the arrondissement level. The teams will include agents with four skill-types: cereal production, cash crop production, animal traction, and fertilizer usage. These teams will serve as back up personnel to the more general type extension agent.

According to the organizational plan currently being followed, the department level office is envisioned as having an administrative/supervisory function. The arrondissement level is planned to be the basic operational unit which will provide technical and administrative support to lower-level staff. Demonstration programs will be co-ordinated and supervised from the arrondissement level and the demonstration inputs will be warehoused at this point pending utilization. In the departments of concentration, nine arrondissement units have been selected for expansion and improvement.

Included in the component is the provision of twenty-four vehicles which will be distributed between the MER national extension office in Niamey and the department-level offices. Motorcycles and bicycles will also be provided for the arrondissement and village-level extension agents.

3. Young Farmer Training Centers (CFJA)

To up-grade the quality of the extension agents, an annual in-service training session is planned for at least the life of the project and will be continued on an alternating basis after the initial phase of activity.

The in-service training program will be scheduled at the Young Farmer Training Centers from December to February when the regular educational program is not in session. The centers at Bellande and N'Dounga will each sponsor a three-week training session which will be repeated four times. Forty participants will attend each session. Thus, in eight seminars, approximately three hundred and twenty village-level extension agents and their immediate superiors will receive at least three weeks of training.

Instruction in these short-term sessions will be offered primarily in the introduction and justification of the "package" of improved practices, plus guidelines and suggestions as to how these practices can be demonstrated and introduced to the local farmers. Other subjects will include methods of reporting and general statistical survey techniques. The training courses will be designed and implemented by the training division at the national and departmental levels.

4. New Plans for Young Farmer Training Centers

The center at N'Dounga with eighty hectares of land is to be expanded to accommodate eighty students. The one at Bellande also will be expanded to accommodate additional students.

Training will continue as in the past, with additional training added to teach extension methods and techniques so that graduates can effectively communicate to the farmers what they have learned at the centers.

Under this component additional facilities at the N'Dounga and Bellande CFJAs will be provided for up-grading the training. They may include lodging, additional dormitories, classrooms, storage, water tanks, deep wells, water pumps, irrigation and watering equipment, two vehicles, oxen and equipment, kitchen equipment and furniture.

With increased levels of mechanized transportation being introduced into the area, facilities must be also built to insure proper maintenance and repair of the vehicles. These will be used for educational purposes for the regular students as well as for the short-term training programs for extension agents and supervisors receiving motorcycles and bicycles.

G. Budget**SUMMARY OF PROJECT COST/RESUME DES FRAIS DU PROJET****AID/Other Donor/GON****AID/Autres donateurs/Gt du Niger****FY 76****1. AID**

| | |
|---|-------------|
| Personnel/Personnel Américain | 1, 274, 000 |
| Adaptive Research/Recherche Adaptive | 848, 000 |
| Foundation Seed Production and Seed Multiplication/Production de Semence | |
| de Base et Multiplication des Semences | 1, 017, 830 |
| Cooperatives and Credit/Coopératives et Crédit | 1, 568, 770 |
| Agricultural Extension/Vulgarisation Agricole | 961, 400 |
| Participant Training/Formations des Participants | 242, 000 |

| | |
|-------------------------|-------------|
| Sub-Total/Total Partiel | 5, 912, 000 |
|-------------------------|-------------|

2. Other Donor/Autres Donateurs

| | |
|---------------------------------|----------|
| (2 FAC Techs/2 Techniciens FAC) | 570, 000 |
|---------------------------------|----------|

3. GON/Gt. du Niger

| | |
|----------------------------------|----------|
| (Farm and Land/Fermes et Terres) | 231, 200 |
|----------------------------------|----------|

| | |
|--------------|--------------------|
| TOTAL | 6, 713, 200 |
|--------------|--------------------|

COMPONENT: ADAPTIVE RESEARCH/ELEMENT: RECHERCHE ADAPTIVE

| Item/Article | FY 76 |
|---|--------------|
| Branch Stations/Filiales | 103. 50 |
| Main Station/Station Principale | 80. 50 |
| Nigerien Personnel/Personnel Nigérien | 147. 00 |
| Vehicles-Passenger/Véhicules pour Passagers | 105. 60 |
| Vehicles-Pick-Up/Pick-Up | 44. 00 |
| Trucks/Camions | 16. 50 |
| Tractors/Tracteurs | 82. 50 |
| Field Equipment/Equipement Agricole | 77. 00 |
| Shop Equipment/Equipement de l'atelier | 11. 00 |
| Lab Equipment/Equipement de Laboratoire | 44. 00 |
| Roads & Fencing/Routes et Clôtures | 6. 60 |
| Electric Generator/Générateur électrique | 13. 20 |
| Irrigation & Wells/Irrigation et Puits | 26. 40 |
| Pumps & Equipment/Pompes et équipement | 8. 80 |
| Fertilizer/Engrais | 22. 00 |
| Insecticides/Insecticides | 4. 40 |
| Operational Cost/Frais opérationnels | 22. 00 |
| Office Equipment/Matériel de bureau | 13. 20 |
| Hand Tools/Outils manuels | 19. 80 |

| | |
|--------------|----------------|
| TOTAL | 848. 00 |
|--------------|----------------|

TIAS 9118

**COMPONENT: FOUNDATION SEED PRODUCTION AND SEED
MULTIPLICATION ELEMENT:
PRODUCTION DE SEMENCE DE BASE ET MULITIPLICATION
DES SEMENCES
(000)**

| <u>Item/Articles</u> | <u>FY 76</u> |
|--|-----------------------|
| 1. Seed Multiplication/Multiplication des Semences | |
| SMC Housing/Batiment pour Centre de M. des Semances | 64. 40 |
| SMC Operations/Fonctionnement Centre de M. des S. | 92. 00 |
| 2. National Seed Farm/Ferme Semencière Nationale | |
| Shops, Warehouses, Offices/Ateliers, Magasins, Bureaux | 92. 00 |
| Local Personnel Costs/Frais de Personnel Local | 90. 30 |
| Generators - 40KW/Générateurs - 40KW | 27. 50 |
| Generators - 25KW/Générateurs - 25KW | 33. 00 |
| Generators - 5KW/Générateurs - 5KW | 13. 20 |
| Vehicles - Passenger/Véhicules pour passagers | 69. 30 |
| Trucks/Camions | 84. 70 |
| Motorcycles/Motorcycllettes | 5. 28 |
| Wells (Systems)/Puits (Systèmes) | 40. 25 |
| Fencing/Clôtures | 3. 30 |
| POL & Maint./Fonctionnement et entretien des Véhicules | 16. 50 |
| Field Equipment/Matériel Agricole | 193. 60 |
| Lab Equipment/Equipement pour Laboratoire | 18. 70 |
| Seed Planting Equipment/Equipment pour les semaines | 173. 80 |
| TOTAL | 1, 017. 83 |

**COMPONENT: COOPERATIVES AND CREDIT/ELEMENT: COOPERATIVES
ET CREDIT
(000)**

| <u>Item/Article</u> | <u>FY 76</u> |
|---|--------------|
| Office Const./Construction des bureaux | 189.77 |
| Equipped Shops/Ateliers équipés | 97.75 |
| Silos/Silos | 86.25 |
| National | |
| Vehicle-Passenger/Véhicules pour passagers | 77.00 |
| Vehicle-Trucks/Pick-ups | 198.00 |
| Local Personnel/Personnel local | 67.20 |
| Field | |
| Vehicle-Passenger/Véhicules pour passagers | 61.00 |
| Field Pick-ups | 154.00 |
| Operating Expenses/Dépenses de fonctionnement | 137.50 |
| Fertilizer/Engrais | 330.00 |
| Insecticides/Insecticides | 44.00 |
| Animal Tools/Outils pour la traction animale | 44.00 |
| Hand Tools/Outils manuels | 22.00 |
| Sprayers/Pulvérisateurs | 22.00 |
| Office Equipment/Equipement de bureau | 38.30 |
| TOTAL | 1,568.77 |

**COMPONENT: AGRICULTURAL EXTENSION/ELEMENT: VULGARISATION
AGRICOLE
(000)**

| <u>Item/Article</u> | <u>FY 76</u> |
|---|----------------|
| Office Construction/Construction des Bureau | 57. 50 |
| Vehicle-Passenger/Véhicules pour passagers | 92. 40 |
| Vehicle-Pick-Up/Pick-ups | 92. 40 |
| Motorcycles/Motocyclettes | 39. 60 |
| Bicycles/Bicyclettes | 13. 20 |
| POL/Frais de fonctionnement des Véhicules | 44. 00 |
| Commodities/Marchandises | 66. 00 |
| Local Salaries/Salaires locaux | 263. 50 |
| CFJA Support/Financement des CFJAs | |
| New Construction/Nouvelles constructions | 69. 00 |
| Maintenance & Repair/Entretien et Réparations | 33. 00 |
| Training Supplies/Fournitures pour la Formation | 27. 50 |
| Shop Equipment/Equipement de l'atelier | 33. 00 |
| Animals/Animaux | 77. 00 |
| Animal Equipment/Equipment pour la traction animale | 22. 00 |
| Office Supplies/Fournitures de Bureau | 16. 50 |
| Office Equipment/Matériel de Bureau | 14. 80 |
| TOTAL | 961. 40 |
| PARTICIPANT TRAINING/FORMATION DES PARTICIPANTS | |
| (000) | |
| Participant Training/ Formation des Participants | FY 76 |
| U.S. | 140. 00 |
| Third Country/Tierce Puissance | 102. 00 |
| TOTAL | 242. 00 |

II. ANNEX B—SPECIAL PROVISIONS

A. Within no more than 180 days following execution of the Project Agreement, the Government of Niger will furnish to AID, in form and substance satisfactory to AID, an official policy governing the sale and distribution of seed to the farmer. The purchase by farmers of improved varieties of millet and sorghum and other food grain seeds produced by this project will be facilitated through the UNCC. The purpose of the official policy will be to assure that the system for providing improved varieties of seed to farmers becomes self-supporting.

B. Within no more than 180 days following execution of this Project Agreement, the Government of Niger will furnish to AID, in form and substance satisfactory to AID, a written plan and policy statement governing the sale and distribution of commodities furnished under the project such as insecticide, animal tools, hand tools and sprayers. The plan will detail the price at which commodities are to be sold, the use of the sale proceeds, and the accounting procedures to be used.

C. A fertilizer policy to be agreed to jointly with AID will be developed within 180 days of the signing of this Project Agreement. It will take into account AID inputs in the initial years of the project and the future years needs of Niger.

D. The Government of Niger will make every effort to assume during the fourth and fifth years of the project the salary costs of Nigerien personnel hired for the project.

E. In consultation with AID, the Government of Niger will develop an evaluation and monitoring plan for the project within 60 days of signature of this Project Agreement. The plan will be incorporated into the reporting responsibilities of the Ministry of Rural Economy in order that the Ministry be aware of potential problems and take corrective action. The Government of Niger should participate with AID in periodic evaluation meetings where problems can be jointly resolved.

F. An annual work plan will be developed jointly by the Government of Niger and AID with input from the US contractor when he is in place. The work plan for the first year of operation will be completed within 90 days after the signing of this Project Agreement. There will also be an annual joint project review which will serve as the basis for the development of the next year's work plan. It will be on the basis of the annual review and satisfactory work plans that funds will be released for the upcoming year's activities.

G. The Government will maintain books and records sufficient to account for all funds expended by them for the project and to identify the goods and services procured, their location and use in the project. Such books and records shall be maintained for at least three years after the final AID contributions to the project. The Government shall furnish AID with such information and reports relating to the project as AID may reasonably request.

H. Commodities financed by AID under this agreement shall have their source and origin in AID Procurement Code 935 countries. While non-US source procurement is authorized, such procurement shall take place only when it is clearly impossible or impractical to procure requirements in the U.S.

Prior to issuance of procurement authorizations (PIO/C's) for equipment and material and no later than 30 days after the execution

of this agreement the Authorized Agent (GON) shall appoint a procurement services agent acceptable to and approved by AID, to perform the actual procurement and procurement-related services required under this project. Procurement under this project shall be in accordance with good commercial practices and applicable AID regulations and approved by AID.

Procurement and disbursement procedures for non-US imputs will be established as agreed in writing between the Government and AID within 90 days of signing of this agreement.

I. The Government of Niger will allow total access to all sites of the project at all times and to all technicians involved in the project and all US Government control personnel residing in Niger. Transportation costs budgeted by AID for project use will be available for use by project-related personnel of the GON for their inspection of the project.

J. The Government agrees to execute any assignment to AID, upon request, of any cause of action which may accrue to the Government in connection with or arising out of a contractor's performance or breach of performance of any contract financed in whole or in part out of funds provided by AID under this agreement.

K. No member of or delegate to the United States Congress of U.S. resident commissioner shall be admitted to any share or part of this agreement or to any benefit that may arise therefrom.

**PROJECT AGREEMENT
BETWEEN THE DEPARTMENT OF STATE, AGENCY FOR
INTERNATIONAL DEVELOPMENT (AID), AN AGENCY OF THE
GOVERNMENT OF THE UNITED STATES OF AMERICA, AND**

Le Ministère des Affaires Etrangères et de la Coopération

AN AGENCY OF THE Government of Niger

| | | | | | |
|--|---------------------|--|--|------------------------|-----------------------------|
| The above-named parties hereby mutually agree to carry out a project in accordance with the terms set forth herein and the terms set forth in any annexes attached hereto, as checked below: | | 1. PROJECT/ACTIVITY NO. 683-11-130-201 | | | |
| <input checked="" type="checkbox"/> PROJECT DESCRIPTION ANNEX A <input type="checkbox"/> FOREIGN CURRENCY STANDARD PROVISIONS ANNEX | | 2. AGREEMENT NO. 683-201-6-1 | | | |
| <input checked="" type="checkbox"/> STANDARD PROVISIONS ANNEX <input type="checkbox"/> SPECIAL LOAN PROVISIONS ANNEX | | 3. <input checked="" type="checkbox"/> ORIGINAL OR REVISION NO. _____ | | | |
| | | 4. PROJECT/ACTIVITY TITLE Programme Nigérien de Production Céréalière | | | |
| This Project Agreement is further subject to the terms of the following agreement between the two governments, as modified and supplemented: | | | | | |
| <input checked="" type="checkbox"/> GENERAL AGREEMENT FOR TECHNICAL COOPERATION | DATE 26 Mai 1961 | 5. PROJECT DESCRIPTION AND EXPLANATION (See Annex A attached) | | | |
| <input type="checkbox"/> ECONOMIC COOPERATION AGREEMENT | DATE | | | | |
| <input type="checkbox"/> (other) | DATE | 6. AID APPROPRIATION SYMBOL 721-11-X-1031 | 7. AID ALLOTMENT SYMBOL 431-52-683-00-67-61 | | |
| 8. AID FINANCING <input checked="" type="checkbox"/> DOLLARS <input type="checkbox"/> LOCAL CURRENCY | | PREVIOUS TOTAL (A) | INCREASE (B) | DECREASE (C) | TOTAL TO DATE (D) |
| (a) Total | | 5, 912, 000 | | | |
| (b) Contract Services | | 1, 274, 000 | | | |
| (c) Commodities | | 2, 408, 000 | | | |
| (d) Other Costs | | 2, 230, 000 | | | |
| 9. COOPERATING AGENCY FINANCING-DOLLAR EQUIVALENT \$1.00= | | | | | |
| (a) Total | | | | | |
| (b) Technical and Other Services | | | | | |
| (c) Commodities | | | | | |
| (d) Other Costs | | | | | |

10. SPECIAL PROVISIONS (Use Additional Continuation Sheets, if Necessary)

Conditions spéciales indiquées en Annexe B, page 23

| | | |
|---|---------------------------|--|
| 11. DATE OF ORIGINAL AGREEMENT 17/9/75 | 12. DATE OF THIS REVISION | 13. ESTIMATED FINAL CONTRIBUTION DATE 31 décembre 1978 |
| 14. FOR THE COOPERATING GOVERNMENT OR AGENCY A MOUNKAILA SIGNATURE: A Mounkaila DATE: 17/9/75 TITLE: Secrétaire d'Etat à la Cooperation | | 15. FOR THE AGENCY FOR INTERNATIONAL DEVELOPMENT L. DOUGLAS HECK SIGNATURE: L. Douglas Heck DATE: 17/9/75 TITLE: American Ambassador |

Table des Matières

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- A. Description Resumée
- B. Définition du But, Fin et Productions du Projet
- C. Recherche d'Adaptatinn
- D. Production de Semence de Base et Multiplication des Semences
- E. Coopératives et Credit
- F. Vulgarisation Agricole
- G. Budget du Projet

II. ANNEXE B Conditions Spéciales

I. ANNEXE A—DESCRIPTION DU PROJET

A. Description Resumée

Situé dans la zone Soudano-Sahélienne de l'Afrique Occidentale, le Niger a gravement souffert des effets de la sécheresse. Avant cette calamité, et en dépit de contraintes majeures, le Niger exportait des céréales, des arachides et du coton. Il était également un fournisseur important de viande de boeuf pour le Nigéria et d'autres pays côtiers. Au pire moment de la sécheresse, la communauté internationale a envoyé des dons alimentaires au Niger, afin d'éviter une famine massive. Comme il est espérer que le Niger entre maintenant dans la période de redressement, les États-Unis, ainsi que d'autres pays donateurs, l'aident à remettre sur pied et à développer l'agriculture en mettant tout particulièrement l'accent sur une production accrue des céréales de première nécessité.

En Avril 1974, le gouvernement du Niger a sollicité l'assistance de l'AID pour le lancement d'un programme national de production céréalière, l'objectif de la politique agricole et de la répartition des ressources du Gouvernement étant la production accrue des céréales. Le but du Gouvernement de se suffire à lui-même dans le domaine de la production des céréales entraîne plusieurs choses; faire face aux besoins de la consommation courante, recréer les stocks de réserve dans les exploitations et, au niveau de l'UNCC et de l'OPVN, rétablir la capacité de stocks correspondant à l'approvisionnement normal du marché, ainsi qu'aux cas d'urgence. En réponse à cette demande, et dans le cadre du programme d'assistance à moyen terme pour les pays du Sahel, l'AID a préparé un important projet pour augmenter la production des céréales au Niger.

L'assistance de l'AID, sous forme de subvention, permettra le financement des secteurs suivants:

(1) recherches intensives pour la mise au point d'une variété améliorée de mil adaptée aux conditions spécifiques du Niger;

(2) ferme semencière de base pour la multiplication des semences produits par la recherche.

(3) réseau de cinq centres de multiplication des semences qui produiront directement des semences améliorées et aussi qui fourniront les intrants nécessaires, sélectionneront et formeront des cultivateurs-démonstrateurs dont chaque lot de terrain de 1 hectare servira en même temps de cellule de démonstration pour les nouvelles variétés de semence et pour les "package" (ensemble de techniques) recommandés de méthodes de culture.

(4) extension de la structure coopérative agricole du Niger (UNCC) pour élargir son rayon d'action à des régions dans lesquelles il n'est pas actif à l'heure actuelle.

(5) extension et amélioration des centres de formation pour le personnel de vulgarisation, celui des coopératives et les cultivateurs-démonstrateurs.

Il est prévu que le projet couvre une période de financement de quatre ans ce qui coûte environ 9,6 millions de dollars US à l'AID. Un peu moins de \$6 millions seront nécessaires pendant les deux premières années. Une estimation approfondie devra être faite avant toute remise de fonds supplémentaires. Des évaluations annuelles seront également établies conjointement à la préparation des plans de travail.

L'AID financera sept conseillers techniques contractuels américains et recruterá également onze techniciens (choisis par exemple parmi d'anciens volontaires du Peace-Corps) afin d'étoffer le personnel américain-nigérien.

Le gouvernement du Niger fournit une contribution représentant 25% du coût du projet pendant les troisième et quatrième années.

B. Definition du But, Fin et Productions du Projet

But:

Pour renforcer la société agricole de manière prédominante au Niger, mettant fin à sa dépendance à l'égard d'approvisionnements extérieurs en céréales donés dans les années de sécheresse extraordinaire et améliorant les conditions économiques et le rendement de la communauté des fermiers pour soutenir un mode de vie viable et assuré écologiquement pour la population Sahélienne.

Fin:

Pour atteindre une production développée et une disponibilité de céréales à des prix raisonnables pour les consommateurs non-produc-

teurz par l'intermédiaire d'un système de production agricole soutenable.

Productions:

- (1) Disponibilité annuelle de varieétés améliorées en augmentation de mil et autres céréales fournissant des rendements plus élevés et une plus grande résistance à la sécheresse et autres conditions qui limitent la production céréalière au Niger;
- (2) Rendements plus élevé des céréales par hectare cultivé et par unité de main d'oeuvre africole utiliaée.
- (3) Services améliorés et institutions pour fermiers plus fortes au niveau du village;
- (4) Qualité du sol et capacité productive améliorées;
- (5) Disponibilité élargie de crédit et des services de vulgarisation; et
- (6) Personnel formé pour ces activités.

Objectif:

Augmenter la production céréalière de 200.000 tonnes d'icf 1980 au-dessus de la moyenne des dix dernières années de 1965 à 1974.

C. Recherche d'Adaptation

L'élément de recherche adaptive du projet est proposé pour évaluer rapidement le "package" complet des intrante et méthodes améliorés qui doivent être distribués aux fermiers Nigériens. La recherche testera la solidité technique et la praticabilité économique de chaque aspect du "package" de vulgarisation. Cette recherche sera immédiatement utilisée dans la multiplication des semences, la vulgarisation et les coopératives. Donc, dès le départ, l'évaluation du projet devra se concentrer sur ce qui est aisément acceptable pour utilisation par les fermiers Nigériens. Des recherches auront lieu à Centre National de Recherche, la reste ayant lieu aux trois filiales.

1. Service de Recherches des phytogénéticiens

L'accent principal portera sur les variétés améliorées de mil, et le second accent portera aux l'amélioration des variétés de sorgho et niébé. Cette section identifiera et développera la semence de base de types supérieurs et des variétés de céréales qui ont des rendements élevés, résistant à la sécheresse et résistant à la peste. Le recherche se concentrera également sur le développement des espèces de mil qui sont mieux adaptées aux conditions climatique et aux différents sols du Niger. Des caractéristiques désirables seront reproduites génétiquement en développant les espèces améliorées de "ligne pure", des variétés composites et des variétés hybrides.

Les besoins de main d'œuvre comprennent un scientifique Nigérien et un scientifique expatrié, tous deux étant capables de planifier et

d'exécuter les fonctions ci-dessus et d'adapter la recherche à un "package" qui pourra être utilisé par les fermiers locaux.

Le scientifique Nigérien devrait avoir un diplôme universitaire ou une expérience dans la recherche. Ce scientifique aidera dans l'expérimentation de recherches et a intégrer les efforts de recherche des autres services de recherche.

Le scientifique homologue expatrié devrait être un phytogénéticien supérieur capable de prendre la responsabilité du plan et de l'exécution de la recherche.

Le service sera aidé par deux assistants de la recherche Nigériens. Les candidats doivent avoir au moins un diplôme de l'école secondaire et, on l'espère, quelque formation universitaire.

2. Section de Recherche pour l'exploitation des sols

Les responsabilités principales de la recherche consisteront à identifier systématiquement les déficiences du sol en substance minérales nutritives. L'utilisation efficace des engrangements, les améliorations du sol, et l'utilisation des légumineuses et du fumier animal pour améliorer la fertilité du sol.

D'autres types principaux d'activités de recherches comprendront l'évaluation des méthodes de labourage sur les structures du sol, et des méthodes améliorées de semaines, de l'assoulement, et l'effet de l'assoulement sur les sols dans les différentes zones climatiques et pour les différents types de sols.

Les besoins en main d'œuvre comprennent un agronome et un spécialiste dans les sols pour planifier et diriger la recherche et développer une capacité de recherche nationale intégrée sur les sols. On aura également besoin d'un homologue de la recherche Nigérien et de deux assistants de la recherche Nigériens.

3. Section de la Recherche du Génie Rural

Les responsabilités de recherche de ce service se concentreront sur l'identification des types prédominants de structures des sols et la disponibilité potentielle d'humidité suffisante du sous-sol pour l'irrigation pour utilisation au Centre National de Recherche et la construction de bâtiments au Centre et aux filiales. Le Centre et un filiale seront construits pendant la première année du projet.

La main d'œuvre nécessaire à ce service sera un ingénieur agricole supérieur capable d'assurer les responsabilités ci-dessus et la formation des nationaux en capacités et qualification similaires. Le service aura également un homologue de la recherche Nigérien et deux assistants de la recherche, Nigériens.

4. Section de la Recherche de physiologie et écologie végétales

La responsabilité principale de la recherche sera l'isolation des caractéristiques génétiques des plantes céréalières qui résistent aux conditions de sécheresse, aux maladies du sol, de l'atmosphère, aux

champignons vénéneux, et aux insectes nuisibles. La recherche sur des variétés précoces de céréales sera nécessaire ainsi que l'utilisation des sols et de l'eau. L'effort principal consistera à identifier et isoler les caractéristiques désirables et à coordonner les efforts avec le service phytogénotique pour combiner ces caractéristiques en une seule variété.

La gestion de la section demandera les services d'un physiologiste supérieur capable d'assurer les responsabilités ci-dessus, intégrant la recherche du service avec les autres membres de l'équipe et la formation des nationaux pour continuer cette recherche.

FILIALES

Deux filiales additionnelles seront construites dans les seconde et troisième années du projet. La justification de ces filiales est (a) de placer les centres de recherche dans les régions productrices principales où les fermiers locaux pourront voir les résultats de diverses activités de recherche et (b) tester différentes variétés de céréales sous différents climats et conditions du sol. Les filiales fourniront également l'assistance aux coopératives et aux unités de vulgarisation dans leurs régions immédiates. Les effectifs seront modestes et la recherche sera programmée avec l'aide du personnel du Centre National de Recherche. Les activités spécifiques de recherche seront basées sur les conditions et les besoins locaux, et les priorités seront déterminées par l'INRAN.

Les besoins en personnel pour chaque filiale comprendront un responsable Nigérien pour le programme de recherche de la filiale qui sera désigné conjointement par le Centre National de Recherche et la direction de la filiale. Le directeur aura un ancien Volontaire du Corps de la Paix pour l'aider dans ses tâches techniques et administratives. Deux assistants Nigériens de la recherche seront également affectés à chaque filiale. Quelque aide telle que véhicule, chauffeur, opérateur d'équipement, et travailleur saisonnier dans les champs, sera également fournie selon les besoins.

COORDINATION ET EFFORT DE RECHERCHE

Il est essentiel d'établir un système d'informations entre les divers éléments du projet. Le système de base fournirait des intrants d'informations au Centre National de Recherche sur les problèmes courants de la production dans les régions agricoles du Niger. Ceci est nécessaire pour garder la recherche adaptable aux besoins des fermiers Locaux. Secondelement, les résultats des efforts de recherche seront desséminés aux premiers producteurs par l'intermédiaire du service de vulgarisation. Pour garder la recherche courante et qu'elle réponde aux besoins des fermiers, le contact doit être fréquent et continué.

Pour assurer une telle coordination et un tel contact, on utilisera plusieurs moyens institutionnels. D'abord, une coordination et un contact général seront établis par l'INRAN qui fournira la

compatibilité et l'uniformité des buts et objectifs. Secondement, cette coordination au niveau élevé continuera plus fréquemment par l'intermédiaire du bureau du Directeur du Projet. Troisièmement, chaque élément est programmé avec un bureau du type liaison pour coordonner et assurer entre ses éléments le flot d'informations méthodique et en temps voulu. Enfin, les efforts de l'équipe seront organisés parmi les éléments du projet dans les régions dans lesquelles sont localisées les filiales.

La coordination est également nécessaire entre le Centre National de Recherche et les autres agences impliquées dans la recherche agricole. Pour faciliter ceci, le Gouvernement du Niger a créé l'IN RAN comme instrument de coordination de toute la recherche agricole au Niger.

D. PRODUCTION DE SEMENCE DE BASE ET MULTIPLICATION DES SEMENCES

Les buts principaux et les responsabilités de la production et de la multiplication des semences sont comme suit:

1. pour augmenter la quantité de semences de variétés supérieures de mil, sorgho et niébé pour assurer aux fermiers qui recevront la semence qu'elle aura les caractéristiques de rendement équivalentes à la variété mise en circulation par le Centre National de Recherche;
2. pour former un corps de techniciens Nigériens et de producteurs semenciers dans les techniques requises pour la production, le traitement, la distribution et la commercialisation de semences de haute qualité pour fournir la base pour un programme semencier nigérien se suffisant à lui-même;
3. dans la mesure du possible, et dans les limites des contraintes techniques, financières et de supervision, produire la semence en utilisant un "package" de méthodes de production dans la limite des possibilités économiques et techniques du fermier moyen Nigérien.

Les buts ci-dessus restreignent fortement le rôle de la production et de la multiplication des semences à la production technique et à la distribution des semences au premier niveau en tant qu'un intrant de production.

Au cours de la première ou de la deuxième année de l'activité du projet, l'accent sera placé sur la multiplication des semences des meilleures variétés disponibles de mil et de sorgho. Cependant, le domaine de l'activité sera élargi pour inclure la multiplication des semences d'autres cultures chaque fois que cela est possible.

Comme dans les autres éléments, la formation du personnel national sera nécessaire. Il est assumé que la Ferme Nationale Semencière fonctionnera un an avant l'achèvement des centres régionaux de multiplication des semences. Avant l'affectation à ces centres nationaux semenciers, le personnel sera formé à la Ferme Nationale Semencière. En plus de la formation sur place, des sessions de formation de groupes planifiées auront lieu conjointement avec le Centre National

de Recherche. Le Service Agricole sera responsable du plan de ces programmes de formation pour son personnel.

La main d'oeuvre requise pour pourvoir en personnel le FNS compris un Directeur National Nigérien ayant les fonctions de Chef Administratif et pouvant remplir les fonctions de politique et gestion décrites ci-dessus. Un spécialiste semencier supérieur, avant le rôle de chef d'équipe, avec expérience dans la technologie semencière, la gestion de l'activité semencière, la planification et la mise à exécution des programmes de formation dans la technologie semencière, sera affecté à cet élément. Il mettra l'accent sur les aspects techniques et de formation du Conseil d'Administration.

Il assumera également la responsabilité de coordonner l'établissement des Centres de Multiplication des Semences.

Les services d'un comptable Nigérien ayant formation et expérience dans la comptabilité des frais et dans la tenue des documents d'inventaires seront également requis. Sa première responsabilité sera de tenir les documents de dépenses et de vente des semences, un inventaire des fournitures semencières et les factures pour les ventes et services.

Le personnel comprend également un assistant administratif et le personnel de bureau nécessaire.

1. Ferme Nationale Semencière (FNS)

Une Ferme Nationale Semencière servira de véhicule pour lancer les opérations techniques de la production et de la multiplication des céréales, Opérationnellement, le processus commence avec la production de semence du sélectionneur et continue avec la multiplication des semences, la moisson, le séchage, le traitement, l'emmagasinage, la commercialisation et la distribution. Le FNS est bien indiqué pour la formation du personnel en service pour les responsabilités à venir dans l'expansion du programme.

Le FNS produira et fournira quelques semences destinées aux fermiers au moins aux stades initiaux de l'opération. Cependant, son orientation devrait être maintenue en tant qu'organisation d'élite dont les fonctions principales sont de faire la multiplication initiale des semences du sélectionneur reçues du Centre National de Recherche et de distribuer sa production de semence aux multiplicateurs semenciers.

Besoins en personnel

a) Spécialiste Semencier Supérieur: ce technicien devrait avoir un diplôme de formation apparentés à la technologie semencière. Ses tâches consisteront à travailler avec le gestion de la FNS à la planification et l'exécution de leurs responsabilités, plus le développement et la mise à exécution des programmes de formation désirés. Le titulaire dépendra du Chef d'Equipe et du Directeur du FNS.

b) Spécialiste Supérieur en Technologie Semencière: Ce spécialiste devrait avoir un diplôme de formation apparentés à la technologie

semencière ou à l'agronomie et être expérimenté dans tous les domaines de la production de semences et de l'équipement de traitement. Ces tâches incluront l'installation de l'équipement pour le FNS et les centres de multiplication des semences et l'exécution des stages de formation pour les Nigériens, et du fonctionnement, de l'enregistrement et de l'usage général d'un tel équipement. Le titulaire dépendra du Chef d'Étate et du Directeur de la Farme Nationale de Semencier de Base.

c) Assistant directorial (ancien volontaire du Corps de la Paix): le titulaire sera responsable de coordonner les productions physiques et les informations entre la multiplication des semences, la recherche adaptive, la vulgarisation, et les coopératives. Il assumera également quelques responsabilités de formation, travaillant à la fois avec le Spécialiste Semencier Supérieur, ci-dessus, et l'Ingénieur Agricole (recherche d'adaptation).

d) Analyste Semencier: ses tâches comprendront l'évaluation et les rapports sur la qualité physique et biologique de toute semence produite sous les auspices du FNS, Le Nigérien dépendra du Directeur.

e) Techniciens pour le traitement des semences: il y aura trois postes pour des Nigériens afin de faire fonctionner et entretenir l'équipement pour traiter les semences et les emmagasiner et pour s'occuper des activités de distribution. Ils dépendront du Directeur.

f) Assistants à la production: deux Nigériens seront responsables de la préparation du sol, des semaines, de la culture et de la protection contre les insectes nuisibles, et de la moisson. Ces postes sont importants à cause de la nécessité de contrôles de qualité de la production des plantes donnant des semences. Ils dépendront du Directeur Adjoint.

B. Centres de Multiplication des Semences

Une série de cinq centres régionaux de multiplication des semences sera utilisée pour augmenter la quantité de semence au cours du second stade de la multiplication et pour diminuer les canaux de distribution entre les producteurs de semences et les principaux producteurs céréaliers.

Chaque Centre fonctionnera comme une unité active productive de semence en exploitant une ferme d'approximativement trente hectares. Les Centres recevront la semence de la FNS pour les semaines; la semence (F) sera ensuite récoltée, traitée, emmagasinée, testée et distribuée. L'équipement devant être utilisé à ces centres sera peu coûteux et sera utilisé avec des animaux. En conséquence, les Centres serviront également, dans une mesure limitée, d'unités de démonstration.

La location de ces bâtiments régionaux de multiplication sera déterminée en conjonction avec l'établissement des filiales de recherches. Cela est nécessaire pour la production de différentes espèces de céréales qui sont mieux adaptées à certaines régions. La proximité de ces bâtiments peut également servir à réduire quelques frais

généraux en même temps qu'à promouvoir la coordination organisation nello de l'effort.

Trois Centres seront établis au cours de la première année de l'activité du projet, quand la Ferme Nationale Semencière sera en fonctionnement. Les deux derniers centres seront installés dès que ce sera faisable et seront localisés assez près d'un Centre de façon à ce que la semence puisse y être transportée et traitée à l'autre Centre et ensuite retransportée su centre d'origine de production pour être distribuée. De cette façon les frais de transport supplémentaires reviendront moins cher que d'installer et entretenir l'équipement supplémentaire pour traiter les semences.

Besoins en Personnel à chaque Centre de Multiplication des Semeuses

a) Directeur Nigérien : Le Directeur sera responsable de la gestion fiscale, technique et du personnel du Centre, coordonnant les activités du Centre avec diverses agences départementales et de l'arrondissement, et donnant ses informations à la FNS. Le titulaire sera également responsable de la planification, la supervision et la mise à exécution des activités de la ferme dans la production semencière, le traitement, le stockage et la distribution. Cela dépendra cu Directeur du FNS.

(b) Directeur Adjoint (ancien volontaire du Corps de la Paix): la principale responsabilité sera de superviser l'activité journalière de la ferme et d'aider le Directeur à distribuer les semences au cours de la saison sèche. Cel-dépendra du Directeur du Centre.

(c) Co-directeur Nigérien: le titulaire travaillera avec le Directeur et le Directeur Adjoint à développer la planification et les qualifications techniques, à superviser les réparations et l'entretien de l'équipement, à tenir des documents nécessaires et à contrôler les inventaires. Cela dépendra également du Directeur de la FNS.

(d) Assistants à la Production : Trois Nigériens seront responsables de reproduire la semence et dépendront du Directeur. Les titulaires seront de récents diplômés des Centres de Formation des Jeunes Agriculteurs dans des méthodes de culture novatrices.

(e) Techniciens pour traiter les semences: il y aura trois postes pour des Nigériens pour faire fonctionner et entretenir l'équipement de la ferme. Ils dépendront du Directeur du Centre. Ces postes ne sont nécessaires que pour les trois premiers Centres.

(f) L'on aura besoin d'un nombre limité de personnel administratif et de main d'oeuvre saisonnière.

D. COOPERATIVES ET CREDIT

La portés générale de l'activité qui sera entreprise dans l'élément coopératives et crédit du projet est d'augmenter la possibilité de l'UNCCC de livrer des intrants de production agricola et sa possibilité de mettre sur le marché la production agricola. Ces objectifs demand-

ent de nombreuses activités spécifiques impliquant une possibilité de livraison des intrants tangible tels que semence, engrais, équipement tiré par des animaux, animaux de trait et outils à main. Il implique également l'augmentation de la capacité de l'UNCC pour procurer des céréales, des arachides et du coton. L'UNCC fonctionnera en tant que le canal de commercialisation du portail de la ferme à la première personne qui traite les céréales et qui agira à son tour en tant que stimulant de production pour le fermier. Le fonctionnement efficace de l'UNCC implique également un capacité de distribution de services sélectionnés et de marchandises non-tangibles, tels que crédit et méthodes d'exploitation des fermes.

Par suite des intrants AID la capacité de la fonction d'orientation de l'organisation sera augmentée en incluant des programmes de formation pour le personnel de direction supérieur et moyen aux niveaux national et régional. Cette formation essaiera spécifiquement de créer une information plus systématique et des canaux de communication en même temps que renforcer les possibilités de planification.

Le bureau national est en opération, et l'assistance ne comprendra que des séminaires de formation destinés à augmenter les possibilités de gestion organisationnelle de ses fonctionnaires. Etant donné qu'une fonction de l'UNCC de plus en plus importante sera l'extension du crédit aux coopératives des villages, les séminaires auront lieu pour déterminer la valeur que différents types de programmes et structures de crédit peuvent avoir dans le système socio-économique Nigérien. Ces séminaires seront organisés sous forme de conférences plutôt que sous forme de sessions de formation à cause de l'intrant que peuvent fournir ces officiels.

Un conseiller expatrié sera affecté au bureau national pour planifier et programmer ces séminaires/conférences de formation et pour aider au plan et à la mise à exécution de divers programmes qui seront entrepris par l'UNCC. L'UNCC est une organisation à multibuts, et sa structure organisationnelle ne reflète pas ses activités courantes et envisagées. Le conseiller devrait examiner conjointement avec les officiels de l'UNCC les aspects organisationnels qui reflètent ses fonctions en tant que pourvoyeur du crédit, agent de commercialisation des marchandises coopératives, et fournisseur d'intrants agricoles.

De plus, douze véhicules pour passagers seront fournis pour augmenter la mobilité au niveau national du personnel qui sera chargé du plan et de la mise à exécution des programmes de formation pour le personnel au niveau régional. Ces véhicules seront affectés à des services spécifiques qui ont besoin de moyens de transport dans leurs activités du programme.

Au niveau secondaire ou départemental les intrants AID comprendront la construction de douze complexes pour bureaux, chacun contenant un minimum de six bureaux, le nombre dépendant de la région desservie par le bureau départemental. Dans le plan des bâtiments on inclura également une salle pour la formation, un magasin pour l'équipement de bureau et de formation, un petit magasin pour

les fournitures agricoles mises à la disposition des fermiers. Ces bureaux maintiendront de plus petites unités opérationnelles dans la région. Trois stations plus petites sous-départementales seront également construites dans des régions où la concentration des activités; le demande.

Sept centres d'entretien et de réparations de véhicules et d'équipement seront construits en connexion avec les bureaux au niveau départemental situés centralement. Cette construction comprend un bâtiment pour le garage et l'équipement plus un magasin pour les fournitures pour les réparations et l'entretien. Un centre sera construit à l'office national.

Pour faire face partiellement aux besoins de la fonction de commercialisation et de stockage de l'UNCC, AID fournira cent cinquante silos. Ces silos auront une capacité de dix tonnes métriques et seront construits dans les régions isolées ou la production et la commercialisation sont suffisantes pour utiliser de tels stockages. La gestion de ces silos sera supervisée au niveau départemental. Jusqu'à neuf camions seront assignés au niveau départemental pour transporter les céréales des silos départementaux aux centres de distribution. Jusqu'à vingt véhicules du genre pick-up seront fournis aux bureaux départementaux pour qu'ils les expédient aux unités d'opération au niveau le plus bas pour transporter les céréales des villages aux silos départementaux. Les camions et pickups seront également utilisés pour délivrer des marchandises qui seront vendues ou distribuées gratuitement pour des démonstrations.

Au niveau des coopératives, le personnel doit être formé en lui expliquant les concepts et les fonctions de base des coopératives. Le représentant des coopératives expliquera les procédures de l'UNCC pour les intrants de vente, le crédit, les services consultatifs, et l'achat des céréales. Il expliquera également (1) comment fonctionne le programme de crédit, exemple, sous quelle forme le fermier recevra le crédit et comment il doit le rembourser; (2) les responsabilités qu'incombe le fait d'être un membre des coopératives; et (3) le statut légal de la coopérative et les conditions requises légales auxquelles il doit faire face. Les cours de formation seront destinés au niveau départemental à fournir ce genre de compréhension de base.

F. VULGARISATION AGRICOLE

La service de vulgarisation est une subdivision du Service de l'Agriculture du Ministère de l'Economic Rurale. Son plan d'organisation comprend de services du niveau national au niveau du village. Généralement, à cause du manque de fonds et du manque de main d'œuvre formée, le personnel de vulgarisation n'est complet qu'au niveau de l'arrondissement. Le personnel au niveau du village est considéré en tant que travailleurs volontaires bien qu'il reçoive un petit dédommagement au cours des cinq mois de la saison de culture.

L'impact principal de l'implication planifiée dans le service de vulgarisation sera d'identifier les régions où AID peut augmenter

l'efficacité avec laquelle le service de vulgarisation et la politique agricole forment les paramètres au sein desquels cet élément sera réalisé. Les activités qui seront entreprises ne sont pas directement planifiées pour créer de nouvelle fonctions ou construire de nouveaux bâtiments pour le service de vulgarisation.

1. Formation

Pour stimuler cette collaboration et pour surveiller les intrants de l'AID apportés au service de vulgarisation, l'on fournira un Spécialiste en Vulgarisation à plein temps. Les problèmes organisationnels seront discutés avec les fonctionnaires des Ministères, et quand ils le désirent, des programmes de formation en service seront créés et auront lieu pour les directeurs au niveau supérieur pour faciliter le contrôle et la coordination entre les divers services administratifs. Cette formation comprendra les Nigériens impliqués dans la direction de chaque service et les directeurs des agences qui constituent des services. Le formateur sera un Expert-Conseil Supérieur à court terme spécialisé dans le plan organisationnel des services agricoles dans les pays en voie de développement. Il sera également de langue française et aura une expérience dans les contacts avec les organisations publiques africaines.

En plus de la formation en service au niveau supérieur, la formation de quelques participants est requise. Cette formation sera académique, une formation sans diplômes pour un an dans un cours spécialement destiné à inclure les observations dans les champs. Cinq participants seront choisis et suivront des cours de formation dans un pays de langue anglaise. Ils seront ensuite envoyés aux Etats-Unis pour étudier la vulgarisation dans divers aspects techniques de la production agricole:

- a) exploitation de la terre et de l'eau
- b) recherche technique semencière
- c) utilisation des engrains organiques et non-organiques
- d) exploitation des fermes
- e) système de communications destiné à atteindre les groupes.

A leur retour, ces personnes formeront un noyau fonctionnel pour pourvoir en personnel le service de formation et le service de vulgarisation.

Le projet inclura également une formation dans une tierce puissance pour un certain nombre de Nigériens. Approximativement, la moitié recevra un an de formation dont l'accent portera sur les systèmes généraux agricoles et l'administration publique. Ils occuperont ensuite des postes à la direction départementale du Service de Vulgarisation. Leurs postes seront principalement administratifs pour guider, contrôler et coordonner les diverses activités départementales dans lesquelles le Service de Vulgarisation est impliqué. On trouvera un programme de formation qui reflètera les besoins d'un tel poste.

Les autres participants seront formés dans des programmes d'une tierce puissance pour développer un cadre de formateurs du service national. Ces personnes pourront en personnel les programmes de formation en service à venir destinés à promouvoir et à mettre à jour, sur une base annuelle, le personnel du service de vulgarisation.

Un service de formation et d'information sera créé dans le Service de Vulgarisation. Cette équipe de six hommes sera responsable de la planification, de la mise à exécution, et de l'évaluation des programmes de formation offerts au personnel du service de vulgarisation. Le bureau sera pourvu en personnel par les participants formés aux Etats-Unis. Jusqu'à leur retour des Etats-Unis, le Spécialiste en vulgarisation, ses assistants et le Directeur-Adjoint du Projet superviseront ces programmes de formation avec un peu de personnel national. Ce personnel national occupera des postes au niveau départemental où ils coordonneront et superviseront les programmes de formation entrepris dans leur juridiction.

2. Opérations de vulgarisation

Un effort principal dans cet élément est de promouvoir la mobilité et la promotion des échelons les plus bas du service de vulgarisation. Un problème commun auquel ont à faire face les agents de vulgarisation, est la difficulté de visiter les villages où ils sont affectés. Une partie de ce problème sera résolue en augmentant la main d'oeuvre du service de vulgarisation, diminuant ainsi la région géographique couverte par un agent individuel.

Les efforts des services de vulgarisation seront concentrés dans les régions productrices de mil. Le projet ne tentera pas d'étendre le service de vulgarisation à ces régions peu fertiles engagées dans la production céréalière qui sont présentement couvertes par le service.

Les bureaux nationaux et départementaux organiseront couramment des équipes de personnel afin qu'une équipe d'agents, ayant diverses expériences et qualifications, opère au moins au niveau de l'arrondissement. Les équipes comprendront des agents de quatre types de qualifications: production céréalière, production des cultures de rente, traction animale, et utilisation des engrains. Ces équipes serviront de personnel de remplacement pour les agents de vulgarisation d'un genre plus général.

Conformément au plan d'organisation couramment suivi, le bureau au niveau du département est envisagé comme ayant une fonction administrative de supervision. Il est prévu au niveau de l'arrondissement une unité opérationnelle de base qui fournira l'appui technique et administratif au personnel d'un niveau inférieur. Des programmes de démonstration seront coordonnés et supervisés par l'unité de l'arrondissement, et les intrants de démonstration seront emmagasinés à ce point en attendant leur utilisation.

La fourniture de vingt-quatre véhicules est inclue dans cet élément; ces véhicules seront distribués entre le bureau national de vulgarisation du Ministère de l'Economie Rurale à Niamey et les bureaux au

niveau départemental. On fournira également des motocyclettes et des bicyclettes pour les agents de vulgarisation de l'arrondissement et des villages.

3. Centres de Formation pour les Jeunes Agriculteurs (CFJA)

Pour promouvoir la qualité des agents de vulgarisation, une session de formation en service est planifiée pour au moins la durée du projet et se continuera sur la base d'une année sur deux après la phase initiale de l'activité. Le programme de formation en service sera programmé aux Centres de Formation des Jeunes Agriculteurs de décembre à février quand il n'y a pas de session du programme éducatif régulier. Les centres de Bellande et N'Dounga parraineront chacun une session de formation de trois semaines qui se reproduira quatre fois. Quarante participants assisteront à chaque session. Donc, en huit séminaires, approximativement trois cent vingt agents de vulgarisation au niveau de villages et leurs supérieurs immédiats recevront au moins trois semaines de formation.

Dans ces sessions à court terme on offrira principalement un enseignement sur l'introduction et la justification du "package" de méthodes améliorées, plus des directives et des suggestions sur la façon dont ces méthodes peuvent être démontrées et introduites auprès des fermiers locaux. D'autres sujets comprendront des méthodes pour les rapports et des techniques générales pour les études statistiques. Les cours de formation seront planifiés et mis à exécution par le service de formation aux niveaux nationaux et départementaux.

4. Nouveaux Plans pour des Centres de Formation de Jeunes Agriculteurs

Le Centre de N'Dounga de quatre-vingts hectares de terre sera agrandi pour recevoir quatre-vingts étudiants. Celui de Bellande sera également agrandi pour recevoir un supplément d'étudiants. Ceux-ci doivent être recyclés pour devenir une partie du programme céréalier, comme personnel sortant de vulgarisation pour travailler au niveau du village.

La formation continuera comme par le passé, avec une formation supplémentaire pour enseigner les méthodes et techniques de vulgarisation de façon à ce que les diplômés puissent effectivement communiquer aux fermiers ce qu'ils ont appris aux Centres.

Au titre de cet élément des bâtiments supplémentaires seront fournis aux CFJA de Bellande et de N'Dounga pour promouvoir la formation. Ils pourront inclure logement, dortoirs supplémentaires, salles de classe, magasins, réservoirs d'eau, puits profonds, pompes, équipement d'irrigation et d'arrosage, deux véhicules, des bœufs et de l'équipement, des meubles et de l'équipement de cuisine.

Avec l'amélioration des niveaux de transports mécanisés introduits dans la région, on doit également construire des bâtiments pour assurer un entretien et des réparations des véhicules convenables. Ceux-ci seront utilisés dans des buts éducatifs pour les étudiants réguliers ainsi que pour les programmes de formation à court terme pour les agents de vulgarisation et les superviseurs.

G. Budget

SUMMARY OF PROJECT COST/RESUME DE FRAIS DU PROJET

AID/Other Donor/GON

AID/Autres donateurs/Gt du Niger

FY 76

1. AID

| | |
|--|--------------------|
| Personnel/Personnal Americain | 1, 274, 000 |
| Adaptive Research/Recherche Adaptive | 848, 000 |
| Foundation Seed Production and Seed Multiplication/ Production de Semence de Base et Multiplication des Semences | 1, 017, 830 |
| Cooperatives and Credit/Coopératives et Crédit | 1, 568, 770 |
| Agricultural Extension/Vulgarisation Agricole | 961, 400 |
| Participant Training/Formations des Participants | 242, 000 |
| Sub-Total/Total Partial | 5, 912, 000 |
| 2. Other Donor/Autres Donateurs (2 FAC Techs/2 Techniciens FAC) | 570, 000 |
| 3. GON/Gt. du Niger (Farm and Land/Fermes et Terres) | 231, 200 |
| TOTAL | 6, 713, 200 |

COMPONENT: ADAPTIVE RESEARCH ELEMENT RECHERCHE ADAPTIVE

| <u>Item/Article</u> | <u>FY 76</u> |
|---|----------------|
| Branch Stations/Filiales | 103. 50 |
| Main Station/Station Principals | 80. 50 |
| Nigerien Personnel/Personnel Nigérien | 147. 00 |
| Vehicles—Passenger/Véhicules pour Passagers | 105. 60 |
| Vehicles—Pick-Up/Pick-Up | 44. 00 |
| Trucks/Camions | 16. 50 |
| Tractors/Tracteurs | 82. 50 |
| Field Equipment/Equipement Agricole | 77. 00 |
| Shop Equipment/Equipement de l'atelier | 11. 00 |
| Lab Equipment/Equipement de Laboratoire | 44. 00 |
| Roads & Fencing/Routes et Clôtures | 6. 60 |
| Electric Generator/Générateur électrique | 13. 20 |
| Irrigation & Wells/Irrigation et Puits | 26. 40 |
| Pumps & Equipment/Pompes et équipement | 8. 80 |
| Fertilizer/Engrais | 22. 00 |
| Insecticides/Insecticides | 4. 40 |
| Operational Cost/Frais opérationnels | 22. 00 |
| Office Equipment/Matériel de bureau | 13. 20 |
| Hand Tools/Outils manuels | 19. 80 |
| <hr/> | |
| TOTAL | 848. 00 |

COMPONENT: FOUNDATION SEED PRODUCTION AND SEED MULTIPLICATION ELEMENT: PRODUCTION DE SEMENCE DE BASE ET MULTIPLICATION DES SEMENCES
 (000)

| <u>Item/Articles</u> | <u>FY 76</u> |
|--|----------------|
| 1. Seed Multiplication/Multiplication des Semences | |
| SMC Housing/Batiment pour Centre de M. des Semences | 64. 40 |
| SMC Operations/Fontionnement Cente de M. des S. | 92. 00 |
| 2. National Seed Farm/Ferme Semencière Nationale | |
| Shops, Warehouses, Offices/Ateliers, Magasins, Bureaux | 92. 00 |
| Local Personnel Costs/Frais de Personnel Local | 90. 30 |
| Generators – 40KW/Générateurs – 40KW | 27. 50 |
| Generators – 25KW/Générateurs – 25KW | 33. 00 |
| Generators – 5KW/Générateurs – 5KW | 13. 20 |
| Vehicles – Passenger/Véhicules pour passagers | 69. 30 |
| Trucks/Camions | 84. 70 |
| Motorcycles/Motocyclettes | 5. 28 |
| Wells (Systems)/Puits (Systèmes) | 40. 25 |
| Fencing/Clôtures | 3. 30 |
| POL & Maint./Fonctionnement et entretien des Véhicules | 16. 50 |
| Field Equipment/Matériel Agricole | 193. 60 |
| Lab Equipment/Equipement pour Laboratoire | 18. 70 |
| Seed Planting Equipment/Equipment pour les semaines | 173. 80 |
| TOTAL | 1, 017. 83 |

**COMPONENT: COOPERATIVES AND CREDIT/ELEMENT: COOPERATIVES
ET CREDIT
(000)**

| <u>Item/Article</u> | <u>FY 76</u> |
|---|------------------|
| Office Const./Construction des bureaux | 189.77 |
| Equipped Shops/Ateliers équipés | 97.75 |
| Silos/Silos | 86.25 |
| <u>National</u> | |
| Vehicle-Passenger/Véhicules pour passagers | 77.00 |
| Vehicle-Trucks/Pick-ups | 198.00 |
| Local Personnel/Personnel local | 67.20 |
| <u>Field</u> | |
| Vehicle-Passenger/Véhicules pour passagers | 61.00 |
| Field Pick-ups | 154.00 |
| Operating Expenses/Dépenses de fonctionnement | 137.50 |
| Fertilizer/Engrais | 330.00 |
| Insecticides/Insecticides | 44.00 |
| Animal Tools/Outils pour la traction animals | 44.00 |
| Hand Tools/Outils manuals | 22.00 |
| Sprayers/Pulvérisateurs | 22.00 |
| Office Equipment/Equipement de bureau | 38.30 |
| <hr/> | |
| TOTAL | 1, 568.77 |

**COMPONENT: AGRICULTURAL EXTENSION/ELEMENT: VULGARISATION
AGRICULE
(000)**

| <u>Item/Article</u> | <u>FY 76</u> |
|--|----------------|
| Office Construction/Construction des Bureau | 57. 50 |
| Vehicle-Passenger/Véhicules pour passagers | 92. 40 |
| Vehicle-Pick-Up/Pick-ups | 92. 40 |
| Motorcycles/Motocyclettes | 39. 60 |
| Bicycles/Bicyclettes | 13. 20 |
| POL/Frais de fonctionnement des Véhicules | 44. 00 |
| Commodities/Marchandises | 66. 00 |
| Local Salaries/Salaires locaux | 263. 50 |
| CFJA Support/Financement des CFJAs | |
| New Construction/Nouvelles constructions | 69. 00 |
| Maintenance & Repair/Entretien et Réparations | 33. 00 |
| Training Supplies/Fournitures pour la Formation | 27. 50 |
| Shop Equipment/Equipement de l'atelier | 33. 00 |
| Animals/Animaux | 77. 00 |
| Animal Equipment/Equipement pour la traction animale | 22. 00 |
| Office Supplies/Fournitures de Bureau | 16. 50 |
| Office Equipment/Matériel de Bureau | 14. 80 |
| TOTAL | 961. 40 |

**PARTICIPANT TRAINING/FORMATION DES PARTICIPANTS
(000)**

| <u>Participant Training/ Formation des Participants</u> | <u>FY 76</u> |
|---|----------------|
| U.S. | 140. 00 |
| Third Country/Tierce Puissauce | 102. 00 |
| TOTAL | 242. 00 |

II. CONDITIONS SPECIALES

A. Dans un délai de moins de 180 jours après la signature de l'Accord de Projet, le Gouvernement du Niger procurera à l'AID, en forme et contenu satisfaisants pour l'AID, une ligne de conduite officielle gouvernant la vente et la distribution de semences aux fermiers. L'account par les fermiers des variétés améliorées de semences de mil, de sorghe et d'autres céréales produites par ce projet sera facilité par l'intermédiaire de l'UNCC. Le but de la ligne de conduite officielle sera l'assurer que le système, pour procurer des variétés

améliorées de semences aux fermiers, devienne indépendant financièrement.

B. Dans un délai de moins de 180 jours après la signature de l'Accord de Projet, le Gouvernement du Niger fournira à l'AID, en forme et substance satisfaisantes, un plan et une ligne de conduite contrôlant la vente et la distribution des matériaux obtenus par ce projet, tels que des insecticides, des animaux d'attelage, des outils manuels et des vaporisateurs. Le plan détaillera le prix auquel les matériaux doivent être vendus, l'emploi des produits de la vente, et les procédures de comptabilité à suivre.

C. Une ligne de conduite concernant les engrains à décider conjointement avec l'AID, sera développée dans les 180 jours après la signature de l'Accord du Projet. Il faudra prendre en considération les apports de l'AID pendant les années initiales du projet et les besoins du Niger dans les années à venir.

D. Le Gouvernement du Niger fera tout son possible pour supporter les frais des salaires du personnel nigérien embauché pour le projet, pendant les quatrième et cinquième années du projet.

E. Après délibération avec l'AID, le Gouvernement du Niger développera un plan d'évaluation et de contrôle pour le projet dans les 60 jours qui suivent la signature de cet Accord de Projet. Le plan sera incorporé aux responsabilités de compte-rendu du Ministère de l'Economie urale pour que ce dernier soit conscient des problèmes possibles et prenne des mesures correctives. Le Gouvernement du Niger devrait participer avec l'AID à des réunions d'évaluation périodiques où les problèmes seront résolus collatéralement.

F. Un plan annuel de travail sera développé conjointement par le Gouvernement du Niger et l'AID avec un apport du contractant américain quand il sera sur place. Le plan de travail sera complété dans les 90 jours après la signature de l'Accord du Projet pour la première année d'opération. Il y aura aussi une révision du projet par les deux qui servira de base de développement du plan de travail des années suivantes. Les fonds seront débloqués pour les activités des années à venir d'après la révision annuelle et le plan de travail satisfaisant.

G. Le Gouvernement tiendra suffisamment de registres et d'archives pour rendre compte de tous les fonds utilisés par lui pour le projet et pour identifier les marchandises et services rendus, leur emplacement et emploi dans le projet. De tels registres et archives devront être tenus pendant au moins trois ans après les contributions finales de l'AID au projet. Le Gouvernement donnera à l'AID des renseignements et des compterendus sur le projet comme l'AID peut raisonnablement le demander.

H. Les matériaux financés par l'AID d'après cet Accord auront leur source et origine dans les pays indiqués par le Code Acquisition 935 de l'AID. Bien qu'une source d'acquisition non-américaine soit autorisée, de telles acquisitions auront lieu seulement lorsqu'il sera totalement impossible de se procurer les matériaux aux U.S.A. Avant l'échéance de la période d'acquisition pour l'équipement et la matériel et pas plus de 30 jours après la signature de cet Accord, le Gouvernement du Niger désignera un agent, approuvé par l'AID, responsable de l'achat du matériel et autres services annexés. L'acquisition du matériel nécessaire à ce projet sera conforme aux pratiques commerciales acceptables d'après les règlements de l'AID et approuvées par elle.

L'acquisition du matériel et le déboursement des fonds pour les investissements non-américains seront effectués comme prévu par écrit entre le Gouvernement du Niger et l'AID, dans un délai de 90 jours après la signature de l'Accord.

I. Le Gouvernement du Niger permettra l'accès total à tous les lieux du projet, en tout temps, et à tous les techniciens travaillant pour le projet et au personnel de contrôle du Gouvernement des Etats-Unis résidant au Niger. Les frais de transport prévus par l'AID pour l'usage du projet seront également mis à la disposition du personnel concerné du Gouvernement du Niger pour l'inspection du projet.

J. Le bénéficiaire consent à exécuter n'importe quelle assignation à l'AID, sur requête, ou n'importe quelle raison qui doit échoir au bénéficiaire en relation, ou bien venant du travail de l'entrepreneur ou bien de la rupture du travail d'un contrat entièrement ou en partie financé par les fonds fournis par l'AID d'après cet accord.

K. Aucun membre ou délégué du Congrès des Etats-Unis ou Commissaire Résident Américain devra recevoir n'importe quelle portion ou partie de cet accord ou n'importe quel bénéfice qui en dériverait.

L. Le présent Accord est rédigé en anglais et en français, la version anglaise fera foi en cas de difficulté d'interprétation.

[AMENDING AGREEMENT]

PROJECT AGREEMENT
BETWEEN THE DEPARTMENT OF STATE, AGENCY FOR
INTERNATIONAL DEVELOPMENT (AID), AN AGENCY OF THE
GOVERNMENT OF THE UNITED STATES OF AMERICA, AND
The Ministry of Foreign Affairs and Cooperation

AN AGENCY OF THE Government of Niger

The above-named parties hereby mutually agree to carry out a project in accordance with the terms set forth herein and the terms set forth in any annexes attached hereto, as checked below:

- | | |
|---|---|
| <input checked="" type="checkbox"/> PROJECT DESCRIPTION ANNEX A | <input type="checkbox"/> FOREIGN CURRENCY STANDARD PROVISIONS ANNEX |
| <input checked="" type="checkbox"/> STANDARD PROVISIONS ANNEX | <input type="checkbox"/> SPECIAL LOAN PROVISIONS ANNEX |

This Project Agreement is further subject to the terms of the following agreement between the two governments, as modified and supplemented:

| | |
|---|----------------------|
| <input checked="" type="checkbox"/> GENERAL AGREEMENT FOR TECHNICAL COOPERATION | DATE May 26, 1981 |
|---|----------------------|

| | |
|---|------|
| <input type="checkbox"/> ECONOMIC COOPERATION AGREEMENT | DATE |
|---|------|

| | |
|----------------------------------|------|
| <input type="checkbox"/> (other) | DATE |
|----------------------------------|------|

| | | |
|-------------------------------------|---------------------------------|--|
| 1. PROJECT/ACTIVITY NO. 083-0201 | 2. AGREEMENT NO. 683-201-6-1 | 3. <input type="checkbox"/> ORIGINAL OR REVISION NO. 1 |
|-------------------------------------|---------------------------------|--|

| |
|---|
| 4. PROJECT/ACTIVITY TITLE Niger Cereals Production |
|---|

5. PROJECT DESCRIPTION AND EXPLANATION
(See Annex A attached)

| 8. AID FINANCING <input checked="" type="checkbox"/> DOLLARS <input type="checkbox"/> LOCAL CURRENCY | PREVIOUS TOTAL (A) | INCREASE (B) | DECREASE (C) | TOTAL TO DATE (D) |
|---|-----------------------|-----------------|-----------------|----------------------|
| (a) Total | 5,912,000 | 2,100,000 | | 8,012,000 |
| (b) Contract Services | 1,274,000 | 409,000 | | 1,683,000 |
| (c) Commodities | 2,408,000 | 341,000 | | 2,749,000 |
| (d) Other Costs | 2,230,000 | 1,350,000 | | 3,580,000 |
| 9. COOPERATING AGENCY FINANCING—DOLLAR EQUIVALENT \$1.00= | | | | |
| (a) Total | | | | |
| (b) Technical and Other Services | | | | |
| (c) Commodities | | | | |
| (d) Other Costs | | 1,100,000 | | 1,100,000 |

10. SPECIAL PROVISIONS (Use Additional Continuation Sheets, If Necessary)

This revision #1 adds \$2,100,000 to the original Grant Agreement dated September 17, 1975 between the Government of Niger and the United States of America. This revision consists of 4 pages which record the changes to the total monetary data (page 1) [p. 44]; separates the grant by year of funding for fiscal control (pages 2 and 3) [p. 45-46]; and divides the total grant and the increase by project component (page 4) [p. 47]. The text of the original Grant Agreement remains unchanged.

| | | |
|--|---|---|
| 11. DATE OF ORIGINAL AGREEMENT September 17, 1975 | 12. DATE OF THIS REVISION June —, 1977 | 13. ESTIMATED FINAL CONTRIBUTION DATE March 31, 1979 |
|--|---|---|

| | |
|--|--|
| 14. FOR THE COOPERATING GOVERNMENT OR AGENCY | 15. FOR THE AGENCY FOR INTERNATIONAL DEVELOPMENT |
|--|--|

SIGNATURE: M
 DATE: 7/23/77
 TITLE: Minister of Foreign Affairs

SIGNATURE: C A J
 DATE: 7/23/77
 TITLE: Ambassador of the United States of America

**PROJECT AGREEMENT
BETWEEN THE DEPARTMENT OF STATE, AGENCY FOR
INTERNATIONAL DEVELOPMENT (AID), AN AGENCY OF THE
GOVERNMENT OF THE UNITED STATES OF AMERICA, AND**

The Ministry of Foreign Affairs and Cooperation

AN AGENCY OF THE Government of Niger

The above-named parties hereby mutually agree to carry out a project in accordance with the terms set forth herein and the terms set forth in any annexes attached hereto, as checked below:

- | | |
|---|---|
| <input checked="" type="checkbox"/> PROJECT DESCRIPTION ANNEX A | <input type="checkbox"/> FOREIGN CURRENCY STANDARD PROVISIONS ANNEX |
| <input checked="" type="checkbox"/> STANDARD PROVISIONS ANNEX | <input type="checkbox"/> SPECIAL LOAN PROVISIONS ANNEX |

This Project Agreement is further subject to the terms of the following agreement between the two governments, as modified and supplemented:

| | |
|---|----------------------|
| <input checked="" type="checkbox"/> GENERAL AGREEMENT FOR TECHNICAL COOPERATION | DATE May 26, 1961 |
| <input type="checkbox"/> ECONOMIC COOPERATION AGREEMENT | DATE |

| | |
|----------------------------------|------|
| <input type="checkbox"/> (other) | DATE |
|----------------------------------|------|

| | | |
|-------------------------------------|---------------------------------|--|
| 1. PROJECT/ACTIVITY NO. 683-0201 | 2. AGREEMENT NO. 683-201-6-1 | 3. <input type="checkbox"/> ORIGINAL OR REVISION NO. 1 |
|-------------------------------------|---------------------------------|--|

4. PROJECT/ACTIVITY TITLE

Niger Cereals Production

5. PROJECT DESCRIPTION AND EXPLANATION

(See Annex A attached)

| 6. AID APPROPRIATION SYMBOL 72-11-X-1031 | 7. AID ALLOTMENT SYMBOL 431-52-683-00-67-61 |
|---|--|
|---|--|

| 8. AID FINANCING <input checked="" type="checkbox"/> DOLLARS <input type="checkbox"/> LOCAL CURRENCY | PREVIOUS TOTAL (A) | INCREASE (B) | DECREASE (C) | TOTAL TO DATE (D) |
|---|-----------------------|-----------------|-----------------|----------------------|
| (a) Total | 5,912,000 | | | 5,912,000 |
| (b) Contract Services | 1,274,000 | | | 1,274,000 |
| (c) Commodities | 2,408,000 | | | 2,408,000 |
| (d) Other Costs | 2,230,000 | | | 2,230,000 |
| 9. COOPERATING AGENCY FINANCING-DOLLAR EQUIVALENT | | | | |
| \$1.00 = | | | | |
| (a) Total | | | | |
| (b) Technical and other Services | | | | |
| (c) Commodities | | | | |
| (d) Other Costs | | | | |

10. SPECIAL PROVISIONS (Use Additional Continuation Sheets, if Necessary)

| 11. DATE OF ORIGINAL AGREEMENT September 17, 1975 | 12. DATE OF THIS REVISION June 1977 | 13. ESTIMATED FINAL CONTRIBUTION DATE March 31, 1979 |
|--|--|---|
|--|--|---|

| | |
|--|---|
| 14. FOR THE COOPERATING GOVERNMENT OR AGENCY M SIGNATURE: M DATE: 7/23/77 TITLE: Minister of Foreign Affairs | 15. FOR THE AGENCY FOR INTERNATIONAL DEVELOPMENT C A J SIGNATURE: C A J DATE: 7/23/77 TITLE: Ambassador of the United States of America |
|--|---|

**PROJECT AGREEMENT
BETWEEN THE DEPARTMENT OF STATE, AGENCY FOR
INTERNATIONAL DEVELOPMENT (AID), AN AGENCY OF THE
GOVERNMENT OF THE UNITED STATES OF AMERICA, AND**

The Ministry of Foreign Affairs and Cooperation

AN AGENCY OF THE Government of Niger

The above-named parties hereby mutually agree to carry out a project in accordance with the terms set forth herein and the terms set forth in any annexes attached hereto, as checked below:

- | | |
|---|---|
| <input checked="" type="checkbox"/> PROJECT DESCRIPTION ANNEX A | <input type="checkbox"/> FOREIGN CURRENCY STANDARD PROVISIONS ANNEX |
| <input checked="" type="checkbox"/> STANDARD PROVISIONS ANNEX | <input type="checkbox"/> SPECIAL LOAN PROVISIONS ANNEX |

This Project Agreement is further subject to the terms of the following agreement between the two governments, as modified and supplemented:

- | | |
|---|----------------------|
| <input checked="" type="checkbox"/> GENERAL AGREEMENT FOR TECHNICAL COOPERATION | DATE May 26, 1961 |
|---|----------------------|

- | | |
|---|------|
| <input type="checkbox"/> ECONOMIC COOPERATION AGREEMENT | DATE |
|---|------|

- | | |
|----------------------------------|------|
| <input type="checkbox"/> (other) | DATE |
|----------------------------------|------|

| | |
|-------------------------------------|--|
| 1. PROJECT/ACTIVITY NO. 683-0201 | 3. <input type="checkbox"/> ORIGINAL OR REVISION NO. 1 |
| 2. AGREEMENT NO. 683-201-6-1 | |

| |
|---|
| 4. PROJECT/ACTIVITY TITLE Niger Cereals Production |
|---|

| |
|--|
| 5. PROJECT DESCRIPTION AND EXPLANATION (See Annex A attached) |
|--|

| | |
|---|--|
| 6. AID APPROPRIATION SYMBOL 72-11-X-1031 | 7. AID ALLOTMENT SYMBOL 431-52-683-00-69-71 |
|---|--|

| 8. AID FINANCING <input checked="" type="checkbox"/> DOLLARS <input type="checkbox"/> LOCAL CURRENCY | PREVIOUS TOTAL (A) | INCREASE | DECREASE | TOTAL TO DATE (D) |
|---|-----------------------|-----------|----------|----------------------|
| | | (B) | (C) | (D) |
| (a) Total | | 2,100,000 | | 2,100,000 |
| (b) Contract Services | | 409,000 | | 409,000 |
| (c) Commodities | | 341,000 | | 341,000 |
| (d) Other Costs | | 1,350,000 | | 1,350,000 |
| 9. COOPERATING AGENCY FINANCING-DOLLAR EQUIVALENT \$1.00 = | | | | |
| (a) Total | | | | |
| (b) Technical and other Services | | | | |
| (c) Commodities | | | | |
| (d) Other Costs | | | | |

10. SPECIAL PROVISIONS (Use Additional Continuation Sheets, if Necessary)

| | | |
|--|---|---|
| 11. DATE OF ORIGINAL AGREEMENT September 17, 1975 | 12. DATE OF THIS REVISION June 1977 | 13. ESTIMATED FINAL CONTRIBUTION DATE March 31, 1979 |
| 14. FOR THE COOPERATING GOVERNMENT OR AGENCY M SIGNATURE: M DATE: 7/23/77 TITLE: Minister of Foreign Affairs | 15. FOR THE AGENCY FOR INTERNATIONAL DEVELOPMENT C A J SIGNATURE: C A J DATE: 7/23/77 TITLE: Ambassador of the United States of America | |

G. Budget

SUMMARY OF PROJECT COST/RESUME DES FRAIS DU PROJET

| AID/Other Donor/GON AID/Autres Donateurs/Gt. du Niger | FY-77 In- crease/Augu- mentation | Cumulative as of/Cumulatif jusqu au |
|---|--|---|
| 1. AID | | |
| Personnel/Personnel Américain | 409, 000 | 1, 683, 000 |
| Adaptive Research/Recherche Adaptive | 100, 114 | 948, 114 |
| Foundation Seed Production and Seed Multiplication/Production de Semence de Base et Multiplication des Semences | 818, 000 | 1, 835, 830 |
| Cooperatives and Credit/Coopératives et Crédit | 362, 093 | 1, 930, 863 |
| Agricultural Extension/Vulgarisation Agricole | 198, 040 | 1, 159, 440 |
| Participant Training/Formations des Participants | 84, 000 | 326, 000 |
| Project Support/Support Budgetaire | 128, 753 | 128, 753 |
| Sub-Total/Total Partiel | <u>2, 100, 000</u> | <u>8, 010, 000</u> |
| 2. Other Donors/Autres Donateurs | | |
| (2 FAC Technicians/2 Techniciens FAC) (Irrigation Contract/Contrat d'Irrigation) | 570, 000 200, 000 | |
| Sub-Total/Total Partiel | <u>770, 000</u> | |
| 3. GON/Ct. du Niger | | |
| (Farm and Land/Fermes et Terres) (Construction) | 231, 200 1, 100, 000 | |
| Sub-Total/Total Partiel | <u>1, 331, 200</u> | |
| TOTAL | 10, 113, 200 | |

**PROJECT AGREEMENT
BETWEEN THE DEPARTMENT OF STATE, AGENCY FOR
INTERNATIONAL DEVELOPMENT (AID), AN AGENCY OF THE
GOVERNMENT OF THE UNITED STATES OF AMERICA, AND**

Le Ministère des Affaires Etrangères et de la Coopération

AN AGENCY OF THE Government of Niger

| | | | | | |
|--|--|--|-------------------------------------|--|---------------------------------------|
| The above-named parties hereby mutually agree to carry out a project in accordance with the terms set forth herein and the terms set forth in any annexes attached hereto, as checked below: | | 1. PROJECT/ACTIVITY NO. 683-0201 | 2. AGREEMENT NO. 683-201-6-1 | 3. <input type="checkbox"/> ORIGINAL OR REVISION NO. 1 | |
| <input checked="" type="checkbox"/> PROJECT DESCRIPTION ANNEX A <input type="checkbox"/> FOREIGN CURRENCY STANDARD PROVISIONS ANNEX | | 4. PROJECT/ACTIVITY TITLE Programme Nigérien de Production Céréalière | | | |
| This Project Agreement is further subject to the terms of the following agreement between the two governments, as modified and supplemented: | | 5. PROJECT DESCRIPTION AND EXPLANATION (See Annex A attached) | | | |
| <input checked="" type="checkbox"/> GENERAL AGREEMENT FOR TECHNICAL COOPERATION DATE 26 mai 1961 | | | | | |
| <input type="checkbox"/> ECONOMIC COOPERATION AGREEMENT DATE | | | | | |
| <input type="checkbox"/> (other) DATE | | 6. AID APPROPRIATION SYMBOL Multiple | 7. AID ALLOTMENT SYMBOL Multiple | | |
| 8. AID FINANCING <input checked="" type="checkbox"/> DOLLARS <input type="checkbox"/> LOCAL CURRENCY | | PREVIOUS TOTAL (A) 5,912,000 | INCREASE (B) 2,100,000 | DECREASE (C) | TOTAL TO DATE (D) 8,012,000 |
| (a) Total | | 1,274,000 | 409,000 | 8,012,000 | |
| (b) Contract Services | | 2,408,000 | 341,000 | 1,683,000 | |
| (c) Commodities | | 2,230,000 | 1,350,000 | 2,749,000 | |
| (d) Other Costs | | 1,100,000 | 1,100,000 | 3,580,000 | |
| 9. COOPERATING AGENCY FINANCING-DOLLAR EQUIVALENT $\$1.00=250 \text{ FCFA}$ | | \$1,100,000 | | | |
| (a) Total | | \$1,100,000 | | | |
| (b) Technical and other Services | | \$1,100,000 | | | |
| (c) Commodities | | \$1,100,000 | | | |
| (d) Other Costs | | \$1,100,000 | | | |

10. SPECIAL PROVISIONS (Use Additional Continuation Sheets, if Necessary)

Par la présente révision #1, 2.100.000\$ sont ajoutés à l'Accord de Subventions du 17 septembre 1975, passé entre le Gouvernement du Niger et les Etats Unis d'Amérique. Cette révision consiste en un texte de 4 pages où: 1) sont indiqués les changements du total des données monétaires (pg. 1); 2) l'Accord est divisé en année de financement pour le contrôle fiscal (pg. 2 et 3); 3) le montant total des subventions et de l'augmentation est divisé par chaque composante du projet (pg. 4). Le texte initial de l'Accord de Subventions reste inchangé.

| | | |
|---|--|--|
| 11. DATE OF ORIGINAL AGREEMENT 17 septembre 1975 | 12. DATE OF THIS REVISION juin 1977 | 13. ESTIMATED FINAL CONTRIBUTION DATE 31 mars 1979 |
| 14. FOR THE COOPERATING GOVERNMENT OR AGENCY MOUMOUNI SIGNATURE: Moumouni DATE: 23/7/77 TITLE: <i>Ministre des Affaires Etrangères</i> | | 15. FOR THE AGENCY FOR INTERNATIONAL DEVELOPMENT CHARLES A JAMES SIGNATURE: Charles A James DATE: 23/7/77 TITLE: <i>Ambassadeur des Etats Unis d'Amérique</i> |

**PROJECT AGREEMENT
BETWEEN THE DEPARTMENT OF STATE, AGENCY FOR
INTERNATIONAL DEVELOPMENT (AID), AN AGENCY OF THE
GOVERNMENT OF THE UNITED STATES OF AMERICA, AND**

The Ministry of Foreign Affairs and Cooperation

AN AGENCY OF THE Government of Niger

The above-named parties hereby mutually agree to carry out a project in accordance with the terms set forth herein and the terms set forth in any annexes attached hereto, as checked below:

PROJECT DESCRIPTION ANNEX A

FOREIGN CURRENCY STANDARD PROVISIONS ANNEX

STANDARD PROVISIONS ANNEX

SPECIAL LOAN PROVISIONS ANNEX

This Project Agreement is further subject to the terms of the following agreement between the two governments, as modified and supplemented:

GENERAL AGREEMENT FOR TECHNICAL COOPERATION

DATE
May 26, 1961

ECONOMIC COOPERATION AGREEMENT

DATE

(other)

DATE

1. PROJECT/ACTIVITY NO.
683-0201

2. AGREEMENT NO.
683-201-6-1

3. ORIGINAL OR REVISION NO. 1

4. PROJECT/ACTIVITY TITLE

Niger Cereals Production

5. PROJECT DESCRIPTION AND EXPLANATION

(See Annex A attached)

6. AID APPROPRIATION SYMBOL
72-11-X-1031

7. AID ALLOTMENT SYMBOL
431-52-683-00-67-61

8. AID FINANCING
 DOLLARS LOCAL CURRENCY

PREVIOUS TOTAL
(A)

INCREASE
(B)

DECREASE
(C)

TOTAL
TO DATE
(D)

(a) Total

5,912,000

5,912,000

(b) Contract Services

1,274,000

1,274,000

(c) Commodities

2,408,000

2,408,000

(d) Other Costs

2,230,000

2,230,000

9. COOPERATING AGENCY
FINANCING-DOLLAR
EQUIVALENT

\$1.00=

(a) Total

(b) Technical and other Services

(c) Commodities

(d) Other Costs

10. SPECIAL PROVISIONS (Use Additional Continuation Sheets, if Necessary)

11. DATE OF ORIGINAL
AGREEMENT

September 17, 1975

12. DATE OF THIS
REVISION

June 1977

13. ESTIMATED FINAL
CONTRIBUTION DATE

March 31, 1979

14. FOR THE COOPERATING GOVERNMENT OR
AGENCY

M

SIGNATURE: M

DATE: 7/23/77

TITLE: Minister of Foreign Affairs

15. FOR THE AGENCY FOR INTERNATIONAL
DEVELOPMENT

C A J

SIGNATURE: C A J

DATE: 7/23/77

TITLE: Ambassador of the United States of America

TIAS 9118

**PROJECT AGREEMENT
BETWEEN THE DEPARTMENT OF STATE, AGENCY FOR
INTERNATIONAL DEVELOPMENT (AID), AN AGENCY OF THE
GOVERNMENT OF THE UNITED STATES OF AMERICA, AND**

The Ministry of Foreign Affairs and Cooperation

AN AGENCY OF THE Government of Niger

The above-named parties hereby mutually agree to carry out a project in accordance with the terms set forth herein and the terms set forth in any annexes attached hereto, as checked below:

- | | |
|---|---|
| <input checked="" type="checkbox"/> PROJECT DESCRIPTION ANNEX A | <input type="checkbox"/> FOREIGN CURRENCY STANDARD PROVISIONS ANNEX |
| <input checked="" type="checkbox"/> STANDARD PROVISIONS ANNEX | <input type="checkbox"/> SPECIAL LOAN PROVISIONS ANNEX |

This Project Agreement is further subject to the terms of the following agreement between the two governments, as modified and supplemented:

- | | |
|---|----------------------|
| <input checked="" type="checkbox"/> GENERAL AGREEMENT FOR TECHNICAL COOPERATION | DATE May 26, 1961 |
|---|----------------------|

- | | |
|---|------|
| <input type="checkbox"/> ECONOMIC COOPERATION AGREEMENT | DATE |
|---|------|

- | | |
|----------------------------------|------|
| <input type="checkbox"/> (other) | DATE |
|----------------------------------|------|

| | | |
|---|---------------------------------|--|
| 1. PROJECT/ACTIVITY NO. 683-0201 | 2. AGREEMENT NO. 683-201-6-1 | 3. <input type="checkbox"/> ORIGINAL OR REVISION NO. 1 |
| 4. PROJECT/ACTIVITY TITLE Niger Cereals Production | | |

5. PROJECT DESCRIPTION AND EXPLANATION
(See Annex A attached)

6. AID APPROPRIATION SYMBOL
72-11-X-1031 7. AID ALLOTMENT SYMBOL
431-52-683-00-69-71

| 8. AID FINANCING <input checked="" type="checkbox"/> DOLLARS <input type="checkbox"/> LOCAL CURRENCY | PREVIOUS TOTAL (A) | INCREASE (B) | DECREASE (C) | TOTAL TO DATE (D) |
|--|-----------------------|-----------------|-----------------|-------------------------|
| (a) Total | | 2,100,000 | | 2,100,000 |
| (b) Contract Services | | 409,000 | | 409,000 |
| (c) Commodities | | 341,000 | | 341,000 |
| (d) Other Costs | | 1,350,000 | | 1,350,000 |
| 9. COOPERATING AGENCY FINANCING-DOLLAR EQUIVALENT \$1.00= | | | | |
| (a) Total | | | | |
| (b) Technical and other Services | | | | |
| (c) Commodities | | | | |
| (d) Other Costs | | | | |

10. SPECIAL PROVISIONS (Use Additional Continuation Sheets, if Necessary)

| | | |
|---|--|--|
| 11. DATE OF ORIGINAL AGREEMENT September 17, 1975 | 12. DATE OF THIS REVISION June 1977 | 13. ESTIMATED FINAL CONTRIBUTION DATE March 31, 1979 |
| 14. FOR THE COOPERATING GOVERNMENT OR AGENCY M SIGNATURE: M DATE: 7/23/77 TITLE: Minister of Foreign Affairs | 15. FOR THE AGENCY FOR INTERNATIONAL DEVELOPMENT C A J SIGNATURE: C A J DATE: 7/23/77 TITLE: Ambassador of the United States of America | |

G. Budget**SUMMARY OF PROJECT COST/RESUME DES FRAIS DU PROJET**

| AID/Other Donor/GON AID/Autres Donateurs/Gt. du Niger | FY-77 Increase/ Augmentation | Cumulative as of/Cumulatif jusqu au |
|--|---------------------------------|---|
| 1. AID | | |
| Personnel/Personnel Américain | 409, 000 | 1, 683, 000 |
| Adaptive Research/Recherche Adaptive | 100, 114 | 948, 114 |
| Foundation Seed Production and Seed Multipli-cation/Production de Semence de Base et Multiplication des Semences | 818, 000 | 1, 835, 830 |
| Cooperatives and Credit/Coopératives et Crédit | 362, 093 | 1, 930, 863 |
| Agricultural Extension/Vulgarisation Agricole | 198, 040 | 1, 159, 440 |
| Participant Training/Formations des Participants | 84, 000 | 326, 000 |
| Project Support/Support Budgetaire | 128, 753 | 128, 753 |
| Sub-Total/Total Partiel | 2, 100, 000 | <u>8, 012, 000</u> |
| 2. Other Donors/Autres Donateurs | | |
| (2 FAC Technicians/2 Techniciens FAC) (Irrigation Contract/Contrat d'Irrigation) | | 570, 000 |
| | | 200, 000 |
| Sub-Total/Total Partial | | <u>770, 000</u> |
| 3. GON/Gt. du Niger | | |
| (Farm and Land/Fermes et Terres) (Construction) | | 231, 200 |
| | | 1, 100, 000 |
| Sub-Total/Total Partiel | | <u>1, 331, 200</u> |
| TOTAL | | 10, 113, 200 |

TUVALU
Peace Corps

*Agreement effected by exchange of notes
Signed at Suva and Funafuti August 25, 1977;
Entered into force August 25, 1977.*

*The American Chargé d'Affaires ad interim to the
British Commissioner Tuvalu*

No. 18

August 25, 1977

EXCELLENCY:

I have the honor to refer to our recent conversations and to propose the following understandings with respect to the men and women of the United States of America who volunteer to serve in the Peace Corps and who, at the request of your Government, would live and work for periods of time in Tuvalu.

1. The Government of the United States will furnish such Peace Corps Volunteers as may be requested by the Government of Tuvalu and approved by the Government of the United States to perform mutually agreed tasks in Tuvalu. The Volunteers will work under the immediate supervision of governmental or private organizations in Tuvalu designated by our two Governments. The Government of the United States will provide training to enable the Volunteers to perform these agreed tasks more effectively.

2. The Government of Tuvalu will accord equitable treatment to the Volunteers and their property; afford them full protection, including treatment no less favorable than that accorded generally to nationals of the United States residing in Tuvalu and fully inform, consult and cooperate with representatives of the Government of the United States with respect to all matters concerning them. The Government of Tuvalu will exempt the Volunteers from all taxes on payments which they receive to defray their living costs and on income from sources outside Tuvalu, from all customs duties or other charges on their personal property introduced into Tuvalu for their own use at or about the time of their arrival, and from all other taxes or other charges (including immigration fees) except license fees and taxes and other charges included in the prices of equipment, supplies and services.

3. The Government of the United States will provide the Volunteers with such limited amounts of equipment and supplies as our two Governments may agree should be provided by it to enable the Volunteers to perform their tasks effectively. The Government of Tuvalu will exempt from all taxes, customs duties and other charges, all equipment and supplies introduced into Tuvalu by the Government of the United States, or any contractor financed by it, for use hereunder.

4. To enable the Government of the United States to discharge its responsibilities under this agreement, the Government of Tuvalu will receive a representative of the Peace Corps and such staff of the representative and such personnel of United States private organizations performing functions hereunder under contract with the Government of the United States as are acceptable to the Government of Tuvalu. The Government of Tuvalu will exempt such persons from all taxes outside Tuvalu and from all other taxes or other charges (including immigration fees) except license fees and taxes and other charges including in the prices of equipment, supplies and services. The Government of Tuvalu will accord the Peace Corps representative and his staff the same treatment with respect to the payment of customs duties or other charges on personal property introduced into Tuvalu for their own use as is accorded personnel of comparable rank or grade of the consular mission of the United States; and will accord personnel of United States private organizations performing functions hereunder the same treatment with respect to the payment of customs duties or other charges on personal property introduced into Tuvalu for their own use as is accorded Volunteers hereunder.

5. The Government of Tuvalu will exempt from investment and deposit requirements and currency controls all funds introduced into Tuvalu for use hereunder by the Government of the United States or contractors financed by it.

6. Appropriate representatives of our two Governments may make from time to time such arrangements with respect to Peace Corps Volunteers and Peace Corps programs in Tuvalu as appear necessary or desirable for the purpose of implementing this agreement. The undertakings of each Government herein are subject to the availability of funds and to the applicable laws of that Government.

I have the further honor to propose that, if these understandings are acceptable to your Government, this note and your Government's reply note concurring therein shall constitute an agreement between our two Governments which shall enter into force on the date of your Government's note and shall remain in force until ninety days after the date of the written notification from either Government to the other of intention to terminate it.

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

ROBERT L. FLANEGIN

TIAS 9119

*The British Commissioner Tuvalu to the American Chargé d'Affaires
ad interim*

GOVERNMENT HOUSE
FUNAFUTI
TUVALU
CENTRAL PACIFIC

HMC 21/5/2

25 AUGUST 1977

R FLANEGIN ESQ
Charge d'Affaires
Embassy of the United States of America
Suva
Fiji

SIR,

I have the honour to acknowledge receipt of your Note dated 25 Aug 77 concerning Peace Corps Volunteers in Tuvalu. Your proposed Understandings are acceptable to the Government of Tuvalu and it is agreed that your Note and this Reply shall be regarded as constituting an Agreement between the Government of the United States of America and the Government of Tuvalu, acting with the authority and consent of the Government of the United Kingdom of Great Britain and Northern Ireland, such agreement to enter into force on the date of this Reply and to remain in force until 90 days after the date of written notification from either Goverment to the other of intention to terminate it.

I have the honour to be
Sir
Your obedient servant

T. H. LAYNG

(T H Layng)

*Her Majesty's Commissioner Tuvalu
Acting with the Authority and Consent
of the Government of the United Kingdom*

BANGLADESH

Postal Money Orders

*Agreement signed at Washington August 11, 1977;
Entered into force September 1, 1977.*

INTERNATIONAL POSTAL MONEY ORDER AGREEMENT

between

THE UNITED STATES POSTAL SERVICE

and

THE POSTAL ADMINISTRATION

of

THE PEOPLE'S REPUBLIC OF BANGLADESH

The United States Postal Service and the Postal Administration of the People's Republic of Bangladesh hereby agree to establish a service for transmitting postal money orders from the United States to Bangladesh.

CHAPTER I. GENERAL PROVISIONS

Article 1. Definitions

As used herein, the following terms shall have the indicated meanings.

1. Exchange office - an international postal money order exchange office;
2. Issuing Exchange Office - the exchange office of the United States Postal Service;
3. Receiving Exchange Office - the exchange office of the Postal Administration of Bangladesh;
4. Money order - an international postal money order issued pursuant to this Agreement;

5. Paper money order - an individual certificate money order, expressed in United States currency, issued by the Issuing Exchange Office, based on the information provided by the sender upon application for a money order;
6. Money order list - a list prepared weekly by the Issuing Exchange Office on the form designated in this Agreement, stating the identifying information for and the amounts of the paper money orders issued that week;
7. Internal money order - a money order, issued to the payee in Bangladesh currency by the Receiving Exchange Office, which includes all details of the paper money order to which it relates;
8. Service - the international postal money order service created by this Agreement;
9. Chapters, articles and sections - chapters, articles and sections of this Agreement.

Article 2. Exchange offices

1. The operation of the Service shall be coordinated by the exchange office of each country. The Issuing Exchange Office shall be designated by the United States Postal Service and initially shall be United States Postal Service, Money Order Division, Post Office Box 14964, St. Louis, Missouri 63182, United States of America. The Receiving Exchange Office shall be designated by the Postal Administration of Bangladesh and initially shall be Dacca Foreign Post Office, Dacca, Bangladesh.

2. The postal administration of either country shall give the other postal administration at least three months' advance written notice of redesignation of its exchange office.

Article 3. Operation of the Service

1. Persons within the United States or other areas where the United States Postal Service has money order responsibility may apply, pursuant to Chapter II, for a postal money order payable in Bangladesh. For each application on which the charges are collected, the Issuing Exchange Office shall issue a paper money order stating the detailed information provided by the purchaser upon application and bearing an international number assigned consecutively, recommencing each January first. The Issuing Exchange Office shall forward weekly to the Receiving Exchange Office money order lists, on a form similar to Schedule A of this Agreement and stating the identifying information for and the amounts of the paper money orders transmitted therewith. Such lists, dated by the Issuing Exchange Office to show their dates of preparation, shall be forwarded weekly to the Receiving Exchange Office, which shall enter on each list the date of its receipt. The Issuing Exchange Office shall number the money order lists consecutively in order of dispatch, recommencing each January first.

2. The Receiving Exchange Office shall, upon receipt of a money order list, issue an internal money order for each listed paper money order, and forward each internal money order to its payee pursuant to Chapter III.

CHAPTER II. ISSUANCE OF MONEY ORDERS

Article 4. Currency; conversion

The Receiving Exchange Office, in issuing each internal money order, shall convert United States currency into the legal currency of Bangladesh based on the currency exchange rate prevailing on the date the money order list arrives at the Receiving Exchange Office.

Article 5. Maximum amount issued; fractions of cent prohibited

1. The amount of a paper money order shall not exceed three hundred dollars. The maximum amount may be reduced or increased by the postal administrations by mutual consent by way of correspondence, but in no event shall the maximum be increased to an amount greater than five hundred dollars.

2. Paper money orders shall not be issued in amounts expressing a fraction of a cent.

Article 6. Information to be supplied upon application

Upon application, the purchaser shall supply the following information relating to both the purchaser and the payee: (i) for an individual, the full given name or names and the surname and the complete address, and (ii) for a corporation, business firm, etc., the full legal name and the complete address.

Article 7. Charges; deposit upon application

1. The United States Postal Service shall establish and collect the charges for the issuance of money orders under this Agreement.

2. Upon application, the purchaser shall deposit, in United States currency, the amount of the money order and all applicable charges established in connection with its issuance.

CHAPTER III. PAYMENT OF MONEY ORDERS

Article 8. Duration of validity

1. Paper money orders shall be valid for twelve months following the month of issue.

2. The validity period may be changed by the postal administrations by mutual consent by way of correspondence.

Article 9. General provisions for payment of money orders

1. To the extent not inconsistent with the provisions of this Agreement, internal money orders shall be paid by the Postal Administration in Bangladesh according to its regulations.

2. The amount of an internal money order shall be paid to the payee in the legal currency of Bangladesh.

3. The internal money orders shall be issued and delivered to the payee without charge to the payee.

4. Each paper money order for which an internal money order is paid and all money order lists shall be retained in the files of the Receiving Exchange Office for a minimum period of three years from the date of issuance. The minimum period may be changed by the postal administrations by mutual consent by way of correspondence.

CHAPTER IV. UNPAID MONEY ORDERS; REPAYMENT AND CLARIFICATION REQUESTS

Article 10. Unpaid money orders

1. Authorization for repayment shall be sent immediately to the Issuing Exchange Office for any refused money order, any money order whose payee is unknown, is deceased, or has left without a forwarding address, or any money order not delivered to the payee for any reason whatsoever. Such authorization shall be on a form similar to Schedule B of this Agreement.

2. Any money order whose payment is not claimed within the period specified in Article 8 shall be credited to the Issuing Exchange Office under section 2 of Article 14.

Article 11. Purchaser requests for repayment or correction

1. A purchaser must apply to the United States Postal Service to request (i) correction of an error in the name of the payee or purchaser, or (ii) repayment.

2. A money order shall be repaid to the purchaser only upon authorization from the Receiving Exchange Office on a form similar to Schedule B of this Agreement.

Article 12. Clarification

1. The Receiving Exchange Office shall ask the Issuing Exchange Office to clarify any irregular or insufficient information appearing in a money order list if it cannot be corrected by careful examination of the related paper money orders.

2. Pending receipt of such clarification, the Receiving Exchange Office shall withhold issuance or payment of the internal money order to which the request relates.

CHAPTER V. ACCOUNTING

Article 13. Interim payments and quarterly settlement of accounts for money orders paid

1. At the end of each month, the Issuing Exchange Office shall transmit to the Receiving Exchange Office an interim reimbursement, drawn in United States currency, for money orders transmitted during that month.

2. At the close of each quarter, the Receiving Exchange Office shall transmit to the Issuing Exchange Office an account, in duplicate and stated in United States currency, of the listed paper money orders for which internal money orders were issued for payment during that quarter. Such quarterly accounts shall be prepared on a form similar to Schedule C of this Agreement.

3. Upon verification and acknowledgment, the Issuing Exchange Office shall return one copy of the quarterly account to the Receiving Exchange Office, together with an account of money orders which were repaid or acknowledged as invalid by the Issuing Exchange Office during the quarter. Such accounts shall be on a form similar to Schedule D of this Agreement.

4. The Issuing Exchange Office shall allocate to the Receiving Exchange Office, as part of the settlement of each quarterly account, a commission of one-fourth of one percent of the total amount of the paper money orders for which internal money orders were issued for payment during that quarter less the amount for money orders which were repaid or acknowledged as invalid by the Issuing Exchange Office during that quarter.

5. With the return of the verified quarterly account, pursuant to section 3 of this Article, the Issuing Exchange Office shall transmit, when applicable, a remittance, drawn in United States currency, for the balance payable to the Receiving Exchange Office for that quarter.

Article 14. Accounts of invalid money orders

1. At the end of each month, the Receiving Exchange Office shall prepare and transmit to the Issuing Exchange Office, an account, in duplicate and stated in United States currency, of money orders which have become invalid during that month. An additional copy of the applicable monthly accounts shall accompany the quarterly accounts transmitted pursuant to section 2 of Article 13. The monthly accounts shall be prepared on a form similar to Schedule E of this Agreement.

2. The amounts stated in such accounts shall be credited to and placed at the disposal of the Issuing Exchange Office.

CHAPTER VI. SETTLEMENT OF DISPUTES

Article 15. 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, in accordance [1] with the General Regulations of the Universal Postal Union.

¹ TIAS 8231; 27 UST 350.

CHAPTER VII. FINAL PROVISIONS

Article 16. Additional rules and regulations; details of application

1. Either administration is authorized to adopt additional rules and regulations for its operation of the Service, not inconsistent with this Agreement, providing for greater security against fraud or for better operation of the Service. Each such rule or regulation, however, must be communicated immediately to the other administration.

2. Details relating to the application of this Agreement, not inconsistent with this Agreement, may be fixed by mutual consent by way of correspondence.

Article 17. Temporary suspension

Should extraordinary circumstances justify it, either postal administration may suspend temporarily, but in no event longer than the duration of the extraordinary circumstances, its operation of the Service, provided that notice of such suspension is given immediately to the other administration.

Article 18. Entry into force and duration of the Agreement

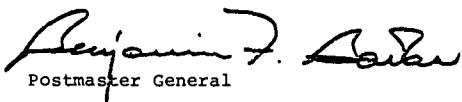
1. This Agreement shall enter into force on the first day of the month immediately following the month it is signed by the authorized representatives of both administrations.

2. This Agreement shall expire twelve months after either of the parties notifies the other in writing of termination.

Done in duplicate, and signed at Washington, D.C.,
on the 11th day of August, 1977.

FOR THE UNITED STATES POSTAL SERVICE:

[SEAL]


Postmaster General

FOR THE POSTAL ADMINISTRATION OF THE PEOPLE'S REPUBLIC OF
BANGLADESH:

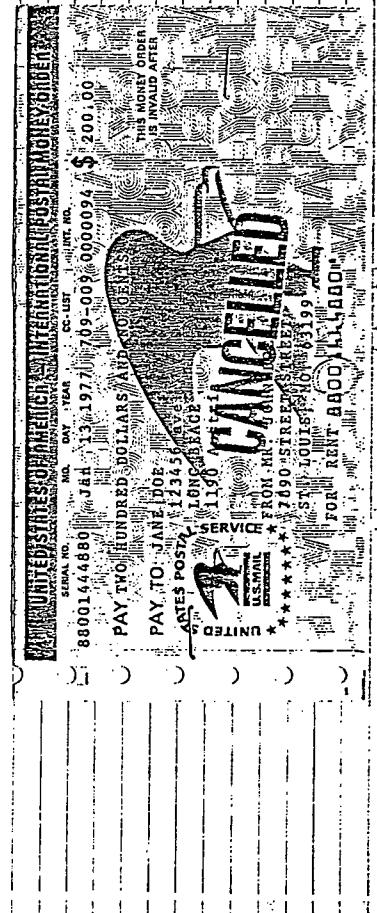

[³]
Ambassador of the People's Republic
of Bangladesh to the United States of
America

¹ Benjamin F. Bailar.

² M. R. Siddiqi.

SCHEDULE A

| | | | |
|--|----------------------------------|---------------------|---------------|
| MOSBOPOL | U.S. POSTAL SERVICE | U.S. POSTAL SERVICE | DATE 01/00/77 |
| | U.S. INTERNATIONAL EXCHANGE LIST | C.C. 7100 | |
| FROM: INTERNATIONAL MONEY ORDER SECTION MONEY ORDER DIVISION U.S. POSTAL SERVICE P.O. BOX 14964 St. Louis, Mo. | | | |
| To: Dacca Foreign Post Office Dacca, Bangladesh | | | |
| TRANSMITTED AS LIST NO. 006 AND RELATED MONEY ORDERS ISSUED IN THE UNITED STATES FOR PAYMENT IN YOUR COUNTRY | | | |
| INTERNATIONAL NO. FROM | U.S. AMOUNT | FOREIGN EQUIVALENT | |
| 59 | .67 | \$45.00 | |
| REMARKS | | | |



SCHEDULE A

| LIST OF UNITED STATES INTERNATIONAL MONEY ORDERS PAYABLE IN FOREIGN COUNTRIES | | | | | |
|---|--------------------------------|------------|-----------|--------|------------|
| MOTOPOL | COUNTRY | LIST NO. | SHEET NO. | U.S. | FOREIGN |
| INTERNATIONAL NUMBER | ORIGINAL MONEY ORDER NUMBER | | | AMOUNT | EQUIVALENT |
| 59 | | 8800290205 | | 35.00 | |
| 60 | | 8801290205 | | 15.00 | |
| 61 | | 8800290206 | | 30.00 | |
| 62 | | 8801290206 | | 10.00 | |
| 63 | | 8800290207 | | 100.00 | |
| 64 | | 8801290207 | | 50.00 | |
| 65 | | 8800290208 | | 40.00 | |
| 66 | | 8801290208 | | 25.00 | |
| 67 | | 8800290209 | | 20.00 | |
| PAGE TOTAL | | | | | |

SCHEDULE A

| LIST OF UNITED STATES INTERNATIONAL MONEY ORDERS PAYABLE IN FOREIGN COUNTRIES | | | | | REMARKS |
|---|-------------------------|--------------------------|--------------|----------------|--------------------|
| ADDRESS | COUNTRY | LIST NO. | LIST NO. | SHEET NO. | 01/08/77 |
| | '7100 | 006 | 2 | | |
| | INTERNATIONAL NUMBER | ORIGINAL MONEY NUMBER | ORDER NUMBER | U.S. AMOUNT | FOREIGN COUNTRY |

COUNTRY TOTAL — 415.00

SCHEDULE B

Dacca Foreign Post Office
Dacca
Bangladesh

Date:

Our Ref:

Your Ref:

Listed by UNITED STATESOn BANGLADESH

List No. _____ Dated _____

Original No. _____

International No. _____

Amount _____

Payee _____

Remitter _____

Dear Sir:

Repayment is authorized for the above described money order, for the reason indicated below:

- 1. Payee is deceased.
- 2. In accordance with Purchaser's request.
- 3. Payee has refused the money order.
- 4. Payee left Bangladesh.
- 5. Other: _____

Sincerely,

SCHEDULE C

| GENERAL ACCOUNT OF MONEY ORDER TRANSACTIONS BETWEEN THE UNITED STATES AND BANGLADESH | | |
|--|---------|-------|
| TO CREDIT OF BANGLADESH | AMOUNT | |
| | DOLLARS | CENTS |
| ORDERS ISSUED IN THE UNITED STATES AND PAYABLE IN BANGLADESH | | |
| AS PER LIST NO. | | |
| Total..... | | |
| Repaid Orders..... | | |
| Orders become INVALID..... | | |
| Commission 1/4 of 1% | | |
| Total credit to Bangladesh..... | | |
| Balance due..... | | |
| St. Louis, Mo..... | .19 | |
| Examined and Accepted..... | | |

SCHEDULE D

| POST OFFICE DEPARTMENT LIST OF REPAYED OR INVALID ORDERS | | | | SUBMITTED FOR MONTH ENDED | | DATE SUBMITTED | |
|--|--------------------------------|--------------------------|---------------------|---|---|-------------------------------|---------|
| TO | Postal Administration of _____ | | | FROM | International Money Order Postal Data Center P. O. Box 14964 St. Louis, MO 63182 | | |
| | | | | | | | |
| There is submitted for the month indicated the subjoined statement of Postal Money Orders in compliance with the terms of the Money-Order Convention concluded between our respective administrations. | | | | | | | |
| MONEY ORDERS ISSUED IN (Country) | | FOR PAYMENT IN (Country) | | MONEY ORDERS HAVE (Check one) <input type="checkbox"/> REPAYMENT AUTHORIZED <input type="checkbox"/> BECOME INVALID <input type="checkbox"/> BEEN REPAGO | | | |
| SIGNATURE | | | | TITLE Manager, Accounting & International Branch Money Order Division | | | |
| DATE OF AUTHORIZATION | INTER-NATIONAL NUMBER | NUMBER OF LIST | DATE OF LIST | NUMBER OF ORIGINAL ORDER | AMOUNT OF ORDER IN U.S. MONEY | FOREIGN CURRENCY EQUIVALENT | REMARKS |
| | | | | | | | |
| TOTAL → | | | | | | | |
| CODE BLOCKS— For Use By Headquarters | 1 | 2 | 3 | 4 | 5 | 6 DATE (Last day of month) | |
| | ACCOUNTING PERIOD | REGION NO. | TYPE OF TRANSACTION | ACCOUNTING CONTROL CODE | COUNTRY CODE | MONTH | DAY |

POD Form 6885
Aug. 1965

POD, WASH., D. C.

SCHEDULE E

LIST OF INVALID ORDERS

In compliance with the terms of the Postal Money Order Agreement concluded between the United States and Bangladesh, there is submitted the following list of money orders issued by U.S.A. for payment in Bangladesh during the month ended _____ which have not been paid within period of validity.

| INTER-NATIONAL NUMBER | NUMBER OF LIST | DATE OF LIST | NUMBER OF ORIGINAL ORDER | AMOUNT OF ORDER IN U.S. MONEY | | REMARKS |
|-----------------------|----------------|--------------|--------------------------|-------------------------------|-------|---------|
| | | | | DOLLARS | CENTS | |
| | | | | | | |
| Signature | | | | | | |

MOROCCO

Technical Cooperation in Earth Sciences

*Memorandum of understanding signed at Washington and Rabat
August 24 and October 7, 1977;
Entered into force October 7, 1977.*

MEMORANDUM OF UNDERSTANDING BETWEEN GEOLOGICAL SERVICE (DIVISION OF GEOLOGY) OF THE MINISTRY OF COMMERCE, INDUSTRY, MINES AND MERCHANT MARINE KINGDOM OF MOROCCO AND GEOLOGICAL SURVEY OF THE DEPARTMENT OF THE INTERIOR GOVERNMENT OF THE UNITED STATES FOR TECHNICAL COOPERATION IN THE EARTH SCIENCES

ARTICLE I. Scope and Objectives of Agreement

In order to provide a mechanism for technical cooperation in the earth sciences, the Geological Service of Morocco (hereinafter referred to as the SGM), and the U.S. Geological Survey of the U.S. Department of the Interior, Government of the United States (hereinafter referred to as the USGS), have agreed to procedures for cooperation as defined in this Memorandum of Understanding (hereinafter referred to as Memorandum).

The purpose of the proposed cooperation is to exchange technical knowledge and to augment the technical capabilities of both parties. The cooperation is expected to include exchanges of information and expertise, and joint studies of geological phenomena and earth resources of mutual interest. For cooperation requested by the SGM that extends into subjects outside the scope of the USGS, the USGS may, with the concurrence of the SGM and when compatible with existing U.S. laws, Executive Orders, regulations and policies, endeavor to enlist the participation of other U.S. organizations.

The activities carried out under this Memorandum will depend on the funds and manpower available to the SGM and be subject to the availability of manpower and the appropriated funds of USGS.

ARTICLE II. Cooperative Activities

Cooperative activities under this Memorandum may consist of exchanges of technical information, and exchange visits by scientists of the two parties engaged in research projects of mutual interest

within the scope of regularly authorized and funded programs of the SGM and the USGS.

Such activities may include, but are not limited to, such areas of mutual interest as: remote-sensing applications for geologic mapping and mineral resource studies, geophysical modeling and interpretation, mineral resource analysis and data systems, sedimentary basin studies for the assessment of resource potential; preparation of a paleogeographic atlas with interpretations; mineral resources exploration; geologic investigations of continental shelf areas; and consultation in regard to laboratory equipment and planning.

ARTICLE III. Sources of Financial Support

The cooperation envisaged under this Memorandum will be based on financial support available to the two parties, and each party will cover its own costs except in cases where special financing becomes available for selected activities of mutual interest. In such cases, the terms of financing will be agreed upon by both parties before the beginning of activities.

ARTICLE IV. Reports, Documents, and Release of Information

Consistent with the applicable laws and regulations of the two parties, reports of cooperative activities undertaken under this Memorandum may only be published after mutual written consent.

ARTICLE V. Representation

It is anticipated that representatives of the two parties will, at mutually agreed intervals, review the progress of activities conducted under this Memorandum and make plans for future activities.

ARTICLE VI. Warranty

Both the United States and the Kingdom of Morocco disclaim any warranty that information provided under this agreement is suitable for any particular use.

ARTICLE VII. Annex Agreements

Any activity agreed upon within the terms of this Memorandum which involves a substantial amount of manpower or an expenditure of funds will be defined in a project description attached as an annex to this agreement.

ARTICLE VIII. Entry into Force and Termination

This Memorandum shall enter into force on the date of final signature of both parties and remain in force for five (5) years, unless

extended by mutual agreement. This Memorandum may be terminated at any time upon ninety (90) days written notice of termination to the other party.

GEOLOGICAL SERVICE (DIVISION OF GEOLOGY) OF THE MINISTRY OF COMMERCE, MINES, INDUSTRY AND MERCHANT MARINE KINGDOM OF MOROCCO

By: E A HILALI

Date: 7 Oct 1977

GEOLOGICAL SURVEY OF THE DEPARTMENT OF THE INTERIOR GOVERNMENT OF THE UNITED STATES

By: J R BALSLEY

Date: 24 Aug 1977

MEMORANDUM D'ACCORD ENTRE LE SERVICE GEOLOGIQUE (DIVISION DE LA GEOLOGIE) DU MINISTÈRE DU COMMERCE, DE L'INDUSTRIE, DES MINES ET DE LA MARINE MARCHANDE DU ROYAUME DU MAROC ET LE GEOLOGICAL SURVEY DU U.S. DEPARTMENT OF THE INTERIOR (MINISTÈRE DE L'INTERIEUR DES ETATS-UNIS, SERVICE DES ÉTUDES GÉOLOGIQUES) DU GOUVERNEMENT DES ETATS-UNIS AUX FINS DE COOPÉRATION TECHNIQUE DANS LE DOMAINE DES SCIENCES GÉOLOGIQUES

ARTICLE PREMIER. Champ d'application et objectifs de l'accord

Afin d'assurer un dispositif de coopération technique dans le domaine des sciences géologiques, le Service géologique du Maroc (ci-après dénommé le SGM) et l'U.S. Geological Survey du Ministère de l'Intérieur du Gouvernement des Etats-Unis (ci-après dénommé l'USGS) sont convenus de procédures de coopération tel qu'énoncé dans le présent Mémorandum d'accord (ci-après dénommé le Mémorandum).

La coopération proposée vise à l'échange de connaissances techniques et à l'accroissement de la capacité technique des deux parties. Il est envisagé que cette coopération comportera l'échange d'informations et de services de spécialistes et des études conjointes de phénomènes géologiques et de ressources géologiques d'intérêt mutuel. Dans le cas d'une demande de coopération émanant du SGM dans des domaines dépassant le cadre des travaux de l'USGS, l'USGS pourra, avec l'assentiment du SGM et dans la mesure première par la législation américaine en vigueur, par les décrets [présidentiels] les règlements et les politiques adoptées s'efforcer d'obtenir la participation d'autres organismes américains.

TIAS 9121

Les travaux effectués au titre du présent Mémorandum dépendront des fonds et du personnel dont disposera le SGM et seront entrepris sous réserve des disponibilités en personnel et en crédits de l'USGS.

ARTICLE II. Activités en collaboration

Les activités entreprises en collaboration au titre du présent Mémorandum pourront comprendre l'échange d'informations techniques et des visites d'échange de scientifiques des deux parties se livrant à des travaux de recherche présentant un intérêt mutuel dans le champ de programmes régulièrement financés et autorisés du SGM et de l'USGS.

Ces activités peuvent inclure, sans s'y limiter, des domaines d'intérêt mutuel tels que les applications de la télédétection pour l'établissement de cartes géologiques et les études de ressources minérales, l'élaboration de modèles géophysiques et leur interprétation, les systèmes de données et l'analyse des ressources minérales, les études de bassins sédimentaires pour l'évaluation des ressources latentes; l'élaboration d'un atlas paléogéographique avec interprétations; l'exploration des ressources minières; les études géologiques des régions de la plate-forme continentale; et les consultations en matière de matériel et de plans pour laboratoires.

ARTICLE III. Sources de soutien financier

La coopération envisagée au titre du présent Mémorandum sera basée sur un soutien financier à la disposition des deux parties et chaque partie couvrira ses propres coûts sauf dans les cas où un financement spécial serait mis à leur disposition aux fins d'activités sélectionnées d'intérêt mutuel. Dans ces cas, les conditions de financement seront agréées par les deux parties avant le commencement des activités.

ARTICLE IV. Rapports, documents et communication d'informations

En conformité avec les lois et règlements applicables des deux parties, des rapports sur les activités entreprises en collaboration au titre du présent Mémorandum pourront être publiés seulement après consentement mutuel donné par écrit.

ARTICLE V. Représentation

Il est à prévoir que des représentants des deux parties passeront en revue, à des intervalles mutuellement agréés, les progrès réalisés dans le cadre des activités entreprises au titre du présent Mémorandum et arrêteront des projets pour de futures activités.

ARTICLE VI. Garantie

Ni les Etats-Unis, ni le Royaume du Maroc ne garantissent que les informations fournies au titre du présent accord conviennent à tout usage particulier qui en serait fait.

ARTICLE VII. Accords en annexe

Toute activité dont il est convenu conformément aux conditions du présent Mémorandum qui demande une somme importante de main-d'oeuvre ou l'engagement de fonds sera définie dans une description de projet jointe en annexe au présent accord.

ARTICLE VIII. Entrée en vigueur et résiliation

Le présent Mémorandum entrera en vigueur à la date de la signature définitive des deux parties et demeurera en vigueur pendant cinq (5) ans, à moins que son application ne soit prorogée par accord mutuel. Le présent Mémorandum pourra être résilié à tout moment sur préavis de résiliation de quatre-vingt-dix (90) jours signifié par écrit à l'autre partie.

SERVICE GÉOLOGIQUE (DIVISION DE GÉOLOGIE) DU MINISTÈRE DU COMMERCE, DES MINES, DE L'INDUSTRIE ET DE LA MARINE MARCHANDE ROYAUME DU MAROC

E A HILALI

Par: Signé: E. A. Hilali
Date: 7 Oct. 1977

GEOLOGICAL SURVEY DU
MINISTÈRE DE L'INTÉRIEUR
GOUVERNEMENT DES ETATS-UNIS

J R BALSLEY

Par: J. R. Balsley
Date: 24 Aug. 1977

THAILAND

Population Planning

*Agreement signed at Bangkok March 31, 1976;
Entered into force March 31, 1976.*

**PROJECT AGREEMENT
BETWEEN THE DEPARTMENT OF STATE, AGENCY FOR
INTERNATIONAL DEVELOPMENT (AID), AN AGENCY OF THE
GOVERNMENT OF THE UNITED STATES OF AMERICA, AND**

Department of Technical and Economic Cooperation

AN AGENCY OF THE Government of Thailand

| | | | | | |
|---|--|--|---|--|-----------------------------------|
| The above-named parties hereby mutually agree to carry out a project in accordance with the terms set forth herein and the terms set forth in any annexes attached hereto, as checked below: | | 1. PROJECT/ACTIVITY NO. 493-11-580-0283 | 2. AGREEMENT NO. 0283-6002 | 3. <input type="checkbox"/> ORIGINAL OR REVISION NO. I | |
| <input checked="" type="checkbox"/> PROJECT DESCRIPTION ANNEX A <input type="checkbox"/> FOREIGN CURRENCY STANDARD PROVISIONS ANNEX | | 4. PROJECT/ACTIVITY TITLE Population Planning | | | |
| This Project Agreement is further subject to the terms of the following agreement between the two governments, as modified and supplemented: <input checked="" type="checkbox"/> ECONOMIC AND TECHNICAL COOPERATION AGREEMENT [**] DATED SEPTEMBER 19, 1950 | | 5. PROJECT DESCRIPTION AND EXPLANATION (See Annex A attached) | | | |
| <input checked="" type="checkbox"/> MEMORANDUM OF AGREEMENT AS TO CONDUCT OF COUNTERPART PROGRAMS, DATED JULY 24, 1955 | | | | | |
| <input type="checkbox"/> (other) | | 6. AID APPROPRIATION SYMBOL 72-11X1024 | 7. AID ALLOTMENT SYMBOL 424-50-493-00-44-61 | | |
| 8. AID FINANCING <input checked="" type="checkbox"/> DOLLARS <input type="checkbox"/> LOCAL CURRENCY | | PREVIOUS TOTAL (A) | INCREASE (B) | DECREASE (C) | TOTAL TO DATE (D) |
| (a) Total | | 7,800 | 2,883,000 | | 2,890,800 |
| (b) Contract Services | | | | | |
| (c) Commodities | | 12,800,000 | | | 2,800,000 |
| (d) PIO/P's (e) Other Costs | | 7,800 | 83,000 | | 7,800 83,000 |
| 9. COOPERATING AGENCY FINANCING-DOLLAR EQUIVALENT \$1.00=20.00 Baht | | | | | |
| Total RTG Contribution (U.S. Dollar Equivalents) | | \$ 29,324,749 (US\$ 1,466,238) | | | \$ 29,324,749 (US\$ 1,466,238) |
| RTG Project Account Funds | | \$ 6,445,949 (US\$ 322,298) | | | \$ 6,445,949 (US\$ 322,298) |
| RTG Regular Budget Funds | | \$ 22,878,800 (US\$ 1,143,940) | | | \$ 22,878,800 (US\$ 1,143,940) |
| 10. SPECIAL PROVISIONS (Use Additional Continuation Sheets, if Necessary) On 12/24/1975, AID/W approved USOM's Project Paper for a new project in the family planning sector. Block Nos. 1, 2, 4 and 13 have been revised in accordance with this PP. | | | | | |
| 11. DATE OF ORIGINAL AGREEMENT September 8, 1975 | 12. DATE OF THIS REVISION March 31, 1976 | | 13. FINAL CONTRIBUTION DATE December 24, 1981 | | |
| 14. FOR THE COOPERATING GOVERNMENT OR AGENCY XUJATI PRAMOOLPOL SIGNATURE: Xujati Pramoolpol DATE: 3/31/76 TITLE: Director-General, DTEC | | 15. FOR THE AGENCY FOR INTERNATIONAL DEVELOPMENT CHARLES S. WHITEHOUSE SIGNATURE: Charles S. Whitehouse DATE: 3/31/76 TITLE: Ambassador | | | |

*Not printed herein. For text, see TIAS 8590; 28 UST 3635.

**TIAS 2170, 2304; 1 UST 915; 2 UST 1613.

[Footnotes added by the Department of State.]

¹\$2,700,000 of these funds are obligated by AID/W for centrally-funded commodity procurement.

ANNEX A**I. PROJECT DESCRIPTION**

This document records the agreement of the parties to embark on a Population Planning Project in Thailand which has as its goal the attainment of an annual population growth rate of not more than 2.1% by the end of CY 1981. This project of the Royal Thai Government will be implemented over the period 1976-1981 and is described in greater detail on pages 16 through 39 of the Project Paper entitled Thailand Population Planning Project which was developed jointly between USOM and the RTG.

The parties agree that, subject to the availability of funds, they will carry out the Project in the manner and in accordance with the plans set forth in the Project Paper as modified herein or by subsequent exchanges of letters.

The RTG assures the USG of its present firm intention to seek appropriations and, subject to the availability of such funds, to provide from its own appropriations or from other donor sources over the life of the Project the Baht equivalent of approximately \$24.4 million out of the estimated total project cost of \$32.7 million. RTG appropriated funds to be provided are currently estimated at \$21.1 million, or 65% of the total estimated project cost, well in excess of the requirement of Section 110 (a) of the U.S. Foreign Assistance Act of 1961, as amended, calling for such contributions to equal at least 25%.

In order to make certain the successful accomplishment of this Project, the RTG agrees that it will, acting through its appropriate agencies, take the following actions on a timely basis:

1. Establish procedures to ensure that no person shall be denied family planning services, including commodities, donated by the United States hereunder because of inability to pay for or to make a contribution in request of such services or commodities.
2. Establish over the life of the project, a program for family planning training for a minimum of 1,000 members of the Border Patrol Police, 4,000 tambon doctors and 7,000 traditional midwives, and authorize those successfully completing such training to dispense non-clinical contraceptives and family planning information.
3. Establish a schedule, based upon Civil Service Commission review with Ministry of Public Health (MOPH) of the National Family Planning Program (NFPP) headquarters requirements, for the transfer of appropriate Project Account-funded positions to Civil Service Commission-sanctioned permanent positions.
4. Establish a MOPH-approved plan for the supervision of family planning field operations, reporting and re-training. The plan should include identification of specific family planning supervisory responsibilities of doctors, public health nurses, and

auxiliary midwives, with particular attention to the supervisory relationships between these personnel and non-MOPH personnel (BPP, tambon doctors, village midwives) being trained as family planning agents.

5. Establish a schedule for program expansion, to be jointly prepared by the NFPP and USOM, relating AID and RTG support in a given functional/geographic area to that area's adherence to the expansion criteria (supervision, training, contraceptive outlets, etc.) as outlined in the Project Paper.
6. Establish a system of collection, accounting and utilization of fees and service charges collected by MOPH and non-MOPH distributors of oral contraceptives for the purpose of creating through such collections an RTG fund to enable future RTG purchase of 100% of NFPP oral contraceptives requirements. Such system shall be subject to approval by A.I.D. Disbursement of A.I.D. funds and release of commodities under this Agreement will depend upon A.I.D. approval of the system referred to above.
7. Assure the availability of adequate RTG personnel to conduct biannual evaluations of the family planning program. These evaluations shall be conducted jointly with A.I.D.

II. RTG AND USG CONTRIBUTION

A. Oral Contraceptives

The Royal Thai Government, as a partial contribution to this Project, in FY 1976, agrees to purchase two million monthly cycles of oral contraceptives using RTG MOPH Regular Budget funds and one million monthly cycles of oral contraceptives from RTG Project Account Funds programmed in support of the National Family Planning Project (NFPP) for Thai Fiscal Year 1976.

Note: Since FY 1973, the RTG and the USG have agreed that the RTG would increase its purchase of oral contraceptives each year. Thus, the RTG, in accordance with this agreement, purchased one million monthly cycles of oral contraceptives in FY 1974 and two million cycles in FY 1975. RTG inputs for purchasing oral contraceptives for future years will be increased according to the jointly agreed upon formula contained in the table below:

| | Plus: 50% of Projected Increased Usage for Each Year | Total |
|--------------------------|--|-------|
| FY 1976—3 million cycles | 2 million cycles | 5.0 |
| FY 1977—4 million cycles | 4 million cycles | 8.0 |
| FY 1978—5 million cycles | 4.5 million cycles | 9.5 |
| FY 1979—6 million cycles | 5 million cycles | 11.0 |
| FY 1980—7 million cycles | 5.5 million cycles | 12.5 |
| FY 1981—8 million cycles | 6 million cycles | 14.0 |

During any period in which the USG participates in financing the above requirements, should actual usage be lower than projected levels, decreased financing requirements will be shared between the RTG and the USG on a 50/50 basis.

The USG, as a partial contribution to this Project in FY 1976 agrees to provide 15 million monthly cycles of oral contraceptives, including the cost of transportation. AID/W will provide these contraceptives at an approximate cost of \$2,700,000. Funds are obligated by AID/W for centrally-funded commodity procurement.

B. Mobile Family Planning Units

The very limited availability of family planning services in rural areas is a major constraint to continuing fertility decline. The RTG plans to expand the use of mobile family planning units in remote Thai areas by distributing mobile units to provincial hospitals on a loan basis where the population is over one million or where demand exists for clinical contraception, as an interim delivery system pending the establishment of fixed local distribution system at which time the mobile units will be relocated in still more remote or underserved areas.

Staffing for each mobile unit will consist of 5-6 professional health personnel, including at least one doctor per unit, nurses, etc. The team will place particular emphasis on vasectomy and IUD insertion and travel to remote areas not served by permanent clinic facilities. The average size of population served by the mobile units will be 60,000 persons. On a typical visit, each mobile team will insert more than 200 IUD's and perform 60 vasectomies.

The RTG agrees to purchase 10 vehicles in FY 1976 and 10 in FY 1977. The USG agrees to match the RTG purchases by buying 10 vehicles in FY 1976 and FY 1977. This Project Agreement Revision obligates \$40,000 for the 10 USG financed vehicles purchases in FY 1976.

Further, the RTG through the Ministry of Public Health, will:

1. Provide regularly scheduled family planning services in remote areas, using mobile F.P. clinics staffed by doctors (at least one) and health personnel from provincial hospitals or First Class Health Centers;
2. Maintain a pre-arranged schedule of mobile Family Planning clinic visits. This schedule will include at least one visit per week to areas not currently serviced by an existing health facility;
3. Provide the additional budgetary resources needed to pay travel and per diem costs for mobile team personnel, for gasoline and oil, and for maintenance of the Family Planning vans to at least the levels indicated on the basis of paragraphs 1 and 2 above.
4. Rotate physicians, nurses and other professional staff assigned to the provincial hospitals or the First Class Health Centers to mobile clinic assignments on a routine and regular basis;
5. Direct the mobile teams to emphasize clinical contraceptive methods, with particular attention to vasectomy and IUD insertion;
6. Ensure that the provincial hospitals and the first class health centers and the National Family Planning Project maintain service records and cost data on the mobile clinics to permit a cost-effectiveness evaluation of this method of delivery of Family Planning services.

C. Family Planning Medical Kits

Family Planning medical kits will be provided by the USG for hospitals and clinics, both private and public, where personnel have received training in their use. Recipients will report all operations done with equipment through the National Family Planning Service Statistics System. This Revision obligates \$60,000 to purchase the following Family Planning Medical Kits:

| | |
|--------------------|-----|
| IUD Insertion----- | 150 |
| Vasectomy----- | 300 |
| Mini-Lap----- | 100 |
| <hr/> | |
| Total kits----- | 550 |

RTG also agrees to provide training and follow-up for 400 nurse midwives in IUD insertion and 400 physicians in vasectomy and mini-lap techniques. Adequate stock control and utilization records for the Family Planning kits will be maintained.

D. Training Family Planning Workers - \$83,000

During the FY 1976-81 period, the NFPP plans to train approximately 400 nurse-midwives and 2,000 auxiliary midwives to perform IUD insertions at MOPH clinics, and 1,000 Border Patrol Police (BPP), 4,100 tambon doctors and 7,000 traditional (granny) midwives as village-level agents for family planning information and service (primarily pills and condoms).

In FY 1976, the NFPP has planned to train 200 BPP. The training will commence in July, 1976 at Hang Chat District, Lampang. The training schedule is shown below:

| Group Year \ Group Year | 1 | 2 | 3 | 4 | 5 | Total |
|-------------------------------|--------------------|----------------------|--------------------|----------------------|---------------------------|------------------------|
| 1976 | July 5- 9 40 | July 19- 23 40 | Aug. 2- 6 40 | Aug. 16- 20 40 | Aug. 30- Sept. 3 40 | Sept. 13- 17 200 |

In addition, 360 senior nurses from every region will be trained as trainers during 1976. Upon completion of the training, the nurses will return to their respective provinces to train indigenous midwives and tambon doctors. The nurses will be divided into 10 groups, 36 nurses to each group. The duration of the training for each group is one week. The training schedule is shown below:

| Group | Training Period | Province |
|-------|-----------------|---|
| 1 | March 15-19 | Nakornisrtamaraj, Krabi, Chumphorn, Pang- nga, Puket, Ranong, Suratani. |
| 2 | April 19-23 | Songkla, Trang, Naratiwas, Patani, Pata- loong, Yala, Satoon. |
| 3 | May 17-21 | Kon-Kaen, Udon, Kalasin, Nakornpanom, Nongkhai, Mahasarakam, Loei. |
| 4 | June 14-18 | Sakonakorn, Roi-Et, Nakornrachasrima, Chaiyapoom, Buriram, Srisaket, Surin. |
| 5 | July 12-16 | Ubonrachatani, Yasothon, Lampang, Lam- poon, Chiangrai, Chiang Mai, Nan. |
| 6 | August 16-20 | Prae, Uttaradit, Mae-Hongsorn, Pitsanu- loke, Pichit, Sukhothai, Tak. |
| 7 | September 13-17 | Kumpangpeth, Nakornsawan, Petchaboon, Uthaitani, Cholburi, Chacherngsao, Rayong. |
| 8 | November 15-19 | Chantaburi, Trad, Nakornayok, Parjinburi, Samutprakarn, Rachaburi, Nakornpathom. |
| 9 | December 13-17 | Angtong, Singburi, Chainat, Lopburi, Sara- buri, Patumtani, Nondhaburi. |
| 10 | January 10-14 | Kanchanaburi, Prachuabkirikan, Petchaburi, Samutsongkram, Samutsakorn, Supanburi, Ayudhaya. |
| | February, 1977 | Follow-up Evaluation. |

RTG hereby agrees to the cost-sharing formula indicated on page 32 of Thailand Population Project Paper which provides for local training programs for BPP, tambon doctors, traditional midwives, MOPH nurses, auxiliary midwives, and Ministry of Education teachers.

III. RTG PROJECT ACCOUNT FUNDS

RTG Project Account Funds will be used to finance the following:

| RTG Codes | Rate | Period (Month) | No. | Total |
|--|--------|-------------------|-----|---------------------|
| <u>Code 01</u> Salary----- | | | | <u>฿284, 949</u> |
| 1. Special Project Section | | | | |
| Resource persons, Grade 1----- | 2, 236 | 9 | 1 | 20, 124 |
| Translators, Grade 2----- | 1, 975 | 9 | 1 | 17, 775 |
| Resource persons, Grade 2----- | 1, 750 | 9 | 1 | 15, 750 |
| 2. Evaluation and Research Section | | | | |
| Resource persons, Grade 2----- | 1, 750 | 9 | 1 | 15, 750 |
| Evaluators----- | 1, 220 | 9 | 14 | 153, 720 |
| 3. Administration & Finance Section | | | | |
| Accountant----- | 1, 750 | 9 | 1 | 15, 750 |
| Shipping personnel----- | 1, 460 | 9 | 1 | 13, 140 |
| Administrative officers Grade 1----- | 1, 220 | 9 | 2 | 21, 960 |
| 4. Public Information Section | | | | |
| Assistant mechanic----- | 1, 220 | 9 | 1 | 10, 980 |
| <u>Code 02</u> Per diem, hotel allowances and travel expenses for 75 nurse-trainees for a period of 44 days (50 nurses in PC 3 and 4; 25 persons in PC 2)----- | | | | <u>฿441, 000</u> |
| —Per diem and allowances | | | | |
| PC 3 and 4: 50 persons, ฿130 each/day=50x130x44----- | | | | 286, 000 |
| PC 2: 25 persons, ฿100 each/day=25x100x44----- | | | | 110, 000 |
| —Travel expenses | | | | |
| From southern region: 25 persons, ฿880 each----- | | | | 20, 000 |
| From other regions: 50 persons, ฿500 each----- | | | | 25, 000 |
| <u>Code 03</u> Transportation of Things----- | | | | <u>฿100, 000</u> |
| <u>Code 08</u> Supplies and Materials----- | | | | <u>฿4, 620, 000</u> |
| 1. Training materials----- | | | | B80, 000 |
| 2. Fuel and POL for 10 vehicles, ฿4,000/each (for 6 months period)----- | | | | 40, 000 |
| 3. Purchase of oral pills, 1 million monthly cycles----- | | | | 4, 500, 000 |
| <u>Code 09</u> Equipment----- | | | | <u>฿1, 000, 000</u> |
| 1. PV beds, ฿4,000/each for 50 each----- | | | | B200, 000 |
| 2. Vehicles (van-type) 10 each, est. ฿80,000 each----- | | | | 800, 000 |
| Total Project Account Funds----- | | | | <u>฿6, 445, 949</u> |

IV. RTG REGULAR BUDGET FUNDS

Regular Budget funds from the Ministry of Public Health will be used for the following during FY 1976:

| Item | Description | Amount |
|--|-------------|--------------|
| 1. Salaries, Temporary | | \$1,016,900 |
| —45 positions carried over from last year | | 989,850 |
| —Hardship Incentive Pay for workers working in remote areas in certain provinces | | 27,050 |
| 2. Salaries for Permanent Workers | | \$2,588,700 |
| —165 positions carried over from last year | | 1,699,540 |
| —64 new recruits x 9 months | | 755,900 |
| —Additional annual wages | | 128,940 |
| —Hardship Incentive Pay for workers working in remote areas in certain provinces | | 4,320 |
| 3. Salaries for Temporary Workers | | \$1,350,000 |
| —Salaries for household visitors | | 1,350,000 |
| 4. Honoraria | | \$80,000 |
| —Provided mostly for trainers and lecturers | | 80,000 |
| 5. General expenses | | \$2,700,000 |
| —Per diem, travel and allowances | | 1,600,000 |
| —Transportation of things | | 400,000 |
| —Advertising costs | | 300,000 |
| —Repair costs for vehicles and equipment | | 400,000 |
| 6. Supply Costs | | \$15,000,000 |
| —Contraceptives | | 12,000,000 |
| —Petroleum, Oils, Lubricants, Fuels | | 1,300,000 |
| —Printing Costs | | 600,000 |
| —Miscellaneous Office Supplies and Vehicles Spare Parts | | 1,100,000 |
| 7. Equipment | | \$143,200 |
| —Typewriters | | 30,000 |
| —Office and Health Units Furniture | | 113,200 |
| Total RTG Regular Budget Funds | | \$22,878,800 |

THAILAND
Population Planning

*Agreement signed at Bangkok August 24 and 29, 1977;
Entered into force August 29, 1977.*

**PROJECT AGREEMENT
BETWEEN THE DEPARTMENT OF STATE, AGENCY FOR
INTERNATIONAL DEVELOPMENT (AID), AN AGENCY OF THE
GOVERNMENT OF THE UNITED STATES OF AMERICA, AND**

Department of Technical and Economic Cooperation

AN AGENCY OF THE Government of Thailand

| | | | | | |
|--|--|---|-------------------------------|--|------------------------------------|
| The above-named parties hereby mutually agree to carry out a project in accordance with the terms set forth herein and the terms set forth in any annexes attached hereto, as checked below: | | 1. PROJECT/ACTIVITY NO. 483-11-580-0283 | | | |
| <input checked="" type="checkbox"/> PROJECT DESCRIPTION ANNEX A <input type="checkbox"/> FOREIGN CURRENCY STANDARD PROVISIONS ANNEX | | 2. AGREEMENT NO. 0283-7005 3. <input type="checkbox"/> ORIGINAL OR REVISION NO. 4 | | | |
| <input checked="" type="checkbox"/> STANDARD PROVISIONS ANNEX [i] <input type="checkbox"/> SPECIAL LOAN PROVISIONS ANNEX | | 4. PROJECT/ACTIVITY TITLE Population Planning | | | |
| This Project Agreement is further subject to the terms of the following agreement between the two governments, as modified and supplemented: | | 5. PROJECT DESCRIPTION AND EXPLANATION (See Annex A attached) | | | |
| <input type="checkbox"/> ECONOMIC AND TECHNICAL COOPERATION AGREEMENT DATED | | | | | |
| <input type="checkbox"/> MEMORANDUM OF AGREEMENT AS TO CONDUCT OF COUNTERPART PROGRAMS, DATED JULY 24, 1955 | | | | | |
| <input type="checkbox"/> (other) | | 6. AID APPROPRIATION SYMBOL 72-11x1024 | | 7. AID ALLOTMENT SYMBOL 424-30-483-00-44-71 | |
| 8. AID FINANCING <input checked="" type="checkbox"/> DOLLARS <input type="checkbox"/> LOCAL CURRENCY | | PREVIOUS TOTAL (A) | INCREASE (B) | DECREASE (C) | TOTAL TO DATE (D) |
| (a) Total | | 530,962 | 1,834,038 | | 2,365,000 |
| (b) Contract Services | | | | | |
| (c) Commodities | | 164,975 | 407,470 | | 572,445 |
| (d) Other Costs | | 57,550 808,437 | 1,102 1,425,488 | | 68,652 1,733,903 |
| 9. COOPERATING AGENCY FINANCING-DOLLAR EQUIVALENT $\$1.00 = \text{B} 20.00$ | | | | | |
| Total RTG Contribution | | 58,051,660 | | | 58,051,660 |
| (e) Total (US \$ Equiv.) | | 2,902,588 | | | 2,902,588 |
| (f) Technical and other Services | | | | | |
| RTG Project Account Funds | | 8,450,660 | | | 8,450,660 |
| (g) Commodities | | 422,533 | | | 422,533 |
| RTG Regular Budget Funds | | 49,601,000 | | | 49,601,000 |
| (h) Other Costs | | 2,480,050 | | | 2,480,050 |

10. SPECIAL PROVISIONS (Use Additional Continuation Sheets, if Necessary)

| | | |
|---|---|---|
| 11. DATE OF ORIGINAL AGREEMENT February 7, 1977 | 12. DATE OF THIS REVISION August 29, 1977 | 13. FINAL CONTRIBUTION DATE February 7, 1980 |
| 14. FOR THE COOPERATING GOVERNMENT OR AGENCY XUATI PRAMOOLPOL SIGNATURE: Xuati Pramoolpol DATE: 8/24/77 TITLE: Director-General, DTEC | 15. FOR THE AGENCY FOR INTERNATIONAL DEVELOPMENT CHARLES L. GLADSON SIGNATURE: Charles L. Gladson DATE: 8/29/77 TITLE: Director, USAID/Thailand | |

¹ Not printed herein. For text, see TIAS 8590; 28 UST 3635.
[Footnote added by the Department of State.]

This document records the agreement of the signatory parties to participate in certain family planning activities of the Population Planning Project during the period September 15, 1977 to September 30, 1978, which are supplemental and additional to project activities already agreed to and recorded in the original Project Agreement and Revisions No. 1 thru 3. Specific activities included under this revision are: (1) Expansion of Voluntary Surgical Contraception (VSC), with particular emphasis on the rural areas and the vasectomy method and (2) Increased use of IUD insertion services.

The RTG National Family Planning Program (NFPP) of the Ministry of Health continues to give considerable priority to these two activities. The program activities described herein will intensify efforts to provide VSC and IUD insertion to the rural population of Thailand served by District Hospitals; first and second class health centers, midwifery stations and mobile units.

Before FY 77 practically all VSC services were provided mainly at the RTG Provincial Hospitals and the Maternal and Child Health Centers. During FY 77, these services were extended to District Hospitals and to some first and second class health centers through intensified training of physicians and the use of mobile VSC teams. An increase in the number of VSC procedures performed was registered in early FY 77, especially in the rural areas and should surpass 120,000 procedures by the end of the fiscal year.

Before 1977, IUD insertion services were given primarily at the provincial hospitals and Maternal and Child Health Centers. In FY 77, through the intensified training of graduate nurses and auxiliary midwives, the services were extended to District Hospitals, first and second class health centers and in some cases, midwifery stations. Although the number of IUD insertions did not increase during FY 77, the alarming downward trend demonstrated in FY 76 was halted and the insertion rates stabilized. It is not anticipated that this activity will create a notable increase in IUD acceptance, however, it will maintain the acceptance rate at the present respectable level, and halt the downward trend of IUD acceptance previously experienced in Thailand and in most countries of the world.

The project activities described herein are consistent with NFPP and RTG Fourth Five Year Plan objectives to expand the coverage of family planning services to the lower-income remote rural population. The VSC/IUD activities are illustrative of this RTG-NFPP policy. Past performance of these activities in FY 77 and that scheduled in FY 78 through 1981, presents an important acceleration of RTG efforts to achieve nationwide coverage during the Fourth Plan period and demonstrates the RTG commitment to assure the attainment of the goal to reduce population growth rate to 2.1% in 1981.

Project Description1. Expanded VSC Service Program

This project will provide support in five main areas of concentration; (1) Reimbursement to the service unit for services rendered (support); (2) VSC related information, education and communication activities; (3) provision of vehicles; (4) per diem for VSC teams working in rural areas, and (5) VSC medical equipment.

A. Current Situation

VSC has emerged as the second most popular method of contraception and although most likely will never equal the number of annual new acceptors now being experienced by the most popular method, the oral contraceptive (OC), will most certainly surpass and be the leading method for continued users.

The VSC acceptor rate has continuously increased since CY 1971 from 23,546 to 105,281 during CY 76. The current rate of acceptance indicates that CY 77 will be approximately 125,000.

Thailand's successful VSC program can be attributed to a number of factors. Undoubtedly, of most importance is the RTG decision in 1972 to implement a national program of reimbursing the various government health facilities (Provincial Hospitals, MCH Centers) for the cost of each procedure performed. (Reference see Project Agreement #0283-6002, Revision #6—Previous Activity.)

In FY 1976, USAID entered into an agreement with the RTG (See above Ref.—The Expanded Program) to (1) increase the number of VSC procedures performed at rural health stations and mobile units and (2) to promote acceptance of vasectomy.

Despite a notable increase in VSC acceptors, especially at the rural health centers and in the acceptance of the vasectomy procedure, it is evident that the project will not attain the projected number of 160,000 hospital-based and rural-clinic based procedures as outlined on page 6 of ProAg 0283-6002. This is due to a number of reasons, the most important of which are: a) Late arrival (June 1, 1977) of 17 mobile units; b) Late arrival of BSC medical kits (the majority have not yet arrived); c) Late initiation of physician training due to lack of equipment; d) Lack of per diem for existing mobile teams for 2 months; and e) Lack of personnel to work in rural areas. Another noteworthy factor is that the Provincial Chief Medical Officers did not feel that reimbursement for vasectomy ($\text{B}100 - \$5.00$) was sufficient to cover the cost of this procedure, and would not stimulate accelerated use of this procedure. This undoubtedly impaired somewhat the expected dynamic rise in vasectomy procedures. In June, 1977 USAID increased its reimbursement support to $\text{B}150$ ($\$7.50$), thus enabling the rural health centers to receive $\text{B}200$ ($\$10.00$) for this procedure. It is too early to measure the effect of this increase.

B. Program Description

I. Monetary Support

a) USAID will provide client cost monetary support for each procedure performed at (1) District Hospitals; (2) District Health Centers; (3) Second Class Health Centers; (4) Mobile Units; (5) Midwifery Stations and MCH Sub-Centers. The support will be ₩150 (\$7.50) for each procedure, post-partal; laparoscopy, mini-laparotomy, vasectomy or other accepted VSC procedure.

b) In addition, USAID will provide an institutional support of ₩150 (\$7.50) for all VSC procedures, beyond the FY 78 NFPP target of 95,000, performed at any MOPH service facility.

c) The RTG will provide institutional support for all VSC procedures up to the target of 95,000 at the rate of ₩150 (\$7.50) for each female acceptor and ₩50 (\$2.50) for each male acceptor. Based on the projected ratio of male to female acceptors (p. 10) the RTG institutional support will be ₩12,050,000 (\$602,500).

The total institutional procedure cost for a female VSC procedure amounts to approximately ₩600 (\$30) and the male VSC procedure costs approximately ₩200 (\$10). Thus institution support plus client costs cover only part of procedures costs. RTG institutions will continue assuming that portion of operational costs not covered by institutional support. Therefore a VSC program including 48,000 male procedures and 112,000 female procedures will require an additional RTG contribution for female acceptors (112,000 x ₩300 (\$15.00) or ₩33,600,000 (\$1,680,000) plus all male procedures beyond the target of 95,000 (26,000 x ₩50 (\$2.50)) or ₩1,300,000 (\$65,000).

II. Information, Education and Communication (IE&C)

Presently the NFPP has 17 mobile units for VSC in operation and anticipates an additional 23 by mid-January FY 1978. A very important component of the VSC rural program is that of IE&C. When the mobile program was limited to only 3 service teams, the NFPP had sufficient personnel and equipment for proper support. Now that the number of mobile units will be expanded to 40 units, with a planned expansion to 60 by CY 1979, it is necessary to greatly bolster the IE&C component to assure that the rural populace to be served by the mobile units will be properly informed and educated regarding VSC and other family planning methods. It is necessary that each mobile team be supported by one IE&C team that will work in a given community at least 10 days before the arrival of the mobile team. The IE&C team will prepare the community for the arrival of the VSC mobile team by holding several large group gatherings at which time the attendees will be exposed to educational aids such as films, flipcharts, pamphlets, etc. to coincide with lectures by health education personnel. Posters and pamphlets explaining all aspects of VSC and other family planning methods and announcing the ar-

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rival of the team will be distributed throughout the community. It will be necessary that each IE&C team be provided with sufficient equipment and supplies necessary to do this work.

An additional educational activity that is highly important is that of regular meetings of the Provincial Medical Officers, mobile service teams, motivational teams and NFPP program co-ordinators to compare program trends, similar experiences, problems, positive results, etc., and to strengthen relationships from NFPP central office personnel with those in the field. It is also important that personnel from district hospitals, first class and second class health centers will also be exposed to the meetings to strengthen coordination and support to the team. During FY 78 it is anticipated that at least 3-three day meetings of this nature be held in the four regions of the country.

In rural Thailand, especially in the South which has a large Moslim population, an effective means of education has been through the use of folk lore puppet shows. These shows which have strong educational components are highly popular with the rural people and have been effective in teaching agriculture, health and in some cases, family planning practices related to the use of the condom and oral contraceptive. This form of education has never been utilized to encourage VSC as a means of family planning, but there are many family planning and IE&C experts who feel that this approach would be highly effective. A research project to determine the effectiveness of this educational approach will be supported under this agreement. USAID will provide \$20,000 (฿400,000) as follows:

| | |
|--|----------|
| 100 nightly presentations @ \$150----- | \$15,000 |
| Pre-testing rural communities----- | 2,500 |
| Post show interviewing----- | 1,500 |
| Evaluation and final report----- | 1,000 |

USAID will provide sufficient funds to adequately equip 40 IE&C motivational teams to enable each mobile VSC service team to be supported by one IE&C motivational team. The USG will also provide up to \$40,000 (฿800,000) in-kind support to partially support the regional meetings, plus the support mentioned above for the IE&C research project.

The RTG will provide all the employees to make up the 40 IE&C teams, plus supervisory personnel from NFPP's Division of IE&C. NFPP IE&C mobile units and audio visual equipment will also be used intensively for this activity and the RTG will provide sufficient audio-visual materials e.g. posters, pamphlets necessary over the amount furnished by the USG. The RTG's support for the regional meetings will be mainly in kind e.g. salaries, travel and will equal the amount provided by the USG.

III. Per Diem For Mobile VSC Teams and Motivational Teams

As explained previously, one of the major inhibiting factors to the mobile VSC program has been the lack of sufficient personnel to make up the teams, especially physicians and nurses. This is due to the fact that most RTG physicians, nurses and other personnel in provincial and/or district towns depend on an after official hours private practice or job for their livelihood. If they spend 3-5 days at a time away from their town, it deprives them of these earnings, thus discouraging them from making the number of rural visits necessary to make the mobile teams effective. The increase to 40 teams will make it extremely difficult to man teams if some compensation is not paid to team members. Therefore, it is proposed that this agreement will provide compensation in the form of per diem for all members of the 40 mobile teams including the motivational teams and supervisory personnel from the central office (during field visits) at a rate acceptable to the RTG.

The RTG will provide all salary support for all team members of the mobile service teams.

IV. Mobile Units

One of the major recommendations of the Thai-American NFPP evaluation team is that each of the 71 provinces be given a mobile unit to provide VSC services to the remote rural areas of Thailand. In accordance with the recommendation, this agreement will provide an additional 20 mobile units to the NFPP for delivery in late 1978. Ten will be purchased by the USG and ten by the RTG. This will bring the total of mobile units to 60 leaving a balance of 11 to cover the 71 provinces of the country.

The RTG (DETC) will supply 10 additional mobile units estimated cost ₧1,2000,00 (\$60,000) from project account funds of the RTG FY 78 budget, and the MOPH, all vehicle maintenance, repair and gasoline costs for all 40 mobile units, estimated at ₧480,000 (\$24,000).

V. Sterilization Equipment

The USG will provide VSC equipment needed by both the service units and the mobile units. Equipment purchased by the USG previously was mainly medical equipment needed to perform the VSC procedure such as mini-laparotomy kits and vasectomy kits. However, experience gained the past year has clearly indicated that other equipment is necessary to fully assure that each VSC client will be given first class care and all measures possible taken to safeguard the client during any emergency that may arise. Two items are deemed vitally necessary a) lamps to assure sufficient light for those doing the VSC procedures and b) oxygen resuscitators in case of any emergency that may arise.

The USG will provide the following:

| | |
|---|-----------|
| 40 Oxygen resuscitators (mobile units) @ 350- | \$14, 000 |
| 6 Surgical lamps (MCH centers) @ 350----- | 2, 100 |
| 40 Goose neck lamps (mobile units) at \$60--- | 2, 400 |
| | <hr/> |
| | \$18, 500 |
| Shipping costs----- | 1, 500 |
| | <hr/> |
| Total----- | \$20, 000 |

With the planned expansion of 20 additional mobile units, it will be necessary to supply additional VSC kits at a rate of 20 per unit or 400 for 20 units. An additional 470 VSC kits will be needed to meet the needs of the district hospitals, MCH sub-center and first class health centers not having kits now and for the new district hospitals and first class health centers to be constructed or upgraded in 1978.

| | |
|-----------------------------------|------------|
| 870 VSC kits @ \$181.00----- | \$157, 470 |
| Total VSC kits and equipment----- | \$177, 470 |

As a result of the above program inputs, clients will be able to receive free VSC services at rural health facilities with the increased service load being borne by a fleet of 40 mobile units with teams that will go to the facility and share the major portion of the work load. In addition, IE&C activities promoting VSC and other family planning methods will be greatly strengthened through 40 provincial IE&C teams possessing sufficient equipment and materials to assure that effective IE&C activities support the mobile teams. The additional 20 mobile units will be supported by 20 additional provincial IE&C teams which will receive support in the FY 78 Agreement.

The effect of the monetary support; the new IE&C component, the compensation of the mobile team and the additional 20 mobile units will continue to redirect program support away from the urban and semi-urban based hospital system, and toward the rural poor populations served by rural clinics and mobile units. The availability of free VSC services has proven to make these services more attractive to rural populations with less disposable income than urban and semi-urban dwellers. Client fees will continue being charged at Provincial Hospital and MCH centers, while the RTG institutional monetary support will be provided to all units performing VSC.

The resulting effect on the distribution of VSC services is projected to be as follows:

| | |
|-----------------|---------|
| NFPP VSC Target | 95, 000 |
| 73, 000 Female | |
| 22, 000 Male | |

Projected Distribution by Service Unit

| | <u>Male</u> | <u>Female</u> | <u>Total</u> |
|---------------------------------------|---------------|---------------|---------------|
| Rural Health Centers & Mobile Units.. | 15,000 | 40,000 | 55,000 |
| Hospitals/MCH Centers----- | 7,000 | 33,000 | 40,000 |
| Total----- | 22,000 | 73,000 | 95,000 |

The increased availability and advantages of sterilization, particularly vasectomy, will be the object of an intensive and specially designed IE&C campaign throughout the 71 provinces of the country and especially in those 40 provinces having a mobile VSC unit and IE&C team. This, plus the fact the VSC services will be free in the rural areas, will undoubtedly have sufficient impact to greatly increase the number of VSC services well over the RTG target of 95,000. Although no "over target" goal has been established by the RTG, the possibility of reaching 160,000 new acceptors in FY 1978 is high. The projected distribution by service unit is as follows:

| | <u>Male</u> | <u>Female</u> | <u>Total</u> |
|-------------------------------------|---------------|---------------|---------------|
| Rural Health Centers & Mobile Units | | | |
| Target----- | 15,000 | 40,000 | 55,000 |
| Over target----- | 13,000 | 19,500 | 32,500 |
| Total----- | 28,000 | 59,500 | 87,500 |
| Hospitals/MCH Centers | | | |
| Target----- | 7,000 | 33,000 | 40,000 |
| Over target----- | 13,000 | 19,500 | 32,500 |
| Total----- | 20,000 | 52,500 | 72,500 |

* \$900,000 is provided under this ProAg Revision as VSC support for these procedures. Additional support will be provided utilizing prior year (FY 76) residual funds from this activity.

Support Reporting and Reimbursement Procedure

The procedure for institutional reporting of sterilizations and requesting/receiving reimbursement will closely follow the system now being used. Each participating institution will submit a monthly claim, including MOPH Forms ES-1 and ES-2 and the new informed consent form to the central office of the NFPP. The central office will match the claim against individual acceptor cards (NFPP Standard Form 01). When all monthly sterilizations are verified the NFPP will reimburse the participating institutions on a monthly basis. NFPP will request reimbursement from USAID on a quarterly basis. USAID will provide quarterly reimbursements to the NFPP for actual expenditures plus an advance for the ensuing quarter. A statement of quarterly releases shall be submitted by USAID to DTEC.

The reporting and repayment plan will be as follows:

| <u>Activity</u> | <u>Responsible Office</u> | <u>Duration</u> |
|---|----------------------------------|-----------------|
| 1. Report of Acceptors (MOPH Form 01) | Provincial Chief Medical Officer | Monthly |
| 2. Claims for Reimbursement (Form ES-1 and ES-2 and informed consent form) | PCMO | Monthly |
| 3. Verification of claims | NFPP | Monthly |
| 4. Payment of Reimbursement claims to participating institutions | NFPP | Monthly |
| 5. Submission of claims of expenditures and cost estimates for ensuing quarter (copy to DTEC) | NFPP | Quarterly |
| 6. Reimbursement of expenditures and advance of estimated cost for ensuing quarter (copy to DTEC) | USAID | Quarterly |

Audit Requirements

A continuous audit of the program by a qualified audit firm will be the responsibility of both the RTG and USAID. USAID will provide the financial support of \$20,000 while the RTG will be responsible for ascertaining that the audit is being accomplished and that reporting requirements are being adhered to by the audit firm. Reporting requirements are as follows:

a) A quarterly audit report shall be furnished USAID not later than 30 days after the end of the previous quarter. Example—the report covering the quarter October 1—December 1 should be submitted to USAID not later than February 1.

VSC Program Evaluation

A continuous evaluation of the progress of the VSC program will be done by the Division of Statistics and Evaluation, NFPP. The progress of the program will be measured through close study of the NFPP Monthly Statistical Report; the MOPH Form 01, ES-1, ES-2 and the informed consent form.

An in-depth evaluation of the VSC project will be undertaken during the RTG bi-annual evaluation in 1979.

USAID will be responsible for the VSC project evaluation to be included in its annual evaluation process.

Special Provisions: VSC Project

1. USG and RTG funds specified herein for male and female client support and for institutional support for female and male VSC procedures were estimated on the basis of assumptions re: proportion of male vs female sterilizations to be performed in FY 1978. However, if the proportionate relation of male-female VSC procedures is different from this projection, USG and RTG resources made available under

this agreement may be utilized to support the performance of VSC procedures at other than the estimated proportions. Regardless of any possible variation in the proportion of male-female VSC procedures, USG provided support funds will be restricted to uses described in this agreement, that is (1) to support client costs for VSC procedures performed at rural health centers or mobile units; and (2) to provide institutional support costs for VSC procedures performed beyond the FY 78 target of 95,000 procedures. In the event that all funds for support costs are not utilized during FY 78, the balance may be used into the next fiscal year, but only for the payment of support for client cost of VSC procedures performed at district hospitals, MCH sub-centers, rural health centers and mobile units.

2. USG funds made available under this agreement for male and female VSC procedures shall be utilized only for VSC procedures actually performed from the effective date of this agreement.

3. The RTG assures that all VSC services provided in MOPH facilities, other than those given at the Provincial Hospital and MCH Center will be given without any charge what-so-ever to the client. Furthermore, the RTG assumes all costs for treatment of any complications resulting from VSC procedure.

4. The RTG reconfirms its agreement to strictly adhere to the voluntary consent practice as explained on page 7, Revision #2 of the FY 77 Project Agreement and to the Voluntary Participation and Abortion-Related Activities clause on page 9 of Revision #2 of the FY 77 Project Agreement.

5. The NFPP will make reimbursements to all institutions on a monthly basis and reimbursement should be paid each institution no later than 45 days after the claim for reimbursement was made.

Reporting Requirements

A summary report on VSC activities will be provided USAID on a quarterly basis providing the following information:

- (a) Number of VSC procedures accomplished during quarter, broken down by number of female-male and by facility e.g. provincial hospital, first class health center, etc.
- (b) Location of mobile unit (Province).
- (c) Number of procedures accomplished by each unit, on a monthly basis.
- (d) The quarterly Audit Report should accompany the summary report.

Project Funding Summary - Expanded VSC Program

| <u>Project Component</u> | <u>USG</u> | <u>RTG</u> | <u>Total</u> |
|---|--------------------|------------------------------|--------------------|
| 1. Monetary support----- | \$900,000 | \$2,347,500 (Baht Equiv.) | \$3,247,500 |
| 2. IE&C----- | \$230,000 | \$100,000 (Baht Equiv.) | \$330,000 |
| (a) Equipment----- | 160,000 | 40,000 (in kind) | 200,000 |
| (b) Audio visual materials----- | 10,000 | 20,000 | 30,000 |
| (c) Educational meetings----- | 40,000 | 40,000 | 80,000 |
| (d) Research----- | 20,000 | | 20,000 |
| 3. Personnel Supplemental Support (See Annex A)----- | \$393,579 | (in kind) \$250,000 | \$643,579 |
| 4. Mobile Units----- | \$60,000 | \$60,000 (Baht Equiv.) | \$120,000 |
| 5. Vehicle maintenance & Gasoline----- | | \$24,000 (Baht Equiv.) | \$24,000 |
| 6. VSC Medical Equipment (See PIO/C)----- | \$177,470 | | \$177,470 |
| 7. Audit----- | \$20,000 | | \$20,000 |
| Total----- | \$1,781,049 | \$2,781,500 | \$4,562,549 |

IUD Services

As discussed previously, the acceptance of IUDs declined in 1976, but the decline levelled off and remained at a respectable level through March of 1977. This has been due to a) the training of numerous graduate nurses to insert IUD's and b) the IUD client support initiated in FY 77. It was theorized that the acceptor fee of ₩20 (\$1.00) for an IUD insertion may have represented a constraint to acceptance among low-income rural women. Thus, in mid-1976, a client support was initiated which allowed the rural clients to receive the service free. All indications are that this did have a beneficial effect, and should be continued.

The U.S. contribution for the support will be \$50,000. The RTG will provide the clinical personnel, the service facility, which includes around 600 service units, the IUD's, the inserters and all medications and supplies required to perform the procedure. Although the in-kind value is difficult to determine, it is estimated that each IUD insertion costs approximately ₩60 (\$3.00). Value of RTG contribution for 50,000 IUD insertions receiving support is therefore calculated at \$100,000.

The reimbursement procedure to be followed will be a simplified variation of the reimbursement procedure used for the VSC program. IUD-acceptor data will be reported monthly to the NFPP by the Provincial Chief Medical Officers. PCMO requests for reimbursement will be supported by the IUD reimbursement claim form. In view of the small amount of (per unit) reimbursement involved, the NFPP

will not verify each insertion against client record forms, but will perform spot checks. The NFPP will forward reimbursements quarterly to the PCMO who will deposit the appropriate amounts in the accounts of the participating clinic in the province. NFPP quarterly reports to USAID and requests for reimbursement shall follow the same procedure used for sterilization support.

Audit

As in the VSC monetary support element of this agreement, it is necessary that the IUD support program be audited by a recognized audit firm. The firm should be the same as selected for the VSC activities. US funds provided for the VSC audit include funds for this activity.

Project Funding Summary – IUD Services

| <u>Project component</u> | <u>USG</u> | <u>RTG</u> | <u>Total</u> |
|--|------------|------------|----------------|
| Client costs (50,000 clients) xB20 (\$1.00)----- | 50,000 | ----- | 50,000 |
| <u>Clinic costs</u> | | | |
| \$2 per insertion x 50,000----- | ----- | \$100,000 | 100,000 |
| Total----- | 50,000 | \$100,000 | <u>150,000</u> |

This revision also obligates funds for a) supplemental expenditures for duplicating services and miscellaneous items connected with the NFPP bi-annual evaluation, in the amount of \$103.15; b) per information received from AID/W obligates additional funds for participant training for PIO/Ps, indicated below and c) expenses to support NFPP evaluation workshop.

| | |
|----------------------|-----------------|
| PIO/P No. 70558----- | \$36 |
| " 70557----- | 99 |
| " 70542----- | 967 |
| Total----- | <u>\$1, 102</u> |

Total Project: Funding Summary

| <u>Project Component</u> | <u>USG</u> | <u>RTG</u> | <u>Total</u> |
|----------------------------------|---------------|---------------|---------------|
| 1. Expanded Sterilization----- | \$1, 781, 049 | \$2, 781, 500 | \$4, 562, 549 |
| 2. IUD Insertion Support----- | 50,000 | 100,000 | 150,000 |
| 3. NFPP Evaluation----- | 103 | ----- | 103 |
| 4. Participant training----- | 1, 102 | ----- | 1, 102 |
| 5. NFPP Evaluation Workshop----- | 1, 784 | ----- | 1, 784 |
| Total----- | \$1, 834, 038 | \$2, 881, 500 | \$4, 715, 538 |

ANNEX A**Personnel Supplemental Support****1. Motivation**

| | |
|---------------------------------------|-------------|
| Support for communicator | <u>US\$</u> |
| 1p x \$9 x 20 d x 12 trips x 40 teams | = 86,400 |
| Support for driver | |
| 1p x \$5 x 20 d x 12 trips x 40 teams | = 48,000 |

2. Mobile Service Team (for 17 mobile units)

| | | |
|---------|---|----------|
| Surgeon | 2p x \$16 x 10 d x 12 trips x 17 teams | = 65,280 |
| Nurse | 2p x \$9 x 10 d x 12 trips x 17 teams | = 36,720 |
| Clerk | 1p x \$5 x 10 d x 12 trips x 17 teams | = 10,200 |
| Worker | 1p x \$2.5 x 10 d x 12 trips x 17 teams | = 5,100 |
| Driver | 1p x \$5 x 10 d x 12 trips x 17 teams | = 10,200 |
| | | <hr/> |
| | | 127,500 |

Mobile Service Team (for 23 mobile units)

| | | |
|---------|--|----------|
| Surgeon | 2p x \$16 x 10 d x 9 trips x 23 teams | = 66,240 |
| Nurse | 2p x \$9 x 10 d x 9 trips x 23 teams | = 37,260 |
| Clerk | 1p x \$5 x 10 d x 9 trips x 23 teams | = 10,350 |
| Worker | 1p x \$2.5 x 10 d x 9 trips x 23 teams | = 5,175 |
| Driver | 1p x \$5 x 10 d x 9 trips x 23 teams | = 10,350 |
| | | <hr/> |
| | | 129,375 |

Central Supervision Team

| | | |
|---------------------------------|---|-------|
| Project Administrator | | |
| 1p x \$16 x 4 d x 12 trips | = | 768 |
| Assistant Project Administrator | | |
| 1p x \$16 x 4 d x 12 trips | = | 768 |
| Project Co-ordinator | | |
| 1p x \$16 x 4 d x 12 trips | = | 768 |
| | | <hr/> |
| | | 2,304 |

PHILIPPINES
Population Planning

*Agreement signed at Manila August 31, 1977;
Entered into force August 31, 1977.*

A. I. D. Project Number 492-0277

PROJECT

GRANT AGREEMENT

BETWEEN

THE REPUBLIC OF THE PHILIPPINES

AND THE

UNITED STATES OF AMERICA

FOR

POPULATION PLANNING II

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A. I. D. Project No. 492-0277

Project Grant Agreement

Dated August 31, 1977

Between

The Republic of the Philippines ("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 cooperation with and assistance to the Grantee's population program. The Grantee's sector goal to which this Project, in conjunction with other public and private programs, contributes, is to reduce the rate of population growth in the Philippines by an average of 0.1% annually during the life of the project. It is also an objective of the Project to promote the increasing participation of local governments in the planning, implementation, and funding of population activities at the local level.

The National Family Planning Outreach Subproject will be the primary service component of the total Project effort, with six allied subprojects to support and complement the Outreach activity. Together with other Philippine Population/Family Planning efforts, it is anticipated the Project will increase the percentage of married couples of reproductive age practicing contraception from approximately 25% at present to 35% by the end of the Project.

Annex 1 amplifies the definition of the Project contained in this Section. Within the limits of the definition of the Project in

this Section, 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) In the event that A.I.D. does not add a contemplated increment of funding in a timely fashion, it is understood that either Party may elect to terminate this Agreement in accordance with Grant Project Standard Provisions Annex^[1] Section D.1., provided that within the limits of then available funds committed to the Project by the Parties, the termination period may be extended beyond a period of 30 days to provide for orderly arrangements, and that each Party will do all it believes appropriate to retain and extend the benefits of Project activity which has already taken place.

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

(c) 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.

SECTION 2.3. Relationship of Project to Other Grantee

Development Program Objectives. The Project will support Grantee's efforts to integrate population/family planning principles and policy into all major government development programs and to transfer a significant portion of field program costs to provincial and charter city budgets. Financial, technical, and commodity support will flow through the Commission on Population (POPCOM) and its regional offices.

The Project will also serve to upgrade the general skills level of the national health community by equipping and training physicians in male and female sterilization techniques. In addition to their role as local government employees, Full Time Outreach Workers funded under the project will closely coordinate their activities with staff of Rural Health Clinics as a means to assure comprehensive, village-based provision of essential family planning and health services to the rural poor. In furtherance of Grantee's goal of providing increased levels of basic health and social services to the people,

Full Time Outreach Workers will also provide both technical and commodity support to village health workers under the proposed Panay Unified Services for Health and Bicol Integrated Health, Nutrition and Population projects. Similar collaborative support will be provided by Outreach staff to the nationwide, GOP-IBRD funded Barrio Health Station network which deploys over 6,400 midwives in rural areas.

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 Nine Hundred Fifty-Six Thousand United States ("U.S.") Dollars (\$2,956,000) ("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. 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.

^[1]75 Stat. 424; 22 U.S.C. § 2151 note. [Footnote added by the Department of State.]

(b) The resources provided by Grantee for the Project

through December 31, 1977 will not be less than the equivalent of U.S. \$1,929,000 including costs borne on an "in-kind" basis.

Subject to availability of funds for this purpose, the Grantee will also provide not less than the equivalent of U.S. \$1,030,000 in additional resources including costs borne on an "in-kind" basis for the balance of Operational Year 1, i. e., the period January 1 - March 31, 1978.

(c) The Grantee's contribution to subsequent years of project operation will be subject to availability of funds for this purpose and mutual agreement to proceed.

SECTION 3.3 Project Assistance Completion Date

(a) The "Project Assistance Completion Date" (PACD), which is December 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, not 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 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) An implementation plan for the overall implementation of the Project;
- (c) The evaluation program referred to in Section 5.1;
- (d) Evidence that agreements necessary for Grantee funding and support of the Outreach Subproject have been reached between POPCOM and other Grantee Departments and Local Governments;
- (e) Evidence that appropriate steps are being taken by the Grantee to strengthen management and technical capabilities of the Commission on Population at headquarters and Regional levels; and
- (f) Evidence that sufficient numbers of qualified personnel, including volunteers, will be made available for necessary Outreach Subproject activities.

SECTION 4.2. Disbursement for Individual Subprojects.

Prior to disbursement under the Grant, or to issuance by A. I. D. of documentation pursuant to which disbursement will be made, for purposes of financing any individual subproject, 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 detailed implementation plan for the pertinent subproject.

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.

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

SECTION 5.2. Limiting Use of Funds for Abortions. The Parties agree that none of the funds made available under this Agreement shall be used to pay for the performance of abortions as a method of family planning or to motivate or coerce any person to practice abortions.

sterilization activities supported in whole or in part by funds made available under this Agreement will conform to A. I. D. sterilization policy guidelines set forth in Section II of A. I. D. Policy Determination 70, dated June 14, 1977, which is appended to this Agreement as Annex 3.

SECTION 5.4. Voluntary Informed Consent: The Grantee agrees to assure that all individuals participating in family planning programs (whether involving distribution of contraceptives or sterilization, or both) supported in whole or in part by funds provided hereunder, do so on the basis of an informed consent voluntarily given with knowledge of the benefits, risks, principal effects and available alternatives. The Grantee further assures that no individual is coerced to practice methods of family planning inconsistent with his or her moral, philosophical or religious beliefs.

SECTION 5.5. Executive Director Recognizing the importance of highly qualified personnel to the success of the population program financed hereunder, Grantee warrants and covenants that all reasonable efforts will be made to fill vacant headquarter's positions of the Commission on Population at Deputy or Associate Director level as soon as possible within the term of

this grant, but not later than six months following the date written first above.

SECTION 5.6. Outreach Project Manager. The Parties agree that POPCOM will appoint a highly qualified and full-time Project Manager for the Outreach Subproject, preferably by December 31, 1977. This Manager will be responsible for the implementation of the Outreach Project under the direct supervision of the POPCOM Executive Director. The Project Manager will be assisted by three part-time Assistant Managers in the areas of technical operations, administration, and finance.

SECTION 5.7. Payment of Salaries. Recognizing the importance of prompt salary payment to staff morale and program performance, the Parties agree that high operational priority shall be accorded to timely and reliable payment of project salaries. It is further agreed that payment delays of more than two weeks shall be reported to POPCOM's central office at once for prompt action, including notification of the USAID Population Division.

SECTION 5.8. Exchange of Information: A. I. D will advise the Grantee in writing and in a timely manner of any changes in policy, program, or operating procedures which affect AID support to Philippine population programs and the Population Planning II project. Similarly, the Grantee shall inform, or cause POPCOM to inform A. I. D. in writing and in a timely manner of Grantee or POPCOM actions which establish, amend, or interpret policy affecting the Government of the Philippines' population/family planning program and the Population Planning II Project.

SECTION 5.9. Systematization/Codification of Program: POPCOM guidelines and policy statements shall be systematized or codified in handbooks, manuals, standard operating procedures, or other written documents, as appropriate to the establishment of efficient routine program administration. Copies will be furnished to A. I. D.

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 the Republic of the Philippines ("Local Currency Costs"). To the extent provided for under this Agreement, "Local Currency Costs" may also include the provision of local currency resources required for the Project.

Article 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, 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 by purchase; 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 favor 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 prescribed 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 the Republic of the Philippines by A. I. D. or any public or private agency for purposes of carrying out obligations of A. I. D. hereunder, the Grantee will make such arrangements as may be necessary so that such funds may be converted into currency of the Republic of the Philippines at the highest rate of exchange which, at the time the conversion is made, is not unlawful in the Republic of the Philippines.

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 : National Economic and Development Authority
P. O. Box 1116, Manila

Alternate address for cables: NEDAPHIL

To A. I. D. :

Mail Address : United States Agency for International Development
c/o The American Embassy
Manila

Alternate address for cables: USAID/AMEMB MANILA

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

SECTION 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 the Director General, National Economic and Development Authority and A. I. D. will be represented by the individual holding or acting in the office of the Director of the United States A. I. D. Mission to the Philippines, each of whom, by written notice, may designate additional representatives for all purposes other than exercising the power under Section 2.1. to revise elements of the amplified description in Annex 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.

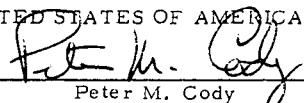
SECTION 8.3. Standard Provisions Annex. A "Project Grant Standard Provisions Annex" (Annex 2) is attached to and forms part of this Agreement.^[1]

^[1] See footnote 1, p. 5483. [Footnote added by the Department of State.]

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.

UNITED STATES OF AMERICA

By:

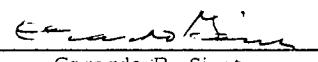


Title:

Peter M. Cody
Director
U. S. Agency for
International Development

REPUBLIC OF THE PHILIPPINES

By:

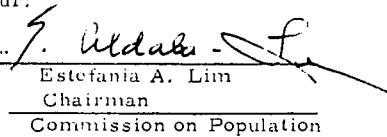


Title:

Gerardo P. Sicat
Secretary of Economic Planning
(Director-General)
National Economic and
Development Authority

Concur:

By:



Title:

Estefania A. Lim
Chairman
Commission on Population

ANNEX 1

DESCRIPTION OF PROJECT

The GOP sector goal which this project addresses in conjunction with other public and private programs, is to reduce the population growth rate in the Philippines by an average of one-tenth of one percent annually during the life of the project. It is also an objective of the project to promote the increasing participation of local governments in the planning, implementation, and funding of population activities at the local level.

To accomplish the stated reduction in the growth rate will require a contraceptive prevalence rate of 35 percent among married couples of reproductive age by December 1980.

This project consists of the following seven elements, or subprojects, each of which is described in further detail below.

SUBPROJECT 1

I. TITLE: NATIONAL POPULATION AND FAMILY PLANNING OUTREACH PROJECT

II. SUMMARY:

The total funding requirement of this subproject amounts to \$5,889,000 (₱44,168,000) for the period July 1, 1977 to March 31, 1978. This includes \$2,309,000 (₱17,317,500), the estimated value of 12.1 million cycles of oral contraceptives pledged by AID/W from central funding.

This is the core project of the National Population and Family Planning Program. The subproject will continue to extend national family planning services into the barangays. It will continue to make voluntary family planning services conveniently and dependably available at no cost to the citizen in every neighborhood throughout the country. The project focuses on the establishment and maintenance of a delivery and service system which will make a spectrum of family planning services conveniently and constantly available to all married couples of reproductive age regardless of their economic and social condition or location throughout the country.

III. GOALS AND OBJECTIVES:

A. Goals

1. To help reduce the national population growth rate by 0.1% per annum for the life of the project in conjunction with other public and private programs.
2. To promote the increasing participation of local governments in the planning, implementation and funding of population activities at local levels.
3. To increase the percentage of Married Couples of Reproductive Age (MCRA) practicing contraception from 25% in 1977, to 27% in 1978, to 32% in 1979, and to 35% in 1980.

B. Specific Objectives

1. To maintain the deployment of 1 Full-Time Outreach Worker (FTOW) per approximately 2,000 MCRA.

Subproject 1

2. To establish and maintain approximately 19,184 Barangay Service Points (BSPs).

Present program design calls for a total of 54,365 BSPs to become operational during the life of the project. We are aware, of course, that the pattern of one BSP per roughly 100 Married Couples of Reproductive Age may not be either uniformly achieved or required. The final number and distribution of BSPs will be determined as experience dictates depending upon local conditions and will be a subject for special attention in the first project evaluation scheduled for the second quarter of 1978.

IV. STRATEGIES:

The project shall continue the following activities:

1. Nationwide deployment of approximately 50 Provincial/City Population Officers, 95 Provincial/City Population Coordinators, 500 District Population Officers and 3,100 Full-Time Outreach Workers (FTOW).
2. Deployment of Mobile Field Support Teams which will serve as trainers and assist the Outreach personnel in identifying problem areas and recommending and implementing remedial measures to these problems.
3. Training and deployment of replacements for Outreach project personnel to maintain effective operating density.
4. Establishment and maintenance of Barangay Service Points (BSPs) for contraceptive distribution through volunteer workers, who will be trained and supervised by the FTOWs, at 15-20 BSPs per FTOW. They will continue to distribute free orals and condoms to their neighbors and maintain records for periodic activity and inventory reports. These volunteer workers will assist in the referral of IUD and Voluntary Surgical Contraception (VSC) candidates to family planning clinics and itinerant teams.
5. Evaluation of the Outreach Project after 20% of BSPs have been operational for at least six months and not later than the second quarter of CY '78.

Subproject 1

This project will continue to be implemented by the local governments, i.e., provinces and chartered cities through an agreement with POPCOM.

V. BUDGET:

July 1977 - March 1978

| | \$ | ₱ |
|---|-------------------------|--------------------------|
| Recruit FTOW Psychological test cost each ₱40 x 249 | 1,328 | 9,960 |
| Training of FTOW Replacement each ₱1,375 x 249 | 45,650 | 342,375 |
| Salaries | 2,149,127 | 16,118,452 |
| FSTS | 133,805 | 1,003,539 |
| PPO | 62,982 | 472,364 |
| DPO | 367,823 | 2,758,673 |
| FTOW | 1,501,579 | 11,261,841 |
| Travel | 675,120 | 5,063,400 |
| PPO | 61,200 | 459,000 |
| PPC | 57,000 | 427,500 |
| DPO | 184,680 | 1,385,100 |
| FTOW <u>1/</u> | 372,240 | 2,791,800 |
| Support Costs | 620,484 | 4,653,627 |
| Other Costs | 68,291 | 512,186 |
| Participant Training <u>2/</u> | 20,000 | 150,000 |
| Oral Contraceptive <u>3/</u> | <u>2,309,000</u> | <u>17,317,500</u> |
| GRAND TOTAL | <u><u>5,889,000</u></u> | <u><u>44,167,500</u></u> |

1/ Budgeted at ₱100 per month per FTOW. Commencing 1 Sept. '77, FTOWs may be authorized reimbursement of travelling expenses up to ₱200 a month/FTOW. This may require supplemental funding under CY '78.

2/ Foreign Exchange Cost

3/ Centrally-funded commodity assistance

SUBPROJECT 2

I. TITLE: VOLUNTARY SURGICAL CONTRACEPTION

II. SUMMARY:

The total funding requirement for this Subproject amounts to \$1,229,000 (₱9,218,000) for the period July 1, 1977 to March 31, 1978.

This subproject provides support to the (Philippines) National Population & Family Planning Program by promoting the prevalence of modern surgical methods of contraception among family planning clients. It draws upon experience acquired in predecessor project Population Planning I for strategy, course of action, and support levels.

III. GOALS AND OBJECTIVES:

A. Goals

1. To help reduce the national population growth rate by 0.1% per annum for the life of the project in conjunction with other public and private programs.
2. To promote the increasing participation of local governments in the planning, implementation and funding of population activities at local levels.
3. To increase the percentage of Married Couples of Reproductive Age (MCRA) practicing contraception according to the following: 1977 - 25%; 1978 - 27%; 1979 - 32%; 1980 - 35%.

B. Specific Objectives

1. To train and equip approximately 60 physicians to perform vasectomies.
2. To train and equip approximately 35 physicians to perform minilap procedures.
3. To train and equip approximately 174 physicians to perform vasectomy and minilap procedures.

Subproject 2

4. To deploy approximately 11 Regional Itinerant surgical contraception team to perform surgical contraception procedures.
5. To provide tubal ligation operations to approximately 36,875 female acceptors for the period July 1977 to March 1978.
6. To provide vasectomy operations to approximately 10,176 male acceptors for the period July 1977 to March 1978.
7. To rehabilitate/improve approximately 76 hospitals/clinics to provide surgical contraception services.
8. To pay for the treatment of medical complications arising from tubal ligation and vasectomy (female and male operations).
9. To subsidize to hospitals/clinics not funded by other sources providing sterilization service to indigent and non-Medicare member acceptors.
10. To train, develop and equip 70 additional FP teams service clients approximately of 70 government/provincial and emergency hospitals.
11. To continually deploy 101 FP teams to provide FP service to acceptors of 31 government provincial hospitals and 70 emergency hospitals.
12. To provide assistance to 15 private hospitals.
13. To provide IEC materials for Medicare personnel and Medicare clients.

IV. STRATEGY:

It is the strategy of this subproject to make voluntary surgical contraception a feasible and attractive option for couples desiring to permanently limit their family size. This is to be accomplished by:

Subproject 2

- a) establishing a national network of trained physicians and suitably equipped facilities;
- b) subsidizing the cost of sterilization for non-Medicare acceptors; and
- c) defraying the cost of infrequent medical complications. The program encompasses both the public and private sector, under institutional agreements with POPCOM.

The following flat rate payments will be made to training institutions:

- | | |
|--------------------------|-----------------------------------|
| 1. Vasectomy | - ₱1,500.00 per physician trainee |
| 2. Minilap | - ₱2,000.00 per physician trainee |
| 3. Vasectomy and Minilap | - ₱2,500.00 per physician trainee |

Similarly, qualifying institutions will be paid a fixed subsidy/fee of ₱50.00 for each male sterilization and ₱92.00 for each female sterilization performed on non-Medicare clients starting October 1, 1977. The period July 1, 1977 to September 30, 1977 maintains the subsidy of ₱75 for female sterilization and ₱25 for male sterilization.

V. BUDGET:

July 1, 1977 to March 31, 1978

| | | |
|--------------------------------------|------------------------|-------------------------|
| Surgical Contraception Training | ₱ 604,500 | \$ 80,600 |
| Hospital Based FP Training | 288,000 | 38,400 |
| Hospital Based FP Deployment | 1,642,901 | 219,053 |
| Itinerant Team Deployment | 631,135 | 84,151 |
| Hospital/Clinic Rehabilitation | 760,000 | 101,333 |
| Service Subsidy | 3,924,747 | 523,299 |
| Complication Assistance | 117,750 | 15,700 |
| Medicare/Private Hospitals (PCF) | 677,967 | 90,396 |
| Commodities (Foreign Exchange) | 458,000 | 61,000 |
| Contract Services (Foreign Exchange) | <u>113,000</u> | <u>15,000</u> |
| TOTAL | <u>₱ 9,218,000</u> | <u>\$ 1,229,000</u> |

SUBPROJECT 3I. TITLE: INITIATIVES IN INFORMATION/EDUCATION/
COMMUNICATION (IEC)

II. SUMMARY:

Total funding requirement of this subproject amounts to \$114,000.00 (P855,000.00), for the period July 1, 1977 to March 31, 1978.

This document lists the various IEC activities classified under radio campaigns, print support, film support, orientation training and seed money for Family Planning publications, documentation, special and audio-visual projects.

III. GOALS AND OBJECTIVES:

A. Goals

1. To help reduce the national population growth rate by 0.1% per annum for the life of the project in conjunction with other public and private programs.
2. To increase the percentage of Married Couples of Reproductive Age (MCRA) practicing contraception according to the following: 1977 - 25%; 1978 - 27%; 1979 - 32%; 1980 - 35%.

B. Specific Objectives

1. To provide IEC support to the Outreach Project with special emphasis on the Full-Time Outreach Workers.
2. To develop and produce new IEC materials tailored to the needs of Full-Time Outreach Workers, materials designed to enhance and improve their mass and group communications, as well as their interpersonal skills.
3. To counter negative rumors about various FP methods.
4. To orient Broadcast and print personnel to the major program interests of the Commission, and to elicit from them the support on how best they can communicate messages to the countryside.

Subproject 3

IV. STRATEGIES:

The essential features of the population development strategy as approved by the Board of Commissioners, spell out the overall direction and emphasis of the National Population and Family Planning Program, namely:

1. To come up with an integrated population program to be managed by an efficient network of agencies coordinated by the Commission;
2. To decentralize the Commission's coordinating and monitoring functions to its Regional Offices;
3. To engage the community in the planning and management of population-related activities at regional and local levels; and
4. To integrate family planning service into the local development activity of the government.

On the basis of this approach, a new strategy has been developed to meet the present needs of the Regions particularly the development of regional IEC capabilities.

The main focus of developing regional capability in the field of IEC centers on four major areas of concern:

1. Coordination of regional IEC activities to ensure no overlapping;
2. Monitoring of IEC activities to ensure that the new program thrust of the Commission is carried out;
3. Development of IEC materials to ensure that they are responsive to local needs and conditions; and
4. Distribution of IEC materials to ensure that they reach their intended audience more effectively and speedily.

Subproject 3

V. BUDGET

| | <u>P (Peso)</u> | <u>\$(Dollar)</u> |
|-------------------------|---------------------|----------------------|
| 1. Radio Campaign | P 240,000.00 | \$ 32,000.00 |
| 2. Print Support | 250,000.00 | 33,333.00 |
| 3. Film Support | 200,000.00 | 26,667.00 |
| 4. Special Projects | 126,000.00 | 16,800.00 |
| 5. IEC Training Support | <u>39,000.00</u> | <u>5,200.00</u> |
| TOTAL | <u>P 855,000.00</u> | <u>\$ 114,000.00</u> |

SUBPROJECT 4

I. TITLE: REGIONAL LOGISTICS OPERATIONS

II. SUMMARY:

The total funding requirement of this subproject amounts to \$297,000.00 (P2,226,000.00) for the period July 1, 1977 to March 31, 1978.

This project focuses on the development of a fully decentralized Logistics System with a single, basic supply network for distributing commodities and the rehabilitation of Excess Properties being used in the Population Programme. Further, the logistics system developed for the Regional Office aims to support the National Population and Family Planning Outreach Subproject which is the core project of the Programme.

III. GOAL AND OBJECTIVES:

A. Goals

1. To help reduce the national population growth rate by 0.1% per annum for the life of the project in conjunction with other public and private programs.
2. To increase the percentage of Married Couples of Reproductive Age (MCRA) practicing contraception according to the following:

| | |
|------|-------|
| 1977 | - 25% |
| 1978 | - 27% |
| 1979 | - 32% |
| 1980 | - 35% |

B. Specific Objectives

1. Regional Distribution of Commodities

- a. Provide the Regional Offices, Outreach Structure (PPO/PPO, DPO, FTOW, BSP), and family planning clinics with contraceptives and other appropriate operating supplies and materials.
- b. Maintain a commodity accountability system that is consistent with the rules and regulations of the Philippine Government.

Subproject 4

- c. Adopt a logistics reporting system that is simple, accurate, and responsive to management needs.

2. Vehicle and Equipment Rehabilitation

Rehabilitate all incoming Excess Properties (vehicles and equipment).

IV. STRATEGIES:

Regional Distribution of Commodities.

Before the advent of the National Population and Family Planning Outreach Subproject, Regional Population Offices supplied commodities directly to the clinics in their respective jurisdictions. With the fielding of Provincial/City Population Officers throughout the country by March 1977, the supply responsibility of the Regional Population Offices shall be limited to their Provincial/City Population Offices. Movement of commodities from the Central Office down to the Barangay Service Points and Family Planning Clinics will be through the RPO (Regional Population Office) which shall act as the Regional source of commodities. The RPO shall deliver the commodities to the PPO (Provincial Population Office)/CPO (City Population Office), as the case may be who in turn shall distribute these commodities to the DPO (District Population Office)/CDPO (City District Population Office), then to the FTOW (Fulltime Outreach Workers) who will finally distribute the commodities to the BSP (Barangay Service Points) and the Family Planning Clinics.

One year supply of orals and condoms will be distributed within the Outreach Project, tentatively on the following basis:

| | |
|------------------------------|------------------|
| Barangay Service Points | - 4 months |
| Fulltime Outreach Workers | - 3 months |
| District Officers | - 2 months |
| Provincial/City Officers | - 2 months |
| Regional Population Officers | <u>- 1 month</u> |
| | <u>12 months</u> |

Subproject 4

Actual quantities will be initially based on stocking estimates calculated for the Outreach Project, as modified by subsequent operational experience.

V. BUDGET

| | | |
|--|----------------------|---------------------|
| 1. Shipment and Delivery Costs of Contraceptives* | ₱ 105,000.00 | \$ 14,000.00 |
| 2. Storage, Insurance and Hauling of Contraceptives | 675,000.00 | 90,000.00 |
| 3. Rehabilitation of Due-in Vehicles (22 units) | 150,000.00 | 20,000.00 |
| 4. Rehabilitation of In-Country Vehicles (92 units) | 547,500.00 | 73,000.00 |
| 5. Insurance of In-Country vehicles (377 units) | 187,500.00 | 25,000.00 |
| 6. Commodities (Foreign Exchange) | <u>561,000.00</u> | <u>75,000.00</u> |
| Grand Total | <u>₱2,226,000.00</u> | <u>\$297,000.00</u> |

* Storage, Insurance and hauling of contraceptives from the national level to the regional level will be shouldered by POPCOM from funds outside Population Planning II.

SUBPROJECT 5

I. TITLE : TRAINING ORIENTATION/REORIENTATION

II. SUMMARY:

The total funding requirement of this Subproject is \$140,000 (P1,050,000.00) for the period July 1, 1977 to March 31, 1978.

This Subproject involves undertaking activities in terms of training and training materials development as critical support to the Program's intensified efforts towards decentralization and institutionalization of capabilities on the regional and provincial levels started in July 1, 1976.

III. GOALS AND OBJECTIVES:

A. Goals

1. To help reduce the national population growth rate by 0.1% per annum for the life of the Project in conjunction with other public and private programs.
2. To promote the increasing participation of local governments in the planning, implementation and funding of population activities at local levels.
3. To increase the percentage of Married Couples of Reproductive Age (MCRA) practising contraception according to the following: 1977 - 25%; 1978 - 27%; 1979 - 32%; 1980 - 35%.

B. Specific Objectives

1. To conduct upgrading and refresher courses on FP and Pill-Dispensing for approximately 3,000 FTOWs who have been authorized to dispense oral contraceptives.
2. To conduct training on Family Planning and Pill-Dispensing for approximately 19,000 BSP volunteers.
3. To conduct skills training on Program Planning Management and Supervision for approximately 2,500 local government officials and appropriate local government staff members, namely:

Subproject 5

1. Governors and City Mayors
 2. Municipal Mayors
 3. Provincial Planning Officers
 4. Outreach Supervisors
 5. Planning and/or Training Specialists of Participating Agencies
4. To develop and produce approximately 4,000 copies of a Supplementary Manual or Handbook on selected Government Development Programs such as Maternal and Child Health and Basics of Food Production to be distributed to all FTOWs and Outreach Supervisors.
 5. To develop a simplified version of said Manual slanted towards use of BSP volunteers which may be produced later on.

IV. STRATEGIES:

A. Skills Training and Orientation/Reorientation Programs

In keeping with the thrust towards decentralization, project objectives will be attained by providing POPCOM Regional Offices with the required technical assistance and financial resources for planning and implementing the various training/ orientation programs and workshops. Regional plans of action in terms of detailed course design, trainors, schedules, etc., are expected to vary slightly according to conditions, needs, and existing regional resources. General guidelines will be drawn up by POPCOM. The main concerns of these training activities are:

1. The reinforcement of the Outreach Staff's FP skills and training of BSP leaders in these skills;
2. The establishment of a more effective population program planning process which would draw active participation of the communities; and
3. The refinement of Program personnel's planning and programming skills.

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Subproject 5**B. Development, Production and Distribution of a Resource Book on Priority Government Development Programs****1. For Outreach Supervisors and FTOWs**

A Resource Book on Government Development Programs will be developed by a group of consultants from the various fields to be included in the volume, namely: Maternal and Child Health (including Environmental Sanitation), Nutrition and Food Production (Fish Farming, Aquaculture, Cereal Farming and Green Revolution), aside from FP and Population. This Resource Book, supplementary to the existing FTOW Handbook, is meant to provide additional knowledge and information to Outreach personnel which will enhance their FP/motivation skills. The development programs selected for inclusion are those deemed most relevant to a more thorough understanding of the communities they serve.

2. For BSP Volunteers

The same group of consultants will develop a second version of the Resource Book which would be appropriate for the use of BSP volunteers. Effectiveness of such a Resource Book in improving FP/motivation skills of BSP volunteers will be determined by pretesting prior to its production and distribution.

V. BUDGETActivity**A. Skills Training for:**

| | | |
|----------------------------|-----------|-----------|
| 1. Outreach Supervisors | P 115,325 | \$ 15,377 |
| 2. FTOWs | 341,460 | 45,528 |
| 3. BSP Volunteers | 340,000 | 45,333 |
| 4. Other Program Personnel | 98,500 | 13,133 |

| | | |
|--|--------|--------|
| B. Orientation/Reorientation for Local Government Officials/ Staff | 84,090 | 11,212 |
|--|--------|--------|

Subproject 5C. Development and Production
of Resource Book for:
(partial)

| | | |
|-------------------|-----------------------|----------------------|
| 1. Outreach Staff | P 40,875 | \$ 5,450 |
| 2. BSP Volunteers | <u>29,750</u> | <u>3,967</u> |
| T O T A L | <u>P1,050,000</u> | <u>\$140,000</u> |

SUBPROJECT 6

I. TITLE: DEMOGRAPHIC MEASUREMENT ACTIVITIES

II. SUMMARY:

The total funding of this subproject amounts to \$412,000.00 (₱3,090,000.00) for the period July 1, 1977 to March 31, 1978.

This Project involves undertaking of Demographic Measurement Activities to provide reliable, timely measures of demographic, contraceptive prevalence, and acceptor data and to develop a capability within the national program to determine, allocate and manage resources required to provide these measures of fertility reduction and program impact.

III. GOALS AND OBJECTIVES:

A. Goals

1. To help reduce the national population growth rate by 0.1% per annum for the life of the project in conjunction with other public and private programs.
2. To increase the percentage of Married Couples of Reproductive Age (MCRA) practicing contraception from 25% in 1977, to 27% in 1978, to 32% in 1979, and to 35% in 1980.

B. Specific Objectives

The following activities will be undertaken for the period mentioned above:

1. To continue the Area Fertility Surveys (AFS) program.
2. To investigate the phenomenon of rapid decline of fertility in specific municipalities in the province of Misamis Oriental.
3. To provide additional financial assistance to the University of the Philippines Population Institute in support of the professional research and consultation services there in the field of planning and evaluation of population and family planning activities.

Subproject 6

4. To continue provision of a demographic consultant and a management systems consultant.

IV. STRATEGIES:

The Area Fertility Study which covered seven provinces in 1976 and in 1977 has been expanded to cover five regions throughout the nation, beginning in May, 1977. These regional studies will provide an up-to-date estimate of fertility levels and trends and of contraceptive prevalence among the general population. An attempt will be made to ascertain the demographic impact of the national family planning program. These regional studies will be repeated annually over a four-year period ending in 1980.

The Misamis Oriental Fertility Study will compute dual record rates yearly over a period of four years for the western segment of Misamis Oriental. In the area of fertility, these rates will consist of crude, age-specific (for all women and for currently married women), general fertility, total fertility, and gross reproduction rates, and the area of mortality, these will be crude rates, age-sex specific rates and graduated rates. Growth rates by means of natural increase will also be computed.

Continuing support to the University of the Philippines Population Institute for professional and consultation services will provide for the analysis of the 1976 NAS; for comparative provincial fertility trends and determinants between provinces for 1976 and 1977; for the analysis of the first round of the regional fertility survey; for preparation for the 1978 Community Outreach Survey; and for such other activities as may be called for in the furtherance of the national population program.

In the past, the services of a resident Advisor had been provided for research and evaluation to the Population Institute and the Commission on Population for a two-year period beginning January 1976. It is proposed that the services of a similar advisor be continued for another two-year period beginning January 1978. As in the 1976-77 period, the advisor would be assigned to UPPI but would be expected to provide up to 30 percent of his time to the Population Commission.

Subproject 6

The Commission on Population had been provided a full-time resident advisor for managing and coordinating the Management Information System for a 12 month period starting October 1976. It is proposed that the services of a similar advisor be continued from October to December 1977 and a new 18-month contract be made starting January 1978.

The Planning Division/POPCOM will be responsible for coordinating with the University of the Philippines Population Institute, the Office for Population Studies at the University of San Carlos, the Mindanao Center for Population Studies at Xavier University and the Davao Research and Planning Foundation to ensure that project activities are properly implemented. The Planning Division in collaboration with these agencies will also be responsible for identifying, coordinating and negotiating with additional research institutions should it become necessary.

V. BUDGET:

July '77 - March '78

| | | |
|-------------------------------|-------------------------|--------------------------|
| Demographic Consultant | \$ 50,000 | ₱ 375,000 |
| Management Systems Consultant | 103,000 | 772,500 |
| Area Fertility Study | 189,000 | 1,417,500 |
| U P P I | 50,000 | 375,000 |
| Misamis Oriental Study | <u>20,000</u> | <u>150,000</u> |
| T O T A L | <u><u>\$412,000</u></u> | <u><u>₱3,090,000</u></u> |

SUBPROJECT 7

I. TITLE: OPERATIONS RESEARCH & EVALUATION

II. SUMMARY:

The total funding of this subproject amounts to \$143,000.00 (₱1,073,000.00) from July 1977 to March 1978.

This subproject involves (a) operations research activities, (b) evaluations for the Population Planning II Project, and (c) the Community Outreach Survey.

III. GOALS AND OBJECTIVES:

A. Goals

1. To help reduce the national population growth rate by 0.1% per annum for the life of the project in conjunction with other public and private programs.
2. To increase the percentage of Married Couples of Reproductive Age (MCRA) practicing contraception from 25% in 1977, to 27% in 1978, to 32% in 1979, and to 35% in 1980.

B. Specific Objectives

1. To periodically check progress of discrete project activities against their specific implementation schedule.
2. To identify and analyze particularly successful performance, so that it can be replicated, and similarly identify possible problem areas in implementation and quickly offer solutions or recommendations for action to administrators and managers.
3. To determine community support and receptivity to ongoing project activities.
4. To provide support to Regional and Provincial Population Officers in gathering feedback on program progress.

Subproject 7

5. To provide baseline information.
6. To identify and evaluate changes in knowledge, attitudes and practices.
7. To aid management by providing rapid feedback of information for decision making.
8. To fulfill formal evaluation requirements of the Project.
9. To provide indicators of the level of success in meeting goal A.2.
10. To provide a check on the reliability of MIS.
11. Evaluation of progress toward attainment of the objectives of the Project.
12. Identification and evaluation of problem area or constraints which may inhibit such attainment.
13. Assessment of how such information may be used to help overcome such problems, in this or other Projects.
14. Evaluation to the degree feasible, of the overall development impact of the project.

IV. STRATEGIES:

- A. Operations Research (OR) activities should be directed to strengthen program development through small scale research and development program. Methods will be sought to enhance communication between researchers and project managers. The OR program will be attuned to priority concerns as they are identified. The selected research leads to be identified in the future will be given to different research agencies for them to work out research proposals for possible funding by POPCOM. The research studies to be jointly funded under this subproject shall be agreed upon following consultations between POPCOM and USAID/HRD/POP.

Subproject 7

- B. Evaluations to be funded under this subproject shall include but not be limited to formal annual evaluations of the project (the first of which is scheduled for second quarter CY 78).
- C. The 1978 COS is expected to be the first of a series of large-scale surveys designed to measure the effects of the Outreach Project. These surveys will sample BSP areas, from those already in operation as well as from those already planned by the time of fieldwork as well as small barangays without BSPs. Since the Outreach Project is phasing in BSPs over a two- to three-year period, this sampling procedure will necessarily omit large barangays without BSPs; hence, the survey will not necessarily provide representative data on overall levels of KAP. However, it will provide representative data on areas with significant Outreach activities and provide a unique opportunity to study the relationship between variations in program inputs and variations in KAP and fertility changes over time. It will also provide a firm basis for assessing the accuracy of data from the Outreach Monitoring System.

V. BUDGET:

July '77 - March '78

| Evaluation | \$ | P |
|----------------|-------------------------|--------------------------|
| COS | 54,000 | 405,000 |
| Other Projects | <u>89,000</u> | <u>667,500</u> |
| T O T A L | <u><u>\$143,000</u></u> | <u><u>P1,072,500</u></u> |

Annex 1
Attachment 1FINANCIAL PLAN

1. Estimated life-of-project costs are shown in Table 1, attached. They are based principally upon Gantt chart forecasts of implementation activity in successive months of the project. These in turn are based upon assumed project activity levels required to achieve Philippine population/family planning goals, in concert with the other public and private programs.
2. The GOP contribution in Table 1 reflects proration of Operational Year 1 to conform to the GOP fiscal year, i.e., the calendar year by showing the initial GOP contribution for July 1, 1977 to December 31, 1977 and a second GOP contribution for the period January 1, 1978 to March 31, 1978.
3. For the purposes of this project's accounting and reporting the quarter's actual expenditures shall end one month prior to end of the respective Calendar Quarter (i.e., August 31; November 30; February 28; and May 31).
4. Initial release of AID funds will be for the period July to September 1977. An advance can be made on a quarterly basis covering the estimated accrued expenditures for the following quarters of the program. The advance request together with POPCOM's estimate of accrued expenditures should be filed at least 45 days before the pertinent quarter so that the advance can be processed approximately 30 days prior to the beginning of the quarter. Each quarterly advance will be liquidated through a no-pay voucher covering actual accrued expenditures. Any unliquidated balance remaining at the end of the quarter will be offset against the advance requested for the succeeding quarter. A voucher, on Standard U. S. Form 1034, liquidating each quarterly advance should be filed with the USAID Controller by the 20th of the month preceding the close of the calendar quarter. The advance procedure shall be subject to periodic review and possible revision by USAID to assure that advances do not accumulate in excess of project requirements. The initial release of project funds shall be contingent on POPCOM's submission and USAID's approval of required project implementation plans.

5. GOP and USAID cash contributions to the project shall be maintained at each level in trust accounts established for this purpose. Within the trust funds there will be no differentiation between USAID and GOP Agency contributions except that overall contributions to the trust fund must be in accordance with percentages established by the project agreement for each year's operations. Trust fund accounting will be such that the overall cost of the Outreach subproject can be identified at the Central, Regional and Provincial levels and reported upon as required for project management purposes. The other six subprojects will be accounted for separately at the National level only. The trust accounts, in their entirety, shall be subject to the records, inspection, and audit requirements of Section B.5 of Annex 2. POPCOM shall submit financial reports together with the voucher liquidating the quarterly advance described in paragraph four; the financial report of actual expenditures will be the basis for advance liquidation. These reports should contain, as a minimum, quarterly expenditures incurred in each of the seven subproject activities together with total project costs through the end of the quarter. Additional financial reporting details shall be set forth in an implementation letter to be issued under the project agreement.
6. Unexpended balances of AID funds at the end of each Operational Year may, at USAID discretion, be carried forward for extension of ongoing project activities.
7. Within available balances, funds budgeted in Table II may be transferred as follows:
 - a. Transfers affecting Section 2.1, Definition of Project, will require the signature of NEDA and USAID representatives designated in Section 8.2. of this Agreement.
 - b. Transfers from one subproject to another will require the written concurrence of the Chairman of the POPCOM Board and the USAID Director, or their designees.
 - c. Transfers from one cost component to another (contract services, commodities, participants, other costs) within each subproject will require the written concurrence of the Executive Director of POPCOM and the Chief of the USAID Population Division.

-
- d. Transfers within the Other Cost (peso) component of each subproject may be made at the discretion of the Executive Director of POPCOM, provided that such transfers do not materially alter the agreed course of action. In the event such transfers are made, POPCOM will advise USAID within ten days of the transfer action.
 - 8. GOP in-kind contributions credited to this project shall not exceed fifteen percent (20%) of the agreed GOP contribution,

TABLE I
PROJECT FINANCIAL PLAN
SOURCE AND APPLICATION OF FUNDS (\$'000)

| Activities/Project Inputs | Operational Year 1 (7/1/77-3/31/78) | | | | Operational Year 2 (4/1/78-12/31/78) | | | | Operational Years 3 & 4 (1979-1980) | | | | Life of Project (Years 1-4) | | | |
|--------------------------------|-------------------------------------|------------------|------------------|-------------|--------------------------------------|----------------|----------------|-------|-------------------------------------|----------------|----------------|-------|-----------------------------|-------------------|-------------------|-------|
| | Initial Obligation (FY 1977) | Pending GOP | | 1/ Total | AID FY 1978 | AID GOP | | Total | FY 1978 | AID GOP | | Total | FY 5 79-80 | AID GOP | | Total |
| | | AID (FY 1977) | GOP (FY 1978) | | | AID FY 1978 | GOP FY 1978 | | | AID FY 1978 | GOP FY 1978 | | | AID FY 5 79-80 | GOP FY 5 79-80 | |
| 1. Outreach | 4004 | 1223 | 62 | 58.89 | 1753 | 1995 | 3748 | 3907 | 2206 | 11113 | 9664 | 11086 | 20750 | 2349 | 2349 | 2349 |
| Foreign Exchange | 2329 | - | 2329 | 20 | - | 20 | - | - | - | - | - | - | - | - | - | - |
| Local Currency | 1675 | 1223 | 62 | 35.60 | 1733 | 1995 | 3728 | 3907 | 2206 | 11113 | 7315 | 11086 | 16401 | 1752 | 1752 | 1752 |
| 2. Vol. Surgical Contraception | 619 | 392 | 213 | 1222 | 513 | 562 | 1075 | 520 | 1098 | 1218 | 2270 | 2270 | 4022 | 25 | 126 | 126 |
| Foreign Exchange | 76 | - | 76 | 25 | 25 | 25 | 25 | - | - | - | - | - | - | - | - | - |
| Local Currency | 543 | 397 | 213 | 1153 | 498 | 562 | 1050 | 595 | 1098 | 1693 | 1626 | 2270 | 3896 | 1693 | 1626 | 3896 |
| 3. Info/Educ/Communication | 54 | 40 | 20 | 114 | 53 | 61 | 114 | 131 | 241 | 322 | 238 | 362 | 600 | 1218 | 238 | 600 |
| Foreign Exchange | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Local Currency | 54 | 40 | 20 | 114 | 53 | 61 | 114 | 131 | 241 | 372 | 238 | 362 | 600 | 1218 | 238 | 600 |
| 4. Logistics | 180 | 72 | 39 | 297 | 180 | 132 | 312 | 428 | 627 | 1035 | 788 | 876 | 1664 | 627 | 788 | 876 |
| Foreign Exchange | 75 | - | 75 | 66 | - | 66 | - | 88 | - | 88 | 229 | - | 229 | 229 | 229 | 229 |
| Local Currency | 105 | 78 | 39 | 222 | 114 | 132 | 246 | 340 | 627 | 967 | 559 | 876 | 1435 | 194 | 559 | 876 |
| 5. Spec. Training | 66 | 49 | 25 | 140 | 70 | 80 | 150 | 106 | 194 | 300 | 242 | 348 | 590 | 131 | 242 | 348 |
| Foreign Exchange | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Local Currency | 66 | 49 | 25 | 140 | 70 | 60 | 150 | 106 | 194 | 300 | 242 | 348 | 590 | 131 | 242 | 348 |
| 6. Fmnog. Measurement | 275 | 92 | 45 | 412 | 177 | 116 | 293 | 335 | 338 | 673 | 267 | 591 | 1328 | 338 | 673 | 591 |
| Foreign Exchange | 153 | - | 153 | 77 | - | 77 | 152 | - | 152 | 152 | 382 | 382 | 382 | 152 | 382 | 382 |
| Local Currency | 122 | 92 | 45 | 259 | 100 | 116 | 216 | 183 | 338 | 521 | 405 | 591 | 996 | 183 | 521 | 996 |
| 7. Eval./Ops. Research | 62 | 50 | 26 | 143 | 47 | 54 | 101 | 75 | 139 | 214 | 189 | 269 | 458 | 75 | 214 | 189 |
| Foreign Exchange | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Local Currency | 67 | 50 | 26 | 143 | 47 | 54 | 101 | 75 | 139 | 214 | 189 | 269 | 458 | 75 | 214 | 189 |
| PROJECT TOTALS | 5265 | 1929 | 1030 | 8224 | 2793 | 3000 | 5793 | 5602 | 9843 | 15445 | 13660 | 15802 | 29462 | 5602 | 9843 | 15445 |
| Foreign Exchange | 2633 | - | 2633 | 188 | - | 188 | - | 265 | - | 265 | 3082 | - | 3082 | 3082 | 3082 | 3082 |
| Local Currency | 2632 | 1929 | 1030 | 5591 | 2605 | 3000 | 5605 | 5337 | 9843 | 15180 | 10574 | 15802 | 26376 | 5337 | 9843 | 15180 |

1/ U.S. contribution spans full nine-month interval July 1977 to March 1978 from FY 1977 funds. The GOP initial obligation provides funds for the period July-December 1977, with January-March 1978 contribution to follow, from GOP 1978 funds, subject to the availability of funds for this purpose and to mutual agreement to proceed at that time.

2/ Excludes ad hoc USAID Program Support contributions in addition to this agreement estimated as follows: Operational Year 1 - 36; Operational Years 2 - 4 50 per year; Total Program Support 185.

Exchange Rate: ₱7.5 = US \$1

TABLE II
POPULATION PLANNING PROJECT FINANCIAL PLAN
SOURCE AND APPLICATION OF FUNDS, BY COMPONENTS

| Activities/Project Inputs | OPERATIONAL YEAR 1 (7/1/77 - 3/31/78) | | | OPERATIONAL YEAR 1 (7/1/77 - 3/31/78) | | |
|------------------------------|---------------------------------------|------------------|------------------|---------------------------------------|------------------|------------------|
| | AID (FY 1977) | GOP 1/ (1977) | GOP 1/ (1978) | AID (FY 1977) | GOP 1/ (1977) | GOP 1/ (1978) |
| <u>OUTREACH</u> | | | | | | |
| Commod. (Grant Orals) | 4004 | 1223 | 662 | 5889 | 30030 | 9173 |
| Participants | 20 | - | - | 2309 | 17317 | - |
| Other Costs | 1675 | 1223 | 662 | 20 | 150 | - |
| <u>VOL. SURGICAL CONTRA.</u> | | | | | | |
| Contract Services | 619 | 397 | 213 | 1229 | 4663 | 2977 |
| Commodities | 15 | - | - | 15 | 113 | - |
| Other Costs | 543 | 397 | 213 | 1153 | 458 | - |
| <u>IE/C. Other Costs</u> | | | | | | |
| LOGISTICS | 54 | 40 | 20 | 114 | 405 | 300 |
| Commodities | 180 | 76 | 39 | 297 | 1349 | 585 |
| Other Costs | 75 | - | - | 75 | 562 | 292 |
| <u>TRAINING</u> | | | | | | |
| Other Costs | 105 | 78 | 39 | 222 | 787 | 585 |
| <u>DEMOGRAPHIC MEAS.</u> | | | | | | |
| Contract Services | 66 | 49 | 25 | 140 | 425 | 368 |
| Other Costs | 275 | 92 | 45 | 412 | 2062 | 690 |
| <u>EVAL./OPER. RESEARCH</u> | | | | | | |
| Other Costs | 153 | - | - | 153 | 1147 | - |
| Other Costs | 122 | 92 | 45 | 259 | 915 | 690 |
| <u>PROJECT TOTAL</u> | | | | | | |
| Contract Services | 5865 | 1929 | 1030 | 8224 | 39487 | 14468 |
| Commodities | 168 | - | - | 168 | 1260 | - |
| Participants | 2445 | - | - | 2445 | 18337 | - |
| Other Costs | 20 | - | - | 20 | 150 | - |
| | 2632 | 1929 | 1030 | 5591 | 19740 | 14468 |

1/ Prorated to reflect charges to appropriate GOP fiscal year. Initial agreement obligates 1977 funds only, with 1978 funds subject to availability and mutual agreement to proceed at that time.

2/ Peso equivalents of foreign exchange costs shown for illustrative purposes only; actual peso budget for expenditure in the Philippines consists of Other Costs project inputs.

3/ Excludes ad hoc USAID Program Support contributions in addition to this agreement estimated at \$35,000 (P262,500).

Exchange Rate: \$1 = P7.50

A. I. D. Project Number 492-0277

Annex 3
PD-70
June 14, 1977

A. I. D. POLICY GUIDELINES ON VOLUNTARY STERILIZATION

I. Overview

The World Population Plan of Action of the World Population Conference of 1974 observed that: "All couples and individuals have the basic right to decide freely and responsibly the number and spacing of their children, and to have the information, education and means to do so . . ."

The Foreign Assistance Act (FAA) of 1961 (as amended) reflects additional considerations:

- (1) the process of economic and social development and is in turn affected by the pace, magnitude and direction of population growth; and,
- (2) in many LDCs high rates of population growth limit attainment of broader development goals, contribute to economic hardship and hazardous health conditions, and deny opportunities for improved quality of life for many parents and their children.

In carrying out a comprehensive population assistance program authorized by the FAA, A. I. D. has responded to the growing number of LDC requests for assistance and has helped to make the various methods of family planning permitted by our legislation available on a broader scale to the rural and urban population for use on a strictly voluntary basis.

More recently, LDC governments and non-government organizations have requested assistance to extend the availability of voluntary sterilization services.* Such requests

* VS service programs include those activities which are primarily intended to provide voluntary male and female sterilizations to persons requesting this type of contraceptive procedure. For purposes of this discussion, however, VS training programs are included, since training generally requires that trainees conduct supervised procedures on patients who have voluntarily presented themselves at a service/training facility for sterilization.

are partially in response to the preparatory work conducted by various organizations which have received A. I. D. support, including the Association for Voluntary Sterilization (AVS), the Pathfinder Fund, the International Fertility Research Program (IFRP), and the John Hopkins University Program for International Education in Gynecology and Obstetrics (PIEGO) as part of its broad program of advance training in obstetrics and gynecology. These organizations have contributed to significant advances in the development of new surgical techniques which make sterilization safer, simpler and less expensive as an outpatient procedure. They have developed specialized equipment and given LDC medical personnel specialized training in the practice of obstetrics and gynecology, including endocrinology, identification of cancerous conditions, maternal care, and the management of infertility, and fertility, including sterilization procedures.

In providing support for sterilization services, A. I. D. must reaffirm its long-standing and complete commitment to the basic principle of voluntary acceptance of family planning methods and determine basic conditions and safeguards within which A. I. D. support for sterilization activities can be provided. These conditions and safeguards are needed because of the special nature of sterilization as a highly personal, permanent surgical procedure and to ensure that the needs and rights of individuals are scrupulously protected.

The official positions of national governments are mixed. While voluntary sterilization has become a basic part of comprehensive family planning services in many countries, in some there is only unofficial approval for action by non-government agencies while in other countries there is opposition to the method. A. I. D. staff and A. I. D.-funded grantees and contractors must be fully aware of national sensitivities and must receive AID/W and mission approval before making any commitments on commencing support for sterilization activities in any context.

II. General Guidelines

A. I. D. acknowledges that each host country is free to determine its own policies and practices concerning the provision of sterilization services. However, A. I. D. support for VS program activities can be provided only if they comply with these guidelines in every respect.

- A. Informed Consent: A. I. D. assistance to VS service programs shall be contingent on satisfactory determination by the USAID (bilateral programs) and/or A. I. D.-funded grantees or contractors that surgical sterilization procedures, supported in whole or in part by A. I. D. funds, are performed only after the individual has voluntarily presented himself or herself at the treatment facility and given his or her informed consent to the sterilization procedure.

Informed consent means the voluntary, knowing assent from the individual after he or she has been advised of the surgical procedures to be followed, the attendant discomforts and possible risks, the benefits to be expected, the availability of alternative methods of family planning, the purpose of the operation and its irreversibility, and his or her option to withdraw consent anytime prior to the operation. An individual's consent is considered voluntary if it is based upon the exercise of free choice and is not obtained by any special inducement or any element of force, fraud, deceit, duress or other forms of coercion or misrepresentation.

Further, the recipient of A. I. D. funds used all or in part for performance of VS procedures must be required to document the patient's informed consent by (a) a written consent document in a language the patient understands and speaks, which explains the basic elements of informed consent, as set out above, and which is signed by the individual and by the attending physician or by the authorized assistant of the attending physician; or (b) when a patient is unable to read adequately a written certification by the attending physician or by the authorized assistant of the attending physician that the basic elements of informed consent above were orally presented to the patient, and that the patient thereafter consented to the performance of the operation. The receipt of the oral explanation shall

be acknowledged by the patient's mark on the certification and by the signature or mark of a witness who shall be of the same sex and speak the same language as the patient.

Copies of these informed consent forms and certification documents for each VS procedure must be retained by the operating medical facility, or by the host government, for a period of three years after performance of the sterilization procedure.

USAID Missions should note their responsibility to monitor A. I. D.-assisted VS programs -- whether such programs are funded bilaterally or by A. I. D.-funded grantees or contractors -- to ensure continuing adherence to the principle of informed consent. In order to carry out this monitoring function effectively, all proposed programs -- either bilaterally funded or funded by A. I. D.-supported intermediaries -- shall be approved by the mission and AID/W prior to any commitment of funds or promise to commit funds for VS activities. In carrying out this responsibility, USAID staff should be thoroughly familiar with local circumstances and government administrative patterns and be able to communicate effectively with host country representatives.

- B. Ready Access to Other Methods: Where VS services are made available, other means of family planning should also be readily available at a common location, thus enabling a choice on the part of the acceptor.
- C. Incentive Payments: No A. I. D. funds can be used to pay potential acceptors of sterilization to induce their acceptance of VS. Further, the fee or patient cost structure applied to VS and other contraceptive services shall be established in such a way that no financial incentive is created for sterilization over another method.
- D. Quality of VS Services: Medical personnel who operate on sterilization patients must be well-trained and qualified in accordance with local medical standards. Equipment provided will be the best available and suitable to the field situations in which it will be used.

- E. Sterilization and Health Services: To the fullest possible extent, VS programs -- whether bilaterally funded or conducted by A. I. D.-funded private organizations -- shall be conducted as an integral part of the total health care services of the recipient country and shall be performed with respect to the overall health and well-being of prospective acceptors. In addition, opportunities for extending health care to participants in VS programs should be exploited to the fullest. Consideration must also be given to the impact that expanded VS services might have on existing general health services of the recipient country with regard to the employment of physicians and related medical personnel and the use of buildings or facilities.
- F. Country Policies: In the absence of a stated affirmative policy or explicit acceptance of A. I. D. support for VS activities, USAIDs should take appropriate precautions through consultation with host country officials in order to minimize the prospect of misunderstandings concerning potential VS activities. In monitoring the consistency of A. I. D.-supported VS programs with local policy and practice, USAIDs and A. I. D.-funded donor agencies shall also take particular note of program activities among cultural, ethnic, religious or political minorities to ensure that the principles of informed consent discussed under "A" above are being observed and that undue emphasis is not given to such minority groups.

PHILIPPINES

Population Planning

*Agreement amending the agreement of August 31, 1977.
Signed at Manila March 6, 1978;
Entered into force March 6, 1978.*

A.I.D. Project No. 492-0277

AMENDMENT NO. 2
TO
PROJECT
GRANT AGREEMENT
BETWEEN
THE REPUBLIC OF THE PHILIPPINES
AND THE
UNITED STATES OF AMERICA
FOR
POPULATION PLANNING II

A.I.D. Project No. 492-0277

Amendment No. 2 dated March 6, 1978 to Project Grant Agreement between the Republic of the Philippines and the United States of America for Population Planning II, dated August 31, 1977.^[1]

WHEREAS, the Parties have entered into an Agreement in furtherance of the Philippine Population/Family Planning Program; and

WHEREAS, additional funds are required for support of the Grantee's program;

Now, THEREFORE, the Agreement is amended as follows:

ARTICLE 3: Financing

SECTION 3.1. The Grant. This Section is hereby amended to delete "Two Million Nine Hundred Ninety-One Thousand United States

¹ TIAS 9124; *ante*, p. 5477. [Footnote added by the Department of State.]

(‘U.S.’) Dollars (\$2,991,000) (‘Grant’)” and substitute therefor “Five Million Eight Hundred Thirty-Six Thousand United States (‘U.S.’) Dollars (\$5,836,000) (‘Grant’).”

SECTION 3.2. Grantee Resources for the Project

Paragraph (b) of this Section is hereby deleted in its entirety and substituted therefor as follows:

“(b) The resources provided by Grantee for the Project through December 31, 1978 will not be less than the equivalent of U.S. \$5,959,000 including costs borne on an ‘in-kind’ basis.”

ARTICLE 4: Conditions Precedent to Disbursement

SECTION 4.2. Disbursement for Individual Subprojects. This Section is hereby amended to read as follows:

“Prior to any disbursement under the Grant for Operational Year 2 (April–December 1978), or to issuance by A.I.D. of documentation pursuant to which disbursement will be made, for purposes of financing any individual subproject, 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 detailed implementation plan for the pertinent subproject describing planned activities for Operational Year 2.

Annex 1, Attachment 1, FINANCIAL PLAN. Tables I and II are replaced by revised tables, attached. Table III, Source and Application of Funds for Operational Year 2, is added.

IN WITNESS WHEREOF, the Grantee and the United States of America, each acting through its duly authorized representative, have caused this Amendment No. 2 to the Agreement to be signed in their names and delivered as of the day and year first above written.

UNITED STATES OF AMERICA

REPUBLIC OF THE PHILIPPINES

By: PETER M. CODY

By: GERARDO SICAT

Peter M. Cody

Gerardo P. Sicat

Title: Director

Title: Secretary for Economic

U.S. Agency for

Planning

International Development

(Director-General)

National Economic and

Development Authority

REVISED*

TABLE I
PROJECT FINANCIAL PLAN
SOURCE AND APPLICATION OF FUNDS (\$000)

| | Operational Year 1 (7/1/77-3/31/78), Initial Obligation Pending | | | | Operational Year 2 (4/1/78-12/31/78) | | | | Operational Years 3 & 4 (1979-1980) | | | | Life of Project (Years 1-4) | | |
|--|--|-------|---------------|-------|---|-------|---------------|-------|--|--------|--------|--------|-----------------------------|-------|-------|
| | AID (FY 1977) | | GOP (1978) | Total | AID (FY 1978) | | GOP (1978) | Total | AID (FY 1979-80) | | GOP | Total | AID | GOP | Total |
| | Activities/Project Inputs | | | | | | | | | | | | | | |
| 1. Outreach..... | 4,022 | 1,223 | 662 | 5,907 | 1,753 | 1,985 | 3,748 | 3,907 | 7,206 | 11,113 | 9,682 | 11,086 | 20,768 | | |
| Foreign Exchange..... | 2,347 | 1,223 | 662 | 2,347 | 1,733 | 1,985 | 20 | 20 | 7,206 | 11,113 | 7,367 | 2,367 | | | |
| Local Currency..... | 1,675 | 1,223 | 662 | 3,560 | 513 | 562 | 3,728 | 3,907 | 7,206 | 11,113 | 7,316 | 11,086 | 18,601 | | |
| 2. Vol. Surgical Contraception..... | 619 | 397 | 213 | 1,220 | 1,220 | 1,076 | 1,076 | 620 | 1,068 | 1,718 | 1,752 | 2,270 | 4,022 | | |
| Foreign Exchange..... | 76 | 397 | 213 | 1,183 | 488 | 562 | 1,050 | 1,050 | 25 | 25 | 126 | 2,270 | 126 | | |
| Local Currency..... | 543 | 40 | 20 | 114 | 61 | 61 | 114 | 131 | 131 | 131 | 1,626 | 2,270 | 3,896 | | |
| 3. Info/Educ/Communication..... | 34 | 49 | 25 | 140 | 75 | 114 | 132 | 132 | 66 | 88 | 88 | 238 | 342 | 600 | |
| Foreign Exchange..... | 54 | 40 | 20 | 114 | 53 | 61 | 114 | 131 | 241 | 241 | 241 | 362 | 362 | 600 | |
| 4. Logistics..... | 180 | 78 | 39 | 297 | 180 | 132 | 312 | 428 | 627 | 1,065 | 1,065 | 876 | 876 | 1,864 | |
| Foreign Exchange..... | 75 | 78 | 39 | 222 | 75 | 66 | 114 | 132 | 246 | 340 | 627 | 559 | 559 | 876 | 1,435 |
| Local Currency..... | 105 | 78 | 39 | 140 | 70 | 80 | 150 | 150 | 106 | 194 | 300 | 242 | 242 | 348 | 590 |
| 5. Spec. Training..... | 66 | 49 | 25 | 140 | 70 | 80 | 150 | 150 | 106 | 194 | 300 | 242 | 242 | 348 | 590 |
| Foreign Exchange..... | 66 | 49 | 25 | 140 | 70 | 80 | 150 | 150 | 106 | 194 | 300 | 242 | 242 | 348 | 590 |
| 6. Demographic Measurement..... | 276 | 92 | 45 | 413 | 177 | 116 | 238 | 335 | 335 | 338 | 673 | 788 | 591 | 1,379 | |
| Foreign Exchange..... | 153 | 92 | 45 | 153 | 77 | 100 | 116 | 77 | 152 | 183 | 338 | 152 | 332 | 332 | 597 |
| Local Currency..... | 123 | 92 | 45 | 260 | 159 | 47 | 54 | 101 | 216 | 75 | 139 | 521 | 406 | 591 | 474 |
| 7. Evaluation/Operations Research..... | 83 | 50 | 28 | 159 | 47 | 54 | 101 | 101 | 101 | 194 | 214 | 205 | 205 | 298 | 382 |
| Foreign Exchange..... | 5 | 50 | 26 | 154 | 5 | 54 | 101 | 101 | 75 | 139 | 214 | 5 | 5 | 5 | 5 |
| Project Sub-Totals..... | 5,300 | 1,929 | 1,030 | 8,259 | 2,793 | 3,000 | 5,793 | 5,902 | 9,843 | 15,445 | 13,695 | 15,802 | 26,497 | | |
| Foreign Exchange..... | 2,656 | 1,929 | 1,030 | 2,656 | 188 | 3,000 | 5,605 | 5,837 | 188 | 265 | 3,109 | 15,802 | 26,497 | | |
| Local Currency..... | 2,644 | 1,929 | 1,030 | 5,803 | 2,605 | 5,843 | 5,843 | 5,843 | 15,180 | 10,586 | 15,802 | 15,802 | 15,802 | 3,109 | 469 |
| General Project Support..... | 5,300 | 1,929 | 1,030 | 8,259 | 2,845 | 3,000 | 5,845 | 5,702 | 9,843 | 15,545 | 13,847 | 15,802 | 29,649 | 152 | |
| Grand Total..... | 5,300 | 1,929 | 1,030 | 8,259 | 2,845 | 3,000 | 5,845 | 5,702 | 9,843 | 15,545 | 13,847 | 15,802 | 29,649 | | |

Exchange Rate: US \$1 = ₦7.5.

*Revised February 1978 to reflect \$35,000 AID contribution increase in OY 1 per Amendment No. 1 to Project Grant Agreement, dated 9/19/77.

REVISED*

TABLE II
POPULATION PLANNING PROJECT FINANCIAL PLAN
SOURCE AND APPLICATION OF FUNDS, BY COMPONENTS

| | OPERATIONAL YEAR 1 (7/1/77-3/31/78) | | | | OPERATIONAL YEAR 1 (7/1/77-3/31/78) | | | |
|----------------------------------|-------------------------------------|----------------------------|----------------------------|-------|-------------------------------------|----------------------------|----------------------------|--------|
| | (\$000) | | (\$'000) ^a | | (\$000) | | (\$'000) ^a | |
| | AID (FY 1977) | GOP ¹ (1977) | GOP ¹ (1978) | Total | AID (FY 1977) | GOP ¹ (1977) | GOP ¹ (1978) | Total |
| Outreach | 4,022 | 1,223 | 662 | 5,907 | 30,165 | 9,173 | 4,965 | 44,303 |
| Contract Services | 18 | — | — | 18 | 135 | — | — | 135 |
| Commodities (Grant Orals) | 2,309 | — | — | 2,309 | 17,317 | — | — | 17,317 |
| Participants | 20 | — | — | 20 | 150 | — | — | 150 |
| Other Costs | 1,675 | 1,223 | 662 | 3,560 | 12,563 | 9,173 | 4,965 | 26,701 |
| Voluntary Surgical Contraception | 619 | 397 | 213 | 1,229 | 4,643 | 2,977 | 1,598 | 9,218 |
| Contract Services | 15 | — | — | 15 | 113 | — | — | 113 |
| Commodities | 61 | — | — | 61 | 458 | — | — | 458 |
| Other Costs | 543 | 397 | 213 | 1,153 | 4,072 | 2,977 | 1,598 | 8,647 |
| IEC Other Costs | 54 | 40 | 20 | 114 | 405 | 300 | 150 | 855 |
| Logistics | 180 | 78 | 39 | 297 | 1,349 | 585 | 292 | 2,226 |
| Commodities | 75 | — | — | 75 | 562 | — | — | 562 |
| Other Costs | 105 | 78 | 39 | 222 | 787 | 585 | 292 | 1,664 |
| Training Other Costs | 66 | 49 | 25 | 140 | 495 | 368 | 188 | 1,051 |
| Demographic Measurement | 276 | 92 | 45 | 413 | 2,070 | 690 | 337 | 3,097 |

REVISED*

TABLE II—Continued

POPULATION PLANNING PROJECT FINANCIAL PLAN
SOURCE AND APPLICATION OF FUNDS, BY COMPONENTS

| | OPERATIONAL YEAR 1 (7/1/77-3/31/78) (\$000) | | | OPERATIONAL YEAR 1 (7/1/77-3/31/78) (\$P000) ² | | |
|--------------------------------|---|----------------------------|--------------|---|----------------------------|---------------|
| | AID (FY 1977) | GOP ¹ (1978) | Total | AID (FY 1977) | GOP ¹ (1977) | Total |
| Contract Services | 154 | — | 154 | 1,155 | — | 1,155 |
| Other Costs | 122 | 92 | 214 | 915 | 690 | 1,595 |
| Evaluation/Operations Research | 83 | 50 | 133 | 622 | 375 | 997 |
| Commodities | 5 | — | 5 | 37 | — | 37 |
| Other Costs | 78 | 50 | 128 | 154 | 585 | 744 |
| Project Total | 5,300 | 1,929 | 1,030 | 8,259 | 39,749 | 14,468 |
| Contract Services | 187 | — | 187 | 1,403 | — | 1,403 |
| Commodities | 2,450 | — | 2,450 | 18,374 | — | 18,374 |
| Participants | 20 | — | 20 | 150 | — | 150 |
| Other Costs | 2,643 | 1,929 | 1,030 | 5,602 | 19,822 | 14,468 |
| | | | | | | 7,725 |

¹ Prorated to reflect charges to appropriate GOP fiscal year.
Initial agreement obligates 1977 funds only, with 1978 funds subject to availability and mutual agreement to proceed at that time.

² Peso equivalents of foreign exchange costs shown for illustrative purposes only; actual peso budget for expenditure in the Philippines consists of Other Costs project inputs.

Exchange Rate: \$1 = ₱7.50.
* Revised February 1978 to reflect \$35,000 AID contribution increase per Amendment No. 1 to Project Grant Agreement dated 9/19/77.

February, 1978

TABLE III
POPULATION PLANNING PROJECT FINANCIAL PLAN
SOURCE AND APPLICATION OF FUNDS, BY COMPONENTS

| | Operational Year 2 (4/1-12/31/78) (\$000) | | | Operational Year 2 (4/1-12/31/78) (P'000) ¹ | | |
|---|--|-------|-------|---|--------|--------|
| | AID | GOP | Total | AID | GOP | Total |
| <u>Outreach</u> | 1,753 | 1,995 | 3,748 | 13,148 | 14,963 | 28,111 |
| Participants | 20 | — | 20 | 150 | — | 150 |
| Other Costs | 1,733 | 1,995 | 3,728 | 12,998 | 14,963 | 27,961 |
| <u>Voluntary Surgical Contraception</u> | 513 | 562 | 1,075 | 3,848 | 4,215 | 8,063 |
| Contract Services | 25 | — | 25 | 188 | — | 188 |
| Other Costs | 488 | 562 | 1,050 | 3,660 | 4,215 | 7,875 |
| IEC Other Costs | 53 | 61 | 114 | 397 | 457 | 854 |
| <u>Logistics</u> | 180 | 132 | 312 | 1,350 | 990 | 2,340 |
| Commodities | 66 | — | 66 | 495 | — | 495 |
| Other Costs | 114 | 132 | 246 | 855 | 990 | 1,845 |
| Training Other Costs | 70 | 80 | 150 | 525 | 600 | 1,125 |

February, 1978

TIAS 9125

TABLE III—Continued

**POPULATION PLANNING PROJECT FINANCIAL PLAN
SOURCE AND APPLICATION OF FUNDS, BY COMPONENTS**

| | Operational Year 2 (4/1-12/31/78) | | | Operational Year 2 (4/1-12/31/78) | | |
|--------------------------------------|-----------------------------------|-------|-------|-----------------------------------|--------|--------|
| | AID | GOP | Total | AID | GOP | Total |
| Demographic Measurement | 177 | 116 | 293 | 1,327 | 870 | 2,197 |
| Contract Services | 47 | --- | 47 | 352 | --- | 352 |
| Commodities | 30 | --- | 30 | 225 | --- | 225 |
| Other Costs | 100 | 116 | 216 | 750 | 870 | 1,620 |
| Evaluation/Operations Research | 47 | 54 | 101 | 352 | 405 | 757 |
| Other Costs | 47 | 54 | 101 | 352 | 405 | 757 |
| Project Sub-Totals | 2,793 | 3,000 | 5,793 | 20,947 | 22,500 | 43,447 |
| Contract Services | 72 | --- | 72 | 540 | --- | 540 |
| Commodities | 96 | --- | 96 | 720 | --- | 720 |
| Participants | 20 | --- | 20 | 150 | --- | 150 |
| Other Costs | 2,605 | 3,000 | 5,605 | 19,537 | 22,500 | 42,037 |
| General Project Support ² | 52 | --- | 52 | 390 | --- | 390 |
| Grand Total | 2,845 | 3,000 | 5,845 | 21,337 | 22,500 | 43,837 |

¹ Peso equivalent of foreign exchange costs shown for illustrative purposes only; actual peso budget for expenditures in the Philippines consists of other costs project inputs.

² Contingency funds for use as necessary. Utilization of these funds is subject to joint approval by Executive Director, POP COM, and Chief, USAID Population Division.

Exchange Rate: \$1=₱7.5.

AFGHANISTAN

Rural Development

*Agreement signed at Kabul September 18, 1977;
Entered into force September 18, 1977.*

**PROJECT AGREEMENT
BETWEEN THE DEPARTMENT OF STATE, AGENCY FOR
INTERNATIONAL DEVELOPMENT (AID), AN AGENCY OF THE
GOVERNMENT OF THE UNITED STATES OF AMERICA, AND**

The Rural Development Department

AN AGENCY OF THE Government of Afghanistan

| | | | |
|--|--|--|--|
| The above-named parties hereby mutually agree to carry out a project in accordance with the terms set forth herein and the terms set forth in any annexes attached hereto, as checked below: | | 1. PROJECT/ACTIVITY NO. 806-0181 | |
| | | 2. AGREEMENT NO. RD #4 | 3. <input checked="" type="checkbox"/> ORIGINAL OR REVISION NO. _____ |
| | | 4. PROJECT/ACTIVITY TITLE Rural Development | |
| | | 5. PROJECT DESCRIPTION AND EXPLANATION (See Annex A attached) | |
| <input checked="" type="checkbox"/> GENERAL AGREEMENT FOR TECHNICAL COOPERATION | | DATE 2-7-1951 [?] | |
| <input checked="" type="checkbox"/> ECONOMIC COOPERATION AGREEMENT | | DATE 6-23-1956 [?] | |
| <input checked="" type="checkbox"/> (other) TC Program Agreement as amended | | DATE 6-30-1958 [?] | 6. AIO APPROPRIATION SYMBOL 72-11-X1023 7. AIO ALLOTMENT SYMBOL 402-50-306-00-69-71 |
| <input checked="" type="checkbox"/> DOLLARS <input type="checkbox"/> LOCAL CURRENCY | | PREVIOUS TOTAL (A) | INCREASE (B) DECREASE (C) TOTAL TO DATE (D) |
| (a) Total | | | 1,166,000 |
| (b) Contract Services | | | |
| Participants (c) Commodities | | 117,000 120,000 | 117,000 120,000 |
| Gulzar (d) Other Costs FAR | | 50,000 879,000 | 50,000 879,000 |
| 9. COOPERATING AGENCY FINANCING—DOLLAR EQUIVALENT | | | |
| \$1.00= | | | |
| (a) Total | | | |
| (b) Technical and other Services | | | |
| (c) Commodities | | | |
| (d) Other Costs | | | |

10. SPECIAL PROVISIONS (Use Additional Continuation Sheets, if Necessary)

| | | |
|--|---------------------------|--|
| 11. DATE OF ORIGINAL AGREEMENT September 18, 1977 | 12. DATE OF THIS REVISION | 13. ESTIMATED FINAL CONTRIBUTION DATE September 18, 1980 |
| 14. FOR THE COOPERATING GOVERNMENT OR AGENCY ALI AHMAD KHURRAM SIGNATURE: Ali Ahmad Khurram DATE: 9/18/77 TITLE: Minister of Planning | | 15. FOR THE AGENCY FOR INTERNATIONAL DEVELOPMENT J. B. AMSTUTZ for SIGNATURE: Charles R. Grader DATE: 9/18/77 TITLE: Director, USAID/A, Kabul |

¹ Not printed herein. For text, see TIAS 8590; 28 UST 3635.

² TIAS 2210, 2624; 2 UST 592; 3 UST 4683.

³ TIAS 3606; 7 UST 2047.

⁴ TIAS 2856, 8646; 4 UST 2012; 28 UST 5466.

ANNEX A**Rural Development Project****I. Project Purpose**

A. The Rural Development Department (RDD) of the Government of Afghanistan and the USAID agree that the purpose of this project is to increase the technical capability of RDD to plan, design and implement rural works infrastructure projects. To accomplish this purpose, it is agreed that:

1. RDD will construct up to 55 rural works structures by September 30, 1978 (8th Mizan, 1357) and, upon successful completion of each structure, USAID will reimburse RDD 75% of agreed estimated construction costs.
2. RDD will construct improvements of two community irrigation systems (CIS) by September 30, 1978 (8th Mizan, 1357) and, upon successful completion of each system, USAID will reimburse RDD 75% of agreed estimated construction costs.
3. USAID will assist RDD to develop an integrated rural development plan for Baraki Barak District in Logar Province.

II. Progress to Date

A. Under Project Agreement No. 306-11-995-131, RW #1, signed June 29, 1974 (1st Saratan, 1353) USAID provided a grant of \$50,000 to test the feasibility of the Fixed Amount Reimbursement (FAR) method of assistance to RDD. Four vehicular bridges and one land improvement structure were successfully constructed and reimbursed.

B. Under Project Agreement No. 306-51-995-131, RW #2, signed May 31, 1975 (10th Jouza, 1354) and Project Agreement No. 306-11-995-131, RW #3, signed September 29, 1976 (7th Mizan, 1355), USAID provided grants of \$550,000 and \$562,300, respectively for technical services, commodities, training and FAR Payments for the construction of 46 rural works structures, the improvement of one CIS and the survey and design of three experimental integrated rural development projects. As of August 1, 1977 (10th Asad, 1356):

1. Twenty-four rural works structures have been completed for a total expenditure of \$249,804 and funds have been obligated for an additional 37 structures totaling \$470,924;
2. A feasibility study, detailed designs and estimates for one CIS (Daug Jui) have been completed; all detailed designs and 75% of a feasibility study have been completed for a second CIS

(Arci Jui); and a feasibility study of a third CIS (Shah Jui) has been initiated;

3. A study of a possible approach to an integrated rural development project was completed for one District in Logar Province. In addition, planning is well underway for the development of a model irrigation farm and soil and concrete laboratories at the RDD Gulzar Training Center.

III. Commitments by the Government of Afghanistan

A. Personnel. The Government of the Republic of Afghanistan agrees that at least 24 construction teams will be operated by RDD. It also agrees that RDD will provide from six to eight persons to conduct socio-economic surveys and post-construction evaluations of structures constructed under this agreement. It further agrees that RDD will assign nine persons to conduct CIS feasibility studies and cost/benefit analyses based on a mutually agreed approach and to assist in designing and constructing CIS improvements.

B. Labor Payment Policy. The Government of the Republic of Afghanistan agrees that payment of unskilled labor on RDD constructions is appropriate. Payment policy will be covered in a Memorandum of Understanding between the President of RDD and the Director of USAID.

C. Training. The Government of the Republic of Afghanistan agrees to maintain appropriate staff in the RDD Office of Training and to utilize the RDD Training Center at Gulzar to improve the skills of RDD's staff.

D. Budget. The Government of the Republic of Afghanistan agrees to provide RDD with the necessary funds to finance all planning, design and construction costs of structures and activities considered under this agreement.

E. Equipment and Materials. The RDD agrees to take the necessary steps to permit procurement of needed equipment and materials within existing government regulations on an orderly and timely basis.

IV. Commitments by the USAID/Afghanistan (USAID/A)

A. Commodities. USAID agrees to procure agreed types and quantities of equipment and materials needed to carry out the programs considered under this agreement while RDD effects improvements in its procurement program to permit procurement in an efficient and timely manner. Necessary PIO/C's for the procurement of commodities under this agreement will be issued within six months of the signing of this ProAg in order to permit the GOA and USAID to agree on items required.

B. Project Reimbursements. USAID agrees to reimburse RDD 75% of the agreed estimated costs of 1) up to 55 rural works structures

and 2) two CIS projects after each has been successfully completed under the terms of this agreement.

C. Participant Training. USAID agrees to fund a total of 78 man months of training for 20 RDD personnel as follows:

| | |
|------------------------------|---------------------------------------|
| 2 persons for 6 months each | <u> </u> U.S. |
| 2 persons for 2 months each | <u> </u> U.S. |
| 2 persons for 12 months each | <u> </u> U.S. |
| 4 persons for 6 months each | <u> </u> Iran |
| 8 persons for 1 month each | <u> </u> Third Country |
| 2 persons for 3 months each | <u> </u> Iran |

PIO/P's for training under this agreement will be issued within three months in order to permit the selection and nomination of qualified candidates.

V. Amounts of U.S. Contribution for U.S. Fiscal Year 1977

| | |
|-------------------------------------|---------------|
| Commodities----- | \$120, 000 |
| Gulzar Training Center Support----- | 50, 000 |
| Participant Training----- | 117, 000 |
| Fixed Amount Reimbursement----- | 879, 000 |
| TOTAL----- | \$1, 166, 000 |

VI. Fixed Amount Reimbursement Procedures

Fixed amount reimbursement procedures will be covered in a Memorandum of Understanding between the President of RDD and the Director of USAID.

VII. Annual Project Evaluation

RDD and USAID agree to undertake a joint evaluation of the work accomplished under this agreement no later than September 30, 1978 (8th Mizan, 1357). The purpose of the evaluation will be to measure progress against the implementation plan (VIII below) and to recommend any necessary remedial actions to correct identified deficiencies.

VIII. Project Agreement Implementation

A Memorandum of Understanding between the President of RDD and the Director of USAID will implement this project agreement and describe the detailed procedures and operations required. This Memorandum of Understanding will be signed within 60 days after the signing of this agreement.

IRAN
Meteorological Cooperation

*Agreement signed at Tehran November 26, 1977;
Entered into force November 26, 1977.*

COOPERATIVE AGREEMENT
between the
UNITED STATES DEPARTMENT OF COMMERCE
NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION
and the
IMPERIAL IRANIAN MINISTRY OF WAR

The National Oceanic and Atmospheric Administration of the United States Department of Commerce, and the Imperial Ministry of War, pursuant to the provisions of the United States-Iran Technical Cooperation Agreement of March 4, 1975,^[1] have agreed as follows:

1. Name of Program. The cooperative program to which this Cooperative Agreement refers shall be known as the "Iranian Integrated Meteorological System."
2. Purpose. The purpose of this Agreement shall be the establishment of technical cooperation between the Imperial Government of Iran and the Government of the United States of America for planning and implementation of a program to improve and modernize the Iranian Meteorological Service, in accordance with Annex 1.
3. Cooperating Agencies. The cooperating agencies shall be:
 - (a) for the Imperial Government of Iran (IGOI), the Imperial Ministry of War (IMOW), and
 - (b) for the Government of the United States (USG), the National Oceanic and Atmospheric Administration (NOAA) of the Department of Commerce.
4. Expenditures. All expenditures incident to the obligations assumed by NOAA for the first year of this program are listed in Annex 2 of this Agreement and shall be paid for by IGOI. Cost for future years will be itemized in additional annexes to this Agreement.

¹ TIAS 8235; 27 UST 975.

5. Importation of Material, Equipment, Supplies and Goods. The IGOI shall take all necessary steps to facilitate and expedite the importation into Iran of all materials, equipment, supplies and goods for use in the program.

6. Conduct of NOAA Personnel in Iran.

(a) Publication and issuance and/or distribution of any information regarding this Agreement and its Annexes (classified or unclassified) in any form requires prior written approval of the IMOW. NOAA agrees to include this provision in any subcontract awarded as a result of this Agreement.

(b) NOAA will forward to the IMOW USG security clearances for handling of classified documents of NOAA personnel.

(c) NOAA personnel will comply with all security regulations of the IGOI. The IGOI is entitled to supervise correct compliance of said regulations.

(d) NOAA will obtain any necessary licenses for the export, utilization, and provision of equipment and technical data required for the performance of the project described in this Agreement.

(e) No personnel of the IGOI involved in this project at any stage may be employed by NOAA during the duration of the Agreement.

(f) NOAA will appoint and introduce to the IGOI a project manager who will deal directly with the IMOW, the Iranian Meteorological Organization, and the Communications and Electronics Organization.

(g) NOAA guarantees the validity of technical documents that provide for the performance of projects under this Agreement and assumes all relating responsibility.

(h) NOAA is responsible for the behavior of its personnel during the duration of this Agreement. The IMOW may request of NOAA that any member of its personnel return to the United States or be replaced at any time during the duration of this Agreement. NOAA personnel in Iran will work full time only for projects described in the Annexes of this Agreement.

(i) NOAA will deliver biographic and personnel data on its personnel working in Iran to the IMOW one month prior to their commencing work in Iran on projects described in the Annexes to this Agreement. The IMOW reserves the right to accept or refuse any NOAA personnel assigned to Iran.

(j) Advisors and services supplied under the terms of this Agreement will be furnished from within the USG. Where individuals are utilized from other USG agencies or military department each will be responsible to NOAA for his performance.

7. Nonintervention in Political Affairs.

(a) NOAA personnel will not interfere in the political affairs of Iran by any means.

(b) Should such interference occur and be proved NOAA will remove that person from projects described in the Annexes to this Agreement and replace him with someone having the same qualifications.

8. Assignment of Contracts to other Parties.

(a) NOAA under no circumstances has the right to transfer the execution of this Agreement and its Annexes wholly or partly to a third party without the written permission of the IMOW. NOAA is responsible for the behavior of third parties contracted to fulfill requirements of projects described in the Annexes to this Agreement.

(b) Changes to either the Technical or Financial Annexes to this Agreement require approval of the IMOW.

9. Provision Against Use of Agents. NOAA may not give any gift, commission, rebate or fee to any person directly or indirectly, inside or outside of Iran, for work which he undertakes in fulfillment of projects described in the Annexes to this Agreement by himself or through NOAA or the Department of Commerce for the purpose of obtaining contract privilege or improper influence for work or any other purpose. Moreover, NOAA personnel may not receive gifts or money as a commission or rebate, etc., on materials or services procured on behalf of the IGOI.

10. Status of NOAA Personnel in Iran.

(a) Status of NOAA personnel who will be permanently resident in Iran in compliance with the programs described in the Annexes to this Agreement after the planning phase will be negotiated and described in a future Annex to this Agreement.

(b) The movement of household effects of NOAA personnel permanently assigned to Iran in fulfillment of programs described in the Annexes to this Agreement will be consistent with standard USG regulations governing the shipment of household effects.

11. Exemptions from Duties and Taxes.

(a) Should taxes or duties be levied against any items imported under the provisions of this Agreement for fulfillment of the programs described in the Annexes thereof the IMOW will accept liability for those duties and taxes.

(b) No fees, taxes, or other similar charges shall be levied in connection with the use in Iran of any items imported for completion of programs described in the Annexes to this Agreement.

(c) Importation of all materiel which must be released from the Customs of the IGOI by the IMOW needs prior approval. In addition, importation of all communications and electronics equipment needs prior approval of the IMOW. To facilitate the importation of materiel NOAA will not purchase or procure any equipment for importation into Iran without prior approval of the IGOI.

(d) Any USG official or employee, including military employees from other USG agencies, who is in Iran in connection with this program and who is not a national of Iran shall be exempt from payment of any taxes or other charges which might be otherwise imposed solely by virtue of his residence in Iran and from a requirement to possess and/or apply for a work permit.

(e) Any USG official or employee, and the wife and minor children of such persons, shall be exempt from payment of all Iranian taxes including but not limited to income taxes (except in respect to income derived from sources in Iran) or any tax on ownership or use of property situated outside of Iran.

(f) Should the IGOI levy taxes on the incomes, salaries, and allowances of NOAA personnel or any aspect of this cooperative project, for which tax exemptions are guaranteed in the above paragraphs, the IMOW will accept liability for the payment of those taxes.

12. Liability and Claims.

Claims arising out of activities under this Agreement of personnel of NOAA, Department of Commerce, and the USG will be settled through negotiation with IGOI, IMOW, and the Communications and Electronics Organization. In the event of such claims both parties shall appoint a representative to negotiate on their behalf.

13. Program to be Carried out by National Oceanic and Atmospheric Administration.

Under the terms and conditions stated in this Cooperative Agreement and appended Annexes, NOAA will provide assistance to the IMOW in a comprehensive program to improve and modernize the Iranian Meteorological Services. Specific services rendered under this Cooperative Agreement is described in Annex I of this Cooperative Agreement.

14. Financial Provisions. Financial provisions for programs described in Annex I to this Agreement are detailed in Annex II to this Agreement.

15. Support to be Provided by the IMOW. Support to be provided by the IMOW is described in Annex III to this Agreement.

16. Annexes to the Cooperative Agreement. All services rendered under this Agreement shall be specified in corresponding Annexes which, when duly signed by both parties, will become part of this Agreement. The parties agree that each Annex will contain a description of the services to be performed by NOAA for the IMOW, manpower and other resources, estimates required to accomplish these tasks, estimated costs and related payments, planned implementation and duration of projects.

17. Amendments. This Cooperative Agreement and Annexes thereto may be amended to provide for changes in requirements and continuation of programs. Any changes in the services furnished, changes or other provisions of this Agreement or to its Annexes shall be for-

malized by an appropriate written amendment outlining the nature of the change.

18. Effective Date and Termination. This Agreement and its Annexes becomes effective upon signature by the authorized representatives of NOAA and IMOW and shall remain in effect until such time as the program described in the attached Annexes are completed or terminated as agreed to by NOAA and IMOW. This Cooperative Agreement or related Annexes may be terminated by mutual consent or at any time by either party by giving 60 days notice in writing. Any such termination will allow NOAA 120 days to close out in-country operations and domestic support program operations and return NOAA personnel to their regular duty assignments. All costs incurred as a result of termination of this Agreement or any of its Annexes shall be reimbursed by the IMOW to NOAA.

The IMOW and NOAA agree to the provisions of this Cooperative Agreement indicated by the signatures of their duly authorized officers.

FOR THE NATIONAL OCEANIC
AND ATMOSPHERIC ADMINIS-
TRATION OF THE UNITED
STATES DEPARTMENT OF
COMMERCE

WILLIAM S. BARNEY
(Name)

*Director of Operations, Logistics,
and Emergency Planning*
(Title)

Nov. 26, 1977
(Date)

FOR THE IMPERIAL GOVERN-
MENT OF IRAN MINISTRY OF
WAR

H. TOUFANIAN
(Name)

Vice Minister of War
(Title)

Nov. 26, 1977
(Date)

ANNEX 1

TO COOPERATIVE AGREEMENT BETWEEN U.S. NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION AND IMPERIAL IRANIAN MINISTRY OF WAR

STATEMENT OF WORK

1. Purpose of Annex.

This Annex defines the services to be provided by NOAA to the IGOI in its effort to improve and modernize the Iranian Meteorological Organization.

2. Proposed Scope of Work.

(A) Send teams of experts to visit Iran beginning within sixty (60) days of the signing of the Cooperative Agreement. These teams will study the existing meteorological system, personnel structure, logistics system and Iranian meteorological requirements. NOAA team personnel will have backgrounds in systems management planning, communications, data collection and management facilities, computers, climatology, weather satellites, meteorological center operations, training, logistics and research.

(B) NOAA will analyze the existing meteorological systems and requirements, and within approximately ten (10) months of the signing of the Cooperative Agreement present a long term plan with three options to the IMOW for an improved and modernized integrated system to meet requirements for the next ten (10) years with a horizon of twenty (20) years. Included in each of the three options of the plan will be detailed cost estimates and personnel requirements.

(C) Upon the acceptance of the Plan by the IGOI, NOAA will prepare: procurement documents including technical specifications for any necessary contracts; evaluate technical proposals and qualifications of contractors; and make recommendations to the IGOI including current cost estimates prior to procurement. NOAA will either let the contracts or assist the IMOW, consistent with the wishes of the IMOW, and monitor the contracts during execution. Where necessary and requested by the MOW, advisory personnel will be provided to work with the IGOI during implementation of the Plan to meet the goals.

(D) Plans for modernization of facilities, services and operations to meet these long range goals will be developed. Areas to be covered in the Plan include equipment; manning requirements, organization, training; logistics and maintenance; communications; specialized meteorological services such as; aviation, marine, hydrology, agricultural, data procurement and management. The Plan will propose different options for meeting the IGOI's objectives where such options are feasible.

(E) NOAA will prepare technical specifications necessary for the implementation of the Plan.

(F) After contracts are awarded and under conditions mutually satisfactory to both parties, NOAA will administer all contracts and provide the IGOI with technical guidance and assistance. NOAA will supervise the installation and checkout phase to ensure that equipment and facilities are adequate and meet the standards required by the various contracts.

(G) NOAA will provide the necessary planning and coordination so as to provide system integration of major subsystems and to arrange for the timely interface with the military, CAO, Iranian Communications Network and all other agencies requiring meteorological support.

(H) With assistance from the IMO, NOAA will develop manpower requirements to satisfactorily operate and maintain the modernized

meteorological system, develop a personnel recruitment program and arrange training programs. Arrangements will be made for training outside of Iran where special requirements exist.

(I) With assistance from the IMO, logistical requirements necessary to support the modern meteorological system and equipment will be determined and a supply, repair and distribution proposed.

(J) NOAA will provide supervisory personnel in critical positions to help IMO personnel until such time as IMO personnel can satisfactorily man the modernized system.

(K) The details of this work will be defined in an additional Annex and submitted to the IMOW within sixty (60) days of the signing of the Cooperative Agreement.

(L) Reports and documents which have to be submitted by the NOAA to IMOW are drawings, manuals, documentations, production progress reports, project progress reports, detailed time-table for performing the project and any other reports related to this Annex which is required in opinion of IMOW or the NOAA according to the dates which will be defined by the IMOW and the following reports:

- Reports mentioned in this Annex —
 - Sites inspection reports.
 - Test reports of different acceptances.
 - General Recommendations Report.
 - Report of observed deficiencies in the implementation of other Contractors' duties.
-

ANNEX II

TO COOPERATIVE AGREEMENT BETWEEN U.S. NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION AND IMPERIAL IRANIAN MINISTRY OF WAR

FINANCIAL PROVISIONS AND ESTIMATED COSTS

1. Financial Provisions.

(A) The IMOW shall reimburse NOAA for the amount of such actual costs incurred by NOAA in accordance with this Annex including all costs arising out of the expiration or termination of this Annex.

(B) Except for local support actually provided by the IGOI in accordance with Annex III of the Cooperative Agreement, NOAA shall arrange and pay all other necessary costs of providing the services of its personnel under this Annex.

(C) The IMOW will advance to NOAA, amounts sufficient to cover costs anticipated for each three-month period. The first payment in the amount of \$1 million will be tendered within thirty (30) days from signature of the Cooperative Agreement. Advance payments are to be made in U.S. dollars to the U.S. Department of Treasury for the account of the Department of Commerce/NOAA. The IMOW will be informed by separate correspondence of the estimated amount of further advance payments sixty (60) days prior to their need. This Annex contains an estimate of personnel and expenditures required in support of this Agreement.

(D) NOAA will charge its costs for furnishing services under this Annex against the amounts advanced and provide the IMOW with a quarterly financial statement. The statement will (1) identify the Annex under which funds were advanced, (2) indicate the amount expended, (3) the amount required to cover outstanding expenses, (4) and the remaining balance. Any amount not used for the period for which funds were advanced will be used to offset subsequent advance payments. Similarly, the IMOW will add to the amount originally advanced an amount estimated by NOAA for any deficit incurred for that period.

(E) Upon completion or termination of the project and final accounting, NOAA will submit to the IMOW a statement setting forth all expenditures made under this Annex. Any funds remaining in the account to the credit of the IMOW will be refunded by NOAA. Similarly, NOAA will bill, and the IGOI will pay, for any deficit incurred in carrying out the terms of the Annex.

2. NOAA/IMOW Cooperative Project Estimated Costs Per Man/Month for the Planning Phase of the Iranian Integrated Meteorological System.

All Personnel will be resident in the United States and travel to Iran on temporary duty as required.

| | |
|---|-------------|
| Pay and Benefits | \$5,620.00 |
| Administration Services | \$1,948.00 |
| Supplies, Services and Materials | 300.00 |
| TDY Travel To and In Iran | 945.00 |
| | <hr/> |
| | \$8,813.00 |
| Maximum Estimated Man/Months for One Year | 240 |
| Maximum Estimated Costs for One Year | \$2,115,120 |
| (Estimated Costs as of November 21, 1977. Contingency and Escalation Costs are not included.) | |

ANNEX III**TO COOPERATIVE AGREEMENT
BETWEEN
U.S. NATIONAL OCEANIC AND ATMOSPHERIC
ADMINISTRATION
AND
IMPERIAL IRANIAN MINISTRY OF WAR****SUPPORT TO BE PROVIDED BY THE IMPERIAL MINISTRY OF WAR****1. Support.**

(A) IMOW will provide, at its expense, administrative support required by NOAA personnel working in Iran in conjunction with the programs described in the Annexes to the Cooperative Agreement. This support shall include suitable office and work space, furnishings, supplies, equipment, office management, secretarial/clerical and interpreting/translating services, publications.

(B) The IMOW will provide for all official transportation of NOAA representatives in Iran under the terms of this Agreement.

(C) Local permits and licenses which may be required by Iranian law shall be provided by the IMOW.

(D) The IMOW will assist NOAA in processing and clearing all equipment required in the execution of the provisions of this Agreement through Iranian customs.

(E) The IMOW will arrange for the participation of all agencies of the GOI and provision of information as required by the NOAA under the terms and conditions of this Agreement.

(F) The parties to this Agreement shall mutually agree on the costs of any of the aforementioned services and supplies not provided. Those goods and services shall then be obtained locally or imported by NOAA and the costs charged against the funds provided by the IMOW under the provisions of Annex II of this Agreement.

MULTILATERAL

Helicopter Pilot Training

*Agreement opened for signature July 14, 1977;
Entered into force October 10, 1977.*

Agreement between the Department of Defense of the United States of America hereinafter referred to as—"DOD"—and The Minister of Defence of the Kingdom of Denmark, The Federal Minister of Defence of the Federal Republic of Germany, The Minister of Defence of the Kingdom of the Netherlands, The Minister of Defence of the Kingdom of Norway, hereinafter referred to as—"USER"—concerning Helicopter Pilot Training in the United States of America under the scope of EURO/NATO TRAINING.

Article 1

1. The DOD agrees to accept for training in the Continental USA on an annual basis approximately 75 helicopter pilots (students) from Denmark, Federal Republic of Germany, The Netherlands, and Norway.
2. This agreement is effective with USER students entering training on or after the date DOD activates the revised curriculum indicated in Annex B hereof. Students entering pilot training prior to such date will be subject to terms of prior agreement signed by DOD on 9 December 1975.
3. Conditions and details of the pilots training program, applicable to the USER, are outlined in Annex A to this Agreement.
4. Conditions and details of the pilot training program, applicable to the DOD, are outlined in Annex B to the Agreement.

Article 2

1. Initial entry pilot's course. The training costs for one student are agreed upon for the period up to 30 September 1977 at the estimated amounts indicated in Annex B. These prices are based on the US Army curriculum for rotary wing initial entry pilot's course, as indicated in Annex B, and on the assumption that the USER will provide 11 instructors. If the USER provides a lesser number of instructors, the reimbursable training cost per student will be proportionately increased, not to exceed approximately \$400 for each instructor less than 11.

2. Conversion course. The training costs for one student are agreed upon for the period up to 30 September 1977 at the estimated amount of US \$21,560. The USER will not provide instructors for this course.

3. In event DOD increase in course costs which exceed 10% of those costs presented in the annual Letter of Offer, USER has the option to cancel training space(s), prior to student entry into course(s), without penalty charge for nonutilization if such nonutilization is a direct result of the increased course cost. However, the other conditions of sale pertaining to cancellation costs as set forth in the US Offer and Acceptance (DD Form 1513) apply.

Article 3

1. The settlement of the payments will be in accordance with US Foreign Military Sales (FMS) procedures. Conditions of sale are as set forth in the US Department of Defense Offer and Acceptance (DD Form 1513). The FMS cases will be signed by the Federal Republic of Germany (FRG), acting also in behalf of Denmark, The Netherlands, and Norway. These nations hereby authorize the FRG to do so.

2. Payment will be made by the FRG in US dollars in accordance with the provisions of the specific FMS case to be written under the provisions of the US Arms Export Control Act. Subsequent to acceptance of the specific FMS case, payment will be made in advance of scheduled student entry into training.

3. The financial balance among the USER NATIONS concerning a nation's contribution of instructors in greater than a proportionate share will be settled by separate arrangement among these nations.

Article 4

1. The provisions of the NATO Status of Forces Agreement of 19 June 1951¹] shall apply to this Agreement.

2. The investigation of flight accidents involving USER NATIONS/USA participants while undergoing training will be in accordance with STANAG 3531.

Article 5

Other EURO/NATO nations are invited to join this helicopter pilot training program. In such case, this Agreement shall be re-written or amended as agreed between DOD and USER.

Article 6

1. The English language copy of this Agreement is the only authoritative version.

2. This Agreement shall remain in effect until 12 months subsequent to such date on which any party is required for national reason to terminate its participation. In case of any differences between this

¹ TIAS 2846; 4 UST 1792.

agreement and the Letter of Offer and Acceptance, the terms and conditions of the Letter of Offer and Acceptance shall prevail.

Washington, 14 July 1977
(date)

Howard M. Fish

Howard M. Fish, LtGen, USAF

Copenhagen, 27 SEP 1977
(date)

M. E. Michelsen

M. E. Michelsen
Captain

For the Secretary of Defense of
the United States of America

For the Minister of Defence of
the Kingdom of Denmark

Bonn, 10 August 1977
(date)

K. H. Barker

For the Federal Minister of
Defence of the Federal Republic
of Germany

Oslo, 10 Oct 1977
(date)

Til Brundum
May 977

For the Minister of Defence of
the Kingdom of Norway

The Hague, 1 Sept 1977
(date)

M. G. Geschier

Lt.-Gen. M. G. Geschier
For the Minister of Defence of
the Kingdom of the Netherlands

ANNEX A

User Obligations

1. The USER assures that students have English language comprehension level (ECL) as specified by the DOD.
2. The USER agrees to assist the DOD school by making available no more than 11 instructors on a continuing basis during the period of this Agreement. The USER is authorized to vary the number of instructors upon 6 months' notification to the DOD; course cost will be subject to corresponding change.
3. The training of the instructors starts at least 3 months prior to assuming duties as an instructor pilot.
4. The instructor must:
 - a. be the rank of at least commissioned warrant officer but no higher than equivalent of a US Army captain, and

- b. have 500 hours helicopter time of which 250 should be in UH-1 aircraft or of which 250 may be as instructor pilot in any helicopter, and
 - c. have 1 year experience in an operational aviation unit, and
 - d. complete the methods of instruction course at the appropriate DOD aviation school, or
 - e. be accepted as a qualified instructor by the appropriate DOD school commander in absence of any of the qualifications listed above,
 - f. be assigned to the US school for a period of at least 24 months.
5. Each USER NATION is authorized to establish a liaison staff, normally not to exceed two personnel, to act as student administrator relating to national problems. Designated USER NATION senior liaison officer or other USER NATION duly appointed authority should be of rank higher or at least equal to highest ranking student nation will normally send to school.
6. The USER NATIONS are responsible for furnishing all travel from home country to the DOD school and return in accordance with USER NATION regulations.

ANNEX B**DOD Obligations**

1. The DOD will provide each USER student with basic helicopter pilot training in accordance with the existing course of instruction (COI) at the US Army Aviation School, less the tactics phase. Current COI includes:

a. Initial entry course A (26 weeks' duration)—approximate cost of primary phase is \$11,448 and approximate cost of advanced phase is \$34,804.

—50 flying hours—primary helicopter—TH-55
—25 flying hours—contact—UH-1
—30 flying hours—instrument—UH-1
—25 hours—simulated flying trainer
—25 hours—UH-1 (15 hrs night qualification; 10 hrs navigation)
—634 hours—flight line
—236 hours—academic

b. Initial entry course B (26 weeks' duration)—approximate cost of primary phase is \$11,448 and approximate cost of advanced phase is \$31,274.

—50 flying hours—primary helicopter—TH-55
—25 flying hours—contact—UH-1
—20 flying hours—instrument—UH-1
—35 hours—simulated flying trainer
—20 hours—UH-1 (night qualification)
—634 hours—flight line
—236 hours—academic

c. Conversion course (12 weeks' duration)

—12 flying hours—instruments—UH-1
—30 flying hours—contact—UH-1
—27 hours—simulated flying trainer
—302 hours—flight line
—56 hours—academic

2. Any change of COI or type of aircraft used shall be agreed upon by USER in advance. If USER does not agree in such change of COI or aircraft used, current program will be continued for a minimum period of 12 months subsequent to date of such collective USER disagreement. Minor changes (those not involving changes in cost or those involving not more than five academic hours of instruction) can be agreed upon by exchange of messages or by telephone.

3. The objective of training is to attain a training level allowing for the issuing of the Military Pilots Certificate and the White Card under current national regulations.

4. The DOD will undertake the training of instructors (Annex A, para 4d). Costs of such instructor training are included in student course costs indicated in foregoing paragraph 1a and 1b. DOD will employ the USER instructors, insofar as possible, in the training of USER students in all phases of advanced helicopter pilot training within this agreement.

5. Allocation of spaces/courses is subject to annual training negotiations between the DOD and the Federal Republic of Germany (acting on behalf of other USER NATIONS).

6. The DOD will make available to the liaison staffs adequate office space with necessary physical administrative and communicative facilities. Costs of any such facilities are included in student course costs indicated in foregoing paragraph 1.

7. The DOD shall give assistance in accommodation and messing for the USER students and instructors on a reimbursable basis in accordance with DOD regulations.

8. The DOD will furnish USER students, instructors, and personnel of the liaison staffs with all available military and social facilities in accordance with existing DOD regulations.

9. In the event a USER student commences the course and, for whatever reason, fails to complete the training, USER will be assessed an amount not less than 50 percent of the cost of the course or phase being undertaken. DOD will reimburse USER the difference between

the foregoing assessed value and the amount which **USER** has advanced for training of that student.

10. DOD will provide medical and dental support at no cost for **USER** military personnel, support to be of the type and scope rendered US Army officers and enlisted personnel of comparable rank; provide medical support, as available, for dependents of **USER** personnel of the type and scope, and at the same reimbursable rates, as rendered US military dependents.

11. DOD shall recognize the **USER NATION** duly appointed authority to exercise command (less operational control) and military disciplinary control over its national cadre personnel and flying trainees. In its capacity the duly appointed authority shall:

a. Take disciplinary action against its national personnel. Any administrative action exercised against **USER** personnel by DOD will be coordinated with **USER NATION** duly appointed authority.

b. Conduct military inspection of its national personnel and their DOD-furnished quarters.

c. Ensure that trainees observe applicable DOD regulations and procedures.

d. Be responsible for all matters pertaining to complaints and grievances of its national personnel.

e. Advise the DOD foreign training officer of any national laws, regulations, and customs of its country to be taken into consideration. Cooperate with foreign training officer in student administration and conduct of DOD sponsored programs related to all foreign students.

f. Assist and advise in matters pertaining to elimination of **USER NATION** trainees. Act as voting member of the faculty board when convening for action on **USER** personnel.

g. May act as nonvoting member of the standardization board.

12. In the event helicopter training facilities in the Continental United States become unavailable, **USER** will be notified a minimum of twelve (12) months in advance of such nonavailability.

CANADA

**Defense: Evaluation of Sonar System of High Speed
Surface Vessel**

*Agreement signed at Washington and Ottawa
September 12 and October 12, 1977;
Entered into force October 12, 1977.*

AGREEMENT
BETWEEN
THE UNITED STATES DEPARTMENT OF THE NAVY
AND
THE CANADIAN DEPARTMENT OF DEFENCE PRODUCTION
(REPRESENTED BY THE CANADIAN DEPARTMENT
OF INDUSTRY, TRADE AND COMMERCE)
FOR A
PROJECT HYTOW

1. Introduction

1.1 This project agreement sets forth arrangements between the United States Department of the Navy (USN) and the Canadian Department of Defence Production, as represented by the Canadian Department of Industry Trade and Commerce (DITC), for a cooperative project undertaken within the framework of and pursuant to the terms and conditions of the Memorandum of Understanding in the Field of Cooperative Development between the United States Department of Defense and the Canadian Department of Defence Production entered into on November 21, 1963 as set forth under the Armed Services Procurement Regulations (ASPR) 6:507 and other sections of ASPR related to U.S./Canada joint projects.

2. Scope & Objectives

2.1 The overall objective of this program is to evaluate the performance of a variable depth sonar (VDS) system in conjunction with a high speed surface vessel in order to determine the potential of the vessel in the anti-submarine role.

2.2 The primary test goals will be:

- a. to determine the physical effects on a VDS system when towed by a hydrofoil through the full range of speed and turns under operational conditions.
- b. to determine the effect of towing a VDS on the handling characteristics of a hydrofoil, through the full range of speed and turns under operational conditions.
- c. to determine the effect on the detection capabilities of the sonar caused by being towed at high speeds by a hydrofoil under various environmental conditions. To measure acoustic characteristics which could be applied to a variety of possible hydrofoil sonars.
- d. to assess the utility of the VDS system in an operational environment aboard a Patrol combatant Missile Hydrofoil (PHM).

2.3 More specific guidance to the trials to be conducted are contained in Annex "A" to this agreement.

3. Background Information

3.1 Since the 1950's innumerable studies, research, development, and production have been conducted on hydrofoils and sonars with the ultimate goal of providing a viable ASW vehicle. However, since no sonars have been tested on hydrofoils to date the validity of the premise has not been operationally tested.

3.2 Canadian industry with design and financial assistance from the Government of Canada has developed and produced a light

weight variable depth sonar for use with high speed surface craft, the HS 1001. Although designed for use by high speed craft this set has not been tested above 32 knots.

3.3 The United States Navy has designed and developed a hydrofoil, which is operated and maintained by the Hydrofoil Special Trials Unit, DTNSRDC at Bremerton, Washington. This hydrofoil (PCH 1) is capable of carrying the HS 1001 sonar set.

3.4 The United States Navy also has a hydrofoil which is currently assigned to the Commander, Naval Surface Forces, U.S. Pacific Fleet (COMNAVSURPAC) at San Diego, Cal. This hydrofoil (PHM-1) is also capable of carrying the HS-1001 Sonar Set.

3.5 It is mutually advantageous to both countries to determine the potential of a hydrofoil/VDS combination in ASW. Moreover since PCH-1 and PHM-1 are hydrofoils having different characteristics it is agreed that it is desirable to evaluate the HS-1001 on both units.

4. Work To Be Performed

4.1 The following is an outline of the work to be accomplished in this test and evaluation effort and is subject to the agreement of the parties hereto in the trials program and final statement of work incorporated as Annexes A and B, respectively to this agreement.

4.2 This project shall be conducted in five phases as follows:

Phase I Planning Phase

- a. Assembly of Project Team
- b. Preparation of Project Schedule
- c. Preparation of Technical and trials plans

Phase II Installation and Checkout Phase on PCH-1

- a. Preparation of plans and work orders for ship modification
- b. Preparation of ship for VDS installation
- c. Provision of sonar and precursor checkout
- d. VDS installation and dockside checkout
- e. Equipment familiarization and training
- f. Ship/VDS operation underway checkout
- g. Sonar performance measurements

Phase III Trials Phase on PCH-1

- a. Ship seaworthiness and handling tests
- b. VDS handling and towing strain tests
- c. Sonar performance measurements
- d. Sonar detection and tracking runs
- e. Instruments range runs
- f. Ship/VDS, operation demonstrations

Phase IV Termination Phase, Analysis and Reporting for
PCH-1

- a. Removal of VDS system and preparation for installation on board PHM-1
- b. Return of ship to required status
- c. Reduction and analysis of trials results
- d. Preparation of final report

Phase V PHM-1 Evaluation

- a. Phase II will be repeated aboard PHM-1
- b. The HS-1001 will be evaluated by the U.S. Navy on board PHM-1
- c. Removal of the VDS from PHM-1 in preparation for shipment
- d. Preparation of final report
- e. Dissolution of project team

The results of the proposed tests will serve to establish the operational feasibility of the Canadian developed sonar equipment in the high speed towing range, together with validation of the USN's developing high speed surface vessel programme.

5. Project Implementation

5.1 In order to implement the project program:

- a. DITC will make available a HS 1001 sonar set including the VDS handling gear, bodies and cable necessary to obtain the desired information.
- b. DITC shall be responsible for the operation and support of the sonar equipment.
- c. The USN will provide the hydrofoils PCH-1 and PHM-1 and be responsible for their operation and support.
- d. The DITC (through DND) will make available range facilities as required. Both parties shall cooperate in the provision of submerged targets and the collection and reduction of acquired data.

5.2 Both parties will jointly make provision for the installation of the VDS system in the hydrofoil as set forth in Annex B. Each party shall be responsible for the modification of its provided equipment to make it suitable for the program to be undertaken pursuant to the project agreement.

5.3 The tests will be conducted within the operational area of the Canadian Maritime Command (Pacific) Forces and the United States PACFLT OPAREAS.

5.4 The time schedule of this program will vary according to the dictates of a number of factors, however, it shall be the aim of the participants to adhere as close as practicable to the following schedule.

| <i>Item</i> | <i>Weeks After Effective Date of Project Agreement</i> |
|--|--|
| Delivery of VDS and support equipment to dockside----- | 4 |
| Commencement of Phase III (Trials Phase)----- | 8 |
| Completion of Phase III----- | 15 |
| Removal of VDS from PCH-1----- | 16 |
| Submission of PCH-1 Final Report----- | 18 |
| Transfer to PHM-1----- | 20 |
| Removal from PHM-1----- | 52 |
| Submission of PHM-1 Final Report----- | 56 |

6. Cost Sharing Arrangements

6.1 It is estimated that the overall cost for this project will be \$600,000 (U.S.) including the provisions of equipment and services.

6.2 Each government's responsibility for the costs incurred in this project will be satisfied through the contractual arrangements for the provision of equipment as set out in section 5 above, and the statement of work allocated in Annex B.

6.3 This project is subject to the availability of funds. Each party will notify the other immediately if the resources available are inadequate for its portion of the project.

7. Program Management

7.1 Each party will appoint one representative to be the Co-chairman of Project Management Committee (PMC). The PMC shall be responsible for the overall management of the program within the expenditure limits specified in this agreement. The main functions of the PMC are to review proposed tests, receive regular test and cost reports, to review the progress of work done against expenditure and to mutually authorize any major change to the technical content, time schedule of program plan as necessary to ensure that the authorized funds are not exceeded. The PMC shall meet at least every four weeks or more frequently as mutually agreed.

7.2 A Program Manager (PGM) shall be responsible to the PMC for the efficient conduct of the project program, so as to meet the goals set forth in test plans, including the preparation of trials agenda, reports and provision of facilities. He shall also be responsible for the safe operations of the VDS in the absence of the APGM. The PGM shall be provided by the U.S. Navy.

7.3 An Assistant Program Manager (APGM), provided by the DITC, shall assist the Program Manager in the planning and conduct of the project program. He shall be responsible for the safe operation of the VDS and to determine when conditions are unsuitable for such operations. In the event of nonavailability of an APGM this responsibility shall be assumed by the PGM.

8. Reports

8.1 The PGM shall provide to the PMC, (a) weekly status

reports covering project plan progress and forecast schedule of events for following week. (b) A comprehensive technical report of test results and conclusions on completion of this project.

8.2 All information arising out of this project shall be made available to each other on a cost free, royalty free basis for defence purposes.

8.3 Disclosure of information to any third party will be subject to the provisions of paragraph 11 of the Memorandum of Understanding in the Field of Cooperative Development between the United States Department of Defense and the Canadian Department of Defence Production.

9. Claims

9.1 Any claim for damage or loss to property, or injury to persons arising from the carrying out of the program will be dealt with in accordance with the provision of Article VIII of the Agreement between the parties to the North Atlantic Treaty Organization regarding the Status of their Forces dated 19 June 1951.^[1]

10. Proprietary Rights

10.1 Both parties including all authorities and participants shall respect and provide adequate protection for proprietary information and rights generated and exchanged under this project agreement in accordance with the requirements set forth in ASPR 6.507.

11. Establishments and Authorities

11.1 All establishments and authorities participating in the project are listed in Annex C. Updating of Annex C shall be carried out as necessary by agreement between PGM's.

12. Exchange of Information and Visits

12.1 To facilitate the conduct of the project, the PGM's are delegated the authority to exchange information and to approve visit requests to activities indicated in Annex C, in accordance with the procedures set forth in existing Agreements between the Governments of the United States and Canada.

12.2 All authorities, and establishments listed in Annex C are authorized to correspond with each other. Such correspondence shall be forwarded from the PGM of the originating party or his representatives to the PGM of the receiving party for necessary distribution.

12.3 Visits under this project shall be made only by personnel representing the authorities and establishments listed in Annex C. Visit request shall include a statement of confirmation that such personnel are actively engaged in work having a direct relationship with the subject covered by the project.

12.4 Requests from personnel of the establishments listed in Annex C for classified information within the scope of this Project Agreement and originated by the other party shall be processed

^[1] TIAS 2846, 5351, 7759; 4 UST 1792; 14 UST 531; 24 UST 2355.

through PGM's. Such requests shall be transmitted through the channels prescribed and shall be afforded the same degree of security protection as that prescribed for classified information in section 13 of this Project Agreement.

13. Security Classification

13.1 The program is unclassified; and, as far as can be foreseen, all information arising from the tests will be classified not higher than CONFIDENTIAL. However, the responsibility lies with the PMC to ensure or arrange for appropriate protection of all information. If any classified information is developed or furnished during the program, it will be protected in accordance with the appropriate national regulations, and the procedures set forth in existing Agreements between the governments of the United States and Canada.

14. Taxes and Customs

14.1 To the extent permitted by national law, the participating governments will waive duties and import tariffs on all equipment necessary for the efficient execution of the project.

15. Termination

15.1 This project shall end upon completion of the effort required in the statement of work, unless terminated sooner by mutual agreement. However, withdrawal by one government is not precluded. Any proposal for withdrawal or termination shall be the subject of immediate consultation between the two governments and a final report on the status of the program and results achieved shall be prepared.

16. Program Extension

16.1 This program may be extended beyond the current plan by unanimous decision by the PMC.

Signature

This project agreement will be effective from the latest date of signature given below.

IN WITNESS THEREOF, the parties have executed this agreement.

FOR THE CANADIAN DEPARTMENT OF INDUSTRY TRADE AND COMMERCE

J R SCOPICK

J. R. Scopick, *Director General,
Enterprise Development Branch.*

Date October 12, 1977

FOR THE UNITED STATES DEPARTMENT OF THE NAVY

P B ARMSTRONG

P. B. Armstrong
*Vice Admiral, U.S. Navy
Director
Research, Development, Test and
Evaluation*

Date 12 Sep 1977

ANNEX A

1. Objectives of Trials

1.1 The objective shall be to conduct a test program to:

- a. Obtain quantitative time and track information during tactical maneuvers for the purpose of determining the enhancement of ASW tactical operations that can be gained by higher speed capability.
- b. Obtain quantitative time and track information during search operations for the purpose of verifying hydrofoil/sonar operational concepts such as sprint-drift.
- c. Obtain technical data to define design requirements for VDS systems to meet the unique requirements of hydrofoils; including:
 1. Tow tension as a function of tow length, speed, and ship maneuvers.
 2. All body motions and relative position with respect to the ship.
 3. Launch and retrieval time for VDS at various ship operating conditions.
 4. Body settling time following a speed and/or course change.
 5. Effects of tow on hydrofoil operation, i.e., maximum speed, take-off, etc.
 6. Noise levels at the VDS transducer and sonar self noise as a function of ship speed, running condition and tow configuration.
 7. VDS target detection capability.
- d. Obtain operational data to assist in establishing sonar and ship manning criteria and to identify special operator and handling crew problems unique to hydrofoil sonar operation.
- e. Obtain operational experience for evaluating the use of hydrofoil VDS in shallow and coastal waters as well as open ocean.

2. Test Description and Requirements

2.1 The following describes the post installation tests, lists the basic test requirements, identifies the test platform and places the test in a priority scale between 1 and 3.

- a. PRIORITY 1 tests are those whose completion must be achieved before the project can be considered basically completed.
- b. PRIORITY 2 tests shall only be scheduled or conducted when it is considered that they can be carried out without prejudice to priority 1 tests.

- c. PRIORITY 3 tests shall be carried out only when the opportunity presents itself or the progress of priority 1 and 2 tests make it apparent that the conduct of a priority 3 test will not prejudice the completion of the basic project program.

2.2 Alongside Trials

Test 1

- a. Description: Ship and instrumentation check-out
- b. Priority: 1
- c. Test platforms: PCH-1 and PHM-1
- d. Purpose: To verify the VDS installation prior to equipment/ship operations and assess physical, electrical and electronic interference between ship and VDS.
- e. Requirements and conduct of the test.
 - 1a. Run up ships main and auxiliary machinery, including foil extension operation, steering and electrical generators and converters.
 - 1b. Check out communication, radar and navigational equipment for interference.
 - 1c. Check fire fighting and safety procedures which may be affected by the sonar electronics and hydraulic hoist gear.
 - 1d. Check instrumentation required for the trials.

Test 2 PCH-1 or PHM-1

- a. Description: VDS Hoist Group Checkout
- b. Priority: 1
- c. Test Platforms: PCH-1 and PHM-1
- d. Purpose: To verify the VDS Hoist Group Operation.
- e. Requirements and conduct of the test with dummy (instrumented) towed body fitted.
 - 2a. Electrical power is to be provided to the hoist group motors.
 - 2b. Hydraulic fluid and gas systems to be charged, filters, valves and controls checked as well as confirmation that all preventive maintenance routines have been completed.
 - 2c. Equipment run-up, pressures checked and systems run through the full limits of operation in accordance with the manual.
 - 2d. Cable to be laid out and checked with attention being paid to broken fairing pieces and links, unusually large gaps, fracture/corrosion/damage to outer armour strands and towing yoke.
 - 2e. Stable platforms and body sensors to be checked as well as recording equipment.

Test 3

- a. Description: Sonar check-out
- b. Priority: 1
- c. Test Platforms: PCH-1 and PHM-1
- d. Purpose: To verify operation of sonar electronics
- e. Requirements and conduct of the test:
 - with acoustic body fitted (transducer).
 - 3a. Electrical power supplied to sonar.
 - 3b. Switch on power and test electronic components and sub-systems for correct power supply.
 - 3c. With VDS body in water at a depth of 20 ft (with steadyng lines fitted) sonar is to be operated and checked that it is functioning normally.
 - 3d. With the body at 20 ft and a suitable jig fitted, an SPF test hydrophone is to be used to assess the acoustic source level on at least four relative bearings. These will be averaged.
 - 3e. Verify that sonar operators and handling gear personnel are adequately trained. This will be the responsibility of the PMC.

Test 4 (May be combined with Test 5)

- a. Description: Hull Borne Trials—VDS inboard
- b. Priority: 1
- c. Test Platforms: PCH-1 and PHM-1
- d. Purpose: Confirm seaworthiness of Hullborne hydrofoils with VDS fitted and inboard.
- e. Requirements and conduct of test:
 - 4a. With trials personnel, all equipment and spares embarked, the ship is to proceed to sea in the prevailing weather conditions and execute the full range of speed and maneuvers while remaining hullborne.
 - 4b. Speed increments of 5 knots are to be checked while using rudder for standard and emergency turns.
 - 4c. If the sea state is above 2, these maneuvers should be done in at least two quadrants.
 - 4d. Ship behaviour is to be qualitatively assessed.

Test 5

- a. Description: Foil borne trials—VDS inboard.
- b. Priority: 2
- c. Test Platforms: PCH-1 and PHM-1
- d. Purpose: Confirm seaworthiness of foil borne hydrofoils with VDS fitted and inboard.
- e. Requirements and conduct of test:
 - 5a. As for test 4 but with ship foilborne.

Test 6

- a. Description: Hullborne Trials—VDS streamed
- b. Priority: 2 and 3
- c. Test Platforms: PCH-1 and PHM-1
- d. Purpose: Ascertain behavior of the VDS streamed when the hydrofoils are hullborne.
- e. Requirements and conduct of test—instrumented VDS body fitted.
- 6a. As for Test 5 but with VDS streamed to 30, 60, 90 metres—Priority 2
- 6b. Assess towing strains and body behaviour by monitoring and logging hydraulic system pressures, depth sensor and compass readout—Priority 3.

Test 7

- a. Description: Foilborne trials—VDS streamed.
- b. Priority: 2 and 3
- c. Test Platforms: PCH-1 and PHM-1
- d. Purpose: Ascertain behaviour of the VDS streamed when the hydrofoils are hullborne.
- e. Requirements and conduct of test—instrumented VDS body fitted.
- 7a. As for test 6a but with ship foil borne—Priority 2
- 7b. As for test 6b—Priority 3

Test 8

- a. Description: 3D Range Trials
- b. Priority: 1
- c. Test Platforms: PCH-1 and PHM-1
- d. Purpose: To assess and document VDS body positioning and behaviour from a hydrofoil underway
- e. Requirements and conduct of test—instrumented VDS body fitted. With ship and VDS Body fitted with standard 3D Range instrumentation, the ship is to conduct maneuvers on the range using the following minimum variables: Body position in relation to the ship is to be assessed.
- 8a. Rudder—standard and emergency, speeds—10, 20, 30, 35 and 40 knots, Cable Out—30, 60 and 90 metres.
- 8b. On a straight course run at above speed and cable out variables, ship is to be accelerated and decelerated through its speed range.

Test 9

- a. Description: SPF (Sonar Performance Figure) Part II
- b. Priority: 1 and 3

- c. Test Platforms: PCH-1 and PHM-1
- d. Purpose: To establish Sonar Performance Figures by measuring self-noise and combining with Source Level measurement.
- e. Requirements and Conduct of Test:
 - i) Acoustic Body Fitted
 - ii) BT Data Requirements
 - iii) SPF recording and processing gear installed.
- 9a. In sea state less than 2 with a quiet shipping background sonar/ship self-noise measurements are to be recorded at VDS Body depth of 30, 60 and 90 metres and at speed increments of 5 knots using hull borne and foil borne modes—Priority 1.
- 9b. In accordance with a separate trials plan (Defence Research Establishment Pacific) conduct self-noise trials over a wider band width and a more accurate assessment of environmental conditions including ambient noise.—Priority 3.

Test 10

- a. Description: Acoustic Targets of Opportunity.
- b. Priority: 2
- c. Test Platforms: PCH-1 and PHM-1
- d. Purpose: To assess sonar capability over full speed range.
- e. Requirements and Conduct of Test:
 - i) Acoustic Body Fitted
 - ii) Bathythermograph data required
 - iii) Initial Detector Card required
 - iv) As targets of opportunity present themselves such as commercial shipping, detection and tracking runs are to be made. If feasible, each run should be made in 5 knot increments above 10 knots on the same target. The object being to determine initial detection range on closing and at varying range attack angles (180°) maximum holding range on opening.

Test 11

- a. Description: Initial Detection and holding trials—Transponder.
- b. Priority: 2 (1 if submarine services are not available)
- c. Test Platforms: PCH-1 and PHM-1
- d. Purpose: To assess sonar capability over full speed range.
- e. Requirements and Conduct of Test:
 - i) Acoustic Body Fitted
 - ii) 10 KHz Transponder Buoy
 - iii) Bathythermograph

- iv) Initial Detection Card
- v) At best VDS depth, ship is to conduct initial detection runs against the target at 5 knot speed increments from 10 knots through maximum towing speed.
- vi) A minimum of 5 runs per speed increment is to be conducted; if the detection spread is significant, additional runs are to be conducted.

Test 12

- a. Description: Initial Detections Runs—Submarine
- b. Priority: 1 (if services are available)
- c. Test Platforms: PHM-1
- d. Purpose: To assess sonar capability against submarine targets including initial detection and tracking.
- e. Requirements and Conduct of Test:
 - i) Acoustic Body
 - ii) Bathythermograph
 - iii) Initial Detection Card
 - iv) Tracking/Plotting facilities as available
 - v) Relaxation of VDS Body Depth restriction
 - vi) Submarine target
- 12a. Submarine at Periscope Depth
VDS at Best Depth
Conduct lateral range runs to assess detection capability at various target aspects and at both best sonar operating speed and maximum sonar speed (assessed from Test 11)
Sonar track to be compared to radar/visual track.
- 12b. Submarine at best depth to avoid detection.
VDS at best depth as for test 12b except for track comparison.

Test 13

- a. Description: ASW Tactical Exercising
- b. Priority: 2
- c. Test Platforms: PHM-1
- d. Purpose: To assess tactical use of sonar equipped hydrofoil in ASW operation.
- e. Requirements and Conduct of Tests:
 - i) Acoustic Body
 - ii) Bathythermograph
 - iii) Initial Detection Card
 - iv) Tracking/Plotting facilities as available in PCH-1
 - v) Submarine Target
 - vi) Conventional surface ASW ships
- 13a. CASEX-A-6

- 13b. Area Search using conventional techniques
- 13c. Area Search using "Sprint and Drift" techniques.

2.4 RECORDS/DATA COLLECTION

Throughout the actual trials period and identified by the time and test no. the following data is required.

- SHIP**—Speed, Heading, stern vertical acceleration, heave, pitch, roll, machinery quiet condition (i.e. Quiet/normal/noisy) and plotted track.
- VDS Tow**—Tension, tow-off angle, sheave angle, photography.
- VDS BODY**—Instrumentic—Roll, Yaw, Pitch.
- Acoustic**—Compass heading for yaw and noise background with relation to bearing.
- ENVIRONMENT**—Time of Day, cloud cover, wind vector, bathythermograph, sea height and direction, swell height and direction, water depth, bottom type, shipping in area.
- TARGET**—Geographical position, course, aspect, depth, speed, type of target, track chart. (Range bearing at time intervals during contact from shipborne radar when available and sonar operators range and bearing at time intervals from HS-1001 when available.)

ANNEX B

1. Statement of Work

1.1 This annex sets out the work to be done under this project agreement and establishes the national responsibilities for its accomplishment.

2. Assignment of Tasks and Responsibilities

2.1 The assignment of tasks and responsibilities as follows:

A. Project Implementation

1. Formulation and production of PGM (USN)
 - a) Project plan
 - b) Safety instructions
 - c) Operation order
 - d) Trials agenda
2. Liaison with appropriate governments, PGM (USN)
industry, agencies and ships
3. Scheduling of ships and test personnel PGM (USN)

- | | |
|--|-----------|
| 4. Arranging operation areas, services | PGM (USN) |
| 5. Arranging submarine services | PGM (USN) |
| 6. Conduct of trials | PGM (USN) |
| 7. Periodic and final reports | PGM (USN) |

B. Ship Preparation

- | | |
|---|----------|
| 1. Preparation of plans and work orders for VDS installation | USN |
| 2. Preparation of ships | USN |
| 3. Receiving and installation of VDS | USN/DITC |
| 4. Instrumentation and test equipment | USN |
| 5. Provision of berthing and working space | USN |
| 6. Removal of VDS system from ships | USN/DITC |
| 7. Tear down of test installation and modifications | USN |

C. Ship Logistics and Test Operations

- | | |
|--|-----|
| 1. Routine support of ship | USN |
| 2. Manning including crew and test personnel | USN |
| 3. Operational communications | USN |
| 4. Test support operations | USN |

D. VDS Logistics

- | | |
|--|------|
| 1. Provision of VDS at designated U.S. Air base | DITC |
| 2. Transportation from airbase (USA) to dockside (USA): PCH-1 to PHM-1 and dockside to airbase (USA) | USN |
| 3. Technical support | DITC |
| 4. Storage as required within the USA | USN |
| 5. Equipment spares | DITC |
| 6. Handbooks | DITC |
| 7. Drawing and installation data | DITC |
| 8. Trials support stores | DITC |

E. VDS Test Operations

- | | |
|---|----------|
| 1. Training/indoctrination/familiarity with VDS system | DITC |
| 2. Special-tow cable and body test instrumentation | DITC |
| 3. Shipboard instrumentation | USN |
| 4. Tow data analysis | USN |
| 5. Trials photographic support | DITC/USN |
| 6. Range and non-submarine target support (DITC provides the range) | DITC/USN |

ANNEX C

UNITED STATES

ESTABLISHMENTS

Office of the Chief of Naval Operations

(Ops 098, 982, 095, 37, 009D)

Department of the Navy

Washington, D.C. 20350

Naval Sea Systems Command (NAVSEA 032)

Department of the Navy

Washington, D.C. 20362

Commander Naval Surface Forces

U.S. Pacific Fleet

San Diego, Ca.

Commander, Destroyer Squadron Nine

FPO San Francisco, Ca.

Commandant Thirteenth Naval District

Seattle, Washington

Commanding Officer

USS PEGASUS (PHM-1)

FPO San Francisco, Ca.

David Taylor, Naval Ship Research and Development Center

Bethesda, Md. 20034

Hydrofoil Special Trials Unit (HYSTU)

Puget Sound Naval Shipyard

Bremerton, Washington 98314

Naval Torpedo Station

Keyport, Washington 98345

Naval Underwater Systems Center

New London Laboratory

New London, Conn. 06320

U.S. Coast Guard Station

Port Angeles, Washington

Commanding Officer

U.S. Naval Air Station

Whidbey Island

Oak Harbor, Washington 98278

Boeing Marine Systems

Renton, Washington

Officer in Charge

HIGHPOINT (PCH-1)

Puget Sound Naval Shipyard

Bremerton, Washington

U.S. Defense Attaché Office
Ottawa, Canada
ATTN: U.S. Naval Attaché

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Department of the Navy
Washington, D.C. 20350

Program Manager
(to be designated)

CANADA

ESTABLISHMENTS

Department of Industry Trade and Commerce

- Electrical and Electronics Branch
- Defence Programs Branch
- Transportation Industries Branch
- Enterprise Development Branch (DIP)
- Office of Science and Technology

Office of the Counsellor Defence Production
2450 Mass Ave.
Washington, D.C.

Department of Supply and Services
—Science Procurement Branch

Department of National Defence
National Defence Headquarters
(Chief Maritime Operations DMCS-CRAD)
Ottawa, Canada

- Defence Research Establishment
Victoria B.C. (Pacific)
- Headquarters Canadian Forces
Maritime Command (Pacific)
Victoria, B.C.
- Canadian Forces Maritime Experimental and Test Range
Rocky Point, B. C.

Westinghouse Canada Limited
Hamilton, Ont.

Fathom Oceanology Limited
Port Credit, Ont.

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Assistant Program Manager
—To be designated
Local Coordinator
—P. HOLTON
Office of Counsellor (Defence Production)

MULTILATERAL

International Poplar Commission: Amendments to the Convention

*Amendments[] to the convention of November 19, 1959, as
amended.[^]*

*Adopted at the Third Special Session of the International Poplar
Commission, Rome, November 15, 1977;*

Entered into force November 30, 1977.

AMENDMENTS TO THE CONVENTION PLACING THE INTER- NATIONAL POPLAR COMMISSION WITHIN THE FRAME- WORK OF FAO

ARTICLE VI, PARAGRAPH 2

"The Director-General of the Organization, in consultation with the Chairman of the Executive Committee of the Commission, shall convene a regular session of the Commission once every [two] four [³] years. Special sessions of the Commission may be convened by the Director-General in consultation with the Chairman of the Executive Committee, or if requested by the Commission, or by at least one third of the Member Nations of the Commission."

ARTICLE VII, PARAGRAPH 2

"Twelve members of the Executive Committee shall be elected by the Commission from among individuals nominated by Member Nations of the Commission upon the suggestion of their respective National Poplar Commissions. Members of the Executive Committee shall be appointed in their personal capacity because of their special competence, and shall serve for a period of [six] four years. Members of the Executive Committee shall be eligible for re-election."

ARTICLE II, PARAGRAPH 2

"The Commission may, by a two-thirds majority of its membership, admit to membership such other [Nations] States that are Members

¹ As certified by the Chairman of the Nineteenth Session of the Food and Agriculture Organization Conference and the Director-General of the Organization.

² TIAS 6952; 21 UST 2060.

³ The bracketed portions reflect deletions from, and the underlined portions reflect additions to, the text of the convention.

of the United Nations, any of its Specialized Agencies or the International Atomic Energy Agency as have submitted an application for membership and a declaration made in a formal instrument that they accept this Convention as in force at the time of admission."

ARTICLE XI

"The Commission may, by a majority of two-thirds of its membership, adopt and amend its own rules of procedure, which shall be consistent with the General Rules of the Organization. The Rules of the Commission and any amendment thereto shall come into force upon approval by the Director-General of the Organization, and as from the date of such approval [subject to confirmation by the Council]."

AMENDEMENTS A LA CONVENTION PLACANT LA COMMISSION INTERNATIONALE DU PEUPLIER DANS LE CADRE DE LA FAO

ARTICLE VI, PARAGRAPHE 2

"La Commission est convoquée en session ordinaire tous les [deux] quatre ans par le Directeur général de l'Organisation après consultation du Président du Comité exécutif. La Commission peut être convoquée en session extraordinaire par le Directeur général après consultation du Président du Comité exécutif, ou à la demande de la Commission, ou encore à la demande d'un tiers au moins des Etats Membres de la Commission".

ARTICLE VII, PARAGRAPHE 2

"La Commission élit 12 membres du Comité exécutif parmi les candidats présentés par les Etats Membres de la Commission sur proposition des Commissions nationales du peuplier des pays respectifs. Les membres du Comité exécutif sont nommés à titre personnel, en raison de leurs qualifications spéciales, pour une durée de [six] quatre ans et sont réalisables".

ARTICLE II, PARAGRAPHE 2

"La Commission peut décider d'admettre en son sein, à la majorité des deux tiers de ses membres, d'autres Etats qui sont membres des Nations Unies, de l'une quelconque des institutions spécialisées ou de l'Agence internationale de l'énergie atomique, à condition qu'en présentant leur demande d'admission ceux-ci déclarent dans un instrument formel accepter la présente Convention telle qu'elle s'applique à l'époque de leur admission".

ARTICLE XI

“La Commission peut, à la majorité des deux tiers de ses membres, adopter un règlement intérieur et amender celui-ci qui doit être compatible avec le Règlement général de l'Organisation. Le règlement intérieur de la Commission et les amendements qui peuvent y être apportés entrent en vigueur à compter de leur approbation par le Directeur général de l'Organisation. [sous réserve de confirmation du Conseil.]”

ENMIENDAS DE LA CONVENCION POR LA CUAL SE INTEGRA EN EL MARCO DE LA FAO A LA COMISION INTERNACIONAL DEL ALAMO**ARTÍCULO VI, PÁRRAFO 2**

“Se convocará a la Comisión en el período ordinario de sesiones cada [dos] cuatro años, por el Director General de la Organizacion, previa consulta con el Presidente del Comité Ejecutivo. La Comisión podrá ser convocada en período extraordinario de sesiones por el Director General, previa consulta con el Presidente del Comité Ejecutivo, o a petición de la Comisión o de un tercio, por lo menos, de sus Estados Miembros”.

ARTÍCULO VII, PÁRRAFO 2

“La Comisión elegirá entre los candidatos presentados por sus Estados Miembros a propuesta de las respectivas Comisiones Nacionales, 12 miembros del Comité Ejecutivo, los cuales serán nombrados a título personal, en razón de sus condiciones especiales, por una duracion de [esis] cuatro años y seran reelegibles”.

ARTÍCULO II, PÁRRAFO 2

“La Comisión puede decidir la admisión en su seno, por una mayoría de los dos tercios de sus miembros, de etres Estados que sean Miembros de las Naciones Unidas, de cualquiera de sus organismos especializados o del Organismo Internacionel de Energia Atómica, con la condicion de que, al presentar su solicitud de ingrese, declaren por medio de un instrumento oficial que aceptan la presente Convención tal y como se aplica en el momento de su admisión”.

ARTÍCULO XI

“La Comisión, por una mayoría de dos tercios de sus miembros, podrá formular y reformar un reglamento interier, el cual debe ser compatible con el Reglamento General de la Organización. El Reglamento de la Comisión y las enmiendas que pudieran aportársele entrarán en vigor a partir del momento de su aprobación por el Director General de la Organización, y a partir de la fecha de dicha aprobación, [a reserva de se confirmacién por parte del Consejo]”.

ISRAEL

**Establishment of Agricultural Research and
Development Fund**

*Agreement signed at Jerusalem October 25, 1977;
Entered into force November 6, 1978.*

AGREEMENT
BETWEEN
THE GOVERNMENT OF THE UNITED STATES OF AMERICA
AND
THE GOVERNMENT OF ISRAEL
TO ESTABLISH THE
UNITED STATES-ISRAEL
AGRICULTURAL RESEARCH AND DEVELOPMENT FUND

The Government of the United States of America and the Government of Israel:

Recalling the close ties in scientific and technological cooperation which have developed over many years between the two countries, including the creation of binational projects for scientific research and industrial research and development;

Convinced of the desirability of establishing a joint fund to encourage and support agricultural research and development of mutual benefit, particularly for geographical areas in which water supply and rainfall limit crop production;

Recognizing the success of any such joint undertaking can only be firmly established when each party is assured that the undertaking will be of mutual benefit;

Convinced that a joint agricultural research and development program will make substantial contributions to the agriculture of both countries as well as to the solution of food and fiber production problems elsewhere;

Recognizing that the United States, with its resources, manpower, training facilities and advanced technologies, has long emphasized broad-based agricultural research, development and production; and that Israel, with its limited resources, is in the forefront of the development of agricultural technologies designed to maximize production with minimum use of resources such as water and labor; and

Recognizing the rising demand for a limited supply of water in the United States, coupled with increasing pressures to minimize the use of energy in all aspects of agriculture, suggest that the Israeli approach to agriculture can be of substantial benefit to the United States; and the past, extensive contribution made by United States agriculture to Israel indicates the potential gain to Israel that would result from establishing a joint research effort;

Have agreed as follows:

ARTICLE I: Establishment

There is agreement to establish the United States-Israel Agricultural Research and Development Fund, hereinafter referred to as the "Fund." The implementing agency of the Fund for the United States will be the United States Department of Agriculture. The implementing agency of the Fund for Israel will be the Ministry of Agriculture of Israel.

ARTICLE II: Objective

The objective of the Fund shall be to promote and support agricultural research and development activities which are of mutual benefit to the United States and Israel.

ARTICLE III: Scope of Cooperation

The scope of agricultural research and development activities which the Fund may promote and support shall cover all scientific activities

related to agriculture, including production, processing, marketing, and agricultural services. The Fund shall give emphasis, but need not limit its efforts, to the support of applied research which improves water, labor, and energy utilization in agriculture or which improves agricultural production. Areas of potential mutual interest in which the Fund shall consider supporting research shall include water conservation, water management and utilization, soil management and utilization, utilization of new forms of energy for agricultural production, environmental aspects of agricultural technology, intensive crop production, agricultural engineering and processing, and other aspects of agricultural technology. Further explanation of these areas of potential mutual interest is set forth in an Appendix to this Agreement.

ARTICLE IV: Powers of the Fund

The Fund shall be an independent, binational entity and shall possess all of the powers necessary to carry out its objectives, including, but not limited to, the power to:

- (1) promote and support, by funding or otherwise, agricultural research and development projects of mutual benefit (hereinafter referred to as "projects") in either country or elsewhere;
- (2) make appropriate research or development grants or loans to public or private entities; and
- (3) encourage or support the exchange of agricultural scientists, engineers, or other types of agricultural experts.

Specific identification of the remainder of the Fund's powers shall be subsequently developed and mutually agreed to by the Secretary of Agriculture, United States of America, and the Ministers of Agriculture and Finance, Israel.

ARTICLE V: Management of the Fund

A management system, to be subsequently developed and mutually agreed to, will establish the Fund's program and priorities and its financial and managerial policies. Such system will provide equal management responsibility and authority to both governments.

ARTICLE VI: Financial Aspects

A. The original endowment of the Fund shall consist of the following:

- (1) forty million dollars (\$40,000,000) to be contributed by the Government of Israel; and
- (2) forty million dollars (\$40,000,000) to be contributed by the Government of the United States.

B. The original endowment shall be provided promptly to the Fund after all necessary authorizations for the creation of the Fund and implementation of this Agreement have been obtained by the two Governments.

C. The funds provided for in paragraph A above shall be deposited in a dollar account with the Accountant General of Israel in the name of the Fund, subject to the control of the Fund's management system. Such a dollar account shall earn interest in U.S. dollars at the rate of six and one-half percent (6.5%) per annum, payable quarterly in arrears. All income earned from all sources which is not to be used immediately for the operations of the Fund shall be deposited in such dollar account with the Accountant General of Israel, or with banks in the United States or in Israel, or invested in obligations issued or guaranteed by the Government of Israel, the Government of the United States or an instrumentality of either Government. Investments of the Fund's income shall be made pursuant to policies to be established by the Fund's management system and shall be made in such manner as to maximize the Fund's earnings, consistent with their security and liquidity.

D. Additional financial specifications and conditions shall be subsequently developed and mutually agreed to by the Secretary of Agriculture, United States of America and the Minister of Finance, Israel.

ARTICLE VII: Operations

A. The Fund's operations shall consist mainly of the selection, approval and monitoring of projects supported in whole or in part by the Fund. The primary source of such funding shall be from the income of the Fund. The Fund shall minimize its annual operational costs in order to permit the maximum utilization of its resources to support agricultural research and development. Detailed operational functions and responsibilities of the Fund shall be subsequently developed and mutually agreed to by the Secretary of Agriculture, United States of America and the Minister of Agriculture and Minister of Finance, Israel. If a principal office of the Fund is established, it shall be located in Israel.

B. Projects financed by the Fund may not be conducted in geographic areas which came under the Administration of the Government of Israel after June 5, 1967 and may not relate to subjects primarily pertinent to such areas.

ARTICLE VIII: Exemptions

A. United States citizens employed by the Fund or engaged in projects in Israel sponsored by the Fund, and accompanying members of their families, if such citizens and such members are not permanent residents of Israel, shall be exempt from Israeli income taxes (including contributions required by the National Insurance Law of Israel), on income derived from the Fund.

B. Travel by United States and Israeli citizens, who are not permanent residents of Israel, in connection with the official business of the Fund or in connection with a project sponsored by the Fund shall be exempt from the Israeli travel tax.

C. Permanent residents of Israel, traveling principally in connection with official business of the Fund, shall enjoy the same reductions of travel tax as are accorded Israeli scientists employed by institutions of higher learning traveling on behalf of their institutions.

D. The Government of Israel shall accord exemptions (a) from Israeli income tax and property tax on the Fund and (b) from Israeli customs, duties, excises, surtaxes and other taxes levied on importation (1) of goods (including furniture, equipment, supplies and scientific and educational articles) intended for the use of the Fund and (2) of scientific equipment to be owned by the Fund and intended principally for use in a project sponsored by the Fund.

E. Additional exemptions shall be subsequently developed and mutually agreed to by the Government of the United States of America and the Government of Israel.

ARTICLE IX: Other Scientific Cooperation

Nothing in this Agreement shall be construed to prejudice other arrangements for scientific cooperation between the two countries.

ARTICLE X: Date of Effectiveness and Duration

A. This Agreement shall not enter into force until (1) after the appropriation of the funds with which the United States will make its contribution to the original endowment of the Fund has been enacted into law, and (2) after the management system provided for under Article V of this Agreement has been mutually agreed to. The Government of the United States shall notify the Government of Israel promptly after the United States has taken all action necessary to permit the United States to make its contribution to the endowment of the Fund, and the Government of Israel shall notify the Government of the United States promptly after it has taken similar action. Thereafter, this Agreement shall enter into force on the first day when the contributions from both governments to the endowment as specified in Article VI of this Agreement have been deposited with the Accountant General of Israel.^[1] This Agreement shall remain in effect for ten years from the date of its entry into force. At the end of nine year's operation of the Fund, both Governments shall review its operations and effectiveness in light of their future national priorities. In light of this review, the Fund may be continued thereafter or terminated. Termination may be by mutual agreement or by one year's notice in writing by one Government to the other.

B. In the event of termination of this Agreement, each Government shall be entitled to one-half of the assets of the Fund. As soon as possible after termination, the property of the Fund shall be sold and the sale proceeds and any other assets and funds shall, after payment

¹ Nov. 6, 1978.

of all obligations, be divided equally between both Governments. However, (1) any agricultural and intellectual property of the Fund may be divided or disposed of as the Governments may otherwise agree; and (2) records or documents of the Fund shall be disposed of subject to the approval of the Governments.

C. In the event of termination, each country's share of assets shall be repaid as soon as those assets can be reduced to liquid form.

DONE at Jerusalem in duplicate in the English language this 25 day of October, 1977.

FOR THE GOVERNMENT OF THE
UNITED STATES OF AMERICA

FOR THE GOVERNMENT OF
ISRAEL

By W MICHAEL BLUMENTHAL

By S. EHRLICH

W. Michael Blumenthal

Simcha Ehrlich

APPENDIX

Potential Areas of Mutual Interest

1. Water Conservation

- a. Water harvesting.
- b. Water storage in soils and small reservoirs.
- c. Evaporation suppression.
- d. Increase use efficiency of precipitation.

2. Water Management and Utilization

- a. Development of techniques and criteria for improving water application efficiency including the development of low pressure application technologies.
- b. Improve irrigation scheduling.
- c. Develop water and soil management practices that limit salt damage to crops, soils and water resources.

3. Soil Management and Utilization

- a. Develop tillage practices suitable for dry land and irrigated agriculture. Such practices should consider the conservation of water energy and soil chemicals.
- b. Develop biological approaches to enhance soil fertility.
- c. Develop criteria for assessing and predicting fertilizer needs for maximum long term production.

4. Management of Solar Energy for Agricultural Production

- a. Increase photosynthetic efficiency of crop plants by controlling micrometeorological processes and by selecting for stress tolerant varieties.
- b. Develop technologies and processes for on-farm utilization of solar energy.

5. Environmental Considerations

- a. Develop criteria and technologies for the use of sewage and industrial waste water for crop production.
- b. Develop the use of agricultural wastes and other sources of biomass for agricultural production.
- c. Develop plants and animals adaptable to environmental stress, disease and pests.
- d. Develop health protection technologies to minimize crop and animal losses due to disease and pests. Such methods should be acceptable from the point of view of environmental safety and economic feasibility.

6. Intensive Crop Production

- a. Develop production schemes for crops of high return per unit water. These should include out of season vegetables and flowers and should consider energy inputs.

7. Agricultural Engineering and Processing

- a. Develop improved equipment to support water management.
- b. Develop improved machinery for production and harvest which minimizes crop losses and optimizes labor and energy.
- c. Develop improved technology for food processing and packaging. Product quality should be a major consideration.

8. Marketing

- a. Develop technologies to prevent spoilage and losses and improve quality of food products.
- b. Develop technologies to improve transportation and distribution of food products.
- c. Develop improved systems for farmers marketing services.

9. Economic and Social Considerations

- a. Develop models and procedures to assess water-energy-labor production mixes and trade-offs between them.
- b. Develop improved technologies to provide for enhanced transfer of technology and services to producers.

TANZANIA

Agricultural Research

*Agreement signed at Dar es Salaam December 28 and 29, 1977;
Entered into force December 29, 1977.*

**PROJECT AGREEMENT
BETWEEN THE DEPARTMENT OF STATE, AGENCY FOR
INTERNATIONAL DEVELOPMENT (AID), AN AGENCY OF THE
GOVERNMENT OF THE UNITED STATES OF AMERICA, AND**

The Treasury

AN AGENCY OF THE Government of The United Republic of Tanzania

The above-named parties hereby mutually agree to carry out a project in accordance with the terms set forth herein and the terms set forth in any annexes attached hereto, as checked below:

PROJECT DESCRIPTION ANNEX A

FOREIGN CURRENCY STANDARD PROVISIONS ANNEX

STANDARD PROVISIONS ANNEX [I]

SPECIAL LOAN PROVISIONS ANNEX

1. PROJECT/ACTIVITY NO.
621-0107

2. AGREEMENT NO.
78-4

3. ORIGINAL OR REVISED NO. _____

4. PROJECT/ACTIVITY TITLE

Agricultural Research

This Project Agreement is further subject to the terms of the following agreement between the two governments, as modified and supplemented:

GENERAL AGREEMENT FOR TECHNICAL COOPERATION

DATE
Feb. 8, 1968 [T]

ECONOMIC COOPERATION AGREEMENT

DATE

5. PROJECT DESCRIPTION AND EXPLANATION

(See Annex A attached)

(other)

DATE

6. AID APPROPRIATION SYMBOL
72-1181021-8

7. AID ALLOTMENT SYMBOL
842-50-621-00-69-81

8. AID FINANCING
 DOLLARS LOCAL CURRENCY

PREVIOUS TOTAL
(A)

INCREASE
(B)

DECREASE
(C)

TOTAL
(D)

(a) Total

1,415,000

1,415,000

(b) Contract Services

(c) Commodities

(See page 2 [p. 5591] for Component Breakdown)

(d) Other Costs

9. COOPERATING AGENCY FINANCING-DOLLAR EQUIVALENT
\$1.00=T.Shs. 8.10

(See Annex A Section IV)

(a) Total

(b) Technical and other Services

(c) Commodities

(d) AID Trust Account Financing

T.Shs. 30,000

T.Shs. 30,000

10. SPECIAL PROVISIONS (Use Additional Continuation Sheets, if Necessary)

This Project Agreement provides FY 1978 funds for personnel services, participant training, commodities and other costs for the Agricultural Research Project. No equipment, machinery or supplies furnished under this ProAg may be removed from the project or transferred for use, either permanent or temporary, outside the project without written agreement of the Mission Director.

11. DATE OF ORIGINAL AGREEMENT
December 29, 1977

12. DATE OF THIS REVISION

13. ESTIMATED FINAL CONTRIBUTION DATE
September 30, 1980

14. FOR THE COOPERATING GOVERNMENT OR AGENCY
F ISSA

SIGNATURE: F Issa
DATE: 28/12/77
TITLE: Principal Secretary, Treasury

15. FOR THE AGENCY FOR INTERNATIONAL DEVELOPMENT
R L PODOL

SIGNATURE: Richard L. Podol
DATE: 29/12/77
TITLE: Acting Director, USAID/Tanzania

¹ Not printed herein. For text, see TIAS 8590; 28 UST 3635.

² TIAS 6448; 19 UST 4614.

AID FinancingDetails of U.S. Contribution by Cost Component and Method of Implementation

| Cost Component Method of Implementation | Previous Total | Increase | Decrease | Total to Date |
|---|-------------------|------------------|----------|------------------|
| Total | _____ | 1,415,000 | _____ | 1,415,000 |
| Personnel Services | | | | |
| PASA Contract | _____ | 360,000 | _____ | 360,000 |
| Participants | | | | |
| Direct AID PASA Contract | _____ | 10,000 | _____ | 10,000 |
| Commodities | | | | |
| Direct AID PASA Contract | _____ | 350,000 | _____ | 350,000 |
| Other Costs | | | | |
| Direct AID PASA Contract | _____ | 218,000 | _____ | 218,000 |
| | _____ | 147,000 | _____ | 147,000 |

ANNEX A

I. Summary

The Agricultural Research Project is directed toward developing an effective agricultural research system in Tanzania with emphasis on food crops grown by small farmers. A Project Paper (PP) revision was approved by AID/Washington on December 15, 1977. The PP revision provides for an expansion of the project activities to include sorghum/millet research along with the maize and food legume research already underway. The PP revision increases the number of contract positions from five to eight and increases the life-of-project funding for participant training, commodities and other costs. The three new long-term project positions are for a Sorghum/Millet Breeder, a Sorghum/Millet Agronomist and a Production Economist. The scopes of work of the three new long-term technicians are as follows:

TIAS 9132

A. Plant Breeder (Sorghum and Millet)

1. Assist in developing a national sorghum and millet research program.
2. Actively participate in conducting applied sorghum and millet research toward meeting the following goals:
 - a. Sorghum—development of high-yielding sorghum types of short to medium term, of short to medium height, and resistance to shootfly, stemborer, striga and the usual spectrum of leaf disease. Thoroughly study and determine the advantages and disadvantages of hybrids for Tanzania and the development of desirable and acceptable grain types—preferably white carneous grain with high lysine content.
 - b. Millet—The development of high yielding dwarf types, short to medium duration and with resistance to ergot, downy mildew and smut. Give attention to assure varieties meet local preferences and standards.
3. Develop a cadre of Tanzanians that will meet Tanzanian requirements for sorghum and millet research by giving on-the-job training to research personnel and assist in selecting candidates for United States and third country training.
4. Assist in producing breeder seed of the most promising varieties and supplying the seed to the Seed Multiplication Project for increased multiplication.
5. Be responsible to the Senior Research Officer of the Ministry of Agriculture, Crop Development Division and to the Project Coordinator (Team Leader).

B. Agronomist (Sorghum and Millet)

1. Assist in developing a national sorghum and millet coordinating research program.
2. Actively participate and give guidance and assistance in conducting agronomic research trials at research stations, research sub-stations and village trials on farmers' fields. Response will be determined to seed bed preparation, date of planting, fertilization, mechanical and chemical weed control, land fallow, inter-cropping systems and harvesting techniques.
3. Develop and disseminate the most appropriate production packages for sorghum and millet based on the results of research trials.
4. Be responsible to the Senior Research Officer of the Ministry of Agriculture, Crop Development Division and to the Project Coordinator (Team Leader).

C. Production Economist

1. Evaluate improved cultural practices developed by research in the commodities under study. This includes maize and grain legumes (cowpeas, beans, soybeans and other minor legumes); sorghum and millet. Crop varieties and the cultural practices will be economically examined in terms of advantage to the farmer and the nation.
2. Cooperate with planners and the research team in designing and testing packages of technology (inputs) which will assist in realizing national crop production goals (seed, fertilizer, pesticides, herbicides, tools, energy, credit, etc.).
3. Study national and regional infra-structure (roads, transport vehicles, storage, marketing systems, etc.) which would be necessary to appropriately handle national production goals once they are met.
4. Study pricing policy and price variation to evaluate response of farmers and farm production. Suggest necessary adjustments to stimulate production.
5. Establish the existing baseline for production, cultural practices, and inputs. Program periodical evaluations to determine the impact and spread of the new technology and recommendations.

II. U.S. Government Contribution**A. Summary**

Subject to the annual availability of funds and mutually satisfactory progress toward project objectives, this project is scheduled to continue through FY 1982. During the period of this project, USAID will provide the services of technicians, commodities, participant training and other costs. This Agreement provides FY 1978 funding for the project. Subject to the conditions specified above, subsequent funding will be added by future Project Agreements.

B. U.S. FY 1978 Contribution—\$1,415,000**1. Personnel Services (Contract) \$360,000**

These funds provide for the services of an eight-man research team (\$323,000), 4 person months of short-term consultants (\$28,000) and local secretarial/clerical staff (\$9,000).

| | |
|--|------------------|
| 2. Participant Training | \$307,000 |
| The funds are required to fund the following: | |
| a. 120 person-months of new long-term training (Contract) | \$136,000 |
| b. 72 person-months of continuing long-term training (Contract) | \$76,600 |
| c. 85 person-months of third country short-term training (Contract) | \$84,400 |
| d. AID/W costs for contract participants (Direct AID) | \$10,000 |
| 3. Commodities | \$383,000 |
| a. 4 project vehicles plus spare parts (Direct AID) | \$50,000 |
| b. Farm equipment, spare parts, office equipment, etc. (Contract) | \$33,000 |
| c. Equipment for Ilonga and substation development (Direct AID) | \$300,000 |
| 4. Other Costs | \$365,000 |
| a. <u>Direct AID</u> | |
| 1. Vehicle operations/maintenance | \$14,000 |
| 2. House Construction—3 houses | \$105,000 |
| 3. Household appliances, supplemental furnishings and repairs | \$41,000 |
| 4. Invitational/emergency travel and miscellaneous other small costs | \$10,000 |
| 5. Inflation/contingencies | \$48,000 |
| b. <u>Contract</u> | |
| 1. Vehicle operations/maintenance | \$22,000 |
| 2. Contract overhead | \$65,000 |
| 3. In-country travel, office and training supplies and miscellaneous other small costs | \$60,000 |

III. Trust Account Funds

The Trust Account Funds will be increased by T.Shs. 30,000 in FY 1978 for local purchase of parts/equipment and supplies/materials for the project.

IV. Government of Tanzania Contribution

A. Summary

Subject to the annual availability of funds and mutually satisfactory progress toward project objectives, this project is scheduled to continue for approximately five years more.

During this period, the Government of Tanzania will provide funds and personnel for this project on a timely basis, as partially outlined in the Second Five-Year Development Plan and successor Plans.

B. Specific Contribution under the FY 1978 Agreement

1. For support of U.S. Project Personnel:

The United Republic of Tanzania will provide:

- a. Housing and hard furnishings for each USAID-funded technician in accordance with the terms and standards established by the Government of Tanzania for normal Tanzanian Government employees of equal rank.
- b. A cash contribution of T.Shs. 21,600 per person-year of services for each U.S. project technician funded hereunder to be paid by the Government of the United Republic of Tanzania into a Trust Account in Tanzania in the name of the United States Agency for International Development. Payment of the estimated amount of the contribution will be made by the Government of the United Republic of Tanzania upon notification by the USAID in accordance with the Trust Account Agreement of April 2, 1969 between the United States Agency for International Development and the Government of the United Republic of Tanzania.
- c. Local transport, office facilities, secretarial services, etc., as normally provided for Tanzanian Government employees of a comparable rank.

2. For Support of Training Opportunities Provided by the U.S.:

The Government of Tanzania agrees to nominate qualified and suitable candidates; provide in-country transportation; partial salary while in training, and a clothing allowance in keeping with normal Government procedures for USAID-financed trainees.

3. For Support of Project Operation and Capital Expenditures:

- a. Provide the local currency costs of capital and recurrent costs connected with maintaining and adequately operating the research activities at Ilonga, other research stations and substations and village trials as outlined in annual workplans of the project.
- b. Supply adequate personnel in co-positions (counterparts) with the U.S. technicians to insure effective continuation of the research efforts.

V. General Provisions

- A. The USAID-financed technicians under this project will not be subject to transfer or reassignment outside this project. They will act in an advisory and technical capacity, and will be supervised by the USAID Project Manager and the Principal Secretary, Ministry of Agriculture or his designee.
- B. The vehicles provided by USAID under this Agreement will be for official project use only and shall be under the administrative control of the USAID-financed technicians during the life of the project. The title to the vehicles will reside with the Government of Tanzania.
- C. The personnel and equipment provided under this project will be utilized exclusively for purposes outlined in this Agreement.
- D. Privileges and Immunities. The personnel provided by USAID under this agreement fall within the category of personnel described in Section 5(d) of the Agreement for Technical Cooperation of February 8, 1968, between the United Republic of Tanzania and the United States of America. The basic privileges and immunities provided are as follows:
 - 1. Duty free import privileges of goods for personal use within four months after first arrival in Tanzania, and of one motor vehicle per Custom Tariff (Remission of Custom Duties) (Technical Assistance Projects and Personnel) Order, 1970.
 - 2. Exemption from the registration tax imposed by the Motor Vehicles Tax, Registration and Transfer Act, 1972 (Exemption Order Government Notice No. 173 of 6 September, 1973, paragraph E of 1st Schedule).
 - 3. Currency exchange facilities afforded to officials of comparable rank in the Tanzanian Government.
 - 4. Exemption from taxation or mandatory contribution on the U.S. salary and emoluments.
 - 5. Immunity from Tanzania's national service obligation for employees and their dependents.
 - 6. Immunity from immigration restrictions and alien registration.
- E. The USAID-financed personnel provided under this project will be protected against criminal prosecution and/or civil action arising from his official position as hereinafter provided.
 - 1. When a criminal prosecution or civil action is instituted against any of the USAID-financed personnel provided under this project as a result of his official position or an act done or omitted in the course of his official duties, he will be at liberty to apply to the Principal Secretary of the Ministry of Agriculture for assistance in his defense.

2. The principal Secretary of the Ministry of Agriculture if satisfied that:
 - a. The act was done or omitted in good faith in the execution of the official duties of the USAID-financed technician concerned and was not in contravention of any departmental regulation or instruction; or
 - b. That the case is malicious and is brought solely on account of the official position which the technician holds; and
 - c. That it is in the public interest that the technician should be defended at Government expense;will immediately report the matter to the Attorney-General and ask that arrangements be made for the technician's defense.
3. In making reports to the Attorney-General under paragraph 2 above, the Principal Secretary of the Ministry of Agriculture will include certificates in writing along the lines indicated in that paragraph.
4. If the Attorney-General is satisfied that it is proper and just to do so, he will, with the consent of the technician concerned, arrange for his defense. The costs of his defense will then be met by the Government of Tanzania.
5. If in a case in which his defense has been arranged under paragraph 2 above, the technician loses the case and is required to pay any sum by way of damage, costs, fine or compensation, such payment will be met from public funds.

VI. Special Provision

The cooperating Government agency agrees to execute an assignment to AID, upon request, of any cause of action which may accrue to the Cooperating Government agency in connection with or arising out of a contractor's performance or breach of performance of any contract financed in whole or in part out of funds provided by the United States Government under this Agreement.

VII. Standard Provisions

Except to the extent modified by the preceding sections of this Agreement or by the February 8, 1968 Agreement for Technical Co-operation between the Governments of Tanzania and the United States of America, the terms and conditions of the Standard Provisions Annex (copy attached) [1] apply hereto.

In addition to the terms and conditions of the Standard Provisions Annex and other terms and conditions specified in preceding sections of this Agreement, the following shall also apply:

It is specifically understood by all parties to this Agreement that project participants returning from training shall be immediately

¹ See footnote 1, p. 5590.

assigned to the project. It is further understood that the purpose of training Tanzanian officers is to provide qualified and trained personnel for this project so that the Government of Tanzania can successfully operate the Agricultural Research activities by the scheduled completion date of the project.

PANAMA
Educational Programs

*Agreement amending the agreement of November 19, 1975;
Signed at Panamá December 21, 1977;
Entered into force December 21, 1977.*

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|---------------------------|--------------------------|
| ENMIENDA | AMENDMENT |
| AL | TO |
| CONVENIO DE PRESTAMO | LOAN AGREEMENT |
| ENTRE LA | BETWEEN THE |
| REPUBLICA DE PANAMA | REPUBLIC OF PANAMA |
| Y LOS | AND THE |
| ESTADOS UNIDOS DE AMERICA | UNITED STATES OF AMERICA |
| PARA EL | FOR THE |
| SECTOR DE EDUCACION | EDUCATION SECTOR |

AGENCY FOR INTERNATIONAL DEVELOPMENT

AGENCIA PARA EL DESARROLLO INTERNACIONAL

PRESTAMO 525-V-043 LOAN 525-V-043

21 DE DICIEMBRE DE 1977 DECEMBER 21, 1977

ENMIENDA
AL
CONVENIO DE PRESTAMO

ACUERDO de fecha 21 de diciembre de 1977, entre la República de Panamá ("Prestatario") y los Estados Unidos de América, a través de la Agencia para el Desarrollo Internacional, ("Prestamista"), mediante el cual enmiendan el Convenio de Préstamo ("Convenio de Préstamo") fechado el 19 de noviembre de 1975, entre el Prestatario y el Prestamista como sigue:

1. En la Sección 1.01, eliminar la cantidad, "Once Millones de Dólares de los Estados Unidos (\$11,000,000)" y substituirla por esta, "Trece Millones Quinientos Mil Dólares de los Estados Unidos (\$13,500,000)".
2. En la Sección 2.01, después de la palabra "Intereses" insertar "(a) Con respecto a los primeros Once Millones de Dólares de los Estados Unidos (\$11,000,000)".
3. En la Sección 2.01, agregar un párrafo nuevo como sigue:

"(b) Con respecto a los Dos Millones Quinientos Mil Dólares de los Estados Unidos (\$2,500,000) restantes, el Prestatario acepta pagar al Prestamista los intereses devengados a razón de dos por ciento (2%) anual durante los seis años siguientes a la fecha del primer desembolso efectuado en virtud de la presente Enmienda y a razón de tres por ciento (3%) anual de allí en adelante sobre el saldo pendiente del Capital y sobre cualquier interés vencido y no pagado. El interés sobre el saldo pendiente

AMENDMENT
TO
LOAN AGREEMENT

AGREEMENT dated 21st day of December 1977, between the Republic of Panama ("Borrower") and the United States of America, acting through the Agency for International Development, ("Lender"), amending the Loan Agreement ("Loan Agreement") dated November 19, 1975,^[1] between the Borrower and the Lender as follows:

1. In Section 1.01, delete the sum, "Eleven Million United States Dollars (\$11,000,000)" and substitute therefor, "Thirteen Million Five Hundred Thousand United States Dollars (\$13,500,000)".
 2. In Section 2.01, after the word "Interest" insert "(a) With respect to the first Eleven Million United States Dollars, (\$11,000,000)".
 3. In Section 2.01, add new paragraph as follows:
- "(b) With respect to the remaining Two Million Five Hundred Thousand United States Dollars (\$2,500,000), the Borrower shall pay to Lender interest which shall accrue at the rate of two percent (2%) per annum for seven years following the date of its first disbursement hereunder and at the rate of three percent (3%) per annum thereafter on the outstanding balance of Principal and on any due and unpaid interest. Interest on the outstanding balance shall accrue from the date of each respective disbursement (as such date is defined in Section 6.04), and

¹ TIAS 8647; 28 UST 5471. [Footnote added by the Department of State.]

comenzará a devengarse a partir de la fecha de cada desembolso respectivo (según se define dicha fecha en la Sección 6.04), y se calculará sobre la base de un año de 365 días. El interés será pagadero trimestralmente. El primer pago de interés vencerá y será pagadero a más tardar seis (6) meses después de efectuado el primer desembolso correspondiente a la Sección 2.01(b), en fecha que fijará el Prestamista."

4. En la Sección 2.02, después de la palabra "Pago" insertar "(a) Con respecto a los primeros Once Millones de Dólares de los Estados Unidos, (\$11,000,000)".

5. En la Sección 2.02 agregar un párrafo nuevo como sigue:

"(b) Con respecto a los Dos Millones Quinientos Mil Dólares de los Estados Unidos (\$2,500,000) restantes, el Prestatario conviene en pagar al Prestamista el Capital dentro de los veinte (20) años contados a partir de la fecha del primer desembolso efectuado en virtud de la presente Enmienda, en veintisiete (27) cuotas semestrales aproximadamente iguales del Capital e interés, siendo el primer pago de Capital pagadero seis y medio (6-1/2) años después de la fecha de vencimiento del primer pago de interés correspondiente a esta porción del Préstamo de conformidad con la Sección 2.01(b). El Prestamista deberá entregar al Prestatario una tabla de amortización de acuerdo con esta Sección 2.02(b) después del Último desembolso del Préstamo".

shall be computed on the basis of a 365-day year. Interest shall be payable semiannually. The first payment of interest shall be due and payable no later than six (6) months after the first disbursement under this Section 2.01(b), on a date to be specified by Lender".

4. In Section 2.02, after the word "Repayment" insert "(a) With respect to the first Eleven Million United States Dollars, (\$11,000,000).

5. In section 2.02 add new paragraph as follows:

"(b) With respect to the remaining Two Million Five Hundred Thousand United States Dollars (\$2,500,000) the Borrower shall repay the Lender the Principal within twenty (20) years from the date of its first disbursement hereunder in twenty-seven (27) approximately equal semiannual installments of Principal and interest. The first installment of Principal shall be payable six and one-half (6 1/2) years from the date the first interest payment is due on this portion of the Loan in accordance with Section 2.01(b). Lender shall provide Borrower with an amortization schedule in accordance with this Section 2.02(b) after the final disbursement of the Loan".

6. En la Sección 6.05 eliminar en las dos citas "15 de septiembre de 1978" y reemplazarlas por "15 de septiembre de 1980". Eliminar también "15 de marzo de 1979" y reemplazarla por "15 de marzo de 1981".

7. La fecha de vigencia de esta Enmienda es la de su ejecución.

8. Exceptuando los aquí enmendado, todos los otros términos y condiciones del Convenio quedarán en pleno vigor y vigencia.

6. In Section 6.05, delete "September 15, 1978" in both places and replace with "September 15, 1980". Also delete "March 15, 1979" and replace with "March 15, 1981".

7. The effective date of this Amendment is the date of execution.

8. Except as herein amended all other terms and conditions of the Agreement remain in full force and effect.

EN TESTIMONIO DE LO ANTERIOR, la República de Panamá y los Estados Unidos de América, a través de sus respectivos representantes debidamente autorizados, han hecho firmar y entregar este Acuerdo Enmendatorio en sus nombres en el día y fecha indicados en el primer párrafo del mismo.

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

LA REPUBLICA DE PANAMA

Luis M. Adames
Lic. Luis M. Adames
Ministro de Hacienda y Tesoro, a.i.

Aristides Royo
Dr. Aristides Royo
Ministro de Educación

THE UNITED STATES OF AMERICA

Paul Sáenz
Paul Sáenz
Acting Director
USAID Mission to Panama

ANEXO IEL PROYECTO1. El Propósito:

El Proyecto que será conjuntamente financiado por el Prestatario y el Prestamista tiene los siguientes propósitos:

1.1 Proveer experiencias de aprendizaje significativas y que sean útiles a los panameños, primordialmente en las áreas rurales en los grados 1-9.

1.2 Incrementar la capacidad de los servicios de formación, capacitación y perfeccionamiento de educadores del sistema general de educación.

1.3 Capacitar mano de obra de nivel medio en los campos de la industria y la técnica aplicada.

1.4 Incrementar la capacidad nacional en la investigación científica.

Este Proyecto es parte del esfuerzo que hace el Gobierno de Panamá para expansión, transformación y recorientación de los programas de educación en todos sus niveles. Está diseñado para contribuir a corregir el desequilibrio que existe en el acceso a la educación entre el grupo rural y el urbano y para hacer posible una educación general, científica y técnica más práctica y vocacionalmente orientada que responda al desarrollo social y económico de Panamá.

2. Descripción:

Dentro de la estructura general del Proyecto, los cuatro sub-proyectos siguientes serán llevados a cabo:

ANNEX ITHE PROJECT1. Purpose:

The Project to be jointly financed by Borrower and Lender has the following purposes:

1.1 To provide meaningful learning experiences which will be useful to Panamanians, primarily in rural areas in grades 1-9.

1.2 To augment the capacity of the educator training services - preparation, training and upgrading - of the general system of education.

1.3 To train middle-level manpower in applied industrial and technical fields.

1.4 To augment the national capacity in scientific research.

The Project is part of the effort the Government of Panama (GOP) is making for the expansion, transformation and reorientation of educational programs at all levels. It is designed to contribute to correcting the imbalance that exists in access to education between rural and urban groups and to make possible a more practical and vocationally oriented general, scientific and technical education which responds to the social and economic development needs of Panama.

2. Description:

Within the framework of the overall Project, the following four sub-projects will be carried out:

2.1 El Subproyecto 1 consistirá en la transformación y desarrollo del Subsistema de Educación Básica General como sigue:

2.1.1 Se proveerá a la Dirección General de Curriculum y Tecnología Educativa del Ministerio de Educación cooperación técnica, capacitación y apoyo administrativo y logístico para realizar talleres pedagógicos y otras actividades necesarias para el desarrollo del nuevo currículum (planes, programas, libros de textos y otras ayudas educativas) para el Nivel de Educación Básica General, grados 1-9.

Se proveerá a la Dirección General de Curriculum y Tecnología Educativa, cooperación técnica, capacitación, libros, equipos y materiales para la elaboración de materiales didácticos, libros de texto, ayudas audio-visuales y medios innovadores para el mejoramiento de la enseñanza dentro del sub-sistema Educación Básica.

2.1.2 Se proveerá al Centro de Impresión Educativa del Ministerio de Educación equipo, materiales, papel, cooperación técnica y capacitación para mejorar y acelerar la producción y distribución de materiales didácticos, incluyendo libros, libros de textos, guías para maestros y manuales necesarios para la enseñanza del Subsistema de la Educación Básica General.

Se proporcionarán recursos para apoyar la capacidad de producción del Centro de Impresión Educativa. Se hará uso de medios de impresión privados como apoyo a las tareas de producción de textos que debe realizar el Centro de Impresión Educativa.

2.1 Sub-project 1 will be the transformation and development of the General Basic Education Subsystem by:

2.1.1 Providing the General Directorate of Curriculum and Educational Technology of the Ministry of Education (MOE) technical co-operation, training, administrative and logistical support to carry out educational workshops and other activities necessary for the development of the new curriculum (including plans, programs, textbooks and other educational aids) for the General Basic Education level, grades 1-9.

Providing the General Directorate of Curriculum and Education Technology with technical co-operation, training, books, equipment and materials to produce educational instructional materials, textbooks audiovisual aids and innovative approaches to improve teaching in the Basic General Education System.

2.1.2 Furnishing the MOE Educational Printing Center with equipment, materials, paper, technical cooperation and training to improve and accelerate production and distribution of educational materials, including books, textbooks, teachers guides and manuals necessary for the teaching of the General Basic Education Subsystem.

Providing resources to supplement the Educational Printing Center's output of textbook materials through private and other printing facilities when necessary.

2.1.3 Se proveerá a la Dirección General de Curriculum y Tecnología Educativa cooperación técnica, capacitación, libros, materiales y equipo básico de biblioteca para establecer una Biblioteca Especializada de Curriculum.

2.1.4 Se construirán o convertirán mediante remodelación, reconstruyendo y/o adicionando por lo menos 30 escuelas de Ciclo Básico (grados 7-9). Esto consistirá en cambios y/o adiciones de facilidades físicas en la ubicación de cada escuela, de acuerdo con los propósitos y planes del Proyecto.

Se instrumentará adecuadamente a las escuelas construidas o transformadas con mobiliario, equipo y materiales básicos para bibliotecas, aulas, cafeterías, dormitorios, facilidades para economía doméstica, laboratorios, talleres de agricultura y de tecnología industrial, así como transporte y cualesquiera otros materiales o equipo que favorezca el adecuado funcionamiento de las escuelas. Las escuelas estarán predominantemente en áreas rurales, pero queda acordado que hasta una sexta parte de la suma destinada a construcción o conversión del Programa de Educación Básica General podrá dedicarse a inversión en las escuelas ubicadas en áreas no rurales.

El Gobierno de Panamá o las comunidades locales al momento de la ejecución de cada uno de los proyectos, proveerán áreas para instalaciones educativas debidamente legalizadas y en las áreas rurales proveerán tierras cultivables que proporcionen la experiencia práctica de aprendizaje y con un objetivo de la producción. En cuanto a las escuelas no rurales patrocinadas por este Proyecto, estas contarán

2.1.3 Providing the General Directorate of Curriculum and Educational Technology with technical cooperation, training, books, materials and basic library equipment to establish a Specialized Curriculum Library.

2.1.4 Constructing or converting through remodeling, rebuilding and/or additions to, at least thirty basic cycle schools, (grades 7-9). This will consist of changes in or additions to physical facilities at each school site as consistent with Project purposes and plans.

The schools constructed or transformed will be adequately equipped with basic furniture, equipment and materials for libraries, classrooms, cafeterias, dormitories, home economics facilities, laboratories and agricultural and industrial technology shops, as well as vehicles, and whatever other materials and equipment might facilitate the adequate functioning of the schools. The schools will be predominantly in rural areas, but it is agreed that up to one-sixth of the funds allocated for construction or conversion in the General Basic Education Program may be used for investment in schools in non-rural areas.

The GOP or local communities, at the time of initiating each project, will provide duly legalized building sites for school facilities, and in rural areas will provide cultivable land which will furnish practical learning experience with the objective of production. Regarding the non-rural schools receiving Project support, these will be provided with the means of access to facilities necessary

con los medios de acceso a las facilidades necesarias para que sus alumnos puedan obtener experiencias prácticas de aprendizaje mediante la aplicación de sus conocimientos en el verdadero ambiente de trabajo.

2.2 El Subproyecto 2 consistirá en la transformación del sistema tradicional de formación de educadores en las escuelas normales en un programa de formación, capacitación y perfeccionamiento a través de un Centro de Formación y Desarrollo Educativo como sigue:

2.2.1 Se proveerá a la Dirección General para la Formación y Perfeccionamiento de Educadores del Ministerio de Educación de los recursos para talleres, seminarios, cooperación técnica, capacitación y equipo y materiales indispensables para instrumentar el programa de formación, capacitación y perfeccionamiento de educadores en un Centro de Formación y Desarrollo Educativo en Santiago de Veraguas. Bajo este Subproyecto se ofrecerá ayuda administrativa, logística y de capacitación para establecer equipos interdisciplinarios que realicen seminarios/talleres para los educadores durante todo el año. El Centro contará con: (1) personal profesional para la formación y perfeccionamiento de los educadores que incluirá aproximadamente 100 funcionarios administrativos y docentes permanentes y el personal necesario que labore en las asignaciones específicas como instructores para el perfeccionamiento de educadores, durante el período de transformación del sistema (se estima que esto tomará hasta cinco años); (2) un programa de capacitación con los recursos necesarios para formar, capacitar y perfeccionar anualmente un número aproximado de 2,500

for students to obtain practical learning experiences through the application of their skills in the actual working environment.

2.2 Sub-project 2 will be the transformation of the traditional educator training system in the normal schools to a training program through an Educator Training and Educational Development Center by:

2.2.1 Providing to the General Directorate of Educator Training of the MOE resources for workshops, seminars, technical cooperation, training and essential equipment and materials to equip the training program in an Educator Training and Educational Development Center in Santiago, Veraguas Province. Administrative, logistical and training support will be furnished under this Sub-project to establish interdisciplinary teams to conduct workshops and seminars for educators throughout the year. The Center will have: (1) a professional training staff of approximately 100 permanent administrative and teaching personnel and additional personnel as necessary for specific assignments as instructors in educator training during the period of transformation of the educator training system (it is estimated that this will take up to five years); (2) an in-service training program with the resources necessary to train, retrain or upgrade annually approximately 2,500 educators of the General Basic Education Subsystem; (3) various types of training programs for new educators of the agriculture

educadores en servicio del Subsistema de Educación Básica General; (3) programas de capacitación de diversos tipos a nuevos educadores del currículum de agricultura y artes industriales y a todos los educadores que enseñan en el sistema educativo pero que no posean el título para enseñar en el Subsistema de Educación Básica General y (4) sistema de evaluación continua de todas las categorías de educadores, con el fin de determinar la efectividad del Programa de Formación, Capacitación y Perfeccionamiento de Educadores.

Se proveerán los recursos indispensables para diversificar y regionalizar los seminarios y talleres pedagógicos que se ofrecerán a los educadores del sistema general de educación del país.

2.2.2 Se construirán y/o modifícarán las instalaciones de formación de educadores en Santiago de Veraguas y se suministrará el equipo indispensable para la constitución del Centro de Formación y Desarrollo Educativo con capacidad para 4,000 alumnos. En adición a las facilidades existentes, el Centro tendrá lo siguiente: (1) facilidades de internado hasta para 400 alumnos varones; (2) un taller para la producción de materiales educativos; (3) un centro de experimentación e investigación pedagógica; (4) un taller de impresión con equipo; (5) una biblioteca y centro de documentación; (6) un taller de instrumentación agrícola; (7) un taller de producción industrial; (8) un laboratorio para múltiples aplicaciones y equipo indispensable; (9) aulas modificadas; (10) mobiliario, equipo y materiales para biblioteca, laboratorios, talleres, aulas, cafetería, lavandería y dormitorio; y (11) vehículos de transporte.

and industrial arts curriculum and for all educators who are teaching in the educational system but who are not certified to teach in the General Basic Education Subsystem, and (4) a system of continuous evaluation of all categories of educators, to determine the effectiveness of the Educator Training Program.

Providing essential resources to diversify and regionalize the educational seminars and workshops which will be offered for educators of the general education system of the country.

2.2.2 Constructing and remodeling of the educator training installations in Santiago, Veraguas Province, and furnishing essential equipment for the establishment of the Educator Training and Educational Development Center with a capacity of 4,000 students. In addition to existing facilities, the Center will have: (1) dormitory facilities for 400 male students; (2) a shop for production of educational materials; (3) an educational experimentation and research center; (4) a print shop and printing equipment; (5) a library and documentation center; (6) one workshop with agricultural equipment; (7) one industrial production workshop; (8) one multi-purpose laboratory with essential equipment; (9) modified classrooms; (10) library, laboratory, shop, classroom, cafeteria, laundry and dormitory furniture, materials and equipment; and (11) vehicle for transportation.

2.2.3 Se construirán instalaciones para talleres, y se suministrará el equipo indispensable hasta para dos pequeños talleres industriales o generales y otras facilidades y equipos necesario para la creación de un centro de capacitación en la región metropolitana (Panamá o Colón).

2.3 El Subproyecto 3 consistirá en el desarrollo de un Sistema Nacional Politécnico que contribuya a satisfacer de modo flexible, las cambiantes necesidades de mano de obra técnica del país en los campos de la industria y la técnica aplicada, como sigue:

2.3.1 Se proveerá al personal politécnico cooperación técnica y capacitación que incluya talleres y seminarios en tales campos como apreciación de la mano de obra requerida, análisis de rendimiento en el trabajo y programación, desarrollo de currículum, planificación y evaluación del programa, para la debida ejecución de un programa de Educación Industrial flexible que se pueda adaptar para satisfacer las cambiantes condiciones y necesidades.

2.3.2 Se brindará al personal administrativo y técnico del Politécnico las oportunidades para llevar a cabo visitas de observación, para asistir a seminarios y talleres en institutos tecnológicos u otras agencias e instituciones. Este programa se llevará a cabo tanto en Panamá como en otros países, con el fin de desarrollar un programa técnico-profesional a nivel de técnico medio que satisfaga las necesidades de mano de obra nacional y los requisitos de capacitación para el trabajo.

Se desarrollará un sistema de ayuda a los egresados para su colocación y de seguimiento para obtener información sobre los resultados experimentados.

2.2.3 Constructing workshop facilities and providing essential equipment for up to two small industrial arts or general shops and other installations and equipment for the creation of a second educator training center in the metropolitan region (Panama or Colon).

2.3 Sub-project 3 will be the development of a National Polytechnic System able to help meet in a flexible manner the changing technical manpower needs of the country in the applied technical and industrial fields by:

2.3.1. Providing personnel of the National Polytechnical System technical cooperation and training including workshops and seminars in such fields as manpower needs assessment, curriculum development, analysis of job performance and planning, program planning and evaluation for the adequate implementation of a flexible industrial education program capable of being adapted to meet changing conditions and needs.

2.3.2 Providing Polytechnic administrative and technical personnel opportunities for observation tours, attendance at seminars and workshops at technical institutes and/or other agencies or institutions both in Panama and other countries in order to develop a technical-professional program for middle-level technicians to meet national manpower needs and job training requirements.

Development of a system of help to graduates for their placement and of follow-up to get information concerning the results experienced.

2.3.3 Se construirán y/o podrán modificarse las instalaciones del Centro Sede del Politécnico en la Ciudad de Panamá y de su extensión en otra área del país, con la flexibilidad necesaria para extender y regionalizar su campo de actividad de acuerdo con las cambiantes necesidades sociales, industriales y tecnológicas del país.

2.3.4 Se proveerá el mobiliario indispensable, material educativo, y equipo especializado para aulas, laboratorios y talleres de este Subproyecto.

2.4 El Subproyecto 4 consistirá en el establecimiento de un Centro para el Desarrollo de la Capacidad Nacional en la Investigación, como sigue:

2.4.1 Se establecerá con la Universidad de Panamá un Centro para el Desarrollo de la Capacidad Nacional en la Investigación que tendrá la responsabilidad de llevar a cabo proyectos de investigación aplicada para las agencias del gobierno y del sector privado. Se dará preferencia a aquellos programas que redunden en beneficio del desarrollo del país. El Ministerio de Educación en las actividades de investigación, desarrollo y evaluación con el fin de mejorar la eficiencia y efectividad de sus programas, convendrá con el Centro los mecanismos necesarios para la utilización de los servicios del mismo.

2.4.2 Se proveerá cooperación técnica y capacitación incluyendo seminarios y visitas de observación, con el fin de desarrollar las capacidades del Centro para el diseño de investigaciones, la ejecución de técnicas analíticas, la administración y la dirección, ejecución y evaluación de proyectos.

2.3.3 Constructing and/or modifying the installations of the main location of the Polytechnic in Panama City and of its extension in another area of the country, with the flexibility necessary to extend and regionalize its field of activity in accordance with the changing social, industrial and technological needs of the country.

2.3.4 Providing essential furniture, specialized equipment and educational materials for the classroom laboratories and workshops of this sub-project.

2.4 Sub-project 4 will consist of the establishment of a Center for the Development of the National Capacity in Research by:

2.4.1 Establishing with the University of Panama a Center for the Development of the National Capacity in Research which will have the responsibility for carrying out applied research projects for agencies of the government and the private sector. Preference will be given to those programs which promise to be of benefit to national development. The Ministry of Education, for the purpose of improving the efficiency and effectiveness of its programs, will make arrangements with the Center for the utilization of the services of the Center in research, development and evaluation activities.

2.4.2 Providing technical cooperation and training, including seminars and observation tours, in order to develop the capacity of the Center for the design of research, implementation of analytical techniques, for administration and for the management, implementation and evaluation of research projects.

2.4.3 Se suministrará al Centro los recursos para documentación técnica y científica incluyendo equipo y mobiliario especializado indispensable.

2.4.4 Se proveerá al (CEDECANI) de los fondos para cubrir los costos iniciales de operación de modo que el mismo pueda obtener ingresos por los servicios que preste a los sectores públicos y privados para cubrir los costos de operación.

2.4.5 Se proveerá al Ministerio de Educación, a través de la Dirección Nacional de Planeamiento y Reforma Educativa, de los fondos para las actividades de investigación y evaluación que deseé llevar a cabo y cubrir los costos para desarrollar nuevos proyectos innovadores o experimentales.

2.4.6 Una suma no menor de cincuenta mil balboas de los fondos suministrados al Ministerio de Educación bajo este préstamo se reservará para la evaluación del Proyecto.

3. Administración del Proyecto:

La administración de este Proyecto quedará dentro de la estructura regular de operaciones del Ministerio de Educación, como sigue:

3.1 La Dirección Nacional de Planeamiento y Reforma Educativa tendrá la responsabilidad primordial del planeamiento y programación de los aportes del Préstamo y de la contrapartida del Gobierno de Panamá, y de asegurar la rápida ejecución y evaluación por los departamentos responsables del Ministerio.

3.2 El control fiscal, contabilidad, auditoría y las funciones administrativas estarán bajo la responsabilidad de la Dirección

2.4.3 Providing the Center with resources for technical and scientific documentation including indispensable specialized furniture and equipment.

2.4.4 Providing the Center with funds to cover initial costs of operation so that it may obtain earnings for services rendered to the public and private sectors to cover operational expenses.

2.4.5 Providing to the Ministry of Education, through the National Directorate of Planning and Educational Reform, funds for research and evaluation activities the MOE wishes to carry out and to underwrite the costs of developing innovative or experimental educational projects.

2.4.6 No less than fifty thousand dollars of the funds provided to the MOE under this loan will be reserved for evaluation of the Project.

3. Project Management:

The administration of the Project will be within the regular operating structure of the Ministry of Education, as follows:

3.1 The National Directorate of Planning and Educational Reform will have primary responsibility for planning and programming the Loan inputs and the counterpart of the Government of Panama, and for ensuring prompt implementation and evaluation by responsible departments within the Ministry of Education.

3.2 Fiscal control, accounting, audit and administrative functions will be the responsibility of the National Directorate of Administration

Nacional de Administración y Finanzas del Ministerio de Educación, cuyo Jefe será el Administrador del Proyecto.

3.3 El Ministro de Educación será el responsable de la ejecución total del Proyecto, y designará la Coordinación del mismo integrada a la Dirección Nacional de Administración y Finanzas, cuyas funciones incluirán la coordinación de las actividades del Proyecto con cada una de las oficinas del Ministerio y aquellas otras que estén ligadas a la ejecución del mismo.

3.4 El Ministro de Educación nombrará y presidirá un Comité de Ejecución del Proyecto que incluirá representantes de cada oficina del Ministerio de Educación responsables de programas afines a este Proyecto, así como de otras instituciones del Gobierno de Panamá que estén directamente ligadas a la naturaleza y ejecución del mismo.

Este Comité será responsable de la coordinación de los elementos relativos al Proyecto con el programa propuesto para ser financiado por el Banco Interamericano de Desarrollo (BID) y con otros programas afines, financiados por otros organismos o instituciones.

3.5 Este Proyecto podrá proporcionar cooperación técnica y capacitación del personal a cargo del Proyecto en administración, planificación y evaluación de Proyectos y Programas. Se han asignado fondos para estos fines en el Plan Financiero renglón I.4.C.

and Finance of the MOE, the Chief Officer of which shall be the Administrator of the Project.

3.3 The Minister of Education shall be responsible for the overall Project implementation and will designate the Coordination of the Project as an integral part of the National Directorate of Administration and Finance, the functions of which will include the coordination of Project activities with each of the offices of the MOE and those other which may be connected with the implementation of the Project.

3.4 The Minister of Education will appoint and preside over a Project Implementation Committee, which will include representatives of each office of the Ministry of Education responsible for programs related to this Project as well as representatives of other institutions of the Government of Panama which may be directly related to its nature and implementation.

This Committee will be responsible for the coordination of the elements related to the Project with the proposed program to be financed by the Inter-American Development Bank (IDB) and with other related programs financed by other agencies or institutions.

3.5 The Project may provide technical cooperation and training of personnel responsible for the Project in management, planning and evaluation of projects and programs. Funds for these purposes are provided in the Financial Plan in line item I.4.C.

4. Plan Financiero:

La transferencia de fondos del Préstamo de la A.I.D. entre los cuatro componentes principales no se puede autorizar a menos que sea acordada mutuamente mediante Carta de Ejecución.

La transferencia de fondos del Préstamo de la A.I.D. entre las actividades de cada uno de los componentes principales se podría efectuar incorporando los cambios en los planes trimestrales. Las alteraciones en el presupuesto de la contrapartida del Gobierno de Panamá también deben reflejarse en los planes trimestrales.

Se puede permitir una variación de 10% entre las principales actividades del Proyecto en cada componente como se estipula en el presupuesto ilustrativo a continuación.

4. Financial Plan:

The transfer of A.I.D. loan funds among the four major components is not authorized unless mutually agreed upon through a Letter of Implementation.

Transfer of A.I.D. loan funds among activities within each major component may be made by incorporating the changes in the quarterly plans. Changes in the GOP counterpart budget should also be reflected in the quarterly plans.

A variation of 10% is permitted among the principal activities of the Project in each component as specified in the following illustrative budget.

El costo del Proyecto será finanziado como sigue:

The cost of the Project will be financed as follows:

COMPONENTE I - Educación Básica General (grados 1-9)
 COMPONENT I - General Basic Education (grades 1-9)

| | Prestamista Lender | Prestatario Borrower | Total Total |
|---|--|-------------------------|----------------|
| | (en miles de \$/B.s) (in thousands of \$/B.s) | | |
| 1. ACTIVIDAD 1. CURRICULUM <u>ACTIVITY 1. CURRICULUM</u> | <u>1,351</u> | <u>485</u> | <u>1,836</u> |
| B.3 MATERIALES Y EQUIPO MATERIALS AND EQUIPMENT | 585 | - | 585 |
| C. COOPERACION TECNICA Y CAPACITACION TECHNICAL COOPERATION AND TRAINING | 766 | 485 | 1,251 |
| 2. ACTIVIDAD 2. CENTRO DE IMPRESION <u>ACTIVITY 2. PRINTING CENTER</u> | <u>978</u> | <u>1,335</u> | <u>2,313</u> |
| B.3 MATERIALES Y EQUIPO MATERIALS AND EQUIPMENT | 760 | 1,325 | 2,085 |
| C. COOPERACION TECNICA Y CAPACITACION TECHNICAL COOPERATION AND TRAINING | 218 | 10 | 228 |
| 3. ACTIVIDAD 3. BIBLIOTECA DE CURRICULUM <u>ACTIVITY 3. CURRICULUM LIBRARY</u> | <u>45</u> | <u>10</u> | <u>55</u> |
| B.3 MATERIALES Y EQUIPO MATERIALS AND EQUIPMENT | 35 | - | 35 |
| C. COOPERACION TECNICA Y CAPACITACION TECHNICAL COOPERATION AND TRAINING | 10 | 10 | 20 |
| TOTAL ACTIVIDADES 1, 2 y 3 TOTAL ACTIVITIES 1, 2 and 3 | 2,374 | 1,830 | 4,204 |

| | Prestamista Lender | Prestatario Borrower | Total Total |
|--|-----------------------|-------------------------|----------------------|
| 4. ACTIVIDAD 4. INSTALACIONES FISICAS ACTIVITY 4. PHYSICAL FACILITIES | <u>6,311</u> | <u>5,170</u> | <u>11,481</u> |
| A. TERRENO LAND | - | 550 | 550 |
| B.1 CONSTRUCCION/MODIFICACIONES CONSTRUCTION/MODIFICATION | 3,400 | 3,500* | 6,900 |
| B.2 SERVICIOS DE ARQUITECTURA E INGENIERIA ARCHITECTURAL AND ENGINEERING SERVICES | 200 | 400 | 600 |
| B.3 EQUIPO, MATERIALES Y MUEBLES EQUIPMENT, MATERIALS AND FURNITURE | 2,505 | 325 | 2,830 |
| B.4 MANTENIMIENTO MAINTENANCE | - | 150 | 150 |
| C. COOPERACION TECNICA TECHNICAL COOPERATION | 206 | 30 | 236 |
| D. APOYO LOGISTICO LOGISTIC SUPPORT | - | <u>215</u> | <u>215</u> |
| TOTAL COMPONENTE I TOTAL COMPONENT I | <u>8,685</u> | <u>7,000</u> | <u>15,685</u> |

* Bs. 1,250 de los Bs. 3,500 constará de las contribuciones de las comunidades locales.

La suma total presupuestada para las actividades 1, 2 y 3 y la cantidad en el presupuesto para la actividad 4 podría ser aumentada hasta en un 10% mediante la transferencia de fondos entre estos renglones.

* \$1,250 of the \$3,500 consists of contributions of local communities.

The total budgeted amount for activities 1, 2 and 3 and the amount in the budget for activity 4 may be increased up to a 10% through the transfer of funds between these line items.

| | | Prestamista Lender | Prestatario Borrower | Total Total |
|-----------------|--|-----------------------|-------------------------|----------------|
| COMPONENTE II - | Centro de Formación y Desarrollo Educativo | | | |
| COMPONENT II - | Teacher Training and Educational Development Center | | | |
| 1. | ACTIVIDAD 1. CAPACITACION <u>ACTIVITY 1. TRAINING</u> | <u>840</u> | <u>460</u> | <u>1,300</u> |
| | B.3 MATERIALES Y EQUIPO MATERIALS AND EQUIPMENT | 100 | 100 | 200 |
| | C. COOPERACION TECNICA Y CAPACITACION TECHNICAL COOPERATION AND TRAINING | 740 | 360 | 1,100 |
| 2. | ACTIVIDAD 2. INSTALACIONES FISICAS <u>ACTIVITY 2. PHYSICAL FACILITIES</u> | <u>1,170</u> | <u>880</u> | <u>2,050</u> |
| | A. TERRENO LAND | - | 120 | 120 |
| | B.1 CONSTRUCCION/MODIFICACIONES CONSTRUCTION/MODIFICATION | 520 | 320 | 840 |
| | B.2 SERVICIOS DE ARQUITECTURA E INGENIERIA ARCHITECTURAL AND ENGINEERING SERVICES | - | 100 | 100 |
| | B.3 EQUIPO, MATERIALES Y MUEBLES EQUIPMENT, MATERIALS AND FURNITURE | 650 | 140 | 790 |
| | D. APOYO LOGISTICO LOGISTICAL SUPPORT | - | <u>200</u> | <u>200</u> |
| | TOTAL COMPONENTE II TOTAL COMPONENT II | 2,010 | 1,340 | 3,350 |

La suma presupuestada para las actividades arriba mencionadas se podría aumentar hasta en un 10% mediante la transferencia de fondos entre estos renglones.

The budgeted amount for the above mentioned activities may be increased up to a 10% through the transfer of funds between these line items.

| | Prestamista Lender | Prestatario Borrower | Total Total |
|--|-----------------------|-------------------------|----------------|
| COMPONENTE III - Politécnico | | | |
| COMPONENT III - Polytechnic | | | |
| 1. ACTIVIDAD 1. CAPACITACION | | | |
| ACTIVITY 1. TRAINING | 570 | 220 | 790 |
| B.3 MATERIALES MATERIALS | 20 | - | 20 |
| C. COOPERACION TECNICA Y CAPACITACION TECHNICAL COOPERATION AND TRAINING | 550 | 220 | 770 |
| 2. ACTIVIDAD 2. INSTALACIONES FISICAS | | | |
| ACTIVITY 1. PHYSICAL FACILITIES | 1,810 | 1,670 | 3,480 |
| A. TERRENO LAND | - | 440 | 440 |
| B.1 CONSTRUCCION/MODIFICACIONES CONSTRUCTION/MODIFICATION | 1,150 | 730 | 1,880 |
| B.2 SERVICIOS DE ARQUITECTURA E INGENIERIA ARCHITECTURAL AND ENGINEERING SERVICES | - | 80 | 80 |
| B.3 EQUIPO, MATERIALES Y MUEBLES EQUIPMENT, MATERIALS AND FURNITURE | 660 | 420 | 1,080 |
| TOTAL COMPONENTE III | | | |
| TOTAL COMPONENT III | 2,380 | 1,890 | 4,270 |

La suma presupuestada para las actividades arriba mencionadas podría aumentar hasta en un 10% mediante la transferencia de fondos entre estos renglones.

The budgeted amount for the above mentioned activities may be increased up to a 10% through the transfer of funds between these line items.

| | Prestamista Lender | Prestatario Borrower | Total Total |
|--|-----------------------|-------------------------|----------------|
| COMPONENTE IV - CEDECANI | | | |
| COMPONENT IV - CEDECANI | | | |
| A. FONDOS DE INVESTIGACION RESEARCH FUNDS | 250 | 80 | 250 |
| B. EQUIPO Y MOBILIARIO EQUIPMENT AND FURNITURE | 25 | 15 | 40 |
| C. COOPERACION TECNICA TECHNICAL COOPERATION | 10 | 75 | 85 |
| D. FONDOS DE OPERACION OPERATING FUNDS | 90 | - | 170 |
| E. FONDOS DE EVALUACION EVALUATION FUNDS | 50 | - | 50 |
| F. APOYO ADMINISTRATIVO Y LOGISTICO ADMINISTRATIVE AND LOGISTICAL SUPPORT | - | 135 | 135 |
| TOTAL COMPONENTE IV | | | |
| TOTAL COMPONENT IV | 425 | 305 | 730 |
| GRAN TOTAL GRAND TOTAL | 13,500 | 10,535 | 24,035 |

La cantidad presupuestada para los renglones B., C, y D. se podría aumentar hasta en un 10% mediante la transferencia de fondos entre estos renglones. Los cambios en los renglones A. y E, sólo se podrían hacer por mutuo acuerdo mediante una Carta de Ejecución.

The amount budgeted for line items B., C. and D. may be increased up to a 10% through the transfer of funds among these line items. Changes in line items A. and E. may also be made by mutual agreement through an Implementation Letter.

Este anexo, cuando este debidamente firmado, reemplazará en su totalidad el Anexo I del Convenio de Préstamo con fecha 19 de noviembre de 1975 entre la República de Panamá y los Estados Unidos de América para el Sector de Educación, Préstamo 525-V-043.

This annex, upon its signature, shall replace in its entirety Annex I of the Loan Agreement dated November 19, 1975 between the Republic of Panama and the United States of America for the Education Sector, Loan 525-V-043.

Aristides Royo
Dr. Aristides Royo
Ministro de Educación

21 de diciembre de 1977

Paul Sáenz
Paul Sáenz
Acting Director
USAID Mission to Panama

December 21, 1977

EGYPT

Rural Health Services

*Agreement amending the agreement of September 30, 1976.
Signed at Cairo December 29, 1977;
Entered into force December 29, 1977.*

AID Project Number 263-0015

**SECOND AMENDMENT TO
GRANT AGREEMENT
BETWEEN THE
UNITED STATES OF AMERICA
AND THE
ARAB REPUBLIC OF EGYPT
STRENGTHENING RURAL HEALTH DELIVERY**

Dated: DECEMBER 29, 1977

Second Amendment, dated December 29, 1977, to the Grant Agreement, dated September 30, 1976,^[1] as amended October 11, 1977, between the Arab Republic of Egypt ("Grantee") and the United States of America, acting through the Agency for International Development ("A.I.D."), for Strengthening Rural Health Services ("Grant Agreement").

SECTION 1. The Grant Agreement is amended as follows:

(a) Section 1.01 of the Grant Agreement is hereby amended by deleting the entire text thereof and substituting the following:

Section 1.01 Grant. Upon the terms and conditions stated herein A.I.D. agrees to grant to the Grantee the sum of Three Million Six Hundred Thousand United States Dollars (\$3,600,000) and Three Hundred Ten Thousand Egyptian Pounds (LE 310,000) (the "Grant") to finance the project as described in Section 2.01 ("Project"). Goods and services authorized to be financed hereunder are hereinafter referred to as "Eligible Items." The Grant may be used to finance U.S. dollar costs and local currency costs of Eligible Items, except that, unless the parties otherwise agree in writing, local currency costs financed under the Grant will not exceed the amount of Egyptian Pounds granted herein.

(b) Section 2.01 of the Grant Agreement is hereby amended by deleting the entire text thereof and substituting the following:

Section 2.01. The Project. The Project consists of assistance to the Ministry of Health to identify and validate the principal factors limiting the productivity and outreach of the rural health service and devise replicable strategies to reduce or eliminate these factors as problems. Through a series of structured tests, this project intends to measure the impact of improved transport and communication on services, the impact of various patterns of rewards and incentives (consistent with the Egyptian system) on job performance, and the impact of better supervision on the services being delivered. United States dollars from the Grant will be used by the Grantee to finance U.S. dollar costs of U.S. technician or technicians resident in Egypt, short-term consultants, training of Egyptian technicians, and required equipment and commodities for an incrementally funded five-year project. Egyptian pounds provided under the Grant will be used by the Grantee to finance the local currency costs of certain technical services, studies, field tests, local training programs, honoraria for key core staff and trials of incentives and reward systems

¹ TIAS 8775; 28 UST 8877.

acceptable under the Egyptian administrative system. Subject to the availability of funds subsequent agreements will be negotiated and adjustments, when necessary and as mutually agreed, will be made based upon evaluations and implementation experience. The Project is more fully described in Annex 1, attached hereto, which Annex may be modified in writing by the parties designated in Section 8.02 hereof.

SECTION 2. This Second Amendment shall enter into force when signed by both parties hereto.

SECTION 3. Except as specifically amended or modified herein, the Grant Agreement, as amended, shall remain in full force and effect in accordance with all of its terms.

IN WITNESS WHEREOF, The Arab Republic of Egypt 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: I G BADRAN

By: DONALD S BROWN

Name: Dr. Ibrahim Gamil
Badran

Name: Donald S. Brown

Title: Minister of Health

Title: Director, USAID

EGYPT

Water Use and Management Project

Agreement amending the agreement of June 30, 1976.

Signed at Cairo December 29, 1977;

Entered into force December 29, 1977.

A.I.D. Project No. 263-0017

**SECOND AMENDMENT
TO
GRANT AGREEMENT
BETWEEN
THE ARAB REPUBLIC OF EGYPT
AND THE
UNITED STATES OF AMERICA
FOR
WATER USE AND MANAGEMENT PROJECT**

Dated: DECEMBER 29, 1977.

Second Amendment, dated December 29, 1977, to the Grant Agreement dated June 30, 1976,^[1] as amended, between the Arab Republic of Egypt ("Grantee") and the United States of America, acting through the Agency for International Development ("A.I.D.") for Water Use and Management ("Grant Agreement").

Section 1—The Grant Agreement is amended as follows:

(a) Section 1.01 is amended to read as follows:

"Section 1.01. 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 three million eight hundred thousand United States Dollars (\$3,800,000) to finance the foreign exchange costs, and eight hundred thirty five thousand Egyptian Pounds (L.E. 835,000) to finance the local currency costs, of goods and services required to carry out the project as described in section 1.01 ("Project"). Goods and services authorized to be financed hereunder are hereinafter referred to as "Eligible Items"."

(b) The budget set forth on page 12 of Annex 1 of the Grant Agreement is hereby deleted and the following budget substituted therefor:

¹ TIAS 8517; 28 UST 1441.

² 75 Stat. 424; 22 U.S.C. § 2151 note. [Footnotes added by the Department of State.]

Budget SummaryU.S. Dollar Budget for the Contract

| | Original Agreement | First Amendment | Second Amendment |
|--|-----------------------|--------------------|---------------------|
| Up to 162 man-months of services of inresidence U.S. specialists----- | 554, 000 | 164, 000 | |
| Up to 129 man-months of short term advisors plus home office and administrative support----- | 275, 000 | 150, 000 | |
| Project vehicles and spare parts----- | 221, 000 | 129, 000 | |
| Irrigation, laboratory, office and farm equipment----- | 380, 000 | 180, 000 | |
| Training----- | 70, 000 | 177, 000 | |
| | \$1, 500, 000 | \$800, 000 | *\$1, 500, 000 |
| | Total: \$3, 800, 000 | | |

* See Attachment 1.

U.S. Owned Local Currency in Egyptian Pounds

| | First Amend't L.E. | Second Amend't L.E. |
|-----------------------------------|--------------------------|---------------------------|
| Salaries—Incountry Nationals----- | 29, 500 | 22, 000 |
| Benefits----- | 7, 375 | 6, 000 |
| Travel and Transport----- | 190, 225 | 114, 000 |
| Housing & Utilities----- | 183, 600 | 93, 000 |
| Other Direct Costs----- | 89, 300 | 55, 000 |
| Inflation & Contingencies----- | | 45, 000 |
| | L.E. 500,000 | Second Amend... 335, 000 |
| | | First Amend... 500, 000 |
| | Total L.E.----- 835, 000 | |

Section 2. This Second Amendment shall enter into force when signed by both parties hereto.

Section 3. Except as specifically amended or modified herein, the Grant Agreement shall remain in full force and effect in accordance with all of its terms.

ARAB REPUBLIC OF EGYPT

UNITED STATES OF AMERICA

By: A. A. ATTA

By: DONALD S BROWN

Name: A. A. Atta

Name: Donald S. Brown

Title: *Minister of Irrigation
and Land Reclamation*

Title: *Director, U.S.A.I.D.*

ATTACHMENT 1

Budget Summary for Second Amendment
U.S. Dollar Budget for the Contract:
Second Amendment

| | |
|---|-------------------|
| Resident and short term specialist services, and associated direct costs----- | \$725, 861 |
| Equipment ----- | 300, 000 |
| Participant training ----- | 135, 000 |
| Indirect costs, contingencies, overhead and allowances----- | 339, 139 |
| Total ----- | \$1, 500, 000 |

TIAS 9135

EGYPT

Helwan-Talka Gas Turbine Project

Agreement amending the agreement of July 31, 1976.

Signed at Cairo September 30, 1977;

Entered into force September 30, 1977.

A.I.D. Loan 263-K-032A

**FIRST AMENDMENT
TO
LOAN AGREEMENT
AMONG
THE UNITED STATES OF AMERICA
THE ARAB REPUBLIC OF EGYPT
AND
THE EGYPTIAN ELECTRIC POWER AUTHORITY
FOR
THE HELWAN-TALKA GAS TURBINE PROJECT**

Date: SEPTEMBER 30, 1977

Loan Agreement Amendment dated September 30, 1977 among the ARAB REPUBLIC OF EGYPT ("Borrower"), the EGYPTIAN ELECTRICITY AUTHORITY ("EEA") and the UNITED STATES OF AMERICA, acting through the AGENCY FOR INTERNATIONAL DEVELOPMENT ("A.I.D.").

SECTION 1. The Loan Agreement dated July 31, 1976 [1] among the Borrower, EEA and A.I.D. for the Helwan-Talka Gas Turbine Project is hereby amended as follows:

a. Section 1.01 is amended by deleting "Fifty Million United States Dollars (\$50,000,000)" and substituting "Sixty Nine Million United States Dollars (\$69,000,000)".

b. Section 3.01 (c) is renumbered Section 3.02 (e), pursuant to Implementation Letter No. 3.

c. Section 3.01 (d) is renumbered Section 3.02 (f) pursuant to Implementation Letter No. 3, and is amended to read as follows: "(f) A Reloan Agreement for the Project pursuant to Section 4.05 between the Borrower and EEA satisfactory to A.I.D."

d. Section 4.05 is amended to read as follows:

"Reloan by Borrower to EEA. In order to assist EEA in carrying out the Project, the Borrower shall lend to EEA the proceeds of the Loan under a reloan agreement ("Reloan Agreement") to be entered into between the Borrower and EEA under terms and conditions satisfactory to A.I.D. Such terms and conditions shall include, but not be limited to, repayment by EEA within twenty-five (25) years, including a five (5) year grace period, and an interest rate of eight and one-half percent (8½%) per annum."

e. Section 6.04 is amended by deleting "September 30, 1978" and "December 30, 1979" and substituting "September 30, 1979" and "December 31, 1980" respectively.

f. All references to "Egyptian Electric Power Authority" and "EEPA" are amended to read "Egyptian Electricity Authority" and "EEA" respectively.

SECTION 2. Condition Precedent to Initial Disbursement Under First Amendment. Prior to any disbursement or to the issuance of any Letter of Commitment or other authorization of disbursement under this First Amendment, the Borrower shall, except as A.I.D. may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D. an opinion of the Minister of Justice or of other counsel acceptable to A.I.D. that this First Amendment has been duly authorized and/or ratified by and executed on behalf of the Borrower and EEA and that it constitutes a valid and legally binding obligation of the Borrower and EEA in accordance with all of its terms.

¹ TIAS 8700; 28 UST 6989.

SECTION 3. Terminal Date for Meeting Condition Precedent to Disbursement. If the condition specified in Section 2 shall not have been met within 90 days from the date of this First Amendment, or such later date as A.I.D. may agree to in writing, A.I.D., at its option, may terminate this First Amendment by giving written notice to the Borrower. Upon the giving of such notice, this First Amendment and all obligations of the parties hereunder shall terminate.

SECTION 4. Notification of Meeting Condition Precedent to Disbursement. A.I.D. shall notify the Borrower upon determination by A.I.D. that the condition precedent to disbursement specified in Section 2 has been met.

SECTION 5. This Loan Agreement Amendment shall enter into force when signed by all parties hereto.

SECTION 6. Except as specifically amended hereby, the Loan Agreement dated July 31, 1976 among the Borrower, EEA and A.I.D. shall remain in full force and effect.

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

ARAB REPUBLIC OF EGYPT

UNITED STATES OF AMERICA

By: MAHMOUD SALAH EL-
DIN HAMID

By: H. FREEMAN MATTHEWS,
JR.

Name: Dr. Mahmoud Salah El-
Din Hamed

Name: H. Freeman Matthews,
Jr.

Title: *Minister of Finance and
Acting Minister of
Economy and Economic
Cooperation*

Title: *Charge d'Affaires a.i.*

EGYPTIAN ELECTRICITY
AUTHORITY

By: KAMAL HAMED

Name: Eng. Mohamed Kamal
Hamed

Title: *Chairman*

EGYPT

Thermal Power Plant Near Ismailia

*Agreement amending the agreement of May 30, 1976.
Signed at Cairo September 30, 1977;
Entered into force September 30, 1977.*

A.I.D. Grant 263-12-220-009

**FIRST AMENDMENT
TO
GRANT AGREEMENT
AMONG
THE UNITED STATES OF AMERICA
THE ARAB REPUBLIC OF EGYPT
AND
THE EGYPTIAN ELECTRICITY AUTHORITY
FOR
THE ISMAILIA STEAM POWER PLANT**

Date: SEPTEMBER 30, 1977

Grant Agreement Amendment dated September 30, 1977 among the Arab Republic of Egypt ("Grantee"), the Egyptian Electricity Authority ("EEA") and the United States of America, acting through the Agency for International Development ("A.I.D.").

SECTION 1. The Grant Agreement dated May 30, 1976 [¹] among the Grantee, EEA and A.I.D. for the Ismailia Steam Power Project is hereby amended as follows:

a. Section 1.01 is amended by deleting "Ninety-Nine Million United States Dollars (\$99,000,000)" and substituting "One Hundred Forty-One Million United States Dollars (\$141,000,000)".

b. Section 3.02 is amended by adding a new subsection (d):

(d) A plan, agreed to in writing by the Suez Canal Authority, which will allow the design and installation of the cooling water intake and discharge into the Great Bitter Lake in such a manner as to insure an adequate supply of cooling water. The plan shall include specific provision for discharge of spoil from the Canal deepening and widening project.

c. Section 6.04 is amended by deleting "December 31, 1980" and "December 31, 1981" in the first sentence and "December 31, 1981" in the second sentence and substituting "December 31, 1981", "December 31, 1982" and "December 31, 1982" respectively.

d. All references to "Egyptian Electric Power Authority" and "EEPA" are amended to read "Egyptian Electricity Authority" and "EEA" respectively.

e. Annex 1 is amended by adding the following sentence at the end: "Appropriate training will be included."

SECTION 2. This Grant Agreement Amendment shall enter into force when signed by all parties hereto.

SECTION 3. Except as specifically amended hereby, the Grant Agreement dated May 30, 1976 among the Grantee, EEA and A.I.D. shall remain in full force and effect.

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

¹ TIAS 8335; 27 UST 2636.

ARAB REPUBLIC OF EGYPT

By: MAHMOUD SALAH EL-DIN HAMID

Name: Dr. Mahmoud Salah El-Din Hamed
Title: *Minister of Finance and Acting Minister of Economy and Economic Cooperation*

UNITED STATES OF AMERICA

By: H. FREEMAN MATTHEWS, JR.

Name: H. Freeman Matthews, Jr.
Title: *Charge d'Affaires a.i.*

EGYPTIAN ELECTRICITY AUTHORITY

By: KAMAL HAMED

Name: Eng. Mohamed Kamal Hamed
Title: *Chairman*

MULTILATERAL
Study of Compensation Systems

*Memorandum of understanding done December 15, 1977;
Entered into force December 15, 1977.
With related agreements.*

MEMORANDUM OF UNDERSTANDING

1. It is agreed that the Governments of the Republic of France, the Federal Republic of Germany, Japan, the United Kingdom, and the United States will sponsor an independent study of compensation principles and structure for the International Monetary Fund (IMF) and the International Bank for Reconstruction and Development (IBRD) in accordance with the attached terms for such study.
2. Phase one of the study shall be completed by January 5, 1978, and shall be implemented under the guidance of a Steering Committee composed of Executive Directors of the IMF and IBRD of the five sponsoring governments.
3. The costs of phase one of such study shall not exceed \$145,000 and shall be shared equally among the five sponsoring governments in a manner to be arranged among them.
4. The signatories agree that upon termination of phase one, a decision shall be made whether to conduct a follow-up study to be termed "phase two" of the study.

| | |
|-------------------|--------------------------------|
| J H WAHL | REPUBLIC OF FRANCE |
| E PIESKE | FEDERAL REPUBLIC OF GERMANY |
| MASANAO MATSUNAGA | JAPAN |
| WILLIAM S. RYRIE | UNITED KINGDOM |
| C FRED BERGSTEN | UNITED STATES OF AMERICA |

**Terms of Reference
for Study of Compensation Principles and Structure
for the IMF and IBRD**

Objective

1. To obtain a fresh, independent, expert and businesslike opinion on how the compensation systems of the International Monetary Fund (IMF) and World Bank (IBRD) should be structured, enabling them to recruit and retain adequate and highly qualified personnel, to fulfill their missions in the most efficient and economical manner.

Assumptions and Methods

The consultants will work under the guidance of a Steering Committee, composed of the Executive Directors at the World Bank and the International Monetary Fund of the five sponsoring governments (France, Germany, Japan, United Kingdom, and the United States).

2. The IMF and IBRD were created in 1945. The principles and structure of their compensation systems now need to be thoroughly reexamined.

3. A new system should be designed to assure that the two institutions are able to recruit and retain personnel on as wide a geographical basis as possible, at the lowest possible cost, subject to the paramount importance of securing the highest standards of efficiency and of technical competence.

4. For purposes of this study it should be assumed that the present compensation systems of other international organizations should not be used as a standard of comparison, since to do so would make the whole process circular.

5. The study should differentiate between the particular professional skills required by the institutions, and the compensation needed to obtain each.

6. A separate analysis should be made to determine the compensation system needed to obtain non-professional staff, on a basis that would differentiate the market for the various skills involved.

7. The consultants should consider how compensation should be divided between salary and fringe benefits.

8. The objective is the development of an optimum compensation system for the IMF/IBRD; none of the existing practices should be taken for granted. Comments would be expected on problems that may arise in moving from the present system to any of the practices recommended, including problems which may arise because of the existing practices followed by other international organizations, while maintaining the effective operations of the two institutions.

9. The consultants would have access to the extensive data already prepared by the IMF/IBRD administrative departments.

10. A summary report and recommendations will be submitted to the Steering Committee on or around December 12, 1977. The consultants will meet with the Steering Committee at that time, and the Committee will then decide whether to require the preparation of a comprehensive written report, to be submitted by January 5, 1978, or to sponsor additional work in the preparation of a comprehensive report, to be submitted by January 31, 1978.

Mr. ECKARD PIESKE
Executive Director
International Monetary Fund

DECEMBER 15, 1977

DECLARATION

Relating to the Memorandum of Understanding Between the Governments of the REPUBLIC OF FRANCE, the FEDERAL REPUBLIC OF GERMANY, JAPAN, the UNITED KINGDOM, and the UNITED STATES on an IMF/IBRD Compensation Study.

I have the honour to declare on behalf of the Government of the Federal Republic of Germany that this Agreement shall also apply to Land Berlin provided that the Government of the Federal Republic of Germany has not made a contrary declaration within three months.

E PIESKE

**Agreement between the Government of the
United Kingdom and the United States Treasury,
for the account of the Exchange Stabilization Fund**

1. The Government of the United Kingdom and the United States Treasury, for the account of the Exchange Stabilization Fund, agree to contract for an independent study of the compensation principles and structure of the International Monetary Fund (IMF) and the International Bank for Reconstruction and Development (IBRD) in accordance with the attached Memorandum of Understanding and Terms of Reference.

2. For this purpose, the Government of the United Kingdom will enter into a contract with a consulting firm, headquartered in the United Kingdom and acceptable to the Steering Committee; and, the United States Treasury Exchange Stabilization Fund will enter into a contract with a consulting firm headquartered in the United States and acceptable to the Steering Committee. The two contracting firms will provide jointly a completed study no later than January 5, 1978, at a cost not to exceed a total amount of \$145,000. Of this amount, no more than \$72,500 shall be paid by the United States Treasury Exchange Stabilization Fund to the firm headquartered in the United States, and no more than \$72,500 shall be paid by the Government of the United Kingdom to the firm headquartered in the United Kingdom.

3. Upon delivery of a report to the Steering Committee in Washington, D.C., and upon the Committee's determination that the study called for in the Terms of Reference has been completed as agreed, payment shall be made by the United States Treasury Exchange Stabilization Fund to the United Kingdom in an agreed amount, not to exceed \$14,500, and payment shall be made by the United Kingdom to the United States Treasury Exchange Stabilization Fund in an amount not to exceed \$14,500. To the extent these amounts due and payable by the United States Treasury Exchange Stabilization Fund and by the Government of the United Kingdom are offsetting one as against the other, no transfer of funds is required.

WILLIAM S. RYRIE GOVERNMENT OF THE
 UNITED KINGDOM

C FRED BERGSTEN UNITED STATES TREASURY

**Agreement of the Government of the Republic of France,
and the Government of the United Kingdom and the United
States Treasury, for the account of
the Exchange Stabilization Fund**

1. For the purposes of obtaining an independent study of the compensation principles and structure for the International Monetary Fund (IMF) and the International Bank for Reconstruction and Development (IBRD) in accordance with the attached Memorandum of Understanding and Terms of Reference, the United States Treasury Exchange Stabilization Fund shall enter into a contract with a consulting firm headquartered in the United States and acceptable to the Steering Committee, and the Government of the United Kingdom shall enter into a contract with a consulting firm headquartered in the United Kingdom and acceptable to the Steering Committee.

2. The total price of such study to the Government of the Republic of France shall not exceed \$29,000, of which one half shall be paid to the United Kingdom and one half shall be paid to the administrative expenses account of the United States Treasury Exchange Stabilization Fund.

3. A report shall be delivered by January 5, 1978, in Washington, D.C., to the Steering Committee which shall determine that the study called for in the Terms of Reference has been completed as agreed.

4. Upon such determination, the Government of the Republic of France will make the payment referred to in paragraph 2 above to the United States Treasury and the Government of the United Kingdom. The amount due the United States Treasury will be paid in U.S. dollars by crediting the administrative expenses account of the U.S. Treasury Exchange Stabilization Fund in an agreed dollar amount, subject to the provisions of paragraph 2 above. The amount due to the Government of the United Kingdom will be paid, in sterling, in the agreed dollar amount expressed in sterling at the middle market exchange rate at the close of business on the day preceding 5 January 1978, to H.M. Paymaster General's account at the Bank of England for the credit of Treasury Votes Cash Account.

J H WAHL REPUBLIC OF FRANCE

WILLIAM S. RYRIE GOVERNMENT OF THE
 UNITED KINGDOM

C FRED BERGSTEN UNITED STATES TREASURY

Arrangement Concerning the Study of Compensation Principles and Structure for the IMF and IBRD

1. For the purposes of obtaining an independent study of the compensation principles and structure for the International Monetary Fund (IMF) and the International Bank for Reconstruction and Development (IBRD) in accordance with the attached Memorandum of Understanding and Terms of Reference, the United States Treasury Exchange Stabilization Fund shall enter into a contract with a consulting firm headquartered in the United States and acceptable to the Steering Committee, and the Government of the United Kingdom shall enter into a contract with a consulting firm headquartered in the United Kingdom and acceptable to the Steering Committee.

2. The total price of such study to the Japanese Authorities (the Ministry of Finance; the Bank of Japan) shall not exceed \$29,000, of which one half shall be paid to the United Kingdom and one half shall be paid to the administrative expenses account of the United States Treasury Exchange Stabilization Fund. These amounts shall be paid in equal proportions by the Ministry of Finance and the Bank of Japan.

3. A report shall be delivered by January 5, 1978, in Washington, D.C., to the Steering Committee which shall determine that the study called for in the Terms of Reference has been completed as agreed.

4. Upon such determination, the Japanese Authorities will make the payment referred to in paragraph 2 above to the United States Treasury and the Government of the United Kingdom. The amount due the United States Treasury will be paid, subject to the provisions of paragraph 2 above, in U.S. dollars, by banker's transfer in an agreed dollar amount to the Department of Treasury, and sent to the attention of OS Budget, Room 640 TE, 15th and Pennsylvania Avenue, N.W., Washington, D.C., 20220. The amount due the Government of the United Kingdom will be paid in U.S. dollars by banker's transfer for the credit of the British Embassy Government Account Number 0107005760, Riggs National Bank, 1503 Pennsylvania Avenue, N.W., Washington, D.C. 20005.

MASANAO MATSUNAGA

MINISTER OF FINANCE OF JAPAN

SHIJIRO OGATA

GOVERNOR, THE BANK OF JAPAN

WILLIAM S. RYRIE

GOVERNMENT OF THE UNITED
KINGDOM

C FRED BERGSTEN

UNITED STATES TREASURY

Agreement of the Minister of Finance of the Federal Republic of Germany and the Government of the United Kingdom and the United States Treasury, for the account of the Exchange Stabilization Fund

1. For the purposes of obtaining an independent study of the compensation principles and structure for the International Monetary Fund (IMF) and the International Bank for Reconstruction and Development (IBRD) in accordance with the attached Memorandum of Understanding and Terms of Reference, the United States Treasury Exchange Stabilization Fund shall enter into a contract with a consulting firm headquartered in the United States and acceptable to the Steering Committee, and the Government of the United Kingdom shall enter into a contract with a consulting firm headquartered in the United Kingdom and acceptable to the Steering Committee.

2. The total price of such study to the authorities of the Federal Republic of Germany shall not exceed \$29,000, of which one half shall be paid to the United Kingdom and one half shall be paid to the administrative expenses account of the United States Treasury Exchange Stabilization Fund. These amounts shall be paid in equal portions by the Minister of Finance of the Federal Republic of Germany and the Deutsche Bundesbank.

3. A report shall be delivered by January 5, 1978, in Washington, D.C., to the Steering Committee which shall determine that the study called for in the Terms of Reference has been completed as agreed.

4. Upon such determination, the authorities of the Federal Republic of Germany will make the payment referred to in paragraph 2 above to the United States Treasury and the Government of the United Kingdom. The amount due the United States Treasury will be paid in U.S. dollars by crediting the administrative expenses account of the U.S. Treasury Exchange Stabilization Fund in an agreed dollar amount, subject to the provisions of paragraph 2 above. The amount due to the Government of the United Kingdom will be paid, in sterling, in the agreed dollar amount expressed in sterling at the middle market exchange rate at the close of business on the day preceding 5 January 1978, to H.M. Paymaster General's account at the Bank of England for the credit of Treasury Votes Cash Account.

E PIESKE MINISTER OF FINANCE OF THE
 FEDERAL REPUBLIC OF
 GERMANY/DEUTSCHE BUNDES BANK

WILLIAM S. RYRIE GOVERNMENT OF THE UNITED
 KINGDOM

C FRED BERGSTEN UNITED STATES TREASURY

POLISH PEOPLE'S REPUBLIC
Research Cooperation in Transportation

*Memorandum of understanding signed at Warsaw
November 3, 1971;
Entered into force November 3, 1971.
And extending agreement
Signed at Warsaw October 16, 1978;
Entered into force October 16, 1978.*

MEMORANDUM OF UNDERSTANDING
between
The Department of Transportation of the United States of America
and
The Ministry of Transportation of the Polish People's Republic
concerning
Research Cooperation in the Field of Transportation

- I.** This Agreement between the Department of Transportation of the United States of America and the Ministry of Transportation of the Polish People's Republic /hereinafter referred to as the Parties/ sets forth the general terms and conditions governing a Program for the achievement of mutually advantageous cooperation in the field of transportation research and development. The aim of this Program will be to promote cooperation between specialists of both Parties in the field of transportation in finding solutions to problems of mutual concern, and to improve transportation systems and techniques, without costly and wasteful duplication of parallel efforts.
- II.** To realize the benefits of research cooperation pursuant to this Agreement, the Parties agree that:
- A.** They will undertake to develop subjects for cooperative research, to be carried out through exchange of information, exchange of experts, as well as through task-sharing and cost-sharing, in such fields of transportation as are identified in Article III below, or in other fields which may be agreed upon in the future.
- B.** Each research cooperation proposal, if mutually acceptable, will be the subject of a separate research agreement, describing the information and experience to be exchanged, and setting forth the details of the method of financing and of any task-sharing involved. Such research agreements will become addenda to this Agreement.

TIAS 9139

- C. Specific activities connected with this Program will be contingent upon the availability of funds.
- D. To support and facilitate this Program, each of the Parties will designate an appropriate representative as Program Coordinator. The Program Coordinators will be authorized by each of the Parties to:
1. Facilitate visits and direct contacts, as well as communication, between specialists of each Party;
 2. Conclude research agreements and monitor and coordinate their implementation;
 3. Facilitate contacts for the other Party in making detailed arrangements for, and coordinating, Program activity even when such activity involves other agencies than the Partier; and
 4. Arrange for regular reviews of the status and achievements of the overall Program and its component research tasks at least once annually.
- E. Any provisions relating to technical documents, patents and other technical data and experience which restrict their use by the receiving Party or restrict their delivery to a third party shall be respected by the Parties.

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

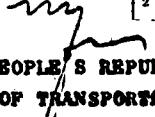
- A. Biomedical and human factors relating to the operation of motor vehicles and railroad operations;
- B. Railroad transport, including construction of railroad track, road bed, car suspension, electrification and operations;
- C. Road transport, including road traffic safety; and
- D. Surface design and materials for road construction; bridge construction and maintenance.

Nov. 3, 1971
Oct. 16, 1978

IV. This Agreement will enter in force upon signature and shall remain in force for five years unless extended for a further period of time by agreement of the Parties.

Done at Warsaw on this 3 rd day of November, 1971, in the English and Polish languages both texts having equal validity.


[¹]
UNITED STATES
SECRETARY OF TRANSPORTATION


[²]
POLISH PEOPLE'S REPUBLIC
MINISTER OF TRANSPORTATION

¹ John A. Volpe.
² T. Bejm.

P O R E Z U M I E N I E
między
Ministerstwem Komunikacji Polskiej Rzeczypospolitej Ludowej
1
Ministerstwem Transportu Stanów Zjednoczonych Ameryki
dotyczące
Współpracy Badawczej w Dziedzinie Transportu

I. Niniejsze Porozumienie pomiędzy Ministerstwem Komunikacji Polskiej Rzeczypospolitej Ludowej i Ministerstwem Transportu Stanów Zjednoczonych Ameryki /zwanych dalej Stronami/ ustanawia ogólne zasady i warunki kierowania Programem, który ma na celu osiągnięcie wzajemnie korzystnej współpracy w dziedzinie badań i prac rozwojowych w zakresie transportu. Celem tego Programu będzie popieranie współpracy między specjalistami obu Stron w dziedzinie transportu, w poszukiwaniu rozwiązań dla problemów wspólnego zainteresowania oraz ulepszaniu systemów i techniki transportu, bez kosztownego i zbędnego dublicowania równoległych wysiłków.

II. Celem uzyskania korzyści ze współpracy badawczej, wynikającej z niniejszego Porozumienia, Strony uzgadniają, że:

A. Podejmą się rozwinięcia tematów współpracy badawczej, która będzie prowadzona poprzez wymianę informacji, wymianę ekspertów, jak również przez podział zadań i podział kosztów w tych dziedzinach transportu, które wymienione są poniżej w Artykule III, lub w innych dziedzinach, które mogą być uzgodnione w przyszłości.

B. Każdy temat współpracy badawczej, jeśli zostanie wzajemnie zaakceptowany, będzie przedmiotem oddzielnej umowy badawczej, określającej jakie informacje i dokumenty mają być wymienione oraz ustalającej szczegóły sposobu finansowania i podziału zadań. Takie umowy

badawcze stanowić będą załączniki do niniejszego Pere-
zumienia.

- C. Konkretnie przedsięwzięcia związane z tym Programem będą
uzależnione od dostępnych funduszy.
- D. Dla popierania iłatwiania realizacji tego Programu każ-
da ze Stron wyznaczy odpowiedniego przedstawiciela jako
Koordynatora Programu. Koordynatorzy Programu będą upo-
ważnieni przez każdą ze Stron do:
1. ułatwiania wizyt i bezpośrednich kontaktów, jak rów-
nież porozumiewania się między specjalistami każdej
ze Stron,
 2. zawierania umów badawczych, nadzoru i koordynacji
ich wykonywania,
 3. ułatwiania kontaktów drugiej Stronie w dokonywaniu
szczegółowych przedsięwzięć i koordynacji działa-
ności, wynikającej z Programu, nawet kiedy taką dzia-
łalność dotyczy innych instytucji niż Strony; oraz
 4. organizowania regularnych przeglądów stanu i dokonań
w ramach części Programu i jego poszczególnych za-
dań badawczych, przynajmniej raz w roku.

E. Wszelkie postanowienia, odnoszące się do dokumentów
technicznych, patentów oraz innych danych technicznych
i doświadczeń, ograniczające ich wykorzystanie przez
Stronę przyjmującą, lub ograniczające przekazanie ich
trzeciej Stronie będą przestrzegane przez Strony.

III. Jako początkowe dziedziny wzajemnego zainteresowania zos-
taty ustalone:

- A. Czynniki biomedyczne i ludzkie, związane z eksploata-
cją pojazdów samochodowych i eksploatacją kolei.
- B. Transport kolejowy, w tym budowa nawierzchni i podte-
rza, zawieszenie wagonów, elektryfikacja i eksploata-
cja.

ć, Transport drogowy, w tym bezpieczeństwo ruchu drogowego, oraz

D. Projektowanie nawierzchni i materiały w budownictwie drogowym, konstrukcje mostowe i ich utrzymanie.

IV. Miniejsze Porozumienie wejdzie w życie w dniu podpisania i pozostanie w mocy przez pięć lat, o ile nie zostanie przedłużone na dalszy okres za zgodą Stron.

Sporządzono w Warszawie w językach polskim i angielskim u dnia 3 listopada 1971 roku, przy czym obydwa teksty mają jednakową moc obowiązującą.

my
MINISTER KOMUNIKACJI
POLSKIEJ RZECZYPOSPOLITEJ LUDOWEJ

Joh. W. Volpe
MINISTER TRANSPORTU
STANÓW ZJEDNOCZONYCH AMERYKI

[EXTENDING AGREEMENT]

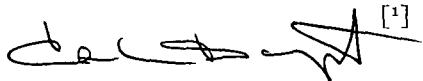
EXTENSION OF MEMORANDUM OF UNDERSTANDING
between
DEPARTMENT OF TRANSPORTATION OF THE UNITED STATES OF AMERICA
and
MINISTRY OF TRANSPORTATION OF THE POLISH PEOPLE'S REPUBLIC
CONCERNING RESEARCH COOPERATION
IN THE FIELD OF TRANSPORTATION

The Department of Transportation of the United States of America and the Ministry of Transportation of the Polish People's Republic, hereinafter referred to as the Parties, noting that the Memorandum of Understanding concerning research cooperation in the field of transportation of November 3, 1971, in force for a period of five years, was extended indefinitely by an exchange of telegrams between the Secretary of Transportation and the Minister of Transportation in November 1976, and desiring to formalize that extension, hereby agree to continue in force the provisions of the Memorandum with the following changes:

- A. The annual reviews provided for in paragraph II D.4. shall alternate between Washington and Warsaw as mutually agreed.
- B. Paragraph IV shall provide as follows: This Agreement shall remain in force indefinitely subject to the right of either Party to terminate it after giving 90 days notice to the other Party of its intention to do so.

Done at Warsaw on this 16th day of October 1978,
in the English and Polish languages, both texts being
equally authentic.

For the United States of America

 [1]

Assistant Secretary of Transportation
for Policy and International Affairs

For the Polish People's Republic

 [2]

Under Secretary of State

¹ Chester Davenport.

² J. Raczkowski.

PRZEDŁUŻENIE POROZUMIENIA**pomiędzy****Ministerstwem Komunikacji Polskiej Rzeczypospolitej Ludowej****1****Departamentem Transportu Stanów Zjednoczonych Ameryki****dotyczącego****współpracy badawczej w dziedzinie transportu**

Ministerstwo Komunikacji Polskiej Rzeczypospolitej Ludowej
i Departament Transportu Stanów Zjednoczonych Ameryki, zwane dalej
Stronami,

stwierdzając, że Porozumienie dotyczące współpracy badawczej
w dziedzinie transportu z dnia 3 listopada 1971, pozostające w mocy
przez pięć lat, zostało przedłużone na czas nieokreślony w drodze
wymiany telegramów między Sekretarzem Transportu i Ministrem Ko-
munikacji w listopadzie 1976 i pragnąc dokonać formalnego przedłużenia
go,

uzgadniają niniejszym, że postanowienia Porozumienia będą w
dalszym ciągu pozostawać w mocy z uwzględnieniem następujących
zmian:

/a/ coroczne przeglądy przewidziane w paragrafie II.D.4. będą
odbywać się na zmianę w Waszyngtonie i Warszawie jak to zostało
wspólnie uzgodnione.

/b/ paragraf IV otrzymuje następujące brzmienie:

Niniejsze Porozumienie zawarte jest na czas nieokreślony,
przy czym każda ze Stron ma prawo wypowiedzieć je zawiada-
mując o swym zamiarze drugą Stronę z 90-dniowym wyprzedze-
niem.

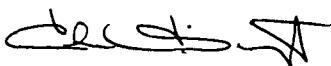
Sporządzono w Warszawie w dniu 16 października 1978 roku,
w językach polskim i angielskim, przy czym obydwa teksty są jedno-
kowo antencyczne.

Za Stronę polską



Podsekretarz Stanu

Za Stronę amerykańską



Zastępca Sekretarza
Transportu d/s Polityki
i Spraw Zagranicznych

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

Reciprocal Fisheries

*Agreement, with agreed minute, signed at Washington June 24,
1977;*

*Ratification advised by the Senate of the United States of America
July 12, 1978;*

*Ratified by the President of the United States of America July 28,
1978;*

*Notifications concerning fulfillment of domestic legal require-
ments exchanged November 7, 1978;*

*Proclaimed by the President of the United States of America
December 15, 1978;*

Entered into force November 7, 1978.

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

A PROCLAMATION

CONSIDERING THAT:

The Reciprocal Fisheries Agreement between the Government of the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland was signed at Washington on June 24, 1977, together with a related Agreed Minute, the texts of which are hereto annexed;

The Senate of the United States of America by its resolution of July 12, 1978, two-thirds of the Senators present concurring therein, gave its advice and consent to ratification of the Agreement and the Agreed Minute;

The Agreement and the Agreed Minute were ratified by the President of the United States of America on July 28, 1978, in pursuance of the advice and consent of the Senate;

It is provided in Article VII of the Agreement that the Agreement shall enter into force when each Party has notified the other by diplomatic note that the necessary domestic legal procedures for such entry into force have been fulfilled;

The diplomatic notes were exchanged at London on November 7, 1978; and accordingly the Agreement entered into force on that date;

Now, THEREFORE, I, Jimmy Carter, President of the United States of America, proclaim and make public the Agreement and the Agreed Minute, to the end that they shall be observed and fulfilled with good faith on and after November 7, 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 fifteenth day of December
[SEAL] in the year of our Lord one thousand nine hundred seventy-eight and of the Independence of the United States of America the two hundred third.

JIMMY CARTER

By the President:

WARREN CHRISTOPHER

Acting Secretary of State

RECIPROCAL FISHERIES AGREEMENT
BETWEEN
THE GOVERNMENT OF THE UNITED STATES OF AMERICA
AND
THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN
AND NORTHERN IRELAND

The Government of the United States of America and
the Government of the United Kingdom of Great Britain
and Northern Ireland,

Seeking to maintain the long-standing and cooperative fisheries relations in adjacent waters which have formed a part of the close ties between the people of the United States and the people of the British Virgin Islands;

Desiring to ensure effective conservation of fishery stocks in the exclusive fishery zones of the United States and the British Virgin Islands;

Taking note of the United States Fishery Conservation and Management Act of 1976,[¹] establishing a fishery conservation zone contiguous to the territorial sea of the United States;

Taking note of the Proclamation by the Governor of the British Virgin Islands of 9 March 1977 establishing a fisheries zone contiguous to the territorial sea of the British Virgin Islands;

Recalling that the two Governments have a common approach based on the principle of equidistance regarding the limits of fishery jurisdiction as between the United States and the British Virgin Islands;

Have agreed as follows:

¹ 90 Stat. 331; 16 U.S.C. § 1801 note.

ARTICLE I

For the purposes of this Agreement:

- (a) the exclusive fishery zone of the United States refers to waters subject to the fishery jurisdiction of the United States beyond the territorial sea;
- (b) the exclusive fishery zone of the British Virgin Islands refers to waters subject to the fishery jurisdiction of the United Kingdom contiguous to the territorial sea of the British Virgin Islands.

ARTICLE II

Commercial fishing by vessels of the British Virgin Islands may continue in the exclusive fishery zone of the United States in accordance with existing patterns and at existing levels. The Government of the United States extends access to its exclusive fishery zone to vessels of the British Virgin Islands for the purpose of conducting such fishing.

ARTICLE III

Commerical fishing by vessels of the United States may continue in the exclusive fishery zone of the British Virgin Islands in accordance with existing patterns and at existing levels. The Government of the United Kingdom of Great Britain and Northern Ireland extends access to the exclusive fishery zone of the British Virgin Islands to vessels of the United States for the purpose of conducting such fishing.

ARTICLE IV

1. The Government of the United Kingdom of Great Britain and Northern Ireland shall have exclusive authority to enforce the provisions of this Agreement and applicable national fishery regulations with respect to fishing by vessels of the United States in the exclusive fishery zone of the British Virgin Islands; provided that such national regulations as may be applied shall not disturb existing patterns and levels of fishing.

2. The Government of the United States shall have exclusive authority to enforce the provisions of this Agreement and applicable national fishery regulations with respect to fishing by vessels of the British Virgin Islands in the exclusive fishery zone of the United States; provided that such national regulations as may be applied shall not disturb existing patterns and levels of fishing.

ARTICLE V

Nothing in this Agreement shall preclude either Party from regulating recreational fishing within its exclusive fishery zone in accordance with its applicable laws.

ARTICLE VI

1. Consultations shall be held at the request of either Party to this Agreement, when:

(a) there is reason to believe that vessels of the other are fishing in a manner inconsistent with existing patterns and levels of commercial fishing referred to in Articles II and III;

- (b) either Party seeks a change in existing patterns or levels of commercial fishing referred to in Articles II and III;
- (c) either Party intends to introduce conservation measures which may affect the existing patterns and levels of commercial fishing referred to in Articles II and III;
- (d) there is a need to discuss implementation of any provision of this Agreement.

2. If such consultations result in a decision to amend the terms of this Agreement, such amendments shall enter into force by a subsequent exchange of diplomatic Notes.

ARTICLE VII

This Agreement shall enter into force when each Party has notified the other by diplomatic Note that the necessary domestic legal procedures for such entry into force have been fulfilled,^[1] and shall remain in force until December 31, 1978, unless terminated sooner by either Party following three months written notice to the other Party.

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

DONE in duplicate, at Washington on June 24, 1977.

FOR THE GOVERNMENT OF THE
UNITED STATES OF AMERICA:

R.C.Brewster^[2]

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

Peter Ramsbotham^[3]

¹ Nov. 7, 1978.

² R. C. Brewster.

³ Peter Ramsbotham.

AGREED MINUTE

1. The representatives of the two governments agreed that the following information reflected the existing patterns and levels of commercial fishing by vessels of the United States in the exclusive fishery zone of the British Virgin Islands as defined in the Agreement:

- (a) no fishing by vessels over fifty-five (55) feet in length;
- (b) deep line fishing at or beyond the forty fathom curve by six vessels per day between thirty (30) and fifty-five (55) feet in length during April, May and June; and deep line fishing at or beyond the forty fathom curve by four such vessels per day during the remainder of the year;
- (c) line and trap fishing by six vessels per day under thirty (30) feet in length west of a line drawn due north of Mount Sage (1789 feet) on Tortola; and west of a line drawn due south from the eastern-most point of Peter Island.

2. The representatives of the two governments agreed that the following reflected the existing patterns and levels of commercial fishing by vessels of the British Virgin Islands in the exclusive fishery zone of the United States as defined in the Agreement:

deep line fishing by two vessels per day under forty (40) feet in length, at or beyond the forty fathom curve.

TIAS 9140

NORWAY

Certificates of Airworthiness for Imported Aircraft

Agreement amending the agreement of February 5, 1957.

Effectuated by exchange of notes

Signed at Washington January 24, 1978;

Entered into force January 24, 1978.

The Secretary of State to the Norwegian Ambassador

JANUARY 24, 1978

EXCELLENCY:

I have the honor to refer to the discussions which have recently taken place between representatives of the Government of the United States of America and the Government of Norway regarding amendment of the agreement between our two Governments relating to the reciprocal acceptance of certificates of airworthiness for imported aircraft, which was effected by an exchange of notes at Oslo on February 5, 1957, [1] and to propose that the agreement be amended as follows:

Delete the present Article I and replace it with the following new Article I:

(a) The present arrangement applies to civil aircraft constructed in the United States, its territories and possessions and exported to Norway; and to civil aircraft constructed in Norway and exported to the United States, its territories and possessions. All provisions of this arrangement shall apply equally to civil aircraft appliances constructed in the United States, its territories and possessions and exported to Norway; and to civil aircraft appliances constructed in Norway and exported to the United States, its territories and possessions.

(b) As used herein:

(i) the term civil aircraft shall extend to civil aircraft of all categories, including those used for public transport and those used for private purposes as well as to components and spare parts of such aircraft; and

* TIAS 3769; 8 UST 265.

(ii) the term aircraft appliance means any equipment or aircraft part installed in, intended to be installed in, or attached to an aircraft, including replacement or modification parts therefor, but which is not part of an aircraft, engine or propeller and which is separately determined to be included in this arrangement by mutual consent of the competent authorities of the United States and Norway.

If the foregoing is acceptable to the Government of Norway, it is proposed that this note together with your reply so indicating shall constitute an agreement between our two governments which shall enter into force on the date of your note in reply.

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

For the Secretary of State:

JOEL W. BILLER

His Excellency

SOREN CHRISTIAN SOMMERFELT,
Ambassador of Norway.

The Norwegian Ambassador to the Secretary of State

ROYAL NORWEGIAN EMBASSY
WASHINGTON, D.C.

EXCELLENCY,

I have the honor to acknowledge receipt of your note of the 24th January, 1978, reading as follows:

"I have the honor to refer to the discussions which have recently taken place between representatives of the Government of the United States of America and the Government of Norway regarding amendment of the agreement between our two Governments relating to the reciprocal acceptance of certificates of airworthiness for imported aircraft, which was effected by an exchange of notes at Oslo on February 5, 1957, and to propose that the agreement be amended as follows:

Delete the present Article I and replace it with the following new Article I:

(a) The present arrangement applies to civil aircraft constructed in the United States, its territories and possessions and exported to Norway; and to civil aircraft constructed in Norway and exported to the United States, its territories and possessions. All provisions of this arrangement shall apply equally to civil aircraft appliances constructed in the United States, its territories and possessions and

exported to Norway; and to civil aircraft appliances constructed in Norway and exported to the United States, its territories and possessions.

(b) As used herein:

(i) the term civil aircraft shall extend to civil aircraft of all categories, including those used for public transport and those used for private purposes as well as to components and spare parts of such aircraft; and

(ii) the term aircraft appliance means any equipment or aircraft part installed in, intended to be installed in, or attached to an aircraft, including replacement or modification parts therefor, but which is not part of an aircraft, engine or propeller and which is separately determined to be included in this arrangement by mutual consent of the competent authorities of the United States and Norway.

If the foregoing is acceptable to the Government of Norway, it is proposed that this note together with your reply so indicating shall constitute an agreement between our two governments which shall enter into force on the date of your note in reply".

In reply I have the honor to inform you that the provisions set forth in your note are acceptable and that the Government of Norway concurs with your proposal that your note and this reply constitute an agreement between our two Governments on this subject, the agreement to come into force on the date of this note.

I avail myself of this opportunity to renew to you, Excellency, the assurance of my highest consideration.

WASHINGTON, D.C., 24 JANUARY 1978.

S CHR SOMMERFELT

S. Chr. Sommerfelt
Ambassador

His Excellency
CYRUS R. VANCE
Secretary of State

INDIA
Agricultural Commodities

*Agreement signed at New Delhi January 27, 1978;
Entered into force January 27, 1978.
With agreed minutes.*

AGREEMENT BETWEEN
THE GOVERNMENT OF THE UNITED STATES OF AMERICA
AND THE GOVERNMENT OF INDIA
FOR SALES OF AGRICULTURAL COMMODITIES

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

Recognizing the desirability of expanding trade in
agricultural commodities between the United States of America
(hereinafter referred to as the exporting country) and India
(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;

^[1] 68 Stat. 455; 7 U.S.C. § 1701 *et seq.*

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 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

| <u>Commodity</u> | <u>Supply Period</u> | <u>Approximate Maximum Quantity (Metric Tons)</u> | <u>Maximum Export Market Value (U.S. million)</u> |
|-------------------------|----------------------|---|---|
| Soybean/cotton-seed oil | USFY 1978 | 60,000 | \$27.8 |

Item II. Payment TermsConvertible Local Currency Credit

- A. Initial Payment - 5 percent
- B. Currency Use Payment - None
- C. Number of Installment Payments - 31
- D. Amount of Each Installment Payment - Approximately equal annual amounts.
- E. Due Date of First Installment - Ten years after date of last delivery of commodities in each calendar year.
- F. Initial Interest Rate - 2 percent per annum
- G. Continuing Interest Rate - 3 percent per annum

Item III. Usual Marketing Table:

| <u>Commodity</u> | <u>Import Period</u> | <u>Usual Marketing Requirements (Metric Tons)</u> |
|--|----------------------|---|
| Edible vegetable oil and/or oil bearing seeds (oil equivalent basis) | USFY 1978 | 72,200 |

Item IV. Export Limitations:

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

B. For the purpose of Part I, Article III A (4) of the Agreement, the commodities which may not be exported are: for soybean/cottonseed oil - all edible vegetable oils, including peanut oil, soybean oil, cottonseed oil, sunflower oil, sesame oil, rapeseed oil, and any other edible vegetable oil or oil bearing seeds from which these oils are produced.

C. Permissible Exports:

| <u>Commodity</u> | <u>Quantity (Metric Tons)</u> | <u>Export Period (US Fiscal Year)</u> |
|--|-----------------------------------|---|
| Edible vegetable oil and/or oil bearing seeds (oil equivalent basis) | 2,700 | 1978 |

D. During U.S. Fiscal Year 1978, the export limitations shall not apply to Indian handpicked select peanuts (HPS) for direct human consumption.

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 India agrees to:

- increase the output and distribution of agricultural inputs (fertilizer, seeds, tools, equipment) in order to expand production and increase the efficiency of land utilization.

- expand and improve the storage of grains and other agricultural commodities through silos, warehouses and

cold-storage facilities.

- continue to develop crop research programs, especially those crops which show promise of substantially increased production (e.g., rice, oilseeds).

- further develop research and operating programs to control the major insects and diseases that attack agricultural crops, both in the field and in storage.

- expand the area under soil conservation and land management practices.

- improve the management of water resources by means of drainage, land leveling, tubewells and irrigation practices.

- develop techniques for increasing the productivity of dry land farming. This information will then be extended to farmers in those areas.

- pursue a program of multiple cropping so as to increase the efficiency of resource use.

- carry forward policies that will encourage farmers to produce at a maximum rate by providing price supports, on-farm storage facilities, marketing assistance, and credit.

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 development sectors: agriculture, water resources, and population planning.

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

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 is done in duplicate in both the English and Hindi languages. In the event of conflict, the English text shall govern.

This agreement shall enter into force upon signature.

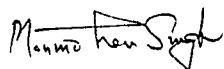
IN WITNESS WHEREOF, the respective representatives, duly authorized for the purpose, have signed the present agreement. DONE at New Delhi in duplicate, this twenty-seventh day of January 1978.

FOR THE GOVERNMENT OF THE UNITED STATES OF AMERICA:



Robert F. Goheen
Ambassador of the United States of America

FOR THE GOVERNMENT OF INDIA:



Dr. Manmohan Singh
Secretary
Department of Economic Affairs

कृष्ण वस्तुवर्ग की किंतु के लिए
संयुक्त राज्य अमेरिका की सरकार और
भारत सरकार
के बीच
करार

संयुक्त राज्य अमेरिका की सरकार और भारत सरकार

संयुक्त राज्य अमेरिका (जिसे इसके पश्चात नियोजितकर्ता देश कहा गया है) के बीच और
भारत (जिसे इसके पश्चात बायातकर्ता देश कहा गया है) के बीच और
वन्य मित्र देशों के साथ कृष्ण वस्तुवर्ग के व्यापार को इस रीति से
बढ़ाने की वांछीयता को स्वीकार करते हुए कि इन वस्तुवर्ग में नियोजितकर्ता
देश की सामान्य किंतु व्यवस्थित न हो जाए या कृष्ण वस्तुवर्ग की
वन्तरान्दीय कीमतों के स्तर में व्यवहा मित्र देशों के साथ होने वाले वाणिज्यिक
व्यापार के सामान्य स्वरूप का अनुचित विषयन न हो;

विकासशील देशों के द्वारा वेतावृत विधिविधिक वात्स-निर्मता
प्राप्त करने के लिए फिर जाने वाले प्रयत्नों के महत्व को ध्यान में
रखते हुए, जिनमें उनके द्वारा साथ उत्पादन और जनसंख्या की वृद्धि
की व्यवस्थाएँ को सुलगाने के लिए लिए जाने वाले उपाय
शामिल हैं;

विकासशील देशों में शूल और कृपोषण को दूर करने के लिए
व्यवस्थाएँ उत्पादन का उपयोग करते, इन देशों को कृष्ण उत्पादन
को बढ़ाने के लिए प्रोत्साहन देने और हन्ते व्यवस्थाएँ वाणिज्यिक विकास के
काम में सहायता देने की नियोजितकर्ता देश की नीति को स्वीकार
करते हुए;

बायातकर्ता देश द्वारा उपने कृषि साध पदार्थों के उत्पादन, संग्रह और वितरण में सुधार करने के नियम को स्वीकार करते हुए, जिसमें साध पदार्थों के उठाने-खेले के सभी दौरों में होने वाली साध पदार्थों की हानि को कम से कम करने के प्रयत्न भी शामिल हैं; और

उस पावना को मूल्रूप देने की हच्छा से जिसके बड़ी न, यथासंशोधित कृषि व्यापार विकास और सहायता विधिनियम के (जिसे इसमें इसके पश्चात 'विधिनियम' कहा गया है) शीर्ष I के कुसरण में, बायातकर्ता देश को कृषि वस्तुवाँ की विक्री की जाएगी और उन उपायों को नियोगित करने की हच्छा से, जो दोनों सरकारें उभयुक्त नीतियों के संवर्धन के लिए उलग-उलग और संयुक्त रूप से व्यवनाएंगी;

निम्नलिखित रूप से सम्पत्त हुई हैं:

माग I — सामान्य उपबंध

बनुच्छेद — I

क. नियोतकर्ता देश की सरकार, इस कारार में नियोगित शतांश के बजुआर, बायातकर्ता देश की सरकार द्वारा प्राधिकृत सरीदारों को कृषि वस्तुवाँ की विक्री के लिए रक्षा देने का दायित्व लेंगी है।

ल. इस कारार के माग II में नियोगित कृषि-वस्तुवाँ के लिए रक्षा की व्यवस्था निम्नलिखित के बड़ी न होगी:

1. नियोतकर्ता देश द्वारा उत्तर के प्राधिकार-भत्रों का जारी किया जाना और बायातकर्ता देश की सरकार द्वारा उनको स्वीकार किया जाना; और
2. नियोत के सम्पर्क विशिष्ट वस्तुवाँ का उपलब्ध होना।

ग. सरीद के प्राधिकार पत्रों के लिए वावेदनपत्र इस करार के लागू होने की तारीख से 90 दिन के बन्दर बन्दर और वित्तिरिक्त वस्तुओं या वस्तुओं की वित्तिरिक्त मात्रा के संबंध में, जिनकी व्यवस्था पुरक करारों में की गई हो, वावेदनपत्र उन पुरक करारों के लागू होने की तारीख से 90 दिन के बन्दर दिए जाएंगे। सरीद के प्राधिकार-पत्रों में इन वस्तुओं की विक्री और छिलीकरी से संबंधित उपर्युक्त और बन्य सम्बद्ध बातें शामिल होंगी।

घ. उन पामर्तों को होड़ कर, जिनमें नियांतकताै देख दारा बन्धना प्राधिकार दिया गया हो, इस करार के बन्तर्गत बेची गई वस्तुओं की सभी छिलीकरी पान II में वस्तु-तालिका में दी गई पूर्ति की नियांत्रित व्यवधियों में की जाएंगी।

ठ०. इस करार के बन्तर्गत प्राधिकूल किसी विशिष्ट प्रकार के सर्वे के लिए सरीद-प्राधिकारों के बन्तर्गत बाने वाली प्रत्येक वस्तु के कुल परिमाण का मूल्य, पान II में उस वस्तु के संबंध में निर्दिष्ट विधिकतम किसी मूल्य से और इस प्रकार के सर्वे की रकम के लिए नियांत्रित विधिकतम राशि से अधिक नहीं होगा। नियांतकताै देख दी सरकार, कीमतों में कमी हो जाने पर या विपणन संबंधी बन्य वावश्यकताओं को ध्यान में रखते हुए, किसी विशिष्ट प्रकार के सर्वे के लिए सरीद-प्राधिकारों के बन्तर्गत बाने वाली प्रत्येक वस्तु के कुल मूल्य को सीमित कर सकती है ताकि किसी विशिष्ट प्रकार के वित्त-मूल्य के बन्तर्गत बेची गई वस्तु पान II में नियांत्रित विधिकतम मात्रा से अनुत विधि न बेची जाए।

ज. नियांतकताै देख दी सरकार उन वस्तुओं के समुद्दी पाड़े के सर्वे के बन्तर को बहन करेगी, जिनकी दुलाह, नियांतकताै देख दी सरकार के बन्सार, संयुक्त राज्य अमेरिका के काण्डे वाडे जहाजों के द्वारा दी जाएंगी (इस करार के बन्तर्गत बेची जाने वाली वस्तुओं के बजन का लगामग 50 प्रतिशत)। समुद्दी पाड़े के बन्तर से अपिप्राय नियांतकताै देख

की सरकार द्वारा नियंत्रित उस राजि है जो संयुक्त राज्य अमेरिका के कण्ठे वाले जहाजों द्वारा वस्तुवाँ की हुलाई की शरै के कारण समुद्री हुलाई की लागत में (बन्धया जाने वाली लागत का वपेक्षा) बृद्धि के बावजूद हो। नियंत्रितर्ता देश की सरकार समुद्री माड़ के बन्तर के जौ रक्म वहन करेगी उस रक्म की प्रतिपूर्ति नियंत्रितर्ता देश की सरकार को करने का कोई वायातकर्ता देश की सरकार पर नहीं होगा।

क. जिन वस्तुवाँ की हुलाई संयुक्त राज्य अमेरिका के कण्ठे वाले जहाजों द्वारा की जानी हों, उनके लिए संयुक्त राज्य अमेरिका के कण्ठे वाले जहाजों में जगह के लिए संविदा करने के तुरन्त बाद वौं जिसी नी हालत में विधिक से विधिक लदान के लिए जहाजों के प्रस्तुत होने तक, वायातकर्ता देश की सरकार या उसके द्वारा प्राधिकृत लोदी दार इन वस्तुवाँ के जहाजी परिवहन की वकुमानित लागत के लिए, संयुक्त राज्य अमेरिका द्वारा भैं में एक साड़-मत्र लोड़ी।

ज. यदि दोनों में से कोई भी सरकार यह समझती है कि परिस्थितियाँ में परिवर्तन हो जाने के कारण इस करार के बन्तर्गत वस्तुवाँ पर लर्च करना, बिंदी या छिंदी वरी जारी रखना गैर-ज़रूरी या व्याकुलीय है तो वह सरकार इस करार के बन्तर्गत किस जाने वाले लर्च, बिंदी या छिंदी वरी को बंद कर सकती है।

लुच्जैद - II

क. प्रारम्भिक व्यायी

वायातकर्ता देश की सरकार बारम्ब में उतनी रक्म कदा करेगी या कराएगी जितनी कि इस करार के पांग II में निर्दिष्ट की गई होगी।

यह रक्म क्य मूल्य का (उसमें जामिल समुद्री परिवहन लागत को छोड़ कर) बंज होंगी और पांग II में प्रारम्भिक बदायगी के लिए निर्दिष्ट प्रतिशत के बराबर होंगी और लागू होने वाले सरीद-प्राधिकारों के कुसार संयुक्त राज्य अमेरिकी डालरों में की जाएगी।

स. बदायगी मुद्रा

बायातकर्ता क्षेत्र की सरकार नियतिकर्ता क्षेत्र की सरकार द्वारा बदायगी की मांग किए जाने पर उसनी राशि, जितनी कि नियतिकर्ता क्षेत्र द्वारा निर्धारित की जाए, और हर हालत में इस करार के बन्तर्गत वस्तु आ निगम द्वारा बन्त्रम संवितरण किए जाने के बाद बधिक से बधिक एक साल के बन्दर या पूर्ति की बबधि के समाप्त होने पर, इनमें से जो भी बाद में हो, अधिनियम की धारा 103 (ख) के कुसरण में जैसाकि इस करार के पांग II में निर्दिष्ट किया गया है, बदायगी (जिसे इसके पश्चात स्थानीय मुद्रा में बदायगी कहा गया है) करेंगी या कराएंगी। स्थानीय मुद्रा में की गई यह बदायगी नियतिकर्ता क्षेत्र द्वारा दी गई राशि के उस पांग के बराबर होंगी जो पांग II में स्थानीय मुद्रा में बदायगी के लिए निर्दिष्ट प्रतिशत के बराबर होगा। यह बदायगी पराश्राफ-“ज” के बुसार और बधिनियम की उप-धारा 104 (क), (ख), (डॉ.) वौर (ज) में निर्दिष्ट प्रयोजनों के लिए की जाएगी जैसाकि इस करार के पांग II में निर्धारित है। इस बदायगी को (क) पहले वर्ष से मुक्त करके प्रत्येक वर्ष की व्याज की बदायगी की राशि, जो पहली किस्त की बदायगी की निर्धारित तारीख से पहले की बधि में दैय होंगी, जौर (ख) पहली किस्त की बदायगी से लेकर उस समय तक, जब तक कि स्थानीय मुद्रा में बदायगी का मूल्य पूरा नहीं हो जाता, मूल्यन वौर व्याज की संयुक्त बदायगी के लिए जमा में दिखाया जाएगा। जब तक पांग II में बन्ध्यथा निर्दिष्ट न

हो, इस करार के अन्तर्गत नियतिकर्ता देश के वस्तु क्रण निम द्वारा पड़ा संवितरण किए जाने से पहले नियतिकर्ता देश की सरकार द्वारा बदायगी के लिए कोई कुरांघ नहीं किया जाएगा।

ग. विच प्रबन्ध की पृष्ठाली

मान II में निर्दिष्ट वस्तुवर्गों की किंवि के लिए रकम की व्यवस्था हसी पाग में निर्धारित पृष्ठाली के मुसार की जाएगी। किंवि से संबंधित क्षेत्र उपबंध मान II में निर्धारित किए गए हैं।

प. क्रण संबंधी उपबंध

1. इस करार के अन्तर्गत प्रत्येक कैलेण्डर वर्ष में छिली वर की गई वस्तुवर्गों के संबंध में इस गर क्रण के मूलक्ष में (जिसे इसमें इसके पश्चात मूलधन कहा गया है) इन वस्तुवर्गों के लिए नियतिकर्ता देश की सरकार द्वारा संवितरित ढालर राशि (समुद्री परिवहन संबंधी सर्व को छोड़ कर) जामिल होगी जिसमें से नियतिकर्ता देश की सरकार को देय प्रारम्भिक बदायगी की रकम घटा दी जाएगी।

मूलधन इस करार के पाग II में दिए गए बदायगी-कार्यक्रम के बनुसार लौटाया जाएगा। बदायगी की पड़ी किस्त इस करार के पाग II में निर्दिष्ट तारीख को देय और बदायगी-योग्य होगी। बदायगी की बाद के किस्त उसके बाद एक-एक वर्ष के अन्तराल पर देय और बदायगी-योग्य होगी। मूलधन की कोई भी बदायगी उसकी निर्धारित तारीख से पहले की जा सकती है।

2. प्रत्येक कैलेण्डर वर्ष में छिली वर की गई वस्तुवर्गों के संबंध में नियतिकर्ता देश की सरकार को देय मूलधन की अन्त न की गई शेष रकम पर व्याज इस प्रकार से चुकाया जाएगा:

क. ढालर-क्रण के मापले में, प्रत्येक कैलेण्डर वर्ष में इन वस्तुवर्गों की अन्तिम छिली वरी की तारीख से व्याज लगाया शुरू हो जाएगा। व्याज की बदायगी वधिक से वधिक, मूलधन की प्रत्येक किस्त की बदायगी की निर्धारित तारीख तक की जारी सिवार इसके कि यदि पहली

किस्त की वदायगी की निर्धारित तारीख, अन्तम छिलीवरी की सेंसी तारीख से एक वर्ष से अधिक समय बाद में हो, तो व्याज की पहली वदायगी अन्तम छिलीवरी की सेंसी तारीख से एक वर्ष बाद की तारीख तक की जाएगी और उसके बाद व्याज की वदायगी हर वर्ष की जाएगी और यह वदायगी मी पूँजी के प्रत्येक किस्त की वदायगी की निर्धारित तारीख तक की जाएगी ।

४. परिवर्तीय स्थानीय मुद्रा रुपा के पापडे में, नियंत्रकता देश की सरकार द्वारा डालरों के संवितरण की तारीख से व्याज का लगाना शुरू हो जाएगा । यह व्याज प्रत्येक वर्ष अदा किया जाएगा और वदायगी प्रत्येक केंठेण्ठर वर्ष में वस्तुवारों की अन्तम छिलीवरी की तारीख से एक वर्ष बाद शुरू होगी, सिवाए हसके कि यदि हन वस्तुवारों के संबंध में किसी वर्ष की वदायगियाँ, अन्तम छिलीवरी की तारीख के बगले किसी वर्ष की उस तारीख को देय न हो, तो पहली किस्त की वदायगी की निर्धारित तारीख को लगाने वाला सेंसा व्याज पहली किस्त की तारीख को ही देय होगा और उसके बाद यह व्याज बाद की किस्तों की वदायगी की निर्धारित तारीखों को अदा किया जाएगा ।

५. व्याज लगाना शुरू होने की तारीख से लेकर पहली किस्त की वदायगी की निर्धारित तारीख तक की अवधि के लिए व्याज का क्लिक्साव हस करार के पाग II में निर्दिष्ट प्रारम्भिक व्याज-दरों के बनुसार लगाया जाएगा । उसके बाद, व्याज का क्लिक्साव हस करार के पाग II में निर्दिष्ट लगातार व्याज दरों के बनुसार लगाया जाएगा ।

६० वदायगियाँ का जमा कराया जाना

वायातकता देश की सरकार नियंत्रकता देश की सरकार को निम्नलिखित ढंग से मुद्राबां और रक्कमां में और हस करार में की गई विनियम दरों पर वदायगी करेगी या करवाएगी :

1. जब तक दोनों सरकारें बढ़ायगी कि विक्री वन्य तरीके पर सहमत न हो तब तक डालरों में कि जाने वाली बढ़ायगी कोषाध्यजा, वस्तु क्षण निगम, कृषि विभाग, संयुक्त राज्य अमेरिका, वाशिंगटन डी ० सी ० २०२५० को की जाएगी।

2. बायातकर्ता देश की स्थानीय मुद्रा में कि जाने वाली बढ़ायगी (जिसे इसके बाद स्थानीय मुद्रा नहा गया है) बायातकर्ता देश में संयुक्त राज्य अमेरिका की सरकार द्वारा उन्हें एक ही विक्रीकारी में सचाज लातों में संयुक्त राज्य अमेरिका की सरकार के द्विसाब में जमा की जाएगी।

3. विक्री से प्राप्त रकम

इस करार के बन्तर्गत दी गई रकम से सीधे गई वस्तुओं की विक्री से बायातकर्ता देश को प्राप्त होने वाली सारी रकम का उपयोग इस करार के पांच II में बताए गए वार्षिक विकास के प्रयोजनों के लिए किया जाएगा और यह रकम (खुदी पाढ़े के बन्तर को छोड़ कर) नियंत्रिकर्ता देश की सरकार द्वारा वस्तुवाँ के सीधे दोने के लिए डालरों में कि गई रकम के बराबर की स्थानीय मुद्रा की रकम से कम नहीं होगी जल्तीकि इस प्रकार से उपयोग में लाई जाने वाली विक्री से प्राप्त रकम में से बायातकर्ता देश की सरकार द्वारा स्थानीय मुद्रा में कि गई बढ़ायगी की राशि, यदि कोई हो, पटा दी जाए। इस स्थानीय मुद्रा का द्विसाब उस विनियम पर पर रखा जाएगा जिस पर बायातकर्ता देश का केंद्रीय मुद्रा प्राधिकरण या इसका प्राधिकृत एजेंट ही ही वस्तुवाँ के वाणिज्यिक बायात के संबंध में स्थानीय मुद्रा के लिए विदेशी मुद्रा बेचता है। विक्री से प्राप्त रकम में से बायातकर्ता देश की सरकार द्वारा नियी और गैर-सरकारी संगठनों को क्षण के स्पष्ट में कि जाने वाली विक्री राशि पर लगाग उसी पर पर आज लिया जाएगा जो बायातकर्ता देश में इसी उकार के क्षणों पर लगता है। बायातकर्ता देश की सरकार वपने यहाँ के वित वर्ष का बजट तैयार करने की प्रणाली के बनुसार, उसी बार लैकिन एक साल में रकम से कम एक बार, जैसा कि नियंत्रिकर्ता देश की सरकार द्वारा बनुरीध किया

जार, वायातकर्ता के उपयुक्त लेखापरी द्वारा प्राधिकारी द्वारा सत्यापित विक्री से प्राप्त होने वाली वाय और लर्च का विवरण मेंसे वौर बजट के उस लण्ठ के बारे में एपोट देगी जिसके बन्तर्गत उस रकम को लर्च के रूप में दिलाया गया है।

इ. स्लिप-किताब

प्रारम्भिक वदायगी, स्थानीय मुद्रा में की गई वदायगी वौर इस करार के बन्तर्गत भी गई मूलधन और व्याज की सभी वदायगियाँ का हिस्ट्रिक्शन-किताब कमरी की डालर्न में किया जाएगा।

ज. वदायगियाँ

सभी वदायगियाँ कमरी की डालर्न में की जाएंगी या, आर नियांतकर्ता देश की सरकार चाहे तो,

1. वदायगी बन्य देशों की तत्काल परिवर्तनीय मुद्राओं में परस्मर समत विनियम दर पर की जाएगी वौर उसका इस्तेमाल नियांतकर्ता के की सरकार द्वारा कमरी देनदारियाँ को चुकाने के लिए या, स्थानीय मुद्रा में वदायगियाँ के मामले में उसका इस्तेमाल इस करार के मान्य II में नियांतित प्रयोजनों के लिए किया जाएगा; या

2. वदायगी की तारीख को प्रभावी इस करार के मान्य I बन्नुच्छेद III में नियांतित सम्बद्ध विनियम दर पर स्थानीय मुद्रा में वदायगियाँ की जाएंगी वौर नियांतकर्ता देश की सरकार की इच्छानुसार उसी दर पर कमरी की डालर्न में बदली जा सकेंगी या इनका इस्तेमाल नियांतकर्ता देश की सरकार द्वारा वपनी देनदारियाँ को पूरा करने के लिए किया जाएगा या स्थानीय मुद्रा में वदायगियाँ के मामले में इनका इस्तेमाल वायातकर्ता देश में उन प्रयोजनों के लिए किया जाएगा जो इस करार के मान्य II में नियांतित किए गए हैं।

अनुच्छेद - III

क. विश्व व्यापार

दोनों सरकारें यह सुनिश्चित करने के लिए विधिकतम सावधानी बरतेंगी कि इस करार के अनुसार कृषि वस्तुबां की बिक्री से नियंत्रितकर्ता देश की हन और्जा की सामान्य बिक्री में कोई व्यवस्था पैदा नहीं हो या इससे विश्व में कृषि वस्तुबां की भीमतों में या इसके परिणामस्वरूप नियंत्रितकर्ता देश के उन देशों के साथ, जिन्हें वह अपना मित्र देश मानता है (इस करार में जिन देशों का जिक्र मित्र देश के रूप में किया गया है) वाणिज्यिक व्यापार के सामान्य ढंग में अनुचित उथल पुथल नहीं हो। इस व्यवस्था को बायांचित करने के लिए बायातकर्ता देश की सरकार:

1. यह सुनिश्चित करेंगी कि नियंत्रितकर्ता देश और वन्य मित्र देशों से किस जाने वाले कुल बायात की मात्रा, जिसकी बायात बायातकर्ता देश के अपने साधनों से की गई हो, पाँग II में दी गई सामान्य विषणान सारणी में निर्दिष्ट प्रत्येक बायात व्यवधि में बौर उसके बाद की प्रत्येक तुलनात्मक व्यवधि में जिसमें इस करार की रकम से लेरी दी गई वस्तुबां की डिलीवरी की जा रही हो, बायात की बाई बाली कृषि वस्तुबां की मात्रा के बराबर हो। प्रत्येक बायात व्यवधि में विषणान सर्वेंदी इन सामान्य बावश्यकताओं की पूर्ति के लिए जिन वस्तुबां का बायात किया जाएगा वह इस करार के बन्तर्गत पूरी की जाई बाली लेरीदार्यों के बलावा होंगा।

2. यह सुनिश्चित करने के लिए उपाय करेंगी कि बायातकर्ता देश कृषि वस्तुबां की जांच विधिक मात्रा बाणिज्यिक बाधार पर बाहर से लेरी दे, उसमें से समुचित लेरीदारी नियंत्रितकर्ता देश से की जाए।

३. इस करार के बजाए दोनों गहरी शूष्य वस्तुओं को दुबारा बेचने, रास्ते में से ही उन्हें किसी बौर स्थान पर मेजने या जहाज़ों द्वारा उन्हें बन्ध क्षेत्रों को मेजने या देश में इस्तेमाल किए जाने के बलावा बन्ध प्रयोगन के लिए इस्तेमाल करने से रोकने के लिए सभी संघव उपाय करेगी (जब तक कि संयुक्त राज्य अमेरिका की सरकार द्वारा इन वस्तुओं को दुबारा बेचने, रास्ते में से ही उन्हें किसी बौर स्थान पर मेजने या जहाज़ों द्वारा उन्हें बन्ध क्षेत्रों को मेजने या इस्तेमाल के संबंध में सास तांर पर अनुमोदन न कर दिया गया हो); और

४. पाग II में नियति सेपा सारणी में निर्दिष्ट नियति सेपा विधि में ऐसी किसी देशी या विदेशी मूल की वस्तु के नियति को रोकने के सभी संघव उपाय करेगी जिनकी परिमाणा इस करार के पाग II में दी गई है (सिवाय उनके जिनका उल्लेख पाग II में किया गया है या सेसा नियति जिसके संबंध में संयुक्त राज्य अमेरिका की सरकार द्वारा बन्धया किया रूप से अनुमोदन कर दिया गया हो)।

५. गैर-सरकारी व्यापार

इस करार के उपबंधों का पालन करने के लिए दोनों सरकारें वाणिज्य की ऐसी शर्तें सुनिश्चित करेंगी जिनसे गैर-सरकारी व्यापारी प्रभावकारी ढंग से कार्य कर सकें।

६. स्वयं-सहायता

पाग II में बायातकर्ता देश की सरकार का वह कार्यक्रम दिया गया है जो वह शूष्य वस्तुओं के उत्पादन, संश्रह और वितरण में सुधार करने के लिए शुरू कर रही है। जब कभी नियतिकर्ता देश की सरकार बायातकर्ता देश की सरकार से वफनी सहायता बाप करने के उपायों में हुई प्रगति का विवरण जिस किसी स्प में देने का बुरोध करेगी तब बायातकर्ता देश की सरकार उसे सेसा विवरण उक्त हृप में मैजेगी।

प. विवरण मेजना

दोनों सरकारों द्वारा परस्पर सम्मत अन्य विवरणों के ऊपरा, बायातकर्ता देश की सरकार इस करार के पाग II मद I में निर्दिष्ट पूर्ति ववधि में, और बाद की किसी समान कविधि में जिसमें इस करार के बन्तागत सरीदी गई वस्तुओं का बायात किया जा रहा हो या उनका इस्तेमाल किया जा रहा हो, कम से कम तिथिही विवरण देंगे :

1. इस करार के बन्तागत वस्तुओं के प्रत्येक लदान के संबंध में निम्नलिखित युक्ति : प्रत्येक जहाज का नाम, पहुँचने की तारीख, पहुँचने की बंदरगाह, प्राप्त हुई वस्तु और उसकी मात्रा और स्थिति जिसमें पाल प्राप्त हुआ;
2. एक विवरण जिसमें सामान्य विपणन की आवश्यकताएँ पूरी करने के लिए की गई प्रगति दिलाई गई हो;
3. इस बनुज्जेद की धारा क 2 और 3 के उपबंधों को क्रियान्वित करने के लिए उसके द्वारा किए गए उपायों का विवरण; और
4. उन वस्तुओं के बायात के संबंध में उद्गम देशवार और नियमित के संबंध में गंतव्य देशवार बांकड़े जो इस करार के बन्तागत बायात की गई वस्तुओं जैसी या उन वस्तुओं के समान हों।

३०. लेतारों के पिलान और समायोजन की प्रक्रिया

दोनों सरकारों में से प्रत्येक सरकार, प्रत्येक कैलेण्डर वर्ष में फिलीवर की गई वस्तुओं के संबंध में विच प्रबंध के अधीन दी गई राशियों के सम्बद्ध रेकाड़ों का पिलान करने के काम को सरल बनाने के लिए उपयुक्त तरीके बनाएंगे। नियमितकर्ता देश का वस्तु का निगम और बायातकर्ता देश की सरकार का सातांग में ऐसा समायोजन कर सकते हैं जैसाकि वे परस्पर सम्भवि से उपयुक्त समर्पित हों।

३. परिमाणर

इस करार के प्रयोजन के लिए:

1. "दिलीवरी" उस तारीख को मुहमानी जाएगी जो समझि वित्ती में लान की तारीख दिलाई गई हो और जिस पर जहाज की ओर से पूरे या संक्षिप्त हस्ताक्षर किए हुए हों।

2. "बायात" उस समय हुआ मान लिया जाएगा जब वस्तु देश में दालिल हो गई हो और बायातकर्ता क्षेत्र की यदि कोई सीमा सुल्क चाहिए हो तो माल वहाँ से पास हो गया हो।

3. "इस्तेमाल होना" उस समय मान लिया जाएगा जब वस्तु बायातकर्ता देश में उसके इस्तेमाल पर किसी किस्म की रुक्कावट के बिना व्यापार के प्रयोजन से बेच दी जाएगी या बन्धथा देश में उपभोक्ताओं में वितरित कर दी जाएगी।

४. लागू विनियम दर

इस करार के प्रयोजन के लिए, नियंत्रकर्ता देश की सरकार को किसी स्थानीय मुद्रा में अदा की जाने वाली राशि नियांत्रित करने के उद्देश्य से लागू विनियम दर बायातकर्ता देश द्वारा बदायगी की जाने की तारीख की प्रमाणी दर होगी जो नियंत्रकर्ता देश की सरकार के लिए बायातकर्ता देश में कानूनी रौर पर प्राप्त उच्चतम विनियम दर से कम बनकूल नहीं होगी और जो नियंत्रकर्ता देश के लिए किसी बन्ध राशि से प्राप्त उच्चतम विनियम दर से कम नहीं होगी। स्थानीय मुद्रा के संबंध में:

1. जब तक बायातकर्ता देश में सक्ल विनियम दर प्रणाली बनी रहे तब तक लागू विनियम दर वह दर होगी, जिस पर बायातकर्ता देश का केन्द्रीय मुद्रा प्राधिकरण या इसका प्राधिकृत संजेट, स्थानीय मुद्रा लरी दने के लिए विदेशी मुद्रा बेचता हो।

2. यदि एकल दर पृष्ठाली नहीं है, तो (दोनों सरकारें के परस्पर सङ्घति से) लागू डर वह दर होगी, जो इस धारा ह के पहले वाक्य के जैसे पूरी करती हो।

ब. परामर्श

दोनों सरकारें, किसी एक सरकार के बनुरोध पर, इस कारार के बन्तर्गत उत्पन्न होने वाले किसी भी मामले के संबंध में परामर्श कर सकती हैं जिसमें इस कारार के कुसार प्रबन्धों का संचालन किया जाना भी शामिल है।

क. जानकारी और प्रवार

वायातकता देश की सरकार अपने देश के वितरण के स्थानों पर साध वस्तुओं की जानकारी देने के लिए और इस विधिनियम की उपचारा 103(1) में बताए गए ढंग के कुसार प्रवार करने के लिए सिपुदीरी से पहले ऐसे उपाय करेगी जिनके बारे में दोनों सरकारें सम्झत हों।

पारा II - विशेष उपबंधः

पद I - वस्तु सारणीः

| वस्तु | पूर्ति की विधि | कुपानित | विधिकलम नियांत्रित |
|------------------------------|--------------------------|----------------------|---------------------|
| | (भारीकी राजकांशीय वस्तु) | विधिकलम पात्रा | वाजार मूल्य |
| संयोगीन / जिनौले का तल | 1978 | 60,000 मैट्रिक टन | 2 करोड़ 78 लाख डालर |

मद II वदायगी की शर्तें:प्रिवेनीय स्थानीय मुद्रा क्रण

- क. प्रारम्भिक वदायगी - 5 प्रतिशत
 ख. स्थानीय मुद्रा में वदायगी - शून्य
 ग. वदायगी की किस्तों की संख्या - 31
 घ. प्रत्येक वार्षिक किस्त की राशि - लगभग समान वार्षिक राशि
 घ०. पहली किस्त की वदायगी की तारीख - प्रत्येक कैलेण्डर वर्ष
 में वस्तुबाँ की वर्द्धन सिपुर्दगी की तारीख से 10 वर्ष बाद।
 उ. व्याज की प्रारम्भिक दर - 2 प्रतिशत प्रतिवर्ष
 इ. लगातार व्याज की दर - 3 प्रतिशत प्रतिवर्ष

मद III सामान्य विपणन सारणी:

| <u>वस्तु</u> | <u>वायात-वर्तिय</u> <u>(अमरीकी राजकोषीय वर्ष)</u> | <u>सामान्य विपणन संबंधी</u> <u>वावश्यकताएँ</u> <u>(मैट्रिक टन)</u> |
|--------------|--|--|
|--------------|--|--|

| | | |
|------------------|------|--------|
| साम वनस्पति तेल | 1978 | 72,200 |
| तथा/ वनस्पति तेल | | |
| वाले शीज (तेल के | | |
| वाधार पर) | | |

मद IV नियांति सीमा:

- क. नियांति सीमा वर्तिय हस करार पर हस्ताक्षर होने की तारीख
 से शुरू होगी और अमेरिकी राजकोषीय वर्ष, 1978 या बाद के छिप्ती
 अमेरिकी राजकोषीय वर्ष तक चलेगी जिसमें हस करार के बन्तर्गत विचार-प्रोसेस
 वस्तुबाँ का वायात किया जा रहा हो या उनका हस्तेमाल किया जा
 रहा हो।

स. इस करार के माने I , अनुच्छेद III क(4) के प्रयोगन के लिए, जिन वस्तुवाँ का नियांत नहीं कियाजाना है वे हैं— सोयाबीन / बिनोले के तेल के लिए साथ वनस्पति तेल जिनमें मूँगफली का तेल, सोयाबीन का तेल, बिनोले का तेल, सूखमुखी का तेल, तिल का तेल, तोरिये का तेल तथा कोई बन्य साथ वनस्पति तेल या तेलहन जिससे ये तेल निकाले जाते हैं, हमिलित होंगे ।

ग. वनस्पति नियति:

| | | |
|---|-------------------|-----------------------------|
| वस्तु | मात्रा (प्रति टन) | नियति अधिकारी राजकोषीय वर्ष |
| साथ वनस्पति तेल वौर तेलहन (तेल के बाधार पर) | 2,700 | 1978 |

घ. अधिकारी विच वर्ष 1978 में, नियति संबंधी सीमारं प्रत्यक्ष जनोपयोग के लिए हाथ से दुनी हुई मूँगफली के संबंध में लागू नहीं होगा ।

पद V स्वयं सहायता के उपाय

क. स्वयं सहायता के उन उपायों को श्रियान्वित करने के लिए, इस बात पर ध्यौण जोर दिया जाएगा कि गरीब देहाती जातियाँ में विकास कार्य को प्रत्यक्ष रूप से बढ़ावा दिया जाए वौर गरीब क्षितिज छोटे फामों में लेती करके कृषि उत्पादन को बढ़ाने के काम में प्रत्यक्ष रूप से सह्योग दे सकें ।

स. पारत सरकार सहत है कि यह:

- उत्पादन तथा मन्म उपयोग की जापता बढ़ाने के उद्देश्य से सेती के काम बाने वाली जीजाँ (उदैरकाँ, जी जाँ, पुजाँ तथा उपस्कराँ) के उत्पादन तथा वितरण में बुद्धि करेगी;
- छवाबन्द गोदाम, मंडार तथा ठण्डे गोदाम बनाकर ज्ञाज तथा बन्य कृषि वस्तुवाँ का मंडार करने की जापता बढ़ाएगी वौर उसमें सुधार करेगी;

- फसल संबंधी बनुसंधान कार्यक्रमों का, (तासकर उन फसलों जा जिनकी भारी उपज होती है, विकास जारी रखनी (वर्तात् चावल तथा लेलहन की फसल)

- सेताँ में लगा गोदामों में जो प्रमुख कीटाणु तथा रोग कृषि फसलों को इति पहुंचाते हैं उनके नियंत्रण के लिए बनुसंधान तथा वमली कार्यक्रम जु़ह करेगी -

- मूमि संरक्षण तथा मूमि प्रबंध व्यवस्था के बन्तर्गत बाने वाले दौत्र का विकास करेगी -

- जल निकासी व्यवस्था, मूमि को समतल करने, नलकूप लगाने तथा सिंचाई की व्यवस्था करके जल साधनों की व्यवस्था में सुधार करेगी -

- बारानी सेती के उत्पादन को बढ़ाने के लिए तर्कनीकों का विकास करेगी। यह जानकारी तब हन दौत्रों के किसानों को दे दी जाएगी ।

- साधनपैयोग की धारमता में युद्ध करने के लिए जनेक फसल जु़बाई कार्यक्रम जु़ह करेगी -

- मूल्य समर्थन, सेताँ में गोदाम मुविधार्द, किन्हीं कार्य में सहायता तथा कृष्ण देकर ऐसी नीतियों को वमल में लासी जिनसे किसानों को अधिकतम मात्रा में उत्पादन करने के लिए प्रोत्साहन मिले ।

मद VI वार्षिक विकास के वे प्रयोजन जिनके लिए बायातकर्ता देश को प्राप्त होने वाली रकम का इस्तेमाल किया जाएगा :

क. इस करार के बन्तर्गत जिन वस्तुओं की स्तरीय की जासगी उनकी निक्षी से बायातकर्ता देश को भिलने वाली रकम का इस्तेमाल इस करार में निर्दिष्ट स्थर्य सहायता करने के उपायों के लिए को पूरा करने वारे निष्पत्ति कृषि और वार्षिक विकास के दौत्रों के लिए किया जाएगा जैसे कृषि, सिंचाई साधन वारे जनसंख्या नियोजन वादि ।

ल. इन प्रयोजनों के लिए प्राप्त रकम को उपयोग करते समय, प्राप्तकर्ता देश के निर्धनतम लोगों के जीवन स्तर को सुधारने तथा व्यवने देश के विकास के

काम में सह्योग देने की उनकी शमता को बढ़ाने की बात पर जोर दिया जाएगा।

मान III - वन्तिम उपबंध

कृ. यह करार, दोनों सरकारों में से किसी रक्त के द्वारा किसी भी कारण से दूसरी सरकार की समाप्ति का नोटिस देकर समाप्त किया जा सकता है और नियंत्रिता देश की सरकार द्वारा उस स्थिति में समाप्त किया जा सकता है बगर वह सरकार यह निश्चय करे कि करार में विर्तित स्वर्य सहायता करने के कार्यक्रम का ठीक ठंग से कार्यान्वयन नहीं हो रहा है। इस समाप्ति के फलस्वरूप वायातकता सरकार की वैदितीय देनदारियाँ कम नहीं हो जाएंगी जो समाप्ति की तारीख तक उस पर हो चुकी हैं।

कृ. यह दो प्रतियों में क्लीजी और हिन्दी दोनों भाषाओं में किया गया। मतभेद होने पर क्लीजी पाठ मात्र होगा।

यह करार इस पर हस्तापार किए जाने की तारीख से लागू होगा। इस के साथ मैं संवर्धित प्रतिनिधियों ने, जो इस प्रयोजन के लिए सम्यक रूप से प्राप्तिकृत किए गए हैं इस करार पर हस्तापार किए हैं। दो प्रतियों में नहीं दिल्ली में 27 जैनवरी, 1978 को किया गया।

संयुक्त राज्य अमेरिका की सरकार की ओर से :

* *Robert F. Phinney*

(DIA राबट एफओ मौहिन)

मारत मैं संयुक्त राज्य अमेरिका के राजदूत

मारत सरकार की ओर से :

मनमोहन सिंह

(DIA मनमोहन सिंह)

सचिव

वार्षिक कार्य विभाग

AGREED MINUTES
BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA (USG)
AND THE GOVERNMENT OF INDIA (GOI)
REGARDING THE
PUBLIC LAW 480 TITLE I AGREEMENT FOR FISCAL YEAR 1978

1. General - The representatives of the two governments discussed in detail the provisions of the proposed agreement and reviewed the legislative background of food assistance programs under the Agricultural Trade Development and Assistance Act of 1954 (commonly called PL480). USG officials pointed out that (a) the proposed Title I agreement currently being negotiated incorporated provisions and terms similar to those contained in the Title I agreement the GOI signed in 1977, (b) Parts I and III of the new agreement are standard provisions for all Title I agreements, and (c) Part II is tailored to specific terms and conditions of the participating recipient country. GOI officials indicated their general understanding of these individual provisions of the agreement.
2. Attention is drawn to Article IE of Part I of the Agreement which provides that the export market value specified in Part II may not be exceeded. This means that, if commodity prices increase over those used in announcing the quantities and market values indicated in Part II of the Agreement, the quantity to be financed under the Agreement will be less than the approximate maximum quantity set forth in Part II. Should commodity prices decrease, however, the quantities of commodities to be financed will be limited to those specified in Part II.
3. Purchase authorizations will be issued under the Agreement only after the Secretary of Agriculture has determined that (A) adequate storage facilities are available in the recipient country at the time of exportation to prevent the spoilage or waste of the commodity, and (b)

the distribution of the commodity in the recipient country will not result in a substantial disincentive to domestic production.

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

5. The terms of all IFB's (including IFB's for ocean freight) must be approved by the General Sales Manager/USDA prior to issuance.

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

7. If the Government of India nominates a purchasing agent and/or shipping agent to procure commodities or arrange ocean transportation under the Agreement the GOI must notify the General Sales Manager/USDA in writing of such nomination and provide along with the notification a copy of the proposed agency agreement. All purchasing and shipping agents must be approved by the General Sales Manager's office in accordance with new regulatory standards designed to eliminate certain potential conflicts of interest.

8. Immediately following signing of the Agreement in New Delhi, arrangements will be made by appropriate GOI authorities to relay to its Washington Embassy and/or the importing agency concerned all instructions, information and authority necessary to enable timely implementation of the Agreement, including (1) commodity specifications; (2) contracting and delivery periods; (3) names and addresses of U.S. and foreign banks handling transactions

(letters of credit for commodity and freight); (4) authority to request and sign purchase authorizations and other necessary documents; (5) complete instructions/information/authority regarding arrangements for purchasing commodities and contracting for freight (including the appointment of purchasing and/or shipping agents if applicable); and (6) instructions to contact Program Operations Division, Office of the General Sales Manager, USDA regarding the foregoing.

9. The importing country is required to have operative letters of credit for 100 percent of ocean freight charges opened in favor of the supplier of ocean transportation not later than 48 hours prior to vessel's presentation for loading.

10. Reporting is an essential part of the PL 480 Title I program. The Government of India have noted their responsibilities for submission of timely reports on compliance, arrival and shipping information (ADP sheets) self-help and use of sales proceeds, under the provisions of the Agreement and as qualified in these minutes.

11. Part I Article III (1) of the Title I Agreement provides that the Government of the importing country shall undertake such measures as may be mutually agreed, prior to the delivery of commodities, for the identification and publicity of commodities to be received.

12. Self-Help Reporting: With reference to Part I, Article III. C of the Agreement, it is agreed that the report on self-help measures in Part II, Item V, will be furnished annually by the Government of India; the first report to be submitted on or before December 1, 1978, with subsequent reports to be furnished annually thereafter in a mutually agreed form. The report will describe progress made on the specific emphasis described in paragraph A of Item V in reporting on the particular items mentioned in paragraph B.

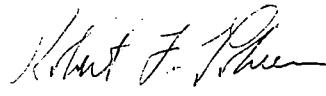
Representatives of either government may request consultations before the report is formally submitted. These reports will be submitted until such time as the sales proceeds have been utilized.

13. The U.S. Government will require payments in dollars under the PL 480 Title I Agreement; and, therefore, the language relating to local currency in Article II.E.2 and Article II.H. and Article III.G. of Part I would not be applicable.

Since no Currency Use Payments (CUP) will be requested under this Title I, PL 480 Agreement, the language that relates to Currency Use Payment in Article II.B.G. and H of Part I and Item II.2 of Part II would not be applicable.

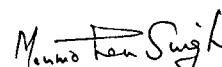
With reference to reporting under Article II.F. of Part I and Item VI of Part II, the Government of India may use the proceeds of commodities financed under this agreement for financing economic development programs specified in Items V and VI of Part II of this agreement and certifies such use annually in a form which will include a financial breakdown of the sectors in which the proceeds were used. Loans made out of sales proceeds will be on normal Government of India terms.

FOR THE GOVERNMENT OF THE
UNITED STATES OF AMERICA:



(ROBERT F. GOHEEN)
AMBASSADOR OF THE
UNITED STATES OF AMERICA

FOR THE GOVERNMENT OF INDIA:



(DR. MANMOHAN SINGH)
SECRETARY
DEPARTMENT OF ECONOMIC AFFAIRS

New Delhi
January 27, 1978

राजकोशीय वर्ष 1978 के लिए पब्लिक ला 480 शीर्ष I
करार के संबंध में संयुक्त राज्य अमेरिका की सरकार बारे
भारत सरकार के बीच सहमत कार्यवृत्त

1. सामान्य — दोनों सरकारों के प्रतिनिधियों ने, प्रस्तावित करार के उपर्योगों पर व्यौरैवार विचार किया तथा कृषि व्यापार विकास और सहायता विधिनियम, 1954 (जिसे बायतोर से फी 0 रुल 480 के नाम से पुकारा जाता है) के बन्दर्गति साथ सहायता के कार्यक्रमों की विधायी पृष्ठभूमि की समीक्षा की। संयुक्त राज्य अमेरिका की सरकार के प्रतिनिधियों ने बताया कि (क) प्रस्तावित शीर्ष I करार में विसके संबंध में इस सम्यक बातचीत हो रही है, निहित उपर्योग और जर्ते मारत सरकार द्वारा 1977 में इस्ताहार किये गये शीर्ष I करार के उपर्योगों और जर्तों जैसी हैं, (ख) नए करार के मान एवं मान III शीर्ष I के सभी करारों के लिए मानक उपर्योग हैं वारे (ग) मान II करार में मान लेने वाले प्राप्तकर्ता देश की विशिष्ट जर्तों के बनकूल तैयार किया गया है। मारत के विधिकारियों ने करार के इन मिन्च-मिन्च उपर्योगों के बारे में अपनी सामान्य जानकारी व्यक्त की।

2. करार के शीर्ष I के बनुच्छेद I डॉ की बारे ध्यान बाकीर्ति किया जाता है जिसमें यह व्यवस्था की गई है कि मान II में उल्लिखित नियांत्रित बाजार मूल्य में वृद्धि नहीं होनी चाहिए। इसका बर्थ यह है कि यदि वस्तुबारों की कीमतें करार के मान II में दी गई भावात्रा और बाजार मूल्य की बोलणा में प्रमुख कीमतों से बढ़ जाती हैं, तो इस करार के बन्दर्गति विच्च-पौष्टिक की जाने वाली भावात्रा मान II में दी गई लागत विधिकतम भावात्रा से कम हो जाएगी। सैकिन, यदि कीमतें कम हो जाती हैं तो विच्च-पौष्टिक की जाने वाली वस्तुबारों की भावात्रा मान II में निर्दिष्ट भावात्रा तक ही सीमित रहेगी।

3. करार के बन्तर्गत सरीद प्राधिकारपत्र कृषि मंत्री द्वारा यह सुनिश्चित किये जाने के बाद यह जारी किए जारी है कि (क) नियर्त के समय प्राप्तकर्ता देश में वस्तु को बर्बाद बथवा नहीं होने से बचाने के लिए मण्डारण की पर्याप्त सुविधार्थ उपलब्ध है और (ह) प्राप्तकर्ता देश में वस्तु के वितरण के परिणामस्वरूप उस देश का उत्पादन व्यापक रूप से निरुत्साहित तो नहीं होगा।

4. इस करार के बन्तर्गत साथ वस्तुवाँ की सरीद संयुक्त राज्य अमेरिका में सार्वजनिक रूप से विज्ञापित बिल निर्भरता के बाधार पर और उन बिल संबंधी पैशकशाँ के बाधार पर की जाएगी जो निश्चय ही उक्त बिल के बुल्ले होंगे। बिल संबंधी पैशकशें संयुक्त राज्य अमेरिका में ही प्राप्त और सार्वजनिक रूप से होती जानी चाहिए। बिल निर्भरता के बन्तर्गत सभी बवाढ़ बुली प्रतियोगितात्मक और बनुक्षियात्मक बिल प्रतियोगी के बनुसार होनी चाहिए।

5. सभी बिल निर्भरता की शर्त (जिनमें समुद्री भाड़ के लिए बिल निर्भरता भी शामिल हैं) उन्हें जारी किये जाने से पहले मुख्य विक्रय प्रबंधक, संयुक्त राज्य अमेरिका कृषि विभाग द्वारा बनुप्रौदित होनी चाहिए।

6. करार के बन्तर्गत साथ वस्तुवाँ की किसी सरीद के पास से किसी विक्रय एजेंट को कमीशन, फीस बथवा वन्य प्रकार की बदायगी करना वर्जित है।

7. यदि भारत सरकार वस्तुवाँ की सहीद वथा समूही
द्वारा ही के काम के लिए कोई क्रय स्टैट बौर। वथा जहाजी स्टैट
नामबद करती है तो इस करार के बन्दलंग भारत सरकार ऐसी
नामबदी के बारे में लिखित रूप से मुख्य विक्रय प्रबन्धक। स्थुक्त
राज्य अमेरिका कृष्ण विभाग को विश्वाचित करेगी और इस विश्वाचना
के साथ प्रस्तावित स्टैटी समझौते की प्रति भी मुलम करेगी।
इहाँ के कठिपय संमिलित विवादों की समाप्त करने के लिए
बनाए गए विनियमकारी नए मानकों के अनुसार सभी क्रय स्टैटों
बौर जहाजी एजेंटों की नियुक्ति मुख्य विक्रय प्रबन्धक के
कार्यालय द्वारा अनुमोदित होनी चाहिए।

8. नई दिल्ली में इस करार पर हस्ताक्षर किए जाने के तुरन्त
बाद इस करार को सम्पूर्ण प्रक्रियान्वित करने के लिए भारत सरकार
के उप्युक्त प्राधिकारियों द्वारा बास्तिटन स्थित भारतीय राजदूतावास
बौर। वथा वायात करने वाली सम्बद्ध स्टैटी की सभी बनुदेश,
सूचनाएँ और आवश्यक प्राधिकार मेजाने के लिए प्रबंध किए जाएंगे,
जिनमें ये शामिल हैं : (1) वस्तु का विज़िस्ट विवरण ; (2) संविदा
बौर सुपुर्दी की वर्णिति ; (3) लेन देन (वस्तु बौर माड़े के
लिए साक्षपत्र) के संबंध में कार्रियर करने वाले वर्मीकी और विदेशी
बंकों के नाम बौर पते ; (4) क्रय-प्राधिकार पत्रों बौर बन्य आवश्यक
कागजात के लिए अनुरोध करने बौर उन पर हस्ताक्षर करने का
प्राधिकार ; (5) वस्तुवाँ की सहीद बौर माड़े के संविदा करने
के लिए (जिसमें यदि प्रयोग्य हो क्रय बौर। वथा जहाजी एजेंटों
की नियुक्ति भी शामिल हो।) प्रबन्धों के संबंध में पूरे बनुदेश। सूचना।
प्राधिकार ; बौर (6) पूर्वान्वित के संबंध में कार्यक्रम संचालन प्रभाग,
मुख्य विक्रय प्रबन्धक का कार्यालय, स्थुक्त राज्य अमेरिका कृष्ण विभाग
से सम्पर्क करने के संबंध में बनुदेश।

9. वायातकर्ता देश की वारिस कि उसके पास समुद्री भाड़े के अल्पतिक्षत सर्व के प्रवर्तीं साथ पत्र हों जो जहाज की लदान के लिए प्रस्तुत किए जाने से कम से कम ५१ घंटे पहले समुद्री परिवहन के सम्मायर के पक्का में होते रहे हों।
10. विवरण मेजना पी० स्ट० ४८० शीर्ष I कार्यक्रम का अनिवार्य बंग है। मारत सरकार ने इस करार के उपबंधों के बन्धनात और इस कार्यवृच में बताई गई ज्ञातों के बन्धनात वावश्यक अनुपातन, पहुंच तथा नवेशन संबंधी जानकारी (ए डी पी फार्म) स्वर्य-सहायता तथा किंवद्दि से प्राप्त रक्खणों के उपयोग के संबंध में सम्बन्ध पर विवरण देने की वजनी चिम्पेदारी को नोट कर लिया है।
11. शीर्ष I करार के महादे के भाग I बनुच्छेद III (1) में यह व्यवस्था है कि वायातकर्ता देश की सरकार प्राप्त होने वाली वस्तुओं की सुपुर्देही से पहले, उन वस्तुओं की जानकारी और प्रचार के लिए परस्पर सम्मत रुपाय की जाए।
12. स्वर्य-सहायता के संबंध में विवरण मेजना :- करार के भाग I बनुच्छेद III में के बनार, यह स्वीकार किया गया है कि मारत सरकार भाग II मद V में स्वर्य-सहायता के उपायों के विषय में प्रतिवर्णी रिपोर्ट मेजा की जाए। पहली रिपोर्ट १ दिसम्बर, १९७८ वर्षा उससे पहले बाँर उसके बाद वाली रिपोर्ट प्रतिवर्णी परस्पर सम्मत रूप से प्रस्तुत की जाएगी। इस रिपोर्ट में, पेराग्राम 'स' में दी गई विजिष्ट मदों की सूचना देने के मामले में पेराग्राम 'क' की मद V में उत्तिलित विजिष्ट प्रयासों के संबंध में की गई प्रगति का उत्तेज किया जाएगा। रिपोर्ट की बांपचारिक रूप से प्रस्तुत किए जाने से पहले दोनों सरकारों के

प्रतिनिधि परामर्श के लिए कुरांय कर सकते हैं। ये रिपोर्ट
तब तक मैंजी जाती रहेंगी जब तक बिक्री से प्राप्त रकमों का
उपयोग नहीं कर दिया जाएगा।

13. संयुक्त राज्य अमेरिका द्वारा सरकार द्वारा एलो 480 में
शीर्ष I करार के अन्तर्गत बदायगी डालरों में लेना चाहेगी, और
इसलिए इस संबंध में पान I के कुच्छित II.2 और अनुच्छेद II ज
तथा कुच्छित III ह में स्थानीय मुद्रा से संबंधित पाना लागू नहीं
होगी।

जूँक इस शीर्ष I द्वारा एलो 480 करार के अन्तर्गत
स्थानीय मुद्रा में बदायगी के लिए कुरांय नहीं किया जाएगा,
इसलिए पान I के कुच्छित II.2, ह और ज तथा पान II
की मद II.2 में स्थानीय मुद्रा उपयोग के संबंध में जो पाना
प्रयुक्त की गई है वह लागू नहीं होगी।

जहाँ तक पान I के अनुच्छेद II.2 और पान II
की मद VI के अन्तर्गत रिपोर्ट देने का संबंध है, मारत सरकार
इस करार के अन्तर्गत विचारोंका वस्तुवर्ण की बिक्री से प्राप्त
रकम को इस करार के पान II की मद V और VI
में निर्दिष्ट आर्थिक विकास कार्यक्रमों की विशेषवस्था करने के
लिए इस्तेमाल कर सकेगी और इस संबंध में उसे हर कष्ट स्क कार्य
में इस प्रयोग के बारे में प्रभाणापत्र देना होगा जिसमें उन
दौत्रों के अनुसार कलग कलग विवेय व्यौरा जामिल होगा जिनके
अन्तर्गत राशियों का उपयोग किया गया था।

बिंगे से प्राप्त रसाई में से किये गये का मारत सरकार की
सामान्य ज्ञातों के बुलार होंगे।

संयुक्त राज्य अमेरिका की सरकार की ओर से:

(डॉ रोबर्ट एफ बैने)
मारत में संयुक्त राज्य अमेरिका के राजदूत

मारत सरकार की ओर से:

मनमीत सिंह
(डॉ मनमौल सिंह)
सचिव
वार्षिक कार्य विभाग

नई दिल्ली, 27 जनवरी, 1978

TIAS 9142

NIGER

Agricultural Commodities: Transfer Under Title II

*Agreement signed June 9, 1976;
Entered into force June 9, 1976.
And amending agreement
Signed at Niamey July 1, 1977;
Entered into force July 1, 1977.*

DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D.C. 20525

TRANSFER AUTHORIZATION

Program Classification Emergency Food Assistance

AID No. 683-XXX-000-6620

Executive Vice President

Program Approval Date:

Commodity Credit Corporation
U.S. Department of Agriculture
Washington, D.C.

March 4, 1976

Program Title: Drought
Emergency Food Relief—Niger

In accordance with the provision of Title II, PL 480 (as amended),^[1] Section 2 of Executive Order 10900^[2] and State Department Order No. 104 effective September 30, 1961, the Commodity Credit Corporation is hereby authorized to transfer and deliver Food to NIGER in an amount not to exceed \$2,457,000 pursuant to the following instructions:

1. Quantity—Metric tons not to exceed:

| Previous Total | Increase | Decrease | Total to Date |
|----------------|----------|----------|---------------|
| 21,000 | | | 21,000 |

¹ 68 Stat. 457; 7 U.S.C. §1721 *et seq.*

² 26 Fed. Reg. 143.

2. Commodities to be shipped:

| Code | Commodity | Amount Metric Tons | CCC Value | Export Market Value |
|-----------|---------------|-----------------------|---------------|------------------------|
| 045. 9015 | Grain Sorghum | 21, 000 | \$2, 457, 000 | \$2, 184, 000 |

3. Estimated Ocean Transportation Costs: \$2, 040, 500

All actual ocean transportation expenditures under this program, regardless of the estimate shown above, are to be charged to Blanket Freight Transfer Authorization No. 935-9500-000-6899. An individual Ocean Freight Transfer Authorization will not be issued.

4. Specifications:

Grain Sorghum—Grade No. 2 or better. Bagged—100 pounds net/or bulk, bags accompanying

5. Shipping Instructions:

- A. Delivery Schedule To be advised.
- B. Port of Discharge Abidjan, Ivory Coast; Lome, Togo; Apapa, Nigeria.
- C. Points of Entry (to land-locked country); Niamey, Niger; Maradi, Niger; Zinder, Niger; Konni, Niger; Tessaoua, Niger.
- D. Consignee Office des Produits Vivriers du Niger Niamey, Niger.
- E. Send copy of Bills of Lading to:
 - 1) First original and one copy to Consignee (OPVN, GON, Niamey) via airmail.
 - 2) After Ships loading: accord original and one copy of accompanying cargo to consignee.
 - 3) Third original and two copies to A.I.D. Transportation and Support Division, Office of Commodity Management, Washington, D.C. 20523, Att. Mr. R. E. James.
 - 4) Original and one copy U.S. Embassy, Niamey.
 - 5) One additional copy REDSO, Amembassy, Abidjan.

6. Program Objectives, Use of Commodities and Conditions of Transfer:

The commodities authorized herein are contributed by the United States Government (USG) to the Government of Niger (GON) to assist in alleviating the shortage of food caused by prolonged drought.

- A. The commodities herein contributed are for (1) free direct distribution to victims of drought unable to purchase food supplies,

rate of distribution not to exceed the amount the recipient and his dependents can consume during the period for which the distribution is made; (2) for sale as specified below.

- B. Subject to GON guarantee that those persons unable to buy food will receive the U.S. contributed grain without cost, the GON may sell such grain not required for direct free distribution in the open market in food deficit areas at prices mutually agreed upon by the AMERICAN EMBASSY/ADO Niamey and the Government of Niger. Currency resulting from such sale shall be used to pay local distribution costs on commodities distributed directly to needy; or for drought relief projects as mutually agreed which will assist in alleviation of the effects of the drought and in increasing food supplies within Niger.
- C. Distribution and sales procedures and arrangements for proper accounting are subject to mutual development and concurrence of the American Embassy/ADO Niamey and the Government of Niger. Proceeds resulting shall be deposited in a special account for purposes specified and agreed to by all parties per B. above.
- D. The GON will pay all storage, internal handling and transportation and distribution costs on the commodities herein provided for direct distribution in excess of the sums generated from the sales as authorized per B. above.
- E. The USG will supply the commodities herein provided and pay ocean transport and inland transportation costs to designated points of entry in Niger.
- F. After the date of the AID/Washington approval of the project but before arrival of the authorized Title II commodities, the GON may borrow the same or similar commodities from local sources to meet the requirements of the project. Such of the commodities borrowed as are used in accordance with the terms of this Transfer Authorization may be replaced on an equivalent value basis with the Title II commodities furnished to the project.
- G. The GON agrees to keep the American Embassy-ADO/Niamey fully informed concerning the status of commodity receipts, distribution and sales and will provide complete details, as requested. Representatives of the USG will be permitted to audit and have access to all records pertaining to the use of commodities provided by this Transfer Authorization.
- H. AID Regulation II, as amended, except as otherwise specifically provided herein, is applicable to the obligations and responsibilities of the Government of Niger and the Government of the United States in fulfilling the terms of this Authorization. Attention of the Government of Niger is specifically drawn to the following Sections of the AID Regulation:

Sections 211.5 (A), (B), (C), (D), and (E); 211.8; 211.9 (O), (E), and (F); and 211.10.

ALBERT R BARON

Albert R. Baron
Regional Development
Officer

Date

REQUEST AND ACCEPTANCE: The assistance described in this authorization is hereby requested and the terms and conditions of this agreement and of AID Regulation 11, 33FR2918, 1968, as amended September 19, 1974 (39FR3368), except as otherwise specifically provided herein are hereby accepted.

9 JUIN 1976

Date

J DIATTA

FOR THE GOVERNMENT
OF NIGER
[SEAL]

[AMENDING AGREEMENT]

DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D.C. 20523

TRANSFER AUTHORIZATION

Program Classification:
Emergency Food Assistance

Amendment No. 1 to
AID No. 683-XXX-000-6620

Executive Vice President
Commodity Credit Corporation
U.S. Department of Agriculture
Washington, D.C.

Program Approval dated:
March 4, 1976

Amendment Dated:
March 4, 1976

Program Title: Drought Emergency Food Relief—Niger

In accordance with the provisions of Title II, PL 480 (as amended), Section 2 of Executive Order 10900 and State Department Delegation Order No. 104 effective September 30, 1961, the Commodity Credit Corporation is hereby authorized to transfer and deliver Food to NIGER in an amount not to exceed \$2,983,500 pursuant to the following instructions:

1. PURPOSE OF AMENDMENT: To increase the amount of grain sorghum to be shipped to Niger for use in drought relief activities. Paragraphs 1, 2 and 3 are amended to reflect the increased commodities and the increase in ocean freight costs.

Quantity—Amendment—Metric tons not to exceed:

| Previous Total | Increase | Decrease | Total to Date |
|----------------|----------|----------|---------------|
| 21, 000 | 4, 500 | | 25, 500 |

2. COMMODITIES (AMENDMENT):

| Code No. | Commodity | Quantity | | CCC Value | | Export Mkt. Value | |
|-----------|-------------|------------|------------------|-------------|---------------|-------------------|---------------|
| | | Amended MT | Total to Date MT | Amended | Total to Date | Amended | Total to Date |
| 045, 9015 | Gr. Sorghum | +4500 | 25, 500 | +\$526, 500 | \$2, 988, 500 | +\$468, 000 | \$2, 652, 000 |

3. Estimated Ocean Transportation Costs (Amendment):

| Previous Total | Increase | Decrease | Total to Date |
|----------------|------------|----------|---------------|
| \$2, 040, 500 | \$437, 250 | | \$2, 477, 750 |

All actual ocean transportation expenditures under this program, regardless of the estimate shown above, are to be charged to Blanket Freight Transfer Authorization No. 935-9500-000-6899. An individual Ocean Freight Transfer Authorization will not be issued.

ALL OTHER PROVISIONS REMAIN UNCHANGED.

7-1-77

Date

JAY P. JOHNSON

for Ambassador

REQUEST AND ACCEPTANCE: The assistance described in this authorization is hereby requested and the terms and conditions of this agreement and of AID Regulation 11, 33FR2918, 1968, as amended September 19, 1974 (39FR33668), except as otherwise specifically provided herein are hereby accepted.

J DIATTA

1-7-77

Date

FOR THE GOVERNMENT OF NIGER

[SEAL]

NETHERLANDS

Defense: Production of M109 Vehicle and Its Components

*Arrangement signed at The Hague May 3, 1966;
Entered into force May 3, 1966.*

*And supplemental arrangements
Signed at The Hague March 17, 1969;
Entered into force March 17, 1969.
And signed at The Hague December 30, 1974;
Entered into force December 30, 1974.*

GENERAL ARRANGEMENT BETWEEN THE MINISTRY OF DEFENSE OF THE GOVERNMENT OF THE NETHERLANDS AND THE DEPARTMENT OF DEFENSE OF THE UNITED STATES OF AMERICA RELATING TO THE COOPERATIVE PRODUCTION OF THE M109 VEHICLE

This is an Arrangement between the United States Department of Defense and the Ministry of Defense of the Government of The Netherlands, representing their respective governments, concerning the co-production of the M109 vehicle and its components. The military and economic benefits of this co-production program have been noted by both Governments.

1. Pertinent Previous Agreements

This arrangement implements and is subject to the applicable provisions of the Mutual Defense Assistance Agreement between the two Governments of January 27, 1950,[¹] and other applicable agreements supplemental thereto, including the Agreement to Facilitate the Interchange of Patent Rights and Technical Information for Defense Purposes of April 29, 1955.[²]

2. Acquisition of M109 Vehicles

The two parties agree in principle on the acquisition by The Netherlands of M109 vehicles for use by The Netherlands Armed Forces, specifically:

¹ TIAS 2015; 1 UST 88.

² TIAS 3287; 6 UST 2187.

a. M109 vehicles (without the M127 Gun Mount and the M126E1 Cannon) to be purchased from the United States Government under Case DA Netherlands UST.

b. M127 Gun Mounts and M126E1 Cannon to be produced in The Netherlands and installed on the vehicles there.

3. Technical Arrangements

a. Technical arrangements and administrative procedures covering the details of the coordinated production program will be entered into between the two Governments, the United States Department of Defense being represented by the U.S. Project Manager, Combat Vehicles.

b. Such technical arrangements and administrative procedures will be in accordance with this Arrangement and the respective laws and regulations of the two Governments.

c. Under these technical arrangements, the United States Government and the United States manufacturers under separate license agreements will, inter alia, provide technical, procurement, and administrative assistance and manufacturing techniques to The Netherlands manufacturers on a reimbursable basis.

4. Security

Any classified material or information which may be transferred between the parties under this Arrangement will be subject to protection in the manner prescribed by the Security Agreement between the two Governments of August 18, 1960.

RESPONSIBILITIES OF THE U.S. GOVERNMENT

5. Documentation To Be Furnished

a. For the purpose of the production in The Netherlands of the M127 Gun Mount, and the M126E1 Cannon under the terms of this Arrangement and under the authority of the Foreign Assistance Act of 1961, as amended (22 USC 2151 et seq.) and Section 414 of the Mutual Security Act of 1954, as amended (22 USC 1934), and the agreements referred to in paragraph 1, the United States Government agrees to furnish to the Government of The Netherlands, plans, specifications, technical data, and other information (hereinafter referred to as documentation) which has been or which may be acquired by the United States Government during the course of production in The Netherlands in the production of the present M127 Gun Mount and M126E1 Cannon, and which it has the right to so furnish.

b. The Government of The Netherlands has paid the cost of reproduction, packaging, and transportation to The Netherlands of such documentation, as covered in Case DA Netherlands UIX.

6. Authorized Use of Documentation

a. The Government of The Netherlands is authorized to use for production purposes documentation furnished by the United States Government to the extent of the right of the United States Government to authorize such use.

b. This authorization does not in any way constitute a license to make, use or sell the subject matter of any inventions, technical information, or know-how (hereinafter referred to as proprietary rights) owned by third parties which may be embodied or described in the documentation.

c. The United States Government incurs no liability for any procurement, manufacture, use, or sale by the Government of The Netherlands which makes use of any of the aforementioned proprietary rights or for any results derived from the use of documentation furnished. The Government of The Netherlands indemnifies the United States against any liability on a claim asserted by the owner of any such documentation, for use by the Government of The Netherlands or its contractors in excess of that authorized by the United States.

7. Special Tooling and Industrial Facilities

a. Subject to the provisions of paragraph 6 above, which is hereby made applicable to special tooling and industrial facilities for the purpose of this subparagraph, the United States Government agrees to interpose no objection to the duplication by the manufacturers designated by the Government of The Netherlands, for the purpose of production of the M127 Gun Mount and M126E1 Cannon, of any special tooling and industrial facilities now used or which may hereafter be used in the manufacture of such items, to the extent that the United States Government possesses the rights to such special tooling and industrial facilities and can authorize its reproduction and use.

b. United States Government-owned special tooling and industrial facilities, when in use in the plants of its manufacturers, may be used free of charge in production of components of the M127 Gun Mounts and M126E1 Cannons under the provisions of this Arrangement, provided that such tooling and facilities capacity is not needed to meet United States requirements. In the event such tooling and facilities are needed for United States requirements, no liability shall be imposed on the United States Government for any additional costs involved.

8. Project Coordinator

The Government of the United States shall, on a reimbursable basis, designate a Project Coordinator who will be under the U.S. Army Project Manager, Combat Vehicles, to monitor the co-production of the M127 Gun Mounts and M126E1 Cannons and the assembly

of these items into M109 vehicles in The Netherlands under the provisions of this Arrangement and to work directly with a designated representative of the Government of The Netherlands. The Project Coordinator for the Project Manager, Combat Vehicles, will be stationed in The Netherlands.

9. Miscellaneous Technical, Administrative and Engineering Services

The United States Government will provide services on a reimbursable basis (where additional costs are involved), such as:

a. Source inspection for those items procured by The Netherlands from manufacturers in the United States, of the same type as that provided for United States purchases of such items.

b. Technical assistance (such as laboratory, proofing, inspection, control testing, ballistics testing, quality product testing, government inspection techniques, training, initial prototype testing, inspection comparison test, if required, etc.) so as to permit the Government of The Netherlands to assure itself of a continuing manufacture of a quality product.

c. Other assistance agreed to by the United States and The Netherlands.

RESPONSIBILITIES OF THE NETHERLANDS GOVERNMENT

10. Standardization

a. It is the intent of this Arrangement that items produced in The Netherlands will be completely interchangeable logically with items produced by or for the United States Government, so that all items which are supplied as parts at all echelons of supply are physically and functionally identical, one with another, and can at any time be substituted for each other without effect on the fit or performance of the items with which joined.

b. The Government of The Netherlands agrees to insure that all M127 Gun Mounts and M126E1 Cannons and their components produced in The Netherlands under the provisions of this Arrangement are manufactured in conformance with drawings, specifications, and changes thereto furnished for the production of the items under the system of measurement called for in the drawings and specifications, under United States standards of quality and precision, with the objective of achieving total logistical interchangeability, and further agrees that such items and their components will be inspected and accepted under United States standards of inspection and acceptance.

c. In the event major difficulties arises in the use of United States standards of measurement which cannot be resolved by the selected manufacturers of both nations, the matter shall be treated as a deviation under paragraph 11b, below.

11. Deviations

a. Deviations, except for those provided for in paragraph 10.b., above, proposed by the Government of The Netherlands or its manufacturers concerning drawings, specifications, or data furnished by the United States or its manufacturers will be subject to the approval of the United States Project Manager, Combat Vehicles, or his designated representative.

b. Deviations referred to in paragraph 10.b. above, will be resolved jointly by appropriate representatives of the two Governments.

12. Surveillance

The Government of The Netherlands agrees to provide all possible assistance to the U.S. Project Coordinator and to furnish such information as may be required by the United States Government to assure, in the mutual interest, orderly and successful completion of this co-production program, including, but not limited to, inspection by United States representatives of the production, assembly and test of the M109 vehicle and components thereof in The Netherlands.

13. Inventions, Data and Information

a. The Government of The Netherlands agrees to furnish, at no cost to the United States Government, technical data, technical information, and information on inventions, resulting from the production of the M127 Gun Mount and M126M1 Cannon and its components in The Netherlands, and a royalty-free right to use the same.

b. The parties agree that, in the event the United States ever makes purchases of the M127 Gun Mount and M126E1 Cannon produced in The Netherlands, no charges, royalties, or other payments will be made for inventions, designs, patents, technical data, etc., which the United States Government already has in its possession, or is entitled to use without the payment of royalties and/or other fees.

14. Distribution of Documentation

In addition to the Security measures set forth in paragraph 4, the Government of The Netherlands agrees to restrict the distribution of documentation furnished by the United States Government to responsible Netherlands firms and manufacturers and to secure the approval of the United States Project Manager prior to any distribution of such documentation to manufacturers which are not located in either the United States or The Netherlands.

15. Identification

Items manufactured in The Netherlands will be so identified by appropriate markings.

16. Representative to Assist United States Project Manager

The Government of The Netherlands agrees to designate a representative to furnish assistance to the United States Project Manager in monitoring the co-production program in The Netherlands under this Arrangement.

RESPONSIBILITIES OF BOTH GOVERNMENTS**17. Protection of Proprietary Rights Owned by Third Parties**

The parties to this Arrangement agree to protect and, where possible, to properly identify proprietary rights owned by third parties, required for the production of the items under the provisions of this Arrangement, and to use their best efforts to insure that the legal owners of such rights shall be fairly compensated for any use of such rights, subject to applicable laws and regulations of the governments involved. Each of the parties will use its best efforts to secure from third parties who may possess proprietary rights to any components of the M109 vehicles, licenses to the other party.

18. Coordinated Production Schedules

a. The Government of the United States agrees to use its best efforts to assure timely response to Netherlands purchases of M127 Gun Mount and M126E1 Cannon components made in the United States. Every attempt will be made to assure that deliveries requested by The Netherlands are not delayed more than they would have been had The Netherlands purchased the entire vehicle, including Mount and Cannon, from the United States.

b. In turn, the Government of The Netherlands agrees to furnish the United States Project Coordinator copies of purchase orders and timely notice of proposed changes as to the items to be purchased in the United States.

19. Progress Reports

Representatives of the two Governments will obtain from their selected manufacturers and exchange, on a periodic basis, progress reports, and reports concerning areas where action is required to expedite completion of the program or meet other government needs.

20. Resolution of Differences

a. The U.S. Project Coordinator, the representative of the Government of The Netherlands, and representative(s) designated by each of the selected manufacturer(s) shall compose a working group which shall be authorized to consider and discuss such differences as may arise under this Arrangement between parties, and the two governments' representatives are authorized to resolve such differ-

ences; provided, however, that they may not revise the provisions of this Arrangement.

b. In the event the two government representatives cannot agree on resolution of such problems, they will be submitted for consideration and decision to appropriate levels of each Government.

21. Production for or Transfer to Third Parties

Nothing in this Arrangement shall be construed as authorizing the production in The Netherlands of M109 Vehicle components including M127 Gun Mount and M126E1 Cannon for sale or other transfer to third parties. A new agreement between the two governments, the United States and The Netherlands, must be accomplished before The Netherlands Government or Netherlands industries can make sales or other transfers of such items to other countries or before any action is taken leading to such sales or transfers.

IN WITNESS WHEREOF, the parties hereto have executed this Memorandum of Understanding, this 3 day of May 1966. This Agreement is done in the English and Dutch languages, both texts equally authentic.

FOR THE UNITED STATES

DEPARTMENT OF DEFENSE:

A handwritten signature in black ink, appearing to read "Robert S. McNamara".

[¹]

FOR THE NETHERLANDS

DEPARTMENT OF DEFENSE:

A handwritten signature in black ink, appearing to read "L.W.C. Adank".

Ir. L.W.C. Adank.

Kwartiermeester-Generaal

[SUPPLEMENTAL ARRANGEMENTS]

Supplement to General Arrangement Between the Ministry of Defense of the Government of the Netherlands and the Department of Defense of the United States of America Relating to the Cooperative Production of the M109 Vehicle

1. On 3 May 1966, representatives of the United States Government and the Government of The Netherlands executed an arrangement relating to the co-production of M109 155mm S.P. Howitzer wherein the Government of The Netherlands was granted the right to produce in The Netherlands M127 Gun Mount and M126E1 Cannon to be mounted on M109 Vehicles procured from the United States.
2. This Arrangement limits the production of the mount and cannon for the use of The Netherlands Armed Forces, and paragraph 21 prohibits the sale or other transfer of co-produced components to third parties without prior approval of the United States.
3. Pursuant to the request of the Government of The Netherlands, the United States Government approves the co-production of the M127 Gun Mount and M126E1 Cannon and parts, components and assemblies therefor for sale or other transfer to the Governments of Belgium, Canada, Denmark and the United Kingdom, subject to the following conditions:
 - a. The Netherlands Government will identify the parts, components and assemblies scheduled for third country sales or other transfer, and the countries to which these will be furnished.
 - b. The Netherlands Government will make semi-annual reports of the items sold or otherwise transferred, identifying each by proper designation, the number of items, and the price of each item exclusive of taxes and duties.
 - c. Items manufactured in The Netherlands for sale or other transfer to third countries will be so identified with appropriate markings.
 - d. The Netherlands Government or its selected manufacturers will pay to the United States Government a royalty at the rate of 10.6 per cent of the price (exclusive of taxes and duties) of each item sold or transferred.
 - e. The United States Government assumes no liability for any damage caused by the malfunction or failure of any part so furnished, nor will the United States Government assume any liability for the infringement of any patents as the result of the manufacture, sale or transfer, or use of the items so furnished.
 - f. The Netherlands Government agrees to obtain from each country to which parts or components or assemblies are sold or otherwise transferred a written agreement that the recipient country will use the parts so furnished for its own defense use, and will not transfer

any of the same to any other parties without prior written permission of the United States.

g. Upon receipt of the semi-annual report, each sale or transfer will be reflected in a Sales Case prepared pursuant to Foreign Military Sales procedure for the transfer of money to the account of the United States.

h. The Netherlands Government agrees to abide by all other provisions of the Co-Production Arrangement of 3 May 1966 not in conflict with these provisions.

IN WITNESS WHEREOF, the parties hereto have executed this Supplement, the 17 day of March 1969.

FOR THE UNITED STATES

FOR THE NETHERLANDS
ADJ KWARTIERMEESTER-
GENERAAL/AANSGRAFFING

R. L. DAHLLOF

A L ANTONISSEN

R. L. Dahllof

Brig. Gen. A. L. Antonissen

*Captain, U.S. Navy
Chief, MAAG*

Second Supplement to General Arrangement Between the Ministry of Defense of the Government of the Netherlands and the Department of Defense of the United States of America Relating to the Cooperative Production of the M109 Vehicle

1. On 3 May 1966, representatives of the United States Government and the Government of The Netherlands executed an arrangement relating to the co-production of M109 155mm S.P. Howitzer wherein the Government of the Netherlands was granted the right to produce in The Netherlands M127 Gun Mount and M126E1 Cannon to be mounted on M109 Vehicles procured from the United States.
2. This Arrangement limits the production of the mount and cannon for the use of The Netherlands Armed Forces, and paragraph 21 prohibits the sale or other transfer of co-produced components to third parties without prior approval of the United States.
3. Pursuant to the request of the Government of The Netherlands, the United States Government in supplement, executed 17 March 1969, approved the co-production of the M127 Gun Mount and M126E1 Cannon and parts, components and assemblies therefor for sale or other transfer to the Governments of Belgium, Canada, Denmark and the United Kingdom, subject to the conditions of the Supplement.

4. Pursuant to the request of the Government of The Netherlands, the United States Government, in this SECOND SUPPLEMENT TO GENERAL AGREEMENT, approves the co-production, acquisition, or co-production/acquisition and installation of, Modification Kits for conversion of the M109 Howitzer to the M109A1 Howitzer (hereinafter called the "mod Kit, M109A1") and the Propellant Charge M119.

5. Description of the Program

a. The Royal Netherlands Army, on behalf of the Royal Netherlands Government, will co-produce or buy, and the United States Government, through the United States Department of Defense, will authorize co-production of, or will sell, on terms specified in this SECOND SUPPLEMENT, the Mod Kit, M109A1 and the Propellant Charge M119 listed in paragraph 5.b. below. Additional terms and conditions applicable to such sales are contained in the Standard United States Government DD Form 1513 (Annex A).

b. The scope of the Program contemplated by this SECOND SUPPLEMENT (hereinafter called the "Program") will be as follows:

(1) To be acquired by the Royal Netherlands Army on a Dependable Undertaking/Cash in Advance basis under Foreign Military Sales from the United States Department of Defense:

- (a) 1 ea - Mod Kit 109A1, plus Concurrent Spare Parts and associated materiel and conversion assistance (FMS Case - UXG).
 - (b) 1 set - Engineering drawings for conversion M109 to M109A1 (FMS Case - UXJ).
 - (c) 132 sets - Hardware for Mod Kit, M109A1, or portions thereof (FMS Case - UXX).
 - (d) 1 ea - Technical Data Package for conversion of M109 to M109A1 (FMS Case - UXP).
 - (e) 1 ea - Technical Data Package for Propellant Charge M119 (FMS Case -).
 - (f) Materiel and Technical Assistance for co-production of Propellant Charge M119 (FMS Case -).
- (2) To be produced in The Netherlands:
- (a) 132 ea - Mod Kit, M109A1 or portions thereof.
 - (b) As required - Repair Parts for (2)(a).
 - (c) 40,000 units - Propellant Charge M119.

6. Applications

The provisions and responsibilities of the GENERAL ARRANGEMENT between the Ministry of Defense of the Government of The Netherlands and the Department of Defense of the United States of America relating to the Cooperative Production M109 Vehicle, executed 3 May 1966 and the SUPPLEMENT TO GENERAL ARRANGEMENT, executed

17 March 1969, shall also apply to this Second Supplement except where noted in Paragraph 7, EXCEPTIONS, below.

7. Exceptions

a. Project Coordinator (GENERAL ARRANGEMENT - Para 8) The Project Coordinator for this Program will be the Project Manager for M109 Co-Production Program, US Army Armaments Command. Any travel or other expenses directly connected with this Program involving US personnel made at the request of the RNLA, will be reimbursed by the RNLA.

b. Production for or Transfer to Third Parties - The US Army does not encourage sales or transfers to third parties, however it is willing to consider such requests on a case by case basis.

8. Royalty Fees

a. The Government of The Netherlands agrees to pay the U.S. Government a royalty fee equal to five per cent of the U.S. cost for M-109 kit component production manufactured for in-country use.

b. The Government of Netherlands agrees to pay a royalty fee of U.S. \$1.80 (one dollar and eighty cents) for each propellant charge M119 produced in the Netherlands.

9. Final Provisions

This SECOND SUPPLEMENT TO GENERAL AGREEMENT shall enter into force on signature of representatives of both the Royal Netherlands Government and the United States Government.

IN WITNESS WHEREOF, the parties hereto have executed this SECOND SUPPLEMENT, the 30th day of December 1974.

FOR THE UNITED STATES

H M FISH

H. M. Fish

L^{TG} USAF

Deputy Assistant Secretary

Security Assistance

Office, Secretary of Defense

5 JUNE 1975

FOR THE NETHERLANDS
DEPARTMENT OF DEFENSE

J HENSEN

J. Hensen

Brigade Generaal

GUYANA

Agricultural Commodities

*Agreement signed at Georgetown January 27, 1978;
Entered into force January 27, 1978.
And amending agreement
Effectuated by exchange of notes
Signed at Georgetown May 16 and 29, 1978;
Entered into force May 29, 1978.*

AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA
AND THE GOVERNMENT OF GUYANA
FOR SALES OF AGRICULTURAL COMMODITIES

The Government of the United States of America and the Government of Guyana:

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 Guyana (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 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 Government of the exporting country, by which the cost of ocean transportation is higher (than would otherwise be the case) by reason of the requirement that the commodities be transported in United States flag vessels. The Government of the importing country shall have no obligation to reimburse the Government of the exporting country for the ocean freight differential borne by the Government of the exporting country.

G. Promptly after contracting for United States flag shipping space to be used for commodities required to be transported in United States flag vessels, and in any event not later than presentation of vessel for loading, the Government of the importing country or the purchasers authorized by it shall open a letter of credit, in United States dollars, for the estimated cost of ocean transportation for such commodities.

H. The financing, sale, and delivery of commodities under this agreement may be terminated by either Government if that Government determines that because of changed conditions the continuation of such financing, sale, or delivery is unnecessary or undesirable.

ARTICLE II

A. Initial Payment. The Government of the importing country shall pay, or cause to be paid, such initial payment as may be specified in Part II of this agreement. The amount of this payment shall be that portion of the purchase price (excluding any ocean transportation costs that may be included therein) equal to the percentage specified for initial payment in Part II and payment shall be made in United States dollars in accordance with the applicable purchase authorization.

B. Currency Use Payment. The Government of the importing country shall pay, or cause to be paid, upon demand by the Government of the exporting country in amounts as it may determine, but in any event no later than

one year after the final disbursement by the Commodity Credit Corporation under this agreement, or the end of the supply period, whichever is later, such payment as may be specified in Part II of this agreement pursuant to Section 103(b) of the Act (hereinafter referred to as the Currency Use Payment). The Currency Use Payment shall be that portion of the amount financed by the exporting country equal to the percentage specified for Currency Use Payment in Part II. Payment shall be made in accordance with paragraph H and for purposes specified in Subsection 104 (a), (b), (e) and (h) of the Act, as set forth in Part II of this agreement. Such payment shall be credited against (a) the amount of each year's interest payment due during the period prior to the due date of the first installment payment, starting with the first year, plus (b) the combined payments of principal and interest starting with the first installment payment, until the value of the Currency Use Payment has been offset. Unless otherwise specified in Part II, no requests for payment will be made by the Government of the exporting country prior to the first disbursement by the Commodity Credit Corporation of the exporting country under this agreement.

C. Type of Financing. Sales of the commodities specified in Part II shall be financed in accordance with the type of financing indicated therein. Special provisions relating to the sale are also set forth in Part II.

D. Credit Provisions.

1. With respect to commodities delivered in each calendar year under this agreement, the principal of the credit (hereinafter referred to as principal) will consist of the dollar amount disbursed by the Government of the exporting country for the commodities (not including any ocean transportation costs) less any portion of the initial payment payable to the Government of the exporting country.

The principal shall be paid in accordance with the payment schedule in Part II of this agreement. The first installment payment shall be due and payable on the date specified in Part II of this agreement. Subsequent installment payments shall be due and payable at intervals of one year thereafter. Any payment of principal may be made prior to its due date.

2. Interest on the unpaid balance of the principal due the Government of the exporting country for the commodities delivered in each calendar year shall be paid as follows:
 - a. In the case of Dollar Credit, interest shall begin to accrue on the date of last delivery of these commodities in each calendar year. Interest shall be paid not later than the due date of each installment payment of principal, except that if the date of the first installment is more than a year after such date of last delivery, the first payment of interest shall be made not later than the anniversary date of such date of last delivery and thereafter payment of interest shall be made annually and not later than the due date of each installment payment of principal.
 - b. In the case of Convertible Local Currency Credit, interest shall begin to accrue on the date of dollar disbursement by the Government of the exporting country. Such interest shall be paid annually beginning one year after the date of last delivery of commodities in each calendar year, except that if the installment payments for these commodities are not due on some anniversary of such date of last delivery, any such interest accrued on the due date of the first installment payment shall be due on the same date as the first installment and thereafter such interest shall be paid on the due dates of the subsequent installment payments.
3. For the period of time from the date the interest begins to the due date for the first installment payment, the interest shall be computed at the initial interest rate specified in Part II of this agreement. Thereafter, the interest shall be computed at the continuing interest rate specified in Part II of this agreement.

E. Deposit of Payments. The Government of the importing country shall make, or cause to be made, payments to the Government of the exporting country in the currencies, amounts, and at the exchange rates provided for in this agreement as follows:

1. Dollar payments shall be remitted to the Treasurer, Commodity Credit Corporation, United States Department of Agriculture, Washington, D. C. 20250, unless another method of payment is agreed upon by the two Governments.
2. Payments in the local currency of the importing country (hereinafter referred to as local currency), shall be deposited to the account of the Government of the United States of America in interest bearing accounts in banks selected by the Government of the United States of America in the importing country.

F. Sales Proceeds. The total amount of the proceeds accruing to the importing country from the sale of commodities financed under this agreement to be applied to the economic development purposes set forth in Part II of this agreement, shall be not less than the local currency equivalent of the dollar disbursement by the Government of the exporting country in connection with the financing of the commodities (other than the ocean freight differential), provided, however, that the sales proceeds to be so applied shall be reduced by the Currency Use Payment, if any, made by the Government of the importing country. The exchange rate to be used in calculating this local currency equivalent shall be the rate at which the central monetary authority of the importing country, or its authorized agent, sells foreign exchange for local currency in connection with the commercial import of the same commodities. Any such accrued proceeds that are loaned by the Government of the importing country to private or non-governmental organizations shall be loaned at rates of interest approximately equivalent to those charged for comparable loans in the importing country. The Government of the importing country shall furnish in accordance with its fiscal year budget reporting procedure, at such times as may be requested by the Government of the exporting country but not less often than annually, a report of the receipt and expenditure of the proceeds,

certified by the appropriate audit authority of the Government of the importing country, and in case of expenditures the budget sector in which they were used.

G. Computations. The computation of the initial payment, Currency Use Payment and all payments of principal and interest under this agreement shall be made in United States dollars.

H. Payments. All payments shall be in United States dollars or, if the Government of the exporting country so elects,

1. the payments shall be made in readily convertible currencies of third countries at a mutually agreed rate of exchange and shall be used by the Government of the exporting country for payment of its obligations or, in the case of Currency Use Payments, used for the purposes set forth in Part II of this agreement; or
2. the payments shall be made in local currency at the applicable exchange rate specified in Part I, Article III, G of this agreement in effect on the date of payment and shall, at the option of the Government of the exporting country, be converted to United States dollars at the same rate, or used by the Government of the exporting country for payment of its obligations or, in the case of Currency Use Payments, used for the purposes set forth in Part II of this agreement in the importing country.

ARTICLE III

A. World Trade. The two Governments shall take maximum precautions to assure that sales of agricultural commodities pursuant to this agreement will not displace usual marketings of the exporting country in these commodities or unduly disrupt world prices of agricultural commodities or normal patterns of commercial trade with countries the Government of the exporting country considers to be friendly to it (referred to in this agreement as friendly countries). In implementing this provision, the Government of the importing country shall:

1. 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 Section A 2 and 3 of this Article; and
4. statistical data on imports by country of origin and exports by country of destination, of commodities which are the same as or like those imported under the agreement.

E. Procedures for Reconciliation and Adjustment of Accounts. The two Governments shall each establish appropriate procedures to facilitate the reconciliation of their respective records on the amounts financed with respect to the commodities delivered during each calendar year. The Commodity Credit Corporation of the exporting country and the Government of the importing country may make such adjustments in the credit account 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(l) of the Act.

Part II - PARTICULAR PROVISIONS

Item I - Commodity Table

| <u>Commodity</u> | <u>Supply Period (United States Fiscal Year)</u> | <u>Approximate Maximum Quantity (Metric Tons)</u> | <u>Maximum Export Market Value (Thousands)</u> |
|-------------------------|--|---|--|
| Soybean/Cotton-seed Oil | 1978 | 1,500 | \$ 1,020 |
| Wheat Flour | 1978 | 3,600 | 600 |
| Tobacco | 1978 | 100 | 440 |
| | | | \$ 2,060 |

Item II - Payment Terms: Dollar Credit

1. Initial payment - ten (10) per cent.
2. Currency Use Payment - five (5) per cent for Section 104(A) purposes.
3. Number of installment payments - nineteen (19).
4. Amount of each installment payment - approximately equal annual amounts.
5. Due date of first installment payments - two (2) years after the date of the last delivery of commodities in each calendar year.
6. Initial interest rate - two (2) per cent.
7. Continuing interest rate - three (3) per cent.

Item III - Usual Marketing Table

| <u>Commodity</u> | <u>Import Period (United States Fiscal Year)</u> | <u>Usual Marketing Requirement</u> |
|--|--|---|
| Wheat/Wheat Flour | 1978 | 50,900 Metric Tons |
| Edible Vegetable Oil and/or Oil bearing seeds (oil equivalent basis) | 1978 | 1,924 Metric Tons of which 347 Metric Tons shall be imported from the United States. |
| Tobacco | 1978 | 300 Metric Tons, of which 60 Metric Tons shall be imported from the United States. |

Item IV - Export Limitations

A. Export Limitation Period. The export limitation period shall be United States Fiscal Year 1978, or any subsequent United States Fiscal Year during which commodities financed under this agreement are being imported or utilized.

B. Commodities to Which Export Limitation Apply. For the purposes of Part I Article III A (4) of this agreement, the commodities which may not be exported are: for soybean/cottonseed oil - all edible vegetable oils, including peanut oil, soybean oil, cottonseed oil, sunflower oil, sesame oil, rapeseed oil, and any other edible vegetable oils or oil-bearing seeds from which these oils are produced; and for wheat flour - wheat, wheat flour, rolled wheat, semolina, farina, and bulgur (or the same products under a different name).

Item V - Self-Help Measures

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

B. The Government of Guyana agrees to:

1. continue 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. continue research aimed at the improvement of varieties of rice best suited for local climate conditions and or cassava and supplement the local diet;
3. reclaim potentially productive lands through the construction of a 35-mile earthen dyke and to install adequate irrigation/drainage facilities;
4. make a major effort to expand farm-to-market roads and open up

sizeable areas of new land to production for local consumption as well as export to CARICOM members; and

5. renovate and/or extend a seawall designed to prevent tidal flooding of coastal farm areas.

Item VI - Economic Development Purposes for Which Proceeds Accruing to Importing Country are to be Used

A. The proceeds accruing to the importing country from the sale of commodities financed under this agreement will be used for financing the self-help measures set forth in Item V above, and for the economic development budget of Guyana.

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

Part III - FINAL PROVISIONS

A. This agreement may be terminated by either Government by notice of termination to the other Government for any reason, and by the Government of the exporting country if it should determine that the self-help program described in the agreement is not being adequately developed. Such termination will not reduce any financial obligations the Government of the importing country has incurred as of the date of termination.

This Agreement shall enter into force upon signature.

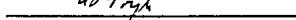
B. IN WITNESS WHEREOF, the respective representatives, duly authorized for the purpose, have signed the present agreement.

DONE at Georgetown, Guyana, in duplicate, this 27/2 day of
January, 1978.

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 Co-operatives

[AMENDING AGREEMENT]

The American Ambassador to the Guyanese Minister of Economic Development and Cooperatives

EMBASSY OF THE
UNITED STATES OF AMERICA

GEORGETOWN, May 16, 1978

EXCELLENCY:

I have the honor to refer to the Agricultural Commodities Agreement signed by us as representatives of our two Governments on January 27, 1978, and to propose that the Agreement be amended as follows:

In Part II, Particular Provisions, Item I, Commodity Table: On the line entitled "Soybean/Cottonseed Oil," and under column headed "Maximum export market value (Thousands)" delete "\$1,020" and insert "\$1,185." On the line entitled "Wheat flour," and under the columns headed "approximate maximum quantity (metric tons)," and "maximum export market value (Thousands)" delete "3,600" and "600" and insert "2,400" and "435."

All other terms and conditions of the January Agreement remain unchanged.

If the foregoing is acceptable to your Government, I propose that this Note and your reply thereto constitute an agreement between the two Governments, effective the date of your Note in reply.

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

J R BURKE [SEAL]

The Honorable
H. DESMOND HOYTE,
Minister of Economic Development and Cooperatives,
Georgetown.

TIAS 9145

*The Guyanese Minister of Economic Development and Cooperatives
to the American Ambassador*



MINISTRY OF ECONOMIC DEVELOPMENT
MINISTERIAL BUILDING
P.O. BOX 542,
GEORGETOWN,
GUYANA.

.....
29th May 1978.

His Excellency,
John R. Burke,
Ambassador of the United States of America,
United States Embassy,
Main Street,
Georgetown.

Excellency,

I have the honour to acknowledge the receipt of your Note of May 16th, 1978, with which you proposed an Amendment to the Agricultural Commodities Agreement which was signed by us as representatives of our two Governments on January 27, 1978.

In reply, I have the honour to inform your Excellency that the proposal set forth in your Note is acceptable to the Government of Guyana, and this reply and your Excellency's Note will be regarded as constituting an Agreement between the two Governments, which shall be effective on the date of this Note.

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

Yours sincerely,

H.D. Hoyte
H.D. Hoyte
Minister of Economic Development
and Co-operatives.

CHAD

Agricultural Commodities: Transfer Under Title II

*Agreement signed at N'Djamena June 10, 1977;
Entered into force June 10, 1977.*

DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D.C. 20528

TRANSFER AUTHORIZATION

Introduction

In response to a request for assistance from Government of Chad (GOC), the United States Government (USG) herewith agrees to a grant of food subject to the terms enumerated below. Briefly, the USG will grant 13,000 metric tons of US foods, and will deliver these foods from the United States to Chad, free of any charge to the GOC, for free distribution and/or sale within the Republic of Chad. The two contracting parties shall maintain close liaison during the implementation of this agreement AID [1] will, from time to time, review food requirements of the GOC. This transfer authorization signed by representatives of the two governments, constitutes an agreement between the two governments.

Program classification: AID No. 677-XXX-000-7606 Emergency Food Assistance

Executive Vice President
Commodity Credit Corporation
U.S. Department of Agriculture
Washington, D.C.

Program Approval Dated: March 22, 1977

Program Title: Drought Emergency

¹ Should read "and" instead of "AID".

In accordance with the provisions of Title II, PL 480 (as amended) [¹] section 2 of Executive Order 10900 [²] and State Department Delegation Order Number 104 effective September 30, 1961, the Commodity Credit Corporation is hereby authorized to transfer and deliver food grain to Chad in an amount not to exceed DOLS 3,519,752 pursuant to the following instructions:

1. Quantity – Metric tons not to exceed:

Previous Total; Increase 13,000; Decrease; Total to date 13,000.

2. Commodities to be shipped:

Code 048.1110; commodity soy fortified bulgur; amount metric tons 2,605; CCC value dollars 537,248; export market value dollars 477,264.

Code 047.0250; commodity soy fortified sorghum grits; amount metric tons 10,392; CCC value dollars 2,982,504; export market value dollars 2,660,352.

Total amount metric tons 13,000; Total CCC value dollars 3,519,752; Total export market value dollars 3,137,616.

3. Estimated ocean transportation costs: dollars 1,500,000

All actual ocean transportation expenditures under this program; regardless of the estimate shown above, are to be charged to Blanket Freight Transfer Authorization number 935-9500-000-7899. An individual ocean freight transfer authorization will not be issued.

4. Specifications:

Soy fortified bulgur in 50 pound bags

Soy fortified sorghum grits in 50 pound bags

5. Shipping Instructions:

A. Delivery schedule and ports of discharge:

2608 MT SF bulgur March 1977 Douala

2177 MT SFSG March/April 1977 Douala

8215 MT SFSG April/May 1977 Douala

B. Point of entry – (to land-locked country): N'Djamena, Mao and Biltine, Chad.

The arrangements for transporting the commodities from ports of discharge to various points of entry in Chad will be subject to agreements, mutually acceptable, to the USG, GOC and freight forwarders.

¹ 68 Stat. 457; 7 U.S.C. § 1721 *et seq.*

² 26 Fed. Reg. 143.

³ Should read "2,608".

- C. Consignee — Direction pour la Lutte contre les Calamités Naturelles (DLCCN), N'Djamena, Chad.
- D. Send copy of bills of lading to:
1. First original and one copy to consignee via airmail.
 2. After ship's loading second original and one copy either accompanying cargo to consignee or via airmail within 24 hours.
 3. Third original and one copy to the US Consulate in Douala.
 4. Fourth original and two copies to AID, Transportation Support Division, Office of Commodity Management, Washington, D.C. 20523, Att.: Mr. R. E. James.
 5. Two copies U.S. Embassy N'Djamena, Chad:
Attention: AID Comptroller
 6. One Copy REDSO, Amembassy, Abidjan.
6. Program objectives, use of commodities and conditions of transfer.
The commodities authorized herein are contributed by the USG to the GOC to assist in alleviating the shortage of food caused by prolonged drought.
- A. The commodities herein contributed are for (1) free direct distribution to victims of drought unable to purchase food supplies. The rate of distribution should not exceed the amount the recipient and his dependents can consume during the period for which the distribution is made: and (2) for sale as specified in B. below.
- B. Subject to GOC guarantee that those persons unable to buy food will receive the U.S. contributed grain without cost, the GOC may sell up to 50 percent of the total quantity provided herein on the open market in food deficit areas at prices mutually agreed upon by the American Embassy/N'Djamena and the GOC. Currency resulting from such sale shall be deposited in a special account in the Bank of Development of Chad and the GOC shall provide a monthly bank statement giving details of deposits. Disbursements from this account shall be made only after a written exchange of notes between the USG and the GOC for purposes in support of the program or for mutually agreed development objectives.
- C. Distribution, sales and accounting procedures are subject to mutual development and concurrence of the American Embassy/ N'Djamena and the Government of Chad, and will be guided by the following general rules:
1. Prior to the arrival of the first commodities in N'Djamena, the GOC will submit a plan of distribution to the American Embassy, N'Djamena indicating the areas of the country where the foods will be stored and utilized.

2. Upon the arrival in N'Djamena of the food commodities, the GOC agrees to submit monthly reports to the American Embassy/N'Djamena giving, among other things, the type, quantity and general condition of the foods. The GOC further agrees to submit this monthly situation report to the American Embassy/N'Djamena, no later than ten days following the end of the preceding month, on the activities during the month. This report will include at a minimum the following information:
 - A) Beginning stocks
 - B) Arrivals
 - C) Distributions
 - D) Sales
 - E) Damaged goods
 - F) Ending stocks
 3. The GOC agrees to inform the American Embassy/N'Djamena of the general rules it will follow in determining the eligibility of recipients of free distributions. Distributions to eligible recipients shall be made without discrimination and, to the maximum extent possible, the GOC will inform the recipients that these foods have been furnished by the people of the United States to the Chadian people.
 4. The GOC agrees to admit the commodities delivered under this agreement into the Republic of Chad free of any duties or taxes and further that any internal transportation paid by the USG shall also be free of any taxes.
 5. The GOC agrees that any commodities damaged by infestation, rodents, water or any other cause, shall be reported immediately to the American Embassy/N'Djamena for appropriate action by the USG and the GOC. The GOC agrees that the US Government will have no responsibility to provide additional commodities to replace any damaged commodities.
 6. The right to assert any claim arising in connection with the loss or damage of commodities furnished under this transfer authorization shall vest in the U.S. and all amounts recovered shall be deposited with the U.S. Disbursing Officer; American Embassy Chad, preferably, in the U.S. dollars with instructions to credit the deposit to CCC Account No. 12X4336, or in local currency at the official exchange rate applicable to dollar imports at the time of deposit with instructions to credit the deposit to treasury sales account 20FT401.
- D. The United States Government will supply the commodities herein provided and pay costs of ocean transport and inland transportation including intermediate storage if necessary; surveys, fumigation and other transport-related costs, to the

- cities of N'Djamena, Mao and Biltine. Any security arrangements necessitated by the local situation will be the responsibility of GOC.
- E. The GOC will pay all internal storage, handling and transportation and distribution costs on the commodities provided herein beyond the points of entry mentioned in paragraph D. above.
- F. After the date of the AID/Washington approval of this agreement but before arrival of the authorized Title II commodities, the GOC may borrow the same similar commodities from local sources to meet the requirements of the project. Such of the commodities borrowed as are used in accordance with the terms of this transfer authorization may be replaced on an equivalent value basis with the Title II commodities furnished to the project.
- G. The GOC agrees to keep the American Embassy/N'Djamena fully informed concerning the status of commodity receipts, distribution and sales and will provide complete details, as requested. Representatives of the USG will be permitted to audit and have access to all records pertaining to the use of commodities provided by this transfer authorization.

FOR THE GOVERNMENT OF THE UNITED STATES OF
AMERICA

By WILLIAM G. BRADFORD

William G. Bradford

Ambassador

Date JUNE 10, 1977

REQUEST AND ACCEPTANCE: the assistance described in this authorization is hereby requested and the terms and conditions of this agreement are hereby accepted.

FOR THE GOVERNMENT OF CHAD
By GALMAI YOUSSOUBOMI

Galmai Youssoubomi

*Secretary of State for Foreign
Affairs and Cooperation*

Date JUNE 10, 1977

MALI

Agricultural Commodities: Transfer Under Title II

*Agreement signed November 6, 1974 and May 7, 1975;
Entered into force May 7, 1975.*

And amending agreements

Signed May 29, 1975;

Entered into force May 29, 1975.

And signed at Washington and Bamako January 11 and February 2, 1977;

Entered into force February 2, 1977.

DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D.C. 20523

TRANSFER AUTHORIZATION

Program Classification:

Emergency Food Assistance

Executive Vice President

Commodity Credit Corporation

U.S. Department of Agriculture

Washington, D.C.

AID No. 688-XXX-000-5613

Program Approval Dated:

October 7, 1974

Program Title: Drought Emergency Food Relief—Mali

In accordance with the provisions of Title II, PL 480 (as amended),^[1] Section 2 of Executive Order 10900^[2] and State Department Delegation Order No. 104 effective September 30, 1961, the Commodity Credit Corporation is hereby authorized to transfer and deliver Food to MALI in an amount not to exceed \$3,826,000 pursuant to the following instructions:

1. Quantity—Metric tons not to exceed:

| Previous Total | Increase | Decrease | Total to Date |
|----------------|----------|----------|---------------|
| 18,274 | | | 18,274 |

¹ 68 Stat. 457; 7 U.S.C. § 1721 *et seq.*

² 26 Fed. Reg. 143.

2. Commodities to be Shipped:

| Code | Commodity | Amount Metric Tons | CCC Value | Export Market Value |
|-----------|------------------------|-----------------------|---------------|------------------------|
| 048. 8440 | CSB | 2, 000 | \$740, 000 | \$658, 000 |
| 045. 9015 | Grain Sorghum | 13, 774 | 2, 286, 000 | 2, 038, 000 |
| 047. 0250 | S. F. Sorghum Grits | 2, 500 | 800, 000 | 712, 000 |
| | Total | 18, 274 | \$3, 826, 000 | \$3, 408, 000 |

3. Estimated Ocean Transportation Costs: \$1,246,000

All actual ocean transportation expenditures under this program; regardless of the estimate shown above, are to be charged to Blanket Freight Transfer Authorization No. 935-9500-000-5899. An individual Ocean Freight Transfer Authorization will not be issued.

4. Specifications:

Grain Sorghum—Grade No. 2 or better. Bulk with bags accompanying.
 Soy Fortified Sorghum Grits—in 50 lb. bags.
 CSB—bagged 50 lbs.

5. Shipping Instructions:

- A. Delivery Schedule: To be advised.
- B. Port of Discharge: To be advised.
- C. Point of Entry: (To land-locked Country) Kayes, Mali; Sikasso, Mali; Segou, Mali; Koulikoro; Mali; Mopti, Mali; Bamako, Mali; Gao; Mali.
- D. Consignee: Area Development Officer, American Embassy, Dakar, Senegal.
- E. Send copy of Bills of Lading to:
 - 1) First original and one copy to Consignee via airmail.
 - 2) After ships loading: second original and one copy accompanying cargo to consignee.
 - 3) Third original and two copies to A.I.D. Transportation and Support Division, Office of Commodity Management, Washington, D.C. 20523, Attn. Mr. R. E. James.
 - 4) Original and one copy to USAMEMBASSY, Bamako.
 - 5) One additional copy to REDSO, AMEMBASSY, Abidjan.

6. Program Objectives, Use of Commodities and Conditions of Transfer:

The commodities authorized herein are contributed by the United States Government (USG) to the Government of Mali (GOM) to assist in alleviating the shortage of food caused by prolonged drought.

- A. The commodities herein contributed are for (1) free direct distribution to victims of drought unable to purchase food supplies, rate of distribution not to exceed the amount the recipient and his dependents can consume during the period for which the distribution is made; (2) for sale as specified B. below.
- B. Subject to the GOM guarantee that those persons unable to buy food will receive the U.S. contributed grain without cost, the GOM may sell such grain not required for direct free distribution on the open market in food deficit areas at prices mutually agreed upon by the American Embassy, Bamako-ADO/Dakar and the Government of Mali. Currency resulting from such sale shall be used to pay local distribution costs on commodities distributed directly to needy; or for drought relief projects as mutually agreed which will assist in alleviation of the effects of the drought and in increasing food supplies within Mali.
- C. Distribution and sales procedures and arrangements for proper accounting are subject to mutual development and concurrence of the American Embassy, Bamako-ADO/Dakar and the Government of Mali. Proceeds resulting shall be deposited in a special account for purposes specified and agreed to by all parties per B. above.
- D. The GOM will pay all storage, internal handling and transportation and distribution costs on the commodities herein provided for direct distribution in excess of the sums generated from the sales as authorized per B. above.
- E. The United States Government will supply the commodities herein provided and pay ocean transport and inland transportation costs to designated points of entry in Mali.
- F. After the date of the A.I.D./Washington approval of the project but before arrival of the authorized Title II commodities, the GOM may borrow the same or similar commodities from local sources to meet the requirements of the project. Such of the commodities borrowed as are used in accordance with the terms of this Transfer Authorization may be replaced on an equivalent value basis with the Title II commodities furnished to the project.
- G. The GOM agrees to keep the American Embassy, Bamako and ADO/Dakar fully informed concerning the status of commodity receipts, distribution and sales and will provide complete

details, as requested. Representatives of the USG will be permitted to audit and have access to all records pertaining to the use of commodities provided by this Transfer Authorization.

11/6/74

Date

KATHLEEN S BITTERMANN

for ANDREW J. MAIR, *Coordinator,*
FFP

REQUEST AND ACCEPTANCE: The assistance described in this authorization is hereby requested and the terms and conditions of this agreement and of AID regulation 11, 33FR2918, 1968, as amended Nov. 11, 1972 (37FR24032), except as otherwise specifically provided herein are hereby accepted.

MAY 7, 1975

Date

KISSIMA DOUKARA

Kissima Doukara

FOR THE GOVERNMENT OF
MALI

[SEAL]

—
[AMENDING AGREEMENTS]

DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D.C. 20528

TRANSFER AUTHORIZATION

Program Classification:
Emergency Food Assistance

Amendment No. 1 to
AID No. 688-XXX-000-5613

Executive Vice President
Commodity Credit Corporation
U.S. Department of Agriculture
Washington, D.C.

Program Approval Dated:
October 7, 1974

Amendment Dated:
March 24, 1975

Program Title: Drought Emergency Food Relief—Mali

In accordance with the provisions of Title II, PL 480 (as amended) Section 2 of Executive Order 10900 and State Department Delegation Order No. 104 effective September 30, 1961, the Commodity Credit

Corporation is hereby authorized to transfer and deliver Food to Mali in an amount not to exceed \$7,348,625 pursuant to the following instructions:

1. PURPOSE OF AMENDMENT: To increase the amount of grain, sorghum and Soy Fortified Sorghum Grits to be shipped to Mali for use in drought relief activities. Paragraphs 1, 2 and 3 are amended to reflect the increase in commodities and the additional ocean freight and inland transport costs.

QUANTITY—Metric tons not to exceed:

| Previous Total | Increase | Decrease | Total to Date |
|----------------|----------|----------|---------------|
| 18, 274 | 22, 904 | | 41, 178 |

2. COMMODITIES (AMENDMENT):

| Code No. | Commodity | Quantity | | CCC Value | | Export Mkt. Value | |
|----------|-----------------------|-----------------|------------------------|--------------|------------------|-------------------|------------------|
| | | Amend- ed MT | Total to Date MT | Amended | Total to Date | Amended | Total to Date |
| 048.8440 | CSB | 0 | 2,000 | \$0 | \$740,000 | \$0 | \$658,000 |
| 045.9015 | Grain Sorghum | +22,513 | 36,287 | +3,399,460 | 5,685,460 | +3,016,740 | 5,054,740 |
| 047.0250 | S.F. Sorghum Grits | +891 | 2,891 | +128,165 | 928,165 | +109,480 | 930,960 |
| Total | | +22,904 | 41,178 | +\$3,522,625 | \$7,348,625 | +\$3,126,220 | \$6,643,700 |

3. Estimated Ocean Transportation Costs (Amendment):

| Previous Total | Increase | Decrease | Total to Date |
|----------------|-------------|----------|---------------|
| 1, 246, 000 | 1, 497, 035 | | 2, 743, 035 |

All actual ocean transportation expenditures under this program, regardless of the estimate shown above, are to be charged to Blanket Freight Transfer Authorization No. 935-9500-000-5899. An individual Ocean Freight Transfer Authorization will not be issued.

4. ALL OTHER PROVISIONS REMAIN UNCHANGED

MAY 29, 1975

Date

KATHLEEN S BITTERMANN
for ANDREW J. MAIR,
Coordinator, FFP

REQUEST AND ACCEPTANCE: The assistance described in this authorization is hereby requested and the terms and conditions of this agreement and of AID Regulation 11, 33FR2918, 1968, as amended

TIAS 9147

September 19, 1974 (39FR33668), except as otherwise specifically provided herein are hereby accepted.

MAY 29, 1975

Date

KISSIMA DOUKARA

FOR THE GOVERNMENT OF
MALI

[SEAL]

DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D.C. 20523

TRANSFER AUTHORIZATION

Program Classification:
Emergency Food Assistance

Amendment No. 2 to
AID No. 688-XXX-000-5613

Executive Vice President
Commodity Credit Corporation
U.S. Department of Agriculture
Washington, D.C.

Program Approval Dated:
October 7, 1974

Amendment Dated:
March 24, 1975 and
February 4, 1976

Program Title: Drought
Emergency Food Relief—Mali

In accordance with the provisions of Title II, PL 480 (as amended), Section 2 of Executive Order 10900 and State Department Delegation Order No. 104 effective September 30, 1961, the Commodity Credit Corporation is hereby authorized to transfer and deliver Food to MALI in an amount not to exceed \$6,750,721 pursuant to the following instructions:

1. PURPOSE OF AMENDMENT: To decrease the amount of grain sorghum to be shipped to Mali for use in drought relief activities. Paragraphs 1, 2 and 3 are amended to reflect the decrease in commodities and the decreased ocean freight costs.

QUANTITY—Metric Tons not to exceed:

| Previous Total | Increase | Decrease | Total to Date |
|----------------|----------|----------|---------------|
| 41, 178 | | 3, 966 | 37, 212 |

2. COMMODITIES (AMENDMENT):

| Code No. | Commodity | Quantity | | CCC Value | | Export Mkt. Value | |
|----------|---------------------|---------------|---------------------|------------|------------------|-------------------|------------------|
| | | Amended MT | Total to Date MT | Amended | Total to Date | Amended | Total to Date |
| 048.8440 | CSB | 0 | 2,000 | \$0 | \$740,000 | \$0 | \$658,000 |
| 045.9015 | Grain | -3,966 | 32,321 | -598,904 | 5,087,556 | -531,436 | 4,523,304 |
| 047.0250 | Sorghum | 0 | 2,891 | 0 | 923,165 | 0 | 930,960 |
| | S. F. Sorghum Grits | | | | | | |
| | Total | -3,966 | 37,212 | -\$598,904 | \$6,750,721 | -\$531,436 | \$6,112,264 |

3. Estimated Ocean Transportation Costs (Amendment):

| Previous Total | Increase | Decrease | Total to Date |
|----------------|----------|----------|---------------|
| 2, 743, 035 | | 274, 380 | 2, 468, 655 |

All actual ocean transportation expenditures under this program; regardless of the estimate shown above, are to be charged to Blanket Freight Transfer Authorization No. 935-9500-000-5899. An individual Ocean Freight Transfer Authorization will not be issued.

4. ALL OTHER PROVISIONS REMAIN UNCHANGED.

JAN. 11, 1977

KATHLEEN S BITTERMANN

Date

Coordinator, Food for Peace

REQUEST AND ACCEPTANCE: The assistance described in this authorization is hereby requested and the terms and conditions of this agreement and of AID Regulation 11 33FR2918, 1968, as amended September 19, 1974 (39FR33668), except as otherwise specifically provided herein are hereby accepted.

2 FEB. 1977

KISSIMA DOUKARA

Date

FOR THE GOVERNMENT OF
MALI

[SEAL]

Ministère Defense Interieur Securite

THE GAMBIA

Agricultural Commodities: Transfer Under Title II

*Agreement signed at Banjul October 26 and 28, 1977;
Entered into force October 28, 1977.*

DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D.C. 20523

TRANSFER AUTHORIZATION

| | |
|--------------------------------|-------------------------------|
| Emergency Relief | AID No. 635-042.2050-000-7604 |
| Executive Vice President | Program Approval Dated: |
| Commodity Credit Corporation | September 20, 1977 |
| U.S. Department of Agriculture | Program Title: Emergency Food |
| Washington, D.C. | Relief - Gambia |

In accordance with the provisions of Title II, PL 480 (as amended), ['] Section 2 of Executive Order 10900 ['] and State Department Delegation Order No. 104 effective September 30, 1961, the Commodity Credit Corporation is hereby authorized to transfer and deliver Food GRAIN TO THE GOVERNMENT OF GAMBIA in an amount not to exceed \$364, 000 pursuant to the following instructions:

1. Quantity - Metric tons not to exceed:

| Previous Total | Increase | Decrease | Total to Date |
|----------------|----------|----------|---------------|
| | 1, 000 | | 1, 000 |

2. Commodity to be shipped:

| Code | Commodity | Amount Metric Tons | CCC Value \$ | Export Market Value \$ |
|-----------|-----------|-----------------------|-----------------|------------------------------|
| 042. 2050 | Rice | 1, 000 | \$364, 000 | \$324, 000 |

¹ 68 Stat. 457; 7 U.S.C. § 1721 *et seq.*

² 26 Fed. Reg. 143.

3. Estimated Ocean Transportation Costs: \$122, 850

All actual ocean transportation expenditures under this program regardless of the estimate shown above, are to be charged to the Blanket Freight Transfer Authorization No. 935-9500-000-7899. An individual Ocean Freight Transfer Authorization will not be issued.

4. Specifications:

Rice - Packed in 100 pound bags to USDA specifications.

5. Shipping Instructions:

- A. Delivery Schedule: As soon as possible.
- B. Port of Discharge: Banjul, Gambia
- C. Consignee: Ministry of Local Government and Land,
The Quadrangle, Banjul The Gambia.
- D. Send copy of Bills of Lading to:
 - 1) First original and one copy to Consignee via airmail.
 - 2) After ships loading: second original and one copy accompanying cargo to consignee.
 - 3) Third original and two copies to A.I.D. Transportation and Support Division, Office of Commodity Management, Washington, D.C. 20523, Attn: Mr. R.E. James.
 - 4) Original and two copies to A.I.D. Operations Officer/Banjul, c/o American Embassy, Banjul, Gambia via airmail.
 - 5) One copy to RFFPO USAID Senegal, c/o AmEmbassy, Dakar, Senegal.

6. Program Objective and Distribution of Commodities:

The commodity authorized herein is contributed by the United States Government (USG) to the Government of Gambia to assist in alleviating the shortage of food caused by extensive crop losses. No portion of the commodity is authorized for sale.

7. Survey Report:

AID will be responsible for charges assessed for an independent survey.

26 OCTOBER 1977

Date

DOUGLAS P. BROOME

FOR THE GOVERNMENT OF
THE UNITED STATES

REQUEST AND ACCEPTANCE: The assistance described in this authorization is hereby requested and the terms and conditions of this agreement and of AID Regulation 11, 33FR2918, 1968 (attached

and incorporated herein by reference) except as otherwise specifically provided herein are hereby accepted.

28TH OCTOBER, 1977
Date

M M SOSSEH
FOR THE GOVERNMENT OF
GAMBIA

TIAS 9148

GUINEA

Agricultural Commodities: Transfer Under Title II

*Agreement signed at Washington and Conakry April 14 and June 5,
1978;
Entered into force June 5, 1978.*

DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D.C. 20523

TRANSFER AUTHORIZATION

Program Classification: Drought Emergency Food Assistance AID No. 675-042.2050-000-8607
Executive Vice President Program Approval Dated:
Commodity Credit Corporation April 11, 1978
U.S. Department of Agriculture Program Title: Drought Emergency Food Assistance Guinea
Washington, D.C.

In accordance with the provisions of Title II PL 480 (as amended), [¹] Section 2 of Executive Order 10900[²] and State Department Delegation Order No. 104 effective September 30, 1961, the Commodity Credit Corporation is hereby authorized to transfer and deliver Food GRAIN TO THE GOVERNMENT OF GUINEA in an amount not to exceed \$6,440,000 pursuant to the following instructions:

1. Quantity - Metric tons not to exceed:

| Previous Total | Increase | Decrease | Total to Date |
|----------------|----------|----------|---------------|
| | 18,000 | | 18,000 |

¹ 68 Stat 457; 7 U.S.C. § 1721 *et seq.*

² 26 Fed. Reg. 143.

2. Commodity to be shipped:

| Code | Commodity | Amount Metric Tons | Estimated Value |
|-----------|-----------|-----------------------|--------------------|
| 042. 2050 | Rice | 18,000 | \$6, 444, 000 |

3. Estimated Ocean and Other Transportation Costs: \$2,000,000

All actual ocean transportation expenditures under this program, regardless of the estimate shown above, are to be charged to Blanket Freight Transfer Authorization No. 935-9500-000-8899. An individual ocean freight transfer authorization will not be issued.

4. Specifications:

Rice No. 5 or better, bagged (100 pound bags—45.36 KG) with 2% extra bags accompanying

5. Shipping Instructions:

- A) Delivery Schedule — ASAP (2 shipments—9,000 MTS each)
- B) Port of Discharge — Conakry, Guinea
- C) Point of Entry — Conakry, Guinea
- D) Consignee: — Government of Guinea, ALIMAG,
Conakry, Guinea
- E) Send copy of bills of lading to:

1. First original plus one copy to consignees, care of Chief of Mission Amembassy Conakry;
2. Second original plus one copy to same but separate mailing
3. After ships loading third original and one copy either accompanying cargo to consignee or via airmail within 24 hours.
4. Third original and two copies to AID, Transportation Support Division Office of Commodity Management, Washington, D.C. 20523, Attn: Mr. R. E. James.
5. Original plus one copy to Chief of Mission, Amembassy Conakry, Guinea
6. One copy to RFFPO—Amembassy Dakar
One copy to REDSO—Amembassy Abidjan

6. Program Objectives, Use of Commodities and Conditions of Transfer

The commodities authorized herein are contributed by the U.S. Government to the Government of Guinea to assist in alleviating the shortage of food caused by prolonged droughts, primarily in

the northern tier of Guinea in a geographic area covering eighteen regions and affecting approximately 2,069,000 persons. No portion of this commodity is authorized for sale.

- A. The commodity herein contributed is for free direct distribution only to victims of the drought unable to purchase food supplies. The rate of distribution is not to exceed the amount the recipient and his dependents can consume during the period for which the distribution is made.
- B. Prior to the arrival and distribution of the commodities authorized herein, the GOG will furnish the Chief of Mission, American Embassy, Conakry, a plan of distribution including the region, Pouvoir Revolutionnaire Local (PRL), number of recipients, number of bags of commodity and net weight in kilograms that will be fed of the particular commodity at specified monthly ration over a specific period of time.

The GOG agrees to inform the American Embassy/Conakry of the general rules it will follow in determining the eligibility of recipients of free distributions. Distributions to eligible recipients shall be made without discrimination and, to the maximum extent possible, the GOG will inform the recipients that these foods have been furnished by the people of the United States to the Guinean people.

- C. The USG will supply the commodity herein provided and pay ocean transport costs to the end of ships tackle at Conakry.
- D. The GOG will pay all storage, internal handling and transportation and distribution costs on commodity herein provided.
- E. The GOG agrees to provide priority berthing and handling of commodity upon vessel(s) arrival at Conakry port.
- F. The GOG agrees to keep the American Embassy fully informed concerning the status of commodity receipts and distributions and will provide complete details as requested. Immediately after the distribution of the commodities, the GOG will furnish the Chief of Mission, American Embassy, Conakry a certificate of distribution listing the PRL, number of recipients, number of bags commodity, distributed, net weight in kilograms and the difference between weight actually distributed and weight planned to be distributed on the plan of distribution.
- G. The GOG further agrees to submit a final report to the Chief of Mission, American Embassy, Conakry no later than 20 days following the completion of distribution. This report will include:
 - A) Total beginning stocks
 - B) Arrivals
 - C) Distributions by region and PRL
 - D) Damaged stocks if any

Representatives of the USG will be permitted to audit and have access to all records pertaining to the use of commodities provided by this Transfer Authorization.

H. After the date of AID/Washington approval of the project, but before arrival of the authorized Title II commodities, the GOG may borrow the same or similar commodities from local sources to meet the requirements of the project. Such of the commodities borrowed as are used in accordance with the terms of this Transfer Authorization may be replaced on an equivalent value basis with the Title II commodities furnished to the project.

7. Amendment:

The above terms may be amended upon request of the Government of Guinea, with the concurrence of the American Embassy, Conakry, Guinea and with the cabled concurrence of AID/W.

KATHLEEN S. BITTERMANN

APRIL 14, 1978

Date

Kathleen S. Bittermann
Coordinator, PDC/FFP

REQUEST AND ACCEPTANCE: The assistance described in this authorization is hereby requested and the terms and conditions of this agreement and of AID Regulation 11, 41 F.R. 47919-47927, November 1, 1976 (attached and incorporated herein by reference), except as otherwise specifically provided herein are hereby accepted.

MOUSSA DIAKITÉ

5 JUIN 1978

Date

FOR THE GOVERNMENT
OF GUINEA

*Président
Comité d'Etat de Coopération avec
les Pays d'Amérique et les
Organismes Internationaux*

[SEAL]

**DEPARTEMENT D'ETAT
AGENCE POUR LE DEVELOPPEMENT INTERNATIONAL
WASHINGTON, D.C. 20523**

AUTORISATION DE TRANSFERT

Classification du programme:
Secours alimentaires d'urgence
en raison de sécheresse

AID n° 675-042.2050-000-8607

Vice-Président exécutif
Commodity Credit Corporation
Ministère de l'Agriculture des
Etats-Unis
Washington, D.C.

Date d'approbation du
programme: April 11, 1978

Titre du programme: Secours
alimentaires d'urgence par
suite de la sécheresse en Guinée

En vertu des dispositions du Titre 11 de la Loi publique 480 (amendée), de la Section 2 du décret-loi 10900, et de l'Ordre de Délégation n° 104 du Département d'Etat ayant pris effet le 30 septembre 1961, la Commodity Credit Corporation (CCC) est autorisée par les présentes à transférer et à livrer des denrées agricoles au Gouvernement de Guinée, d'un montant ne devant pas dépasser \$6.440.000, conformément aux instructions suivantes:

1. Quantité - Maximum en tonnes métriques:

| Total antérieur | Accroissement | Diminution | Total à ce jour |
|-----------------|---------------|------------|-----------------|
| | 18. 000 | | 18. 000 |

2. Denrée à expédier:

| Code | Produit | Quantité en Tonnes métriques | Valeur estimative |
|-----------|---------|---------------------------------|----------------------|
| 042. 2050 | Riz | 18. 000 | \$6. 444. 000 |

3. Coût estimatif du transport maritime et autre: \$20.000.000

Tous frais effectifs de transport maritime encourus au titre de ce programme, quelle que soit l'estimation ci-dessus, doivent être imputés à l'Autorisation générale de fret de transfert n° 935-9500-000-8899. Une autorisation individuelle de fret maritime de transfert ne sera pas émise.

4. Spécifications:

Riz n° 5 ou de meilleure qualité en sacs (de 100 livres ou 45,36 kg), expédition comportant un supplément de 2% de sacs.

5. Instructions visant l'expédition:

A. Délais de livraison — Aussitôt que possible (A.S.A.P.) (2 expéditions de 9.000 tonnes métriques chacune)

E. Envoyer copies des connaissances comme suit:

1. Un premier original et une copie au consignataire, adressés comme suit: "care of Chief of Mission, Amembassy Conakry"

2. Un deuxième original et une copie adressés au même destinataire, mais sous pli séparé

3. Après chargement des navires, un troisième original et une copie, soit accompagnant la cargaison, soit envoyés par la poste aérienne dans un délai de 24 heures

4. Un troisième original et deux copies envoyés à:

AID, Transportation Support Division, Office of Commodity Management, Washington, D.C. 20523, Attn.
Mr. R. E. James

5. Un original et une copie au chef de mission, Ambassade des Etats-Unis à Conakry (Guinée)

6. Une copie à RFFPO, Ambassade des Etats-Unis à Dakar (Sénégal)

à REDSO, Ambassade des Etats-Unis à Abidjan (Côte-d'Ivoire).

6. Objectifs du programme, utilisation des denrées et conditions de transfert

Les denrées autorisées au titre des présentes sont fournies par le Gouvernement des Etats-Unis au Gouvernement de Guinée pour aider à pallier la pénurie alimentaire résultant de la sécheresse prolongée, principalement dans la partie septentrionale de la Guinée englobant une zone géographique comptant dix-huit régions et une population d'environ 2.069.000 personnes. Aucune partie de cette denrée ne doit être vendue.

A. La denrée contribuée au titre des présentes est destinée à une distribution directe gratuite uniquement aux victimes de la sécheresse auxquelles il n'est pas possible d'acheter des produits alimentaires. Le rythme de distribution ne doit pas être supérieur au rythme de consommation du bénéficiaire et des personnes à sa charge durant la période de distribution.

B. Avant l'arrivée et la distribution des denrées autorisées par les présentes, le Gouvernement de Guinée communiquera au Chef de mission de l'Ambassade des Etats-Unis à Conakry un plan

de distribution indiquant la région, le Pouvoir Révolutionnaire Local (P.R.L.), le nombre de bénéficiaires, le nombre de sacs de denrée et le poids net en kilogrammes de ladite denrée fournis suivant un rationnement mensuel précis pendant une période de temps spécifiée.

Le Gouvernement de Guinée est convenu d'informer l'Ambassade des Etats-Unis à Conakry des règles générales qu'il appliquera pour déterminer l'admissibilité de bénéficiaires à des distributions gratuites. Les distributions à des bénéficiaires admissibles seront effectuées sans discrimination et, dans toute la mesure du possible, le Gouvernement de Guinée informera les bénéficiaires que ces denrées alimentaires ont été fournies par le peuple des Etats-Unis au peuple de Guinée.

- C. Le Gouvernement des Etats-Unis fournira la denrée prévue par les présentes et financera les frais de transport maritime, y compris le déchargement par palans des navires à Conakry.
- D. Le Gouvernement de Guinée rélegra tous les frais d'emmagasinage, de manutention et de transport locaux et de distribution de la denrée fournie au titre des présentes.
- E. Le Gouvernement de Guinée convient de donner priorité au mouillage et à la manutention en ce qui concerne la denrée, à l'arrivée du navire ou des navires au port de Conakry.
- F. Le Gouvernement de Guinée est convenu de tenir l'Ambassade des Etats-Unis entièrement au courant des arrivages et des distributions de la denrée et il fournira tous détails suivant demande. Dès après la distribution de denrées, le Gouvernement de Guinée fournira au Chef de mission, à l'Ambassade des Etats-Unis à Conakry, un certificat de distribution indiquant le Pouvoir Révolutionnaire Local, le nombre de bénéficiaires, le nombre de sacs de denrée, la distribution en poids net en kilogrammes et la différence entre le poids de distribution effectif et le poids de distribution prévu par le plan de distribution.
- G. Le Gouvernement de Guinée est convenu en outre de soumettre un rapport final au Chef de mission de l'Ambassade des Etats-Unis à Conakry, 20 jours au plus tard après l'achèvement de la distribution. Ce rapport indiquera notamment:
 - A) le total des stocks de départ
 - B) les arrivages
 - C) les distributions par région et Pouvoir Révolutionnaire Local
 - D) les stocks endommagés, le cas échéant.

Des représentants du Gouvernement des Etats-Unis seront autorisés à procéder à une vérification de comptes et auront accès à tous les dossiers relatifs à l'utilisation des denrées fournies au titre de la présente Autorisation de transfert.

H. Après la date d'approbation du projet par l'A.I.D. à Washington, mais avant l'arrivée des denrées autorisées en vertu du Titre II, le Gouvernement de Guinée pourra emprunter les mêmes denrées ou des denrées analogues de sources locales pour répondre aux besoins du projet. Les denrées ainsi empruntées qui sont utilisées conformément aux conditions de la présente Autorisation de transfert pourront être restituées sur la base d'une valeur équivalente avec les denrées relevant du Titre II fournies pour les besoins du projet.

7. Amendement:

Les conditions ci-dessus peuvent être amendées à la demande du Gouvernement de Guinée, avec l'assentiment de l'Ambassade des Etats-Unis à Conakry (Guinée) et avec l'assentiment câblé de l'AID/W.

KATHLEEN S. BITTERMANN

APRIL 14, 1978
Date

Kathleen S. Bittermann
Coordonnatrice, PDC/FFP

DEMANDE ET ACCEPTATION: L'aide décrite dans la présente autorisation est par les présentes demandée et les modalités et conditions du présent accord et du Règlement 11 de l'A.I.D., 41F.R.47919-47927, en date du 1^{er} novembre 1976 (annexées et incorporées aux présentes par référence), sauf exception spécifiquement prévue dans les présentes, sont acceptées par les présentes.

MOUSSA DIAKITÉ

5 JUIN 1978
Date

POUR LE GOUVERNEMENT DE
GUINEE

Président

*Comite d'Etat de Cooperation
avec les Pays d'Amérique et les
Organismes Internationaux*

[SEAL]

DJIBOUTI

Agricultural Commodities: Transfer Under Title II

*Agreement signed at Djibouti January 9, 1978;
Entered into force January 9, 1978.*

DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D.C. 20528

TRANSFER AUTHORIZATION

Program Classification: Emergency Food Assistance AID No. 603-XXX-000-8601
Executive Vice President Program Approval Dated:
Commodity Credit Corporation 11 November 1977
U.S. Department of Agriculture Program Title: Emergency
Washington, D.C. Food Assistance - Djibouti

In accordance with the provisions of Title II, PL 480 (as amended),^[1] Section 2 of Executive Order 10900^[2] and State Department Delegation Order No. 104 effective September 30, 1961, the Commodity Credit Corporation is hereby authorized to transfer and deliver Agricultural Commodities to the Government of the Republic of Djibouti (GROD) in an amount not to exceed \$1,066,850 pursuant to the following instructions:

1. Quantity - Metric tons not to exceed:

| Previous Total | Increase | Decrease | Total to Date |
|----------------|----------|----------|---------------|
| | 4, 060 | | 4, 060 |

¹ 68 Stat. 457; 7 U.S.C. § 1721 *et seq.*

² 26 Fed. Reg. 143.

2. Commodities to be shipped:

| Code | Commodity | Amount Metric Tons | Estimated Value |
|-----------|-----------|-----------------------|-----------------|
| 042. 2050 | Rice | 1550 | \$497, 550 |
| 047. 0250 | S.F.S.G. | 2300 | 437, 000 |
| 421. 2040 | Vegoil | 210 | 132, 300 |

3. Estimated Ocean Transportation Costs: \$606,000

All actual ocean transportation expenditures under this program regardless of the estimate shown above, are to be charged to the Blanket Freight Transfer Authorization No. 935-9500-000-8899. An individual Ocean Freight Transfer Authorization will not be issued.

4. Specifications:

- Rice - Packed in 100 pound bags to USDA specifications
- Soy-Fortified
- Sorghum Grits - Packed in 50 pound bags to USDA specifications
- Vegetable Oil - 1 gallon container to USDA specifications

5. Shipping Instructions:

- A. Delivery Schedule - As soon as possible
- B. Port of Discharge - Djibouti
- C. Consignee - Government of the Republic of Djibouti
- D. Send copies of bills of lading to:

1. First original and one copy to consignee via airmail;
2. After ships loading, second original and one copy to consignee accompanying cargo;
3. Third original and two copies to A.I.D. Transportation Support Division, Office of Commodity Management (ATTN: Mr. R. E. James), Washington, D.C. 20523
4. Original and one copy to American Embassy, Djibouti via airmail.
5. One copy to Regional Food for Peace Officer, REDSO/EA AmEmbassy, Nairobi, Kenya

6. Program Objectives. Use of Commodity and Conditions of Transfer

The commodities authorized herein are contributed by the USG to the GROD to assist in alleviating the shortage of food caused by disturbances in the area.

- A. The commodities herein contributed are for (1) free direct distribution to refugees, displaced persons and others whose

- need is directly linked to the hostile condition in bordering Ethiopia, who are unable to purchase food supplies. The rate of distribution should not exceed the amount the recipient and his dependents can consume during the period for which the distribution is made; and (2) for sale as specified in B. below.
- B. Subject to GROD guarantee that those persons unable to buy food will receive the U.S. contributed commodities without cost, the GROD may sell up to 25 percent of the total quantity provided herein on the open market in food deficit areas at prices mutually agreed upon by the American Embassy/Djibouti and the GROD.
- C. The specific uses of the local currency proceeds shall be agreed upon in writing between the GROD and the American Embassy/Djibouti. The GROD agrees to provide a monthly report on all currencies generated under this agreement giving details of deposits and disbursements. All such amounts remaining unexpended after two years from date of deposit and accrued interest, if any, shall be deposited with U.S. Disbursing Officer AmEmbassy, Djibouti.
- D. The GROD will pay all storage, internal handling and transportation and distribution costs on the commodities herein provided for direct distribution in excess of the sums generated from the sales as authorized per B. above.
- E. The USG will supply the commodities herein provided and pay ocean transport, and independent survey report costs, to designated point of entry in Djibouti.
- F. After the date of the AID/Washington approval of the project but before arrival of the authorized Title II commodities, the GROD may borrow the same or similar commodities from local sources to meet the requirements of the project. Such of the commodities borrowed as are used in accordance with the terms of this Transfer Authorization may be replaced on an equivalent value basis with the Title II commodities furnished to the project.
- G. The GROD agrees to keep the AmEmbassy Djibouti fully informed concerning the status of commodity receipts, distribution and sales and will provide complete details, as requested. Representatives of the USG will be permitted to audit and have access to all records pertaining to the use of commodities provided by this Transfer Authorization. The GROD further agrees to submit a monthly report to the AmEmbassy Djibouti no later than ten days following the end of the preceding month to include the following:
- a. Beginning Stocks
 - b. Arrivals
 - c. Distributions
 - d. Sales

- e. Damaged Stocks
- f. Ending Stocks

9 JANUARY 1978

Date

WALTER S CLARKE

FOR THE GOVERNMENT OF THE
UNITED STATES OF AMERICA

REQUEST AND ACCEPTANCE: The assistance described in this authorization is hereby requested and the terms and conditions of this agreement and of AID Regulation 11, 41 F.R. 47919-47927, November 1, 1976 (attached and incorporated herein by reference), except as otherwise specifically provided herein are hereby accepted.

9 JANUARY 1978

Date

KAMIL

FOR THE GOVERNMENT OF THE
REPUBLIC OF DJIBOUTI

GUINEA-BISSAU

Agricultural Commodities: Transfer Under Title II

*Agreement signed at Bissau January 8, 1978;
Entered into force January 8, 1978.*

DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D.C. 20523

TRANSFER AUTHORIZATION

Program Classification:

Drought Emergency Assistance

Executive Vice President
Commodity Credit Corporation
U.S. Department of Agriculture
Washington, D.C.

AID No. 906-042.2050-000-8602

Program Approval Dated:
November 27, 1977

Program Title: Drought
Emergency Food Assistance
Guinea-Bissau

In accordance with provisions of Title II, PL 480 (as amended),^[1] Section 2 of Executive Order 10900^[2] and State Department Delegation Order No. 104 effective September 30, 1961, the Commodity Credit Corporation is hereby authorized to transfer and deliver Food GRAIN to GUINEA-BISSAU in an amount not to exceed \$1,284,000 pursuant to the following instructions:

1. Quantity - Metric tons not to exceed:

| Previous total | Increase | Decrease | Total to Date |
|----------------|----------|----------|---------------|
| | 4,000 | | 4,000 |

2. Commodities to be shipped:

| Code | Commodity | Amount Metric Tons | Estimated Value |
|-----------|-----------|-----------------------|--------------------|
| 042. 2050 | Rice | 4,000 | \$1,284,000 |

¹ 68 Stat. 457; 7 U.S.C. § 1721 *et seq.*

² 26 Fed. Reg. 143.

3. Estimated Ocean Transportation Costs: \$383,400

All actual ocean transportation expenditures under this program, regardless of the estimate shown above, are to be charged to the blanket freight transfer authorization No. 935-9500-000-8899. An individual ocean freight transfer authorization will not be issued.

4. Specifications:

Rice - 4,000 MT in 100 pound bags. USDA specifications.

5. Shipping Instructions:

A. Delivery Schedule - 2,000 MT to arrive in January and 2,000 MT arrive in April.

B. Port of Discharge - Bissau, Guinea-Bissau

C. Consignee - Comissariado Do Estado De Desenvolvimento E. Planificacao Bissau, Guinea-Bissau

D. Send copies of Bills of Lading to:

1. First original and one copy by airmail to Consignee: Comissariado Do Estado De Desenvolvimento E. Planificacao, Bissau, Guinea-Bissau
2. After ships loading, second original and one copy to Consignee accompanying cargo
3. Third original and two copies to A.I.D. Transportation and Support Division, Office of Commodity Management, Washington D.C. 20523 ATTN: R. E. James
4. Original and one copy to USAID, U.S. Embassy, Bissau, Guinea-Bissau

6. Program Objectives, Use of Commodities and Conditions of Transfer

The commodities authorized herein are contributed by the United States Government (USG) to the Government of Guinea-Bissau (GOGB) to assist in alleviating the shortage of food caused by drought.

- A. The commodities herein contributed are for (1) free direct distribution to victims of drought unable to purchase food supplies, rate of distribution not to exceed the amount the recipient and his dependents can consume during the period for which the distribution is made; (2) for sale as specified in para. B. below.
- B. Subject to GOGB guarantee that those persons unable to buy food will receive the U.S. contributed grain without cost, the GOGB may sell such grain not required for direct free distribution on the open market in food deficit areas at prices mutually

agreed upon by the USAID, American Embassy, Bissau, and the GOGB.

- C. The specific uses of the local currency proceeds shall be agreed upon in writing between the GOGB and CDO, Bissau. The GOGB agrees to provide a monthly report on all currencies generated under this agreement giving details of deposits and disbursements. All such amounts remaining unexpended after two years from date of deposit and accrued interest, if any, shall be deposited with U.S. Disbursing Officer, AmEmbassy, Bissau.
- D. The GOGB will pay all storage, internal handling and transportation and distribution costs on the commodities herein provided for direct distribution in excess of the sums generated from the sales as authorized per B. above.
- E. The USG will supply the commodities herein provided and pay ocean transport, and independent survey report costs, to designated point of entry in Bissau.
- F. After the date of the AID/Washington approval of the project but before arrival of the authorized Title II commodities, the GOGB may borrow the same or similar commodities from local sources to meet the requirements of the project. Such of the commodities borrowed as are used in accordance with the terms of this Transfer Authorization may be replaced on an equivalent value basis with the Title II commodities furnished to the project.
- G. The GOGB agrees to keep CDO Bissau fully informed concerning the status of commodity receipts, distribution and sales and will provide complete details, as requested. Representatives of the USG will be permitted to audit and have access to all records pertaining to the use of commodities provided by this Transfer Authorization. The GOGB further agrees to submit a monthly report to the CDO Bissau, no later than ten days following the end of the preceding month to include the following:
 - a) Beginning stocks
 - b) Arrivals
 - c) Distributions
 - d) Sales
 - e) Damaged stocks
 - f) Ending stocks

JANUARY 8, 1978

Date

EDWARD MARKS

FOR THE GOVERNMENT OF THE
UNITED STATES OF AMERICA

Edward Marks
Ambassador

REQUEST AND ACCEPTANCE: The assistance described in this authorization is hereby requested and the terms and conditions of this agreement and of AID Regulation 11, 41 F.R. 47919-47927, November 1, 1976 (attached and incorporated herein by reference), except as otherwise specifically provided herein are hereby accepted.

BISSAU, 8/1/78

Date

S L MANÉ

FOR THE GOVERNMENT OF
GUINEA-BISSAU

Samba Lamine Mané
*Comissario da Agricultura e
Pecuaria*

TIAS 9151

THE GAMBIA

Agricultural Commodities: Transfer Under Title II

*Agreement signed at Banjul January 12 and February 20, 1978;
Entered into force February 20, 1978.*

DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D.C. 20528

TRANSFER AUTHORIZATION

| | |
|--|--|
| Program Classification | AID No. 635-048.1110-000-8605 |
| Drought Emergency Food Assistance | Program Approval Dated: November 27, 1977 |
| Executive Vice President Commodity Credit Corporation U.S. Department of Agriculture | Program Title: Drought Emergency Food Assistance— Gambia |

In accordance with the provisions of Title II, P.L. 480 (as amended),^[1] Section 2 of Executive Order 10900^[2] and State Department Delegation Order No. 104 effective September 30, 1961, the Commodity Credit Corporation is hereby authorized to transfer and deliver Food Grain to Gambia in an amount not to exceed \$173,000 pursuant to the following instructions:

1. Quantity - Metric Tons not to exceed:

| Previous Total | Increase | Decrease | Total to Date |
|----------------|----------|----------|---------------|
| | 1, 000 | | 1, 000 |

2. Commodities to be shipped:

| Code | Commodity | Amount Metric Tons | Estimated Value |
|-----------|-----------|-----------------------|-----------------|
| 045. 9015 | Sorghum | 1, 000 | \$95, 000 |

¹ 68 Stat. 457; 7 U.S.C. § 1721 *et seq.*

² 26 Fed. Reg. 143.

3. Estimated ocean transportation costs: Dollars 127,125

All actual ocean transportation expenditures under this program, regardless of the estimate shown above, are to be charged to the blanket freight transfer authorization No. 935-9500-000-8899. An individual ocean freight transfer authorization will not be issued.

4. Specifications:

Bulgur – Bagged 50 pounds net. USDA specifications.

5. Shipping Instructions:

- A. Delivery Schedule – Late March/Early April
- B. Port of Discharge – Banjul, Gambia
- C. Consignee:
 - Permanent Secretary
 - Ministry of Local Government and Lands
 - The Quadrangle
 - Banjul, the Gambia
- D. Send copies of Bills of Lading to:

- 1. First original and one copy to Consignee via airmail.
- 2. After ships loading, second original and one copy accompanying cargo to consignee.
- 3. Third original and two copies to A.I.D. Transportation and Support Division, Office of Commodity Management, Washington, D.C. 20523, ATTN: Mr. R. E. James.
- 4. Original and two copies to A.I.D. Operations Officer, Banjul, c/o American Embassy, Banjul, Gambia via airmail.
- 5. One copy to RFFPO USAID Senegal, c/o American Embassy, Dakar, Senegal.

6. Program Objectives, Use of Commodity and Conditions of Transfer.

The commodity authorized herein contributed by the United States Government (USG) to the Government of Gambia is to assist in alleviating the shortage of food caused by prolonged drought. No portion of the commodity is authorized for sale.

- A. The commodity authorized herein is furnished for direct distribution by the Government of Gambia to drought victims who are unable to obtain essential food requirements through their own resources. The rate of distribution of the commodity shall not exceed the amount the recipient and his dependents can consume during the period for which the distribution is made.
- B. The Government of Gambia will pay all storage, internal handling and transportation and distribution cost on the commodity herein provided.
- C. The USG will supply the commodities herein provided and pay ocean transport cost to Banjul.

- D. Prior to the distribution of the commodities authorized herein the Government of Gambia will furnish the American Embassy-A.I.D. Operations Officer/Banjul a plan of distribution including the location and number of recipients that will be fed an identifiable monthly ration over a specific period of time.
- E. After the date of the AID/Washington approval of the project but before arrival of the authorized Title II commodities, the Government of Gambia may borrow the same or similar commodities from local sources to meet the requirements of the project. Such of the commodities borrowed as are used in accordance with the terms of this transfer authorization may be replaced on an equivalent value basis with the Title II commodities furnished to the project.
- F. The Government of Gambia agrees to keep the American Embassy-Banjul fully informed concerning the status of commodities receipts and distribution and will provide complete details as requested. Representatives of the USG will be permitted to audit and have access to all records pertaining to the use of commodities provided by this transfer authorization.

7. Amendments

The above terms may be amended upon request of the GOG with concurrence of American Embassy/A.I.D. Operations Officer/Banjul and with cabled concurrence of AID/W.

1/12/78

Date

MICHAEL G. WYGANT

FOR THE GOVERNMENT OF
THE UNITED STATES

REQUEST AND ACCEPTANCE: The assistance described in this authorization is hereby requested and the terms and conditions of this agreement and of AID Regulation 11, 41, F. R. 47919-47927, November 1, 1976 (attached and incorporated herein by reference) except as otherwise specifically provided herein are hereby accepted.

20/2/78

Date

M M SOSSEH

FOR THE GOVERNMENT OF
GAMBIA

MAURITANIA

Agricultural Commodities: Transfer Under Title II

*Agreement signed at Nouakchott May 28, 1976;
Entered into force May 28, 1976.*

DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT
Washington, D. C. 20523

TRANSFER AUTHORIZATION

Program Classification: AID NO. 682-XXX-000-6611
Emergency Food Assistance

Executive Vice President Program Approval Dated:
Commodity Credit Corporation March 4, 1976
U. S. Department of Agriculture Program Title: Drought Emergency
Washington, D. C. Food Relief - Mauritania

In accordance with the provisions of Title 11, PL 480 (as amended),^[1] Section 2 of Executive Order 10900 and State Department Delegations Order No. 104 effective September 30, 1961, the Commodity Credit Corporation is hereby authorized to transfer and deliver Agricultural Commodities To Mauritania in an amount not to exceed \$2,077,500 pursuant to the following instructions:

1. Quantity - Metric tons not to exceed:

| Previous Total | Increase | Decrease | Total to Date |
|----------------|----------|----------|---------------|
| | | | 5,500 |

2. Commodities to be Shipped:

| Code | Commodity | Amount Metric Tons | CCC Value \$ | Export Market Value \$ |
|----------|------------------|-----------------------|---------------------|---------------------------|
| 022.2040 | Non-Fat Dry Milk | 500 | \$ 812,500 | \$ 723,500 |
| 047.0250 | SF Sorghum Grits | <u>5,000</u> | <u>\$ 1,265,000</u> | <u>\$ 1,180,000</u> |
| | Total | 5,500 | \$ 2,077,500 | \$ 1,863,500 |

3. Estimated Ocean Transportation Costs: \$530,000

All actual ocean transportation expenditures under this program, regardless of the estimate shown above, are to be charged to the Blanket Freight Transfer Authorization No. 935-9500-000-6899. An individual Ocean Freight Transfer Authorization will not be issued.

4. Specifications:

Non Fat Dry Milk (NFDM): Bagged 50 lbs.
SF Sorghum Grits (SFSG); Bagged 50 lbs.

5. Shipping Instructions:

A. Delivery Schedule - A.S.A.P.
B. Port of Discharge - Dakar, Senegal
C. Point of Entry - (Landlocked Country) Rosso, Mauritania
D. Consignee - American Embassy, Dakar, Senegal for transhipment

E. Send copies of Bills of Lading to:

1. First original and one copy to consignee via airmail.
2. After ships loading: Second original and one copy to consignee accompanying cargo.
3. Third original and two copies to: AID, Transportation Support Division, Office of Commodity Management, Washington, D.C. 20523, Attn. Mr. R.E. James.
4. Original and one copy to U.S. Embassy, Nouakchott, Mauritania.
5. One copy to REDSO/WA U.S. Embassy, Abidjan, Ivory Coast.

¹ 68 Stat. 457; 7 U.S.C. § 1721 *et seq.*

² 26 Fed. Reg. 143.

6. Program Objective and Distribution of Commodities:

The commodities authorized herein are contributed by the United States Government (USG) to the Government of the Islamic Republic of Mauritania (GIRM) to assist in alleviating the shortage of food caused by prolonged drought. No portion of the commodities are authorized for sale. Non Fat Dry Milk should only be used in maternal child health applications while both NFDM and Soy Fortified Sorghum Grits should be distributed to the neediest persons on a priority basis.

- A. Distribution procedures and arrangements for proper accounting are subject to mutual development and concurrence of the American Embassy/Nouakchott and the GIRM. Reporting should be on a quarterly basis.
- B. AID Regulation 11, as amended, except as otherwise specifically provided herein is applicable as to the obligations and responsibilities of the GIRM and the USG in fulfilling the terms of this authorization. Attention of the GIRM is specifically drawn to the following sections of the AID Regulation 11; Sections 211.5(A), (B), (C), (D) and (E); 211.8; 211.9 (D), (E) and (F); and 211.10.

Date 28 May 1976

Date

Holsey G. Handside
FOR THE GOVERNMENT OF THE
UNITED STATES
AMERICAN AMBASSADOR
Holsey G. Handside

REQUEST AND ACCEPTANCE: The assistance described in this authorization is hereby requested and the terms and conditions of this agreement and of AID Regulation 11, 33FR2918, 1968, as amended September 10, 1974 [39FR33668] except as otherwise specifically provided herein, are hereby accepted.

Le 28 Mai 1976
Date

Abdullah Ould Daddah
FOR THE GOVERNMENT OF THE
ISLAMIC REPUBLIC OF MAURITANIA
Abdullah Ould Daddah
Responsable

TRADUCTION OFFICIEUSE
MINISTÈRE DES AFFAIRES ETRANGÈRES
AGENCE POUR LE DEVELOPPEMENT INTERNATIONAL
WASHINGTON D.C. 20523

AUTORISATION DE TRANSFERT

Classification du programme: AID No. 682-000-6611

Aide d'Urgence en Vivres

Date d'agrément du programme:

Vice-Président exécutif

4 Mars 1976

Société agréée de crédit pour les denrées

Titre du Programme

Ministère de l'Agriculture

Secours d'Urgence dû à la sécheresse en Mauritanie.

Washington, D.C.

En conformité avec les articles du Titre II, PL 480 (amende), alinéa No. 2 de l'ordre exécutif 10900 et de l'ordre de Delégation No. 104 du Ministère des Affaires Etrangères, entré en vigueur le 30 Septembre 1961, la Société agréée de Credit pour les vivres alimentaires est autorisée par cette présente à transférer et à livrer des denrées alimentaires dans les limites de la somme de \$2,077,500 conformément aux instructions suivantes:

1. Quantité - Tonnage à ne pas dépasser:

| Total Antérieur | Augmentation | Diminution | Total Actuel |
|-----------------|--------------|------------|--------------|
| | 5, 500 | | 5, 500 |

2. Denrées à expédier

| Code | Denrée | Montant du tonnage | Valeur en \$ | Valeur marchande à l'exportation |
|-----------|------------------------------------|--------------------|--------------|----------------------------------|
| 022. 2040 | Lait en poudre | 500 | 812, 500 | 723, 500 |
| 047. 0250 | Sorgho enrichi avec de Soja (SFSG) | 5, 000 | 1, 265, 500 | 1, 120, 000 |

3. Coût estimatif du transport par mer: \$530,000 Toutes les dépenses réelles de transport par mer concernant ce programme, sans tenir compte de l'estimation mentionnée plus haut, sont à la charge de la "Blanket Freight Transfer", Autorisation no. 935-9500-000-6899. Une Autorisation individuelle de transport maritime ne pourra être délivrée.

4. Spécifications

Lait en poudre – en sac de 23 kg.
Sorgho enrichi – en sac de 23 kg.

5. Instructions pour l'expédition

- A. Programme de livraison le plus tôt possible
- B. Port de déchargement Dakar, Sénégal
- C. Port d'entrée Rosso, Mauritanie
- D. Consignataire. Ambassade USA Dakar, pour Réexpédition
- E. Envoyer les copies des connaissances à:
 - 1) Un original et une copie au consignataire, par poste aérienne.
 - 2) Après le déchargement des bateaux: un second original et une copie au consignataire accompagnant le cargo.
 - 3) Un troisième original et deux copies à l'AID ,Washington
 - 4) Un original et une copie à l'Ambassade des USA, Nouakchott
 - 5) Une copie à REDSO, Ambassade des USA, Abidjan.

6. Objectifs du Programme, Utilisation des Vivres et conditions de transfert.

Les denrées alimentaires autorisées ici sont une contribution du Gouvernement des Etats-Unis (G.E.U.) au Gouvernement de la République Islamique de Mauritanie (G.R.I.M.) pour aider à soulager les souffrances de la population mauritanienne dues à l'insuffisance de nourriture par suite de la sécheresse prolongée. Aucune portion de ces denrées ne peut être vendue. Le lait en poudre ne doit être utilisé que dans des programmes de santé pour les mères et les enfants; le lait et le sorgho enrichi doivent être distribués aux personnes les plus nécessiteuses sur une base prioritaire.

Les procédures de distribution et les dispositions concernant la comptabilité seront établies conjointement par l'Ambassade des Etats-Unis (comprenant le bureau del' U.S.A.I.D.) à Nouakchott et le G.R.I.M. Les rapports doivent être soumis trimestriellement.

B. Le Règlement numéro 11 de l'A.I.D., avec ses amendements, sauf exception spécifiquement prévue dans le présent accord, s'applique aux obligations et aux responsabilités du G.R.I.M. et du G.E.U. afin de se conformer aux clauses de cet accord. L'attention du G.R.I.M. est attirée particulièrement sur les

sections suivantes du Réglement 11 de l'A.I.D.: Sections 211.5(A), (B) (C), (D), (E); 22.8, 211.9, (D), (E), et (F); 211.10.

28 MAY 1976
Date

POUR LE GOUVERNEMENT DES
ETAS-UNIS

HOLSEY G. HANDYSIDE
Holsey G. Handyside
Ambassadeur des U.S.A.

DEMANDE ET ACCEPTATION: L'aide décrite dans cette autorisation est demandée par la présente, et les termes et conditions de cet accord et du règlement 11 de l'AID (33 FR 2918) 1968, amendé le 11 Novembre 1972 (37FR33668) sont acceptés, sauf en ce qui est spécifiquement noté dans ce document.

LE 28 MAI 1976
Date

ABDLLAH OULD DADDAH
POUR LE GOUVERNEMENT
DE LA REPUBLIQUE
ISLAMIQUE DE MAURITANIE.

[SEAL]

PANAMA
Integrated Rural Development

*Agreement signed at Panamá November 25, 1977;
Entered into force November 25, 1977.*

| | |
|----------------------------|------------------------------|
| CONVENIO DE PRESTAMO | PROJECT LOAN AGREEMENT |
| entre la | between the |
| REPUBLICA DE PANAMA | REPUBLIC OF PANAMA |
| y los | and the |
| ESTADOS UNIDOS DE AMERICA | UNITED STATES OF AMERICA |
| para | for |
| DESARROLLO RURAL INTEGRADO | INTEGRATED RURAL DEVELOPMENT |

AGENCY FOR INTERNATIONAL DEVELOPMENT

AGENCIA PARA EL DESARROLLO INTERNACIONAL

PRESTAMO 525-T-046 PROJECT LOAN No. 525-T-046

25 DE NOVIEMBRE DE 1977 NOVEMBER 25, 1977

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CONVENIO DE PRESTAMO

Fecha 25 de noviembre de 1977

Entre

La República de Panamá
("Prestatario")

Y

Los Estados Unidos de América
por intermedio de la Agencia
para el Desarrollo Internacio-
nal ("Prestamista")Artículo 1: El Convenio

El propósito de este Convenio es establecer las bases de entendimiento entre las partes indicadas anteriormente ("Partes") con respecto a la ejecución por el Prestatario del Proyecto descrito a continuación, y con respecto al financiamiento del Proyecto por las Partes.

Artículo 2: El Proyecto

Sección 2.1. Definición del Proyecto. El Proyecto consistirá de un programa de desarrollo rural integrado diseñado para incrementar la productividad agropecuaria y la producción para el consumo nacional a través del uso mas eficaz socio-económico de la tierra, de acuerdo con su capacidad mientras se protegen y reabilitan los recursos de suelos, hidrológicos y forestales. El Anexo 1, adjunto, amplifica la definición del Proyecto arriba expuesto.

Dentro del alcance del Proyecto delimitado anteriormente, los elementos del mismo indicados en el Anexo 1 pueden ser modificados por medio de

PROJECT LOAN AGREEMENT

Dated November 25, 1977

Between

The Republic of Panama
("Borrower")

And

The United States of America,
acting through the Agency for
International Development
("Lender").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 will consist of an integrated rural development program designed to increase agricultural productivity and farm production for consumption through socially and economically more efficient use of land in accordance with its capability while protecting and rehabilitating soil, water and forest resources. 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

un acuerdo, por escrito, firmado por los representantes autorizados de las Partes que se indican en la Sección 9.3. del Convenio sin una enmienda formal de este Convenio.

Artículo 3: Financiamiento

SECCION 3.1. El Préstamo.
 Con el propósito de asistir al Prestatario para cubrir los costos del Proyecto, el Prestamista, dentro de lo previsto en la Alianza para el Progreso y de conformidad con la Ley de Asistencia al Exterior del año 1961, y sus enmiendas, acuerda prestar al Prestatario bajo los términos de este Convenio una cantidad que no excederá de nueve millones setecientos mil dólares de los Estados Unidos de América ("U.S.") (\$9,700,000) ("Préstamo"). El monto total de desembolsos bajo este Préstamo se denomina "Principal".

El Préstamo puede utilizarse para financiar costos extranjeros de acuerdo a la definición contenida en la Sección 7.1, y para financiar costos locales de bienes y servicios requeridos para el Proyecto de acuerdo a la definición contenida en la Sección 7.2.

SECCION 3.2. Recursos del Prestatario para el Proyecto.

(a) El Prestatario acuerda proveer o hacer que se provea todos los fondos y todos los recursos adicionales para el Proyecto, además de los fondos provenientes del Préstamo, requeridos para la ejecución eficiente y puntual del Proyecto.

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, Lender, in furtherance of the Alliance for Progress and pursuant to the Foreign Assistance Act of 1961, as amended,^[1] agrees to lend the Borrower under the terms of this Agreement an amount not to exceed nine million seven hundred thousand United States ("U.S.") dollars (\$9,700,000) ("Loan"). The aggregate amount of disbursements under the Loan is referred to as "Principal".

The Loan may be used to finance offshore costs, as defined in Section 7.1, and local 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.

¹ 75 Stat. 424; 22 U.S.C. § 2151 note. [Footnote added by the Department of State.]

(b) Los recursos proporcionados por el Prestatario para el Proyecto serán no menores al equivalente de U.S. \$9,890,000 incluyendo costos cancelados en su equivalente en especie.

SECCION 3.3 Fecha Final para Completar el Proyecto.

(a) La "Fecha Final para Completar el Proyecto" (FFCP), que es el 31 de octubre de 1982 o cualquier otra fecha en que las Partes acuerden por escrito, es la fecha en la cual las Partes estiman que todos los servicios financiados con fondos provenientes del Préstamo habrán sido realizados y todos los bienes financiados con fondos del Préstamo habrán sido proporcionados para el Proyecto en la forma contemplada en este Convenio.

(b) A menos que el Prestamista convenga lo contrario por escrito, el Prestamista no emitirá ni aprobará documentación que autorice desembolsos del Préstamo para servicios que se realicen o para bienes que se provean para el Proyecto contemplados en este Convenio, en fecha posterior a la FFCP.

(c) Solicitudes de desembolso, acompañadas por la documentación relacionada y necesaria según especifica en Cartas de Ejecución, deberán ser recibidas por el Prestamista o por cualquier banco indicado en la Sección 8.1. en fecha no posterior a los nueve (9) meses a partir de la FFCP, o dentro de cualquier otro período acordado por el Prestamista por escrito. Después de dicho período, el Prestamista, dando aviso por escrito al Prestatario puede en cualquier momento reducir parcial o totalmente el monto del Préstamo por cantidades por las cuales no se ha presentado solicitudes de desembolso antes del vencimiento de dicho período, acompañadas por la documentación relacionada y necesaria según especifica en Cartas de Ejecución.

(b) The resources provided by Borrower for the Project will not be less than the equivalent of U.S. \$9,890,000 including costs borne on an "in-kind" basis.

SECTION 3.3. Project Assistance Completion Date.

(a) The "Project Assistance Completion Date" (PACD), which is October 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 Lender may otherwise agree in writing, Lender 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 Lender or any bank described in Section 8.1 no later than nine (9) months following the PACD, or such other period as the Lender agrees to in writing. After such period, the Lender, 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.

Artículo 4: Términos Financieros del Préstamo

SECCION 4.1. Intereses. El Prestatario pagará al Prestamista en concepto de intereses el dos por ciento (2%) anual durante los siete (7) años a partir de la fecha del primer desembolso y subsiguientemente el tres por ciento (3%) anual sobre el saldo del Principal y de intereses vencidos. Los intereses sobre saldos adeudados se calcularán a partir de la fecha de cada desembolso de conformidad con la Sección 8.4 y serán pagaderos semestralmente. El primer pago de intereses vencerá y será pagadero en fecha no posterior a los seis (6) meses a partir del primer desembolso efectuado, y dicha fecha será determinada por El Prestamista.

Article 4: Loan Terms

SECTION 4.1. Interest. The Borrower will pay to the Lender interest which will accrue at the rate of two percent (2%) per annum for seven (7) years following the date of the first disbursement hereunder and at the rate of three percent (3%) per annum thereafter on the outstanding balance of Principal and on any due and unpaid interest. Interest on the outstanding balance will accrue from the date (as defined in Section 8.4) of each respective disbursement, and will be payable semi-annually. The first payment of interest will be due and payable no later than six (6) months after the first disbursement hereunder, on a date to be specified by Lender.

SECCION 4.2. Amortizaciones. El Prestatario pagará al Prestamista el Principal dentro de un término de veinte (20) años a partir de la fecha del primer desembolso del Préstamo en veinte y siete (27) pagos semestrales aproximadamente iguales que incluirán Principal e intereses. La primera amortización del Principal será pagadera seis y medio (6 1/2) años a partir de la fecha en que venza el primer pago de intereses, de acuerdo con la Sección 4.1. El Prestamista proporcionará al Prestatario un calendario de amortizaciones calculada de acuerdo a lo estipulado en esta Sección después de que se haya efectuado el último desembolso del Préstamo.

SECCION 4.3. Aplicación, Moneda y Lugar de Pago. Todos los pagos de Principal e intereses de este Préstamo se harán en dólares de los Estados Unidos y serán abonados primero al

SECTION 4.2. Repayment. The Borrower will repay to the Lender the Principal within twenty (20) years from the date of the first disbursement of the Loan in twenty seven (27) approximately equal semiannual installments of Principal and interest. The first payment of Principal will be due six and one-half (6 1/2) years after the date on which the first interest payment is due in accordance with Section 4.1. The Lender 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

pago de intereses vencidos y luego a la amortización del Principal. Salvo que el Prestamista determine lo contrario por escrito, los pagos se harán a: Controller, Office of Financial Management, Agency for International Development, Washington, D.C. 20523, U.S.A., y se considerarán efectuados cuando sean recibidos por la Office of Financial Management.

SECCION 4.4. Pagos Anticipados. Siempre que estén al día los pagos en concepto de intereses y devoluciones vencidos, el Prestatario podrá pagar anticipadamente, sin recargo, todo o parte del Principal. A menos que el Prestamista convenga lo contrario por escrito, cualquier pago anticipado será aplicado a los pagos de Principal pendientes en el calendario de amortizaciones en el orden inverso de su vencimiento.

SECCION 4.5. Renegociación de Términos Financieros.

(a) El Prestatario y el Prestamista convienen en negociar, cuando cualquiera de las Partes lo solicite, una aceleración de la amortización del Préstamo, en caso que se produzca una mejora significativa y continuada en la posición y perspectivas financieras y económicas internas y externas de la República de Panamá que permitiría al Prestatario amortizar el Préstamo en una forma más rápida.

(b) Cualquier solicitud de una de las Partes a la otra para llevar a cabo una negociación será gestionada de conformidad con la Sección 9.2., y con notificación del nombre y dirección de la persona o personas que representarán a la Parte solicitante en dichas negociaciones.

to the payment of interest due and then to the repayment of Principal. Except as Lender 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 Lender otherwise agrees in writing, any such repayment 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 Lender 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 Panama 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) Dentro de treinta (30) días a partir de la entrega de la solicitud para la negociación, la Parte que haya recibido la solicitud comunicará a la otra Parte de conformidad con la Sección 9.2. el nombre y dirección de la persona o personas quienes representarán a la Parte solicitada en dichas negociaciones.

(d) Los representantes de las Partes se reunirán para llevar a cabo las negociaciones en una fecha no posterior a treinta (30) días a partir de la entrega de la comunicación señalada en la subsección (c). Las negociaciones se llevarán a cabo en un lugar fijado de común acuerdo por los representantes de las Partes, siempre que, en la ausencia de un acuerdo mutuo, las negociaciones se lleven a cabo en el Despacho del Ministro de Hacienda del Prestatario en Panamá.

SECCION 4.6. Terminación por Pago Total. Una vez se haya pagado el total del Principal y de los intereses acumulados, este Convenio y todas las obligaciones del Prestatario y el Prestamista derivadas del mismo, terminarán.

Artículo 5: Condiciones Previas a los Desembolsos

SECCION 5.1. Primer Desembolso. A menos que las Partes convengan lo contrario por escrito, y previo al primer desembolso de fondos provenientes del Préstamo y a la emisión por el Prestamista de documentación por medio de la cual se efectuará desembolsos, el Prestatario presentará los siguientes documentos al Prestamista en forma y contenido satisfactorio al Prestamista:

(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 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 Finance in Panama.

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 the Lender 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 the Lender of documentation pursuant to which disbursement will be made, the Borrower will, except as the Parties may otherwise agree in writing, furnish to Lender in form and substance satisfactory to Lender:

(a) Un dictamen del Procurador General de la Nación indicando que este Convenio ha sido debidamente autorizado y/o ratificado y celebrado por el Prestatario y que el mismo constituye una obligación legal del Prestatario de conformidad con todos los términos;

(b) Notificación oficial del nombre de la persona autorizada que representará al Prestatario de conformidad con la Sección 9.3, y de cualesquiera representantes adicionales, con un ejemplar de la firma de cada persona indicada en dicha notificación.

Sección 5.2 Desembolsos Adicionales. Excepto que el Prestamista convenga lo contrario por escrito, antes del desembolso de fondos del Préstamo o a la emisión por el Prestamista de documentos para desembolso para cualquier propósito, excepto para el financiamiento de (i) tabulaciones de datos censales o (ii) trabajos de laboratorio para mapas catastrales incluyendo ortofotografía, el Prestatario entregará al Prestamista en forma y contenido satisfactorios al Prestamista:

(a) Evidencia que la Comisión de Alto Nivel y su Secretaría han sido debidamente establecidas y sus miembros designados.

(b) Evidencia que el Comité Técnico de Planificación y Coordinación ha sido legalmente establecido y sus miembros designados.

(c) Evidencia que la Comisión de Alto Nivel ha nominado un Coordinador de Campo en el Área del Proyecto y al personal de la oficina del Coordinador con autoridad y responsabilidad para coordinar y ejecutar todos los aspectos del Proyecto.

(a) An opinion of the Procurador General de la Nación that this Agreement has been duly authorized and/or ratified by, and executed on behalf of, the Borrower, and that it constitutes 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 9.3, and of any additional representatives, together with a specimen signature of each person specified in such statement;

Section 5.2 Additional Disbursements. Prior to disbursement under the Loan, or to the issuance by the Lender of documentation by which disbursement will be made, for any purpose other than to finance (i) tabulation of census data or (ii) cadastral laboratory work including orthophotographic mapping, the Borrower will, except as the Parties may otherwise agree in writing, furnish to the Lender in form and substance satisfactory to the Lende

(a) Evidence that the High Level Commission and its Secretariat have been legally established and the members appointed.

(b) Evidence that the Technical Planning and Coordinating Committee has been legally established and its members appointed.

(c) Evidence that the High Level Commission has appointed a full-time Field Project Area Coordinator and the staff of the Coordinator's Office with authority and responsibility for coordinating and implementing all aspects of the Project.

Sección 5.3 Desembolsos para Créditos. Excepto que el Prestamista convenga lo contrario por escrito, antes de cualquier desembolso bajo el Préstamo, o a la emisión de documentos para desembolsos por el Prestamista para el financiamiento de las demandas de crédito de los participantes del Proyecto, el Prestatario entregará al Prestamista en forma y contenido satisfactorios al Prestamista:

- (a) Evidencia que el Comité Consultivo del Área en el Distrito de Tonosí ha sido legalmente establecido y sus miembros designados.
- (b) Evidencia de la dotación de tierras en calidad y cantidad adecuadas a los participantes prioritarios del Proyecto, y de la reubicación de los mismos en caso de presentarse esta necesidad, consistente con la utilización efectiva de los recursos, suficiente para por lo menos el primer año de operaciones de crédito.
- (c) Evidencia del establecimiento de un fondo rotativo de crédito con regulaciones adecuadas de operación dentro del Banco de Desarrollo Agropecuario (BDA) con suficientes fondos para iniciar operaciones de crédito de acuerdo con el plan de ejecución.
- (d) Evidencia que el personal técnico necesario para las operaciones de crédito del plan de ejecución ha sido ubicado en el área del Proyecto.

SECCION 5.4. Desembolso para Maquinaria Agrícola. Excepto que el Prestamista convenga por lo contrario, antes de la emisión de cualquier documento de compromiso o de cualquier desembolso bajo el Préstamo para el financiamiento de maquinaria agropecuaria, el Prestatario entregará al Prestamista en forma y contenido satisfactorio al Prestamista un plan para la creación de un centro de maquinaria agropecuaria que incluya un plan para el manejo y mantenimiento del equipo.

Section 5.3 Disbursement for Credit. Prior to any disbursement under the Loan, or to the issuance by the Lender of documents by which disbursement will be made, for financing the credit needs of Project Participants, the Borrower will, except as the parties may otherwise agree in writing, furnish to the Lender in form and substance satisfactory to the Lender:

- (a) Evidence that the Area Consultative Committee in the Tonosí District has been legally established and its members appointed.
- (b) Evidence of the allocation of land of adequate quality and quantity to priority Project participants, and of their resettlement wherever necessary, consistent with efficient resource utilization sufficient for at least the first year of credit operations.
- (c) Evidence of the establishment of a rotating credit fund with appropriate operating regulations within the Agricultural Development Bank (BDA) with sufficient funds to initiate credit operations in accordance with the implementation plan.
- (d) Evidence that the technical staff required for credit operations by the implementation plan have been located in the Project area.

SECTION 5.4. Disbursement for Farm Machinery. Except as otherwise agreed in writing by Lender, prior to the issuance of any commitment documents or any disbursement under the Loan for financing farm machinery, Borrower shall furnish to Lender in form and substance satisfactory to Lender a plan for the creation of a farm machinery pool which includes a plan for the management and maintenance of the equipment

SECCION 5.5. Desembolso para el Mejoramiento de Carreteras. Excepto que el Prestamista convenga por lo contrario, antes de la emisión de cualquier documento de compromiso o de cualquier desembolso bajo el Préstamo para financiar cualquier segmento particular de carreteras, el Prestatario entregará al Prestamista en forma y contenido satisfactoria al Prestamista evidencia que el segmento tiene el criterio de selección establecido en el Convenio de Préstamo.

SECCION 5.6. Desembolso para Construcción Vertical. Excepto que el Prestamista convenga lo contrario antes de la emisión de cualquier documento de compromiso o de cualquier desembolso bajo el Préstamo para el financiamiento de construcción vertical (por ejemplo, edificios, instalaciones para almacenaje), el Prestatario deberá obtener la aprobación del Prestamista por escrito de los planos y especificaciones propuestos.

SECCION 5.7. Desembolso para Infraestructura para el Secamiento y Almacenamiento de Cebolla. Excepto que el Prestamista convenga lo contrario por escrito, antes de la emisión de cualquier documento de compromiso o cualquier desembolso bajo el Préstamo para el financiamiento de la construcción de la infraestructura para el secamiento y almacenamiento de cebolla, el Prestatario entregará al Prestamista en forma y contenido satisfactorios al Prestamista, un desglose detallado de los planos y especificaciones de ingeniería y arquitectura y un informe final sobre la factibilidad técnica y económica de esta infraestructura.

SECTION 5.5. Disbursement for Road Improvement. Except as otherwise agreed in writing by Lender, prior to the issuance of any commitment documents or any disbursements under the Loan for financing any particular road segment, Borrower shall furnish to Lender in form and substance satisfactory to Lender evidence that the segment meets selection criteria established in the Loan Agreement.

SECTION 5.6 Disbursement for Vertical Construction. Except as otherwise agreed in writing by Lender, prior to the issuance of any commitment documents or any disbursements under the Loan for financing vertical construction (e.g., buildings, storage facilities), Borrower shall obtain Lender's approval in writing of proposed plans and specifications.

SECTION 5.7. Disbursement for Onion Drying and Storage Facilities. Except as otherwise agreed to in writing by the Lender, prior to the issuance of any commitment documents or any disbursements under the Loan for financing the construction of onion drying and storage facilities, the Borrower shall submit in form and substance satisfactory to A.I.D., detailed architectural and engineering plans and specifications and a final technical and economic feasibility report.

SECCION 5.8. Notificación. Al determinar el Prestamista que las condiciones previas descritas en las Secciones 5.1 hasta 5.7 han sido satisfechas, AID notificará inmediatamente al Prestatario de tal determinación.

SECCION 5.9 Fechas Finales para Satisfacer Condiciones Previas.

(a) Si todas las condiciones especificadas en la Sección 5.1 no han sido satisfechas dentro de 90 días a partir de la fecha de este Convenio, o antes de una fecha posterior que el Prestamista convenga por escrito, el Prestamista podrá a su opción, dar por terminado este Convenio de Préstamo dando aviso por escrito al Prestatario.

(b) Si no se ha cumplido con todas las condiciones estipuladas en la Sección 5.2 dentro de los 90 días siguientes a la firma de este convenio y si todas las condiciones estipuladas en la Sección 5.3 no se han cumplido dentro de los 360 días siguientes a la firma de este convenio, y todas las condiciones estipuladas en las Secciones 5.4 y 5.7 no se han cumplido dentro de los 180 días siguientes a la firma de este convenio, o en fecha posterior que el Prestamista convenga por escrito, el Prestamista podrá, a su discreción, cancelar el saldo de los fondos no desembolsados del Préstamo hasta esa fecha y no comprometidos irrevocablemente a terceras partes, y podrá dejar sin efecto este Convenio mediante notificación escrita al Prestatario. En caso de terminación, el Prestatario pagará de inmediato el Principal pendiente en ese momento y todo interés acumulado, y al recibo de tales pagos en su totalidad, este convenio y todas las obligaciones contraídas por las Partes en virtud del mismo, habrán concluído.

SECTION 5.8. Notification. When the Lender has determined that the conditions precedent specified in Section 5.1 through 5.7 have been met, it will promptly notify the Borrower.

SECTION 5.9 Terminal Dates for Conditions Precedent.

(a) If all of the conditions specified in Section 5.1 have not been met within 90 days from the date of this Agreement, or such later date as the Lender may agree to in writing, the Lender at its option, may terminate this Agreement by written notice to Borrower.

(b) If all of the conditions specified in Section 5.2 are not met within 90 days of this Agreement and of all of the conditions specified in Section 5.3 are not met within 360 days of this Agreement and all of the conditions specified in Sections 5.4 and 5.7 are not met within 180 days of this Agreement or such later date(s) as the Lender may agree to in writing, the Lender, 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 hereto will terminate.

Artículo 6: Disposiciones Especiales

SECCION 6.1. Evaluación del Proyecto. Las Partes acuerdan establecer un programa conjunto y anual de evaluación como un componente del Proyecto. A menos que las Partes convengan lo contrario por escrito, se evaluarán los siguientes aspectos bajo el programa durante la ejecución del Proyecto y en una o más ocasiones posteriormente: (a) evaluación del avance hacia el logro de los objetivos del Proyecto; (b) identificación y evaluación de áreas problemáticas y circunstancias que dificultan el logro de los objetivos; (c) evaluación de la forma en que los resultados pueden ser utilizados para ayudar a resolver tales problemas; y (d) evaluación, al grado factible, del impacto general del Proyecto sobre el desarrollo.

SECCION 6.2. Plan de Ejecución. Durante el primer año del Proyecto el Prestatario acuerda desarrollar un plan de ejecución aceptable en forma y contenido al Prestamista, que describa en detalle las actividades a ser desarrolladas en los últimos cuatro años del Proyecto y que defina las responsabilidades para la ejecución de las actividades.

Artículo 7: Procedencia de las Compras

SECCION 7.1. Costos Extranjeros Los desembolsos de acuerdo con la Sección 8.1 serán utilizados exclusivamente para financiar los costos de bienes y servicios requeridos para el Proyecto que tengan su origen y procedencia en los países incluidos en el Código 941 del Libro de Códigos Geográficos de A.I.D., vigente en el momento que se emitan las órdenes de

Article 6: Special Covenants

SECTION 6.1. Project Evaluation. The Parties agree to establish a joint annual 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. Implementation Plan. The Borrower agrees that during the first year of the Project, an implementation plan acceptable in form and substance to the Lender will be developed which describes in detail the activities to be undertaken and responsibilities for the execution thereof during the remaining four years of the project.

Article 7: Procurement Source

SECTION 7.1. Offshore 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

compra correspondientes o que se suscriban los contratos correspondientes por tales bienes y servicios, a menos que el Prestamista convenga lo contrario por escrito, y excepto en el caso de seguro marítimo según lo previsto en la Sección C.1(b) de las Disposiciones Generales que se adjuntan como Anexo a este Convenio.

SECCION 7.2. Costos Locales.
Los desembolsos de acuerdo con la Sección 8.2 serán utilizados exclusivamente para financiar los costos de bienes y servicios requeridos para el Proyecto que tengan su origen y, a menos que el Prestamista convenga lo contrario por escrito, su procedencia en Panamá ("Costos Locales").

Artículo 8: Desembolsos

SECCION 8.1. Desembolsos para Costos Extranjeros.

(a) Una vez que se hayan satisfecho las condiciones previas, el Prestatario puede obtener desembolsos de fondos provenientes del Préstamo para cubrir Costos Extranjeros de bienes y servicios requeridos para el Proyecto de conformidad con los términos de este Convenio, por medio de cualesquiera de los métodos siguientes que se acuerden mutuamente en utilizar:

(1) Presentando al Prestamista, juntamente con la documentación relacionada y necesaria según lo especificado en Cartas de Ejecución, (i) solicitudes de reembolso por tales bienes y servicios, o (ii) solicitudes para que el Prestamista en representación del Prestatario, adquiera bienes o servicios para el Proyecto; o

(2) Solicitando al Prestamista emita Cartas de Compromiso por cantidades específicas (i) a uno o mas

and services, except as Lender 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.

SECTION 7.2. Local 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 Lender may otherwise agree in writing, their origin in Panama ("Local Costs").

Article 8: Disbursements

SECTION 8.1. Disturbances for Offshore Costs.

(a) After satisfaction of conditions precedent, the Borrower may obtain disbursements of funds under the Loan for the Offshore 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 Lender, with necessary supporting documentation as prescribed in Project Implementation Letters, (i) requests for reimbursement for such goods or services, or (ii) requests for Lender to procure commodities or services in Borrower's behalf for the Project; or

(2) By requesting the Lender to issue Letters of Commitment for specified amounts (i) to one or more

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

bancos de los Estados Unidos aceptables al Prestamista, por medio de las cuales el Prestamista se compromete a reembolsar a tales bancos por pagos efectuados por los mismos a contratistas o proveedores, bajo Cartas de Crédito o en otra forma para tales bienes o servicios, o (ii) directamente a contratistas o proveedores, comprometiéndose el Prestamista a pagar a tales contratistas o proveedores por tales bienes o servicios.

(b) Los costos bancarios incurridos por el Prestatario y relacionados con la apertura de Cartas de Compromiso y Cartas de Crédito serán financiados por el Préstamo a menos que el Prestatario indique lo contrario al Prestamista. Se financiarán también con fondos del Préstamo otros costos que acuerden las Partes.

SECCION 8.2. Desembolsos para Costos Locales.

(a) Una vez que se hayan satisfecho las condiciones previas, el Prestatario puede obtener desembolsos de fondos provenientes del Préstamo para cubrir Costos Locales de bienes y servicios requeridos para el Proyecto de conformidad con los términos de este Convenio, presentando al Prestamista, juntamente con la documentación relacionada y necesaria según lo especificado en Cartas de Ejecución, solicitudes para financiar tales costos. Fondos del Préstamo utilizados para financiar Costos Locales deberán estar disponibles de acuerdo a procedimientos satisfactorios al Prestamista.

SECCION 8.3. Otras Formas de Desembolsos. Desembolsos del Préstamo pueden también efectuarse por medio de otros mecanismos acordados por escrito por las Partes.

U.S. banks, satisfactory to Lender, committing the Lender 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 (ii) directly to one or more contractors or suppliers, committing the Lender 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 the Lender 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 Costs.

(a) After satisfaction of conditions precedent, the Borrower may obtain disbursements of funds under the Loan for the Local Costs required for the Project in accordance with the terms of this Agreement, by submitting to the Lender, with necessary supporting documentation as prescribed in Project Implementation Letters, requests to finance such costs. Funds utilized under the Loan to finance Local Costs shall be made pursuant to procedures satisfactory to the Lender.

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.

SECCION 8.4. Fecha de Desembolso. Los desembolsos del Prestamista serán considerados como efectuados (a) en la fecha que el Prestamista efectúa un desembolso al Prestatario o a su representante, o a un banco, contratista o proveedor bajo una Carta de Compromiso, contrato, u orden de compra; o (b) en la fecha en que el Prestamista desembolsa al Prestatario o su representante, de conformidad con la Sección 8.2.

Artículo 9: Varios

SECCION 9.1. Aprobación del Proyecto de Garantías para Inversiones. Se acuerda que el trabajo de construcción financiado bajo este Convenio será un proyecto aprobado por la República de Panamá de acuerdo con el convenio sobre inversiones garantizadas entre la República de Panamá y los Estados Unidos de América del 23 de enero de 1961 y no se requerirá aprobación adicional de la República de Panamá para permitir a los Estados emitir garantías para inversiones bajo el convenio que cubran la inversión de un contratista en ese proyecto.

SECCION 9.2. Comunicaciones
Cualquier notificación, solicitud, documento, u otra comunicación presentada por cualquiera de las Partes a la otra Parte bajo este Convenio se efectuará por escrito, por telegrama o por cable, y será considerada como debidamente enviado y efectuado al entregarlo a tal Parte en la siguiente dirección:

AL PRESTATARIO:

Dirección Postal:

Ministerio de Desarrollo Agropecuario
Apartado 5390
Panamá 5, República de Panamá

SECTION 8.4. Date of Disbursement. Disbursements by Lender will be deemed to occur (a) on the date on which Lender 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; or (b) on the date on which Lender disburses to the Borrower or its designee in accordance with Section 8.2.

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 Republic of Panama pursuant to the agreement between it and the United States of America of January 23, 1961, on the subject of investment guarantees,^[1] and no further approval by the Republic of Panama will be required to permit the United States to issue investment guarantees under that agreement covering a contractor 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:

Mail Address:

Ministerio de Desarrollo Agropecuario
Apartado 5390
Panamá 5, República de Panamá

¹ TIAS 4976; 13 UST 293. [Footnote added by the Department of State.]

Dirección Cablegráfica:

MIDA
Panamá

AL PRESTAMISTA:

Agencia para el Desarrollo Inter-
nacional
Apartado 6959
Panamá 5, República de Panamá

Dirección Cablegráfica:

USAID, American Embassy
Panama, Repùblica de Panamá

Todas las comunicaciones serán redac-
tadas en inglés o español, a menos
que las Partes convengan lo contrario
por escrito. Las direcciones ante-
riormente indicadas pueden susti-
tuirse previa notificación.

SECCION 9.3. Representantes
Para todo lo relacionado con este
Convenio, el Prestatario será repre-
sentado por la persona que desempeña
o que actúa en el cargo de Ministro
de Desarrollo Agrícola, quien
será Presidente de la Comisión de
Alto Nivel, y el Prestamista será
representada por la persona que
desempeña o que actúa en el cargo
de Director de la Misión de AID
en Panamá, cada uno de los cuales,
por medio de notificación escrita
puede designar representantes adi-
cionales para todos los fines
menos los previstos en la Sección
2.1 referente a la modificación
de los elementos de la descripción
detallada del proyecto contenida
en el Anexo 1. Los nombres de los
representantes del Prestatario, con
ejemplares de sus firmas originales,
serán proporcionados al Prestamista
quien puede aceptar como debidamente
autorizado cualquier instrumento
firmado por tales representantes en
la ejecución de este Convenio, hasta
que se reciba notificación escrita
de la revocación de su autoridad.

Alternate address for telegrams:

MIDA
Panamá

TO THE LENDER:

Agency for International Development
Apartado 6959
Panamá 5, República de Panamá

Alternate address for telegrams:

USAID, American Embassy
Panamá, Republic of Panamá

All such communications will be in
English or Spanish, 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 individual hold-
ing or acting in the office of
Minister of Agricultural Development,
who will be President of the High
Level Commission, and the Lender will
be represented by the individual holding
or acting in the office of Director,
Agency for International Development
Mission to Panama, 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 pro-
vided to Lender, which may accept as
duly authorized any instrument signed
by such representatives in implemen-
tation of this Agreement, until receipt
of written notice of revocation of
their authority.

SECCION 9.4. Aprobaciones. Los documentos o informes presentados por el Prestatario al Prestamista en relación con este Convenio los cuales deberán ser satisfactorios en forma y contenido para el Prestamista, se considerán satisfactorios en forma y contenido para el Prestatario quien los presenta.

SECCION 9.5. Anexo de Disposiciones Generales. Se adjunta y forma parte de este Convenio el "Anexo de Disposiciones Generales" (Anexo 2).

SECCION 9.6. Idioma del Convenio. Este Convenio está redactado en inglés y español. En caso de ambigüedad o conflicto entre las dos versiones, la versión en inglés prevalecerá.

SECTION 9.4. Approvals. Documents or reports submitted by Borrower to Lender in connection with this Agreement, which must be in form and substance satisfactory to Lender, are deemed to be in form and substance satisfactory to Borrower who is submitting them.

SECTION 9.5. Standard Provisions Annex. A "Project Loan Standard Provisions Annex" (Annex 2) is attached to and forms part of this Agreement.^[1]

SECTION 9.6. Language of Agreement. This Agreement is prepared in both English and Spanish. In the event of ambiguity or conflict between the two versions, the English language version will control.

¹ See footnote 1, p. 5796. [Footnote added by the Department of State.]

EN FE DE LO CUAL, el Prestatario y los Estados Unidos de América, cada uno actuando por medio de su representante debidamente autorizado, suscribe este Convenio, en el día indicado en su introducción.

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 PANAMA

Nicolás Ardito Barletta
Dr. Nicolás Ardito Barletta
Ministro de Planificación y
Política Económica

Francisco A. Rodríguez B.
Ing. Francisco A. Rodríguez B.
Ministro de Desarrollo Agropecuario, a.i.

THE UNITED STATES OF AMERICA

Paul Sáenz
Paul Sáenz
Acting Director
USAID Mission to Panama

ANNEX 1
ANEXO 1

PROJECT DESCRIPTION
DESCRIPCION DEL PROYECTO

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ANNEX 1
ANEXO 1DESCRIPCION DEL PROYECTO

1. El Proyecto financiará una importante iniciativa del Gobierno de Panamá, para la puesta en práctica de una estrategia de desarrollo rural integrado. El propósito del Proyecto es doble; primero, ayudar al gobierno nacional a establecer, a nivel institucional, una capacidad total para el planeamiento y ejecución de proyectos de desarrollo rural regional en áreas de impacto, y segundo, asistir en la ejecución del desarrollo participativo acelerado del área de impacto de Tonosí. Para el logro de este propósito dual, el Proyecto financiará las actividades de ambos niveles, tanto el central como el de área de impacto.

2. Aspectos de Organización

El Proyecto se ejecutará a través del mecanismo institucional denominado "Programa de Desarrollo Integral de Áreas Rurales (PRODIAR)", que estará integrado de la forma siguiente: a) Una Comisión de Alto Nivel; b) Una Comisión Técnica de Coordinación; c) Una Oficina Nacional de Coordinación del Programa; d) Una Oficina de Coordinación Ejecutiva en cada Proyecto de Área; e) Un Consejo Consultivo de Área.

El mecanismo que se establecerá se describe en forma general a continuación:

2.1 A Nivel Nacional

2.1.1 La Comisión de Alto Nivel estará constituida por los Ministros o Vice-Ministros de los Ministerios y los Directores o Sub-Directores Generales de las demás instituciones participantes y tendrá como finalidad

PROJECT DESCRIPTION

1. The Project will finance a major initiative of the Government of Panama to implement an integrated rural development strategy. The purpose of the Project is twofold; first, at the institutional level, to help the Government establish an overall capability for the planning and implementation of rural development regional impact areas, and second, to help implement accelerated participatory development of the Tonosí area. The Project will finance activities at both the central and impact area levels in trying to achieve this dual purpose.

2. Organizational Aspects

The Project will be implemented by means of an institutional mechanism called "Program for Integrated Development of Rural Areas (PRODIAR)" to be comprised as follows: a) A High Level Commission, b) a Technical Coordinating Committee, c) a National Office for Program Coordination, d) an Executive Coordinating Office in each Project Area, and 3) an Area Consultative Council.

The mechanism is more fully described as follows:

2.1 National Level

2.1.1 High Level Commission, composed of the Ministers or Vice-Ministers of the Ministries and the Directors or Sub-Directors of the participating institutions, will design and approve policies, objectives, strategies, and goals

diseñar y aprobar las políticas, objetivos, estrategias, selección de áreas prioritarias de desarrollo y logros para el PRODIAR.

for PRODIAR and select future priority development areas.

2.1.2 El Comité Técnico de Coordinación estará constituido por los Directores de Planificación, en su calidad de representantes de cada Ministerio o institución, recomendará los proyectos de área por ejecutar a la Oficina Nacional de Coordinación y asegurará una máxima integración y complementación de los recursos humanos, económicos, financieros y demás requeridos.

2.1.2 Technical Coordinating Committee, composed of the Directors of Planning representing each participating Ministry and decentralized institution, will recommend future area projects to the National Office of Coordination and will assure maximum integration and complementarity of human, economic, financial, and other resources.

2.1.3 La Oficina Nacional de Coordinación (ONC) será la oficina dentro del Ministerio de Planificación y Política Económica que actuará como coordinadora general de PRODIAR con funciones entre otras de:

2.1.3 National Coordinating Office (ONC) located in the Ministry of Planning and Economic Policy will act as general coordinator for PRODIAR. Its principal functions will include:

- Planeamiento, presupuesto, monitoreo y evaluación de los proyectos de desarrollo rural en fase de planificación y ejecución

- Planning, budgeting, monitoring and evaluating rural development project

- Secretaría general de la Comisión de Alto Nivel

- Serving as the Secretariat of the High Level Commission.

- Negociación, ejecución y evaluación de asistencia externa relacionada con el Proyecto

- Negotiation, execution and evaluation of external assistance related to the Project.

2.2 A Nivel de Proyecto de Área

2.2.1 La Oficina de Coordinación Ejecutiva se establece con el propósito de administrar y coordinar la ejecución de las actividades de las agencias en el área del Proyecto en los diferentes aspectos (ganadería, agricultura, reforestación, crédito, cooperativas, caminos, etc.). Será dirigida por un Coordinador de Área quien responderá directamente a la Comisión

2.2.1 An Executive Coordinating Office will be established for the purpose of administering and coordinating the implementation of Project activities (e.g., agricultural production, cattle, credit, cooperatives, marketing facilities, roads, reforestation, etc.) at the field level. This Office will be headed by an Area Coordinator who will be named by and respond directly to the High Level Commission.

de Alto Nivel que lo nombrará. Igualmente para asuntos de coordinación mantendrá estrecha relación con la Oficina Nacional de Coordinación del PRODIAR y las Direcciones u oficinas responsables de la ejecución en cada Ministerio e institución participante.

2.2.2 El Ministerio de Desarrollo Agropecuario (MIDA) tendrá a su cargo la responsabilidad primaria de la ejecución efectiva de los proyectos aprobados para el área. Se establecerá una unidad especial en la Dirección General de Planificación Sectorial (DGPS), para los efectos de coordinar y vigilar la ejecución en el terreno y asegurar el apoyo técnico de las direcciones pertinentes del MIDA. Miembros clave del personal del DGPS recibirán adiestramiento y asistencia técnica en planeamiento de área, análisis y metodología de evaluación y en otros campos técnicos. El Coordinador tendrá la responsabilidad total de la ejecución en el terreno; él será responsable ante el Director General de Planificación Sectorial del MIDA y tendrá acceso directo al Coordinador de PRODIAR.

3. El Proyecto también financiará los levantamientos censales y catastrales, los estudios socio-económicos y de recursos que serán necesarios para el desarrollo rural integrado en nuevas áreas de impacto señaladas por el Gobierno de Panamá.

4. Tal como se especifica adelante, al nivel del campo se llevará a cabo un conjunto coordinado de actividades con la

Commission. The Office will maintain close liaison with the National Coordinating Office of PRODIAR and the responsible offices in each Ministry or participating institution.

2.2.2 Actual implementation of the approved area projects will be the primary responsibility of the Ministry of Agriculture (MIDA). A special unit will be set up in MIDA's Directorate of Sectorial Planning (DGPS) for coordinating and monitoring the field implementation and assuring technical backstopping from the appropriate MIDA directorates. Key staff in the DGPS will receive training and technical assistance in area planning, analysis and evaluation methodology and other technical fields. The Coordinator will have overall responsibility for field implementation; he will be responsible to the Director General of Sectorial Planning of MIDA and will have direct access to the Coordinator, PRODIAR.

3. The Project will also finance censuses and cadastral, resource and socio-economic surveys that will be needed in new integrated rural development impact areas identified by the Government of Panama.

4. At the field level, a coordinated set of activities will be implemented, with the full participation of the target group, for the accelerated development of

completa participación del grupo a cuyo beneficio apunta la actividad, para el desarrollo acelerado del área de Tonosí. El Coordinador de Área será asistido por un equipo de personal de campo del Proyecto que se ubicará en Tonosí, por un Comité Consultivo de Área y por un Asesor contratado a largo plazo y financiado con fondos del préstamo, con conocimiento profesional en los principales campos pertinentes y con experiencia en la dirección del desarrollo rural basado en programas de reforma agraria, como también por asistencia técnica a corto plazo o intermitente en las áreas especializadas señaladas en la sección 9 adelante. El equipo incluirá un personal técnico en los campos del desarrollo de cultivos y de la ganadería, manejo forestal y de recursos, administración rural, organización cooperativa y planeamiento del crédito, sin que necesariamente queden limitados a estos campos. El Comité Consultivo de Área será presidido por el Coordinador de Área e incluirá los miembros claves de su personal de técnicos, además de los representantes formales e informales de todas las organizaciones locales de base existentes y las que se establezcan. El Coordinador del Área tendrá autoridad plena sobre el personal de campo del MIDA y de las otras agencias del sector agropecuario y actuará como coordinador y monitor de las actividades de las demás entidades públicas en lo que se relaciona a la ejecución en el campo.

5. El personal de campo del Proyecto ejecutará un programa

the Tonosí area, as specified below. The Area Coordinator will be assisted by a field project team to be located in Tonosí, an Area Consultative Committee and a loan financed long-term advisor knowledgeable in the principal fields concerned and experienced in managing land-reform based rural development, as well as short-term or intermittent technical assistance in such specialized fields as indicated under 9 below. The team will include, but will not necessarily be limited to, technical staff in the areas of crop and livestock development, forestry and resource management, farm management, cooperative organization and credit planning. The Area Consultative Committee will be presided over by the Area Coordinator and will include his key staff of technicians as well as formal and informal representatives of all local grass-roots organizations, existing and to be created. The Area Coordinator will have full authority over the field staff of MIDA and other agricultural sector agencies and will act as coordinator and monitor of the activities of all other public agencies as they relate to field implementation.

5. The field project team will implement a multi-faceted area program

de área de múltiples facetas, dirigido hacia alrededor de 1,000 familias que conforman el grupo de más bajos ingresos de la población del Distrito. El objetivo básico es el de proveer a cada familia la oportunidad de producir un ingreso disponible neto de por lo menos 2,250 balboas anuales, a precios de 1976, ocupando al máximo factible la mano de obra familiar disponible. A continuación se señalan las actividades que serán de provecho del grupo de familias participantes y las entidades que ayudarán en la realización de tales actividades:

5.1. Asignación de tierras: Se estima que se requerirán aproximadamente unas 10,000 hectáreas de tierra para el asentamiento o reasentamiento de las 1,000 familias participantes, que comprende alrededor de 2,000 a 3,000 hectáreas de tierras de cultivo no sujetas a severas inundaciones periódicas y cerca de 7,000 hectáreas de tierras de pastoreo. La Dirección General de Reforma Agraria (DGRA) del MIDA será responsable del proceso de distribución y titulación de las tierras y sufragado con fondos del Gobierno de Panamá. Los patrones de aprovechamiento de la tierra (cultivos, pastos y forestas) reflejarán las capacidades de los suelos y el uso eficiente del recurso, desde los puntos de vista social, económico y ecológico. La tenencia de la tierra y la organización para la producción reflejarán no sólo los criterios técnicos y económicos, sino también las aspiraciones y tradiciones de la población participante.

5.2. Producción Agropecuaria: El programa de producción contempla la participación de alrededor de

directed towards approximately 1000 families representing the lowest income strata of the district's population. The basic objective is to provide each family with the opportunity to produce a net disposable income of at least \$2,250 at 1976 prices with a maximum feasible employment of available family labor. The activities from which the participant families will benefit, and the agencies that will assist in implementing them are as follows:

5.1. Land Allotment: Approximately 10,000 hectares of land are estimated to be required for settling or resettling the 1000 participating families, including about 2000 - 3000 hectares of cropland not subject to severe periodic flooding and about 7,000 hectares of grazing land. The distribution and titling process will be the responsibility of the Directorate General of Agrarian Reform (DGRA) in MIDA and financed by the GOP. Land use patterns (crops, grazing and forestry) will reflect land capabilities and socially, economically and ecologically efficient resource use. Land tenure and production organization will reflect not only technical and economic criteria but also the aspirations and traditions of the participant population.

5.2. Agricultural Production: The production program contemplates participation of about 900 families

900 familias que integran el grupo participante cuyo número potencial es de 1,000 familias. De éstas, se espera que cerca de 650 se dediquen principalmente a los cultivos de arroz, maíz, sorgo, frijol, yuca, ñame, caña de azúcar, plátano, tomate y/o cebolla, sin que necesariamente deban limitarse a éstos; en tanto que alrededor de 250 serán primordialmente fincas lecheras. El Proyecto financiará todos los insumos que serán requeridos por los participantes en la producción y venta del producto de las fincas.

5.2.1 Estudios de Suelos y de Agua: La Dirección General de Recursos Naturales Renovables (RENARE) dirigirá las investigaciones de suelos y los estudios de aguas en las tierras sujetas a asignación. Basado en estas investigaciones y estudios, el Coordinador del Área determinará la utilización óptima de la tierra, las combinaciones de cultivos y conjuntos de elementos tecnológicos que serán recomendados a los participantes.

5.2.2 Crédito Agropecuario: Se establecerá un fondo rotativo especial de crédito en el Banco de Desarrollo Agropecuario (BDA), para el financiamiento de inversiones fijas, capital de trabajo y requerimientos de crédito de producción de los participantes por los montos considerados justificados económicamente por el Coordinador del Área y aceptables por los participantes. El fondo rotativo será establecido a la cuenta de la oficina en Tonosí, de la cual se realizarán los desembolsos que se requieran por compromisos de inversiones agrícolas y de planes de producción de cada empresa, individual o asociativa. Los planes de crédito serán aprobados en primera instancia por un comité especial de crédito en

out of the potential participant group of 1000. Of these, about 650 are expected to be principally growing crops (including, but not necessarily limited to, rice, corn, sorghum, cowpeas, cassava, yams, sugar cane, plantains, tomatoes, and /or onions) while about 250 will be principally dairy farmers. The Project will finance all inputs needed by the participants for producing and selling their farm output.

5.2.1 Soil and Water Surveys: The Directorate General of Natural Resources (RENARE) will conduct soil surveys and water studies on the land subject to allotment. Based on these surveys and studies the Area Coordinator will determine optimum land use, crop mixes and technological packages recommended for participants.

5.2.2 Farm Credit: A special rotating credit fund will be established in the Agricultural Development Bank (BDA) to finance fixed investment, working capital and production credit needs of the participants in such amounts as are deemed economically justified by the Area Coordinator and acceptable to the participants. The rotating fund will be established to the account of the Tonosí office, from which disbursements will be made as required against commitments for farm investment and production plans for each individual or joint enterprise. The credit plans will be approved in the first instance by a special area credit committee. This committee will be composed of the Area Coordi-

el área. Este comité estará compuesto por el Coordinador del Área y su director de producción agropecuaria, el gerente de la oficina local del BDA y un representante elegido por los participantes, el técnico o técnicos de campo directamente responsable(s) de la preparación del plan de crédito de cada empresa agrícola, como miembro(s) "ad hoc". El Comité Regional de Crédito del BDA ubicado en Las Tablas dará una pronta aprobación final a los compromisos de préstamo.

5.3 Maquinaria Agrícola: El fondo de crédito financiará la adquisición de maquinaria agrícola en pequeña escala requerida por los productores individuales o asociados. Además, el Proyecto obtendrá equipo agrícola (esto es, tractores y sus implementos y máquinas cosechadoras) para el área de Tonosí. Se establecerá en Tonosí un parque de maquinaria con todo el personal necesario bajo la dirección del Coordinador del Área y cuyo funcionamiento estará a cargo del servicio de mecanización del MIDA denominado Dirección Nacional de Maquinaria Agrícola (DINAMA), para su empleo en el Distrito de Tonosí exclusivamente y con prioridad absoluta para los participantes. Además, se construirá un cobertizo para depósito de la maquinaria y un taller de mantenimiento y reparaciones menores, dotado con equipo (las reparaciones mayores serán efectuadas en DINAMA, ubicado en Santiago). Se proveerá asistencia técnica para determinar los requerimientos de maquinaria y para el desarrollo de sistemas adecuados de operación, mantenimiento, reparación y de contabilidad de costos.

nator and his director of agricultural production, the local manager of the BDA and an elected representative of the participants, with ad hoc membership of the field technician or technicians directly responsible for developing the credit plan for each farm enterprise. Final approval of loan commitments will be given without delay by the BDA's Regional Credit Committee located in Las Tablas.

5.3 Agricultural Machinery: The credit fund will finance acquisition of small-scale farm machinery needed by individuals or groups. In addition, the Project will procure farm equipment (i.e., tractors and implements and harvesting machines) for the Tonosí area. A machinery pool will be established and fully staffed in Tonosí, under the direction of the Area Coordinator and operated by MIDA's machinery service, the "Dirección Nacional de Maquinaria Agrícola" (DINAMA), for use exclusively in the Tonosí District, and with absolute priority for participants. In addition, a machinery storage shed and a shop for maintenance and minor repairs will be constructed and equipped (major repairs will be done at DINAMA in Santiago). Technical assistance will be provided to determine machinery needs, and to develop adequate operation, maintenance and repair systems and cost accounting.

5.4 Instalaciones de mercadeo: Se construirán instalaciones adicionales de secado y almacenamiento en el centro del IMA en Aguadulce para el manejo de la producción de cebolla del área; y se instalará una secadora y un silo de reposo para arroz en la planta de almacenamiento de granos del IMA en Las Tablas. Ambas instalaciones serán administradas por el IMA, el que dará prioridad absoluta a la producción de los participantes. Además, se agregarán espacios adecuados de almacenamiento a las instalaciones del parque de maquinaria en Tonosí para que sirvan como un centro de acopio para ciertos productos almacenables en sacos, tales como maíz, yuca, ñame y plátano.

5.5 Otros insumos: Otros insumos requeridos por la producción, tales como semillas, fertilizantes, productos químicos agropecuarios, etc., serán suministrados mediante las cooperativas de abastos agrícolas. La Empresa Nacional de Semillas del MIDA también proveerá semillas.

5.6 Ganado: Se comprarán vacas y toros de razas lecheras procuradas en hatos de propiedad estatal o de reputados criadores privados en la República de Panamá, siempre que sea practicable.

5.7 Asesoría Técnica será asegurada a los participantes por el personal residente a cargo del Coordinador del Área, con la colaboración del asesor a largo plazo y de la asesoría técnica externa de corto plazo, y suplementada, en el grado necesario, por el personal de las oficinas centrales y regionales del MIDA y de otras instituciones agropecuarias, especialmente el IDIAP.

5.4 Marketing Facilities: An additional drying and storage facility to handle onion production from the area will be constructed at IMA's facility at Aguadulce; and a dryer and tempering bin for rice will be installed at IMA's grain storage plant at Las Tablas. Both installations will be managed by IMA, which will give absolute priority to the production of participants. In addition, appropriate storage space will be added to the machinery pool facilities at Tonosí to serve as a collection point for certain bagged produce, such as corn, cassava, yams and plantains.

5.5 Other Inputs: Other needed production inputs - i.e., seed, fertilizer, agricultural chemicals, etc. - will be supplied through farm supply cooperatives. Seed will also be supplied by MIDA's Empresa Nacional de Semillas.

5.6 Cattle: Dairy cows and bulls will be purchased from official or reputable private herds - insofar as practical within the Republic of Panama.

5.7 Technical Advice for participants will be assured by the resident staff of the Area Coordinator (with the cooperation of the long-term advisor and short-term external technical assistance), supplemented, to the extent required, by MIDA's and other agricultural agencies' regional and central staffs, especially IDIAP.

5.8 Contribuciones del Proyecto

BNP/BIRF: El Proyecto proveerá a cerca de 100 productores de leche, comprendidos en el estrato de ingreso más alto del grupo de apróximadamente 1,000 familias participantes, de adecuados recursos de tierra, pero recibirán asistencia técnica y crediticia bajo el proyecto de desarrollo ganadero BNP/BIRF (1397-PAN).

6. Mejoramiento de caminos:

Con la finalidad de mejorar la accesibilidad y de facilitar el mercadeo, la Dirección Nacional de Construcción (DNC) y del Ministerio de Obras Públicas (MOP) dirigirán los trabajos de mejoramiento de apróximadamente 12 tramos de caminos de tierra que totalizan cerca de 80 kilómetros, para elevarlos a la categoría de caminos permanentes con superficie de material selecto. Todos los caminos sujetos a mejoramientos bajo este Proyecto seguirán, siempre que sea factible, los alineamientos actuales de los caminos existentes, con la finalidad de reducir los costos. Previo a la licitación o a cualquier compromiso de fondos para el mejoramiento de los caminos, el Gobierno de Panamá asegurará que cualesquiera tierra sobre la cual se realizarán obras de mejoramiento de caminos, deberá estar libre de todo reclamo. El mantenimiento de los caminos será provisto por la municipalidad. El Proyecto sufragará los costos de mejoramiento de caminos y equipos de mantenimiento adicionales para suplementar la capacidad del municipio. Los caminos considerados serán seleccionados con base a los siguientes criterios:

6.1 El camino debe servir áreas agrícolas con un potencial impor-

5.8 BNP/IBRD Project Inputs:

Approximately 100 dairy farmers, representing the upper income stratum among the approximately 1000 target families, will be provided with adequate land resources by the Project but will receive technical assistance and credit under the BNP/IBRD livestock development project (1397-PAN).

6. Road Improvement: In order to improve accessibility and facilitate marketing, the National Directorate of Construction (DNC) of the Ministry of Public Works (MOP) will direct the upgrading of approximately 12 dirt road sections (totalling about 80 kilometers) to all-weather gravel surfaced roads. All roads to be improved under the Project will follow the present alignment of existing roads wherever feasible in order to reduce costs. Prior to bidding or any commitment of funds for road improvement, the Government of Panama shall assure that any land on which road improvement will be undertaken shall be free from any and all claims. Road maintenance will be provided by the Municipality. The Project will provide for road improvement and additional maintenance equipment to supplement the Municipality's capabilities. The candidate roads will be selected on the basis of the following criteria

6.1 The road must serve agricultural areas with substantial potential

tante para cultivos anuales o perennes o para pastos mejorados.

6.2 Una vez identificadas las áreas de reasentamiento de participantes del proyecto a satisfacción mutua de ONC/PRODIAR y A.I.D., cada segmento de camino objeto de mejora será sometido a un estudio simplificado de beneficio-costo y un análisis de la incidencia del beneficio, realizados por ONC/PRODIAR y aceptable por A.I.D. según la metodología mutuamente acordada por ONC/PRODIAR y A.I.D., la cual se agrega como Apéndice Técnico A.

6.3 El segmento del camino debe empalmar con un camino permanente existente.

6.4 Se dará prioridad a los caminos que reúnen los criterios arriba señalados. Sin embargo, consideraciones de accesibilidad a servicios sociales, clínicas médicas, oficinas del servicio de extensión agropecuaria, escuelas, etc., pueden sustituir en todo o en parte los criterios contenidos en 6.1 y 6.2, hasta por 12 kilómetros de caminos.

6.5 Una revisión final de ingeniería a efectuarse por ONC/PRODIAR, MOP y A.I.D. deberá demostrar que las mejoras propuestas son técnicamente factibles a un costo razonable.

7. Administración de Cuencas y Reforestación: El Proyecto financiará un programa de administración de cuencas y reforestación para cumplir plenamente el objetivo de un aprovechamiento más racional de la tierra. Como parte de este esfuerzo en manejo de cuencas, el Gobierno de Panamá se asegurará de que no ocurrirá en la cuenca hidrográfica de Tonosí ninguna construcción,

for annual or perennial crops or improved pasture.

6.2 Once areas for resettlement of project participants have been identified to the mutual satisfaction of ONC/PRODIAR and A.I.D., each road segment to be improved will be subjected to a simplified benefit-cost and benefit incidence analysis by ONC/PRODIAR acceptable to A.I.D. following the methodology jointly agreed upon by ONC/PRODIAR and A.I.D. and which is attached as Technical Appendix A.

6.3 The road segment must connect to an existing all-weather road.

6.4 Priority will be given to roads meeting the above criteria. However, considerations of accessibility to social services, medical clinics, agricultural extension service offices, schools, etc., may be substituted in whole or in part for criteria 6.1 and 6.2 for up to 12 kilometers of road.

6.5 A final engineering review by ONC/PRODIAR, MOP and A.I.D. must demonstrate that proposed improvements are technically feasible at a reasonable cost.

7. Watershed Management and Reforestation: To fully meet the objective of more rational land use, the Project will finance a program of watershed management and reforestation. As part of this watershed management effort, the Government of Panama will assure that no construction, industry or activity, public or private, that will have significant negative impact on the natural or human environment

industria o actividad, pública o privada, que tenga un efecto negativo significativo en el medio ambiente humano y natural. El Gobierno de Panamá y la misión USAID en Panamá revisarán conjuntamente cualquiera actividad propuesta de la cual se sospeche que pueda tener al impacto negativo a fin de asegurar que dicho efecto sea insignificante y de que se consideren medidas adecuadas para mitigar el efecto detimental en el ambiente. La Dirección General de Recursos Naturales Renovables (RENARE) del MIDA tendrá la responsabilidad técnica de este programa. RENARE contará con un número reducido de personal profesional y técnico en Tonosí, bajo la dirección general del Coordinador del Área, para administrar las siguientes actividades:

7.1 Se dará inicio a un programa de conservación forestal. Personas de la localidad serán adiestradas en la ocupación de guardabosques responsables del control y prevención de incendios. Se obtendrá un equipo de apagafuegos y se construirán torres de observación contando con la asesoría del componente de asistencia técnica, que se suplirá como queda contemplado en la Sección 9.1, parte II, adelante.

7.2 Aproximadamente unas 1,500 hectáreas de tierras estatales de importancia crítica para la protección de cuencas serán reforestadas con especies de rápido crecimiento y adecuadas al área. Se establecerá un vivero para la selección y reproducción de semillas de especies nativas.

will occur in the Tonosí watershed area. The Government of Panama and USAID/Panama will jointly review any proposed activity suspected of having such a negative impact to assure that the impact will be negligible and/or that adequate measures are included to mitigate the negative environmental impact. Technical responsibility for this program will be in the Directorate General of Natural Resources (RENARE) of MIDA. RENARE will have a small cadre of professional and technical personnel in Tonosí, under the overall direction of the Area Coordinator, to administer the following activities:

7.1 A forest conservation program will be initiated. Local personnel will be trained as forest guards responsible for fire prevention and control. Fire fighting equipment will be procured and watch towers will be constructed with the advice of the technical assistance to be provided as per Section 9.1, part II below.

7.2 Approximately 1500 hectares of public land most critical to watershed protection will be reforested with fast growing species well-suited to the area. A nursery for the selection and reproduction of seed of native species will be established.

7.3 Se pondrá en práctica un programa de conservación para el manejo de suelos y aguas con la finalidad de mejorar el balance hidrológico dentro de la cuenca. Las actividades específicas para financiamiento son: (a) un estudio hidrológico que brinde información que permita el planeamiento del futuro aprovechamiento de las aguas, (b) un inventario de los suelos de todo el distrito a fin de facilitar el planeamiento del uso de la tierra a largo plazo, y (c) la limpieza de los cauces con la finalidad de reducir la severidad de las inundaciones.

8. Proyectos Experimentales:

8.1 El Proyecto financiará las inversiones que oportunamente identifique el equipo técnico, a fin de que se llegue a un uso eficiente y racional de recursos del área que puedan constituir una fuente adicional de ingresos para los participantes del Proyecto, por ejemplo, criadero de peces, manufactura y expendio de carbón vegetal, sierras portátiles para cortes de madera, demostración de prácticas de conservación de suelos, minipresas. Se financiarán con cargo a esta partida también los estudios, investigaciones y ensayos que fueran requeridos en relación con proyectos experimentales. Cualquier actividad referente a lo mencionado arriba deberá contar con la aprobación por escrito de ONC/PRODIAR y A.I.D.

8.2 De los fondos asignados para los proyectos pilotos se destinará el monto de 100,000

7.3 A soil and water management conservation program will be implemented to improve the water balance within the watershed. Specific activities to be financed include: (a) a hydrologic study to provide information that will permit planning for future water resource use, (b) a soils inventory of the entire district to facilitate longer-term land use planning, and (c) streambed clearing to reduce severe flooding.

8. Experimental Projects:

8.1 The Project will finance investments which may be identified by the technical team, for the purpose of the efficient and rational utilization of the area's resources which may constitute an additional source of income for the Project participants, for example - fish raising, manufacturing and sale of charcoal, portable saws for wood-cutting, demonstrations of soil conservation practices and mini-dams. Studies, research and trials required in connection with pilot projects will also be financed under this item. Any activity related to the above must be approved in writing by ONC/PRODIAR and A.I.D.

8.2 Of the funds allotted for pilot projects \$100,000 will be set aside to establish a credit insurance

dólares para la creación de una reserva de seguro crediticio con la finalidad de promover la adopción de innovaciones tecnológicas por los finqueros participantes o por pequeñas industrias. Las propuestas de préstamos para actividades rentables pero de naturaleza innovadora y de alto riesgo serán presentadas al Comité de Crédito del Área, el cual remitirá un informe completo, a través de los directores regionales de las entidades pertinentes, para aprobación final del Comité Central de Crédito del BDA y de A.I.D. Tal aprobación aseguraría automáticamente el préstamo contra cualquier pérdida incurrida por el prestatario o prestatarios, debida a la inesperancia o a dificultades tecnológicas no anticipadas o problemas del mercado. El fondo de reserva será empleado para reembolsar al BDA por las pérdidas incurridas en tales préstamos aprobados. El saldo no gastado en esta reserva que se tenga al comienzo del quinto año del préstamo de A.I.D. será empleado directamente para el financiamiento de proyectos pilotos o para la creación de reservas similares en nuevas áreas de impacto.

reserve to promote adoption of technological innovations by participant farm or small industry enterprises. Proposals for loans for income producing activities of a high-risk, innovative nature will be presented to the Area Credit Committee, which will forward a full report through the Regional Directors of the competent agencies, to the BDA's Central Credit Committee and A.I.D. for final approval. Such approval will automatically insure the loan against any loss incurred by the borrower(s) due to inexperience or unanticipated technological or market difficulties. The reserve fund will be used to reimburse BDA for losses incurred under such approved loans. The unexpended balance of this reserve at the beginning of year 5 of the A.I.D. loan will be used for directly funded pilot projects or for similar reserves established in new impact area.

9. Asistencia Técnica y Capacitación

9.1 A continuación se presenta el plan de asistencia técnica a ser ejecutado durante los años 1 a 3:

I. Administración del Desarrollo Rural Integrado

A. ONC/PRODIAR

9. Technical Assistance and Training:

9.1 The technical assistance plan to be implemented during years 1 - 3 is as shown below:

I. Integrated Rural Development Administration

| | <u>Total Meses</u> Total Months |
|--|------------------------------------|
| Planeamiento y Ejecución del Desarrollo Rural Rural Development Planning & Implementation | 24 |

| | |
|--|-----------|
| Planeamiento espacial y físico Spatial & Physical Planning | 12 |
| Planeamiento del poblado y de la infra-estructura Village & Infrastructure Planning | 12 |
| Organización social e institucional Social & Institutional Organization | 12 |
| Análisis y evaluación socio-económica Socio-economic Analysis and Evaluation | 30 |
| Administración y análisis financieros Financial Analysis & Management | 24 |
| Sistemas de información Information Systems | 6 |
| Contingencias Contingencies | <u>6</u> |
| | Sub-total |
| | 126 |
| B. MIDA-DGPS | |
| Preparación de proyectos Project Preparation | 12 |
| Agronomía Agronomy | 24 |
| Ganadería y pastos Livestock & Pastures | 21 |
| Recursos naturales y aprovechamiento de la tierra Natural Resources and Land Use | 12 |
| Contingencias Contingencies | <u>12</u> |
| | Sub-total |
| Total ONC/PRODIAR Y MIDA | 81 |
| | 207 |

II. Área de desarrollo de Tonosí
Tonosi Area Development

Asistencia técnica a largo plazo:
Long-term Technical Assistance:

| | |
|------------------------------------|----|
| Ejecución del proyecto en el campo | 36 |
| Field Project Implementation | |

Asistencia técnica a corto plazo:
Short-term Technical Assistance:

| | |
|--|----|
| Tenencia de la tierra, titulación y registro | 12 |
| Land tenure, Titling and Registration | |

| | |
|--|----|
| Administración de fincas, transferencia tecnológica, adiestramiento, organización de productores | 30 |
| Farm Management, Technology Transfer, Training, Producer Organization | |

| | |
|----------------------|---|
| Control de incendios | 2 |
| Fire Control | |

| | |
|-------------------|---|
| Proyectos pilotos | 9 |
| Pilot Projects | |

| | |
|---------------------|----|
| Maquinaria agrícola | 12 |
| Farm Machinery | |

| | |
|--------------------|-----|
| Total, Área Tonosí | 101 |
|--------------------|-----|

Los fondos destinados a asistencia técnica no podrán ser empleados para el pago de servicios personales de los funcionarios de las entidades ejecutoras y no podrán ser transferidos a otros renglones del presupuesto.

Technical assistance funds may not be used to pay for personal services of the staff of implementing agencies and they may not be transferred to other budget items.

9.2 Durante el primer año se preparará un plan de adiestramiento, el cual consistirá principalmente de adiestramiento en servicio, en el país, relacionado con el plan de asistencia técnica, y de cursos y visitas breves en el extranjero.

9.2 A training plan, which will consist principally of in-country, in-service training in connection with the technical assistance plan, and short out-of-country visits and courses, will be prepared during year 1.

9.3 Las actividades de asistencia técnica y de adiestramiento que serán ejecutadas durante el primer año son las siguientes:

9.3.1 El asesor principal de ONC/PRODIAR, a ser contratado por un año prorrogable automáticamente por un año adicional, sujeto al mutuo consentimiento del gobierno de Panamá, de A.I.D. y del contratista.

9.3.2 El Asesor General del Coordinador del Área de Tonosí, quién será contratado por un año prorrogable automáticamente por dos años adicionales, sujeto al mutuo consentimiento del gobierno de Panamá, de A.I.D. y del contratista.

9.3.3 Servicios de asesoría en planeamiento físico y espacial a ONC/PRODIAR por 6 meses de trabajo.

9.3.4 Servicios de asesoría en Análisis y Administración Financiera a ONC/PRODIAR, a ser contratados por 12 meses con posible prórroga por 12 meses de trabajo adicionales, sujeto al mutuo consentimiento del gobierno de Panamá, de A.I.D. y del contratista.

9.3.5 Servicios de asesoría a corto plazo en titulación y registro de tierras, arreglos de tenencia, tributación y otros aspectos relacionados con Tonosí, a ser contratados por un total de 6 meses.

9.3.6 Servicios de asesoría a corto plazo al Coordinador del Área y a DINAMA, en relación al diseño y operación del parque de

9.3 The technical assistance and training activities to be implemented during year 1 are as follows:

9.3.1 Principal advisor to ONC/PRODIAR, to be contracted for one year with automatic renewal for one more year subject to mutual satisfaction of the Government of Panama, A.I.D. and the contractor.

9.3.2 General Advisor to Tonosí Area Coordinator, to be contracted for one year with automatic renewal for two more years subject to mutual satisfaction of the Government of Panama, A.I.D. and the contractor.

9.3.3 Advisory services in Physical and Spatial Planning to ONC/PRODIAR for 6 months.

9.3.4 Advisory services in Financial Analysis and Management to ONC/PRODIAR, to be contracted for 12 months with possible renewal for an additional 12 months subject to mutual satisfaction of the Government of Panama, A.I.D. and the contractor.

9.3.5 Short-term advisory services in land title registration, tenure arrangements, taxation and related aspects in Tonosí, to be contracted for a total of 6 months.

9.3.6 Short-term advisory services to the Area Coordinator and DINAMA related to design and operation of farm machinery pool and procurement of ma-

maquinaria agrícola y consecución de la maquinaria para Tonosí, a ser contratados por 6 meses.

9.3.7 Servicios de asesoría a corto plazo a ONC/PRODIAR en el campo de planeamiento de poblados y de infraestructura, con especial énfasis en Tonosí, a ser contratados por un total de 6 meses.

9.3.8 Servicios de asesoría en planeamiento de recursos al MIDA, por 6 meses.

9.3.9 Servicios de asesoría a corto plazo al MIDA en organización económica y social y en relaciones entre los participantes y la administración, en Tonosí, por dos meses.

9.3.10 Servicios de asesoría a corto plazo al MIDA para el planeamiento de unidades lecheras en Tonosí, a ser contratados por cuatro meses.

9.3.11 Tres meses de adiestramiento de tres técnicos de campo en México, representando el equipo profesional del área de Tonosí, compuesto de IDIAP y MIDA (Dirección General de Producción) en aspectos metodológicos de la investigación de campo aplicada y sistemas de transferencia tecnológica para el desarrollo rural integrado.

9.3.12 Tres semanas de orientación en materia de ejecución y evaluación de PIDER en México, para tres funcionarios principales en representación de ONC/PRODIAR y MIDA.

9.3.13 Actividades adicionales de adiestramiento a corto plazo, según común acuerdo de ONC/PRODIAR, MIDA y A.I.D.

chinery for Tonosí, to be contracted for 6 months.

9.3.7 Short-term advisory services to ONC/PRODIAR, with special emphasis on Tonosí, in Village and Infrastructure Planning, to be contracted for a total of 6 months.

9.3.8 Advisory services in Resource Planning to MIDA for 6 months.

9.3.9 Short-term advisory services to MIDA in Economic and Social Organization and Participant-Management Relations in Tonosí for two months.

9.3.10 Short-term advisory services to MIDA in dairy unit planning for Tonosí to be contracted for four months.

9.3.11 Three months of training for three field technicians, representing, respectively, the Tonosí area team, IDIAP and MIDA (Dirección General de Producción) in Mexico in methodology of applied field research/technology transfer systems for integrated rural development.

9.3.12 Three weeks of orientation for three senior officials representing ONC/PRODIAR and MIDA in implementation and evaluation of PIDER in Mexico.

9.3.13 Additional short-term training activities to be mutually agreed upon by ONC/PRODIAR, MIDA and A.I.D.

9.4 Provisiones Generales:

Todos los contratos de asistencia técnica y capacitación serán ejecutados por ONC/PRODIAR de acuerdo con las normas del Gobierno Nacional y de la agencia financiera (AID), a menos que las partes convengan lo contrario por escrito. Los candidatos para contratos de asistencia técnica, tanto como los cursos específicos de capacitación y los viajes a que dé lugar el caso, serán propuestos por el Gobierno Nacional, no obstante podrán tomarse en consideración propuestas provenientes de la A.I.D., para su debido estudio. La selección final de los candidatos será de común acuerdo entre ambas partes. El Gobierno estará representado por el Coordinador General del PRODIAR y por el Director de Planificación Sectorial del MIDA.

10. Las partes responsables, indicadas en paréntesis, deberán cumplir durante el primer año de ejecución del Proyecto, lo siguiente:

10.1 Diseñar un plan detallado de operación para el primer año (ONC/PRODIAR).

10.2 Contratar los servicios para: (a) el mapeo ortofotográfico, (b) la tabulación del censo, (c) una investigación socio-psicológica por muestreo, y (d) la asistencia técnica requerida en el primer año. (ONC/PRODIAR deberá terminar los puntos a-c al principio del primer año; el punto (d) está a cargo de ONC/PRODIAR y de MIDA).

10.3 Preparar las órdenes de compra para la adquisición de bienes

9.4 General Provisions

All contracts for technical assistance and training will be executed by ONC/PRODIAR in accordance with the norms of the Government of Panama and A.I.D., unless both parties agree to the contrary in writing. The candidates for technical assistance contracts, training courses and travel, will be proposed by the Government of Panama; nevertheless, proposals from AID may be considered. Final selection of candidates will be by common agreement between both parties. The Government of Panama will be represented by the General Coordinator of PRODIAR and by the Director of Sectoral Planning of MIDA.

10. During the first year of Project implementation the responsible parties, indicated in parenthesis, shall:

10.1 Design a detailed first year implementation plan (ONC/PRODIAR).

10.2 Contract services for: (a) ortho photographic mapping, (b) census tabulation, (c) a socio-psychological sample survey, and (d) technical assistance required in the first year. (Items a-c are to be completed early during the first year, by ONC/PRODIAR; item (d) by both ONC/PRODIAR and MIDA.)

10.3 Prepare procurement orders for: Project administration commodities

para la administración del Proyecto, tales como vehículos, mobiliario, equipo de oficina y otros renglones (ONC/PRODIAR y MIDA); maquinaria agrícola (MIDA/DINAMA); equipo ortofotográfico (ONC/PRODIAR); y otros asuntos según sea necesario.

10.4 Construir el mayor número posible de tramos de caminos que reunan los criterios de selección (MOP).

10.5 Construir las instalaciones y viviendas para el personal (MIDA); y construir el cobertizo para la maquinaria y el taller de reparaciones (MIDA/DINAMA).

10.6 Reclutar e instalar el personal técnico en ONC/PRODIAR, MIDA y en la Oficina del Coordinador del Área de Tonosí, según se muestra en el Apéndice Técnico B.

10.7 Identificar los lechos de los ríos que deben ser limpiados y comenzar la operación de limpieza de los cauces (MIDA/RENARE).

10.8 Llevar a cabo e interpretar los estudios de suelos en todas las áreas de tierra sujetas a asignación (MIDA/RENARE).

10.9 Actualizar la información disponible sobre el potencial del uso de la tierra y los cambios poblacionales requeridos para realizar una reforma comprehensiva de la tenencia de la tierra y el planeamiento de poblados (ONC/PRODIAR y MIDA).

10.10 Preparar los mapas catastrales y registrar las parcelas de acuerdo con su capacidad y estado legal de tenencia (MIDA).

such as vehicles, furniture, office equipment and other items (ONC/PRODIAR and MIDA); farm machinery (MIDA/DINAMA); ortho photographic equipment (ONC/PRODIAR); and other items as necessary.

10.4 Construct the maximum number of road segments that meet the selection criteria (MOP).

10.5 Construct Tonosí area staff facilities and living quarters (MIDA). Construct machinery shed and repair shop (MIDA/DINAMA).

10.6 Recruit and install technical personnel in ONC/PRODIAR, MIDA and Tonosí Area Coordinator's Office as shown in Technical Appendix B.

10.7 Identify river beds to be cleared and start cleaning operation (MIDA/RENARE).

10.8 Undertake and interpret soil survey in all areas to be subject to allotment (MIDA/RENARE).

10.9 Update available information regarding potential land use and population shifts required for implementing comprehensive land reform and village planning (ONC/PRODIAR and MIDA).

10.10 Prepare cadastral maps and register parcels according to their capability and legal tenure status (MIDA).

10.11 Diseñar los criterios para la selección de los participantes y emparejarlos con los recursos de la tierra (ONC/PRODIAR y MIDA).

10.12 Seleccionar aproximadamente el 60% del número total de participantes y comenzar su reasentamiento. (ONC/PRODIAR y MIDA)

10.13 Desarrollar y finalizar los plenes de producción y de crédito de estos participantes para 1979 (MIDA/BDA).

10.14 Preparar un plan operativo general para los años 2 al 5 (ONC/PRODIAR), incluyendo un plan detallado para el segundo año (ONC/PRODIAR y MIDA).

11. Las evaluaciones detalladas del progreso y problemas del Proyecto de acuerdo con la Sección 6 del Convenio de Préstamo, serán realizadas una vez por año comenzando con el año 2.

11.1 Las evaluaciones serán programadas cronológicamente de tal manera que las conclusiones y recomendaciones estarán disponibles antes de la elaboración final del plan operativo y del presupuesto para el año siguiente.

11.2 Las evaluaciones constituirán el esfuerzo conjunto de ONC/PRODIAR, MIDA/DGPS, el Coordinador del Área, las entidades ejecutoras individualizadas, el personal de cooperación técnica y el denominado "Equipo del Proyecto" de la Misión de USAID, y se contará con la asistencia de consultores independientes que no tienen responsabilidad en la ejecución del Proyecto.

10.11 Design criteria for selecting participants and matching them with land resources (ONC/PRODIAR and MIDA).

10.12 Select approximately 60% of the total number of participants and begin their resettlement (ONC/PRODIAR and MIDA).

10.13 Develop and finalize the production and credit plans for these participants for 1979 (MIDA and BDA).

10.14 Prepare an overall implementation plan for years 2 through 5 (ONC/PRODIAR), including a detailed plan for year 2 (ONC/PRODIAR and MIDA).

11. Detailed evaluations of Project progress and problems in accordance with Section 6 of the Loan Agreement will be conducted once a year beginning with year 2.

11.1 The evaluations will be timed in such a way that the conclusions and recommendations will be available prior to the final elaboration of the plan of operation and budget for the following year.

11.2 The evaluations will be a joint effort by ONC/PRODIAR, MIDA/DGPS, the Area Coordinator, the individual executing agencies, technical cooperation personnel and the A.I.D. Mission's "Project Team", with the assistance of independent consultants not responsible for Project implementation.

12. Esta sección desglosa el Artículo 8 que es parte del Convenio de Préstamo en lo que concierne a adelantos o reembolsos de gastos efectuados por el Prestatario.

12.1 Agencias Ejecutoras

12.1.1 Las siguientes agencias trataran directamente con el AID en lo que concierne a las solicitudes de reembolso o adelantos para la ejecución de las actividades con que ellas están relacionadas y que son directamente responsables: ONC/PRODIAR - MIDA/DGPS - BDA - IDIAP IMA - MOP.

12.1.2 El Ministro de Desarrollo Agropecuario, de acuerdo con la Sección 9.3. del Convenio de Préstamo, designará representantes dentro de cada una de las agencias ejecutoras arriba mencionadas, con autoridad para solicitar adelantos o reembolsos del Préstamo y de acuerdo a los planes aprobados de ejecución.

12.1.3 El Coordinador del Área de Tonosí debe refrendar todas las solicitudes de adelantos o reembolsos que estén relacionados con la ejecución en el campo.

12.2 Procedimientos

12.2.1 Cada Agencia Ejecutora deberá presentar a ONC/PRODIAR, el 31 de agosto de cada año, un plan detallado de ejecución el cual incluirá un plan financiero del Proyecto para el siguiente año incluyendo tanto gastos financiados por el Gobierno de Panamá como los financiados por la A.I.D. El Plan también deberá incluir los detalles técnicos e institucionales, conclusiones y recomendaciones que

12. This section is an elaboration of Article 8 of the basic Loan Agreement as it relates to advances, or re-imbursements for expenditures made by the Borrower.

12.1 Executing Agencies

12.1.1 The following agencies will deal directly with A.I.D. concerning requests for reimbursements or advances related to activities for the implementation of which they are directly responsible: ONC/PRODIAR - MIDA/DGPS - BDA - IDIAP - IMA - MOP.

12.1.2 The Minister of Agricultural Development in accordance with Section 9.3 of the Loan Agreement, will designate representatives within each of the above mentioned executing agencies with authority to request advances or reimbursements from the loan in accordance with approved implementation plans.

12.1.3 The Tonosí Area Coordinator must countersign all requests for advances or reimbursements related to field implementation.

12.2 Procedures

12.2.1 Each executing agency will submit to ONC/PRODIAR on August 31 of every year a detailed implementation plan which will include a Project financial plan for the following year including both GOP and A.I.D. funded expenditures. The plan should also include technical and institutional details and the conclusions and recommendations resulting from an evaluation of the previous year's activities.

resulten de la evaluación de las actividades llevadas a cabo durante el año anterior.

12.2.2 Estos planes serán revisados conjuntamente por MIDA/DGPS, Coordinador del Área, ONC/PRODIAR y la A.I.D. Tan pronto sean aceptados por el PRODIAR y la A.I.D., las agencias concernientes podrán proceder a ejecutar sus planes respectivos.

12.2.3 Modificaciones substanciales de los planes anuales ya aceptados, especialmente aquellos que incluyen cambios en gastos proyectados, pueden ser propuestas a ONC/PRODIAR por el Coordinador del Área o por cualquiera de las agencias ejecutoras con la aprobación del Coordinador. Tales propuestas serán revisadas con prontitud por ONC/PRODIAR, MIDA/DGPS y el AID y los cambios acordados serán reflejados en los respectivos presupuestos aprobados.

12.2.4 Todas las solicitudes de reembolso o adelantos de las agencias mencionadas en el párrafo 12.1.1 serán enviadas directamente a la A.I.D. Copias de todas estas solicitudes serán enviadas al MIDA/DGPS y a ONC/PRODIAR.

12.2.5 La cantidad del adelanto para gastos, excepto bajo el sistema de Costo Fijo (FAR), será determinada por la proyección de gastos necesarios para los próximos tres (3) meses. Esto se basa en el tiempo estimado que transcurrirá entre el desembolso efectivo y el recibo del cheque de reembolso proveniente de Washington. Los adelantos bajo el sistema de Costo Fijo (FAR) serán calculados en base a los programas aprobados de

12.2.2 These plans will be reviewed jointly by the MIDA/DGPS, Area Coordinator and ONC/PRODIAR and A.I.D. Once accepted by PRODIAR and A.I.D., the agencies concerned may proceed to execute their respective plans.

12.2.3 Substantial modifications of the agreed annual plans, especially those involving changes in projected expenditures, may be proposed to ONC/PRODIAR by the Area Coordinator or by any of the executing agencies with his concurrence. Such proposals will be promptly reviewed by ONC/PRODIAR, MIDA/DGPS and A.I.D. and the agreed changes will be reflected in the approved budgets.

12.2.4 All requests for reimbursement or advances from the agencies mentioned in paragraph 12.1.1 will be sent directly to A.I.D. Copies of all such requests will be sent to MIDA/DGPS and ONC/PRODIAR.

12.2.5 The amount of an advance for expenditures other than FAR, will be determined by the projected expenditure requirements for the forthcoming three months. This is based on the expected elapsed time between actual expenditures and receipt of the reimbursement check from AID/W. Advances under the FAR system will be calculated on the basis of agreed upon construction schedules to assure sufficient funds to maintain construction. However, advances under FAR will not exceed 80% of the agreed

construcción para asegurar que hayan suficientes fondos para mantener la construcción. Sin embargo, los adelantos bajo el sistema de Costo Fijo (FAR) no excederán el 80% del costo fijo acordado de cualquier componente. Todos los adelantos pueden ser aumentados o reducidos de acuerdo con la marcha de la ejecución de las actividades programadas.

12.2.6 La A.I.D. procederá a procesar con prontitud las solicitudes de reembolsos tan pronto sean recibidas y supondrá que estas estén aprobadas por PRODIAR a menos que ONC/PRODIAR le haya comunicado lo contrario. En caso de que así se notifique, la A.I.D. ajustará la solicitud de reembolso apropiada, o la subsiguiente si el reembolso en cuestión ya hubiera sido procesado.

12.2.7 Con la excepción del Ministerio de Obras Públicas, el cual se discute más adelante, los cheques girados, ya sea para adelantos o reembolsos, serán confecionados a favor del Banco Nacional de Panamá (BNP) para ser acreditados a la cuenta de la agencia interesada.

12.3 Ministerio de Obras Públicas (MOP)

12.3.1 Los reembolsos para la construcción de carreteras estarán basados en el sistema de Costo Fijo (FAR) de acuerdo a las especificaciones de ingeniería acordadas para cada segmento de carretera. (Un segmento de carretera es la porción total de carretera que se mejorará o construirá, incluyendo estructuras de drenaje, puentes, vados, etc.) El costo fijo de cada segmento será calculado usando el costo acordado por kilómetro para cada carretera, incluyendo alcantarillas y costo

upon FAR cost for any component. All advances may be increased or decreased depending on the rate of implementation of programmed activities.

12.2.6 A.I.D. will process reimbursement requests promptly as received and will presume PRODIAR approval unless advised to the contrary by ONC/PRODIAR. If so notified, A.I.D. will adjust the appropriate request or a subsequent request if the one in question has already been processed.

12.2.7 With the exception of MOP, which is discussed below, checks drawn for either advances or reimbursements will be made payable to the Banco Nacional de Panamá (BNP) for credit to the account of the agency concerned.

12.3 Ministry of Public Works (MOP)

12.3.1 Reimbursement for construction of roads will be based on a system of Fixed Amount Reimbursement for agreed upon engineering specifications for each road segment. (A road segment is the complete length of road which is to be upgraded or constructed, including drainage structures, bridges, fords, etc.). The FAR cost of each segment will be calculated using agreed upon cost per kilometer for roads, including culverts and linear costs for bridges and fords. Reimbursement will be made upon the completion of the total road segment based on the agreed

lineal para puentes y vados. Los reembolsos serán procesados al completarse el total del segmento de carretera basado en el costo fijo acordado sin consideración de los costos efectivos. Los costos por unidad que se usarán para calcular el precio fijado por segmento de carretera pueden ser revisados anualmente si los precios corrientes en el mercado justifican tales cambios.

12.3.2 El Ministerio de Obras Públicas estará a cargo de la inspección de la obra. La A.I.D. y CNC/PRODIAR tendrán el derecho de hacer inspecciones periódicas durante la construcción.

12.3.3 Tan pronto como cada segmento de carretera sea terminado, el Ministerio de Obras Públicas solicitará a la A.I.D. y al Coordinador del Área la inspección del mismo, para su aceptación final, y someterá una solicitud de reembolso para aquellos segmentos que estén de acuerdo con las especificaciones establecidas.

12.3.4 Todos los reembolsos para construcción de carreteras bajo el sistema de Costo Fijo (FAR) serán hechos a nombre de una cuenta especial denominada "Ministerio de Obras Públicas - Construcción de Carreteras PRODIAR", la cual será establecida en el Banco Nacional de Panamá (BNP).

12.3.5 Las solicitudes de reembolso se originarán en la Dirección Provincial del Ministerio de Obras Públicas y serán refrendadas por el

upon fixed amount regardless of actual costs. The unit costs used to calculate road segment fixed prices may be revised annually if current market prices justify such changes.

12.3.2 The MOP will be in charge of inspection of the work. A.I.D. and ONC/PRODIAR will have the right to make periodic inspections during construction.

12.3.3 As each road segment is completed, MOP will request A.I.D. and the Area Coordinator to inspect them for final acceptance and will request reimbursement for those segments which meet the agreed upon specifications.

12.3.4 All reimbursements for road construction under the FAR system will be made directly to a special account "MOP Roads Construction PRODIAR" which will be established in the Banco Nacional de Panamá (BNP).

12.3.5 The requests for reimbursement will originate in the Dirección Provincial of the MOP and will be countersigned by the Area Coordinator. They will be forwarded directly by MOP

Coordinador del Área. Estas serán enviadas directamente por el Ministerio de Obras Públicas a la A.I.D. con copia a ONC/PRODIAR y MIDA/DGPS. Cada solicitud será acompañada por un informe en forma y substancia satisfactoria a la AID, especificando el (los) segmento(s) de carretera por el (los) cual(es) se solicita el reembolso, al igual que un certificado de inspección de los ingenieros de la A.I.D., declarando que el (los) segmento(s) terminado(s) está(n) de acuerdo con las especificaciones establecidas y acordadas.

12.4 Banco de Desarrollo Agropecuario (BDA)

12.4.1 Todos los aspectos relacionados con crédito agropecuario serán tramitados a través del BDA.

12.4.2 A satisfacción y cumplimiento con las condiciones previas, el BDA, basándose en los requisitos estimados para el crédito agropecuario, procederá a solicitar a la A.I.D. un adelanto inicial para establecer un fondo rotativo de monto suficiente para cumplir con los desembolsos proyectados para sub-préstamos durante los tres (3) primeros meses de operación.

12.4.3 Las solicitudes para reembolsos o adelantos al fondo serán presentadas por el BDA directamente a la A.I.D., con copias a ONC/PRODIAR y MIDA/DGPS.

12.4.4 El BDA presentará a la A.I.D. las solicitudes de reembolso por lo menos una vez al mes. Estas solicitudes serán sustentadas por la siguiente documentación:

to A.I.D. with a copy to ONC/PRODIAR and MIDA/DGPS. Each request will be accompanied by a statement, in form and substance satisfactory to A.I.D., specifying the road segment(s) for which reimbursement is requested, as well as a certificate of inspection from A.I.D. engineers stating that the completed segment(s) meet the agreed upon specifications.

12.4 Agriculture Development Bank (BDA)

12.4.1 All aspects related to farm credit will be handled through the BDA.

12.4.2 Upon satisfaction of conditions precedent, the BDA, based on estimated requirements for farm credit, will proceed to request from A.I.D. an initial advance to establish a revolving fund sufficient to meet projected disbursements for sub-loans for the first three months of operations.

12.4.3 The request for reimbursement or advances to the fund will be presented by BDA directly to A.I.D., with copies to ONC/PRODIAR and MIDA/DGPS.

12.4.4 BDA will present to A.I.D. requests for reimbursement at least once a month. These requests will be supported by the following documents:

a. Original y 4 copias del comprobante para Compras y Servicios (Forma.No. SF-1034).

b. Copia de la transferencia de fondos hecha por el Banco señalando la cantidad desembolsada por el BDA a los sub-prestatarios o por cuenta de ellos.

c. Un informe del BDA sobre los desembolsos hechos y el estado de las solicitudes de reembolso acumuladas.

d. Una proyección trimestral de los desembolsos que se harán con cargo al fondo.

e. En el caso de compra de equipo, el BDA presentará copia de las facturas de los proveedores y su correspondiente "Certificado de Fuente y Origen" firmado por el vendedor.

12.4.5 De acuerdo con el Plan Financiero adjunto la A.I.D. reembolsará dos tercios del total desembolsado de cada sub-préstamo.

12.5 Requisitos Generales para la Documentación

12.5.1 Todas las compras deben hacerse conforme a las normas establecidas en los adjuntos de la Carta de Ejecución No. 1, en lo que concierne a fuente y origen, procedimientos de licitaciones, requisitos de embarque y otras formas de compras.

12.5.2 Los siguientes requisitos de documentación son aplicables a todas las organizaciones que solicitan

a. A copy of the Voucher for Purchases and Services (SF-1034).

b. A copy of bank transfer of funds showing the amounts disbursed by the BDA to, or for the account of, the sub-borrowers.

c. A report from BDA of the disbursements made and the status of the accumulated reimbursement requests.

d. A quarterly projection of the disbursements to be made from the fund.

e. In the case of purchase of equipment, BDA will present copy of the invoices from the suppliers and the corresponding "Certificate of Source and Origin" signed by the supplier.

12.4.5 In accordance with attached Financial Plan A.I.D. will reimburse two-thirds of the amount of each sub-loan disbursement.

12.5 Standard Documentation Requirements

12.5.1 All procurement must conform with the guidelines set forth in attachments to Implementation Letter No. 1, with regard to source origin, bidding procedures, shipping requirements and other procurement practices.

12.5.2 The following documentation requirements apply to all organizations requesting reimbursements either directly to A.I.D. or through their

reembolso directamente a la A.I.D. o a través de su ministerio matriz, exceptuando, según lo indicado para el Ministerio de Obras Públicas y el Banco de Desarrollo Agropecuario. Una descripción detallada y/o explicación de la documentación será incluida en los adjuntos de la Carta de Ejecución No. 1.

12.5.3 Los contratos para asistencia técnica deben ser presentados a la A.I.D. para su aprobación antes de su ejecución. Las Solicitudes de Reembolso deben venir acompañadas de lo siguiente:

1. Copia de todos los contratos o convenios aplicables.
2. Copia de la factura del Contratista marcada "Pagada", o cualquier otra evidencia de pago, que señale el período trabajado y otros pormenores reclamados.
3. Copia de un informe señalando horas de asistencia al trabajo o certificación de un oficial responsable del Gobierno de Panamá que el contratista ha trabajado las horas reportadas de acuerdo con lo establecido en la factura.
4. Comprobante para Compras y Servicios (Forma SF-1034).
5. Copia de cualquier informe interino solicitado por el contrato, y copia del informe final que será entregado antes de hacer el desembolso final bajo el contrato.

12.5.4 La siguiente documentación debe acompañar la Solicitud de

parent Ministry, except as covered above for MOP and BDA. Detailed description and/or explanation of the documentation will be included in attachments to Implementation Letter No. 1

12.5.3 Contracts for technical assistance must be presented to A.I.D. for approval prior to execution. Requests for Reimbursement must be accompanied by the following:

1. Copy of all applicable contracts or agreements.
2. Copy of Contractor's invoice marked "paid", or other evidence of payment, showing period covered and items claimed.
3. Copy of time and attendance reports or certification of responsible COP official that contractor was in attendance as stated in invoice.
4. Voucher SF 1034.
5. Copy of any interim reports required by the contract, and copy of final report prior to making final disbursement under contract.

12.5.4 Requests for Reimbursement for procurement of local commodities

Reembolso para la compra local de bienes y materiales:

1. Orden de Compra
2. Factura del proveedor marcada "Pagada" y/o evidencia de pago.
3. Comprobante de Recibo.
4. Certificado de Fuente y Origen firmado por el Vendedor.
5. Comprobante de Compras y Servicios (Forma SF-1034).

12.5.5 Las Solicitudes de Reembolso para compra de bienes y materiales importados para uso específico del Proyecto deberán contener la misma documentación enumerada en el párrafo 12.5.3 (con excepción de los puntos 3 y 5) además de lo siguiente:

1. Documentación de embarque.
2. Certificación del Proveedor y Compendio del Contrato (Forma AID 282).

12.5.6 Las Solicitudes de Reembolso para Servicios de Construcción deben ser acompañadas por la documentación abajo enumerada. Todos los contratos deben ser presentados a la A.I.D. para ser aprobados antes de su ejecución.

1. Copia de la factura del Contratista marcada "Pagada" o cualquier otra evidencia de pago;
2. Certificación de Cumplimiento para Pagos Progresivos y/o Pagos Finales.

or materials must be accompanied by the following:

1. Purchase Order
2. Supplier's invoice marked "PAID" and/or evidence of payment.
3. Receiving Report.
4. Certificate of Source and Origin signed by vendor.
5. Voucher SF 1034.

12.5.5 Requests for Reimbursement for purchase of commodities or materials imported for specific use of the Project will contain the same documentation listed in paragraph 12.5.3 (except numbers 3 and 5) and also the following:

1. Shipping documentation.
2. Supplier's Certificate and Contract Abstract AID Form 282.

12.5.6 Requests for Reimbursement for Construction Services must be accompanied by the documentation listed below. All contracts must be presented to A.I.D. in advance for their approval prior to execution.

1. Copy of Contractor's invoice marked "Paid" or other evidence of payment.
2. Certificates of Performance for Progress Payments and/or Final Payments.

3. Comprobante de Compras y Servicios (Forma SF-1034).

12.5.7 Las Solicitudes de Reembolso para otros servicios requieren documentación similar a la mencionada en los párrafos anteriores, incluyendo pero no limitada a lo siguiente:

1. Copia de cualquier contrato o convenio aplicable.

2. Evidencia de recibo de los servicios.

3. Certificación de Fuente y Origen firmado por el vendedor.

4. Evidencia de pago y copia de la factura.

13. Una copia de toda comunicación por escrito entre A.I.D. y cualesquiera de las entidades ejecutoras será automáticamente enviada a ONC/PRODIAR.

3. Voucher SF 1034.

12.5.7 Requests for Reimbursement for other services will require similar documentation to that mentioned in the above paragraphs, including but not limited to the following:

1. Copy of any applicable contract or agreement.

2. Evidence of receipt of services

3. Certificate of Source and Origin signed by vendor.

4. Evidence of payment and copy of invoice.

13. A copy of all written communications between A.I.D. and any of the executing agencies will automatically be sent to ONC/PRODIAR.

PLAN FINANCIERO
DESARROLLO RURAL INTEGRADO
(Miles de Balboas)

| RENCIONES | | FONDOS | | FUENTES A.I.D. | TOTAL |
|--|-------|--------|-------|-------------------|-------|
| | | GOB | SEGUN | | |
| I. PROYECTO INSTITUCIONAL | | | | | |
| A. Administración Central | | | | | |
| 1. ORG./PRODLAR | | | | | |
| a. Servicios Personales | 1,152 | - | | 1,152 | |
| b. Gastos de Operación | 279 | - | | 279 | |
| c. Vehículos, Piezas | - | 20 | | 20 | |
| d. Mobiliario y Equipo de Oficina | - | 6 | | 6 | |
| Sub-total | 1,431 | 26 | | 1,457 | |
| 2. MINIDA | | | | | |
| a. Servicios Personales | 180 | - | | 180 | |
| b. Gastos de Operación | 106 | - | | 106 | |
| Sub-total | 286 | - | | 286 | |
| B. Operaciones de Apoyo | | | | | |
| 1. Sistemas de Información para las Nuevas Áreas | | | | | |
| a. Censos | 157 | - | | 157 | |
| b. Estudios para actualización Catastral | 200 | 215 | | 415 | |
| c. Encuestas Socio-Económicas | 54 | - | | 54 | |
| d. Orto-projector | - | 300 | | 300 | |
| Sub-total | 411 | 515 | | 926 | |
| C. Adiestramiento y Asistencia Técnica | | | | | |
| 1. Adiestramiento | | | | | |
| a. En el país (in service) | - | 22 | | 22 | |
| b. En el extranjero | - | 78 | | 78 | |
| Sub-total | - | 100 | | 100 | |

| RENGLONES | | FONDOS | | SEGUN A.I.D. TOTAL | FUENTES TOTAL |
|--|--|--------|-------|--------------------------|------------------|
| | | G.O.B. | | | |
| 2. <u>Asistencia Técnica y Consultoría</u> | | | | | |
| a. ONC/PRODAR | | | | | |
| (1) A largo plazo 93 meses/hombre | | - | 252 | 252 | |
| (2) A corto plazo 33 meses/hombre | | - | 143 | 143 | |
| Sub-total | | - | 395 | 395 | |
| b. MIDA | | | | | |
| (1) A largo plazo 60 meses/hombres | | - | 270 | 270 | |
| (2) A corto plazo 21 meses/hombres | | - | 105 | 105 | |
| Sub-total | | - | 375 | 375 | |
| TOTAL - PROYECTO INSTITUCIONAL | | 2,128 | 1,411 | 3,539 | |
| II. <u>PROYECTO EN EL AREA DE TONOSI</u> | | | | | |
| A. <u>Actividades de Apoyo</u> | | | | | |
| 1. <u>Administración del Proyecto</u> | | | | | |
| a. Servicios Personales | | 1,393 | - | 1,393 | |
| b. Gastos de Operación | | 100 | - | 100 | |
| c. Mobiliario y Equipo de Oficina | | - | 13 | 13 | |
| d. Comunicación | | - | 3 | 3 | |
| e. Vehículo y piezas | | - | 100 | 100 | |
| f. Edificaciones | | 50 | 90 | 140 | |
| g. Mobiliario Residencial | | - | 15 | 15 | |
| Sub-total | | 1,543 | 221 | 1,764 | |
| 2. <u>Investigaciones, Estudios y Evaluación</u> | | | | | |
| a. Investigación y actualización catastral | | 94 | 106 | 200 | |
| b. Estudios de agua y suelo | | - | 50 | 50 | |
| c. Evaluaciones Periódicas | | - | 150 | 150 | |
| Sub-total | | 94 | 306 | 400 | |
| 3. <u>Plan Vial</u> | | | | | |
| a. Caminos de Penetración | | - | 1,100 | 1,100 | |
| b. Puentes | | - | 500 | 500 | |
| c. Equipo para Mantenimiento | | 25 | 25 | 50 | |
| d. Gastos Administrativos y de Mantenimiento | | 32 | - | 32 | |
| Sub-total | | 57 | 1,625 | 1,682 | |

| RENGLONES | | FONDOS COB | SEGUN A.I.D. | | FUENTES TOTAL |
|--|-----------|---------------|-----------------|-------|------------------|
| | | | | | |
| B. Desarrollo Agrícola | | | | | |
| 1. Servicios de Maquinaria | | | | | |
| a. Edificaciones | | - | 85 | 85 | |
| b. Equipo Y Reparación | | - | 15 | 15 | |
| c. Maquinaria | | - | 600 | 600 | |
| d. Capital inicial de Operación | | 100 | - | 100 | |
| | Sub-total | 100 | 700 | 800 | |
| 2. Infraestructura de Almac.- Mercadeo, Procesamiento | | | | | |
| a. Edificaciones y Equipo (cebolla) | | - | 1,050 | 1,050 | |
| b. Inventario y Capital inicial de Operaciones | | 750 | - | 750 | |
| c. Equipo de secado para arroz | | - | 120 | 120 | |
| d. Centro de Acopio, Silos de Acopio | | - | 30 | 30 | |
| | Sub-total | 750 | 1,200 | 1,950 | |
| 3. Créditos para sub-préstamos | | | | | |
| | Sub-total | 1,512 | 3,024 | 4,536 | |
| 4. Adquisición de tierras | | | | | |
| | Sub-total | 2,500 | - | 2,500 | |
| 5. Reforestación, Procesamiento de Semillas., Control de Incendios y Limpieza de Cauces | | | | | |
| a. Reforestación | | | | | |
| (1) Equipos | | - | 30 | 30 | |
| (2) Vehículos | | - | 32 | 32 | |
| (3) Construcción | | - | 11 | 11 | |
| (4) Personal Técnico | | 182 | - | 182 | |
| (5) Viveros | | - | 174 | 174 | |
| (6) Abonos y Agroquímicos | | - | 50 | 50 | |
| (7) Gastos de Operación y Mantenimiento | | 219 | - | 219 | |
| (8) Mano de Obra | | 290 | - | - | |
| | Sub-total | 691 | 297 | 988 | |

| | RENGLONES | FONDOS COP | SEGUN A.I.D. | | FUENTES TOTAL |
|----|--|-----------------------|-------------------------|----------------|--------------------------|
| | | | A.I.D. | FUENTES | |
| b. | <u>Procesamiento de Semilla</u> | | | | |
| | (1) Capital de Operación | <u>60</u> | — | | <u>60</u> |
| | Sub-total | <u>60</u> | — | | <u>60</u> |
| c. | <u>Control de Incendios</u> | | | | |
| | (1) Equipo | — | <u>55</u> | <u>55</u> | |
| | (2) Construcción | | <u>19</u> | <u>19</u> | |
| | (3) Gastos de Operación y Mano de Obra | <u>153</u> | — | <u>153</u> | |
| | Sub-total | <u>153</u> | <u>74</u> | | <u>227</u> |
| d. | <u>Limpieza de Cauces</u> | | | | |
| | (1) Equipo | — | <u>15</u> | <u>15</u> | |
| | (2) Mano de Obra | <u>80</u> | — | <u>80</u> | |
| | (3) Gastos de Operación y Mantenimiento | <u>10</u> | — | <u>10</u> | |
| | Sub-total | <u>90</u> | <u>15</u> | | <u>105</u> |
| 6. | <u>Proyectos Experimentales</u> | | | | |
| | Sub-total | <u>186</u> | <u>245</u> | | <u>431</u> |
| C. | <u>Adiestramiento Y Asistencia Técnica</u> | | | | |
| i. | <u>Adiestramiento</u> | | | | |
| | a. En el País | — | — | <u>80</u> | <u>80</u> |
| | b. Externo | | | <u>15</u> | <u>15</u> |
| | Sub-total | — | — | <u>95</u> | <u>95</u> |

| RENGLONES | FONDOS GOB | SEGUN A.I.D. | | FUENTES TOTAL |
|---|---------------|-----------------|--------|------------------|
| | | | | |
| 2. Asistencia Técnica | | | | |
| a. A Largo Plazo - 36 meses/hombres | - | 162 | 162 | |
| b. A corto Plazo | | | | |
| (1) Especialista en titulación 12 meses/hombres | - | 60 | 60 | |
| (2) Control de incendios 2 meses/hombres | - | 10 | 10 | |
| (3) Especialista en maquinarias 12 meses/hombres | - | 60 | 60 | |
| (4) Proyectos experimentales 9 meses/hombres | - | 45 | 45 | |
| (5) Espec. Ad. de fincas org. y tecnologfa 30 meses/hombres | - | 150 | 150 | |
| Sub-total | - | 487 | 487 | |
| Total - Tonos ^t | 7,736 | 8,289 | 16,025 | |
| GRAN TOTAL | 9,864 | 9,700 | 19,564 | |

FINANCIAL PLAN
INTEGRATED RURAL DEVELOPMENT
(Thousands of Dollars)

| | DESCRIPTION | SOURCE OF FUNDS | G.O.P. | O.I.D. | FUNDS TOTAL |
|--|-------------|-----------------|--------|--------|-------------|
| I. INSTITUTIONAL PROJECT | | | | | |
| A. Central Administration | | | | | |
| 1. <u>ONC/PRODIAR</u> | | | | | |
| a. Personal Services | | 1,152 | - | - | 1,152 |
| b. Operating Expenses | | 279 | - | - | 279 |
| c. Vehicles and Parts | | - | 20 | 20 | 6 |
| d. Office Furniture and Equipment | | - | 6 | - | 6 |
| | Sub-total | 1,431 | 26 | - | 1,457 |
| 2. <u>MDA</u> | | | | | |
| a. Personal Services | | 180 | - | - | 180 |
| b. Operating Expenses | | 106 | - | - | 106 |
| | Sub-total | 286 | - | - | 286 |
| B. Support Operations | | | | | |
| 1. <u>Information System for New Areas</u> | | | | | |
| a. Census | | 157 | - | - | 157 |
| b. Cadastral Updating | | 200 | 215 | 415 | 415 |
| c. Socio-Economic Surveys | | 54 | - | - | 54 |
| d. Orthophotographic Equipment | | - | 300 | 300 | 300 |
| | Sub-total | 411 | 515 | 926 | 926 |
| C. Training and Technical Assistance | | | | | |
| 1. <u>Training</u> | | | | | |
| a. In Country | | - | 22 | 22 | 22 |
| b. External | | - | 78 | 78 | 78 |
| | Sub-total | - | 100 | 100 | 100 |

| | DESCRIPTION | SOURCE | OF | FUNDS | TOTAL |
|---|-----------------------------|--------|--------|-------|-------|
| | | G.O.P. | A.I.D. | | |
| 2. <u>Technical Assistance and Consulting</u> | | | | | |
| a. <u>ONC/PRODIFAR</u> | | | | | |
| (1) Long Term, 9 1/2 months | | - | 252 | 252 | |
| (2) Short Term, 33 months | | - | 143 | 143 | |
| | Sub-total | - | 395 | 395 | |
| b. <u>MIDA</u> | | | | | |
| (1) Long Term, 60 months | | - | 270 | 270 | |
| (2) Short Term, 21 months | | - | 105 | 105 | |
| | Sub-total | - | 375 | 375 | |
| | TOTAL INSTITUTIONAL PROJECT | 2,128 | 1,411 | 3,539 | |
| II. <u>TONGSI AREA PROJECT</u> | | | | | |
| A. <u>Support Activities</u> | | | | | |
| 1. <u>Project Administration</u> | | | | | |
| a. Personal Services | 1,393 | - | 1,393 | | |
| b. Operating Expenses | 100 | - | 100 | | |
| c. Office Furniture and Equipment | - | 13 | 13 | | |
| d. Communication | - | 3 | 3 | | |
| e. Vehicles and Parts | - | 100 | 100 | | |
| f. Construction | 50 | 90 | 140 | | |
| g. Residential Furniture | - | 15 | 15 | | |
| | Sub-total | 1,543 | 221 | 1,764 | |
| 2. <u>Investigations, Studies and Evaluations</u> | | | | | |
| a. Cadastral Updating | 94 | 106 | 200 | | |
| b. Soil and Water Studies | - | 50 | 50 | | |
| c. Periodic Evaluations | - | 150 | 150 | | |
| | Sub-total | 94 | 306 | 400 | |
| 3. <u>Roads</u> | | | | | |
| a. Access Roads | - | 1,100 | 1,100 | | |
| b. Bridges | - | 500 | 500 | | |
| c. Maintenance Equipment | 33 | - | 33 | | |
| d. Maintenance and Administrative Expenses | 57 | 1,625 | 1,625 | | |
| | Sub-total | | | | |

| DESCRIPTION | SOURCE | OF | FUNDING |
|--|--------------|--------------|--------------|
| | GOP | A.I.D. | TOTAL |
| B. Agricultural Development | | | |
| 1. Machinery Services | | | |
| a. Buildings | - | 85 | 85 |
| b. Repair Equipment | - | 15 | 15 |
| c. Farm Machinery | - | 600 | 600 |
| d. Operating Capital | <u>100</u> | <u>—</u> | <u>100</u> |
| Sub-total | 100 | 700 | 800 |
| 2. Storage Infrastructure and Equipment | | | |
| a. Onion Storage Plant | - | 1,050 | 1,050 |
| b. Inventory and Operating Capital | 750 | - | 750 |
| c. Rice Drying Equipment | - | 120 | 120 |
| d. Collection Center | <u>—</u> | <u>30</u> | <u>30</u> |
| Sub-total | 750 | 1,200 | 1,950 |
| 3. Credit for Sub-Loans | | | |
| Sub-total | <u>1,512</u> | <u>3,024</u> | <u>4,536</u> |
| 4. Land Acquisition | | | |
| Sub-total | 2,500 | - | 2,500 |
| 5. Reforestation, Fire Control, Streambed Cleaning | | | |
| a. Reforestation | | | |
| (1) Equipment | - | 30 | 30 |
| (2) Vehicles | - | 32 | 32 |
| (3) Construction | - | 11 | 11 |
| (4) Technical Personnel | 182 | - | 182 |
| (5) Seedbeds | - | 174 | 174 |
| (6) Fertilizer, Chemicals | - | 50 | 50 |
| (7) Operating and Maintenance Expenses | 219 | - | 219 |
| (8) Labor | <u>290</u> | <u>—</u> | <u>290</u> |
| Sub-total | 691 | 297 | 988 |

| | DESCRIPTION | SOURCE | | FUND TOTAL |
|---|-------------|------------|----------------|---------------|
| | | G.O.P. | O.F. A.I.D. | |
| b. <u>Steel Processing</u> | | | | |
| (1) Operating Capital | | <u>60</u> | - | <u>60</u> |
| | Sub-total | <u>60</u> | - | <u>60</u> |
| c. <u>Fire Control</u> | | | | |
| (1) Equipment | | - | <u>55</u> | <u>55</u> |
| (2) Construction | | <u>19</u> | - | <u>19</u> |
| (3) Operating Expenses and Labor | | <u>153</u> | - | <u>153</u> |
| | Sub-total | <u>153</u> | <u>74</u> | <u>227</u> |
| d. <u>Streambed Cleaning</u> | | | | |
| (1) Equipment | | - | <u>15</u> | <u>15</u> |
| (2) Labor | | <u>80</u> | - | <u>80</u> |
| (3) Operating and Maintenance Expenses | | <u>10</u> | - | <u>10</u> |
| | Sub-total | <u>90</u> | <u>15</u> | <u>105</u> |
| 6. <u>Experimental Projects</u> | | | | |
| | Sub-total | <u>186</u> | <u>245</u> | <u>431</u> |
| c. <u>Training and Technical Assistance</u> | | | | |
| 1. Training | | - | <u>80</u> | <u>80</u> |
| a. In Country | | - | <u>15</u> | <u>15</u> |
| b. External | | - | - | - |
| | Sub-total | - | <u>95</u> | <u>95</u> |

| DESCRIPTION | SOURCE | OF | FUNDS |
|---|--------|--------|--------|
| | GOP | A.I.D. | TOTAL |
| 2, Technical Assistance | | | |
| a. Long Term - 36 months | | | |
| b. Short Term Specialists - 65 months | | | |
| (1) Land Titling, 12 months | - | 162 | 162 |
| (2) Fire Control, 2 months | - | 60 | 60 |
| (3) Agricultural Machinery, 12 months | - | 10 | 10 |
| (4) Experimental Projects, 9 months | - | 60 | 60 |
| (5) Farm Management and Organ; Technology Transfer, 30 months | - | 45 | 45 |
| Sub-total | - | 150 | 150 |
| Total - Tonosi | 4.87 | 4.87 | 4.87 |
| GRAND TOTAL | 7,736 | 8,289 | 16,025 |
| | 9,864 | 9,700 | 19,564 |

APENDICE A

ANALISIS DE BENEFICIO-COSTO Y DE INCIDENCIA DEL BENEFICIODE SEGMENTOS DE CAMINOSA. Metodología General

Los segmentos de caminos a ser seleccionados para su construcción deben tener una relación beneficio-costo mayor de uno y basado en los beneficios incrementados netos calculados resultantes de los aumentos de la producción agropecuaria en el área de influencia de los caminos propuestos. El análisis presumirá un período de 15 años de vida del proyecto y un costo de oportunidad del capital de 12 por ciento.

Beneficios del Proyecto

Los beneficios económicos totales que pueden ser atribuídos al Proyecto consisten en los beneficios tanto de los participantes como los no participantes. Los beneficios de los participantes se calcularán en base al ingreso neto incrementado de la producción agropecuaria obtenido de las fincas comprendidas por el Proyecto, menos el ingreso neto calculado que se obtuvo de las mismas tierras antes del inicio del Proyecto. El ingreso obtenido por los participantes en las actividades agrícola y ganaderas se calcula de la manera siguiente: El valor bruto de la producción agrícola es el producto de el número de hectáreas bajo cultivo que se proyectan, el rendimiento por hectárea, y el precio recibido por los agricultores a la puerta de la finca, de cada cosecha (Cuadro 1). Para obtener una corriente anual de beneficios netos para cada cosecha se deducen del valor bruto de la producción los costos estimados de la producción anual y los gastos de inversión, incluyendo las inversiones realizadas fuera de las fincas en instalaciones de secado y almacenamiento, en los casos pertinentes. Los beneficios de fincas lecheras son calculados multiplicando el ingreso neto anual promedio de las unidades de explotación lechera (Cuadro 2), por el número de unidades participantes.

Los beneficios imputados a los no participantes son calculados presumiendo un aumento de un período de 5 años, estimado en 25% sobre el retorno neto medio de todos los factores productivos en la agricultura obtenido antes del Proyecto. El retorno neto medio antes del Proyecto se calcula en 150 balboas por hectárea en cultivos y de 50 balboas en tierras de pastoreo, medidos a precios de 1976.

Los beneficios incrementales de los participantes del Proyecto son la diferencia entre los beneficios netos del Proyecto, definidos arriba, menos el retorno neto obtenido antes del Proyecto por todos los

factores en las hectáreas incorporadas a la producción por los participantes. Los beneficios incrementales de los no participantes montan una suma igual al 25% de aumento en el retorno neto a todos los factores en la cantidad de hectáreas explotadas por los no participantes.

Costos del Proyecto

Además de los costos de producción cuya deducción se hizo arriba, los costos del Proyecto para los efectos de este análisis económico incluirá también los costos de administración del área de Tonosí, los servicios de los técnicos, la construcción y mantenimiento de caminos, la asistencia técnica relacionada con Tonosí, el adiestramiento, conservación forestal y limpieza de cauces, así como la sexta parte proporcionada de los costos de la administración central constituida por ONC/PRODLAR. Todos los costos del Proyecto serán prorrataeados para los tramos de caminos con base en el número de participantes a ser asentados en el área de influencia de los caminos.

Relación Beneficio-Costo

La razón de la suma de la corriente de beneficios netos anuales del Proyecto a la suma de los costos anuales del mismo, ambos descontados a la tasa de 12%, constituirá la relación beneficio-costo de cada segmento de camino. Cuando esta razón es mayor que uno, entonces el segmento cumple con el segundo criterio para la selección de caminos.

B. Análisis de Segmentos de Caminos

Para el análisis de cada segmento de camino se procederá en la siguiente forma:

1. El área de influencia del segmento de camino será estimada tomando en consideración las barreras naturales y geográficas y no deberá exceder tres kilómetros de distancia del camino propuesto.
2. Se calculará el número de hectáreas adecuadas para la producción de cosechas y para pastoreo.
3. Se calculará el número de hectáreas de cultivos y de pastoreo que dedicarán a la producción tanto los participantes como los no participantes.
4. Se calculará el número de hectáreas que los participantes y los no participantes dedicarán en cada cultivo y en pastos. En el caso de que no puedan hacerse proyecciones de cultivos específicos, se utilizará la cifra compuesta del total de cultivos que deberá ser obtenida bajo el Proyecto (Cuadro 3).

5. Tanto el total de beneficios incrementales netos anuales como el total de costos anuales atribuídos al segmento de camino, serán calculados tal como se describe en la parte A, arriba, para las hectáreas estimadas en la parte B.4. Se elaborará una razón de estos beneficios y costos anuales, descontados al 12%, para cada uno de los segmentos de camino, tal como se ilustra en el Cuadro 4.

APPENDIX A

BENEFIT COST AND BENEFIT INCIDENCE ANALYSIS OF ROAD SEGMENTSA. Overall Methodology

Road segments to be selected for construction must have a benefit-cost ratio greater than one based on the estimated net incremental benefits brought about by increased agricultural production within the area of influence of candidate roads. The analysis will assume a 15-year life of Project and an opportunity cost of capital of 12 percent.

Project Benefits

Total economic benefits attributable to the Project consist of benefits to both participants and non-participants. Participant benefits will be estimated based on increased net farm income from agricultural production realized under the Project minus the estimated net pre-project income realized on the land brought into the Project. Income derived from participant crop and cattle activities are calculated as follows: The gross value of crop production is the product of the projected number of hectares cultivated, yield per hectare and farmgate price for each crop (Table 1). Estimated annual production costs and investment expenditures, including off-farm investments in drying and storage facilities, where appropriate, are deducted from the gross value of production to obtain an annual stream of net benefits for each crop. Benefits from dairy ranching are derived from estimated annual net farm income per ranching unit (Table 2) multiplied by the number of participant units.

Assumed benefits to non-participants are an estimated 25% increase over a 5-year period, in the pre-project average net return to all factors of agricultural production. The pre-project average net return is an estimated \$150 per hectare for cropland and \$50 per hectare for grazing land, at 1976 prices.

The incremental benefits to project participants are the above annual net Project benefits less the pre-project net return to all factors for the hectares incorporated into production by participants. The incremental benefits to non-participants equal the 25 percent increase in the net return to all factors for the number of hectares farmed by non-participants.

Project Costs

In addition to the costs of production already deducted

above, Project costs for purposes of this economic analysis will include the costs of Tonosí area administration, technicians' services, road construction and maintenance, Tonosí area related technical assistance, training, and forest conservation and streambed-cleaning as well as a 1/6 pro-rated share of central administration (ONC/PRODIAR) costs. All Project costs will be pro-rated to road segments based on the number of participants to be settled in the area of influence of the road.

Benefit-Cost Ratio

The ratio of the sum of the net annual Project benefit stream to the sum of the stream of annual Project costs, both discounted at 12 percent, will constitute the benefit-cost ratio for each road segment. If this ratio is greater than one, the road segment fulfills road selection criterion number two.

B. Road Segment Analysis

The analysis of each road segment will proceed as follows:

1. The area of influence of the road segment will be estimated considering natural and geographic boundaries and will not exceed three kilometers distance from the proposed road.

2. The number of hectares of land suitable for crop production and for pasture will be estimated.

3. The number of hectares of cropland and pasture to be devoted to production by participants and non-participants will be estimated.

4. The number of hectares devoted to each crop and to pasture by participants and non-participants will be estimated. If specific crops cannot be projected, the composite of all crops to be produced under the Project (Table 3) will be used.

5. Total annual net incremental benefits and total annual costs attributed to a road segment will be calculated as described above (in A) for the hectares estimated in B.4. A ratio of these annual benefits and costs, discounted at 12%, will be constructed for each road segment as illustrated by Table 4.

TABLE 1
CUADRO 1TONOSI: Assumed Prices and Projected Yields of Products
Precios Estimados y Rendimientos Proyectados

| | Price/Precio (\$/M.T.) (B/.T.M.) | Yield/Rendimiento Year/Año | | |
|------------------------------|--|-------------------------------|----------------|------|
| | | 1 (MT/Ha) | 2 (T.M./Ha) | 3-15 |
| Rice Arroz | 218.00 | 2.7 | 3.0 | 3.0 |
| Corn Maíz | 178.00 | 2.5 | 2.7 | 2.7 |
| Sorghum Sorgo | 152.00 | 2.4 | 2.7 | 2.7 |
| Cowpeas Frijol | 322.00 | 1.0 | 1.2 | 1.2 |
| Cassava Yuca | 42.00 | 14.0 | 16.0 | 16.0 |
| Yams Name | 212.00 | 12.0 | 15.0 | 15.0 |
| Sugar Cane Caña de Azúcar | 12.75 | 45.0 | 50.0 | 50.0 |
| Plantains Plátano | 58.50 | 4.5 | 9.0 | 16.0 |
| Tomatoes Tomate | 55.00 | 22.0 | 24.0 | 24.0 |
| Onions Cebolla | 276.00 | 13.8 | 15.0 | 15.0 |

APPENDIX A TABLE 2
APÉNDICE A CUADRO 2

Dairy Unit/Unidad Lechera

Projected Net Farm Income by Year of Production
Ingreso Neto Proyectado Segun Año de Producción

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12-15 |
|---|--------------|--------------|------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| <u>Income/Ingresos</u> | | | | | | | | | | | | |
| Sales/Ventas | 970 | 2,102 | 3,614 | 4,794 | 6,124 | 6,124 | 6,124 | 6,124 | 6,124 | 6,124 | 6,124 | 6,124 |
| Loan/Préstamo | <u>9,925</u> | <u>1,548</u> | <u>236</u> | <u>-</u> |
| Sub-total | 10,895 | 3,650 | 3,850 | 4,794 | 6,124 | 6,124 | 6,124 | 6,124 | 6,124 | 6,124 | 6,124 | 6,124 |
| <u>Expenditures/Gastos</u> | | | | | | | | | | | | |
| Operating Expenses Gastos de Operación | 625 | 915 | 1,232 | 1,438 | 1,438 | 1,438 | 1,438 | 1,438 | 1,438 | 1,438 | 1,438 | 1,438 |
| Investments Inversiones | 10,310 | 1,240 | 838 | - | - | 1,730 | - | - | - | - | 3,670 | - |
| Loan Repayment Amortización | - | - | - | 1,400 | 2,200 | 800 | 2,000 | 2,200 | 2,400 | 700 | - | - |
| Sub-total | 10,935 | 2,155 | 2,070 | 2,838 | 3,638 | 3,968 | 3,438 | 3,638 | 3,838 | 2,138 | 5,108 | 1,438 |
| Net Income/Ingreso Neto | (40) | 1,495 | 1,780 | 1,956 | 2,486 | 2,156 | 2,686 | 2,486 | 2,286 | 3,986 | 1,016 | 4,686 |

TABLE 3
CUADRO 3

TONOSI: Production Program for Project Participants
Programa de Producción para Participantes del Proyecto

| | CROP YEAR/AÑO DE LA PRODUCCION | | | | 1983/84 Has. |
|--|--------------------------------|-----------------|-----------------|-----------------|-----------------|
| | 1979/80 Has. | 1980/81 Has. | 1981/82 Has. | 1982/83 Has. | |
| Rainfed crops: Cultivos Sin Riego | | | | | |
| Rice/Arroz | 480 | 680 | 800 | 800 | 800 |
| Corn/Maíz | 420 | 595 | 700 | 700 | 700 |
| Sorghum/Sorgo | (330) | (467) | (550) | (550) | (550) |
| Cowpeas/Frijol | (90) | (128) | (150) | (150) | (150) |
| Cassava/Yuca | 120 | 170 | 200 | 200 | 200 |
| Yams/Ñame | 60 | 85 | 100 | 100 | 100 |
| Sugar cane/Cafía de azúcar | 60 | 85 | 100 | 100 | 100 |
| Sub-total | 1,140 (420) | 1,615 (595) | 1,900 (700) | 1,900 (700) | 1,900 (700) |
| Irrigated crops: Cultivos con Riego | | | | | |
| Plantains/Plátano | 120 | 170 | 200 | 200 | 200 |
| Tomatoes/Tomate | 60 | 85 | 100 | 100 | 100 |
| Onions/Cebolla | 60 | 85 | 100 | 100 | 100 |
| Sub-total | 240 | 340 | 400 | 400 | 400 |

VII Figures in parentheses signify double cropping.
Segunda siembra.

Table 4
Cuadro 4

**ILLUSTRATIVE METHODOLOGY
FOR ANALYSIS OF ROAD SEGMENTS**
**METODOLOGÍA ILUSTRATIVA PARA EL
ANALISIS DE SEGMENTOS DE CAMINOS**

**TONOSI: BENEFIT-COST ANALYSIS
TONOSI: ANALISIS DE BENEFICIO-COSTO
(\$000)**

| YEAR AÑO | PROJECT BENEFITS/BENEFICIOS DE PROYECTOS | | | | | | Total Benefits Beneficios Totales (7) | |
|-------------|---|--|--|--|--|--|---|--|
| | Participant Benefits Beneficios del Participante | | | Non-Participant Benefits Beneficios del No-Participante | | | | |
| | (1) With Project Con Proyecto | (2) Without Project Sin Proyecto | (3) Project Induced (1)-(2) Incremento | (4) With Project Con Proyecto | (5) Without Project Sin Proyecto | (6) Project Induced (4)-(5) Incremento | | |
| 1 | 0 | 0 | 0 | 1710 | 1710 | 0 | | |
| 2 | (670) | 200 | (870) | 1580 | 1510 | 70 | (800) | |
| 3 | (590) | 390 | (980) | 1510 | 1310 | 200 | (780) | |
| 4 | 20 | 560 | (540) | 1440 | 1150 | 290 | (250) | |
| 5 | 1320 | 680 | 640 | 1350 | 1050 | 300 | 940 | |
| 6 | 2080 | 680 | 1400 | 1350 | 1050 | 300 | 1700 | |
| 7 | 2160 | 680 | 1480 | 1350 | 1050 | 300 | 1780 | |
| 8 | 2340 | 680 | 1660 | 1350 | 1050 | 300 | 1960 | |
| 9 | 2440 | 680 | 1760 | 1350 | 1050 | 300 | 2060 | |
| 10 | 2460 | 680 | 1780 | 1350 | 1050 | 300 | 2080 | |
| 11 | 2580 | 680 | 1900 | 1350 | 1050 | 300 | 2200 | |
| 12 | 2320 | 680 | 1640 | 1350 | 1050 | 300 | 1940 | |
| 13 | 2270 | 680 | 1590 | 1350 | 1050 | 300 | 1890 | |
| 14 | 2300 | 680 | 1620 | 1350 | 1050 | 300 | 1920 | |
| 15 | 5240 | 680 | 4560 | 1350 | 1050 | 300 | 4860 | |

**TONOSI: Benefit-Cost Analysis
Análisis de Beneficio-Costo**

| Year Año | PROJECT COSTS/COSTOS DEL PROYECTO (\$000) | Benefit-Cost Analysis Análisis de Beneficio-Costo | | | | Discounted Benefits Beneficios Descontados (13) | Discounted Costs Costos Descontados (14) |
|-------------|--|--|--|---|--|---|--|
| | | (8) Administration 1/ Administración | (9) Road Construction & Maintenance Caminos | (10) Forest Conservation Control de Fuego | (11) Streambed Cleaning Limpieza de Ríos | | |
| 1 | 1120 | 762 | 117 | 34 | 2033 | 0 | 1815 |
| 2 | 460 | 737 | 34 | 19 | 1250 | (638) | 996 |
| 3 | 360 | 19 | 34 | 19 | 432 | (555) | 308 |
| 4 | 310 | 19 | 34 | 17 | 380 | (159) | 242 |
| 5 | 310 | 19 | 34 | 17 | 380 | 533 | 216 |
| 6 | 0 | 19 | 34 | 0 | 53 | 862 | 27 |
| 7 | 0 | 19 | 34 | 0 | 53 | 805 | 24 |
| 8 | 0 | 19 | 34 | 0 | 53 | 792 | 21 |
| 9 | 0 | 19 | 34 | 0 | 53 | 744 | 19 |
| 10 | 0 | 19 | 34 | 0 | 53 | 670 | 17 |
| 11 | 0 | 19 | 34 | 0 | 53 | 631 | 15 |
| 12 | 0 | 19 | 34 | 0 | 53 | 499 | 14 |
| 13 | 0 | 19 | 34 | 0 | 53 | 433 | 12 |
| 14 | 0 | 19 | 34 | 0 | 53 | 394 | 11 |
| 15 | 0 | 19 | 34 | 0 | 53 | 889 | 10 |
| | | | | | | TOTAL: | 5900 |
| | | | | | | | 3747 |

BENEFIT-COST RATIO
RELACION BENEFICIO-COSTO = 5900/3747 = 1.57

1/ Includes all "Project Costs"
Incluye todos los "Costos del Proyecto"

APENDICE B

**Requerimiento Mínimo de Personal para la Ejecución
del Programa de Desarrollo Integral de Áreas Rurales
para el Primer Año**

| <u>Cargo</u> | <u>Cantidad</u> |
|--|------------------------------|
| A. MPPE: ONC/PRODIAR | |
| 1) <u>Presupuesto del Gobierno de Panamá</u> | |
| Coordinador General (Secretario General) | 1 |
| Secretaria | 1 |
| <u>PROGRAMACION Y EVALUACION</u> | |
| Jefe (Coordinador Técnico y Subdirector General) | 1 |
| Técnico Agrícola | 1 |
| Economista | 1 |
| Antropólogo/Sociólogo | 1 |
| Planificador Social | 1 |
| Planificador General | 1 |
| Ingeniero Civil | 1 |
| Planificador Físico | 1 |
| Estadígrafo | 1 |
| Dibujante | 1 |
| Secretarias | 3 |
| <u>ADMINISTRACION Y FINANZAS</u> | |
| Jefe | 1 |
| Inspector de Campo | 1 |
| Ingeniero Civil | 1 |
| Contadores | 2 |
| Secretarias | 2 |
| Mensajeros | 2 |
| Conductores | 2 |
| 2) <u>Servicios de Asistencia Técnica</u> | <u>Meses/Hombre</u> |
| Asesor General, Desarrollo Rural Integrado | 12 |
| Planificador Físico y Espacial | 6 (Compartido con DGPS/MIDA) |

| <u>Cargo</u> | <u>Meses/Hombre</u> |
|--|---------------------|
| Asesor y Analista en Finanzas y Administración | 12 |
| Asesor en Análisis y Evaluación Económica | 6 |
| Especialistas a Corto Plazo | 6 |

Cantidad

B. MIDA/DGPS

1) Presupuesto del Gobierno de Panamá

| | | |
|---|---|--------------------------------|
| Director General de Planificación Sectorial | 1 | (Supervisión a tiempo Parcial) |
| Coordinador de Desarrollo Rural Integrado del Sector Agropecuario | 1 | |
| Especialista Agrícola | 1 | |
| Especialista Pecuario | 1 | |
| Sociólogo | 1 | |
| Planificador Físico | 1 | |
| Economista | 1 | |
| Administrador y Supervisor de la Ejecución del Proyecto | 1 | |
| Secretarías | 3 | |

2) Servicios de Asistencia TécnicaMeses/Hombre

| | | |
|--------------------------|---|-------------------------------------|
| Planificador de Recursos | 6 | (Compartido con la ONC del PRODIAR) |
|--------------------------|---|-------------------------------------|

C. AREA DEL PROYECTO

1) Presupuesto del Gobierno de PanamáCantidad

| | | |
|--|---|--------------|
| Coordinador de Área | 1 | MIDA |
| Contador | 1 | " |
| Asistente Administrativo | 1 | " |
| Secretaria | 1 | " |
| Mensajero | 1 | " |
| Ingeniero Agrónomo | 2 | MIDA/IDIAP |
| Zootecnista | 1 | " |
| Veterinario | 1 | " |
| Economista Agrícola (Administración de Fincas) | 1 | " |
| Técnico Forestal | 1 | MIDA(RENARE) |

| <u>Cargo</u> | <u>Cantidad</u> |
|---------------------------------|-----------------|
| Técnico de Campo (medio) | 6 MIDA |
| Promotor Social (medio) | 2 MIDA |
| Tasadores | 2 BDA |
| Agrimensores | 2 MIDA |
| Cadeneros | 4 MIDA |
| Ingeniero Supervisor de Caminos | 1 MOP |
| Estadígrafo | 1 MIDA/BDA |
| Secretarías | 4 MIDA |
| Secretarías | 2 BDA |
| Conductor | 2 MIDA |
| Conductor | 1 BDA |

| | |
|---|---------------------|
| 2) Servicios de Asistencia Técnica | Meses/Hombre |
| Asesor General al Coordinador de Área | 12 |
| Especialista en tenencia, titulación, etc. | 6 |
| Especialista en Maquinaria Agrícola | 6 |
| Consultor en Organización de Partici- pantes | 2 |
| Especialista en Ganadería (Lechería) | 4 |

APPENDIX B

Minimum Staffing Pattern for Implementation
of Integrated Rural Development Program, Year 1

| <u>Position</u> | <u>Number</u> |
|---|---------------------------|
| A. MPPE: PRODIAR SECRETARIAT | |
| 1) <u>GOP Budget</u> | |
| Coordinator (Secretary General) | 1 |
| Secretary | 1 |
| <u>PROGRAMMING AND EVALUATION</u> | |
| Chief (Technical Coordinator and Deputy Sec. Gen.) | 1 |
| Agricultural Specialist | 1 |
| Economist | 1 |
| Anthropologist/Sociologist | 1 |
| Social Planner | 1 |
| General Planner | 1 |
| Civil Engineer | 1 |
| Physical Planner | 1 |
| Statistician | 1 |
| Draftsman | 1 |
| Secretary | 3 |
| <u>ADMINISTRATION AND FINANCE</u> | |
| Chief | 1 |
| Field Supervisor | 1 |
| Civil Engineer | 1 |
| Accountants | 2 |
| Secretary | 2 |
| Messengers | 2 |
| Driver | 2 |
| 2) <u>Technical Assistance Contracts</u> | <u>Work/Months</u> |
| General Adviser, Integrated Rural Dev. | 12 |
| Physical and Spatial Planner | 6 (Shared with MIDA/DGPS) |
| Financial Analyst and Management Consultant | 12 |
| Economic Analyst and Evaluation Consultant | 6 |
| Short-term specialists | 6 |

| <u>Position</u> | <u>Number</u> |
|---|---------------------------|
| B. MIDA/DGPS | |
| 1) <u>GOP Budget</u> | |
| Director General, Sectorial Planning | 1 (Part-time supervision) |
| Coordinator, IRD Institution Devel. | 1 |
| Crop Specialist | 1 |
| Livestock Specialist | 1 |
| Sociologist | 1 |
| Physical Planner | 1 |
| Economist | 1 |
| Project Implementation Supervisor/ Administrator | 1 |
| Secretary | 3 |

| <u>2) Technical Assistance Contracts</u> | <u>Work/Months</u> |
|--|-----------------------------|
| Resource Planner | 6 (Shared with ONC/PRODIAR) |

C. TONOSI AREA PROJECT

| <u>1) GOP Budget</u> | <u>Number</u> |
|--|----------------|
| Area Coordinator | 1 MIDA |
| Accountant | 1 " |
| Administrative Assistant | 1 " |
| Secretary | 1 " |
| Messenger | 1 " |
| Crop Specialist | 2 MIDA/IDIAP |
| Livestock Specialist | 1 " |
| Veterinarian | 1 " |
| Agricultural Economist (farm management) | 1 " |
| Forest Technician | 1 MIDA(RENARE) |
| Middle-level Field Extension Agent | 6 MIDA |
| Middle-level Field Social Dev. Agent | 2 MIDA |
| Appraisers, Credit | 2 BDA |
| Surveyor | 2 MIDA |
| Surveyor Assistant | 4 " |
| Road Engineer - Supervisor | 1 MOP |
| Statistician | 1 MIDA/BDA |
| Secretary | 4 MIDA |
| Secretary | 2 BDA |
| Driver | 2 MIDA |
| Driver | 1 BDA |

| <u>Position</u> | <u>Work/Months</u> |
|--|--------------------|
| 2) Technical Assistance Contracts | |
| General Adviser to Area Coordinator | 12 |
| Land Tenure, titles, etc. | 6 |
| Farm Machinery | 6 |
| Participant Organization | 2 |
| Dairy Unit Planning | 4 |

IRAN
Environmental Cooperation

*Agreement signed at Tehran November 10, 1976;
Entered into force April 1, 1977.*

COOPERATIVE AGREEMENT BETWEEN

THE U.S. ENVIRONMENTAL PROTECTION AGENCY (EPA)

AND

THE DEPARTMENT OF THE ENVIRONMENT OF IRAN (DOE)

WHEREAS, the EPA and the DOE share common concern and responsibilities for protecting and improving the human and natural environments of their respective nations, and a common interest in the cause of global environmental improvement and protection;

WHEREAS, the United States and Iran share many common environmental problems related to large and expanding urban populations, substantial industrial activity, and the existence of many areas of natural and man-made scenic beauty; and

WHEREAS, cooperation in the field of environmental protection and improvement is an appropriate corollary to the two nations' economic and technical cooperation, within the framework of the US-Iran Joint Commission for Economic Cooperation^[1] and the Technical Cooperation Agreement between the two countries;^[2]

IT IS HEREBY AGREED THAT:

1. The EPA and DOE will cooperate to assist their respective nations to solve environmental problems of mutual concern, through such exchange of information and personnel, and the conducting of joint projects, as the Administrator of EPA and the Director of DOE mutually determine to be appropriate.
2. The EPA and DOE will make available upon request such advisors and services as may be mutually agreed upon by the aforesaid Administrator and Director, in accordance with mutually acceptable terms and conditions.

¹ TIAS 7967; 25 UST 3073.

² TIAS 8235; 27 UST 975.

3. The EPA, upon request of the Director of the DOE and in accordance with the policies and agreements of the US-Iran Joint Commission for Economic Cooperation, will work directly or in consultation with other U.S. government agencies in accordance with the applicable laws and U.S. government policies and identify U.S. private sector (non-governmental) services and advisors that could assist the DOE in furtherance of activities subject to this Agreement.
4. This Cooperative Agreement shall come into force as from the date of the last notification by either party to the other that it has complied with its domestic legal requirements for the entry into force of the present [¹] Agreement and shall remain valid for a period of five (5) years. Either party may terminate the Agreement at any time by giving to the other six months (180 days) advance notice in writing.
5. Conditions for activities described herein may be amended by mutual agreement in writing, and activities under this Cooperative Agreement may be suspended, in whole or in part, by either the EPA or DOE notifying the other sixty (60) days in advance in writing.

IN WITNESS WHEREOF, the parties hereto have executed this Cooperative Agreement on Nov. 10, 1976.



Russell E. Train
Administrator, EPA

Eskandar Firouz
Director, DOE

¹ Apr. 1, 1977.

ANNEX TO THE COOPERATIVE AGREEMENT BETWEEN

THE U.S. ENVIRONMENTAL PROTECTION AGENCY (EPA)

AND

THE DEPARTMENT OF THE ENVIRONMENT OF IRAN (DOE)

1. (a) The EPA will make available to the DOE for the purpose of assisting in the implementation of this Agreement, such advisors and services as may be mutually agreed between the EPA and the DOE.
(b) Advisors and services specified in item 1(a) above, may be furnished from within or from outside the government of the United States.
(c) Any agreement pursuant to item 1(a) will be in writing and will specify the terms and conditions under which the advisors and services will be furnished and will be subject to the provisions of this Agreement.
(d) Services provided under this Article may include training in the United States or visits designed to assist in the acquisition of specialized technical or professional knowledge.
2. If requested by the DOE, the EPA may undertake the preparation of technical or economic studies of specific development projects and provide technical and professional services for the implementation of these projects in accordance with mutually agreed upon cost estimates and the provisions of this Agreement. Should such accord be reached, the DOE shall defray any and all costs to the EPA arising from such activities, including indirect costs, overhead costs, planning costs and the costs of project termination, including any taxes on ownership or use of property and any customs duties, import and export taxes or any other taxes.

3. Working conditions and facilities in Iran:

- (a) The government of Iran shall furnish the following as required for carrying out the purposes of this Agreement:
 - (1) Suitable office space and normal office supplies and facilities.
 - (2) Office management, secretarial/clerical and interpreting and translating services.
 - (3) Vehicles and drivers or other appropriate transportation for local business.
 - (4) Assistance in obtaining local permits and licenses which may be required by Iranian law.
- (b) Should the government of Iran elect not to provide any of the aforementioned services and supplies, the parties to this Agreement shall mutually agree on the costs of such services and supplies which shall be paid in advance by the DOE to the EPA as provided in Article 5(a) of the US-Iran Agreement on Technical Cooperation signed on March 4, 1975.
- (c) Pay and allowances:
 - (1) Except as otherwise specifically provided in this Agreement and the Annex, or in agreements entered into by the governments of the United States and Iran pursuant to the Agreement on Technical Cooperation signed on March 4, 1975, the DOE will compensate the EPA for all costs incurred by the EPA personnel in remunerating all personnel assigned to duties in Iran under this Agreement. Such costs will include basic salaries and per diem, housing, educational, removal and transportation allowances, according to the standards

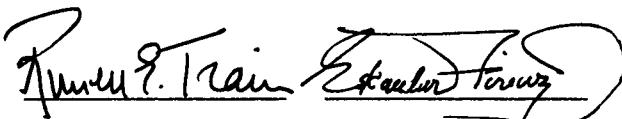
of the United States government's standardized regulation (government civilians, foreign areas, Annex 1), current at the time of payment to the individuals of their pay and allowances. The provisions of this section apply to all personnel engaged by the EPA to carry out projects under this Agreement, whether such individuals be employees of the US government or the EPA to perform services under this Agreement.

- (2) The DOE agrees to defray all costs for the extension of insurance policies covering liabilities already covered by the original insurance policies of the officers or contract employees of the US government arising out of their activities in Iran under this Agreement.
- (d) (1) In accordance with the terms and conditions agreed upon between the two parties for each specific project the DOE will establish a dollar trust account in the US Treasury and deposit in such account, the amount agreed upon on a project basis. The EPA may draw on this account to defray the costs incurred in providing such services. Should there be cost overruns on any specific project the two parties shall determine the amount of the increase and the DOE will deposit the agreed amount in the said dollar trust account.
- (2) The EPA shall provide to the DOE a statement at the end of each six months period during which the trust account is operative of funds in the account at the beginning of such periods, disbursements from the account during such periods, and the balance in the account at the end of such periods.

- (3) In no event shall EPA be obliged to provide services under this Agreement for which funds are not available in the trust account.
- (4) If, upon termination of this Agreement, there are funds remaining in the trust account after all costs have been defrayed and all liabilities satisfied, such funds shall be refunded to the DOE.
- (5) American employees of the EPA and employees of establishments or corporations under contract to the government of the US who are assigned to perform services under this Agreement, or assigned to provide support for such personnel shall be accorded, along with their dependents, the privileges and exemptions designated under the government of Iran's legislation prevailing at that time for foreign experts.

EPA authority on this Agreement is 22 USC 2357.

IN WITNESS WHEREOF, the parties hereto have executed this Annex to the Cooperative Agreement on 10
November 1976.



Russell E. Train
Administrator, EPA

Eskander Firouz
Director, DOE

MOROCCO

Agricultural Commodities

*Agreement signed at Rabat July 26, 1977;
Entered into force July 26, 1977.*

AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE KINGDOM OF MOROCCO FOR THE SALE OF AGRICULTURAL COMMODITIES UNDER THE PUBLIC LAW 480 TITLE I PROGRAM

The Government of the United States and the Government of the Kingdom of Morocco agree to the sale of the agricultural commodity specified below. This agreement shall consist of the Preamble, Parts I and III of the Title I Agreement signed May 17, 1976,[¹] together with the following Part II—

PART II - PARTICULAR PROVISIONS:

ITEM I. Commodity Table:

| Commodity | Supply Period (U.S. Fiscal Year) | Approximate Maximum Quantity (metric tons) | Maximum Export Market Value (millions) |
|---|-------------------------------------|---|---|
| Wheat/Wheat Flour (Grain equivalent basis) | 1977 | 100,000 | Dols. 10.0 |

ITEM II. Payment Terms: (Dollar Credit)

1. Initial payment — 20 percent.
2. Currency use payment — none.
3. Number of installment payments — 19.
4. Balance payable — approximately equal annual installments.
5. Due date of first installment payment — two years after date of last delivery of commodities in each calendar year.
6. Interest rate — 3 percent throughout credit period.

¹ TIAS 8309; 27 UST 2302.

ITEM III. Usual Marketing Table:

| Commodity | Import Period (U.S. Fiscal Year) | Usual Marketing Requirement |
|---|-------------------------------------|-----------------------------|
| Wheat/Wheat Flour (Grain equivalent basis) | 1977 | 704,000 MT |

ITEM IV. Export Limitations:

A. The export limitation period shall be U.S. fiscal year 1977 or any subsequent U.S. fiscal year during which commodities financed under this Agreement are being imported or utilized.

B. For the purpose of Part I, Article III A(4) of the Agreement, the commodities which may not be exported are:

For wheat/wheat flour—wheat, wheat flour, rolled wheat, semolina, farina, or bulgur (or the same product under a different name).

ITEM V. Self-Help Measures:

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

B. The Government of Morocco agrees to:

1. Further developing and implementing a production-oriented dryland research program responsive to specific problems facing farmers in rainfed areas. For example, this research program would give particular priority to the investigation from both the technical and economic feasibility standpoint of existing cultural practices, weed and pest control, improved seed availabilities, and seeding rate and time.

2. Improvement of farmer extension programs and increase in the number of Moroccans trained in wheat production technology.

3. Improving linkages between the research program and the extension services operating in rainfed areas.

4. Expanding the availability of needed production inputs to dryland farmers, using such established methods as credit facilities and direct subsidies.

5. Perfecting programs to improve range management practices, including pastoral seeding, upgrading local breeds and assuring disease control.

6. Continued development of irrigated perimeters in the areas listed in the GOM's current fiscal year plan.

7. Improvement and planning of training of higher technicians of agriculture of the Hassan II Agronomic Institute and the National School of Agriculture through the improvement of programs in these

establishments as may be needed and introduction of required equipment.

8. A general improvement in the conditions of availability and utilization of agricultural credit, notably in favor of small farmers and agricultural cooperatives.

9. Formulate and implement the necessary measures to make basic family planning information and services available to interested couples of both rural and urban areas with the least possible delay.

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 and population planning.

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

WITNESS WHEREOF, the respective representatives, duly authorized the purpose, have signed the present agreement.

DONE at Rabat, in duplicate, this 26th day of July, 1977.

FOR THE GOVERNMENT OF
THE UNITED STATES OF
AMERICA

ROBERT ANDERSON

Robert Anderson
*Ambassador of the United States
of America*

[SEAL]

FOR THE GOVERNMENT OF
THE KINGDOM OF MOROCCO

ABDELKADER BENSLIMANE

H. E. *Abdelkader Benslimane*
Minister of Finance

[SEAL]

ACCORD CONCLU ENTRE LE GOUVERNEMENT DES ETATS-UNIS D'AMERIQUE ET LE GOUVERNEMENT DU ROYAUME DU MAROC SUR LES VENTES DE PRODUITS AGRICOLES DANS LE CADRE DU PROGRAMME DU TITRE I DE LA LOI PUBLIQUE 480

Le Gouvernement des ETATS-UNIS et le Gouvernement du Royaume du MAROC sont convenus de la vente des produits agricoles décrits

ci-dessous. Le présent accord comporte le Préambule, la Première Partie et la Troisième Partie du Titre I de l'Accord signé LE 17 mai 1976, ainsi que la Deuxième Partie qui suit:

DEUXIEME PARTIE - DISPOSITIONS PARTICULIERES

ARTICLE I

Tableau Répertoire des Denrées

| Denrées | Période de Livraison (Année Fiscale Américaine) | Quantité Maximum Approximative (Tonnes métriques) | Valeur d'Exportation maximum sur le marché mondial (en millions) |
|--|---|---|--|
| Blé/Farine de blé (Equivalent en grains) | 1977 | 100,000 | \$10.00 |

ARTICLE II

Conditions de Paiement (Crédit en Dollars)

1. Paiement initial — 20 pour cent.
2. Paiements en devises — néant.
3. Nombre de versements partiels — 19.
4. Solde restant dû — payable en versements partiels annuels approximativement égaux.
5. Echéance du premier versement partiel — deux ans après la date de la dernière livraison de denrées de chaque année civile.
6. Taux d'intérêts — trois pour cent sur toute la période.

ARTICLE III

Tables Commerciales Usuelles

| Denrées | Période d'importation (Année fiscale américaine) | Besoins habituels du marché |
|--|--|-----------------------------|
| Blé/Farine de blé (Equivalent en grains) | 1977 | 704.000 TM |

ARTICLE IV

Limitation des Exportations

A. La période de limitation des exportations sera l'année fiscale américaine 1977 ou toute autre année fiscale américaine ultérieure au cours de laquelle les marchandises importées au titre du présent accord seront importées ou utilisées.

B. Pour les besoins de la Partie I, Article III A(4) de l'Accord, les marchandises qui ne doivent pas être exportées sont: en ce qui concerne le blé et la farine de blé—le blé, la farine de blé, les flocons de blé, la semoule fine, la féculé, ou le "bulgur" (ou le même produit sous une autre appellation).

ARTICLE V

Mesures d'Auto-Assistance

A. En appliquant ces mesures d'auto-assistance, il est particulièrement souligné qu'elles devront contribuer au progrès du développement des zones rurales déshéritées de manière à permettre aux populations pauvres de participer activement à l'accroissement de la production agricole à l'aide de l'exploitation de petites fermes.

B. Le Gouvernement du Royaume du Maroc donne son accord pour:

1) Poursuivre, développer et appliquer un programme de recherches orientées vers la production en zone bour de manière à l'adapter aux problèmes spécifiques auxquels se sont heurtés les fermiers de ces mêmes zones. Par exemple, ce programme de recherches pourrait donner une priorité particulière aux enquêtes faites tant du point de vue technique que de celui de la rentabilité économique sur les procédés de culture existants, la lutte contre les mauvaises herbes et les insectes, les disponibilités en semences améliorées, les taux et les époques des semis.

2) Améliorer les programmes de vulgarisation destinés aux fermiers, et accroître le nombre de marocains formés en technologie de la culture du blé.

3) Améliorer les liaisons entre le programme de recherches et les services de vulgarisation opérant dans les zones bour.

4) Etendre aux fermiers des zones bour les apports disponibles requis pour la production en utilisant pour cela les méthodes existantes telles que les facilités de crédit et les subventions directes.

5) Perfectionner les programmes destinés à améliorer les méthodes de gestion des parcours, y compris l'ensemencement des pâturages, l'amélioration des espèces locales et le contrôle sanitaire.

6) Continuer à développer les périmètres irrigués dans les régions répertoriées au plan de l'exercice fiscal en cours du Gouvernement du Royaume du Maroc.

7) Améliorer et planifier la formation des cadres techniques supérieurs de l'agriculture de l'Institut Agronomique Hassan II et de l'Ecole Nationale d'Agriculture en apportant aux programmes d'études les changements qui pourraient se révéler nécessaires et en installant les équipements nécessaires.

8) Améliorer les conditions générales d'obtention et d'utilisation du crédit agricole, notamment en faveur des petits fermiers et des coopératives agricoles.

9) Prendre et appliquer les mesures nécessaires en vue de mettre à la disposition des couples intéressés des secteurs ruraux et urbains, les informations et les services de base de planification familiale, et ceci dans les meilleurs délais possibles.

ARTICLE VI

Buts de Développement Economique Pour Lesquels peuvent être utilisés les produits des ventes dont bénéficie le Pays Importateur

A. Le produit des ventes des denrées financées par cet Accord sera utilisé par le pays importateur pour financer les mesures d'auto-assistance précisées dans cet accord et concernant le développement des secteurs économiques suivants: l'agriculture et la planification de la population.

B. Dans l'emploi du produit des ventes pour ces proil sera particulièrement tenu compte des affectations conduisant directement à une amélioration de la vie des classes les plus pauvres du pays bénéficiaire et de leur capacité à participer au développement de leur pays.

EN FIO DE QUOI, les représentants respectifs des deux Gouvernements, dûment autorisés à cet effet, ont signé le présent accord.

FAIT à Rabat en double exemplaire, ce 26ème jour de Juillet 1977.

POUR LE GOUVERNEMENT DES
ETATS-UNIS D'AMERIQUE

ROBERT ANDERSON

Robert Anderson
*Ambassadeur des Etats-Unis
d'Amérique*

[SEAL]

POUR LE GOUVERNEMENT DU
ROYAUME DU MAROC

ABDELKADER BENSLIMANE

S.E. Abdelkader Benslimane
Ministre des Finances

[SEAL]

SUDAN

Agricultural Commodities

Agreement signed at Khartoum December 24, 1977;

Entered into force January 24, 1978.

With related letters

Signed at Khartoum November 29 and December 16, 1977.

AGREEMENT BETWEEN
THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND
THE GOVERNMENT OF THE DEMOCRATIC REPUBLIC OF THE SUDAN
FOR SALES OF AGRICULTURAL COMMODITIES

The Government of the United States of America and the Government of the Democratic Republic of the Sudan.

Recognizing the desirability of expanding trade in agricultural commodities between the United States of America (hereinafter referred to as the exporting country) and the Democratic Republic of the Sudan (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 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;

¹ 88 Stat. 455; 7 U.S.C. § 1701 *et seq.*

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 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 IIA. 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 payments 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 no 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 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 time 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 IIIA. 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 period shall be in addition to purchases financed under this agreement.

2. take steps to assure that the exporting country obtains a fair share of any increase in commercial purchases of agricultural commodities by the importing country.

3. take all possible measures to prevent the resale, diversion in transit, or transshipment to other countries or the use for other than domestic purposes of the agricultural commodities purchased pursuant to this agreement (except where such resale, diversion in transit, transshipment or use is specifically approved by the Government of the United States of America).

4. take all possible measures to prevent the export of any commodity of either domestic or foreign origin, which is defined in Part II of this agreement, during the export limitation period specified in the export limitation table in Part II (except as may be specified in Part II or where such export is otherwise specifically approved by the Government of the United States of America).

B. Private Trade

In carrying out the provisions of this agreement, the two Governments shall seek to assure conditions of commerce permitting private traders to function effectively.

C. Self-Help

Part II describes the program the Government of the importing country is undertaking to improve its production, storage, and distribution of agricultural commodities. The Government of the importing country shall furnish in such form and at such time as may be requested by the Government of the exporting country, a statement of the progress the Government of the importing country is making in carrying out such self-help measures.

D. Reporting

In addition to any other reports agreed upon by the two Governments, the Government of the importing country shall furnish at least quarterly for the supply period specified in Part II, Item I of this agreement and any subsequent comparable period during which commodities purchased under this agreement are being imported or utilized,

1. the following information in connection with each shipment of commodities under the agreement: the name of each vessel, the date of arrival, the port of arrival, the commodity and quantity received, and the condition in which received;
2. a statement by it showing the progress made toward fulfilling the usual marketing requirements;
3. a statement of the measures it has taken to implement the provisions of Sections A 2 and 3 of this Article; and
4. statistical data on imports by country of origin and exports by country of destination, of commodities which are the same as or like those imported under the agreement.

E. Procedures for Reconciliation and Adjustment of Accounts

The two Governments shall each establish appropriate procedures to facilitate 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 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 initiated 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 in 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:

Of the total wheat/wheat flour (100,000 metric tons) approximately 33,250 metric tons of wheat will be taken in wheat flour equivalent (approximately 25,000 metric tons) with an export market value of dols 4.2 million.

| COMMODITY | SUPPLY PERIOD (U.S. FISCAL YEAR) | APPROXIMATE MAXIMUM QUANTITY (METRIC TONS) | MAXIMUM EXPORT MARKET VALUE (MILLIONS) |
|---|--|---|--|
| WHEAT/WHEAT FLOUR (GRAIN EQUIVALENT BASIS) | 1978 | 100,000 | Dols 10.3 |
| OCEAN TRANSPORTATION (DIFFERENTIAL) | | ----- | |
| | | TOTAL | Dols 10.3 |

ITEM II. PAYMENT TERMS: CONVERTIBLE LOCAL CURRENCY CREDIT

1. Initial payment - 5 percent
2. Currency Use Payment - None
3. Number of installment payments - 31
4. Amount of each installment payment - approximately equal annual amounts.
5. Due date of first installment payment - 10 years after date of last delivery of commodities in each calendar year.
6. Initial interest rate - 2 percent
7. Continuing interest rate - 3 percent

ITEM III. USUAL MARKETING TABLE:

| COMMODITY | IMPORT PERIOD (U.S. FISCAL YEAR) | USUAL MARKETING REQUIREMENTS (METRIC TONS) |
|--|-------------------------------------|--|
| WHEAT/WHEAT FLOUR (GRAIN EQUIVALENT BASIS) | 1978 | 130,000 |

ITEM IV. EXPORT LIMITATIONS:

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

B. For the Purpose of Part I, Article III (A) (4) of the agreement, the commodities which may not be exported are: for wheat/wheat flour-- wheat, wheat flour, rolled wheat, semolina, farina or bulgar (or the same product under a different name).

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 Sudan agrees to:

1. Identify need for an assistance in further development of port facilities for receiving, handling, storage and distribution of agricultural imports.

2. Follow procurement policies that will serve as adequate incentives to farmers to maximize production efforts.

3. Continue programs for building and improvement of farm-to-market roads by identifying priority needs and implementing actions to meet the needs, especially in the southern region.

4. Expand support for agricultural research designed to improve the base for crop diversification and increase crop yields, and develop extension programs toward these objectives. Extension workers will be provided low cost but adequate transportation.

5. Expand and improve training programs for agricultural technical personnel, identifying needs for secondary and for university training, and planning to meet these needs.

6. Strengthen outreach capabilities for the delivery of social services such as health, nutrition, and family planning.

7. The modernization of traditional agriculture in the Nuba Mountains area.

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 and Rural Development.

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

PART III - FINAL PROVISIONS

A. This agreement may be terminated by either Government by notice of termination to the other Government for any reason, and by the Government of the exporting country if it should determine that the self help program described in the agreement is not being adequately developed. Such termination will not reduce any financial obligations the Government of the importing country has incurred as of the date of termination.

This agreement shall enter into force upon U.S. Embassy receipt of notification of the completion of the constitutional procedures for ratification required by applicable law of the Democratic Republic of the Sudan.^[1]

B. IN WITNESS WHEREOF, the respective representatives, duly authorized for the purposes, have signed the present agreement.

DONE AT Khartoum, Sudan, in duplicate, this 24th day of December, 1977.

For the Government of the
United States of America

Ronald C. Bergus - [²]

For the Government of the
Democratic Republic of the Sudan

H. El Awad [³]

[SEAL]



¹ Jan. 24, 1978.

² Donald C. Bergus.

³ H. El Awad.

[RELATED LETTERS] [1]

UNITED STATES OF AMERICA

AGENCY FOR INTERNATIONAL DEVELOPMENT

NOVEMBER 29, 1977

SAYED ABU BAKR TAMBOUR

*Senior Inspector for Supply**Ministry of Commerce and Supply**Khartoum*

DEAR SAYED TAMBOUR:

As we are about to enter negotiations for a FY 1978 P.L. 480 Title I Wheat Sales Agreement, please permit me to point out a few matters concerning the new Sales Agreement.

1. As you have seen from the draft language of the new Sales Agreement, in order to simplify the length of the new Agreement, the Preamble, or beginning, incorporates by reference the Preamble, Part I (containing General Provisions) and Part III (containing the final Provisions) of the Title I Agreement we signed February 21, 1977. [2] These are standard provisions, applicable to our Title I Agreements anywhere in the world, and are not negotiable.

2. It is understood and agreed to that, of the 100,000 metric tons of wheat requested, your Government wishes approximately 33,250 metric tons of wheat in wheat flour equivalent (approximately 25,000 metric tons of wheat flour with an export market value of \$4.2 million). I am directed, however, to call your attention to Article I (E) of Part I of the Agreement which provides that the export value specified in Part II may not be exceeded. This means that, if commodity prices increase over those used in announcing the quantities and market values covered in Part II of the Agreement, the quantity to be financed under the Agreement will be less than the approximate maximum quantity set forth in Part II.

3. Once the new Sales Agreement has been signed by our two Governments, Purchase Authorizations will be issued only after the U.S. Secretary of Agriculture has determined that (a) adequate

¹ The minutes of the negotiating meeting of Dec. 19, 1977, signed by representatives of the United States and Sudan, concerning the present agreement contain the following statements:

"8. Assurances were also provided by the Sudanese Government representatives that the arrangements specified in item number 9 of the Machmer to Tombour letter of November 29, 1977 on this subject (copy attached) have been made.

9. Special note was also made of the information emphasized in item numbers 3, 4, 5, 6, 7, 10 and 12 of the Machmer November 29, 1977 letter (attached), including the modification of item 10 set forth in the Machmer to Tombour letter of December 16, 1977 (copy attached)."

² TIAS 8856; *ante*, p. 967.

storage facilities are available in the recipient country at the time of export so as to prevent the spoilage or waste of the commodity in the Sudan will not result in a substantial disincentive to domestic production.

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

5. The terms of all IFBs (including the IFBs for ocean freight) must be approved by the General Sales Manager of the U.S. Department of Agriculture (USDA) prior to issuance.

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

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

8. During negotiations, the U.S. Embassy must update its assessment of the Sudan's capability to receive, store and distribute commodities and, in consultation with the Government of Sudan, develop the additional operational information outlined below. It is essential that this information be developed prior to the completion of negotiations so that an operational reporting cable may be dispatched to Washington at least 72 hours (in addition to U.S. holidays and weekends) prior to signature of the Agreement. The operational reporting cable, which I will be responsible for writing, must contain the following information:

- (a) the type and grade of commodity to be purchased in accordance with official U.S. standards;
- (b) proposed contracting and delivery schedules;
- (c) U.S. Embassy comments and concurrence on the above schedules based upon its assessment of the adequacy of the Sudan's capability to receive, store and distribute the commodity to prevent spoilage or waste;
- (d) the names and addresses of banks, both U.S. and elsewhere, which will be handling financing operations; and
- (e) assurance that the appropriate Government of Sudan authorities are prepared to make immediate transfers of funds to cover ocean freight costs and any initial payment requirements related to contracts to be concluded pursuant to the Agreement.

9. I have also been asked to obtain assurances that arrangements have been made by the appropriate Government of Sudan authorities to relay to the Sudan Embassy in Washington all instructions, information, and authority necessary to enable timely implementation of the Agreement, including (a) commodity specifications, (b) contracting and delivery periods, (c) names and addresses of U.S. and foreign banks handling transactions (Letters of Credit for commodity and freight), (d) authority to request and sign purchase authorizations and other necessary documents, (e) complete instructions/information/authority regarding arrangements for purchasing commodities and contracting for freight (including the appointment of purchasing and/or shipping agents if applicable), and (f) instructions to contract the Program Operations Division, Office of the General Sales Manager, U.S. Department of Agriculture, regarding the foregoing.

10. The Sudan is required to have operative Letters of Credit for one hundred percent of ocean freight charges opened in favor of the supplier of ocean transportation not later than 48 hours prior to the vessel's presentation for loading.

11. Official minutes of negotiation sessions on the proposed P.L. 480 Title I Agreement should be initialed by both parties and kept on record. Items or issues not appropriate for inclusion in the Agreement may be recorded in the minutes.

12. Reporting is an essential part of the P.L. 480 Title I program. The Government of the Sudan has the responsibility for the submission of timely reports on compliance, arrival and shipping information (ADP sheets), self-help and use of sales proceeds, as required under the provisions of the Agreement. Therefore, your attention is drawn to Article III-D of the Agreement.

As soon as the Government of the Sudan has determined that the proposed Sales Agreement is acceptable, a day and time for signing the Agreement should be scheduled. However, this day and time should be established far enough in advance to give the Embassy time to cable Washington for the authority to sign. We have to give Washington at least 72 hours, in addition to U.S. holidays and weekends, between the time of request for authority to sign and the planned date of signing. Thus, for example, if you wished to have the Agreement signed on Thursday, December 8, we would have to notify Washington to that effect by Monday, December 5. I assume your Minister will sign for the Government of Sudan. The U.S. Ambassador will sign for the U.S. Government.

I urge you to schedule a negotiating meeting as soon as possible, to be attended by the appropriate representatives of our two governments, and to let me know the timing of that meeting. I am enclosing

extra copies of this letter in order to expedite that process. You already have copies of the draft Sales Agreement.

Thank you very much.

Sincerely,

FREDERICK E. MACHMER, JR.

Frederick E. Machmer, Jr.

DECEMBER 16, 1977

SAYED ABU BAKR TAMBOUR

Senior Inspector for Supply

Ministry of Commerce and Supply

Khartoum

DEAR SAYED TAMBOUR:

With reference to my letter to you dated November 29, 1977, concerning our negotiations for a P.L. 480 Title I Agreement for 100,000 metric tons of wheat, I have received from my Washington headquarters one change in that letter which I must bring to your attention.

The change applies to item 10 (page 3) of that November 29 letter. Please substitute for the entire language of that item the following:

"10. Operational considerations—commodity suppliers are now refusing to load vessels when acceptable Letters of Credit for both commodity and freight supplier are not available at the time of loading. This has resulted in costly claims by vessel owners for demurrage and/or detention claims and carrying charges by commodity suppliers: Delays in opening Letters of Credit and settlement of final ten percent of freight will also result in higher commodity prices and freight rates. I need, therefore, to obtain assurances from you during the negotiations that appropriate measures will be taken to ensure that operable Letters of Credit for both commodity and freight will be opened and confirmed by designated U.S. banks immediately after contracting under each Purchase Authorization is concluded, and before vessels arrive at loading ports. With particular regard to ocean freight, you should be advised that Letters of Credit for one hundred percent of ocean freight charges must be opened in favor of the supplier of the ocean transportation prior to the vessel's presentation for loading."

I am finally directed to emphasize to you now and during the negotiations the importance that Washington attaches to the problem.
Thank you very much.

Sincerely,

FREDERICK E. MACHMER, JR.

Frederick E. Machmer Jr.

CAPE VERDE

Aviation: Provision of Services

Agreements amending and extending the memorandum of agreement of October 13 and November 19, 1976.

Signed at Washington and Praia August 17 and October 18, 1977;

Entered into force October 18, 1977;

Effective October 1, 1977.

And signed at Washington and Praia March 10 and April 4, 1978;

Entered into force April 4, 1978;

Effective April 1, 1978.

AMENDMENT NO. 1

TO THE
MEMORANDUM OF AGREEMENT

BETWEEN THE

FEDERAL AVIATION ADMINISTRATION
DEPARTMENT OF TRANSPORTATION
UNITED STATES OF AMERICA

AND THE

DIRECTOR OF CIVIL AVIATION
REPUBLIC OF CAPE VERDE

The provisions of Memorandum of Agreement NAT-I-535 dated November 19, 1976^[1] are hereby amended as follows:

ARTICLE II - Estimated Costs and Method of Payment, add A (1)

Charge per flight hour for the Sabreliner aircraft is
\$ 773 (U.S.).

ARTICLE V - Effective Date

This Agreement is effective October 1, 1977 and will remain in effect until March 31, 1978.

The FAA and the DCA agree to the provisions of this amendment as indicated by the signature of their duly authorized officers.

DIRECTOR OF CIVIL AVIATION
REPUBLIC OF CAPE VERDE

BY: Celso Estrela [²]

TITLE: Director General da Aviação Civil

DATE: 18-Aug-Bru - 1977

FEDERAL AVIATION ADMINISTRATION
DEPARTMENT OF TRANSPORTATION
UNITED STATES OF AMERICA

BY: Clyde W. Pace, Jr. [³]

Assistant Administrator

TITLE: Europe, Africa, and Middle East

DATE: AUG 17 1977

*E
18/8/77*

¹ TIAS 8742; 28 UST 8086.

² Celso Estrela.

³ Clyde W. Pace, Jr.

AMENDMENT NO. 2

TO THE

MEMORANDUM OF AGREEMENT

BETWEEN THE

FEDERAL AVIATION ADMINISTRATION
DEPARTMENT OF TRANSPORTATION
UNITED STATES OF AMERICA

AND THE

DIRECTOR OF CIVIL AVIATION
REPUBLIC OF CAPE VERDE

The provisions of Memorandum of Agreement No. NAT-I-535, dated November 19, 1976, are hereby amended as follows:

ARTICLE I - Description of Services

Change paragraph G., 6. to read:

"Address all requests for services under this Agreement to:

Federal Aviation Administration
Flight Inspection Group
Siesmayerstrasse 21
6000 Frankfurt am Main 1
West Germany"

ARTICLE II - Estimated Costs and Method of Payment

Change paragraph A. to read:

"The DCA will reimburse the FAA for flight inspection services provided under this Agreement at the current hourly rate per aircraft operating hour for FAA aircraft and crew. The FAA will provide written notification to the DCA of hourly rate changes. Unless otherwise specified, such changes will become effective thirty (30) days from the date of the FAA notification. The FAA will determine the type of aircraft to be used based on availability. The inspection flight hours shall be increased by the enroute time. Aircraft enroute time within the area will be equitably distributed to users of the services."

ARTICLE V - Effective Date

Change to read:

"This Agreement is effective April 1, 1978 and will remain in effect from year to year unless terminated as provided under Article VI of this Agreement. Number NAT-I-535 has been assigned to this Agreement for identification purposes."

The FAA and the DCA agree to the provisions of this amendment as indicated by the signature of their duly authorized officers.

DIRECTOR OF CIVIL AVIATION
REPUBLIC OF CAPE VERDE

BY: Celso Estrela [1]
TITLE: Director General 17,
Civil Aviation
DATE: APRIL 4 1978

FEDERAL AVIATION ADMINISTRATION
DEPARTMENT OF TRANSPORTATION
UNITED STATES OF AMERICA

BY: C. O. Cary [2]
Assistant Administrator for
TITLE: International Aviation Affairs
DATE: MAR 10 1978

¹ Celso Estrela.

² C. O. Cary.

ITALY

Health and Medicine

*Memorandum of understanding signed at Rome November 21, 1977;
Entered into force November 21, 1977.*

Memorandum of understanding between the Department of Health, Education, and Welfare of the United States of America and the Ministry of Health of the Italian Republic for Cooperation in the Field of Health and Medicine

The Department of Health, Education, and Welfare of the United States of America and the Ministry of Health of the Italian Republic:

Realizing the importance of working together to resolve common problems in health and medicine;

Recognizing the existence of broad mutual interests in the control of diseases and the promotion of health services;

Desiring to strengthen the links already existing between the scientific communities in both countries, United States of America and Republic of Italy, as recognized in the Agreement for Scientific Co-operation, signed in Washington on June 19th, 1967—whose validity was extended to June 19th, 1980 by exchange of letters signed in Rome on August 25th and September 10th, 1975;^[1] have agreed as follows:

ARTICLE I

General Principles

The Department of Health, Education, and Welfare of the United States of America and the Ministry of Health of the Italian Republic—hereinafter referred to as the parties—shall enhance and expand cooperative efforts in health and medical science according to the following general principles:

All activities shall be conducted on the basis of equality, reciprocity and mutual benefit.

¹ TIAS 6280, 8199; 18 UST 1268; 26 UST 2923.

The cooperation provided for in this memorandum shall not affect relations currently established between institutions or individuals of the United States of America and the Italian Republic. Rather, the parties shall attempt to identify new areas for joint activities and to avoid unnecessary duplication.

Joint activities, where possible, will be coordinated with, or supportive of, the activities and goals of other international health bodies, including especially the World Health Organization.

ARTICLE II

Areas of Cooperation

The parties agree to provide for an expansion of cooperation across a broad range of mutual interests. Initial efforts will be directed at developing joint activities addressing their common problems in the areas of:

- Health aspects of environmental pollution;
- Foods, especially the safety of additives and coloring;
- Pharmaceuticals;
- The prevention of heart disease;
- Cancer;
- Drug abuse; and
- Biomedical communications.

Other specific areas will be identified from time to time by mutual agreement of the parties or their designees.

ARTICLE III

Methods of Cooperation

The methods of cooperation provided for in this memorandum shall include but not be limited to:

- Coordinated scientific research protocols and programs;
- Exchange of specialists, delegations, and information;
- Organization and conduct of colloquia, scientific conferences, and lectures;

The parties also agree to encourage and facilitate the establishment of direct relationships between institutions and individuals in the two countries which are not within the direct jurisdiction of the parties or their implementing bodies.

ARTICLE IV**Organization of Cooperation**

For each area of cooperation, and initially for those specific areas identified in Article II, the parties or their designees will identify a coordinator from their country to oversee the practical implementation of activities. These area coordinators may be expected to organize work groups of experts and to meet periodically with their counterparts as is necessary to fulfill mutually agreed responsibilities.

The Director, Office of International Health, Department of Health, Education, and Welfare, is designated as responsible for fulfilling the terms of this memorandum within the purview of the United States of America. The Head of International Relations, Ministry of Health, Italy, is designated as responsible for fulfilling the terms of this memorandum within the purview of the Republic of Italy. The organs entrusted with the application of this Memorandum of Understanding are listed in Annex 1.

ARTICLE V**Financing**

Both parties agree that the financing of the programs provided for in this memorandum shall be drawn from the funds allocated in the budget for their respective Ministries, subject to the availability of funds and the laws and regulations of both countries. In general, each side shall bear the costs of its participation.

ARTICLE VI**Term of Memorandum**

This memorandum shall enter into force upon signature and remain in force until June 19th, 1980, after which it will be extended for successive three year periods unless one party notifies the other of the termination thereof not less than six months prior to its expiration.

DONE on November 21st, 1977 in Rome, in duplicate in the English and Italian languages, both texts being equally authentic.

FOR THE DEPARTMENT OF
HEALTH, EDUCATION, AND
WELFARE OF THE UNITED
STATES OF AMERICA

JOSEPH A. CALIFANO JR.

FOR THE MINISTRY OF
HEALTH OF THE ITALIAN
REPUBLIC

LUCIANO DAL FALCO

TIAS 9159

ANNEX I

| <u>United States of America</u> | <u>Italy</u> |
|---|--|
| <u>Department of Health, Education and Welfare</u> | <u>Ministero della Sanita'</u> |
| —National Institutes of Health | Dir. Gen. Serv. Farmaceutico |
| —Food and Drug Administration | Dir. Gen. Serv. Igiene Pubblica |
| —Alcohol, Drug Abuse and Mental Health Administration | Dir. Gen. Serv. Igiene degli Alimenti e Nutrizione |
| | Dir. Gen. Serv. Medicina Sociale |
| | —Istituto Superiore di Sanita' |
| | —Istituto di ricovero e cura a carattere scientifico sul cancro (Milano, Roma, Napoli) |

Memorandum d'Intesa tra il Department of Health, Education, and Welfare degli Stati Uniti d'America e il Ministero della Sanità della Repubblica Italiana, per la cooperazione nel settore della sanità e della medicina

Il Department of Health, Education, and Welfare degli Stati Uniti d'America e il Ministero della Sanità della Repubblica Italiana:

In considerazione dell'importanza di una reciproca collaborazione intesa a risolvere i problemi comuni in campo medico-sanitario;

Tenuto conto dell'esistenza di interessi comuni nel settore del controllo delle malattie e della promozione dei servizi sanitari;

Desiderando consolidare la cooperazione già esistente tra gli ambienti scientifici dei due Paesi, stabilita nell'Accordo per un programma di collaborazione scientifica tra Italia e USA, firmato il 19 giugno 1967 a Washington, la cui validità è stata prorogata fino al 19 giugno 1980, con uno scambio di lettere firmate a Roma in data 25 agosto e 10 settembre 1975;

Hanno concordato quanto segue:

ART. 1

Principi Generali

Il Department of Health, Education, and Welfare, degli Stati Uniti d'America e il Ministero della Sanità della Repubblica Italiana—qui di seguito chiamati come parti contraenti—si impegnano a migliorare e ad allargare la cooperazione nel campo della sanità e della scienza medica, secondo i criteri generali che seguono:

Tutte le attività dovranno essere realizzate su base di parità, di reciprocità e di utilità comune.

La collaborazione prevista di questo Memorandum d'intesa, non pregiudicherà i rapporti già esistenti tra istituzioni o privati cittadini americani e italiani. Piuttosto, le parti contraenti dovranno cercare di individuare nuove aree di ricerca in comune, evitando inutili duplicati.

Tali attività comuni dovranno servire, ove possibile, a coordinare ed a sostenere le attività e le finalità di altri organismi sanitari internazionali, particolarmente dell'O.M.S.

ART. 2

Settori di collaborazione

Le parti contraenti concordano sull'ampliamento della collaborazione attraverso un vasto campo di reciproci interessi. Le iniziative preliminari tenderanno a sviluppare le attività sui seguenti problemi comuni:

- Aspetti sanitari dell'inquinamento ambientale;
- Sostanze alimentari, con particolare riferimento alla innocuità degli additivi e dei coloranti;
- Prodotti farmaceutici;
- Prevenzione delle cardiopatie;
- Tumori;
- Abuso dei medicinali; e
- Scambio di informazioni bibliografiche di natura biomedica.

Altri orientamenti specifici saranno individuati gradualmente, mediante un accordo stipulato tra le parti o tra i loro rappresentanti.

ART. 3

Metodi di collaborazione

I metodi di collaborazione previsti in questo Memorandum d'intesa comprenderanno, tra l'altro:

- 1) programmi protocolli per una ricerca scientifica coordinata;
- 2) scambi di specialisti, di delegazioni e di informazioni;
- 3) organizzazione di seminari, di riunioni scientifiche e di Conferenze.

Le parti contraenti concordano altresì di promuovere e di facilitare l'instaurazione di rapporti diretti tra istituzioni e privati cittadini dei due paesi che non rientrano nella diretta giurisdizione delle parti o dei loro organismi esecutivi.

ART. 4

Organizzazione della cooperazione

Per ciascun campo di cooperazione, ed inizialmente per quegli indirizzi specifici individuati nell'art. 2, le parti contraenti o i loro

rappresentanti, nomineranno un coordinatore del proprio Paese, che sovra-intenda alla realizzazione pratica delle attività. Questi coordinatori di settori sono incaricati di organizzare gruppi di lavoro di esperti e di incontrarsi periodicamente con le loro controparti, per quanto necessario a realizzare gli impegni reciprocamente concordati.

Il Direttore dell'Office of International Health, Department of Health, Education, and Welfare, è incaricato dell'esecuzione dell'Accordo nell'ambito delle competenze degli Stati Uniti d'America.

Il Direttore dell'Ufficio Rapporti Internazionali del Ministero della Sanità è incaricato dell'esecuzione dell'Accordo nell'ambito della competenza della Repubblica Italiana.

Gli enti incaricati dell'attuazione del presente Memorandum d'intesa sono elencati nell'allegato 1.

ART. 5

Finanziamento

Le parti concordano nello stabilire che i programmi previsti nel presente Memorandum d'intesa verranno finanziati impiegando i fondi già previsti dal bilancio dei rispettivi Ministeri, a condizione che vi sia disponibilità di fondi e nel rispetto delle leggi e dei regolamenti di entrambi i Paesi. In generale ciascuna parte sosterrà le proprie spese di partecipazione.

ART. 6

Durata del Memorandum d'Intesa

Il presente memorandum entrerà in vigore al momento della firma e rimarrà valido fino al 19 giugno 1980, data dopo la quale la sua validità sarà prorogata per altri 3 anni salvo denuncia di una delle parti non meno di 6 mesi prima della data di scadenza.

FATTO a Roma il 21 novembre 1977, in duplice originale italiano ed inglese, ambedue i testi facenti ugualmente fede.

PER IL DEPARTMENT OF
HEALTH, EDUCATION, AND
WELFARE DEGLI STATI
UNITI D'AMERICA

JOSEPH A. CALIFANO JR.

PER IL MINISTERO DELLA
SANITÀ DELLA REPUBBLICA
ITALIANA

LUCIANO DAL FALCO

ALLEGATO 1

| <u>Stati Uniti d'America</u> | <u>Italia</u> |
|---|--|
| <u>Department of Health, Education, and Welfare</u> | <u>Ministero della Sanità</u> |
| —National Institute of Health | —Direzione Gen. Serv. Farmaceutico |
| | —Direzione Gen. Serv. Igiene Pub. |
| —Food and Drug Administration | —Direzione Gen. Serv. Igiene degli Alimenti e Nutrizione |
| —Alcohol, Drug Abuse and Mental Health Administration | —Direzione Gen. Serv. Medicina Sociale |
| | —Istituto Superiore di Sanità |
| | —Istituti di ricovero e cura a carattere scientifico sul cancro (Milano, Roma, Napoli) |

JAMAICA
Rural Education

*Agreement signed at Kingston November 13, 1975;
Entered into force November 13, 1975.
And amending agreement
Signed at Kingston November 25, 1977;
Entered into force November 25, 1977.*

A.I.D. Loan Number 532-V-009

**ALLIANCE FOR PROGRESS
LOAN AGREEMENT
BETWEEN
THE GOVERNMENT OF JAMAICA
AND THE
UNITED STATES OF AMERICA
FOR THE
RURAL EDUCATION SECTOR LOAN**

Dated: NOVEMBER 13, 1975

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Loan agreement dated November 13, 1975 between THE GOVERNMENT OF JAMAICA ("Borrower") and THE UNITED STATES OF AMERICA, acting through THE AGENCY FOR INTERNATIONAL DEVELOPMENT ("A.I.D.").

ARTICLE I

The Loan

SECTION 1.01. The Loan. A.I.D. agrees to lend to Borrower in furtherance of the Alliance for Progress and pursuant to the Foreign Assistance Act of 1961, as amended,^[1] an amount not to exceed NINE MILLION ONE HUNDRED THOUSAND UNITED STATES DOLLARS (\$9,100,000) ("Loan") to assist Borrower in carrying out the Project referred to in Section 1.02 ("Project"). The Loan shall be used exclusively to finance foreign exchange costs of goods and services required for the Project ("Dollar Costs") and local currency costs of goods and services required for the Project ("Local Currency Costs"). The aggregate amount of disbursements under the Loan is hereinafter referred to as "Principal."

SECTION 1.02. The Project. The Project shall consist of a program within the Jamaican educational system designed to upgrade formal and non-formal education relevant to rural living and employment and to provide facilities, training and management capabilities in support of this effort ("Project"). The Project elements and approximate amounts of the Loan to be allocated to each element are as follows: (a) Continuing Education (\$.6 million); (b) Rural Primary Education (\$.7 million); (c) Rural Secondary Education (\$4.8 million); (d) Teacher Training (\$2.6 million); and (e) Management Planning (\$.4 million). The Project is more fully described in Annex I, attached hereto, which Annex may be modified in writing as mutually agreed.

SECTION 1.03. Executing Unit. The Borrower hereby designates the Projects Division of the Ministry of Education as the executing unit ("Executing Unit") for purposes of coordinating the overall Program. This unit shall coordinate the various Elements of the Program, which are more fully described in Annex I.

ARTICLE II

Loan Terms

SECTION 2.01. Interest. Borrower shall pay to A.I.D. interest which shall accrue at the rate of two percent (2%) per annum for five (5) years following the date of the first disbursement hereunder and at the rate of three percent (3%) per annum thereafter on the outstanding balance of Principal and on any due and unpaid interest. Interest on the outstanding balance shall accrue from the date of each

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

respective disbursement (as such date is defined in Section 7.04) and shall be computed on the basis of a 365-day year. Interest shall be payable semi-annually. The first payment of interest shall be due and payable no later than six (6) months after the first disbursement hereunder, on a date to be specified by A.I.D.

SECTION 2.02. Repayment. Borrower shall repay to A.I.D. the Principal within thirty (30) years from the date of the first disbursement hereunder in fifty-one (51) approximately equal semi-annual installments of Principal and Interest. The first installment of Principal shall be payable four and one-half (4½) years after the date on which the first interest payment is due in accordance with Section 2.01. A.I.D. shall provide Borrower with an amortization schedule in accordance with this Section after the final disbursement under the Loan.

SECTION 2.03. Application, Currency and Place of Payment. All payments of interest and Principal hereunder shall be made in United States Dollars and shall be applied first to the payment of interest due and then to the repayment of Principal. Except as A.I.D. may otherwise specify in writing, all such payments shall be made to A.I.D., Cashier (SER/CONT), Washington, D.C. 20523, United States of America. Payment shall be deemed made when received by such cashier.

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

SECTION 2.05. Renegotiation of Terms of the Loan. In the light of the undertakings of the United States of America and the other signatories of the Act of Bogota^[1] and the Charter of Punta del Este^[2] to forge an Alliance for Progress, the Borrower agrees to negotiate with A.I.D., at such time or times as A.I.D. may request, an acceleration of the repayment of the Loan in the event that there is any significant improvement in the internal and external economic and financial position and prospects of Jamaica, taking into consideration the relative capital requirements of Jamaica and of the various signatories of the Act of Bogota and the Charter of Punta del Este

ARTICLE III

Conditions Precedent to Disbursement

SECTION 3.01. Conditions Precedent to Initial Disbursement. Prior to the first disbursement or to the issuance of the first Letter of Commitment under the Loan, Borrower shall, except as A.I.D. may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D.:

¹ Department of State Bulletin, Oct. 3, 1960, p. 537.

² Department of State Bulletin, Sept. 11, 1961, p. 463.

- (a) An opinion of the Attorney General of Jamaica, or other counsel acceptable to A.I.D. that this Agreement has been duly authorized and/or ratified by and executed on behalf of, the Borrower, and that it constitutes a valid and legally binding obligation of the Borrower in accordance with all of its terms;
- (b) A statement of the names of the persons holding or acting in the office of Borrower specified in Section 9.02, and a specimen signature of each person specified in such statement;
- (c) A technical assistance plan setting forth the scope of work for technical assistance personnel to be employed in the Project prior to development of the Master Implementation Plan referred to in Section 3.02 (a).

SECTION 3.02. Conditions Precedent to Disbursement Other Than for Technical Services. Prior to any disbursement or to the issuance of any Letter of Commitment under the Loan for any purpose other than to finance technical services required in the preparation of the Master Implementation Plan, Borrower shall, except as A.I.D. may otherwise agree in writing, furnish to A.I.D., in form and substance satisfactory to A.I.D.:

- (a) A time-phased Master Implementation Plan for the Project covering each Project component and the interrelationships and relative priority of each such component, and a First Year Implementation Plan which schedules and correlates inputs of resources to the Master Plan for at least the first project year.
- (b) Evidence that the Borrower will provide appropriate personnel necessary to carry out each component activity scheduled for the first year.

SECTION 3.03. Additional Conditions Precedent to Disbursement for Certain Purposes.

- (a) Prior to any disbursement or to the issuance of any commitment document under the Loan for each of the purposes specified below, Borrower shall, except as A.I.D. may otherwise agree in writing, furnish to A.I.D., in form and substance satisfactory to A.I.D., the items indicated:
 - (i) With respect to the financing of construction services for each particular major construction sub-project designated by A.I.D.—
 - (aa) A contract, or contracts with private firms or individuals acceptable to A.I.D. for engineering services.
 - (bb) A draft contract or contracts, acceptable to A.I.D. for construction services with a firm acceptable to A.I.D.
 - (cc) Evidence that the land upon which such construction sub-project shall be undertaken is owned and held by the Borrower with clear title (or such other

evidence of ownership as shall be acceptable to A.I.D.) and that such land is free from present or future restrictions of any kind whatsoever which may in any manner impede or limit the intended use of such land under the Project.

- (ii) With respect to the financing of procurement of equipment for any project component, as defined by A.I.D.—
 - (aa) A complete equipment list for such project component for the ensuing Project Year.
 - (bb) A statement of the procurement procedure to be utilized and copies of procurement documents to be used.
 - (iii) With respect to financing of additional technical assistance, research or participant training, an appropriate plan for such activity for the current Project year for the Project component involved, as defined by A.I.D.
- (b) Prior to any further disbursement under the Loan or the issuance of any disbursement authorization for local costs, Borrower shall, within three months after the start of any project year as defined by A.I.D., submit to A.I.D. in form and substance satisfactory to A.I.D., a detailed Implementation Plan for such Project year.

SECTION 3.04. Terminal Dates for Meeting Conditions Precedent to Disbursement.

- (a) If all of the conditions specified in Section 3.01 shall not have been met within four months after the execution of this Agreement, or such later date as A.I.D. may agree to in writing, A.I.D., at its option, may terminate this Agreement by giving written notice to the Borrower. Upon the giving of such notice, this Agreement and all obligations of the parties hereunder shall terminate.
- (b) If all of the conditions specified in Section 3.02 shall not have been met within six months after the execution 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 amount of the Loan and/or may terminate this Agreement by giving written notice to the Borrower. In the event of a termination, upon the giving of notice, the Borrower shall immediately repay the Principal then outstanding and shall pay any accrued interest and, upon receipt of such payments in full, this agreement and all obligations of the parties hereunder shall terminate.

SECTION 3.05. Notification of Meeting of Conditions Precedent to Disbursement. A.I.D. shall notify the Borrower upon determination by A.I.D. that the conditions precedent to disbursement specified in Sections 3.01, 3.02 and 3.03 have been met.

ARTICLE IV

General Covenants and Warranties

SECTION 4.01. Execution of the Project.

- (a) Borrower shall carry out the Project with due diligence and efficiency, and in conformity with sound administrative, planning, management, educational, engineering, construction and financial practices. In this connection, Borrower shall at all times employ suitably qualified and experienced consultants and other personnel for the Project.
- (b) Borrower shall cause the Project to be carried out in conformity with all of the plans, specifications, contracts, schedules and other arrangements, and with all modifications therein, approved by A.I.D., pursuant to this Agreement.

SECTION 4.02. Funds and Other Resources to be Provided by Borrower. Borrower shall provide promptly as needed all funds, in addition to the Loan, required for the punctual and effective carrying out of the Project.

SECTION 4.03. Continuing Consultation. Borrower and A.I.D. shall cooperate fully to assure that the purpose of the Loan will be accomplished. To this end, Borrower and A.I.D. shall, from time to time, at the request of either party, exchange views through their representatives with regard to the progress of the Project, the performance by Borrower of its obligations under this Agreement, the performance of the consultants, contractors, and suppliers engaged in the Project, and other matters relating to the Project. Without limitation upon the foregoing, Borrower and A.I.D. will carry out an annual review of the Project during the period of disbursement under the Loan.

SECTION 4.04. Management. The Borrower shall provide qualified and experienced management for the Project.

SECTION 4.05. Taxation. This Agreement, the Loan, and any evidence of indebtedness issued in connection herewith shall be free from, and the Principal and interest shall be paid without deduction for and free from, any taxation or fees imposed under the laws in effect within Jamaica. To the extent that (a) any contractor, including any consulting firm, any personnel of such contractor financed hereunder and any property or transactions relating to such contracts, financed hereunder and (b) any commodity procurement transaction financed hereunder, are not exempt from identifiable taxes, tariffs, duties, and other levies imposed under laws in effect in Jamaica, Borrower shall as and to the extent prescribed in and pursuant to Implementation Letters, pay or reimburse the same under Section 4.02 of this Agreement with funds other than those provided under the Loan.

SECTION 4.06. Utilization of Goods and Services.

- (a) Goods and services financed under the Loan shall be used exclusively for the Project, except as A.I.D. may otherwise agree in writing. Upon completion of the Project, or at such other times as goods financed under the Loan can no longer be usefully employed for the Project, Borrower may use or dispose of such goods in such manner as A.I.D. may agree to in writing prior to such use or disposition.
- (b) Except as A.I.D. may otherwise agree in writing, no goods or services financed under the Loan shall be used to promote or assist any foreign aid project or activity associated with or financed by any country not included in Code 935 of the A.I.D. Geographic Code Book as in effect at the time of such use.

SECTION 4.07. Disclosure of Material Facts and Circumstances.

Borrower represents and warrants that all facts and circumstances that it has disclosed or caused to be disclosed to A.I.D. in the course of obtaining the Loan are accurate and complete, and that it has disclosed to A.I.D. accurately and completely all facts and circumstances that might materially affect the Project and the discharge of its obligations under this Agreement. Borrower shall promptly inform A.I.D. of any facts and circumstances that may hereafter arise that might materially affect the Project or the discharge of Borrower's obligations under this Agreement.

SECTION 4.08. Commissions, Fees, and Other Payments.

- (a) Borrower warrants and covenants that in connection with obtaining the loan, or taking any action under or with respect to this Agreement, it has not paid, and will not pay or agree to pay, nor to the best of its knowledge has there been paid nor will there be paid or agreed to be paid by any other person or entity, commissions, fees, or other payments of any kind, except as regular compensation to the Borrower's full-time officers and employees or as compensations for bona fide professional, technical, or comparable services. Borrower shall promptly report to A.I.D. any payment or agreement to pay for such bona fide professional, technical, or comparable services to which it is a party or of which it has knowledge (indicating whether such payment has been made or is to be made on a contingent basis), and if the amount of any such payment is deemed unreasonable by A.I.D., the same shall be adjusted in a manner satisfactory to A.I.D.
- (b) Borrower warrants and covenants that no payments have been or will be received by Borrower, or any official of Borrower in connection with the procurement of goods and services financed hereunder, except fees, taxes, or similar payments legally established in Jamaica.

SECTION 4.09. Maintenance and Audit of Records. Borrower shall maintain, or cause to be maintained, in accordance with sound ac-

counting principles and practices consistently applied, books and records relating both to the Project and to this Agreement. Such books and records shall, without limitation, be adequate to show:

- (a) the receipt and use made of goods and services acquired with funds disbursed pursuant to this Agreement;
- (b) the nature and extent of solicitation of prospective suppliers of goods and services acquired;
- (c) the basis of the award of contracts and orders to successful bidders; and
- (d) the progress of the Project.

Such books and records shall be regularly audited, in accordance with sound auditing standards, for such period and at such intervals as A.I.D. may require and shall be maintained for five years after the date of the last disbursement by A.I.D. or until all sums due A.I.D. under this Agreement have been paid, whichever date shall first occur.

SECTION 4.10. Reports. Borrower agrees to furnish to A.I.D. such information and reports relating to the Loan and to the Project as A.I.D. may reasonably request.

SECTION 4.11. Inspections. The authorized representatives of A.I.D. shall have the right at all reasonable times to inspect the Project, the utilization of all goods and services financed under the Loan, and Borrower's books, records, and other documents relating to the Project and the Loan. Borrower shall cooperate with A.I.D. to facilitate such inspections and shall permit representatives of A.I.D. to visit any part of Jamaica for any purpose relating to the Loan.

ARTICLE V

Special Covenants and Warranties

SECTION 5.01. Special Covenants and Warranties. Without limitation with respect to obligations otherwise incurred under this Agreement, and except as A.I.D. may otherwise agree in writing, Borrower hereby specifically covenants and warrants as follows:

- (a) That the Ministry of Education budget for recurrent expenditures for each Project Year shall be an amount not less than the previous year's total recurrent expenditures calculated without regard to Borrower's contributions required for this project or contributions of other external aid donors.
- (b) That it shall support the Project through budget allocations in amounts sufficient to accomplish the purpose of the program in conformance with the time-phased Implementation Plans referred to in Section 3.02(a).
- (c) That it shall maintain, with its own resources, an adequate budget level to maintain Project accomplishments after the disbursement of loan funds.
- (d) That it shall undertake with A.I.D. joint reviews of the Project

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at least annually to determine the adequacy of progress in achieving Project goals and to ascertain whether there is need to revise the strategy or any Project components.

ARTICLE VI

Procurement

SECTION 6.01. Qualified Worldwide Procurement. Except as A.I.D. may otherwise agree in writing, and except as provided in sub-section 6.08(c) with respect to marine insurance, disbursements made pursuant to Section 7.01 shall be used exclusively to finance the procurement for the Project of goods and services having their source and origin in countries included in Code 941 of the A.I.D. Geographic Code Book as in effect at the time orders are placed or contracts are entered into for such goods and services ("Qualified Worldwide Goods and Services"). All ocean shipping financed under the Loan shall have both its source and origin in countries included in Code 941 of the A.I.D. Geographic Code Book as in effect at the time of shipment.

SECTION 6.02. Procurement from Jamaica. Disbursement made pursuant to Section 7.02 shall be used exclusively to finance the procurement for the Project of goods and services having both their source and origin in Jamaica.

SECTION 6.03. Eligibility Date. Except as A.I.D. may otherwise agree in writing, no goods or services may be financed under the Loan which are procured pursuant to orders or contracts firmly placed or entered into prior to the date of this Agreement.

SECTION 6.04. Goods and Services Not Financed Under Loan. Goods and services procured for the Project but not financed under the Loan shall have their source and origin in countries included in Code 935 of the A.I.D. Geographic Code Book as in effect at the time orders are placed for such goods and services.

SECTION 6.05. Implementation of Procurement Requirements. The definitions applicable to the eligibility requirements of Sections 6.01, 6.02 and 6.04 will be set forth in detail in Implementation Letters.

SECTION 6.06. Plans, Specifications and Contracts.

- (a) Borrower shall furnish to A.I.D. promptly upon request all contracts or other arrangements relating to the Project, and any modifications therein, whether or not the goods and services to which they relate are financed under the Loan. Such of these items as A.I.D. may specify shall be approved by A.I.D. in writing.
- (b) Except as A.I.D. may otherwise specify, all bid documents and documents related to the solicitation of proposals relating to goods and services financed under the Loan shall be approved by A.I.D. in writing prior to their issuance. Such documents shall be in terms of United States standards and measurements, except as A.I.D. may otherwise agree in writing.

- (c) The following contracts financed under the Loan shall be approved by A.I.D. in writing prior to their execution:
- (i) contracts for engineering, consultant and other professional services;
 - (ii) contracts for construction services;
 - (iii) contracts for such other services as A.I.D. may specify; and
 - (iv) contracts for such equipment and materials as A.I.D. may specify.

In the case of any of the above contracts for services, A.I.D. shall also approve in writing the contractor and such contractor personnel as A.I.D. may specify. Material modifications in any of such contracts and changes in any of such personnel shall also be approved by A.I.D. in writing prior to their becoming effective.

- (d) Consulting firms used by the Borrower for the Project, but not financed under the Loan, the scope of their services and such of their personnel assigned to the Project as A.I.D. may specify, and construction contractors used by the Borrower for the Project but not financed under the Loan shall be acceptable to A.I.D.

SECTION 6.07. Reasonable Prices. No more than reasonable prices shall be paid for any goods or services financed in whole or in part under the Loan, as more fully described in Implementation Letters. Such items shall be procured on a fair and, except for professional services, on a competitive basis in accordance with procedures therefor prescribed in Implementation Letters.

SECTION 6.08. Shipping and Insurance.

- (a) Qualified Worldwide Goods financed under the Loan shall be transported to Jamaica on flag carriers of any country included in Code 935 of the A.I.D. Geographic Code Book as in effect at the time of shipment.
- (b) At least fifty percent (50%) of the gross tonnage of all Qualified Worldwide Goods financed under the Loan (computed separately for dry bulk carriers, dry cargo liners, and tankers) which shall be transported on ocean going vessels shall be transported on privately owned United States flag commercial vessels unless A.I.D. shall determine that such vessels are not available at fair and reasonable rates for United States flag commercial vessels. In addition, at least fifty percent (50%) of the gross freight revenue generated by all shipments financed under the Loan and transported on dry cargo liners shall be paid to or for the benefit of privately owned United States flag commercial vessels, unless A.I.D. shall determine that such vessels are not available at fair and reasonable rates for United States flag commercial vessels. No such goods may be trans-

- ported on any ocean vessel or aircraft (i) which A.I.D., in a notice to Borrower, has designated as ineligible to carry A.I.D.-financed goods or (ii) which has been chartered for the carriage of A.I.D.-financed goods, unless such charter has been approved by A.I.D.
- (c) Marine insurance on Qualified Worldwide Goods may be financed under the Loan with disbursements made pursuant to Section 7.01, provided (i) such insurance is placed at the lowest available competitive rate in Jamaica or in a country included in Code 941 of the A.I.D. Geographic Code Book as in effect at time of placement, and (ii) claims thereunder are payable in freely convertible currency. If in connection with the placement of marine insurance on shipments financed under United States legislation authorizing assistance to other nations, Jamaica, by statute, decree, rule or regulation, favors any marine insurance company of any country over any marine insurance company authorized to do business in any state of the United States of America, Qualified Worldwide Goods financed under the Loan shall, during the continuance of such discrimination, be insured against marine risk in the United States of America with a company or companies authorized to do a marine insurance business in any state of the United States of America.
- (d) Borrower shall insure or cause to be insured all Qualified Worldwide Goods financed under the Loan against risks incident to their transit to the point of their use in the Project. Such insurance shall be issued upon terms and conditions consistent with sound commercial practice, shall insure the full value of the goods, and shall be payable in the currency in which such goods were financed or in any freely convertible currency. Any indemnification received by Borrower under such insurance shall be used to replace or repair any material damage or any loss of goods insured or shall be used to reimburse Borrower for the replacement or repair of such goods. Any such replacements shall have their source and origin in countries included in Code 941 of the A.I.D. Geographic Code Book as in effect at the time orders are placed or contracts are entered into for such replacements, and shall be otherwise subject to the provisions of this Agreement.

SECTION 6.09. Notification to Potential Suppliers. In order that all United States firms shall have the opportunity to participate in furnishing goods and services to be financed under the Loan, Borrower agrees to furnish to Lender such information with regard thereto, and at such times, as A.I.D. may request in Implementation Letters.

SECTION 6.10. United States Government-Owned Excess Property. Borrower will utilize, with respect to goods financed under the Loan to which Borrower takes title at the time of procurement, such reconditioned United States Government-owned Excess Property as may

be consistent with the requirements of the Project and as may be available within a reasonable period of time. Borrower shall seek assistance from A.I.D. and A.I.D. will assist Borrower in ascertaining the availability of and in obtaining such Excess Property. A.I.D. will make arrangements for any necessary inspection of such property by Borrower or its representative. The cost of inspection and of acquisition, and all charges incident to the transfer to Borrower of such Excess Property, may be financed under the Loan. Prior to the procurement of any goods, other than Excess Property, financed under the Loan and after having sought such A.I.D. assistance, Borrower shall indicate to A.I.D. in writing, on the basis of information then available to it, either that such goods cannot be made available from reconditioned United States Government-owned Excess Property on a timely basis or that the goods that can be made available are not technically suitable for use in the Project.

SECTION 6.11. Information and Marking. Borrower shall give publicity to the Loan and the Project as a program of United States aid in furtherance of the Alliance for Progress, identify the Project site and mark goods financed under the Loan, as prescribed in Implementation Letters.

SECTION 6.12. Employment of Third-Country Nationals Under Construction Contracts. The employment of personnel to perform services under any construction contract financed under the Loan shall be subject to certain requirements with respect to nationals of countries other than Jamaica and countries included in Code 941 of the A.I.D. Geographic Code Book as in effect at the time the construction contract is entered into. These requirements will be prescribed in Implementation Letters.

ARTICLE VII Disbursements

SECTION 7.01. Disbursements for United States Dollar Costs – Letters of Commitment to United States Banks. Upon satisfaction of conditions precedent, Borrower may, from time to time, request A.I.D. to issue Letters of Commitment for specified amounts to one or more United States banks, satisfactory to A.I.D., committing A.I.D. to reimburse such bank or banks for payments made by them to contractors or suppliers through the use of Letters of Credit or otherwise, for Dollar Costs of goods and services procured for the Project in accordance with the terms and conditions of this Agreement. Payment by a bank to a contractor or supplier will be made by the bank upon presentation of such supporting documentation as A.I.D. may prescribe in Letters of Commitment and Implementation Letters. Banking charges incurred in connection with Letters of Commitment and Letters of Credit shall be for the account of Borrower and may be financed under the Loan.

SECTION 7.02. Disbursement for Local Currency Costs. Upon satisfaction of conditions precedent, Borrower may, from time to time,

request disbursement by A.I.D. of local currency for Local Currency Costs of goods and services procured for the Project in accordance with the terms and conditions of this Agreement by submitting to A.I.D. such supporting documentation as A.I.D. may prescribe in Implementation Letters. A.I.D. shall make such disbursements from local currency of Jamaica owned by the United States Government and obtained by A.I.D. with United States dollars. The United States dollar equivalent of the local currency made available hereunder will be the amount of United States dollars required by A.I.D. to obtain the local currency of Jamaica.

SECTION 7.03. Other Forms and Disbursement. Disbursements of the Loan may also be made through such other means as Borrower and A.I.D. may agree to in writing.

SECTION 7.04. Procedure for and Date of Disbursement. Disbursements by A.I.D. shall be deemed to occur, (a) in the case of disbursements pursuant to Section 7.01, on the date on which A.I.D. makes a disbursement to Borrower, to its designee, or to a banking institution pursuant to a Letter of Commitment and (b) in the case of disbursements pursuant to Section 7.02 on the date on which A.I.D. disburses the local currency to Borrower or its designee.

SECTION 7.05. Terminal Date for Disbursement. Except as A.I.D. may otherwise agree in writing, no Letter of Commitment, or other commitment documents which may be called for by another form of disbursement under Section 7.03, or amendment thereto, shall be issued in response to requests received by A.I.D. after 42 months from the date of this Agreement, and no disbursement shall be made against documentation received by A.I.D. or any bank described in Section 7.01 after 48 months from the date of this Agreement. A.I.D., at its option, may at any time or times after 48 months from the date of this Agreement reduce the Loan by all or any part thereof for which documentation was not received by such date.

ARTICLE VIII

Cancellation and Suspension

SECTION 8.01. Cancellation by Borrower. Borrower may, with the prior written consent of A.I.D., cancel any part of the Loan (i) which, prior to the giving of such notice, A.I.D. has not disbursed or committed itself to disburse, or (ii) which has not then been utilized through the issuance of irrevocable Letters of Credit or through bank payments made other than under irrevocable Letters of Credit.

SECTION 8.02. Events of Default; Acceleration. If any one or more of the following events ("Events of Default") shall occur:

- (a) Borrower shall have failed to pay when due any interest or installment of Principal required under this Agreement;
- (b) Borrower shall have failed to comply with any other provision of this Agreement, including, but without limitation, the

obligation to carry out the Project with due diligence and efficiency; or

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

SECTION 8.03. Suspension of Disbursement. In the event that at any time:

- (a) an Event of Default has occurred;
- (b) an event occurs that A.I.D. determines to be an extraordinary situation that makes it improbable either that the purpose of the Loan will be attained or that Borrower will be able to perform its obligations under this Agreement; or
- (c) any disbursement by A.I.D. would be in violation of the legislation governing A.I.D.; then, A.I.D. may at its option:
 - (i) suspend or cancel outstanding commitment documents to the extent that they have not been utilized through the issuance of irrevocable Letters of Credit or through bank payments made other than under irrevocable Letters of Credit, in which event A.I.D. shall give notice to the Borrower promptly thereafter;
 - (ii) decline to make disbursements other than under outstanding commitment documents;
 - (iii) decline to issue additional commitment documents;
 - (iv) at A.I.D.'s expense, direct that title to goods financed under the Loan shall be transferred to A.I.D. if the goods are from a source outside Jamaica, are in a deliverable state and have not been offloaded in ports of entry for Jamaica. Any disbursement made or to be made under the Loan with respect to such transferred goods shall be deducted from Principal.

SECTION 8.04. Cancellation by A.I.D. Following any suspension of disbursement pursuant to Section 8.03, if the cause or causes for such suspension of disbursements shall not have been eliminated or corrected within sixty (60) days from the date of such suspension, A.I.D. may, at its option, at any time or times thereafter, cancel all

or any part of the Loan that is not then either disbursed or subject to irrevocable Letters of Credit.

SECTION 8.05. Continued Effectiveness of Agreement. Notwithstanding any cancellation, suspension of disbursement, or acceleration of repayment, the provisions of this Agreement shall continue in full force and effect until the payment in full of all Principal and any accrued interest hereunder.

SECTION 8.06. Refunds.

- (a) In the case of any disbursement not supported by valid documentation in accordance with the terms of this Agreement, or of any disbursement not made or used in accordance with the terms of this Agreement, A.I.D. notwithstanding the availability or exercise of any of the other remedies provided for under this Agreement, may require Borrower to refund such amount in United States dollars to A.I.D. within thirty (30) days after receipt of a request therefor. Such amount shall be made available first for the cost of goods and services procured for the Project hereunder to the extent justified; the remainder, if any, shall be applied to the installments of Principal in the inverse order of their maturity thereby effecting a reduction of the amount of the Loan by the amount of such remainder. Notwithstanding any other provision in this Agreement, A.I.D.'s right to require a refund with respect to any disbursement under the Loan shall continue for five (5) years following the date of such disbursement.
- (b) In the event that A.I.D. receives a refund from any contractor, supplier, or banking institution, or from any other third party connected with the Loan, with respect to goods or services financed under the Loan, and such refund relates to an unreasonable price for goods or services or to goods that did not conform to specifications, or to services that were inadequate, A.I.D. shall first make such refund available for the cost of goods and services procured for the Project hereunder, to the extent justified, the remainder to be applied to the installments of Principal in the inverse order of their maturity thereby effecting a reduction of the amount of the Loan by the amount of such remainder.

SECTION 8.07. Expenses of Collection. All reasonable costs incurred by A.I.D. other than salaries of its staff, in connection with the collection of any refund or in connection with amounts due Lender by reason of the occurrence of any of the events specified in Section 8.02 may be charged to Borrower and shall be reimbursed to Lender by the Borrower in such manner as A.I.D. may specify.

SECTION 8.08. Nonwaiver of Remedies. No reasonable delay in exercising or omission to exercise any right, power, or remedy accruing to A.I.D. under this Agreement shall be construed as a waiver of any of such rights, powers, or remedies.

ARTICLE IX

Miscellaneous

SECTION 9.01. Communications. Any notice, request, document, or other communication given, made, or sent by Borrower or A.I.D. pursuant to this Agreement shall be in writing or by telegram, cable, or radiogram and shall be deemed to have been duly given, made, or sent to the party to which it is addressed when it shall be delivered to such party by hand or mail, telegram, cable, or radiogram at the following address:

To BORROWER:

Mail Address: Ministry of Finance
30 National Heroes Circle
Kingston, Jamaica

Cable Address: Ministry of Finance

Mail Address: Ministry of Education
2 National Heroes Circle
Kingston, Jamaica

Cable Address: MINED

To LENDER:

Mail Address: Associate Assistant Administrator
Office of Development Resources
Bureau for Latin America
Department of State
Washington, D.C.

Cable Address: AID, LA/DR
Washington, D.C.

Borrower, in addition, shall provide the USAID Mission in Jamaica with a copy of each communication sent to A.I.D. All notices, requests, communications, and documents submitted to A.I.D. hereunder shall be in English.

SECTION 9.02. Representatives. For all purposes relative to this Agreement, Borrower will be represented by the Minister responsible for Finance, and A.I.D. will be represented by the individual holding or acting in the office of Associate Assistant Administrator, Office of Development Resources (LA/DR). Such individuals shall have the authority to designate additional representatives by written notice. In the event of any replacement or other designation of a representative hereunder, Borrower shall submit a statement of the representative's name and a specimen signature in form and substance satisfactory to A.I.D. Until receipt by A.I.D. of written notice of revocation of the authority of the duly authorized representatives of the Borrower designated pursuant to this Section, it may accept the signature of any such representative or representatives on any instrument as conclusive evidence that any action effected by such instrument is duly authorized.

SECTION 9.03. Implementation Letters. A.I.D. shall from time to time issue Implementation Letters that will prescribe the procedures applicable hereunder in connection with the implementation of this Agreement. Nothing in such letters shall alter the terms of this Agreement.

SECTION 9.04. Promissory Notes. At such time or times as A.I.D. may request, Borrower shall issue promissory notes or such other evidence or indebtedness with respect to the Loan, in such form, containing such terms and supported by such legal opinion as A.I.D. may reasonably request.

SECTION 9.05. Termination Upon Full Payment. Upon repayment in full of the Principal and payment of all accrued interest, this Agreement and all obligations of Borrower and A.I.D. under this Loan Agreement shall terminate.

IN WITNESS WHEREOF BORROWER AND THE UNITED STATES OF AMERICA, each acting through its respective duly authorized representatives, have caused this Agreement to be signed in their names and delivered as of the day and year first above written.

FOR THE GOVERNMENT OF
JAMAICA

DAVID H. COORE

David H. Coore
Minister of Finance

FOR THE GOVERNMENT OF
THE UNITED STATES OF
AMERICA

CHARLES P. CAMPBELL

Charles P. Campbell
AID Affairs Officer

ANNEX I

Jamaica Rural Education Sector Loan

I. PROJECT DESCRIPTION

The Project consists of a program within the Jamaican educational system designed to assist in upgrading formal and non-formal education relevant to rural living and employment, and to provide facilities, equipment, training, Technical Assistance and improve management, planning, research and development capabilities in support of this effort. The specific program elements include:

- (a) Continuing education activities directed toward providing non-formal education opportunities under a program designed to benefit the rural population;
- (b) Rural Primary education activities designed to assist in improving rural school facilities and developing experimental models to increase quality and relevance of primary education to the rural environment;

- (c) Rural Secondary education activities designed to assist in developing facilities and programs for vocational training in the agricultural field;
- (d) Teacher Training activities designed to assist in upgrading and expanding the teaching resources needed to support the priorities in rural education, and;
- (e) Management, Planning, research and development activities in support of the sector program.

Project activities will be described in detail in Implementation Plans and other documents agreed to by AID and GOJ pursuant to the Loan Agreement. However, the following are the main activities expected to be undertaken in support of the Project elements enumerated above. (The financial components are summarized in Tables 1 and 2.)

A. CONTINUING EDUCATION

(i) Establish three Regional Rural Development Centers utilizing the facilities and staff which form an integral part of the regional agricultural/vocational institutions (described further under Section C to be established under this Project).

These centers will serve in an administrative and supervisory as well as direct operational support role in connection with the sub-centers described below by providing intensive short courses for sub-center trainees, extension workers, school teachers, and community leaders. They will co-ordinate their activities with other institutions and agencies involved in carrying out GOJ national policies in education, human resources and community development aspects of rural national development efforts.

(ii) The creation of a minimum of eighteen and up to thirty sub-centers by renovating and modernizing existing primary schools. The sub-centers will offer afternoon, evening and weekend courses, seminars, workshops, community meetings, social and civic meetings, recreational programs and other such educational opportunities to rural residents of the respective immediate areas.

(iii) Technical assistance, training, materials and equipment in support of the Regional Rural Development Centers and sub-centers.

(iv) A community development matching funds program, operated through the above sub-centers and designed to further community participation through the provision of non-formal education programs intended to meet local needs.

B. RURAL PRIMARY EDUCATION

(i) Curriculum Design—The Ministry of Education, with technical assistance provided under the Project, will continue to develop meaningful curriculum methods and materials for rural primary schools to be evaluated in the experimental rural primary schools identified in connection with the Project. This will be a coordinated

effort between the curriculum research, evaluation, media and materials groups operating from the "Educational Development and Demonstration Center" described further under Section D (i).

(ii) Experimentation—a minimum of three and up to six rural primary schools will be identified for the purposes of carrying out experimental programs under the Project. The schools selected will be renovated and remodeled if necessary but will not differ materially from the typical Jamaican rural school. It is intended that up to three of these schools will be included within the sub-centers mentioned at A above.

(iii) Maintenance, Renovation, Remodeling and Modernization of Rural Schools—

(a) Technical assistance will be provided as appropriate under the Project to:

(1) advise and assist the Ministry of Education maintenance department on updating an inventory survey of existing facilities;

(2) develop techniques readily adaptable at local levels for the improvement of existing facilities, as well as develop operating procedures and efficient ways of delivering this information to local school districts; and

(3) develop a training program designed to improve the ongoing maintenance program for required school repairs.

(b) As an essential complementary element to the above, the Project will provide for maintenance funds to assist in financing the normal maintenance of selected rural schools.

(c) Funds will be provided for the remodeling and renovation of the sub-centers for continuing education as described in Section A (ii) and the experimental schools element of the primary education program mentioned in Section B (ii), above.

(d) Initial electrification of approximately twenty-five rural schools with highest priority needs through the provision of diesel generators, with special consideration to be given to generator maintenance. As permanent electrification is achieved in each respective school, such generators will be transferred to the next highest priority schools. Funds will also be provided for the wiring and electrical connection of schools within the project and others within easy reach of the national electricity grid.

C. RURAL SECONDARY EDUCATION

The expansion of secondary vocational education facilities, including technical assistance training, construction and equipment will be accomplished by the expansion of existing facilities at the Jamaica School of Agriculture and the construction of two facilities, all designed to increase the enrollment by 700 places. These facilities will be in support of the integrated rural development programme described in Section A above.

D. TEACHER EDUCATION

(i) The creation of an Education Development Program, including technical assistance and training, which has as its objective the qualitative improvement of Jamaican teacher training, upgrading of curricula, materials, methods and other factors necessary to improve the educational delivery system. The program will be located at an "Educational Development and Demonstration Center," which will be located at a site renovated and equipped to perform the above duties.

(ii) The construction of a teacher training college with emphasis on rural/non-formal education, including technical assistance and training costs, with an enrollment of approximately 300 students.

E. MANAGEMENT, PLANNING, RESEARCH AND DEVELOPMENT

The Project will finance technical and capital assistance costs of improving the Ministry of Education's management, planning, research and evaluation and budgeting capabilities through the provision of appropriate technical assistance, equipment, and materials, training programs, and remodeling and modernization of selected buildings to be utilized under the Project.

II. PROJECT ADMINISTRATION AND IMPLEMENTATION

The administration of the Project will be carried out by the Ministry of Education, which will maintain direction, policy, guidance and co-ordination of other activities under the Project through a Project Advisory Committee (PAC), to include the Permanent Secretary of the Ministry of Education (Chairman), Chief Education Planner, Chief Education Officer, Director of Projects Division, Director of Finance, Director of Management Services, Chief Architect, USAID/Educational Advisor (ex-officio) and such other advisors as the Ministry of Education may deem necessary. Membership of the PAC may be modified as necessary by mutual agreement between the Government of Jamaica and AID.

Reporting to the Project Advisory Committee (PAC), will be the Project Division of the Ministry of Education which will handle the administration and co-ordination of activities of the Project. This Division will be staffed appropriately to carry out the activities and functions of the loan satisfactorily, and its specific responsibilities will include—

(a) obtaining the data and information necessary to expedite the submission of material to AID in satisfaction conditions precedent, covenants and other requirements of the loan;

(b) preparing the master plan and the detailed annual implementation plans;

(c) initiating, co-ordinating and obtaining GOJ approvals for contracts, procurement, disbursement requests and other such functions assigned to it under the project;

(d) preparing regular reports as well as the agenda and document for the periodic joint GOJ/AID meeting provided for under the loan.

Project progress will be measured on the basis of actual accomplishments in relation to each Annual Implementation Plan. During each year of the Project an annual review shall be held to determine the extent of progress and to identify corrective measures for areas of weakness under the Project. Other, less formal reviews will be held from time to time by the parties charged with implementing the Project.

III. FINANCIAL AND DISBURSEMENT PLAN

The total estimated cost of the four year Project is U.S. \$20.2 million. The AID loan of \$9.1 million is expected to finance approximately 45% of the total costs, and the Government of Jamaica's minimum contribution in the equivalent of U.S. \$11.1 million will finance approximately 55% of the total Project costs. The Financial Plan for the Project, by Area of Activity and by Component (Table 1), and the Capital Cost Budget (Table 2) may be modified in writing by mutual agreement, in accordance with Project requirements.

Disbursements for U.S. dollar costs for procurement of commodities and services under the Project will be accomplished through Letters of Commitment; by direct payment, or through other normal AID procedures, as appropriate.

Reimbursement of local currency costs for eligible items will be accomplished by disbursements from local currency owned by the United States and obtained by AID with United States dollars. Payment will be based on reimbursement of AID's pro-rata share of actual local currency expenses incurred by the Government of Jamaica as set forth in Tables 1 and 2.

Reimbursement will occur on the basis of the account statements and by such other documentation as may be agreed to by AID and GOJ, bearing in mind the varied nature of sub-project activities. This process will be repeated until AID's maximum contribution to each project element has been reached.

AID will limit its capital contribution for each construction/renovation activity to the amounts stated in Table 2. Reimbursement will be based on actual costs not to exceed this fixed amount. Costs in excess of this amount will be funded by the GOJ.

FINANCIAL PLAN BY AREA OF ACTIVITY AND BY COMPONENT

(Figures in US\$000)

| | Continuing Education | | Rural Primary | | Rural Secondary | | Teacher Education | | Management Development | | Total | |
|-----------------------------|----------------------|-----|---------------|-------|-----------------|-------|-------------------|-----|------------------------|-------|-------|--------|
| | GOJ | AID | GOJ | AID | GOJ | AID | GOJ | AID | GOJ | AID | GOJ | AID |
| | | | | | | | | | | | | |
| CAPITAL CONTRIBUTION | | | | | | | | | | | | |
| A. Land | 75 | | 250 | | 50 | | 160 | | 535 | | | |
| B. Construction | 252 | | 3,637 | 2,913 | 1,587 | 1,299 | 120 | 98 | 5,344 | 4,562 | | |
| C. Major Equipment | 11 | | 275 | 1,392 | 544 | | | | 40 | | 2, | 262 |
| Sub-Total | 75 | 263 | 275 | 3,887 | 4,305 | 1,637 | 1,843 | 280 | 138 | 5,879 | 6,824 | |
| Contingency 10% | | | 364 | 291 | 159 | 130 | 12 | 10 | 535 | 431 | | |
| Sub-Total | 75 | 263 | 275 | 4,251 | 4,596 | 1,796 | 1,973 | 292 | 148 | 6,414 | 7,255 | |
| Total Capital | | | | | | | | | | | | 13,669 |

FINANCIAL PLAN BY AREA OF ACTIVITY AND BY COMPONENT—Continued

| | GOJ | AID | GOJ | AID | GOJ | AID | GOJ | AID | GOJ | AID | GOJ | AID | Total |
|---------------------------------|----------------------|---------------|-----------------|-----|-------|-------|-------------------|-------|------------------------|-----|--------|-------|-------|
| | Continuing Education | Rural Primary | Rural Secondary | | | | Teacher Education | | Management Development | | | | Total |
| NON-CAPITAL CONTRIBUTION | | | | | | | | | | | | | |
| D. Technical Assistance | 97 | | | | | | 160 | | 220 | | 150 | | 627 |
| E. Participant Training | 65 | | | | | | 70 | | 127 | | 106 | | 368 |
| F. Materials & Supplies | 90 | | | | 45 | | | | | | 20 | | 155 |
| G. Research | | | | | | | | | 240 | | | | 240 |
| H. Funds Contribution | 55 | 110 | 150 | 345 | | | | | | | | | 455 |
| I. Personnel | 530 | | 150 | | 700 | | 275 | | 125 | | 205 | | |
| J. Admin/Operating Costs | 328 | | 130 | | 1,467 | | 589 | | 187 | | 1,780 | | |
| Sub-Total | 913 | 362 | 430 | 390 | 2,167 | 230 | 864 | 587 | 312 | 276 | 4,686 | 1,845 | |
| Total—Non-Capital | | | | | | | | | | | 6,531 | | |
| Total—Contributions | 988 | 625 | 430 | 665 | 6,418 | 4,826 | 2,660 | 2,560 | 604 | 424 | 1,100 | 9,100 | |
| Total Program | | | | | | | | | | | 20,200 | | |

Note: AID's Capital Contribution may be decreased and utilized to increase AID's Non-Capital Contribution, provided that AID's contribution to each project element is not varied by more than ten percent (10%) and that the total variation among elements would not exceed \$910,000.

(Figures in US\$000)

| | | GOJ | AID | Total |
|---|---------|---------------|---------------|----------------|
| A. Continuing Education | | | | |
| Subcenters & Experimental Schools (Modifications to 18 primary schools including up to 3 Experimental Schools). | Land | 75 | | 75 |
| | Constr. | | 252 | 252 |
| | Equip. | | 11 | 11 |
| | | <u>75</u> | <u>263</u> | <u>338</u> |
| B. Rural Primary | | | | |
| Electrification Programs | | | | |
| Generators | | | 65 | 65 |
| Service/Maintenance | | | 20 | 20 |
| Installation | | | 20 | 20 |
| Wiring | | | 130 | 130 |
| Connecting | | | 40 | 40 |
| | Equip. | | <u>275</u> | <u>275</u> |
| C. Rural Secondary | | | | |
| Two Agricultural Vocational Schools (RRDCs). | Land | 200 | | 200 |
| | Constr. | 3, 559 | 2, 913 | 6, 472 |
| | Equip. | | 1, 331 | 1, 331 |
| | | <u>3, 759</u> | <u>4, 244</u> | <u>8, 003</u> |
| Jamaica School of Ag. | Land | 50 | | 50 |
| | Constr. | 78 | | 78 |
| | Equip. | | 61 | 61 |
| | | <u>128</u> | <u>61</u> | <u>189</u> |
| D. Teacher Education | | | | |
| Teacher Training College | Land | 50 | | 50 |
| | Constr. | 1, 587 | 1, 299 | 2, 886 |
| | Equip. | | 544 | 544 |
| | | <u>1, 637</u> | <u>1, 843</u> | <u>3, 480</u> |
| E. Management Development | | | | |
| EDDC at Caenwood | Land | 160 | | 160 |
| | Constr. | 120 | 98 | 218 |
| | Equip. | | 40 | 40 |
| | | <u>280</u> | <u>138</u> | <u>418</u> |
| Sub-Total | | 5, 879 | 6, 824 | 12, 703 |
| Contingency 10% on Construction (C.D. & E). | | 535 | 431 | 966 |
| Total | | 6, 414 | 7, 255 | 13, 669 |

TIAS 9160

[AMENDING AGREEMENT]

A.I.D. Loan Number 532-V-009

ALLIANCE FOR PROGRESS
LOAN AGREEMENT AMENDMENT
BETWEEN
THE GOVERNMENT OF JAMAICA
AND THE
UNITED STATES OF AMERICA
FOR THE
RURAL EDUCATION SECTOR LOAN

Dated: NOVEMBER 25, 1977

Loan agreement amendment dated November 25, 1977 between THE GOVERNMENT OF JAMAICA ("Borrower") and THE UNITED STATES OF AMERICA acting through THE AGENCY FOR INTERNATIONAL DEVELOPMENT ("A.I.D.").

ARTICLE 1

The Loan

SECTION 1.01. The Loan as Amended. A.I.D. agrees to lend to the Borrower in furtherance of the Alliance for Progress and pursuant to the Foreign Assistance Act of 1961, as amended, an additional amount not to exceed Two MILLION ONE HUNDRED THOUSAND UNITED STATES DOLLARS (\$2,100,000) to further assist Borrower in carrying out the Project (as amended) referred to in Section 1.02 ("Project"). This amount is hereby added to the amount of the original loan agreement (as signed on November 13, 1975) of NINE MILLION ONE HUNDRED THOUSAND UNITED STATES DOLLARS (\$9,100,000) for a new loan total amount of ELEVEN MILLION Two HUNDRED THOUSAND UNITED STATES DOLLARS (\$11,200,000). The Loan, as amended, shall be used exclusively to finance foreign exchange costs of goods and services required for the Project ("Dollar Costs") and local currency costs of goods and services required for the Project ("Local Currency Costs").

SECTION 1.02. The Project As Amended. This \$2.1 million amendment to the Rural Education Sector Loan will provide additional non-capital and capital resources to permit Jamaica's Ministry of Education (MINED) to carry out an integrated educational program aimed at the rural areas. Activities in each of the program's five major components—Continuing Education, Rural Primary Education, Rural Secondary Education, Teacher Education and Management Development will be supplemented to assist in achieving the series

of objectives articulated in the 1974 Capital Assistance Paper (CAP) as revised and refined to suit Jamaica's educational strategy at the present time.

The amendment provides funding for goods and services in the following approximate amounts: an additional 50 months of technical assistance (\$280,000); 400 months of participant training (\$258,000); materials, supplies and minor equipment (\$337,000); research (\$65,000); a community development/self-help fund (\$335,000); construction (\$685,000) and equipment (\$130,000) to facilitate establishment of eighteen (18) community sub-centers, six (6) experimental primary schools and agricultural vocational secondary schools, all in rural areas, and the Educational Development and Demonstration Center.

SECTION 1.03. Provisions. The provisions controlling the funding provided pursuant to this amendment are those stated in the original Loan Agreement document signed on November 13, 1975, except as modified in Sections 1.01 and 1.02 above and the attached (amended) Annex I which is descriptive of the Project as provided for in this loan amendment.

IN WITNESS WHEREOF BORROWER AND THE UNITED STATES OF AMERICA, each acting through its respective duly authorized representatives, have caused this Loan Amendment to be signed in their names and delivered as of the day and year first above written.

GOVERNMENT OF JAMAICA

GOVERNMENT OF THE UNITED STATES OF AMERICA

By: ERIC BELL

By: FREDERICK IRVING

Eric Bell

Frederick Irving

Title: *Minister of Education*

Title: *Ambassador*

By: H G BARBER

By: DONOR M. LION

H. G. Barber

Donor M. Lion

Title: *Financial Secretary:*
For and on behalf of the
Minister of Finance and
Planning

Title: *Mission Director*
USAID Jamaica

ANNEX IJAMAICA RURAL EDUCATION SECTOR LOAN

I.

PROJECT DESCRIPTION

The Project is designed to assist in upgrading formal and non-formal education relevant to rural living and employment, and to provide facilities, equipment, training, technical assistance and improve management, planning, research and development capabilities in support of this effort. The specific program elements include:

(a) Continuing education activities providing non-formal education opportunities under a program designed to benefit the rural population;

(b) Rural Primary education activities to assist in improving rural school facilities and developing experimental models to increase quality and relevance of primary education to the rural environment;

(c) Rural Secondary education activities to assist in developing facilities and programs for vocational training in the agricultural field;

(d) Teacher Training activities to assist upgrading and expanding the teaching resources needed to support the priorities in rural education, and;

(e) Management, Planning, research and development

activities in support of the sector program.

Project activities will be described in detail in Implementation Plans and other documents agreed to by AID and GOJ pursuant to the Loan Agreement. However, the following are the main activities expected to be undertaken in support of the Project elements enumerated above. (The financial components are summarized in Tables 1 and 2.)

A. CONTINUING EDUCATION

(i) Establish three Regional Rural Development Centers utilizing the facilities and staff which form an integral part of the regional agricultural/vocational institutions (described further under Section C to be established under this Project).

These centers will serve in an administrative and supervisory as well as direct operational support role in connection with the sub-centers described below by providing intensive short courses for sub-center trainees, extension workers, school teachers, and community leaders. They will co-ordinate their activities with other institutions and agencies involved in carrying out GOJ national policies in education, human resources and community development aspects of rural national development efforts.

(ii) The creation of a minimum of eighteen and up to thirty sub-centers by renovating and modernizing existing primary schools. The sub-centers will offer afternoon, evening and weekend courses, seminars, workshops, community meetings, social and civic meetings, recreational programs and other such educational opportunities to rural residences of the respective immediate areas.

(iii) Technical assistance, training, materials and equipment in support of the Regional Rural Development Centers and sub-centers.

(iv) A community development matching funds program, operated through the above sub-centers and designed to further community participation through the provision of non-formal education programs intended to meet local needs.

B. RURAL PRIMARY EDUCATION

(i) Curriculum Design - The Ministry of Education, with technical assistance provided under the Project, will continue to develop meaningful curriculum methods and materials for rural primary schools to be evaluated in the experimental rural primary schools identified in connection with the Project. This will be a coordinated effort between the curriculum research, evaluation, Media and materials groups operating from the "Educational Development and Demonstration Center" described further under Section D (i).

(ii) Experimentation - a minimum of six rural primary schools will be identified for the purposes of carrying out experimental programs under the project. The schools selected will be renovated and remodelled if necessary but will not differ materially from the typical Jamaican rural school.

(iii) Maintenance, Renovation, Remodeling and Modernization of Rural Schools -

a) Technical assistance will be provided as appropriate under the Project to:

1) advise and assist the Ministry of Education's maintenance department on updating an inventory survey of existing facilities;

2) develop techniques readily adaptable at local levels for the improvement of existing facilities, as well as develop operating procedures and efficient ways of delivering this information to local school districts; and

3) develop a training program designed to improve the ongoing maintenance program for required school repairs.

b) As an essential complementary element to the above, the Project will provide for maintenance funds to assist in financing the normal maintenance of the selected rural schools.

c) Funds will be provided for the remodeling and renovation

of the sub-centers for continuing education as described in Section A (ii) and the experimental schools element of the primary education program mentioned in Section B (ii), above.

d) Initial electrification of approximately twenty-five rural schools with highest priority needs through the provision of diesel generators, with special consideration to be given to generator maintenance. As permanent electrification is achieved in each respective school, such generators will be transferred to the next highest priority schools. Funds will also be provided for the wiring and electrical connection of schools within the project and others within the project and others within easy reach of the national electricity grid.

C. RURAL SECONDARY EDUCATION

(i) Development of programs and curriculum aimed at making agricultural vocational education more relevant to rural Jamaica.

(ii) Construction of two new agricultural vocational secondary schools and expansion of a third school at Dinthill all designed to increase enrollment by 700 places. These secondary schools will also function at the Regional Rural Development Centers described in Section A above.

(iii) Technical assistance, training, materials and equipment in support of the agricultural secondary school programs.

D. TEACHER EDUCATION

(i) The creation of an Education Development Program, which has as its objective qualitative improvement of Jamaican teacher training, upgrading of curricula, materials, methods and other factors necessary to improve the educational delivery system. The program will be located at the Educational Development and Demonstration Center.

(ii) The construction of a teacher training college with emphasis on rural/non-formal education and an enrollment of approximately 300 students.

(iii) Technical assistance, training, materials and equipment in support of the teacher education program.

E. MANAGEMENT, PLANNING, RESEARCH AND DEVELOPMENT

This project will finance non-capital and capital assistance costs of improving the Ministry of Education's management, planning, research and evaluation and budgeting capabilities through the provision of appropriate technical assistance, equipment, and materials, training programs, and construction of an Educational Development and Demonstration Center.

III. PROJECT ADMINISTRATION AND IMPLEMENTATION

The administration of the Project will be carried out by the Ministry of Education, which will maintain direction, policy, guidance and coordination of the other activities under the project through the project Advisory Committee (PAC), to include the Permanent Secretary of the Ministry of Education (Chairman), Chief Education Planner, Chief Education Officer, Director of Projects Division, Director of Finance, Director of Management Services, Chief Architect, USAID/Educational Advisor (ex-officio) and such other advisors as the Ministry of Education may deem necessary. Membership of the PAC may be modified as necessary by mutual agreement between the Government of Jamaica and AID.

Reporting to the Project Advisory Committee (PAC), will be the Projects Division of the Ministry of Education which will handle the administration and coordination of activities of the Project. This Division will be staffed appropriately to carry out the activities and functions of the loan satisfactorily, and its specific responsibilities will include -

a) obtaining the data and information necessary to expedite the submission of material to AID in satisfaction of conditions precedent, covenants and other requirements of the loan;

- b) preparing the master plan and the detailed annual implementation plans;
- c) initiating, coordinating and obtaining GOJ approvals for contracts, procurement, disbursement requests and other such functions assigned to it under the project;
- d) preparing regular reports as well as the agenda and document for the periodic joint GOJ/AID meeting provided for under the loan.

Project progress will be measured on the basis of actual accomplishments in relation to each Annual Implementation Plan. During each year of the project an annual review shall be held to determine the extent of progress and to identify corrective measures for areas of weakness under the Project. Other, less formal reviews will be held from time to time by the parties charged with implementing the Project.

III. FINANCIAL AND DISBURSEMENT PLAN

The total estimated cost of the four year Project is U.S. \$22.3 million. The AID loan of \$11.2 million is expected to finance approximately 50% of the total costs, and the Government of Jamaica's minimum contribution is the equivalent of U.S. \$11.1 million will finance 50% of the total project costs.

The Financial Plan for the project, by Area of Activity and by Component (Table 1), and the Capital Cost Budget (Table 2) may be modified in writing by mutual agreement, in accordance with Project requirements.

Disbursements for U.S. dollar costs for procurement of commodities and services under the Project will be accomplished through Letters of Commitment; by direct payment, or through other normal AID procedures, as appropriate.

Reimbursement of local currency costs for eligible items will be accomplished by disbursements from local currency owned by the United States and obtained by AID with United States dollars. Payment will be based on reimbursement of AID's pro-rata share of actual local currency expenses incurred by the Government of Jamaica as set forth in Tables 1 and 2.

Reimbursement will occur on the basis of the account statements and by such other documentation as may be agreed to by AID and GOJ, bearing in mind the varied nature of sub-project activities. This process will be repeated until AID's maximum contribution to each project element has been reached.

AID will limit its capital contribution for each construction/renovation activity to the amounts stated in Table 2. Reimbursement will be based on actual costs not exceeded this fixed amount. Costs in excess of this amount will be funded by the GOJ.

TABLE 1
FINANCIAL PLAN - TOTAL PROGRAM
(US \$ 000)

| | CONTINUING EDUCATION GOJ | AID | RURAL PRIMARY GOJ | AID | RURAL SECONDARY GOJ | AID | TEACHER EDUCATION GOJ | AID | MANAGEMENT DEVELOPMENT GOJ | AID | TOTAL GOJ | AID |
|---|--------------------------------|-----|-------------------------|------|---------------------------|------|-----------------------------|------|----------------------------------|------|--------------|-------|
| <u>Capital Contribution</u> | | | | | | | | | | | | |
| Land and Construction | 75 | 312 | - | 110 | 3887 | 3013 | 1637 | 1299 | 280 | 523 | 5879 | 5257 |
| Major Equipment | | 46 | - | 275 | - | 1447 | - | 544 | - | 80 | - | 2392 |
| Sub-total | 75 | 358 | - | 385 | 3887 | 4460 | 1637 | 1843 | 280 | 603 | 5879 | 7649 |
| Contingency | - | - | - | 364 | 291 | 159 | 130 | 12 | 10 | 535 | 431 | |
| Sub-total | 75 | 358 | - | 385 | 4251 | 4751 | 1796 | 1973 | 292 | 613 | 6414 | 8080 |
| Total Capital | | | | | | | | | | | | 14494 |
| <u>Non-Capital Contribution</u> | | | | | | | | | | | | |
| Technical Assistance | - | 147 | - | 150 | - | 210 | - | 220 | - | 180 | - | 907 |
| Training | - | 100 | - | 60 | - | 200 | - | 127 | - | 139 | - | 626 |
| Materials, Supplies and Minor Equipment | - | 163 | - | 85 | - | 74 | - | 60 | - | 110 | - | 492 |
| Research | - | - | - | - | - | - | - | - | - | 305 | - | 305 |
| Funds Contribution | 55 | 225 | 120 | 455 | 30 | 110 | - | - | - | - | 205 | 790 |
| Personnel | 530 | - | 150 | - | 700 | - | 275 | - | 125 | - | 1780 | - |
| Admin/Operating Costs | 328 | - | 130 | - | 1467 | - | 589 | - | 187 | - | 2701 | - |
| Sub-total | 913 | 635 | 400 | 750 | 2197 | 594 | 864 | 407 | 312 | 734 | 4686 | 3120 |
| Total Non-Capital Contributions | 988 | 993 | 400 | 1135 | 6448 | 5345 | 2660 | 2380 | 604 | 1347 | 11100 | 11200 |

NOTE: AID's Capital Contribution may be decreased and utilized to increase AID's Non-Capital Contribution, provided that AID's contribution to each project element is not varied by more than ten percent (10%) and that the total variation among elements would not exceed \$1,120,000.

TABLE 2

| CAPITAL COST BUDGET (Figures in US\$000) | | | |
|---|---------------------|--------------|--------------|
| | | GOJ | AID |
| | | | TOTAL |
| A. CONTINUING EDUCATION | | | |
| Subcenters & Experimental Schools (Modifications to 18 primary schools including up to 3 Experimental Schools) | Land & Constr Equip | 75 46 | 312 46 |
| | | 75 | 358 |
| | | | 433 |
| B. RURAL PRIMARY | | | |
| Construction Program | - | | 110 |
| Electrification Program | | | 110 |
| Generators | - | | 65 |
| Service/Maintenance | - | | 20 |
| Installation | - | | 20 |
| Wiring | - | | 130 |
| Connecting | - | | 40 |
| | Equip | | 385 |
| | | | 385 |
| C. RURAL SECONDARY | | | |
| Two Agricultural Vocational Schools (RRDCs) | Land & Constr Equip | 3759 1331 | 2913 1331 |
| | | 3759 | 4244 |
| | | | 8003 |
| Dinthill | Land & Constr Equip | 128 128 | 100 116 |
| | | 128 | 216 |
| | | | 344 |
| D. TEACHER EDUCATION | | | |
| Teacher Training College | Land & Constr Equip | 1637 1637 | 1299 544 |
| | | 1637 | 1843 |
| | | | 3480 |
| E. MANAGEMENT DEVELOPMENT | | | |
| EDDC at Caenwood | Land & Constr Equip | 280 280 | 523 80 |
| | | 280 | 603 |
| | | | 883 |
| SUB-TOTAL | | 5879 | 7649 |
| Contingency on Construction (C.D. & E) | | 535 | 431 |
| TOTAL | | 6414 | 8080 |
| | | | 14494 |

REPUBLIC OF KOREA
Development of Korea Standards Research Institute

*Agreement extending the memorandum of understanding of
December 19, 1975 and January 15, 1976.*

Effectuated by exchange of letters.

*Signed at Seoul and Washington October 24 and December 12,
1977 and January 6, 1978;
Entered into force January 6, 1978.*

The President, Korea Standards Research Institute, to the Chief,
Office of International Relations, National Bureau of Standards



한국표준연구소

서울특별시 종로구 관악동 117-561
전화번호 57-5029-7-K-1

KOREA STANDARDS RESEARCH INSTITUTE

C. P. O. Box 156 Seoul, Korea
Cable Address: SRIKO-Seoul
TEL: 57 5101 6. 57 8051 5

October 24, 1977

Mr. H. Steffen Peiser
Chief, Office of
International Relations
National Bureau of Standards
Washington, D.C. 20234
U.S.A.

Dear Mr. Peiser:

I am enclosing a copy of a letter being sent to Mr. Dennis P. Barrett of USAID/K requesting an extension of the terminal disbursement date of AID Loan No. 489-W-093^[1] through September 19, 1979. Also attached is our request to NBS for extension of the MOU.^[2] The existing MOU states that the MOU may be amended or extended for periods of two years by a simple exchange of letters establishing mutual consent.

We request your concurrence in extending the MOU to July 31, 1979 as described in the attachment.

Sincerely yours,

Zae-Quan Kim
President

Attachment: 1. Extension of the MOU.
2. Copy of letter to Mr. Barrett on the loan extension.^[3]
3. Joint Communiqué of Commerce Ministers Meeting.

cc: Mr. Barrett, USAID/K

¹ TIAS 8483; 28 UST 827.

² TIAS 8609; 28 UST 5021.

³ Not printed herein.

Subject: Extension of the MOU

A USAID Loan Agreement No. 489-W-093 was executed on September 19, 1975 for the purpose of establishing a Korean national standards system that will insure the reliability of industrial measurement. Its immediate purpose was to create a competent and scientific organization which will head and lead an effective national metrology standards system within the Republic of Korea. The organization so established was the Korea Standards Research Institute (K-SRI). The creation of this Institute was made possible through the support of the ROK Government and the loan from the United States Agency for International Development.

On January 15, 1976, a Memorandum of Understanding(MOU) was signed between the Industrial Advancement Administration (IAA) and your U.S. National Bureau of Standards(NBS), whereby the latter would provide scientific, technical and administrative assistance on a reimbursable basis to K-SRI to enhance Korea's capabilities in fields related to standardization and measurement. For ready reference, the following provisions of the MOU are quoted (please refer to pages 2 and 3):

"Assistance may be given by NBS or there may be NBS/KSRI cooperative activities in the following areas:

1. Advice on the design and construction of K-SRI's laboratories.
2. Advice on procurement of equipment and instruments, in accordance with established policies.

TIAS 9161

3. Technical consultation on K-SRI staff recruitment and training in the U.S.
4. Training at NBS or at other government and private institutions.
5. Participation of K-SRI technical staff in NBS programs.
6. Technical and administrative assistance, including possibly consultation assignments of NBS staff to K-SRI and K-SRI staff to NBS.
7. Participation by NBS on the Board of Trustees of K-SRI on an honorary, non-voting membership basis.
8. Supply to K-SRI of research materials, physical standards or instruments for precise measurement or quality control.
9. Any other NBS services.
10. Advice and assistance to K-SRI on the design and implementation of an evaluation program."

There has been outstanding progress in achieving the tasks called for under the MOU. It is expected that some of the individual project areas will be achieved well in advance and definitely before the end of the loan period. Overseas recruitment of the research staff and procurement of major

research equipment is hoped to be completed by the end of the loan period. Along these lines however, it is recognized that there is a need for continued technical and administrative assistance from NBS. Given the assumption that even if the research staff are settled on their respective tasks within K-SRI, it is foreseen that they still need technical and administrative guidance and advice which can only be given through the expertise of NBS staff. As for the equipment which would have been installed by Sept. 1978, technical and scientific assistance by NBS will yet have to be sought on matters regarding operation, maintenance, etc. In sum, substantial scientific, technical and administrative assistance will be required of NBS to assist K-SRI in the implementation of the project designed to establish K-SRI as a fully functioning entity. Further, it is anticipated that an approximate one-year period after the inauguration of K-SRI in September 1978 will be very crucial and during this period, frequent consultations with NBS will become essential. NBS' participation and cooperative arrangements on an honorary capacity will be helpful during this interim period.

The existing MOU is in effect until January 15, 1978. An extension may be effected by a simple exchange of letters establishing mutual consent. So that K-SRI may be assured of continued support by NBS, it is requested that the MOU be extended through July 31, 1979.

USAID/Korea has been requested to approve the use of \$137,400 (out of the original \$5 million loan) to be used by NBS, in addition to the \$300,000 already allocated as indicated in the attached budget.

In view of the above, we feel that an extension of the MOU is a necessity. The extension will give K-SRI the time it needs to be fully operational and function independently in the long term and thus help accelerate Korea's industrial and economic growth.

Adjusted Budget Plan

| <u>Project Area</u> | <u>Original MOU(\$)</u> | <u>Increase(\$)</u> | <u>New Total(\$)</u> |
|---|-------------------------|---------------------|----------------------|
| 1. Advice on the design and construction of K-SRI's laboratories | 14,400 | | 14,400 |
| 2. Advice on procurement of equipment and instruments | 28,000 | | 28,000 |
| 3. Technical consultation on K-SRI staff recruitment and training | 34,800 | | 34,800 |
| 4. Training at NBS or other USG and private institutions | 64,800 | 41,200 | 106,000 |
| 5. Participation of K-SRI technical staff in NBS programs | 62,600 | 27,500 | 90,100 |
| 6. Technical and administrative assistance including consultation | 21,600 | 41,000 | 62,600 |
| 7. Participation by NBS on Board of Trustees of K-SRI | 12,000 | 5,200 | 17,200 |
| 8. Supplies to K-SRI of SRM standards or NBS instruments | 17,800 | | 17,800 |
| 9. Any other services . . . | 18,000 | 8,500 | 26,500 |
| 10. Advice and assistance on evaluation | 26,000 | 13,700 | 39,700 |
| Sub-total | 300,000 | 137,100 | 437,100 |
| Banking Charges | 600 | 300 | 900 |
| Total | 300,600 | 137,400 | 438,000 |

*The Acting Director, National Bureau of Standards, to the President,
Korea Standards Research Institute*

UNITED STATES DEPARTMENT OF COMMERCE
NATIONAL BUREAU OF STANDARDS
WASHINGTON, D.C. 20234

DEC 12 1977

Dr. ZAE-QUAN KIM
President
Korea Standards Research Institute
C.P.O. Box 156
Seoul, Korea

DEAR DR. KIM:

I note that the Joint Communiqué of the Eighth Korea-United States Commerce Ministers Meeting dated September 30, 1977, states: "The delegations agreed that the growing ties between the National Bureau of Standards and the Korea Standards Research Institute have served to increase commercial ties between the two countries and agreed to explore the possibility of extending the cooperation arrangement between the two agencies for another two years." I am gratified that our cooperation is considered to have produced this beneficial result.

We have been informed that Mr. Dennis P. Barrett, AID Representative in Seoul, Korea, has written to the Deputy Prime Minister and Minister of the Economic Planning Board, the following: "In response to your letter of October 28, 1977, we are pleased to advise you that the Terminal Disbursement Date under Section 4.3 of the subject Loan Agreement is hereby extended for an additional one year, i.e., from September 19, 1978, to September 19, 1979."

In accordance with the Memorandum of Understanding which reads in part: "The Memorandum of Understanding may be amended or extended for periods of two years by a simple exchange of letters establishing mutual consent . . . Any extension of the period of the Memorandum of Understanding must be approved also by A.I.D.", and with your letter of October 24 requesting my concurrence, I am pleased to inform you that I hereby agree to extend the Memorandum of Understanding to July 31, 1979. This letter is routed through the Agency for International Development for its concurrence to be given by appropriate cosignature to be added to this letter.

Sincerely,
E AMBLER
Ernest Ambler
Acting Director

The Director, Office of Project Development, Bureau for Asia, Agency for International Development, to the President, Korea Standards Research Institute

DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D.C. 20523

January 6, 1978

Dr. Zae-Quan Kim
President
Korea Standards Research
Institute
CPO Box 156
Seoul, Korea

Dear Mr. Kim:

It is my pleasure on behalf of the U.S. Agency for International Development to approve extension of the Memorandum of Understanding (MOU) between the Korea Standards Research Institute and the U.S. National Bureau of Standards (NBS) to July 31, 1979. This extension is as proposed in your letter to Dr. Peiser of NBS dated October 24, 1977 and agreed to by NBS in Dr. Ambler's letter to you dated December 12, 1977.

A.I.D.'s approval of the MOU extension is made with the understanding that expenditures under the MOU which are to be financed from A.I.D. Loan 489-W-093 will not exceed a maximum amount of \$438,000 (including banking charges), as detailed in the "Adjusted Budget Plan" attached to your October 24, 1977 letter to NBS.

Sincerely yours,



Alexander R. Love
Director
Office of Project Development
Bureau for Asia

cc: NBS, Dr. E. Ambler
NBS, Mr. S. Peiser
K-SRI/NBS, Mr. C. O. Kim
USAID/Korea, Mr. E. Gales

MOROCCO

Agricultural Commodities

*Agreement signed at Rabat February 3, 1978;
Entered into force February 3, 1978.*

AGREEMENT BETWEEN THE
GOVERNMENT OF THE UNITED STATES OF AMERICA AND
THE GOVERNMENT OF THE KINGDOM OF MOROCCO FOR
THE SALE OF AGRICULTURAL COMMODITIES
UNDER THE PUBLIC LAW 480 TITLE I PROGRAM

The Government of the United States of America and the Government of the Kingdom of Morocco agree to the sale of the agricultural commodities specified below. This agreement shall consist of the Preamble, Parts I and III of the Title I Agreement signed May 17, 1976,^[1] together with the following Part II --

Part II -- Particular Provisions:

I. Commodity Table:

| <u>Commodity</u> | <u>Supply Period</u> (U. S. Fiscal Year) | <u>Approximate</u> <u>Maximum</u> <u>Quantity</u> (metric tons) | <u>Maximum</u> <u>Export</u> <u>Market Value</u> (millions \$) |
|---|---|--|---|
| Wheat/Wheat Fleur (Grain equivalent basis) | 1978 | 100,000 | 11.0 |
| Total | | | 11.0 |

II. Payment Terms: (20 Years) Dollar Credit

1. Initial payment - 20 percent.
2. Currency use payment - none.
3. Number of installment payments - 19.

¹ TIAS 8309; 27 UST 2301.

4. Balance payable - approximately equal annual installments.
5. Due date of first installment payment - two years after date of last delivery of commodities in each calendar year.
6. Interest rate - 3 percent throughout credit period.

III. Usual Marketing Table:

| <u>Commodity</u> | <u>Import Period</u> (U. S. Fiscal Year) | <u>Usual Marketing Requirement</u> |
|---|---|------------------------------------|
| Wheat/Wheat Flour (Grain equivalent basis) | 1978 | 704,000 MT |

IV. Export Limitations:

- A. The export limitation period shall be U. S. fiscal year 1978 or any subsequent U. S. fiscal year during which commodities financed under this agreement are being imported or utilized.
- B. For the purpose of Part I, Article III A(4) of the Agreement, the commodities which may not be exported are:

For wheat/wheat flour -- wheat, wheat flour, rolled wheat, semolina, farina, or bulgur (or the same product under a different name).

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 production.

B. The Government of the Kingdom of Morocco agrees to:

1. Undertake a program of applied dryland research and extension and commit agriculturists to carrying it out with emphasis on the following areas:

a. Development of production technology that is designed to increase the yields of food crops and which small farmers can use economically.

b. Development of a Moroccan capability through training of personnel to carry out dryland crop production research effectively and to extend this knowledge of food crop production practices to the farmers in the dryland area.

c. Establishment of a main research station along with an appropriate number of substations.

d. Establishment of a set of technical reports and training manuals on dryland crop production for use by extension agents.

2. Evaluate current extension programs in the rainfed areas with particular emphasis on improving the connection between the applied research program and extension services.

3. Expand the availability of factors of production needed for dryland agriculture by making agricultural credit more accessible to medium and small farmers as well as to agricultural cooperatives through the Caisse Locale du Credit Agricole (CLCA).

4. Develop a plan to expand meat production through improved range management practices including pastoral seeding, improving local breeds and assuring disease control.

5. Continue programs to achieve the urgent goal of increasing the number of qualified agricultural personnel by improving training through the system of higher agricultural education particularly the number of Moroccans trained in crop (particularly wheat) production technology and range management.

6. Using the resources of appropriate ministries, undertake studies and analyses of the existing Moroccan food system, nutrition services, nutrition needs and food habits; and design, carry out and evaluate activities and programs to improve the nutritional status of the population, particularly for the nutritionally vulnerable groups.

7. Carry out a national family planning program which will make family planning information and services conveniently available to rural and urban couples as rapidly possible; and expand its current efforts in population and family planning activities to include participation of all appropriate ministries.

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 other activities in agriculture, rural development and family planning as may be mutually agreed upon,

B. In the use of proceeds for these purposes emphasis will be placed on directly improving the lives of the poorest 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.

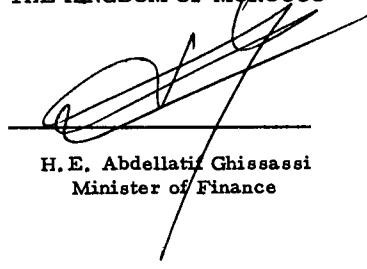
DONE at Rabat, in duplicate, this 3rd day of February, 1978.

FOR THE GOVERNMENT OF THE
UNITED STATES OF AMERICA



Robert Anderson
Ambassador of the United States
of America

FOR THE GOVERNMENT OF
THE KINGDOM OF MOROCCO



H. E. Abdellatif Ghissassi
Minister of Finance

[SEAL]

[SEAL]

CANADA

Trade: Meat Imports

*Understanding effected by exchange of letters
Signed at Washington January 16 and 23, 1978;
Entered into force January 23, 1978.*

*The Assistant Secretary of State for Economic and Business Affairs to
the Canadian Minister*

DEPARTMENT OF STATE
WASHINGTON, D.C. 20520

JANUARY 16, 1978

DEAR MR. SMITH:

This letter is to confirm the understanding regarding the reciprocal arrangement with respect to trade in beef and veal between Canada and the United States in 1978 in light of the decision of the United States Government to contain imports in 1978 of certain beef, veal, mutton and goat meat* and to enter into arrangements with the exporting countries concerned, regarding the individual level of imports from them into the United States in 1978.

The Government of Canada understands that the United States Government, in the context of the aforementioned arrangements, envisages a level of imports of such meats from Canada of up to 76.2 million pounds during the calendar year 1978. The United States Government understands that, as a consequence, and so as to avoid disruption in the Canadian market, the Government of Canada anticipates a level of imports of fresh, chilled and frozen beef and veal from the United States of up to 25.12 million pounds in 1978. If it appears, during the year, that cross-border shipments in either

* For purposes of this understanding, such meats are fresh, chilled or frozen cattle meat (Item 106.10 of the Tariff Schedules of the United States), fresh, chilled or frozen meat of goats and sheep, except lambs (Item 106.20 of the Tariff Schedules of the United States), and meats which, but for processing in foreign-trade zones, territories or possessions of the United States prior to entry, or withdrawal from warehouse, for consumption in United States Customs Territory, would fall within the above descriptions (and Items of the Tariff Schedules of the United States) upon such entry, or withdrawal from warehouse, for consumption.

direction will exceed the levels indicated above, the two Governments will enter into consultations with regard to the appropriate action to be taken in respect of trade in beef and veal which can be accommodated under their respective import programmes for 1978.

It is further agreed that the two Governments will consult in the course of 1978 with respect to trade in this sector over the longer term, in light of their desire to facilitate so far as possible unrestricted trade in these commodities.

Yours sincerely,

JULIUS L. KATZ

Julius L. Katz

*Assistant Secretary for
Economic and Business Affairs*

Mr. L.A.H. SMITH,
Minister, Embassy of Canada,
1746 Massachusetts Ave., N.W.
Washington, D.C.

*The Canadian Minister to the Assistant Secretary of State for
Economic and Business Affairs*



Canadian Embassy

Ambassade du Canada

WASHINGTON, D.C.

January 23, 1978.

Dear Mr. Katz,

This will acknowledge your letter of January 16, 1978, and confirm the understanding regarding the reciprocal arrangements with respect to trade in beef and veal between Canada and the United States Government to contain imports in 1978 of certain beef, veal, mutton and goat meat and to enter into arrangements with the exporting countries concerned regarding the individual level of imports from them into the United States in 1978.

The Government of Canada understands that the United States Government, in context of the aforementioned arrangements, envisages a level of imports of such meats from Canada of up to 76.2 million pounds during the calendar year 1978. The United States Government understands that, as a consequence, and so as to avoid disruption in the Canadian market, the Government of Canada anticipates a level of imports of fresh chilled and frozen beef and veal from the United States of up to 25.12 million pounds in 1978. If it appears during the year that cross-border shipments in either direction will exceed the levels indicated above, the two Governments will enter into consultations with regard to the appropriate action to be taken in respect of trade in beef and veal which can be accommodated under their respective import programmes for 1978.

It is further agreed that the two Governments will consult in the course of 1978 with respect to trade in this sector over the longer term in light of their desire to facilitate so far as possible unrestricted trade in these commodities.

Yours sincerely,

A handwritten signature in black ink, appearing to read "L.A.H. Smith".
L.A.H. Smith,
Minister,
(Economic).

The Hon. Julius L. Katz,
Assistant Secretary,
Bureau of Economic and Business Affairs,
The Department of State,
WASHINGTON, D.C.

MEXICO

Weather Stations

*Agreement extending the agreement of July 31, 1970,
as amended and extended.*

Effectuated by exchange of notes

Signed at México and Tlatelolco January 31, 1978;

Entered into force January 31, 1978.

*The American Ambassador to the Mexican Secretary of Foreign
Relations*

MEXICO, D. F., MEXICO January 31, 1978

No. 198

EXCELLENCY:

I have the honor to refer to the various agreements concerning the Cooperative Meteorological Observation Program between the United States of America and the United Mexican States, the most recent of which was effected by an exchange of notes dated September 3, 1974, and most recently extended by an exchange of notes dated June 30, 1977 (Embassy's Note No. 1187) and July 25, 1977 (Secretariat's Note No. 508655).[¹]

If the Government of the United Mexican States shares the view of the Government of the United States of America that continuation of the Program would be of great mutual benefit, I have the honor to propose to your Excellency that it be continued on the terms set out in the exchange of notes dated July 31, 1970, as amended in the exchange of notes dated September 3, 1974, and as further amended, as follows:

Further amend numbered paragraph 12 of the Embassy's Note No. 950 of July 31, 1970, to read:

"12. Term. This Agreement shall remain in force until July 31, 1981. Notwithstanding the foregoing, either government may terminate it at any time by giving sixty days' written notice to the other government."

¹ TIAS 6941, 7927, 8670; 21 UST 1978; 25 UST 2450; 28 UST 6094.

If the foregoing proposal is acceptable to the Government of the United Mexican States, I have the honor to propose to Your Excellency that this note and the note in which Your Excellency signifies your government's approval shall constitute a further Agreement between Mexico and the United States of America which shall become effective on the date of the note of Your Excellency's response.

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

PATRICK JOSEPH LUCEY

His Excellency

LIC. SANTIAGO ROEL,

*Secretary of Foreign Relations,
Mexico, D. F.*

The Mexican Secretary of Foreign Relations to the American Ambassador

No. 502321

ESTADOS UNIDOS MEXICANOS
SECRETARIA DE RELACIONES EXTERIORES
MEXICO

Tlatelolco, D. F., a 31 de enero de 1978.

Señor Embajador:

Tengo el honor de acusar a Vuestra Excelencia recibo de su atenta nota 198 del 31 de enero del año en curso, cuyo texto vertido al español es el siguiente:

"Tengo el honor de referirme a los diversos Acuerdos relativos al Programa de Cooperación en Materia de Observación Meteorológica entre los Estados Unidos de América y los Estados Unidos Mexicanos, el más reciente efectuado por Canje de Notas fechadas el 3 de septiembre de 1974 y cuya última prórroga se efectuó por Canje de Notas el 30 de junio de 1977 (Nota de la Embajada No. 1187) y el 25 de julio de 1977 (Nota de la Secretaría No. 508655).

Si el Gobierno de los Estados Unidos Mexicanos comparte el punto de vista del Gobierno de los Estados Unidos de América en el sentido de que la continuación del Programa sería de gran beneficio mutuo, tengo el honor de proponer a Vuestra Excelencia que éste continúe en los términos del Canje de Notas del 31 de julio de 1970, como fue enmendado por el Canje de Notas del 3 de septiembre de 1974 y adicionar una enmienda como sigue:

Enmendar el párrafo 12 de nuestra Nota No. 950 del 31 de julio de 1970, para leerse:

"12. Vigencia. Este Acuerdo estará en vigor hasta el 31 de julio de 1981. No obstante lo anterior, cualquiera de los dos Gobiernos podrá darlo por terminado en cual-

quier



Al Excelentísimo Señor
Patrick Joseph Lucey,
Embajador de los Estados Unidos de América,
México, D. F.

TIAS 9164

quier momento mediante notificación que de al otro por escrito con sesenta días de anticipación.

Si la anterior propuesta es aceptable para el Gobierno de los Estados Unidos Mexicanos, tengo el honor de proponer a Vuestra Excelencia que esta Nota y la Nota en que Vuestra Excelencia manifieste la conformidad de su Gobierno, constituyan un acuerdo adicional entre México y los Estados Unidos de América el cual entrará en vigor en la fecha de la Nota de respuesta de Vuestra Excelencia."

En respuesta, manifiesto a Vuestra Excelencia que mi Gobierno acepta la propuesta antes transcrita y, por lo tanto, está de acuerdo en considerar que la Nota 198 de Vuestra Excelencia y la presente constituyen una prórroga y una modificación del Programa de Cooperación en Materia de Observación Meteorológica suscrito entre nuestros dos Gobiernos, las cuales entrarán en vigor el día de hoy.

Aprovecho la oportunidad para renovar a Vuestra Excelencia el testimonio de mi más alta consideración.

A handwritten signature in black ink, appearing to read "S. Roy".

Translation

UNITED MEXICAN STATES
MINISTRY OF FOREIGN RELATIONS
MEXICO

No. 502321

TLATELOLCO, D.F., *January 31, 1978***MR. AMBASSADOR:**

I have the honor to acknowledge receipt of Your Excellency's note No. 198 of January 31, 1978, which, translated into Spanish, reads as follows:

[For the English language text, see pp. 5963–5964.]

In reply, I hereby inform Your Excellency that my Government accepts the foregoing proposal and therefore agrees to consider that Your Excellency's note No. 198 and this note constitute an extension and amendment of the Cooperative Meteorological Observation Program agreed to by our two Governments, which shall enter into force on the date of this note.

I avail myself of this opportunity to renew to Your Excellency the assurances of my highest consideration.

S. ROEL

HIS EXCELLENCY

Patrick Joseph Lucey,
Ambassador of the
United States of America,
Mexico, D.F.

COLOMBIA

Aviation: Jet Fuel Prices

*Memorandum of agreement signed at Bogotá
January 11, 1978;
Entered into force January 11, 1978;
Effective January 15, 1978.*

MEMORANDUM OF AGREEMENT

During the conversations held at the Ministry of Foreign Relations of Colombia on December 19 and 20, 1977, between the representative of the Government of the United States of America and officials of the Government of Colombia, accompanied by their respective advisors from the public and private sectors, the subject of the price of aviation fuel for the American companies which operate in Colombia, and more specifically the situation of Braniff International, was discussed. It was agreed that the airlines of the two countries would be treated by the two governments in this regard in a non-discriminatory manner.

The Government of the United States, interpreting Articles 7 and 8 of the Air Transport Agreement between the Government of the Republic of Colombia and the Government of the United States of America, signed on October 24, 1956,^[1] on several occasions cited the existence of discrimination in jet fuel prices in Colombia which was affecting the commercial operations of the aforementioned North American airline.

The Government of Colombia, desirous of eliminating in practice any discrepancy which could affect aviation relations between the two countries, requested the collaboration of the competent Colombian entities in the public sector and of the private air transport companies offering regular service to the United States, in order to clarify the situation cited.

As a consequence, a consultative group composed of representatives of the Government of the United States and the Government of Colombia met in Bogota on March 14, 1977, in order to analyze, among other things, the situation arising from the price differential.

¹ TIAS 5338, 6593; 14 UST 429; 19 UST 7501.

Beginning at that time, various studies were made, the results of which were communicated to the Government of the United States of America in Notes No. 4609 of September 20 and No. 5778 of December, 14, 1977. [¹]

The foregoing process resulted in the following formula of agreement:

A) The competent Colombian authorities will set a reference price of 45 cents a gallon for the United States company and 43.43 cents a gallon for operations to the United States undertaken by the Colombian companies, taking into consideration the estimated consumption of jet fuel during 1978 by the Colombian air transport companies (Avianca: 15,500,000 gallons and Aerocondor: 5,362,500 gallons) and by the United States company (Braniff: 4,100,000 gallons) on routes to and from Colombia and the United States.

B) In order to arrive at the reference price, the above mentioned airlines, with the prior authorization of the Empresa Colombiana de Petroleos (ECOPETROL), will enter into arrangements with their fuel distributors in accordance with the following principles:

1) The Colombian companies will pay a surcharge on consumption of jet fuel in Colombia for flights to the United States.

2) The North American company will make a deposit in Colombian pesos, for a period of one year, equivalent to the value of the consumption of jet fuel for one quarter. Such a deposit shall be made on January 15, 1978, and in the event that it is not made on that date, then it shall be made by April 15 at the latest, with the interest income for the first quarter paid in advance. The amount of the deposit will be calculated on the basis of the official exchange rate in existence on January 15, 1978.

C) Any increase in the price in Colombia of international jet fuel occurring during the validity of this agreement will be applied equally to the airlines of both countries.

D) The agreement between the two governments as well as the arrangements made for the supply of jet fuel will enter into effect on January 15, 1978, and will remain effective until January 15, 1979.

E) The Government of Colombia and the Government of the United States of America will revise the present agreement whenever one of the following situations occurs:

1) When the increase in the price of international fuel affects only the Colombian companies.

2) When there is a fluctuation of more than 10 percent (10%) in the estimated consumption of the North American company.

3) When a new company is authorized to provide air services between the two countries, in accordance with the 1956 Agreement.

¹ Not printed.

In witness whereof, this Memorandum of Agreement is executed in the city of Bogota on the eleventh day of January 1978.

DIEGO C. ASENCIO

Diego C. Asencio
*Ambassador Extraordinary
and Plenipotentiary*

I LIEVANO AGUIRRE

Indalecio Lievano Aguirre
Minister of Foreign Relations

REPUBLICA DE COLOMBIA
MINISTERIO DE RELACIONES EXTERIORES

MEMORANDO DE ACUERDO

En las conversaciones sostenidas durante los días 19 y 20 de diciembre de 1977 en la sede del Ministerio de Relaciones Exteriores de Colombia, entre el representante del Gobierno de los Estados Unidos de América y funcionarios del Gobierno de Colombia, acompañados de sus respectivos asesores del sector público y privado, se trató el tema del precio del combustible de aviación para las compañías estadounidenses que operan en Colombia, y más concretamente la situación de la Compañía Braniff International. Se acordó, a este respecto, que las aerolíneas de los dos países serían tratadas por los dos Gobiernos en forma no discriminatoria.

El Gobierno de los Estados Unidos interpretando lo dispuesto en los artículos 7o. y 8o. del Acuerdo sobre Transporte Aéreo entre el Gobierno de la República de Colombia y el Gobierno de los Estados Unidos de América, celebrado el 24 de octubre de 1956, en varias oportunidades adujo la existencia de una discriminación en los precios del turbocombustible en Colombia, que afectaba las operaciones comerciales de la mencionada aerolínea norteamericana.

El Gobierno de Colombia, deseoso de eliminar en la práctica cualquier discrepancia que pudiera afectar las relaciones aeronáuticas entre los dos países, solicitó de las entidades competentes colombianas del sector público, así como de las compañías privadas de transporte aéreo que prestan servicios regulares a los Estados Unidos, su colaboración para aclarar la situación aducida.

Dentro de este espíritu se reunió en Bogotá el día 14 de marzo de 1977, un grupo de consulta integrado por representantes, tanto del Gobierno de los Estados Unidos como del Gobierno de Colombia para analizar, entre otros temas, la situación presentada por el diferencial de precios.

A partir de este momento se elaboraron varios estudios, cuyos resultados fueron expuestos al Gobierno de los Estados Unidos de América en las notas número 4609, de 20 de septiembre y número 5778, de 14 de diciembre de 1977.

De todo el proceso anterior surgió la siguiente fórmula de acuerdo:

- a) Las autoridades colombianas competentes fijarán un precio de referencia de 45 centavos de dólar por galón para la compañía estadounidense y de 43, 43 para las operaciones hacia territorio norteamericano que adelanten las compañías colombianas, teniendo en cuenta los consumos aproximados de turbocombustible para 1978 de las compañías de transporte aéreo de nacionalidad colombiana (Avianca : 15.500.000 galones y Aerocónedor : 5.362.500 galones) y de la compañía de nacionalidad estadounidense (Braniff : 4.100.000 galones) en las rutas aéreas entre Colombia y los Estados Unidos.
- b) Para llegar al citado precio de referencia, las mencionadas compañías aéreas, previa autorización de la Empresa Colombiana de Petróleos (ECOPETROL), celebrarán los arreglos respectivos con sus distribuidores de turbocombustible, de acuerdo con los siguientes principios :

1) Las empresas colombianas pagarán un sobreprecio sobre sus consumos de turbocombustible en Colombia para los vuelos con destino a Estados Unidos.

2) La empresa norteamericana hará, por un período de un año, un depósito en pesos colombianos por una suma equivalente al valor del consumo estimado de turbocombustible para un trimestre. Tal depósito deberá hacerse el 15 de enero de 1978 y en caso de que no se hiciere en tal fecha, deberá realizarse a más tardar el 15 de abril, cancelando por anticipado los intereses del primer trimestre. Su monto se computará de conformidad con la tasa de cambio oficial vigente el día 15 de enero de 1978.

c) Cualquier aumento de precio del turbocombustible internacional en Colombia durante la vigencia del presente acuerdo se aplicará por igual a las empresas aéreas de ambos países.

d) Lo acordado entre los dos Gobiernos, así como los arreglos que se hicieren para el suministro del turbocombustible, entrarán en vigor el 15 de enero de 1978 y surtirán efectos hasta el 15 de enero de 1979.

e) El Gobierno de Colombia y el Gobierno de los Estados Unidos de América revisarán el presente acuerdo cuandoquiera que se presente alguna de las siguientes situaciones:

1) Cuando el aumento en el precio del combustible internacional afecte solamente a las compañías colombianas.

2) Cuando aparezca una fluctuación mayor de un diez por ciento (10%) en relación con los consumos estimados de la compañía norteamericana.

3) Cuando una nueva compañía sea autorizada para prestar servicios aéreos entre los dos países, de conformidad con el Convenio de 1956.

En fe de lo cual, se suscribe el presente Memorando de Acuerdo, en la ciudad de Bogotá a los once días del mes de enero de 1978.

Por el Gobierno de Colombia

Por el Gobierno de los Estados Unidos
de América



INDALECIO LIEVANO AGUIRRE
Ministro de Relaciones Exteriores



DIEGO C. ASENCIO
EmbaJador Extraordinario y Plenipotenciario.

SOCIALIST REPUBLIC OF ROMANIA

Trade in Textiles

*Agreement effected by exchange of notes
Signed at Bucharest January 6 and 25, 1978;
Entered into force January 25, 1978;
Effective January 1, 1978.*

*The American Ambassador to the Romanian Deputy Prime Minister
and Minister of Foreign Trade and International Economic Cooperation*

Note No. 1

JANUARY 6, 1978

EXCELLENCY:

I have the honor to refer to the Arrangement regarding International Trade in Textiles done at Geneva on December 20, 1973, [¹] hereafter referred to as the Arrangement. I also refer to recent discussions between representatives of our two governments concerning exports of cotton textiles from Romania to the United States of America held in Bucharest from October 25 to October 28, 1977. As a result of those discussions and in conformity with Articles 4 and 6 of the Arrangement, I have the honor to propose, on behalf of the Government of the United States of America, the following Agreement relating to trade in cotton textiles between Romania and the United States of America:

1. The term of this Agreement shall be from January 1, 1978, through December 31, 1982. During such term, the Government of the Socialist Republic of Romania shall limit annual exports of cotton textiles (as defined in paragraph 2) from Romania to the United States of America to the limits specified in the following paragraphs.

2. All cotton textiles are subject to this Agreement. Textiles include 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 50 percent or more by weight (or 17 percent or more by weight of wool) of the product. A textile is a cotton textile:

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

- (A) If wholly or in chief value cotton, or
- (B) If containing 50 percent or more by weight of cotton, or
- (C) If (I) a blend of cotton with wool or man-made fiber or both wool and man-made fiber 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 and (II) the cotton component exceeds by weight the wool and/or the man-made fiber component.

All other textiles of cotton, wool or man-made fiber remain subject to the Agreement of June 17, 1977^[1] between the Governments of the United States of America and the Socialist Republic of Romania in accordance with its terms.

3. The system of categories and rates of conversion into square yards equivalent listed in the Annex hereto shall apply in implementing this Agreement.

4. The apparel group limit, covering categories 330 through 359, for each Agreement year shall be as follows:

| | <i>Limit (Square Yards Equivalent)</i> |
|---|--|
| 1st Agreement year (January 1–December 31, 1978)..... | 19,500,000 |
| 2nd Agreement year (January 1–December 31, 1979)..... | 20,670,000 |
| 3rd Agreement year (January 1–December 31, 1980)..... | 21,910,200 |
| 4th Agreement year (January 1–December 31, 1981)..... | 23,224,812 |
| 5th Agreement year (January 1–December 31, 1982)..... | 24,618,300 |

5. (A) Exports in each category subject to this Agreement shall be subject to a consultation level or designated consultation level and to applicable group limits. The annual consultation levels for categories not subject to designated consultation levels pursuant to subparagraph 5 (B) shall be 1,000,000 square yards equivalent for each non-apparel category and 700,000 square yards equivalent for each apparel category.

(B) The following categories shall be subject to annual designated consultation levels as set out below:

Category and Brief Description

| Non-Apparel | <i>Level (Square Yards Equivalent)</i> |
|------------------------------------|--|
| 313—Sheeting..... | 2,000,000 |
| 314—Broadcloth..... | 1,500,000 |
| 315—Printcloth..... | 1,500,000 |
| 320—Other fabrics nes..... | 2,000,000 |
| 361—Sheets..... | 3,000,000 |
| 369—Other cotton manufactures..... | 3,000,000 |

^[1] TIAS 8833; 8924; *ante*, p. 2033.

| Apparel | <i>Level (Square Yards Equivalent)</i> |
|---|--|
| 333—Suit type coats, M and B----- | 2,400,000 |
| 334—Other coats, M and B----- | 1,500,000 |
| 335—Coats, W, G, and I----- | 1,500,000 |
| 338—Knit shirts, M and B----- | 3,240,000 |
| (338 Part, other than T-shirts and sweat shirts)----- | (700,000) |
| 339—Knit shirts and blouses, W, G and I----- | 1,000,000 |
| 340—Shirts, not knit----- | 2,700,000 |
| 347—Trousers, M and B----- | 2,500,000 |
| 348—Trousers, W, G and I----- | 1,400,000 |
| 352—Underwear----- | 2,000,000 |
| 359—Other apparel----- | 3,000,000 |

(C) The Governments of Romania and the United States of America shall consult prior to February 28, 1978, in order to adjust consultation levels for categories in which shipments of knit cotton warm-up suits have been or will be classified, such adjustment not to exceed a total of 322,000 units.

6. In the event the Government of the Socialist Republic of Romania wishes to export to the United States of America textile products in excess of any applicable consultation level or levels, the Government of the Socialist Republic of Romania shall request the higher level or levels and the United States shall consider the request sympathetically and shall respond promptly. Until a mutually satisfactory agreement is reached for each category, annual shipments in that category shall not exceed the consultation level applicable to that category.

7. 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 categories 333, 334, 335, 342, 347 and 348. The Government of the United States of America shall inform the Government of the Socialist Republic of Romania prior to the end of the first agreement year whether it wishes to establish a separate consultation level for cotton suits. If the Government of the United States so indicates, the Government of the Socialist Republic of Romania agrees to the establishment of such level and will consult with the Government of the United States of America in order to fix such level and, as appropriate, the levels for categories 333, 334, 335, 342, 347 and 348, at mutually agreeable amounts.

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

(I) Carryover may be utilized as available up to 11 percent of the receiving agreement year's apparel group limit, provided, however, that no carryover shall be available for application during the first agreement year;

(II) Carry forward may be utilized up to 6 percent of the receiving agreement year's apparel group limit and charged against the immediately following agreement year's apparel group limit;

(III) If the Governments of the United States of America and the Socialist Republic of Romania are not in agreement on the availability of shortfall, carryover of shortfall shall not be applied until the Governments of the Socialist Republic of Romania and the United States of America have completed consultations and agreed upon the amounts involved.

(B) For purposes of this Agreement, a shortfall occurs when exports to the United States of textiles and textile products of Romanian origin subject to the apparel group limit during an agreement year are below the apparel group limit for that agreement year. In the agreement year following the shortfall, such exports from Romania to the United States may exceed the apparel group limit for that agreement year, 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;

(II) Carryover and carry forward shall not be used to exceed any consultation level except in accordance with paragraph 6.

(C) The apparel group limits referred to in subparagraphs (A) and (B) of this paragraph are without adjustment under this paragraph.

9. In accordance with Article 12, paragraph 3, of the Arrangement and subject to the establishment of a mutually agreed upon certification system, exports from the Socialist Republic of Romania to the United States of America of handloom fabrics of the cottage industry of Romania, or handmade cottage industry products of such handloom fabrics, or traditional folklore textile products shall not be subject to the provisions of this Agreement.

10. The Government of the Socialist Republic of Romania shall use its best efforts to space exports from Romania to the United States within each category evenly throughout the agreement year, taking into consideration normal seasonal factors, exports from Romania in excess of authorized levels will, if allowed entry into the United States of America, be charged to the applicable level for the agreement year following the year of export.

11. The Government of the United States of America shall promptly supply the Government of the Socialist Republic of Romania with data on monthly imports of cotton textiles from Romania; and the Government of the Socialist Republic of Romania shall promptly

supply the Government of the United States of America with quarterly data on exports of cotton textiles to the United States. Each Government agrees to supply promptly any other pertinent and readily available statistical data requested by the other Government.

12. The Government of the United States of America and the Government of the Socialist Republic of Romania agree to consult on any question arising in the implementation of this Agreement.

13. 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.

14. If the Government of the Socialist Republic of Romania considers that, as a result of limitations specified in this Agreement, Romania is being placed in an inequitable position vis-a-vis a third country, the Government of the Socialist Republic of Romania may request consultation with the Government of the United States of America with a view to taking appropriate remedial action such as reasonable modification of this Agreement.

15. For the duration of this Agreement, the Government of the United States of America shall not invoke the procedures of Article 3 of the Arrangement to request restraint on the export of cotton textiles from Romania to the United States.

16. The Government of the United States of America may assist the Government of the Socialist Republic of Romania in implementing the limitation provisions of this Agreement by controlling imports of cotton textiles covered by the Agreement.

17. Either Government may terminate this Agreement effective at the end of any agreement year by written notice to the other Government to be given at least 90 days prior to the end of such agreement year. Either Government may at any time propose revisions in the terms of this Agreement.

If the foregoing proposal is acceptable to the Government of the Socialist Republic of Romania, this note and your note of confirmation on behalf of the Government of the Socialist Republic of Romania shall constitute an Agreement between the Government of the Socialist Republic of Romania and the Government of the United States of America.

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

ORISON RUDOLPH AGGREY

His Excellency ION PATAN,
*Deputy Prime Minister and Minister of
Foreign Trade and International Economic
Cooperation,
Socialist Republic of Romania.*

TIAS 9166

ANNEX

| Cat. | Description | Units | Syd Conversion factor (SYE/Unit) | Units per 1,000 SYD |
|------------------------------|--------------------------------------|-------|---|------------------------|
| YARN | | | | |
| 300 | Carded | Lb. | 4.6 | 217.4 |
| 301 | Combed | Lb. | 4.6 | 217.4 |
| FABRIC | | | | |
| 310 | Gingham | Syd. | 1.0 | 1,000.0 |
| 311 | Velveteens | Syd. | 1.0 | 1,000.0 |
| 312 | Corduroy | Syd. | 1.0 | 1,000.0 |
| 313 | Sheeting | Syd. | 1.0 | 1,000.0 |
| 314 | Broadcloth | Syd. | 1.0 | 1,000.0 |
| 315 | Printcloths | Syd. | 1.0 | 1,000.0 |
| 316 | Shirtings | Syd. | 1.0 | 1,000.0 |
| 317 | Twills and Sateens | Syd. | 1.0 | 1,000.0 |
| 318 | Yarn-Dyed | Syd. | 1.0 | 1,000.0 |
| 319 | Duck | Syd. | 1.0 | 1,000.0 |
| 320 | Other fabrics, N.E.S. | Syd. | 1.0 | 1,000.0 |
| APPAREL | | | | |
| 330 | Handkerchiefs | Doz. | 1.7 | 588.2 |
| 331 | Gloves | Dpr. | 3.5 | 285.7 |
| 332 | Hosiery | Dpr. | 4.6 | 217.4 |
| 333 | Suit-type coats, M and B | Doz. | 36.2 | 27.6 |
| 334 | Other coats, M and B | Doz. | 41.3 | 24.2 |
| 335 | Coats, W, and I | Doz. | 41.3 | 24.2 |
| 336 | Dresses | Doz. | 45.3 | 22.1 |
| 337 | Playsuits | Doz. | 25.0 | 40.0 |
| 338 | Knit shirts, M and B | Doz. | 7.2 | 138.9 |
| 339 | Knit shirts and blouses, W, G and I. | Doz. | 7.2 | 138.9 |
| 340 | Shirts, not knit | Doz. | 24.0 | 41.7 |
| 341 | Blouses, not knit | Doz. | 14.5 | 69.0 |
| 342 | Shirts, not knit | Doz. | 17.8 | 56.2 |
| 343 | Suits, M and B | No. | 4.5 | 222.2 |
| 344 | Suits, W, G and I | No. | 4.5 | 222.2 |
| 345 | Sweaters | Doz. | 36.8 | 27.2 |
| 347 | Trousers, M and B | Doz. | 17.8 | 56.2 |
| 348 | Trousers, W, G and I | Doz. | 17.8 | 56.2 |
| 349 | Brassieres, etc. | Doz. | 4.8 | 208.3 |
| 350 | Dressing gowns | Doz. | 51.0 | 19.6 |
| 351 | Nightwear | Doz. | 52.0 | 19.2 |
| 352 | Underwear | Doz. | 11.0 | 90.9 |
| 359 | Other apparel | Lb. | 4.6 | 217.4 |
| MADE-UP MISCELLANEOUS | | | | |
| 360 | Pillowcases | No. | 1.1 | 909.1 |
| 361 | Sheets | No. | 6.2 | 161.3 |
| 362 | Bedspreads and quilts | No. | 6.9 | 144.9 |
| 363 | Terry and other pile towels | No. | 0.5 | 2,000.0 |
| 369 | Other cotton manufactures | Lb. | 4.6 | 217.4 |

The Romanian First Deputy Minister of Foreign Trade and International Economic Cooperation to the American Ambassador

REPUBLICA SOCIALISTA ROMANIA
MINISTERUL COMERTULUI EXTERIOR
SI COOPERARII ECONOMICE INTERNATIONALE
CABINET PRIM ADJUNCT AL MINISTRULUI^[1]

BUCURESTI January 25, 1978

EXCELLENCY,

I have the honor to acknowledge receipt of your Note No. 1 addressed to this Excellency Ion Pățon, Deputy Prime Minister of the Government, Minister of Foreign Trade and International Economic Cooperation of the Socialist Republic of Romania, proposing an Agreement relating to trade in cotton textiles between the Socialist Republic of Romania and the United States, reading as follows:

"EXCELLENCY:

I have the honor to refer to the Arrangement regarding International Trade in Textiles done at Geneva on December 20, 1973, hereafter referred to as the Arrangement. I also refer to recent discussions between representatives of our two governments concerning exports of cotton textiles from Romania to the United States of America held in Bucharest from October 25 to October 28, 1977. As a result of those discussions and in conformity with Articles 4 and 6 of the Arrangement, I have the honor to propose, on behalf of the Government of the United States of America, the following Agreement relating to trade in cotton textiles between Romania and the United States of America:

1. The term of this Agreement shall be from January 1, 1978, through December 31, 1982. During such term, the Government of the Socialist Republic of Romania shall limit annual exports of cotton textiles (as defined in paragraph 2) from Romania to the United States of America to the limits specified in the following paragraphs.

2. All cotton textiles are subject to this Agreement. Textiles include 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,

¹ In translation reads: "Ministry of Foreign Trade and International Economic Cooperation
First Deputy to the Minister"

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. A textile is a cotton textile:

- (A) If wholly or in chief value cotton, or
- (B) If containing 50 percent or more by weight of cotton, or
- (C) If (I) a blend of cotton with wool or man-made fiber or both wool and man-made fiber 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 and (II) the cotton component exceeds by weight the wool and/or the man-made fiber component.

All other textiles of cotton, wool or man-made fiber remain subject to the Agreement of June 17, 1977 between the Governments of the United States of America and the Socialist Republic of Romania in accordance with its terms.

3. The system of categories and rates of conversion into square yards equivalent listed in the Annex hereto shall apply in implementing this Agreement.

4. The apparel group limit, covering categories 330 through 359, for each Agreement year shall be as follows:

| | <i>Limit (Square Yards Equivalent)</i> |
|--|--|
| 1st Agreement year (January 1–December 31, 1978) | 19, 500, 000 |
| 2nd Agreement year (January 1–December 31, 1979) | 20, 670, 000 |
| 3rd Agreement year (January 1–December 31, 1980) | 21, 910, 200 |
| 4th Agreement year (January 1–December 31, 1981) | 23, 224, 812 |
| 5th Agreement year (January 1–December 31, 1982) | 24, 618, 300 |

5. (A) Exports in each category subject to this Agreement shall be subject to a consultation level or designated consultation level and to applicable group limits. The annual consultation levels for categories not subject to designated consultation levels pursuant to subparagraph 5 (B) shall be 1,000,000 square yards equivalent for each non-apparel category and 700,000 square yards equivalent for each apparel category.

(B) The following categories shall be subject to annual designated consultation levels as set out below:

Category and Brief Description

| Non-Apparel | <i>Level (Square Yards Equivalent)</i> |
|-----------------------------|--|
| 313—Sheeting | 2, 000, 000 |
| 314—Broadcloth | 1, 500, 000 |
| 315—Printcloth | 1, 500, 000 |
| 320—Other fabrics nes | 2, 000, 000 |

| | <i>Level (Square Yards Equivalent)</i> |
|---|--|
| 361—Sheets..... | 3,000,000 |
| 369—Other cotton manufactures..... | 3,000,000 |
| Apparel | |
| 333—Suit type coats, M and B..... | 2,400,000 |
| 334—Other coats, M and B..... | 1,500,000 |
| 335—Coats, W, G, and I..... | 1,500,000 |
| 338—Knit shirts, M and B..... | 3,240,000 |
| (338 Part, other than T-shirts and sweat shirts)..... | (700,000) |
| 339—Knit shirts and blouses, W, G and I..... | 1,000,000 |
| 340—Shirts, not knit..... | 2,700,000 |
| 347—Trousers, M and B..... | 2,500,000 |
| 348—Trousers, W, G and I..... | 1,400,000 |
| 352—Underwear..... | 2,000,000 |
| 359—Other apparel..... | 3,000,000 |

(C) The Governments of Romania and the United States of America shall consult prior to February 28, 1978, in order to adjust consultation levels for categories in which shipments of knit cotton warm-up suits have been or will be classified, such adjustment not to exceed a total of 322,000 units.

6. In the event the Government of the Socialist Republic of Romania wishes to export to the United States of America textile products in excess of any applicable consultation level or levels, the Government of the Socialist Republic of Romania shall request the higher level or levels and the United States shall consider the request sympathetically and shall respond promptly. Until a mutually satisfactory agreement is reached for each category, annual shipments in that category shall not exceed the consultation level applicable to that category.

7. 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 categories 333, 334, 335, 342, 347 and 348. The Government of the United States of America shall inform the Government of the Socialist Republic of Romania prior to the end of the first agreement year whether it wishes to establish a separate consultation level for cotton suits. If the Government of the United States so indicates, the Government of the Socialist Republic of Romania agrees to the establishment of such level and will consult with the Government of the United States of America in order to fix such level and, as appropriate, the levels for categories 333, 334, 335, 342, 347 and 348, at mutually agreeable amounts.

8. (A) In any agreement year, exports may exceed the apparel group limit by a maximum of 11 percent by allocating to that limit for that agreement year an unused portion of the apparel

group limit for the previous agreement year (carryover) and/or a portion of the apparel group limit for the succeeding agreement year (carry forward) subject to the following conditions:

(I) Carryover may be utilized as available up to 11 percent of the receiving agreement year's apparel group limit, provided, however, that no carryover shall be available for application during the first agreement year;

(II) Carry forward may be utilized up to 6 percent of the receiving agreement year's apparel group limit and charged against the immediately following agreement year's apparel group limit;

(III) If the Governments of the United States of America and the Socialist Republic of Romania are not in agreement on the availability of shortfall, carryover of shortfall shall not be applied until the Governments of the Socialist Republic of Romania and the United States of America have completed consultations and agreed upon the amounts involved.

(B) For purposes of this Agreement, a shortfall occurs when exports to the United States of textiles and textile products of Romanian origin subject to the apparel group limit during an agreement year are below the apparel group limit for that agreement year. In the agreement year following the shortfall such exports from Romania to the United States may exceed the apparel group limit for that agreement year, 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;
(II) Carryover and carry forward shall not be used to exceed any consultation level except in accordance with paragraph 6.

(C) The apparel group limits referred to in subparagraphs (A) and (B) of this paragraph are without adjustment under this paragraph.

9. In accordance with Article 12, paragraph 3, of the Arrangement and subject to the establishment of a mutually agreed upon certification system, exports from the Socialist Republic of Romania to the United States of America of handloom fabrics of the cottage industry of Romania, or handmade cottage industry products of such handloom fabrics, or traditional folklore textile products shall not be subject to the provisions of this Agreement.

10. The Government of the Socialist Republic of Romania shall use its best efforts to space exports from Romania to the United States within each category evenly throughout the agreement year, taking into consideration normal seasonal factors; exports from Romania in excess of authorized levels will, if allowed entry into the United States of America, be charged to the applicable level for the agreement year following the year of export.

11. The Government of the United States of America shall promptly supply the Government of the Socialist Republic of Romania with data on monthly imports of cotton textiles from Romania; and the Government of the Socialist Republic of Romania shall promptly supply the Government of the United States of America with quarterly data on exports of cotton textiles to the United States. Each Government agrees to supply promptly any other pertinent and readily available statistical data requested by the other Government.

12. The Government of the United States of America and the Government of the Socialist Republic of Romania agree to consult on any question arising in the implementation of this Agreement.

13. 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.

14. If the Government of the Socialist Republic of Romania considers that, as a result of limitations specified in this Agreement, Romania is being placed in an inequitable position vis-a-vis a third country, the Government of the Socialist Republic of Romania may request consultation with the Government of the United States of America with a view to taking appropriate remedial action such as reasonable modification of this Agreement.

15. For the duration of this Agreement, the Government of the United States of America shall not invoke the procedures of Article 3 of the Arrangement to request restraint on the export of cotton textiles from Romania to the United States.

16. The Government of the United States of America may assist the Government of the Socialist Republic of Romania in implementing the limitation provisions of this Agreement by controlling imports of cotton textiles covered by the Agreement.

17. Either Government may terminate this Agreement effective at the end of any agreement year by written notice to the other Government to be given at least 90 days prior to the end of such agreement year. Either Government may at any time propose revisions in the terms of this Agreement.

If the foregoing proposal is acceptable to the Government of the Socialist Republic of Romania, this note and your note of confirmation on behalf of the Government of the Socialist Republic of Romania shall constitute an Agreement between the Government of the Socialist of Romania and the Government of the United States of America.

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

I confirm that the foregoing proposal of the Government of the United States is acceptable to the Government of the Socialist Re-

public of Romania and that the proposal in your Note and this reply constitute an agreement between our two Governments.

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

Al. Mărgăritescu

MĂRGĂRITESCU

His Excellency ORISON RUDOLPH AGGREY
*Ambassador of the United States
of America*

ANNEX

| Cat. | Description | Units | SYD Conversion Factor (SYE/Unit) | Units per 1,000 SYD |
|----------------|--|-------|---|------------------------|
| YARN | | | | |
| 300 | Carded | Lb. | 4.6 | 217.4 |
| 301 | Combed | Lb. | 4.6 | 217.4 |
| FABRIC | | | | |
| 310 | Gingham | Syd. | 1.0 | 1,000.0 |
| 311 | Velveteens | Syd. | 1.0 | 1,000.0 |
| 312 | Corduroy | Syd. | 1.0 | 1,000.0 |
| 313 | Sheeting | Syd. | 1.0 | 1,000.0 |
| 314 | Broadcloth | Syd. | 1.0 | 1,000.0 |
| 315 | Printcloths | Syd. | 1.0 | 1,000.0 |
| 316 | Shirtings | Syd. | 1.0 | 1,000.0 |
| 317 | Twills and Sateens | Syd. | 1.0 | 1,000.0 |
| 318 | Yarn-Dyed | Syd. | 1.0 | 1,000.0 |
| 319 | Duck | Syd. | 1.0 | 1,000.0 |
| 320 | Other fabrics, N.E.S. | Syd. | 1.0 | 1,000.0 |
| APPAREL | | | | |
| 330 | Handkerchiefs | Doz. | 1.7 | 588.2 |
| 331 | Gloves | Dpr. | 3.5 | 285.7 |
| 332 | Hosiery | Dpr. | 4.6 | 217.4 |
| 333 | Suit-type coats, M and B | Doz. | 36.2 | 27.6 |
| 334 | Other coats, M and B | Doz. | 41.3 | 24.2 |
| 335 | Coats, W, G and I | Doz. | 41.3 | 24.2 |
| 336 | Dresses | Doz. | 45.3 | 22.1 |
| 337 | Playsuits | Doz. | 25.0 | 40.0 |
| 338 | Knit shirts, M and B | Doz. | 7.2 | 138.9 |
| 339 | Knit shirts and blouses, W, G and I | Doz. | 7.2 | 138.9 |
| 340 | Shirts, not knit | Doz. | 24.0 | 41.7 |
| 341 | Blouses, not knit | Doz. | 14.5 | 69.0 |
| 342 | Shirts, not knit | Doz. | 17.8 | 56.2 |
| 343 | Suits, M and B | No. | 4.5 | 222.2 |

| Cat. | Description | Units | SYD | |
|------------------------------|-----------------------------|-------|------------------------------------|------------------------|
| | | | Conversion Factor (SYE/Unit) | Units per 1,000 SYD |
| 344 | Suits, W, G and I | No. | 4.5 | 222.2 |
| 345 | Sweaters | Doz. | 36.8 | 27.2 |
| 347 | Trousers, M and B | Doz. | 17.8 | 56.2 |
| 348 | Trousers, W, G and I | Doz. | 17.8 | 56.2 |
| 349 | Brassieres, etc. | Doz. | 4.8 | 208.3 |
| 350 | Dressing gowns | Doz. | 51.0 | 19.6 |
| 351 | Nightwear | Doz. | 52.0 | 19.2 |
| 352 | Underwear | Doz. | 11.0 | 90.9 |
| 359 | Other apparel | Lb. | 4.6 | 217.4 |
| MADE-UP MISCELLANEOUS | | | | |
| 360 | Pillowcases | No. | 1.1 | 909.1 |
| 361 | Sheets | No. | 6.2 | 161.3 |
| 362 | Bedspreads and quilts | No. | 6.9 | 144.9 |
| 363 | Terry and other pile towels | No. | 0.5 | 2,000.0 |
| 369 | Other cotton manufactures | Lb. | 4.6 | 217.4 |

SOCIALIST REPUBLIC OF ROMANIA

Trade in Textiles

*Agreement amending the agreement of June 17, 1977,
as amended.*

Effectuated by exchange of notes

Signed at Bucharest March 3 and April 12, 1978;

Entered into force April 12, 1978;

Effective January 1, 1978.

*The American Ambassador to the Romanian Deputy Prime Minister and
Minister of Foreign Trade and International Economic Cooperation*

Note No. 28

MARCH 3, 1978

EXCELLENCY:

I have the honor to refer to the Bilateral Agreement of June 17, 1977 (as amended) on Trade in Wool and Man-made Fiber Textiles between our two Governments^[1] (The "Agreement"). I also refer to recent discussions between representatives of our two Governments in Bucharest, Romania and Washington, D.C. As a result of these discussions I propose that the Agreement be amended, effective January 1, 1978 as follows:

1. Paragraph 2(A) of the Agreement is amended to read as follows:

"Non-apparel textile products (categories 410-429, 464-469, 610-627 and 665-669) as a group are subject to a designated consultation level of 10 million square yards equivalent."

2. Paragraph 2(B) of the Agreement is amended to read as follows:

"Within the designated consultation level for the non-apparel group the following categories shall have designated annual consultation levels as follows:

¹ TIAS 8833, 8924; *ante*, p. 2033.

| Category | Designated annual consultation level (square yards equivalent) |
|----------|---|
| 465 | 150, 000 |
| 610 | 2, 000, 000 |
| 611 | 2, 000, 000 |
| 612 | 2, 000, 000 |
| 613 | 4, 000, 000 |
| 614 | 1, 500, 000 |
| 666 | 2, 000, 000 |

3. Paragraph 3(A) of the Agreement is amended to read as follows:

“Apparel textile products (categories 431–459 and 630–659) as a group are subject to a specific limit of 23,540,000 square yards equivalent for the 1978 agreement year.

4. Paragraph 3(C) shall be amended to read as follows:

“The following categories shall have designated annual consultation levels as indicated:

| Category | Designated annual consultation level (square yards equivalent) |
|----------------|---|
| 433/434 | 225, 000 |
| 435/444 | 375, 000 |
| 459 | 150, 000 |
| 633 | 1, 500, 000 |
| 634 | 2, 200, 000 |
| (not knit) | (700, 000) |
| (knit) Pt. | (1, 500, 000) |
| 643/644 (knit) | 112, 500 |
| 640 | 1, 200, 000 |
| 648 | 1, 065, 000 |
| 659 | 1, 500, 000 |

5. Paragraph 3(D) shall be amended to read as follows:

“Categories 443, 638/639, 645/646 and 643/644 (not knit) will be subject to specific limits. The 1978 agreement year level for category 638/639 will be 2,675,000 million SYE. The levels for each agreement year for categories 443, 645/646 and 643/644 (not knit) include the adjustments authorized under paragraphs 4 and 5, and are as shown in subparagraph (E).”

6. Paragraph 3 (E) shall be amended to read as follows:

“Specific limits for categories 443, 645/646 and 643/644 (not knit) as adjusted:

| Categories | 1978 | 1979 | 1980 |
|-----------------------|--------------------|--------------------|--------------------|
| 443 | 88, 022 Units | 88, 902 Units | 89, 791 Units |
| 645/646 | 5, 500, 000 SYE | 5, 500, 000 SYE | 5, 500, 000 SYE |
| 643/644 (not knit) | 236, 994 Units | 253, 584 Units | 271, 335 Units |

If the Government of the Socialist Republic of Romania wishes to utilize in any agreement year any additional yardage in categories 443, 645/646 or 643/644 (not knit) beyond the yardage stipulated in the schedule above, the Government of the Socialist Republic of Romania will notify the Government of the United States and will not utilize such requested yardage without the concurrence of the Government of the United States."

7. Paragraph 11(A) of the Agreement is amended to read as follows:

"11(A)(I) The system of categories and the rates of conversion into square yards equivalent listed in Annex A shall apply in implementing this Agreement except as set out in subparagraph 11(A)(II)."

"11(A)(II) For purposes of this Agreement and in recognition of the patterns of trade of the Socialist Republic of Romania with the United States of America, groups of categories below are merged and treated as single categories and sub-categories as indicated, with specific limits and consultation levels for categories and sub-categories as set out elsewhere in this Agreement:

| Categories merged | Designation in Agreement | Subcategories |
|-------------------|--------------------------|--------------------------------------|
| 433; 434 | 433/434 | None |
| 435; 444 | 435/444 | None |
| 638; 639 | 638/639 | None |
| 643; 644 | 643/644 | 643/644 (knit) 643/644 (not knit) |
| 645; 646 | 645/646 | None |

Category 634 is divided into two categories, designated category 634 (knit) and category 634 (not knit), each subject to a consultation level as set out elsewhere in this Agreement.

8. The following paragraph is added to the Agreement as paragraph 18:

"18. Textile and textile products which are exported from Romania during 1977 are subject to the 1977 limits or levels; exports during 1978 and subsequent years are subject to limits or levels for the year in which exported."

9. Annex A to the Agreement is replaced by the list of categories, descriptions and rates of conversion into square yards equivalent attached hereto as Annex A.

If the foregoing proposal is acceptable to the Government of the Socialist Republic of Romania, this note and Your Excellency's note of confirmation on behalf of the Government of the Socialist Republic of Romania shall constitute an Amendment to the Agreement.

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

ORISON RUDOLPH AGGREY

His Excellency ION PĂTAN

*Deputy Prime Minister and Minister of
Foreign Trade and International Economic
Cooperation
Socialist Republic of Romania*

ANNEX A

| Category | Description | Conversion Factor | Unit of Measure |
|----------------|---------------------------|-------------------|-----------------|
| YARN | | | |
| 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 | | | |
| Wool | | | |
| 410 | Woolens and Worsted | 1.0 | SYD |
| 411 | Tapestries and Upholstery | 1.0 | SYD |

| Category | Description | Conversion Factor | Unit of Measure |
|----------------|---|-------------------|-----------------|
| 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 | | | |
| Wool | | | |
| 431 | Gloves | 2. 1 | DPR |
| 432 | Hosiery | 2. 8 | DPR |
| 433 | Suit-type Coats, M and B | 3. 0 | No. |
| 434 | Other Coats, M and B | 4. 5 | No. |
| 435 | Coats, W, G and I | 4. 5 | No. |
| 436 | Dresses | 4. 1 | No. |
| 438 | Knit Shirts and Blouses | 15. 0 | DZ. |
| 440 | Shirts and Blouses, N.K. | 24. 0 | DZ. |
| 442 | Skirts | 1. 5 | No. |
| 443 | Suits, M and B | 4. 5 | No. |
| 444 | Suits, W, G and I | 4. 5 | No. |
| 445 | Sweaters, M and B | 36. 8 | DZ. |
| 446 | Sweaters, W, G and I | 36. 8 | DZ. |
| 447 | Trousers, Slacks, and Shorts (outer) M and B | 1. 5 | No. |
| 448 | Trousers, Slacks and Shorts (outer) W, G and I | 1. 5 | No. |
| 459 | Other Wool Apparel | 2. 0 | Lb. |
| Man-made Fiber | | | |
| 630 | Handkerchiefs | 1. 7 | DZ. |
| 631 | Gloves | 3. 5 | DPR |
| 632 | Hosiery | 4. 6 | DPR |
| 633 | Suit-type Coats, M and B | 36. 2 | DZ. |
| 634 | Other Coats, M and B | 41. 3 | DZ. |
| 635 | Coats, W, G and I | 41. 3 | DZ. |
| 636 | Dresses | 45. 3 | DZ. |
| 637 | Playsuits, Sunsuits, Washsuits, etc. | 21. 3 | DZ. |
| 638 | Knit Shirts, (Inc. T-shirts), M and B | 18. 0 | DZ. |
| 639 | Knit Shirts and Blouses (Inc. T- shirts), W, G and I | 15. 0 | DZ. |

| Category | Description | Conversion Factor | Unit of Measure |
|----------|--|-------------------|-----------------|
| 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 Nightmare | 52.0 | DZ. |
| 652 | Underwear | 16.0 | DZ. |
| 659 | Other Apparel | 7.8 | Lb. |

MADE-UPS AND MISC.

Wool

| | | | |
|-----|-------------------------|-----|-----|
| 464 | Blankets and Auto Robes | 1.3 | Lb. |
| 465 | Floor Covering | 0.1 | SFT |
| 469 | Other Wool Manufactures | 2.0 | Lb. |

Man-made Fiber

| | | | |
|-----|-----------------------------|-----|-----|
| 665 | Floor Coverings | 0.1 | SFT |
| 666 | Other Furnishings | 7.8 | Lb. |
| 669 | Other Man-made Manufactures | 7.8 | Lb. |

The Romanian Deputy Minister of Foreign Trade and International Economic Cooperation to the American Ambassador

REPUBLICA SOCIALISTA ROMANIA

**MINISTERUL COMERTULUI EXTERIOR
SI COOPERARII ECONOMICE INTERNATIONALE**
CABINET ADJUNCT AL MINISTRULUI^[1]

31/1045

BUCURESTI 12 April 1978

EXCELLENCY.

I have the honor to acknowledge receipt of your Note No.26, proposing that the Bilateral Agreement on Trade in Wool and Man-made Fiber Textiles between our two Governments of June 17, 1977, be amended—as a result of discussions held in Washington D.C. on December 15-16, 1977—reading as follows:

"EXCELLENCE,

I have the honor to refer to the Bilateral Agreement of June 17, 1977 (as amended) on Trade in Wool and Man-made Fiber Textiles between our two Governments (The "Agreement"). I also refer to recent discussions between representatives of our two Governments in Bucharest, Romania and Washington, D.C. As a result of these discussions I propose that the Agreement be amended, effective January 1, 1978 as follows:

1. Paragraph 2(A) of the Agreement is amended to read as follows:

"Non-apparel textile products (categories 410-429, 464-469, 610-627 and 665-669) as a group are subject to a designated consultation level of 10 million square yards equivalent".

2. Paragraph 2(B) of the Agreement is amended to read as follows:

"Within the designated consultation level for the non-apparel group the following categories shall have designated annual consultation levels as follows:

¹ In translation reads: "Ministry of Foreign Trade
and International Economic Cooperation
Deputy to the Minister"

| Category | Designated annual consultation level (square yards equivalent) |
|----------|---|
| 465 | 150, 000 |
| 610 | 2, 000, 000 |
| 611 | 2, 000, 000 |
| 612 | 2, 000, 000 |
| 613 | 4, 000, 000 |
| 614 | 1, 500, 000 |
| 666 | 2, 000, 000 |

3. Paragraph 3(A) of the Agreement is amended to read as follows:

“Apparel textile products (categories 431–459 and 630–659) as a group are subject to a specific limit of 23,540,000 square yards equivalent for the 1978 agreement year.”

4. Paragraph 3(C) shall be amended to read as follows:

“The following categories shall have designated annual consultation levels as indicated:

| Category | Designated annual consultation level (square yards equivalent) |
|----------------|---|
| 433/434 | 225, 000 |
| 435/444 | 375, 000 |
| 459 | 150, 000 |
| 633 | 1, 500, 000 |
| 634 | 2, 200, 000 |
| (not knit) | (700, 000) |
| (knit) Pt. | (1, 500, 000) |
| 643/644 (knit) | 112, 500 |
| 640 | 1, 200, 000 |
| 648 | 1, 065, 000 |
| 659 | 1, 500, 000 |

5. Paragraph 3(D) shall be amended to read as follows:

“Categories 443, 638/639, 645/646 and 643/644 (not knit) will be subject to specific limits. The 1978 agreement year level for category 638/639 will be 2,675,000 million SYE. The levels for each agreement year for categories 443, 645/646 and 643/644 (not knit) include the adjustments authorized under paragraphs 4 and 5, and are as shown in subparagraph (E).”

6. Paragraph 3(E) shall be amended to read as follows:

“Specific limits for categories 443, 645/646 and 643/644 (not knit) as adjusted:

| Categories | 1978 | 1979 | 1980 |
|-----------------------|------------------|------------------|------------------|
| 443 | 88,022 Units | 88,902 Units | 89,791 Units |
| 645/646 | 5,500,000 SYE | 5,500,000 SYE | 5,500,000 SYE |
| 643/644 (not knit) | 236,994 Units | 253,584 Units | 271,335 Units |

If the Government of the Socialist Republic of Romania wishes to utilize in any agreement year any additional yardage in categories 443, 645/646 or 643/644 (not knit) beyond the yardage stipulated in the schedule above, the Government of the Socialist Republic of Romania will notify the Government of the United States and will not utilize such requested yardage without the concurrence of the Government of the United States."

7. Paragraph 11(A) of the Agreement is amended to read as follows:

"11(A)(I) The system of categories and the rates of conversion into square yards equivalent listed in Annex A shall apply in implementing this Agreement except as set out in subparagraph 11(A)(II)."

"11(A)(II) For purposes of this Agreement and in recognition of the patterns of trade of the Socialist Republic of Romania with the United States of America, groups of categories below are merged and treated as single categories and sub-categories as indicated, with specific limits and consultation levels for categories and sub-categories as set out elsewhere in this Agreement:

| Categories merged | Designation in Agreement | Subcategories |
|-------------------|--------------------------|--------------------------------------|
| 433; 434 | 433/434 | None |
| 435; 444 | 435/444 | None |
| 638; 639 | 638/639 | None |
| 643; 644 | 643/644 | 643/644 (knit) 643/644 (not knit) |
| 645; 646 | 645/646 | None |

Category 634 is divided into two categories, designated category 634 (knit) and category 634 (not knit), each subject to a consultation level as set out elsewhere in this Agreement.

8. The following paragraph is added to the Agreement as paragraph 18:

"18. Textile and textile products which are exported from Romania during 1977 are subject to the 1977 limits or levels; exports during 1978 and subsequent years are subject to limits or levels for the year in which exported."

9. Annex A to the Agreement is replaced by the list of categories, descriptions and rates of conversion into square yards equivalent attached hereto as Annex A.

If the foregoing proposal is acceptable to the Government of the Socialist Republic of Romania, this note and your Excellency's note of confirmation on behalf of the Government of the Socialist Republic of Romania shall constitute an Amendment to the Agreement.

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

I confirm that the foregoing proposal of the Government of the United States is acceptable to the Government of the Socialist Republic of Romania and that the proposal in your Note and this Note of confirmation constitute an Amendment to the Agreement.

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

C STANCIU

C. Stanciu

Deputy minister

His Excellency

ORISON RUDOLPH AGGREY

*Ambassador of the United States of
America*

ANNEX A

| Category | Description | Conversion Factor | Unit of Measure |
|----------------|------------------|-------------------|-----------------|
| YARN | | | |
| | Wool | | |
| 400 | Tops and yarn | 2.0 | Lb. |
| Man-made fiber | | | |
| 600 | Textured | 3.5 | Lb. |
| 601 | Cont. Cellulosic | 5.2 | Lb. |

| Category | Description | Conversion Factor | Unit of Measure |
|----------------|---|-------------------|-----------------|
| 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 | | | |
| 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 | Speciality | 7. 8 | Lb. |
| APPAREL | | | |
| Wool | | | |
| 431 | Gloves | 2. 1 | DPR |
| 432 | Hosiery | 2. 8 | DPR |
| 433 | Suit-type Coats, M and B | 3. 0 | No. |
| 434 | Other Coats, M and B | 4. 5 | No. |
| 435 | Coats, W, G and I | 4. 5 | No. |
| 436 | Dresses | 4. 1 | No. |
| 438 | Knit Shirts and Blouses | 15. 0 | DZ. |
| 440 | Shirts and Blouses, N.K. | 24. 0 | DZ. |
| 442 | Skirts | 1. 5 | No. |
| 443 | Suits, M and B | 4. 5 | No. |
| 444 | Suits, W, G and I | 4. 5 | No. |
| 445 | Sweaters, M and B | 36. 8 | DZ. |
| 446 | Sweaters, W, G and I | 36. 8 | DZ. |
| 447 | Trousers, Slacks, and Shorts (outer), M and B | 1. 5 | No. |
| 448 | Trousers, Slacks, and Shorts (outer), W, G and I | 1. 5 | No. |
| 459 | Other Wool Apparel | 2. 0 | Lb. |
| Man-made Fiber | | | |
| 630 | Handkerchiefs | 1. 7 | DZ. |
| 631 | Gloves | 3. 5 | DPR |

| Category | Description | Conversion Factor | Unit of Measure |
|----------|--|-------------------|-----------------|
| 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 (Inct. T-shirts), W, G and I | 15. 0 | DZ. |
| 640 | Shirts, N.K. | 24. 0 | DZ. |
| 641 | Blouses, N.K. | 14. 5 | DZ. |
| 642 | Skirts | 17. 8 | DZ. |
| 643 | Suits, M and B | 4. 5 | No. |
| 644 | Suits, W, G and I | 4. 5 | No. |
| 645 | Sweaters, M and B | 36. 8 | DZ. |
| 646 | Sweaters, W, G and I | 36. 8 | DZ. |
| 647 | Trousers, Slacks, and Shorts (outer), M and B | 17. 8 | DZ. |
| 648 | Trousers, Slacks and Shorts (outer), W, G and I | 17. 8 | DZ. |
| 649 | Brassieres, etc. | 4. 8 | DZ. |
| 650 | Dressing Gowns, Inc. Bath and Beach Robes | 51. 0 | DZ. |
| 651 | Pajamas and other Nightwear | 52. 0 | DZ. |
| 652 | Underwear | 16. 0 | DZ. |
| 659 | Other Apparel | 7. 8 | Lb. |

MADE-UPS AND MISC.

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. |

MULTILATERAL Trade: Meat Imports

Agreement effected by exchange of notes between the United States of America and
Nicaragua at Washington December 21 and 26, 1977;
 Entered into force December 26, 1977;
Dominican Republic at Washington December 21 and 28, 1977;
 Entered into force December 28, 1977;
Guatemala at Washington December 21 and 28, 1977;
 Entered into force December 28, 1977;
Costa Rica at Washington December 21 and 30, 1977;
 Entered into force December 30, 1977;
Haiti at Washington December 21 and 30, 1977;
 Entered into force December 30, 1977;
Honduras at Washington December 21 and 30, 1977;
 Entered into force December 30, 1977;
United Kingdom of Great Britain and Northern Ireland at Washington December 21, 1977 and January 9, 1978;
 Entered into force January 9, 1978;
Panama at Washington December 21, 1977 and January 17, 1978;
 Entered into force January 17, 1978;
New Zealand at Washington December 21, 1977 and January 18, 1978;
 Entered into force January 18, 1978;
El Salvador at Washington December 21, 1977 and January 19, 1978;
 Entered into force January 19, 1978;
Mexico at Washington December 21, 1977 and February 22, 1978;
 Entered into force February 22, 1978;
Australia at Washington December 21, 1977 and March 1, 1978;
 Entered into force March 1, 1978;
Agreement effective January 1, 1978.

The Secretary of State to the Nicaraguan Ambassador

DECEMBER 21, 1977

EXCELLENCY:

I have the honor to refer to discussions among representatives of our two governments and other governments relating to the importation into the United States for consumption of meats described below in paragraph 1 during the calendar year 1978. With the understanding that similar agreements also will be concluded for calendar year 1978 with governments of other countries which export substantial quantities of meat to the United States, I have the honor to propose the following agreement between our two governments:

1. For purposes of this agreement, the term "such meats" shall mean fresh, chilled or frozen cattle meat (Item 106.10 of the Tariff Schedules of the United States), fresh, chilled or frozen meat of goats and sheep, except lambs (Item 106.20 of the Tariff Schedules of the United States), and meats which, but for processing in foreign-trade zones, territories or possessions of the United States prior to entry, or withdrawal from warehouse, for consumption in United States Customs Territory, would fall within the above descriptions (and Items of the Tariff Schedules of the United States) upon such entry, or withdrawal from warehouse, for consumption.

2. This agreement, together with similar agreements with other countries which export to the United States substantial quantities of such meats, shall constitute the 1978 restraint program. Subject to paragraph 6, the permissible total quantity of imports of such meats into the United States for consumption during the calendar year 1978 from countries party to the 1978 restraint program shall be 1216.1 million pounds and the Government of Nicaragua and the Government of the United States of America shall respectively undertake responsibilities as set forth below for regulating exports to, and imports into, the United States pursuant to the 1978 restraint program.

3. The Government of Nicaragua shall limit the quantity of such meats exported from Nicaragua as direct shipments or on a through bill of lading to the United States in such a manner that the quantity of such meats entered, or withdrawn from warehouse, for consumption in United States Customs Territory during the calendar year 1978 does not exceed 51.6 million pounds, or such greater quantity as may result from adjustments pursuant to paragraph 6.

4. The Government of the United States of America may issue regulations limiting to 51.6 million pounds, or such greater quantity as may result from adjustments pursuant to paragraph 6, the quantity of such meats from Nicaragua which, during calendar year 1978, may be entered, or withdrawn from warehouse, for consumption, whether such meats were shipped directly or indirectly, provided that (a) such regulations shall not be employed to govern spacing within calendar year 1978 of entry, or withdrawal from warehouse, for consumption of such

meats from Nicaragua, unless otherwise agreed; and (b) such regulations shall be issued after consultation pursuant to paragraph 7. It is understood that United States Customs statistics of entries, or withdrawals from warehouse, for consumption, will be used for purposes of this agreement. Such statistics shall not include meats which have been refused entry because of failure to meet appropriate standards prescribed pursuant to the Federal Meat Inspection Act, as amended,^[1] and such meats will not be regarded as part of the quantity described in paragraph 3, as it may be increased pursuant to paragraph 6.

5. The Government of the United States of America may take appropriate steps to ensure that imports into the United States for consumption from countries not party to the 1978 restraint program do not disrupt the 1978 restraint program.

6. The Government of the United States of America may increase the permissible total quantity of imports of such meats into the United States during the calendar year 1978 from countries party to the 1978 restraint program or may re-allocate any estimated shortfall in a share of the restraint program quantity or in the initial estimates of imports from countries not party to the 1978 restraint program. If no shortfall is estimated for Nicaragua, such increases or estimated shortfall as may be available shall be allocated to Nicaragua in the proportion that 51.6 million pounds bears to the total initial shares from all countries party to the 1978 restraint program which are estimated to have no shortfall for the calendar year 1978. In determining the amount available for re-allocation pursuant to this paragraph, the Government of the United States of America may take into account any increase in its initial estimates of imports from countries not party to the restraint program.

7. The Government of Nicaragua and the Government of the United States of America shall consult promptly upon the request of either government regarding any matter involving the application, interpretation or implementation of this agreement, and regarding any increase in the total quantity of imports from Nicaragua permissible under the restraint program including allocation of any shortfall.

8. In the event that quotas on imports of such meats should become necessary, the representative period used by the Government of the United States of America for calculation of the quota for Nicaragua shall not include the period between October 1, 1968 and June 30, 1972 or the calendar years 1975, 1976, 1977 and 1978 except by the agreement of the Government of Nicaragua.

9. (a) To enable both Governments to follow progress under this agreement, the Government of the United States of America shall provide to the Government of Nicaragua as soon as possible after the end of each week Customs statistical information concerning imports of such meats from all supplying countries.

¹ 81 Stat. 584; 21 U.S.C. § 601 note.

(b) As soon as possible after the end of each month, the Government of Nicaragua shall provide to the Government of the United States of America details of scheduled arrivals to December 31, 1978, ship by ship and port by port, based on actual loadings in Nicaragua.

I have the honor to propose that, if the foregoing is acceptable to the Government of Nicaragua, this note and Your Excellency's confirmatory reply constitute an agreement between our two Governments which shall enter into force on the date of your reply.

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

For the Secretary of State:

JULIUS L. KATZ

His Excellency

Dr. GUILLERMO SEVILLA-SACASA;
Ambassador of Nicaragua.

The Nicaraguan Ambassador to the Secretary of State

EMBAJADA DE NICARAGUA
WASHINGTON, D.C.

SD-CH-30

DECEMBER 26, 1977.

EXCELLENCY:

I have the honor to acknowledge receipt of Your Excellency's note of December 21, in which you transmit the text of the agreement which the Government of the United States would sign with Nicaragua with reference to the importation of meats into this country.

In this connection, I wish to inform Your Excellency that Nicaragua accepts the terms of this agreement for the purposes mentioned.

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

GUILLERMO SEVILLA SACASA

Guillermo Sevilla Sacasa
Ambassador of Nicaragua

His Excellency

CYRUS R. VANCE
The Secretary of State
Washington, D.C.

The Secretary of State to the Dominican Ambassador

DECEMBER 21, 1977

EXCELLENCY:

I have the honor to refer to discussions among representatives of our two governments and other governments relating to the importation into the United States for consumption of meats described below in paragraph 1 during the calendar year 1978. With the understanding that similar agreements also will be concluded for calendar year 1978 with governments of other countries which export substantial quantities of meat to the United States, I have the honor to propose the following agreement between our two governments:

1. For purposes of this agreement, the term "such meats" shall mean fresh, chilled or frozen cattle meat (Item 106.10 of the Tariff Schedules of the United States), fresh, chilled or frozen meat of goats and sheep, except lambs (Item 106.20 of the Tariff Schedules of the United States), and meats which, but for processing in foreign-trade zones, territories or possessions of the United States prior to entry, or withdrawal from warehouse, for consumption in United States Customs Territory, would fall within the above descriptions (and Items of the Tariff Schedules of the United States) upon such entry, or withdrawal from warehouse, for consumption.

2. This agreement, together with similar agreements with other countries which export to the United States substantial quantities of such meats, shall constitute the 1978 restraint program. Subject to paragraph 6, the permissible total quantity of imports of such meats into the United States for consumption during the calendar year 1978 from countries party to the 1978 restraint program shall be 1216.1 million pounds, and the Government of the Dominican Republic and the Government of the United States of America shall respectively undertake responsibilities as set forth below for regulating exports to, and imports into, the United States pursuant to the 1978 restraint program.

3. The Government of the Dominican Republic shall limit the quantity of such meats exported from the Dominican Republic as direct shipments or on a through bill of lading to the United States in such a manner that the quantity of such meats entered, or withdrawn from warehouse, for consumption in United States Customs Territory during the calendar year 1978 does not exceed 15.2 million pounds, or such greater quantity as may result from adjustments pursuant to paragraph 6.

4. The Government of the United States of America may issue regulations limiting to 15.2 million pounds, or such greater quantity as may result from adjustments pursuant to paragraph 6, the quantity of such meats from the Dominican Republic which, during calendar year 1978, may be entered, or withdrawn from warehouse, for consumption, whether such meats were shipped directly or indirectly; provided that (a) such regulations shall not be employed to govern

spacing within calendar year 1978 of entry, or withdrawal from warehouse, for consumption of such meats from the Dominican Republic, unless otherwise agreed; and (b) such regulations shall be issued after consultation pursuant to paragraph 7. It is understood that United States Customs statistics of entries, or withdrawal from warehouse, for consumption, will be used for purposes of this agreement. Such statistics shall not include meats which have been refused entry because of failure to meet appropriate standards prescribed pursuant to the Federal Meat Inspection Act, as amended, and such meats will not be regarded as part of the quantity described in paragraph 3, as it may be increased pursuant to paragraph 6.

5. The Government of the United States of America may take appropriate steps to ensure that imports into the United States for consumption from countries not party to the 1978 restraint program do not disrupt the 1978 restraint program.

6. The Government of the United States of America may increase the permissible total quantity of imports of such meats into the United States during the calendar year 1978 from countries party to the 1978 restraint program or may re-allocate any estimated shortfall in a share of the restraint program quantity or in the initial estimates of imports from countries not party to the 1978 restraint program. If no shortfall is estimated for the Dominican Republic, such increases or estimated shortfall as may be available shall be allocated to the Dominican Republic in the proportion that 15.2 million pounds bears to the total initial shares from all countries party to the 1978 restraint program which are estimated to have no shortfall for the calendar year 1978. In determining the amount available for re-allocation pursuant to this paragraph, the Government of the United States of America may take into account any increase in its initial estimates of imports from countries not party to the restraint program.

7. The Government of the Dominican Republic and the Government of the United States of America shall consult promptly upon the request of either government regarding any matter involving the application, interpretation or implementation of this agreement, and regarding any increase in the total quantity of imports from the Dominican Republic permissible under the restraint program including allocation of any shortfall.

8. In the event that quotas on imports of such meats should become necessary, the representative period used by the Government of the United States of America for calculation of the quota for the Dominican Republic shall not include the period between October 1, 1968 and June 30, 1972 or the calendar years 1975, 1976, 1977 and 1978 except by the agreement of the Government of the Dominican Republic.

9. (a) To enable both Governments to follow progress under this agreement, the Government of the United States of America shall provide to the Government of the Dominican Republic as soon as possible after the end of each week Customs statistical information concerning imports of such meats from all supplying countries.

(b) As soon as possible after the end of each month, the Government of the Dominican Republic shall provide to the Government of the United States of America details of scheduled arrivals to December 31, 1978, ship by ship and port by port, based on actual loadings in the Dominican Republic.

I have the honor to propose that, if the foregoing is acceptable to the Government of the Dominican Republic, this note and your Excellency's confirmatory reply constitute an agreement between our two Governments which shall enter into force on the date of your reply.

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

For the Secretary of State:

JULIUS L. KATZ

His Excellency

Dr. HORACIO VICIOSO-SOTO,

Ambassador of the Dominican Republic.

The Dominican Ambassador to the Secretary of State

EMBAJADA DE LA REPUBLICA DOMINICANA

WASHINGTON

665

DECEMBER 28, 1977

EXCELLENCY:

I have the honor to refer to the Note of Your Excellency dated December 21, 1977, regarding the discussions among representatives of our two governments and other governments relating to the importation into the United States for consumption of meats described below during the calendar year 1978.

The text of the agreement proposed is as follows:

"1. For purposes of this agreement, the term 'such meats' shall mean fresh, chilled or frozen cattle meat (Item 106.10 of the Tariff Schedules of the United States), fresh, chilled or frozen meat of goats and sheep, except lambs (Item 106.20 of the Tariff Schedules of the United States), and meats which, but for processing in foreign-trade zones, territories or possessions of the United States prior to entry, or withdrawal from warehouse, for consumption in United States Customs Territory, would fall within the above descriptions (and Items of the Tariff Schedules of the United States) upon such entry, or withdrawal from warehouse, for consumption.

2. This agreement, together with similar agreements with other

TIAS 9168

countries which export to the United States substantial quantities of such meats, shall constitute the 1978 restraint program. Subject to paragraph 6, the permissible total quantity of imports of such meats into the United States for consumption during the calendar year 1978 from countries party to the 1978 restraint program shall be 1216.1 million pounds, and the Government of the Dominican Republic and the Government of the United States of America shall respectively undertake responsibilities as set forth below for regulating exports to, and imports into, the United States pursuant to the 1978 restraint program.

3. The Government of the Dominican Republic shall limit the quantity of such meats exported from Dominican Republic as direct shipments or on a through bill of lading to the United States in such a manner that the quantity of such meats entered, or withdrawn from warehouse, for consumption in United States Customs Territory during the calendar year 1978 does not exceed 15.2 million pounds, or such greater quantity as may result from adjustments pursuant to paragraph 6.

4. The Government of the United States of America may issue regulations limiting to 15.2 million pounds, or such greater quantity as may result from adjustments pursuant to paragraph 6, the quantity of such meats from the Dominican Republic which, during calendar year 1978, may be entered, or withdrawn from warehouse, for consumption, whether such meats were shipped directly or indirectly, provided that (a) such regulations shall not be employed to govern spacing within calendar year 1978 of entry, or withdrawal from warehouse, for consumption of such meats from the Dominican Republic, unless otherwise agreed; and (b) such regulations shall be issued after consultation pursuant to paragraph 7. It is understood that United States Customs statistics of entries, or withdrawals from warehouse, for consumption, will be used for purposes of this agreement. Such statistics shall not include meats which have been refused entry because of failure to meet appropriate standards prescribed pursuant to the Federal Meat Inspection Act, as amended, and such meats will not be regarded as part of the quantity described in paragraph 3, as it may be increased pursuant to paragraph 6.

5. The Government of the United States of America may take appropriate steps to ensure that imports into the United States for consumption from countries not party to the 1978 restraint program do not disrupt the 1978 restraint program.

6. The Government of the United States of America may increase the permissible total quantity of imports of such meats into the United States during the calendar year 1978 from countries party to the 1978 restraint program or may re-allocate any estimated shortfall in a share of the restraint program quantity or in the initial estimates of imports from countries not party to the 1978 restraint program. If no shortfall is estimated for the Dominican Republic, such increases

or estimated shortfall as may be available shall be allocated to the Dominican Republic in the proportion that 15.2 million pounds bears to the total initial shares from all countries party to the 1978 restraint program which are estimated to have no shortfall for the calendar year 1978. In determining the amount available for re-allocation pursuant to this paragraph, the Government of the United States of America may take into account any increase in its initial estimates of imports from countries not party to the restraint program.

7. The Government of the Dominican Republic and the Government of the United States of America shall consult promptly upon the request of either government regarding any matter involving the application, interpretation or implementation of this agreement, and regarding any increase in the total quantity of imports from the Dominican Republic permissible under the restraint program including allocation of any shortfall.

8. In the event that quotas on imports of such meats should become necessary, the representative period used by the Government of the United States of America for calculation of the quota for the Dominican Republic shall not include the period between October 1, 1968 and June 30, 1972 or the calendar years 1975, 1976, 1977 and 1978 except by agreement of the Government of the Dominican Republic.

9. (a) To enable both Governments to follow progress under this agreement, the Government of the United States of America shall provide to the Government of the Dominican Republic as soon as possible after the end of each week Customs statistical information concerning imports of such meats from all supplying countries.

(b) As soon as possible after the end of each month, the Government of the Dominican Republic shall provide to the Government of the United States of America details of scheduled arrivals to December 31, 1978, ship by ship and port by port, based on actual loadings in the Dominican Republic".

I have the honor to state that the Dominican Government accepts the aforementioned agreement and I hereby confirm that the Note of Your Excellency and this confirmatory Note of reply from us constitute an agreement between our two governments which shall enter into force on this very date and applicable to calendar year 1978.

I take this opportunity to renew to Your Excellency the assurances of my highest consideration.

HORACIO VICIOSO

His Excellency

CYRUS R. VANCE

*Secretary of State of the
United States of America
Washington, D.C.*

The Secretary of State to the Guatemalan Ambassador

DECEMBER 21, 1977

EXCELLENCY:

I have the honor to refer to discussions among representatives of our two governments and other governments relating to the importation into the United States for consumption of meats described below in paragraph 1 during the calendar year 1978. With the understanding that similar agreements also will be concluded for calendar year 1978 with governments of other countries which export substantial quantities of meat to the United States, I have the honor to propose the following agreement between our two governments:

1. For purposes of this agreement, the term "such meats" shall mean fresh, chilled or frozen cattle meat (Item 106.10 of the Tariff Schedules of the United States), fresh, chilled or frozen meat of goats and sheep, except lambs (Item 106.20 of the Tariff Schedules of the United States), and meats which, but for processing in foreign-trade zones, territories or possessions of the United States prior to entry, or withdrawal from warehouse, for consumption in United States Customs Territory, would fall within the above descriptions (and Items of the Tariff Schedules of the United States) upon such entry, or withdrawal from warehouse, for consumption.
2. This agreement, together with similar agreements with other countries which export to the United States substantial quantities of such meats, shall constitute the 1978 restraint program. Subject to paragraph 6, the permissible total quantity of imports of such meats into the United States for consumption during the calendar year 1978 from countries party to the 1978 restraint program shall be 1216.1 million pounds, and the Government of Guatemala and the Government of the United States of America shall respectively undertake responsibilities as set forth below for regulating exports to, and imports into, the United States pursuant to the 1978 restraint program.
3. The Government of Guatemala shall limit the quantity of such meats exported from Guatemala as direct shipments or on a through bill of lading to the United States in such a manner that the quantity of such meats entered, or withdrawn from warehouse, for consumption in the United States Customs Territory during the calendar year 1978 does not exceed 36.2 million pounds, or such greater quantity as may result from adjustments pursuant to paragraph 6.
4. The Government of the United States of America may issue regulations limiting to 36.2 million pounds, or such greater quantity as may result from adjustments pursuant to paragraph 6, the quantity of such meats from Guatemala which, during calendar year 1978, may be entered, or withdrawn from warehouse, for consumption, whether such meats were shipped directly or indirectly, provided that (a) such regulations shall not be employed to govern spacing

within calendar year 1978 of entry, or withdrawal from warehouse, for consumption of such meats from Guatemala, unless otherwise agreed; and (b) such regulations shall be issued after consultation pursuant to paragraph 7. It is understood that United States Customs statistics of entries, or withdrawals from warehouse, for consumption, will be used for purposes of this agreement. Such statistics shall not include meats which have been refused entry because of failure to meet appropriate standards prescribed pursuant to the Federal Meat Inspection Act, as amended, and such meats will not be regarded as part of the quantity described in paragraph 3, as it may be increased pursuant to paragraph 6.

5. The Government of the United States of America may take appropriate steps to ensure that imports into the United States for consumption from countries not party to the 1978 restraint program do not disrupt the 1978 restraint program.

6. The Government of the United States of America may increase the permissible total quantity of imports of such meats into the United States during the calendar year 1978 from countries party to the 1978 restraint program or may re-allocate any estimated shortfall in a share of the restraint program quantity or in the initial estimates of imports from countries not party to the 1978 restraint program. If no shortfall is estimated for Guatemala, such increases or estimated shortfall as may be available shall be allocated to Guatemala in the proportion that 36.2 million pounds bears to the total initial shares from all countries party to the 1978 restraint program which are estimated to have no shortfall for the calendar year 1978. In determining the amount available for re-allocation pursuant to this paragraph, the Government of the United States of America may take into account any increase in its initial estimates of imports from countries not party to the restraint program.

7. The Government of Guatemala and the Government of the United States of America shall consult promptly upon the request of either government regarding any matter involving the application, interpretation or implementation of this agreement, and regarding any increase in the total quantity of imports from Guatemala permissible under the restraint program including allocation of any shortfall.

8. In the event that quotas on imports of such meats should become necessary, the representative period used by the Government of the United States of America for calculation of the quota for Guatemala shall not include the period between October 1, 1968 and June 30, 1972 or the calendar years 1975, 1976, 1977 and 1978 except by the agreement of the Government of Guatemala.

9. (a) To enable both Governments to follow progress under this agreement, the Government of the United States of America shall provide to the Government of Guatemala as soon as possible after the end of each week Customs statistical information concerning imports of such meats from all supplying countries.

(b) As soon as possible after the end of each month, the Government of Guatemala shall provide to the Government of the United States of America details of scheduled arrivals to December 31, 1978, ship by ship and port by port, based on actual loadings in Guatemala.

I have the honor to propose that, if the foregoing is acceptable to the Government of Guatemala, this note and Your Excellency's confirmatory reply constitute an agreement between our two Governments which shall enter into force on the date of your reply.

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

For the Secretary of State:

JULIUS L. KATZ

His Excellency

JORGE LAMPORT,

Ambassador of Guatemala.

The Guatemalan Ambassador to the Secretary of State

EMBASSY OF GUATEMALA
WASHINGTON, D.C.

No. 1221 Clas. A.2

DECEMBER 28, 1977

EXCELLENCY:

I have the honor to refer to your note of December 21st which reads as follows:

"EXCELLENCY:

I have the honor to refer to discussions among representatives of our two governments and other governments relating to the importation into the United States for consumption of meats described below in paragraph 1 during the calendar year 1978. With the understanding that similar agreements also will be concluded for calendar year 1978 with governments of other countries which export substantial quantities of meat to the United States, I have the honor to propose the following agreement between our two governments:

1. For purposes of this agreement, the term 'such meats' shall mean fresh, chilled or frozen cattle meat (Item 106.10 of the Tariff Schedules of the United States), fresh, chilled or frozen meat of goats and sheep, except lambs (Item 106.20 of the Tariff Schedules of the United States), and meats which, but for processing in foreign-trade zones, territories or possessions of the United States prior to

entry, or withdrawal from warehouse, for consumption in United States Customs Territory, would fall within the above descriptions (and Items of the Tariff Schedules of the United States) upon such entry, or withdrawal from warehouse, for consumption.

2. This agreement, together with similar agreements with other countries which export to the United States substantial quantities of such meats, shall constitute the 1978 restraint program. Subject to paragraph 6, the permissible total quantity of imports of such meats into the United States for consumption during the calendar year 1978 from countries party to the 1978 restraint program shall be 1216.1 million pounds, and the Government of Guatemala and the Government of the United States of America shall respectively undertake responsibilities as set forth below for regulating exports to, and imports into, the United States pursuant to the 1978 restraint program.

3. The Government of Guatemala shall limit the quantity of such meats exported from Guatemala as direct shipments or on a through bill of lading to the United States in such a manner that the quantity of such meats entered, or withdrawn from warehouse, for consumption in United States Customs Territory during the calendar year 1978 does not exceed 36.2 million pounds, or such greater quantity as may result from adjustments pursuant to paragraph 6.

4. The Government of the United States of America may issue regulations limiting to 36.2 million pounds, or such greater quantity as may result from adjustments pursuant to paragraph 6, the quantity of such meats from Guatemala which, during calendar year 1978, may be entered, or withdrawn from warehouse, for consumption, whether such meats were shipped directly or indirectly; provided that (a) such regulations shall not be employed to govern spacing within calendar year 1978 of entry, or withdrawal from warehouse, for consumption of such meats from Guatemala, unless otherwise agreed; and (b) such regulations shall be issued after consultation pursuant to paragraph 7. It is understood that United States Customs statistics of entries, or withdrawals from warehouse, for consumption, will be used for purposes of this agreement. Such statistics shall not include meats which have been refused entry because of failure to meet appropriate standards prescribed pursuant to the Federal Meat Inspection Act, as amended, and such meats will not be regarded as part of the quantity described in paragraph 3, as it may be increased pursuant to paragraph 6.

5. The Government of the United States of America may take appropriate steps to ensure that imports into the United States for consumption from countries not party to the 1978 restraint program do not disrupt the 1978 restraint program.

6. The Government of the United States of America may increase the permissible total quantity of imports of such meats into the United States during the calendar year 1978 from countries party to the 1978 restraint program or may re-allocate any esti-

mated shortfall in a share of the restraint program quantity or in the initial estimates of imports from countries not party to the 1978 restraint program. If no shortfall is estimated for Guatemala, such increases or estimated shortfall as may be available shall be allocated to Guatemala in the proportion that 36.2 million pounds bears to the total initial shares from all countries party to the 1978 restraint program which are estimated to have no shortfall for the calendar year 1978. In determining the amount available for re-allocation pursuant to this paragraph, the Government of the United States of America may take into account any increase in its initial estimates of imports from countries not party to the restraint program.

7. The Government of Guatemala and the Government of the United States of America shall consult promptly upon the request of either government regarding any matter involving the application, interpretation or implementation of this agreement, and regarding any increase in the total quantity of imports from Guatemala permissible under the restraint program including allocation of any shortfall.

8. In the event that quotas on imports of such meats should become necessary, the representative period used by the Government of the United States of America for calculation of the quota for Guatemala shall not include the period between October 1, 1968 and June 30, 1972 or the calendar years 1975, 1976, 1977 and 1978 except by the agreement of the Government of Guatemala.

9. (a) To enable both Governments to follow progress under this agreement, the Government of the United States of America shall provide to the Government of Guatemala as soon as possible after the end of each week Customs statistical information concerning imports of such meats from all supplying countries.

(b) As soon as possible after the end of each month, the Government of Guatemala shall provide to the Government of the United States of America details of scheduled arrivals to December 31, 1978, ship by ship and port by port, based on actual loadings in Guatemala.

I have the honor to propose that, if the foregoing is acceptable to the Government of Guatemala, this note and Your Excellency's confirmatory reply constitute an agreement between our two Governments which shall enter into force on the date of your reply.

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

For the Secretary of State:

JULIUS L. KATZ"

I have the honor to confirm that the foregoing is acceptable to the Government of Guatemala which agrees that your note together with

with this reply should form an agreement between our two Governments on this matter.

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

JORGE LAMPORTE RODIL

Jorge Lamport - Rodil
Ambassador

The Honorable

CYRUS R. VANCE

Secretary of State

Washington, D.C.

The Secretary of State to the Costa Rican Ambassador

DECEMBER 21, 1977

EXCELLENCY:

I have the honor to refer to discussions among representatives of our two governments and other governments relating to the importation into the United States for consumption of meats described below in paragraph 1 during the calendar year 1978. With the understanding that similar agreements also will be concluded for calendar year 1978 with governments of other countries which export substantial quantities of meat to the United States, I have the honor to propose the following agreement between our two governments:

1. For purposes of this agreement, the term "such meats" shall mean fresh, chilled or frozen cattle meat (Item 106.10 of the Tariff Schedules of the United States), fresh, chilled or frozen meat of goats and sheep, except lambs (Item 106.20 of the Tariff Schedules of the United States), and meats which, but for processing in foreign-trade zones, territories or possessions of the United States prior to entry, or withdrawal from warehouse, for consumption in United States Customs Territory, would fall within the above descriptions (and Items of the Tariff Schedules of the United States) upon such entry, or withdrawal from warehouse for consumption.

2. This agreement, together with similar agreements with other countries which export to the United States substantial quantities of such meats, shall constitute the 1978 restraint program. Subject to paragraph 6, the permissible total quantity of imports of such meats into the United States for consumption during the calendar year 1978 from countries party to the 1978 restraint program shall be 1216.1 million pounds, and the Government of Costa Rica and the Govern-

ment of the United States of America shall respectively undertake responsibilities as set forth below for regulating exports to, and imports into, the United States pursuant to the 1978 restraint program.

3. The Government of Costa Rica shall limit the quantity of such meats exported from Costa Rica as direct shipments or on a through bill of lading to the United States in such a manner that the quantity of such meats entered, or withdrawn from warehouse, for consumption in United States Customs Territory during the calendar year 1978 does not exceed 56.5 million pounds or such greater quantity as may result from adjustments pursuant to paragraph 6.

4. The Government of the United States of America may issue regulations limiting to 56.5 million pounds, or such greater quantity as may result from adjustments pursuant to paragraph 6, the quantity of such meats from Costa Rica which, during calendar year 1978, may be entered, or withdrawn from warehouse, for consumption, whether such meats were shipped directly or indirectly, provided that (a) such regulations shall not be employed to govern spacing within calendar year 1978 of entry, or withdrawal from warehouse, for consumption of such meats from Costa Rica, unless otherwise agreed; and (b) such regulations shall be issued after consultation pursuant to paragraph 7. It is understood that U.S. Customs statistics of entries, or withdrawals from warehouse, for consumption, will be used for purposes of this agreement. Such statistics shall not include meats which have been refused entry because of failure to meet appropriate standards prescribed pursuant to the Federal Meat Inspection Act, as amended, and such meats will not be regarded as part of the quantity described in paragraph 3, as it may be increased pursuant to paragraph 6.

5. The Government of the United States of America may take appropriate steps to ensure that imports into the United States for consumption from countries not party to the 1978 restraint program do not disrupt the 1978 restraint program.

6. The Government of the United States of America may increase the permissible total quantity of imports of such meats into the United States during the calendar year 1978 from countries party to the 1978 restraint program or may re-allocate any estimated shortfall in a share of the restraint program quantity or in the initial estimates of imports from countries not party to the 1978 restraint program. If no shortfall is estimated for Costa Rica, such increases or estimated shortfall as may be available shall be allocated to Costa Rica in the proportion that 56.5 million pounds bears to the total initial shares from all countries party to the 1978 restraint program which are estimated to have no shortfall for the calendar year 1978. In determining the amount available for re-allocation pursuant to this paragraph, the Government of the United States of America may take into account any increase in its initial estimates of imports from countries not party to the restraint program.

7. The Government of Costa Rica and the Government of the United States of America shall consult promptly upon the request of either government regarding any matter involving the application, interpretation or implementation of this agreement, and regarding any increase in the total quantity of imports from Costa Rica permissible under the restraint program including allocation of any shortfall.

8. In the event that quotas on imports of such meats should become necessary, the representative period used by the Government of the United States of America for calculation of the quota for Costa Rica shall not include the period between October 1, 1968 and June 30, 1972 or the calendar years 1975, 1976, 1977 and 1978 except by the agreement of the Government of Costa Rica.

9. (a) To enable both Governments to follow progress under this agreement, the Government of the United States of America shall provide to the Government of Costa Rica as soon as possible after the end of each week Customs statistical information concerning imports of such meats from all supplying countries.

(b) As soon as possible after the end of each month, the Government of Costa Rica shall provide to the Government of the United States of America details of scheduled arrivals to December 31, 1978, ship by ship and port by port, based on actual loadings in Costa Rica.

I have the honor to propose that, if the foregoing is acceptable to the Government of Costa Rica, this note and Your Excellency's confirmatory reply constitute an agreement between our two Governments which shall enter into force on the date of your reply.

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

For the Secretary of State:

JULIUS L. KATZ

His Excellency

RODOLFO SILVA,

Ambassador of Costa Rica.

The Costa Rican Ambassador to the Secretary of State

EMBAJADA DE COSTA RICA

WASHINGTON, D.C. 20008

No. 1928

DECEMBER 30, 1977

EXCELLENCY:

I have the honor to refer to Your Excellency's note of December 21, 1977, which constitutes a proposal of agreement between our two Governments in regard to the Voluntary Restraints Program of Beef for 1978.

TIAS 9168

I wish to express that the Government of Costa Rica accepts your proposal of 56.5 million pounds for 1978.

It is understood that similar agreements will be concluded with Governments of other countries which export beef to the United States. Also, that Your Excellency's note and this confirmatory reply constitute an agreement between our two Governments to enter into force as of January 1, 1978.

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

For the Ambassador:

MIRTHA VIRGINIA DE PEREA

His Excellency

CYRUS R. VANCE

Secretary of State

Department of State

Washington, D.C.

The Secretary of State to the Haitian Ambassador

DECEMBER 21, 1977

EXCELLENCE:

I have the honor to refer to discussions among representatives of our two governments and other governments relating to the importation into the United States for consumption of meats described below in paragraph 1 during the calendar year 1978. With the understanding that similar agreements also will be concluded for calendar year 1978 with governments of other countries which export substantial quantities of meat to the United States, I have the honor to propose the following agreement between our two governments:

1. For purposes of this agreement, the term "such meats" shall mean fresh, chilled or frozen cattle meat (Item 106.10 of the Tariff Schedules of the United States), fresh, chilled or frozen meat of goats and sheep, except lambs (Item 106.20 of the Tariff Schedules of the United States), and meats which, but for processing in foreign-trade zones, territories or possessions of the United States prior to entry, or withdrawal from warehouse, for consumption in United States Customs Territory, would fall within the above descriptions (and Items of the Tariff Schedules of the United States) upon such entry, or withdrawal from warehouse, for consumption.

2. This agreement, together with similar agreements with other countries which export to the United States substantial quantities of such meats, shall constitute the 1978 restraint program. Subject to paragraph 6, the permissible total quantity of imports of such

meats into the United States for consumption during the calendar year 1978 from countries party to the 1978 restraint program shall be 1216.1 million pounds, and the Government of Haiti and the Government of the United States of America shall respectively undertake responsibilities as set forth below for regulating exports to, and imports into, the United States pursuant to the 1978 restraint program.

3. The Government of Haiti shall limit the quantity of such meats exported from Haiti as direct shipments or on a through bill of lading to the United States in such a manner that the quantity of such meats entered, or withdrawn from warehouse, for consumption in United States Customs Territory during the calendar year 1978 does not exceed 2.0 million pounds, or such greater quantity as may result from adjustments pursuant to paragraph 6.

4. The Government of the United States of America may issue regulations limiting to 2.0 million pounds, or such greater quantity as may result from adjustments pursuant to paragraph 6, the quantity of such meats from Haiti which, during calendar year 1978, may be entered, or withdrawn from warehouse, for consumption, whether such meats were shipped directly or indirectly, provided that (a) such regulations shall not be employed to govern spacing within calendar year 1978 of entry, or withdrawal from warehouse, for consumption of such meats from Haiti, unless otherwise agreed; and (b) such regulations shall be issued after consultation pursuant to paragraph 7. It is understood that United States Customs statistics of entries, or withdrawals from warehouse, for consumption, will be used for purposes of this agreement. Such statistics shall not include meats which have been refused entry because of failure to meet appropriate standards prescribed pursuant to the Federal Meat Inspection Act, as amended, and such meats will not be regarded as part of the quantity described in paragraph 3, as it may be increased pursuant to paragraph 6.

5. The Government of the United States of America may take appropriate steps to ensure that imports into the United States for consumption from countries not party to the 1978 restraint program do not disrupt the 1978 restraint program.

6. The Government of the United States of America may increase the permissible total quantity of imports of such meats into the United States during the calendar year 1978 from countries party to the 1978 restraint program or may re-allocate any estimated shortfall in a share of the restraint program quantity or in the initial estimates of imports from countries not party to the 1978 restraint program. If no shortfall is estimated for Haiti, such increases or estimated shortfall as may be available shall be allocated to Haiti in the proportion that 2.0 million pounds bears to the total initial shares from all countries party to the 1978 restraint program which are estimated to have no shortfall for the calendar year 1978. In determining the amount available for re-allocation pursuant to this paragraph, the Government of the United States of America may take into account

any increase in its initial estimates of imports from countries not party to the restraint program.

7. The Government of Haiti and the Government of the United States of America shall consult promptly upon the request of either government regarding any matter involving the application, interpretation or implementation of this agreement, and regarding any increase in the total quantity of imports from Haiti permissible under the restraint program including allocation of any shortfall.

8. In the event that quotas on imports of such meats should become necessary, the representative period used by the Government of the United States of America for calculation of the quota for Haiti shall not include the period between October 1, 1968 and June 30, 1972 or the calendar years 1975, 1976, 1977 and 1978 except by the agreement of the Government of Haiti.

9. (a) To enable both Governments to follow progress under this agreement, the Government of the United States of America shall provide to the Government of Haiti as soon as possible after the end of each week Customs statistical information concerning imports of such meats from all supplying countries.

(b) As soon as possible after the end of each month, the Government of Haiti shall provide to the Government of the United States of America details of scheduled arrivals to December 31, 1978, ship by ship and port by port, based on actual loadings in Haiti.

I have the honor to propose that, if the foregoing is acceptable to the Government of Haiti, this note and Your Excellency's confirmatory reply constitute an agreement between our two Governments which shall enter into force on the date of your reply.

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

For the Secretary of State:

JULIUS L. KATZ

His Excellency

GEORGES SALOMON,
Ambassador of Haiti.

The Haitian Ambassador to the Secretary of State

AMBASSADE D'HAITI
WASHINGTON

AW/43-865

WASHINGTON, le 30 Décembre 1977

MONSIEUR LE SECRÉTAIRE D'ETAT,

J'ai l'honneur d'accuser réception à Votre Excellence de la note du 21 Décembre 1977 dont le texte traduit en fariçais se lit comme suit:

TIAS 9168

EXCELLENCE,

J'ai l'honneur de me référer aux entretiens qui ont eu lieu entre les représentants de nos deux gouvernements et d'autres gouvernements relativement à l'importation aux Etats-Unis, aux fins de consommation, des viandes décrites au paragraphe i ci-dessous pendant l'année civile 1978. Étant entendu que des accords semblables seront également conclus pour l'année civile 1978 avec les gouvernements d'autres pays qui exportent d'importantes quantités de viande aux Etats-Unis, j'ai l'honneur de proposer que l'accord suivant soit conclu entre nos deux gouvernements:

1. Pour les besoins du présent accord, l'expression "telles viandes" signifiera la viande de boeuf fraîche réfrigérée ou congelée (Rubrique 106.10 du Tarif douanier des Etats-Unis), la viande de chèvre et de mouton fraîche réfrigérée ou congelée, à l'exception de la viande d'agneau (Rubrique 106.20 du Tarif douanier des Etats-Unis), et les viandes qui, sauf pour la préparation reçue dans les zones franches, les territoires ou les possessions des Etats-Unis, avant l'entrée aux Etats-Unis où le dédouanement, aux fins de consommation dans les Territoires qui relèvent de la Douane des Etats-Unis, tomberaient sous les descriptions ci-dessus (et Rubrique du Tarif douanier des Etats-Unis). Lors de ladite entrée, ou dudit dédouanement, aux fins de consommation.

2. Cet accord, ainsi que les accord semblables avec d'autres pays qui exportent aux Etats-Unis des quantités importantes de telles viandes, constituera le programme de limitation pour l'année 1978. Conformément aux dispositions du paragraphe 6, la quantité totale des importations permises de telles viandes aux Etats-Unis, aux fins de consommation, pendant l'année civile 1978, en provenance de pays parties au programme de limitation de 1978 sera de 1216.1 millions de livres, et le Gouvernement d'Haiti et le Gouvernement des Etats-Unis d'Amérique assumeront respectivement les responsabilités énoncées ci-dessous, afin de réglementer les exportations vers les Etats-Unis et les importations aux Etats-Unis au titre du programme de limitation de 1978.

3. Le Gouvernement d'Haiti limitera la quantité de telles viandes exportées d'Haiti en tant qu'expéditions directes ou suivant un connaissance à forfait, à destination des Etats-Unis de telle sorte que la quantité de telles viandes entrée ou dédouanée, aux fins de consommation dans les Territoires qui relèvent de la Douane des Etats-Unis pendant l'année civile 1978, ne dépasse pas 2 millions de livres, ou toute quantité supérieure pouvant résulter d'ajustement en vertu du paragraphe 6.

4. Le Gouvernement des Etats-Unis d'Amérique peut émettre des règlements limitant à 2 millions de livres, ou à toute quantité supérieure pouvant résulter d'ajustements en vertu du paragraphe 6, la quantité de telles viandes en provenance d'Haiti, qui, pendant l'année civile 1978, peut entrer aux Etats-Unis aux fins de consom-

mation, ou entre dédouanée, que lesdites viandes aient été expédiées directement ou indirectement sous réserve que:

a) lesdits règlements ne soient pas employés à déterminer pendant l'année civile 1978 le moment de l'entrée de ces expéditions aux Etats-Unis, ou de leur dédouanement, aux fins de consommation d'une telle viande en provenance d'Haiti, à moins qu'il n'en soit autrement convenu; et b) lesdits règlements soient promulgués après consultation conformément aux dispositions du paragraphe 6. Il est entendu que les statistiques de la Douane des Etats-Unis concernant les entrées aux Etats-Unis ou les dédouanements, aux fins de consommation, seront utilisées pour les besoins du présent accord. Lesdites statistiques ne comprendront pas les viandes dont l'entrée a été refusée du fait qu'elles n'étaient pas conformes aux normes appropriées prescrites en vertu de la Loi fédérale relative à l'Inspection de la viande, telle qu'amendée, et de telles viandes ne seront pas considérées comme faisant partie de la quantité définie au paragraphe 3, qui peut être accrue conformément aux dispositions du paragraphe 6.

5. Le Gouvernement des Etats-Unis d'Amérique pourra prendre les mesures appropriées pour veiller à ce que les importations aux Etats-Unis aux fins de consommation en provenance de pays qui ne font pas parties au programme de limitation de 1978, ne compromettent pas le programme de limitation de 1978.

6. Le Gouvernement des Etats-Unis d'Amérique pourra accroître la quantité totale des importations permises de telles viandes aux Etats-Unis pendant l'année civile 1978 en provenance de pays participant au programme de limitation ou pourra allouer une quantité supplémentaire pour compenser toute insuffisance estimée dans les exportations au titre de la part fixée pour un pays participant au programme de limitation, ou dans les estimations initiales des importations en provenance de pays qui ne font pas parties au programme de limitation. Si aucun déficit n'est anticipé pour Haïti, tout accroissement ou déficit estimé qui pourrait être constaté sera alloué à Haïti, dans la proportion même que deux millions de livres représentent du total initial des parts de tous les pays participants au programme de limitation pour lesquels aucun déficit n'est anticipé pour l'année civile 1978. Lors de la détermination du montant disponible pour l'allocation d'une quantité supplémentaire conformément aux dispositions du présent paragraphe, le Gouvernement des Etats-Unis d'Amérique pourra prendre en considération tout accroissement dans ses estimations initiales des importations en provenance des pays qui ne font pas parties au programme de limitation.

7. Le Gouvernement d'Haïti et le Gouvernement des Etats-Unis d'Amérique entreront promptement en consultation, sur demande de l'un ou l'autre des gouvernements, au sujet de toutes questions concernant l'application, l'interprétation, ou la mise en

oeuvre du présent accord, et de toute augmentation dans la quantité totale des importations en provenance d'Haiti, permises dans le cadre du programme de limitation, y compris l'allocation de toute quantité supplémentaire pour compenser un déficit.

8. Au cas où des quotas d'importation de telles viances deviendraient nécessaires, la période de base utilisée par le Gouvernement des Etats-Unis d'Amérique pour calculer le quota d'Haiti n'inclura pas la période du 1er Octobre 1968 au 30 Juin 1972, ni les années civiles 1975, 1976, 1977 et 1978, sauf accord du Gouvernement d'Haiti.

9. a) Afin de permettre aux deux Gouvernements de suivre la mise en oeuvre des dispositions du présent Accord, le Gouvernement des Etats-Unis d'Amérique fera parvenir au Gouvernement d'Haiti, dès que possible après la fin de chaque semaine, les renseignements statistiques douaniers concernant les importations de telles viances en provenance de tous les pays fournisseurs.

10. b) Dès que possible, à la fin de chaque mois, le Gouvernement d'Haiti fournira au Gouvernement des Etats-Unis d'Amérique le détail des arrivées de navires prévues jusqu'au 31 Décembre 1978, par navire et par port d'entrée, en se fondant sur les chargements effectués à Haiti.

J'ai l'honneur de proposer que, si ce qui précède reçoit l'agrément du Gouvernement d'Haiti, la présente note ainsi que votre réponse confirmant votre approbation constituent entre nos deux Gouvernements un accord qui entrera en vigueur à compter de la date de votre réponse.

Veuillez agréer, Excellence, les assurances de ma très haute considération.

Pour le Secrétaire d'Etat:

S)

La proposition ci-dessus ayant reçu l'agrément du Gouvernement de la République d'Haiti Votre lettre et cette réponse constituent un Accord par échange de notes entre le Gouvernement des Etats-Unis d'Amérique et le Gouvernement de la République d'Haiti, qui prendra effet à la date de la présente.

Je saisiss l'occasion pour renouveler à Votre Excellence, Monsieur le Secrétaire d'Etat, l'assurance de ma très haute considération.

GEORGES SALOMON

Georges Salomon
Ambassadeur

Son Excellence

Monsieur CYRUS VANCE

Secrétaire d'Etat des Etats-Unis d'Amérique

Département d'Etat

Washington, D.C.

TIAS 9168

Translation

EMBASSY OF HAITI
WASHINGTON, D.C.

AW/43-865

WASHINGTON, December 30, 1977

MR. SECRETARY:

I have the honor to acknowledge receipt of Your Excellency's note of December 21, 1977, which, translated into French, reads as follows:

[For the English language text, see pp. 6018-6020.]

The Government of the Republic of Haiti accepts the foregoing proposal and therefore considers that your note and this reply constitute an agreement by exchange of notes between the Government of the United States of America and the Government of the Republic of Haiti, which shall enter into force on the date of this note.

I avail myself of this opportunity to renew to Your Excellency the assurances of my very high consideration.

GEORGES SALOMON

Georges Salomon
Ambassador

His Excellency

CYRUS VANCE,
Secretary of State of
The United States of America,
Department of State,
Washington, D.C.

The Secretary of State to the Honduran Ambassador

DECEMBER 21, 1977

EXCELLENCY:

I have the honor to refer to discussions among representatives of our two governments and other governments relating to the importation into the United States for consumption of meats described below in paragraph 1 during the calendar year 1978. With the understanding that similar agreements also will be concluded for calendar year 1978 with governments of other countries which export substantial quantities of meat to the United States, I have the honor to propose the following agreement between our two governments:

1. For purposes of this agreement, the term "such meats" shall mean fresh, chilled or frozen cattle meat (Item 106.10 of the Tariff

Schedules of the United States), fresh, chilled or frozen meat of goats and sheep, except lambs (Item 106.20 of the Tariff Schedules of the United States), and meats which, but for processing in foreign-trade zones, territories or possessions of the United States prior to entry, or withdrawal from warehouse, for consumption in United States Customs Territory, would fall within the above descriptions (and Items of the Tariff Schedules of the United States) upon such entry, or withdrawal from warehouse, for consumption.

2. This agreement, together with similar agreements with other countries which export to the United States substantial quantities of such meats, shall constitute the 1978 restraint program. Subject to paragraph 6, the permissible total quantity of imports of such meats into the United States for consumption during the calendar year 1978 from countries party to the 1978 restraint program shall be 1216.1 million pounds, and the Government of Honduras and the Government of the United States of America shall respectively undertake responsibilities as set forth below for regulating exports to, and imports into, the United States pursuant to the 1978 restraint program.

3. The Government of Honduras shall limit the quantity of such meats exported from Honduras as direct shipments or on a through bill of lading to the United States in such a manner that the quantity of such meats entered, or withdrawn from warehouse, for consumption in United States Customs Territory during the calendar year 1978 does not exceed 37.8 million pounds, or such greater quantity as may result from adjustments pursuant to paragraph 6.

4. The Government of the United States of America may issue regulations limiting to 37.8 million pounds, or such greater quantity as may result from adjustments pursuant to paragraph 6, the quantity of such meats from Honduras which, during calendar year 1978, may be entered, or withdrawn from warehouse, for consumption, whether such meats were shipped directly or indirectly, provided that (a) such regulations shall not be employed to govern spacing within calendar year 1978 of entry, or withdrawal from warehouse, for consumption of such meats from Honduras, unless otherwise agreed; and (b) such regulations shall be issued after consultation pursuant to paragraph 7. It is understood that United States Customs statistics of entries, or withdrawals from warehouse, for consumption, will be used for purposes of this agreement. Such statistics shall not include meats which have been refused entry because of failure to meet appropriate standards prescribed pursuant to the Federal Meat Inspection Act, as amended, and such meats will not be regarded as part of the quantity described in paragraph 3, as it may be increased pursuant to paragraph 6.

5. The Government of the United States of America may take appropriate steps to ensure that imports into the United States for consumption from countries not party to the 1978 restraint program do not disrupt the 1978 restraint program.

6. The Government of the United States of America may increase the permissible total quantity of imports of such meats into the United States during the calendar year 1978 from countries party to the 1978 restraint program or may re-allocate any estimated shortfall in a share of the restraint program quantity or in the initial estimates of imports from countries not party to the 1978 restraint program. If no shortfall is estimated for Honduras, such increases or estimated shortfall as may be available shall be allocated to Honduras in the proportion that 37.8 million pounds bears to the total initial shares from all countries party to the 1978 restraint program which are estimated to have no shortfall for the calendar year 1978. In determining the amount available for re-allocation pursuant to this paragraph, the Government of the United States of America may take into account any increase in its initial estimates of imports from countries not party to the restraint program.

7. The Government of Honduras and the Government of the United States of America shall consult promptly upon the request of either government regarding any matter involving the application, interpretation or implementation of this agreement, and regarding any increase in the total quantity of imports from Honduras permissible under the restraint program including allocation of any shortfall.

8. In the event that quotas on imports of such meats should become necessary, the representative period used by the Government of the United States of America for calculation of the quota for Honduras shall not include the period between October 1, 1968 and June 30, 1972 or the calendar years 1975, 1976, 1977 and 1978 except by the agreement of the Government of Honduras.

9. (a) To enable both Governments to follow progress under this agreement, the Government of the United States of America shall provide to the Government of Honduras as soon as possible after the end of each week Customs statistical information concerning imports of such meats from all supplying countries.

(b) As soon as possible after the end of each month, the Government of Honduras shall provide to the Government of the United States of America details of scheduled arrivals to December 31, 1978, ship by ship and port by port, based on actual loadings in Honduras.

I have the honor to propose that, if the foregoing is acceptable to the Government of Honduras, this note and Your Excellency's confirmatory reply constitute an agreement between our two Governments which shall enter into force on the date of your reply.

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

For the Secretary of State:

JULIUS L. KATZ

His Excellency

Dr. ROBERTO LAZARUS,
Ambassador of Honduras.

The Honduran Ambassador to the Secretary of State

EMBAJADA DE LA REPUBLICA DE HONDURAS
WASHINGTON, D.C. 20008

No. 81-EHW-DE

DECEMBER 30, 1977

EXCELLENCY:

I have the honor to acknowledge receipt of your letter of December 21, 1977, which refers to the agreement of our governments on the export of meat to the United States in the coming year of 1978.

The Honduran Trade Commission that came to Washington in early December invited by your government to take part in bilateral negotiations for a higher meat quota, than the one assigned to us by your government was not at all satisfied with the limited quota of 37.8 million pounds during 1978.

However, my government feels that at this time, we have to conform with the new agreement received and accordingly accept such agreement.

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

[SEAL] ROBERTO LAZARUS
Dr. Roberto Lazarus
Ambassador

Excellency

CYRUS R. VANCE
Secretary of State
Department of State
Washington D.C.

The Secretary of State to the British Ambassador

DECEMBER 21, 1977

EXCELLENCY:

I have the honor to refer to discussions which have taken place among representatives of the Governments of the United States of America, the Governments of the United Kingdom of Great Britain and Northern Ireland and of Belize, and other governments relating to the importation into the United States for consumption of meats described below in paragraph 1 during the calendar year 1978. With the understanding that similar agreements also will be concluded for

TIAS 9168

calendar year 1978 with governments of other countries which export substantial quantities of meat to the United States, I have the honor to propose the following agreement between our two governments:

1. For purposes of this agreement, the term "such meats" shall mean fresh, chilled or frozen cattle meat (Item 106.10 of the Tariff Schedules of the United States), fresh, chilled or frozen meat of goats and sheep, except lambs (Item 106.20 of the Tariff Schedules of the United States), and meats which, but for processing in foreign-trade zones, territories or possessions of the United States prior to entry, or withdrawal from warehouse, for consumption in United States Customs Territory, would fall within the above descriptions (and Items of the Tariff Schedules of the United States) upon such entry, or withdrawal from warehouse, for consumption.

2. This agreement, together with similar agreements with other countries which export to the United States substantial quantities of such meats, shall constitute the 1978 restraint program. Subject to paragraph 6, the permissible total quantity of imports of such meats into the United States for consumption during the calendar year 1978 from countries party to the 1978 restraint program shall be 1216.1 million pounds, and the Government of Belize and the Government of the United States of America shall respectively undertake responsibilities as set forth below for regulating exports to, and imports into, the United States pursuant to the 1978 restraint program.

3. The Government of Belize shall limit the quantity of such meats exported from Belize as direct shipments or on a through bill of lading to the United States in such a manner that the quantity of such meats entered, or withdrawn from warehouse, for consumption in United States Customs Territory during the calendar year 1978 does not exceed 0.5 million pounds, or such greater quantity as may result from adjustments pursuant to paragraph 6.

4. The Government of the United States of America may issue regulations limiting to 0.5 million pounds, or such greater quantity as may result from adjustments pursuant to paragraph 6, the quantity of such meats from Belize which, during calendar year 1978, may be entered, or withdrawn from warehouse, for consumption, whether such meats were shipped directly or indirectly, provided that (a) such regulations shall not be employed to govern spacing within calendar year 1978 of entry, or withdrawal from warehouse, for consumption of such meats from Belize, unless otherwise agreed; and (b) such regulations shall be issued after consultation pursuant to paragraph 7. It is understood that United States Customs statistics of entries, or withdrawals from warehouse, for consumption, will be used for purposes of this agreement. Such statistics shall not include meats which have been refused entry because of failure to meet appropriate standards prescribed pursuant to the Federal Meat Inspection Act, as amended, and such meats will not be regarded as part of the quantity

described in paragraph 3, as it may be increased pursuant to paragraph 6.

5. The Government of the United States of America may take appropriate steps to ensure that imports into the United States for consumption from countries not party to the 1978 restraint program do not disrupt the 1978 restraint program.

6. The Government of the United States of America may increase the permissible total quantity of imports of such meats into the United States during the calendar year 1978 from countries party to the 1978 restraint program or may re-allocate any estimated shortfall in a share of the restraint program quantity or in the initial estimates of imports from countries not party to the 1978 restraint program. If no shortfall is estimated for Belize, such increases or estimated shortfall as may be available shall be allocated to Belize in the proportion that 0.5 million pounds bears to the total initial shares from all countries party to the 1978 restraint program which are estimated to have no shortfall for the calendar year 1978. In determining the amount available for re-allocation pursuant to this paragraph, the Government of the United States of America may take into account any increase in its initial estimates of imports from countries not party to the restraint program.

7. The Government of Belize and the Government of the United States of America shall consult promptly upon the request of either government regarding any matter involving the application, interpretation or implementation of this agreement, and regarding any increase in the total quantity of imports from Belize permissible under the restraint program including allocation of any shortfall.

8. In the event that quotas on imports of such meats should become necessary, the representative period used by the Government of the United States of America for calculation of the quota for Belize shall not include the period between October 1, 1968 and June 30, 1972 or the calendar years 1975, 1976, 1977 and 1978 except by the agreement of the Government of Belize.

9. (a) To enable both Governments to follow progress under this agreement, the Government of the United States of America shall provide to the Government of Belize as soon as possible after the end of each week Customs statistical information concerning imports of such meats from all supplying countries.

(b) As soon as possible after the end of each month, the Government of Belize shall provide to the Government of the United States of America details of scheduled arrivals to December 31, 1978, ship by ship and port by port, based on actual loadings in Belize.

I have the honor to propose that, if the foregoing is acceptable to the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of Belize, this note and Your Excellency's confirmatory reply constitute an agreement between the Government of the United States of America and the Government

of the United Kingdom which shall enter into force on the date of your reply.

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

For the Secretary of State:

JULIUS L. KATZ

His Excellency
PETER JAY,
British Ambassador.

The British Ambassador to the Secretary of State

BRITISH EMBASSY
WASHINGTON, D.C.

9 JANUARY 1978

SIR,

I have the honour to refer to your letter of 21 December which reads as follows:

"I have the honor to refer to discussions which have taken place among representatives of the Government of the United States of America, the Governments of the United Kingdom of Great Britain and Northern Ireland and of Belize, and other governments relating to the importation into the United States for consumption of meats described below in paragraph 1 during the calendar year 1978. With the understanding that similar agreements also will be concluded for the calendar year 1978 with governments of other countries which export substantial quantities of meat to the United States, I have the honor to propose the following agreement between our two governments:

"1. For purposes of this agreement, the term 'such meats' shall mean fresh chilled or frozen cattle meat (Item 106.10 of the Tariff Schedules of the United States), fresh chilled or frozen meat of goats and sheep, except lambs (Item 106.20 of the Tariff Schedules of the United States), and meats which, but for processing in foreign-trade zones, territories or possessions of the United States prior to entry, or withdrawal from warehouse, for consumption in United States Customs Territory, would fall within the above descriptions (and Items of the Tariff Schedules of the United States) upon such entry, or withdrawal from warehouse, for consumption.

"2. This agreement, together with similar agreements with other countries which export to the United States substantial quantities

of such meats, shall constitute the 1978 restraint program. Subject to paragraph 6, the permissible total quantity of imports of such meats into the United States for consumption during the calendar year 1978 from countries party to the 1978 restraint program shall be 1216.1 million pounds, and the Government of Belize and the Government of the United States of America shall respectively undertake responsibilities as set forth below for regulating exports to, and imports into, the United States pursuant to the 1978 restraint program.

"3. The Government of Belize shall limit the quantity of such meats exported from Belize as direct shipments or on a through bill of lading to the United States in such a manner that the quantity of such meats entered, or withdrawn from warehouse, for consumption in United States Customs Territory during the calendar year 1978 does not exceed 0.5 million pounds, or such greater quantity as may result from adjustments pursuant to paragraph 6.

"4. The Government of the United States of America may issue regulations limiting to 0.5 million pounds, or such greater quantity as may result from adjustments pursuant to paragraph 6, the quantity of such meats from Belize which, during the calendar year 1978, may be entered, or withdrawn from warehouse, for consumption, whether such meats were shipped directly or indirectly, provided that (a) such regulations shall not be employed to govern spacing within calendar year 1978 of entry, or withdrawal from warehouse, for consumption of such meat from Belize, unless otherwise agreed; and (b) such regulations shall be issued after consultation pursuant to paragraph 7. It is understood that U.S. Customs statistics of entries, or withdrawal from warehouse, for consumption will be used for purposes of this agreement. Such statistics shall not include meats which have been refused entry because of failure to meet appropriate standards prescribed pursuant to the Federal Meat Inspection Act, as amended, and such meats will not be regarded as part of the quantity described in paragraph 3, as it may be increased pursuant to paragraph 6.

"5. The Government of the United States of America may take appropriate steps to ensure that imports into the United States for consumption from countries not party to the 1978 restraint program do not disrupt the 1978 restraint program.

"6. The Government of the United States of America may increase the permissible total quantity of imports of such meats into the United States during the calendar year 1978 from countries participating in the restraint program or may re-allocate any estimated shortfall in a share of the restraint program quantity or in the initial estimates of imports from countries not party to the restraint program. If no shortfall is estimated for Belize, such increases or estimated shortfall as may be available shall be allocated to Belize in the proportion that 0.5 million pounds bears to the total initial shares from all countries party to the restraint program which are

estimated to have no shortfall for the calendar year 1978. In determining the amount available for re-allocation pursuant to this paragraph, the Government of the United States of America may take into account any increase in its initial estimates of imports from countries not party to the restraint program.

"7. The Government of Belize and the Government of the United States of America shall consult promptly upon the request of either government regarding any matter involving the application, interpretation or implementation of this agreement, and regarding any increase in the total quantity of imports from Belize permissible under the restraint program including allocation of any shortfall.

"8. In the event that quotas on imports of such meats should become necessary, the representative period used by the Government of the United States of America for calculation of the quota for Belize shall not include the period between October 1, 1968 and June 30, 1972 or the calendar years 1975, 1976, 1977 and 1978 except by the agreement of the Government of Belize.

"9. (a) To enable both Governments to follow progress under this agreement, the Government of the United States of America shall provide to the Government of Belize as soon as possible after the end of each week Customs statistical information concerning imports of such meats from all supplying countries.

(b) As soon as possible after the end of each month, the Government of Belize shall provide to the Government of the United States of America details of scheduled arrivals to December 31, 1978, ship by ship and port by port, based on actual loadings in Belize.

: "I have the honor to propose that, if the foregoing is acceptable to the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of Belize, this note and Your Excellency's confirmatory reply constitute an agreement between the Government of the United States of America and the Government of the United Kingdom which shall enter into force on the date of your reply."

I have the honour to confirm that the foregoing is acceptable to the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of Belize and that your letter and this reply constitute an agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the United States of America which shall enter into force on the date of this reply.

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

PETER JAY

The Honorable CYRUS R VANCE
Secretary of State

The Secretary of State to the Panamanian Ambassador

DECEMBER 21, 1977

EXCELLENCY:

I have the honor to refer to discussions among representatives of our two governments and other governments relating to the importation into the United States for consumption of meats described below in paragraph 1 during the calendar year 1978. With the understanding that similar agreements also will be concluded for calendar year 1978 with governments of other countries which export substantial quantities of meat to the United States, I have the honor to propose the following agreement between our two governments:

1. For purposes of this agreement, the term "such meats" shall mean fresh, chilled or frozen cattle meat (Item 106.10 of the Tariff Schedules of the United States), fresh, chilled or frozen meat of goats and sheep, except lambs (Item 106.20 of the Tariff Schedules of the United States), and meats which, but for processing in foreign-trade zones, territories or possessions of the United States prior to entry, or withdrawal from warehouse, for consumption in United States Customs Territory, would fall within the above descriptions (and Items of the Tariff Schedules of the United States) upon such entry, or withdrawal from warehouse, for consumption.
2. This agreement, together with similar agreements with other countries which export to the United States substantial quantities of such meats, shall constitute the 1978 restraint program. Subject to paragraph 6, the permissible total quantity of imports of such meats into the United States for consumption during the calendar year 1978 from countries party to the 1978 restraint program shall be 1216.1 million pounds, and the Government of Panama and the Government of the United States of America shall respectively undertake responsibilities as set forth below for regulating exports to, and imports into, the United States pursuant to the 1978 restraint program.
3. The Government of Panama shall limit the quantity of such meats exported from Panama as direct shipments or on a through bill of lading to the United States in such a manner that the quantity of such meats entered, or withdrawn from warehouse, for consumption in United States Customs Territory during the calendar year 1978 does not exceed 5.1 million pounds, or such greater quantity as may result from adjustments pursuant to paragraph 6.
4. The Government of the United States of America may issue regulations limiting to 5.1 million pounds, or such greater quantity as may result from adjustments pursuant to paragraph 6, the quantity of such meats from Panama which, during calendar year 1978, may be entered, or withdrawn from warehouse, for consumption, whether such meats were shipped directly or indirectly, provided that (a) such regulations shall not be employed to govern spacing within calendar

year 1978 of entry, or withdrawal from warehouse, for consumption of such meats from Panama, unless otherwise agreed; and (b) such regulations shall be issued after consultation pursuant to paragraph 7. It is understood that United States Customs statistics of entries, or withdrawals from warehouse, for consumption, will be used for purposes of this agreement. Such statistics shall not include meats which have been refused entry because of failure to meet appropriate standards prescribed pursuant to the Federal Meat Inspection Act, as amended, and such meats will not be regarded as part of the quantity described in paragraph 3, as it may be increased pursuant to paragraph 6.

5. The Government of the United States of America may take appropriate steps to ensure that imports into the United States for consumption from countries not party to the 1978 restraint program do not disrupt the 1978 restraint program.

6. The Government of the United States of America may increase the permissible total quantity of imports of such meats into the United States during the calendar year 1978 from countries party to the 1978 restraint program or may re-allocate any estimated shortfall in a share of the restraint program quantity or in the initial estimates of imports from countries not party to the 1978 restraint program. If no shortfall is estimated for Panama, such increases or estimated shortfall as may be available shall be allocated to Panama in the proportion that 5.1 million pounds bears to the total initial shares from all countries party to the 1978 restraint program which are estimated to have no shortfall for the calendar year 1978. In determining the amount available for re-allocation pursuant to this paragraph, the Government of the United States of America may take into account any increase in its initial estimates of imports from countries not party to the restraint program.

7. The Government of Panama and the Government of the United States of America shall consult promptly upon the request of either government regarding any matter involving the application, interpretation or implementation of this agreement, and regarding any increase in the total quantity of imports from Panama permissible under the restraint program including allocation of any shortfall.

8. In the event that quotas on imports of such meats should become necessary, the representative period used by the Government of the United States of America for calculation of the quota for Panama shall not include the period between October 1, 1968 and June 30, 1972 or the calendar years 1975, 1976, 1977 and 1978 except by the agreement of the Government of Panama.

9. (a) To enable both Governments to follow progress under this agreement, the Government of the United States of America shall provide to the Government of Panama as soon as possible after the end of each week Customs statistical information concerning imports of such meats from all supplying countries.

(b) As soon as possible after the end of each month, the Government of Panama shall provide to the Government of the United States of America details of scheduled arrivals to December 31, 1978, ship by ship and port by port, based on actual loadings in Panama.

I have the honor to propose that, if the foregoing is acceptable to the Government of Panama, this note and Your Excellency's confirmatory reply constitute an agreement between our two Governments which shall enter into force on the date of your reply.

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

For the Secretary of State:

JULIUS L. KATZ

His Excellency

GABRIEL LEWIS,

Ambassador of Panama.

The Panamanian Chargé d'Affaires ad interim to the Secretary of State

EMBAJADA DE PANAMA

WASHINGTON, D.C. 20008

E.P. EUA-23 D

17 DE ENERO DE 1978

SEÑOR SECRETARIO:

Tengo el honor de avisar recibo a Vuestra Excelencia de la nota fechada el 21 de diciembre del presente año, que dice lo siguiente:

“EXCELENCIA:”

“Tengo el honor de referirme a las conversaciones entre representantes de nuestros dos gobiernos y otros gobiernos relacionadas con las importaciones a los Estados Unidos, para consumo, de carnes descritas más adelante en el párrafo 1, durante el año civil de 1978. Con el entendimiento de que acuerdos similares se concertarán también para el año civil de 1978 con Gobiernos de otros países que exportan cantidades considerables de carnes a los Estados Unidos, tengo el honor de proponer el siguiente acuerdo entre nuestros dos Gobiernos:”

“1. Para propósitos de este acuerdo, el término ‘tales carnes’ significa carne de ganado vacuno fresca, refrigerada o congelada (Rubro 106.10 del Cuadro de Aranceles de los Estados Unidos), carne fresca, refrigerada o congelada, de ganado ovino o caprino, excepto corderos (Rubro 106.20 del Cuadro de Aranceles de los Estados Unidos), y carnes que, salvo por su elaboración en zonas

de libre comercio, territorios o posesiones de los Estados Unidos, con anterioridad a la entrada o salida del almacén, para consumo dentro del Territorio Arancelario de los Estados Unidos, estarán contenidas dentro de la descripción anterior (y las partidas del Cuadro Arancelario de los Estados Unidos) en el momento de su entrada o salida del almacén, para fines de consumo.”

“2. Este acuerdo, junto con acuerdos similares concertados con otros países que exportan a los Estados Unidos cantidades considerables de tales carnes, constituirá el programa de restricciones de 1978. Con sujeción a lo contenido en el párrafo 6, la cantidad total de importaciones de tales carnes permitidas a los Estados Unidos para fines de consumo durante el año civil de 1978 procedentes de países que son partes en el programa de restricciones de 1978 será de 1216.1 millones de libras, y el Gobierno de Panamá y el Gobierno de los Estados Unidos de América asumirán respectivamente las responsabilidades fijadas más adelante para la regulación de exportaciones e importaciones a los Estados Unidos en virtud del programa de restricciones de 1978.”

“3. El Gobierno de Panamá limitará la cantidad de tales carnes exportadas de Panamá como envíos directos o en conocimiento de porte corrido a los Estados Unidos, de tal forma que la cantidad que ingresa, o se retira del almacén, para fines de consumo en el Territorio Arancelario de los Estados Unidos durante el año civil de 1978 no excederá de 5.1 millones de libras, o de las cantidades mayores que pudieren resultar de reajustes conforme al párrafo 6.”

“4. El Gobierno de los Estados Unidos de América podrá emitir reglamentos que limiten a 5.1 millones de libras, o a las cantidades mayores que pudieren resultar de reajustes conforme al párrafo 6, la cantidad de tales carnes de Panamá que, durante el año civil de 1978, puedan entrar o salir de almacén para fines de consumo, sean o no estas carnes enviadas por vía directa o indirecta, siempre que (a) estos reglamentos no se emplearán para gobernar durante el año civil de 1978 las fechas o momentos de entrada o salida de almacén, para el consumo de tales carnes de Panamá, a menos que de otro modo se convenga; y que (b) tales reglamentos se promulguen después de que se hayan celebrado consultas, de conformidad con el párrafo 7. Se entiende que para los fines de este acuerdo se emplearán las estadísticas de las Aduanas de los Estados Unidos para las entradas y salidas de almacén, para el consumo. Tales estadísticas no incluirán las carnes a las que se les ha negado entrada por no satisfacer las normas apropiadas prescritas de conformidad con la Ley Federal de Inspección de Carnes, según enmendada, y tales carnes no se considerarán parte de la cantidad descrita en el párrafo 3, que podrá aumentarse de conformidad con el párrafo 6.”

“5. El Gobierno de los Estados Unidos de América podrá tomar medidas apropiadas para asegurar que las importaciones a los Estados Unidos para consumo de países que no son partes en el

programa de restricciones de 1978 no trastornen el programa de restricciones de 1978."

"6. El Gobierno de los Estados Unidos de América podrá aumentar la cantidad total permitida de importaciones de tales carnes a los Estados Unidos durante el año civil de 1978 de países que participen en el programa de restricciones o podrá readjudicar cualquier déficit calculado en una parte de la cantidad del programa de restricciones o en los cálculos iniciales de importaciones de países que no son partes en el programa de restricciones. Si no se ha calculado un déficit para Panamá, tal aumento o déficit calculado que pudiere estar disponible será adjudicado a Panamá en la proporción que 5.1 millones de libras guardan con el total de participaciones iniciales de todos los países que participan en el programa de restricciones y que se calcula no tendrán déficit en el año civil de 1978. A los fines de determinar la cantidad disponible para readjudicación de conformidad con este párrafo, el Gobierno de los Estados Unidos de América podrá tomar en cuenta cualesquiera aumentos de sus cálculos iniciales de importaciones de países que no son partes en el programa de restricciones."

"7. El Gobierno de Panamá y el Gobierno de los Estados Unidos de América celebrarán consultas a la mayor brevedad, a solicitud de uno de los dos gobiernos, en relación con cualquier asunto sobre aplicación, interpretación o puesta en práctica del presente acuerdo, y sobre cualquier aumento de la cantidad total de importaciones de Panamá permitidas conforme al programa de restricciones, inclusive la adjudicación de cualquier déficit."

"8. En el caso de que sea necesario fijar cuotas para las importaciones de tales carnes, el período representativo que el Gobierno de los Estados Unidos de América empleará para calcular la cuota de Panamá no incluirá el período entre el 1º de octubre de 1968 y el 30 de junio de 1972, ni los años civiles de 1975, 1976 y 1977, excepto por acuerdo del Gobierno de Panamá."

"9. (a) Con el fin de que ambos gobiernos puedan mantenerse enterados del progreso logrado en el marco del presente acuerdo, el Gobierno de los Estados Unidos de América proporcionará al Gobierno de Panamá, lo antes posible después del fin de cada semana, información estadística aduanera relacionada con las importaciones de tales carnes provenientes de todos los países proveedores."

"(b) Lo antes posible después del fin de cada mes, el Gobierno de Panamá proporcionará al Gobierno de los Estados Unidos de América detalles sobre llegadas programadas hasta el 31 de diciembre de 1978, barco por barco y puerto por puerto, con base a los embarques reales en Panamá."

"Tengo el honor de proponer que si lo anterior es aceptable al Gobierno de Panamá, la presente nota, junto con la respuesta de Vuestra Excelencia confirmando lo antedicho constituye un acuerdo

entre nuestros dos gobiernos que entrará en vigor en la fecha de la respuesta de Vuestra Excelencia."

"Acepte Vuestra Excelencia las reiteradas seguridades de mi más alta consideración."

En contestación tengo el honor de expresar la aceptación del Gobierno de la República de Panamá del acuerdo esbozado en la nota de Vuestra Excelencia a que me he referido.

Acepte, Vuestra Excelencia, las reiteradas seguridades de mi más alta consideración.

MARINA MAYO

Marina Mayo
Encargado de Negocios, a.i.

A Su Excelencia

CYRUS VANCE

*Secretario de Estado
Washington, D.C.*

Translation

EMBASSY OF PANAMA
WASHINGTON, D.C. 20008

E. P: EUA-23 D

JANUARY 17, 1978

MR. SECRETARY:

I have the honor to acknowledge receipt of Your Excellency's note of December 21, 1977, which reads as follows:

[For the English language text, see pp. 6033-6035.]

In reply, I have the honor to inform you that the Government of Panama accepts the agreement outlined in Your Excellency's aforementioned note.

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

MARINA MAYO

Marina Mayo
Chargé d'Affaires ad interim

His Excellency

CYRUS VANCE,

*Secretary of State,
Washington, D.C.*

The Secretary of State to the New Zealand Ambassador

DECEMBER 21, 1977

EXCELLENCY:

I have the honor to refer to discussions among representatives of our two governments and other governments relating to the importation into the United States for consumption of meats described below in paragraph 1 during the calendar year 1978. With the understanding that similar agreements also will be concluded for calendar year 1978 with governments of other countries which export substantial quantities of meat to the United States, I have the honor to propose the following agreement between our two governments:

1. For purposes of this agreement, the term "such meats" shall mean fresh, chilled or frozen cattle meat (Item 106.10 of the Tariff Schedules of the United States), fresh, chilled or frozen meat of goats and sheep, except lambs (Item 106.20 of the Tariff Schedules of the United States), and meats which, but for processing in foreign-trade zones, territories or possessions of the United States prior to entry, or withdrawal from warehouse, for consumption in United States Customs Territory, would fall within the above descriptions (and Items of the Tariff Schedules of the United States) upon such entry, or withdrawal from warehouse, for consumption.
2. This agreement, together with similar agreements with other countries which export to the United States substantial quantities of such meats, shall constitute the 1978 restraint program. Subject to paragraph 6, the permissible total quantity of imports of such meats into the United States for consumption during the calendar year 1978 from countries party to the 1978 restraint program shall be 1216.1 million pounds, and the Government of New Zealand and the Government of the United States of America shall respectively undertake responsibilities as set forth below for regulating exports to, and imports into, the United States pursuant to the 1978 restraint program.
3. The Government of New Zealand shall limit the quantity of such meats exported from New Zealand as direct shipments or on a through bill of lading to the United States in such a manner that the quantity of such meats entered, or withdrawn from warehouse, for consumption in United States Customs Territory during the calendar year 1978 does not exceed 272.6 million pounds, or such greater quantity as may result from adjustments pursuant to paragraph 6.
4. The Government of the United States of America may issue regulations limiting to 272.6 million pounds, or such greater quantity as may result from adjustments pursuant to paragraph 6, the quantity of such meats from New Zealand which, during calendar year 1978, may be entered, or withdrawn from warehouse, for consumption, whether such meats were shipped directly or indirectly, provided

that (a) such regulations shall not be employed to govern spacing within calendar year 1978 of entry, or withdrawal from warehouse, for consumption of such meats from New Zealand, unless otherwise agreed; and (b) such regulations shall be issued after consultation pursuant to paragraph 7. It is understood that United States Customs statistics of entries, or withdrawals from warehouse, for consumption, will be used for purposes of this agreement. Such statistics shall not include meats which have been refused entry because of failure to meet appropriate standards prescribed pursuant to the Federal Meat Inspection Act, as amended, and such meats will not be regarded as part of the quantity described in paragraph 3, as it may be increased pursuant to paragraph 6.

5. The Government of the United States of America may take appropriate steps to ensure that imports into the United States for consumption from countries not party to the 1978 restraint program do not disrupt the 1978 restraint program.

6. The Government of the United States of America may increase the permissible total quantity to imports of such meats into the United States during the calendar year 1978 from countries party to the 1978 restraint program or may re-allocate any estimated shortfall in a share of the restraint program quantity or in the initial estimates of imports from countries not party to the 1978 restraint program. If no shortfall is estimated for New Zealand such increases or estimated shortfall as may be available shall be allocated to New Zealand in the proportion that 272.6 million pounds bears to the total initial shares from all countries party to the 1978 restraint program which are estimated to have no shortfall for the calendar year 1978. In determining the amount available for re-allocation pursuant to this paragraph, the Government of the United States of America may take into account any increase in its initial estimates of imports from countries not party to the restraint program.

7. The Government of New Zealand and the Government of the United States of America shall consult promptly upon the request of either government regarding any matter involving the application, interpretation or implementation of this agreement, and regarding any increase in the total quantity of imports from New Zealand permissible under the restraint program including allocation of any shortfall.

8. In the event that quotas on imports of such meats should become necessary, the representative period used by the Government of the United States of America for calculation of the quota for New Zealand shall not include the period between October 1, 1968 and June 30, 1972 or the calendar years 1975, 1976, 1977 and 1978 except by the agreement of the Government of New Zealand.

9. (a) To enable both Governments to follow progress under this agreement, the Government of the United States of America shall provide to the Government of New Zealand as soon as possible after

the end of each week Customs statistical information concerning imports of such meats from all supplying countries.

(b) As soon as possible after the end of each month, the Government of New Zealand shall provide to the Government of the United States of America details of scheduled arrivals to December 31, 1978, ship by ship and port by port, based on actual loadings in New Zealand.

I have the honor to propose that, if the foregoing is acceptable to the Government of New Zealand, this note and Your Excellency's confirmatory reply constitute an agreement between our two Governments which shall enter into force on the date of your reply.

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

For the Secretary of State:

JULIUS L. KATZ

His Excellency

LLOYD WHITE,

Ambassador of New Zealand.

The New Zealand Chargé d'Affaires ad interim to the Secretary of State

SIR:

I have the honour to refer to your note of 21 December 1977 which reads as follows:

"I have the honor to refer to discussions among representatives of our two governments and other governments relating to the importation into the United States for consumption of meats described below in paragraph 1 during the calendar year 1978. With the understanding that similar agreements also will be concluded for calendar year 1978 with governments of other countries which export substantial quantities of meat to the United States, I have the honor to propose the following agreement between our two governments:

1. For purposes of this agreement, the term "such meats" shall mean fresh, chilled or frozen cattle meat (Item 106.10 of the Tariff Schedules of the United States), fresh, chilled or frozen meat of goats and sheep, except lambs (Item 106.20 of the Tariff Schedules of the United States), and meats which, but for processing in foreign trade zones, territories or possessions of the United States prior to entry, or withdrawal from warehouse, for consumption in United States Customs Territory, would fall within the above descriptions (and Items of the Tariff Schedules of the United States) upon such entry, or withdrawal from warehouse, for consumption.

2. This agreement, together with similar agreements with other countries which export to the United States substantial quantities

of such meats, shall constitute the 1978 restraint program. Subject to paragraph 6, the permissible total quantity of imports of such meats into the United States for consumption during the calendar year 1978 from countries party to the 1978 restraint program shall be 1216.1 million pounds, and the Government of New Zealand and the Government of the United States of America shall respectively undertake responsibilities as set forth below for regulating exports to, and imports into, the United States pursuant to the 1978 restraint program.

3. The Government of New Zealand shall limit the quantity of such meats exported from New Zealand as direct shipments or on a through bill of lading to the United States in such a manner that the quantity of such meats entered, or withdrawn from warehouse, for consumption in United States Customs Territory during the calendar year 1978 does not exceed 272.6 million pounds, or such greater quantity as may result from adjustments pursuant to paragraph 6.

4. The Government of the United States of America may issue regulations limiting to 272.6 million pounds, or such greater quantity as may result from adjustments pursuant to paragraph 6, the quantity of such meats from New Zealand which, during calendar year 1978, may be entered, or withdrawn from warehouse, for consumption, whether such meats were shipped directly or indirectly, provided that (a) such regulations shall not be employed to govern spacing within calendar year 1978 of entry, or withdrawal from warehouse, for consumption of such meats from New Zealand, unless otherwise agreed; and (b) such regulations shall be issued after consultation pursuant to paragraph 7. It is understood that United States Customs statistics of entries, or withdrawals from warehouse, for consumption, will be used for purposes of this agreement. Such statistics shall not include meats which have been refused entry because of failure to meet appropriate standards prescribed pursuant to the Federal Meat Inspection Act, as amended, and such meats will not be regarded as part of the quantity described in paragraph 3, as it may be increased pursuant to paragraph 6.

5. The Government of the United States of America may take appropriate steps to ensure that imports into the United States for consumption from countries not party to the 1978 restraint program do not disrupt the 1978 restraint program.

6. The Government of the United States of America may increase the permissible total quantity of imports of such meats into the United States during the calendar year 1978 from countries party to the 1978 restraint program or may re-allocate any estimated shortfall in a share of the restraint program quantity or in the initial estimates of imports from countries not party to the 1978 restraint program. If no shortfall is estimated for New Zealand such increases or estimated shortfall as may be available shall be allocated to New Zealand in the proportion that 272.6 million pounds bears to the

total initial shares from all countries party to the 1978 restraint program which are estimated to have no shortfall for the calendar year 1978. In determining the amount available for re-allocation pursuant to this paragraph, the Government of the United States of America may take into account any increase in its initial estimates of imports from countries not party to the restraint program.

7. The Government of New Zealand and the Government of the United States of America shall consult promptly upon the request of either government regarding any matter involving the application, interpretation or implementation of this agreement, and regarding any increase in the total quantity of imports from New Zealand permissible under the restraint program including allocation of any shortfall.

8. In the event that quotas on imports of such meats should become necessary, the representative period used by the Government of the United States of America for calculation of the quota for New Zealand shall not include the period between October 1, 1968 and June 30, 1972 or the calendar years 1975, 1976, 1977 and 1978 except by the agreement of the Government of New Zealand.

9. (a) To enable both Governments to follow progress under this agreement, the Government of the United States of America shall provide to the Government of New Zealand as soon as possible after the end of each week Customs statistical information concerning imports of such meats from all supplying countries.

(b) As soon as possible after the end of each month, the Government of New Zealand shall provide to the Government of the United States of America details of scheduled arrivals to December 31, 1978, ship by ship and port by port, based on actual loadings in New Zealand.

I have the honor to propose that, if the foregoing is acceptable to the Government of New Zealand, this note and Your Excellency's confirmatory reply constitute an agreement between our two Governments which shall enter into force on the date of your reply."

I have the honour to confirm that the foregoing is acceptable to the Government of New Zealand which agrees that your note, together with this reply, constitutes an agreement between our two Governments on this matter.

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

BARBARA ANGUS

Charge d'Affairs a.i.

EMBASSY OF NEW ZEALAND
WASHINGTON D.C.

18 January 1978
9/XII/78

The Honorable,
CYRUS R. VANCE,
Secretary of State

TIAS 9168

The Secretary of State to the Salvadoran Ambassador

DECEMBER 21, 1977

EXCELLENCY:

I have the honor to refer to discussions among representatives of our two governments and other governments relating to the importation into the United States for consumption of meats described below in paragraph 1 during the calendar year 1978. With the understanding that similar agreements also will be concluded for calendar year 1978 with governments of other countries which export substantial quantities of meat to the United States, I have the honor to propose the following agreement between our two governments:

1. For purposes of this agreement, the term "such meats" shall mean fresh, chilled or frozen cattle meat (Item 106.10 of the Tariff Schedules of the United States), fresh, chilled or frozen meat of goats and sheep, except lambs (Item 106.20 of the Tariff Schedules of the United States), and meats which, but for processing in foreign-trade zones, territories or possessions of the United States prior to entry, or withdrawal from warehouse, for consumption in United States Customs Territory, would fall within the above descriptions (and Items of the Tariff Schedules of the United States) upon such entry, or withdrawal from warehouse, for consumption.
2. This agreement, together with similar agreements with other countries which export to the United States substantial quantities of such meats, shall constitute the 1978 restraint program. Subject to paragraph 6, the permissible total quantity of imports of such meats into the United States for consumption during the calendar year 1978 from countries party to the 1978 restraint program shall be 1216.1 million pounds, and the Government of El Salvador and the Government of the United States of America shall respectively undertake responsibilities as set forth below for regulating exports to, and imports into, the United States pursuant to the 1978 restraint program.
3. The Government of El Salvador shall limit the quantity of such meats exported from El Salvador as direct shipments or on a through bill of lading to the United States in such a manner that the quantity of such meats entered, or withdrawn from warehouse, for consumption in United States Customs Territory during the calendar year 1978 does not exceed 12.1 million pounds, or such greater quantity as may result from adjustments pursuant to paragraph 6.
4. The Government of the United States of America may issue regulations limiting to 12.1 million pounds, or such greater quantity as may result from adjustments pursuant to paragraph 6, the quantity of such meats from El Salvador which, during calendar year 1978, may be entered, or withdrawn from warehouse, for consumption, whether such meats were shipped directly or indirectly, provided that (a) such regulations shall not be employed to govern spacing within

calendar year 1978 of entry, or withdrawal from warehouse, for consumption of such meats from El Salvador, unless otherwise agreed; and (b) such regulations shall be issued after consultation pursuant to paragraph 7. It is understood that United States Customs statistics of entries, or withdrawals from warehouse, for consumption, will be used for purposes of this agreement. Such statistics shall not include meats which have been refused entry because of failure to meet appropriate standards prescribed pursuant to the Federal Meat Inspection Act, as amended, and such meats will not be regarded as part of the quantity described in paragraph 3, as it may be increased pursuant to paragraph 6.

5. The Government of the United States of America may take appropriate steps to ensure that imports into the United States for consumption from countries not party to the 1978 restraint program do not disrupt the 1978 restraint program.

6. The Government of the United States of America may increase the permissible total quantity of imports of such meats into the United States during the calendar year 1978 from countries party to the 1978 restraint program or may re-allocate any estimated shortfall in a share of the restraint program quantity or in the initial estimates of imports from countries not party to the 1978 restraint program. If no shortfall is estimated for El Salvador, such increases or estimated shortfall as may be available shall be allocated to El Salvador in the proportion that 12.1 million pounds bears to the total initial shares from all countries party to the 1978 restraint program which are estimated to have no shortfall for the calendar year 1978. In determining the amount available for re-allocation pursuant to this paragraph, the Government of the United States of America may take into account any increase in its initial estimates of imports from countries not party to the restraint program.

7. The Government of El Salvador and the Government of the United States of America shall consult promptly upon the request of either government regarding any matter involving the application, interpretation or implementation of this agreement, and regarding any increase in the total quantity of imports from El Salvador permissible under the restraint program including allocation of any shortfall.

8. In the event that quotas on imports of such meats should become necessary, the representative period used by the Government of the United States of America for calculation of the quota for El Salvador shall not include the period between October 1, 1968 and June 30, 1972 or the calendar years 1975, 1976, 1977 and 1978 except by the agreement of the Government of El Salvador.

9. (a) To enable both Governments to follow progress under this agreement, the Government of the United States of America shall provide to the Government of El Salvador as soon as possible after the end of each week Customs statistical information concerning imports of such meats from all supplying countries.

(b) As soon as possible after the end of each month, the Government of El Salvador shall provide to the Government of the United States of America details of scheduled arrivals to December 31, 1978, ship by ship and port by port, based on actual loadings in El Salvador.

I have the honor to propose that, if the foregoing is acceptable to the Government of El Salvador, this note and Your Excellency's confirmatory reply constitute an agreement between our two Governments which shall enter into force on the date of your reply.

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

For the Secretary of State:

JULIUS L. KATZ

His Excellency

ROBERTO QUINONEZ MEZA,
Ambassador of El Salvador.

The Salvadoran Ambassador to the Secretary of State

EMBAJADA DE EL SALVADOR
2308 CALIFORNIA STREET, N. W.
WASHINGTON

DE-4
A-861.5

EXCELENCIA:

Tengo el honor de referirme a Vuestra nota de fecha 21 de diciembre de 1977, relativa a las reuniones habidas entre representantes del Gobierno de los Estados Unidos de América y del que me honro en representar, sobre la importación hacia territorio de Vuestro país de carnes para consumo, descritas en el párrafo primero de dicha nota, para el año calendario de 1978 y en el cual propone un Acuerdo entre nuestros dos Gobierno dentro del Programa Voluntario y que se rige por los párrafos del uno al nueve de la mencionada nota.

Me es grato expresarle por mi intermedio, que el Gobierno de El Salvador acepta el acuerdo propuesto que incluye la cuota que a El Salvador le corresponde, de 12.1 millones de libras de carne para consumo que podrán ser exportadas de parte de nuestro país a los Estados Unidos, durante el año calendario de 1978.

De conformidad con el párrafo penúltimo de su mencionada nota, esta respuesta y la propuesta de Vuestra Excelencia, constituyen un acuerdo entre nuestros dos Gobierno que entrará en vigencia en esta fecha.

TIAS 9168

Aprovecho la oportunidad para reiterar a Vuestra Excelencia las muestras de mi mas alta consideración y estima,

R QUIÑONEZ MEZA
Roberto Quiñónez Meza
Embajador.

WASHINGTON, D.C.,
Enero 19, 1978

Excelentísimo señor
CYRUS R. VANCE,
Secretario de Estado,
Departamento de Estado,
Washington, D.C.,

Translation

EMBASSY OF EL SALVADOR
2308 CALIFORNIA STREET, N.W.
WASHINGTON

DE-4
A-861.5

EXCELLENCY:

I have the honor to refer to your note of December 21, 1977 concerning the meetings between representatives of the Government of the United States of America and my Government on the importation into United States territory for calendar year 1978 of meats for consumption described in the first paragraph of your note. You propose an agreement between our two Governments, within the Voluntary Program, in accordance with paragraphs one through nine of the aforementioned note.

I am pleased to inform you that the Government of El Salvador accepts the proposed agreement, including the quota for El Salvador of 12.1 million pounds of meat for consumption which may be exported by our country to the United States during calendar year 1978.

Pursuant to the next to the last paragraph of your note, this reply and Your Excellency's proposal constitute an agreement between our two Governments which will enter into force on this date.

I avail myself of this opportunity to renew to Your Excellency the assurances of my highest consideration and esteem.

WASHINGTON, D.C., January 19, 1978
R QUIÑONEZ MEZA
Roberto Quiñónez Meza
Ambassador

His Excellency
CYRUS R. VANCE,
Secretary of State,
Department of State,
Washington, D.C.

The Secretary of State to the Mexican Ambassador

DECEMBER 21, 1977

EXCELLENCY:

I have the honor to refer to discussions among representatives of our two governments and other governments relating to the importation into the United States for consumption of meats described below in paragraph 1 during the calendar year 1978. With the understanding that similar agreements also will be concluded for calendar year 1978 with governments of other countries which export substantial quantities of meat to the United States, I have the honor to propose the following agreement between our two governments:

1. For purposes of this agreement, the term "such meats" shall mean fresh, chilled or frozen cattle meat (Item 106.10 of the Tariff Schedules of the United States), fresh, chilled or frozen meat of goats and sheep, except lambs (Item 106.20 of the Tariff Schedules of the United States), and meats which, but for processing in foreign-trade zones, territories or possessions of the United States prior to entry, or withdrawal from warehouse, for consumption in United States Customs Territory, would fall within the above descriptions (and Items of the Tariff Schedules of the United States) upon such entry, or withdrawal from warehouse, for consumption.
2. This agreement, together with similar agreements with other countries which export to the United States substantial quantities of such meats, shall constitute the 1978 restraint program. Subject to paragraph 6, the permissible total quantity of imports of such meats into the United States for consumption during the calendar year 1978 from countries party to the 1978 restraint program shall be 1216.1 million pounds, and the Government of Mexico and the Government of the United States of America shall respectively undertake responsibilities as set forth below for regulating exports to, and imports into, the United States pursuant to the 1978 restraint program.
3. The Government of Mexico shall limit the quantity of such meats exported from Mexico as direct shipments or on a through bill of lading to the United States in such a manner that the quantity of such meats entered, or withdrawn from warehouse, for consumption in United States Customs Territory during the calendar year 1978 does not exceed 63.1 million pounds, or such greater quantity as may result from adjustments pursuant to paragraph 6.
4. The Government of the United States of America may issue regulations limiting to 63.1 million pounds, or such greater quantity as may result from adjustments pursuant to paragraph 6, the quantity of such meats from Mexico which, during calendar year 1978, may be entered, or withdrawn from warehouse, for consumption, whether such meats were shipped directly or indirectly, provided that (a) such regulations shall not be employed to govern spacing within

calendar year 1978 of entry, or withdrawal from warehouse, for consumption of such meats from Mexico, unless otherwise agreed; and (b) such regulations shall be issued after consultation pursuant to paragraph 7. It is understood that United States Customs statistics of entries, or withdrawals from warehouse, for consumption, will be used for purposes of this agreement. Such statistics shall not include meats which have been refused entry because of failure to meet appropriate standards prescribed pursuant to the Federal Meat Inspection Act, as amended, and such meats will not be regarded as part of the quantity described in paragraph 3, as it may be increased pursuant to paragraph 6.

5. The Government of the United States of America may take appropriate steps to ensure that imports into the United States for consumption from countries not party to the 1978 restraint program do not disrupt the 1978 restraint program.

6. The Government of the United States of America may increase the permissible total quantity of imports of such meats into the United States during the calendar year 1978 from countries party to the 1978 restraint program or may re-allocate any estimated shortfall in a share of the restraint program quantity or in the initial estimates of imports from countries not party to the 1978 restraint program. If no shortfall is estimated for Mexico, such increases or estimated shortfall as may be available shall be allocated to Mexico in the proportion that 63.1 million pounds bears to the total initial shares from all countries party to the 1978 restraint program which are estimated to have no shortfall for the calendar year 1978. In determining the amount available for re-allocation pursuant to this paragraph, the Government of the United States of America may take into account any increase in its initial estimates of imports from countries not party to the restraint program.

7. The Government of Mexico and the Government of the United States of America shall consult promptly upon the request of either government regarding any matter involving the application, interpretation or implementation of this agreement, and regarding any increase in the total quantity of imports from Mexico permissible under the restraint program including allocation of any shortfall.

8. In the event that quotas on imports of such meats should become necessary, the representative period used by the Government of the United States of America for calculation of the quota for Mexico shall not include the period between October 1, 1968 and June 30, 1972 or the calendar years 1975, 1976, 1977 and 1978 except by the agreement of the Government of Mexico.

9. (a) To enable both Governments to follow progress under this agreement, the Government of the United States of America shall provide to the Government of Mexico as soon as possible after the end of each week Customs statistical information concerning imports of such meats from all supplying countries.

(b) As soon as possible after the end of each month, the Government of Mexico shall provide to the Government of the United States of America details of scheduled arrivals to December 31, 1978, ship by ship and port by port, based on actual loadings in Mexico.

I have the honor to propose that, if the foregoing is acceptable to the Government of Mexico, this note and Your Excellency's confirmatory reply constitute an agreement between our two Governments which shall enter into force on the date of your reply.

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

For the Secretary of State:

JULIUS L. KATZ

His Excellency

HUGO B. MARGAIN.

Ambassador of Mexico.

The Mexican Ambassador to the Secretary of State

EMBAJADA DE MEXICO

0106

WASHINGTON, D.C., 22 de febrero de 1978.

SEÑOR SECRETARIO:

Tengo el honor de acusar recibo a Vuestra Excelencia de su atenta nota de fecha 21 de diciembre de 1977, cuya versión en español es la siguiente:

"Tengo el honor de referirme a las conversaciones sostenidas entre los representantes de nuestros dos Gobiernos y otros Gobiernos, relacionadas con las importaciones a Estados Unidos para consumo de las carnes descritas abajo en el párrafo 1, durante el año calendario de 1978. Con el entendimiento de que también se celebrarán acuerdos similares por el año calendario de 1978 con los Gobiernos de otros países que exportan cantidades considerables de carne a los Estados Unidos, tengo el honor de proponer el siguiente acuerdo entre nuestros dos Gobiernos.

1. Para los propósitos de este acuerdo, el término "tales carnes" significa carne fresca, refrigerada o congelada de ganado vacuno (Item 106.10 de la Tarifa Aduanal de los Estados Unidos); carne fresca, refrigerada o congelada de ganado cabrío y ovejuno, salvo corderos (Item 106.20 de la Tarifa Aduanal de los Estados Unidos), y carne que —si no fuera por el proceso a que se sometiera en zonas aduanales libres, territorios o posesiones de los Estados Unidos antes

de su entrada, o que se retire de almacenes para consumo en territorio de los Estados Unidos— caería dentro de las descripciones anteriores (y de los Item de la Tarifa Aduanal de los Estados Unidos) a su entrada, o retiro de almacén para consumo.

2. Este acuerdo, junto con acuerdos similares con otros países que exportan a los Estados Unidos cantidades considerables de tales carnes, constituirá el programa de limitaciones de 1978. Con sujeción a lo dispuesto en el párrafo 6, la cantidad total permisible de importaciones de tales carnes a los Estados Unidos para consumo durante el año calendario de 1978, procedente de los países que forman parte del programa de limitaciones de 1978, será de 1,216.1 millones de libras y el Gobierno de México y el Gobierno de los Estados Unidos respectivamente asumirán las responsabilidades que abajo se detallan para regular sus exportaciones para los Estados Unidos y sus importaciones procedentes de México, de acuerdo con el programa de limitaciones de 1978.

3. El Gobierno de México deberá limitar la cantidad de tales carnes exportadas de México, como embarques directos, o amparadas por conocimientos directos de embarques a los Estados Unidos, de tal manera, que la cantidad de tales carnes que entre, o que se retire de almacenes, para consumo en Territorio Aduanal de los Estados Unidos, durante el año calendario de 1978, no exceda de 63.1 millones de libras, o alguna cantidad mayor que resulte de ajustes que se hagan según el párrafo 6.

4. El Gobierno de los Estados Unidos puede expedir reglamentos limitando a 63.1 millones de libras, o la cantidad mayor que pueda resultar de ajustes según el párrafo 6, la cantidad de tales carnes de México que, durante el año calendario de 1978, pueda entrar, o ser retirada de almacenes, para consumo, ya sea que tales carnes hayan sido embarcadas directa o indirectamente siempre que (a) tales reglamentos no se usen para espaciar, dentro del año calendario de 1978, las entradas o retiros de almacén, para consumo, de tales carnes de México, a menos que se hayan hecho otros arreglos; y (b) tales reglamentos se hayan expedido después de consultas según el párrafo 7. Se entiende que las estadísticas del Servicio Aduanal de los Estados Unidos sobre las entradas, o retiros de almacén, para consumo, se usarán para los propósitos de este Acuerdo. Tales estadísticas no incluirán carnes a las que se haya negado la entrada por no llenar las normas apropiadas prescritas en la Ley Federal de Inspección de Carnes y sus enmiendas, y tales carnes no se considerarán como parte de la cantidad descrita en el párrafo 3, que puede ser aumentada según el párrafo 6.

5. El Gobierno de los Estados Unidos de América puede tomar las medidas apropiadas para asegurarse que las importaciones para consumo, a los Estados Unidos, procedentes de países que no forman parte del programa de limitaciones de 1978, no alteren el programa de limitaciones de 1978.

6. El Gobierno de los Estados Unidos de América puede aumentar

la cantidad total permisible de importaciones de tales carnes a los Estados Unidos durante el año calendario de 1978 procedentes de países que forman parte del programa de limitaciones de 1978, o puede distribuir cualquier déficit estimado de alguna de las partes que constituyen la cantidad total del programa de limitaciones, o en los cálculos iniciales de importaciones procedentes de países que no forman parte del programa de limitaciones de 1978. Si no se estima que vaya a registrarse algún déficit en las exportaciones de México, los aumentos o déficit estimados de que pueda disponerse, se asignarán a México en la proporción que 63.1 millones de libras tiene al total inicial de las partes de todos los países que constituyen el programa de limitaciones de 1978, que se estime que no tendrán déficit durante el año calendario de 1978. Al determinar la cantidad que puede ser distribuida según este párrafo, el Gobierno de los Estados Unidos puede tomar en cuenta cualquier aumento que se registre en sus cálculos iniciales de importaciones procedentes de países que no forman parte del programa de limitaciones.

7. El Gobierno de México y el Gobierno de los Estados Unidos se consultarán prontamente a solicitud de cualquier de los dos Gobiernos, respecto a cualquier asunto relacionado con la aplicación, interpretación u operación de este acuerdo y con respecto a cualquier aumento en la cantidad total de importaciones procedentes de México permisible bajo el programa de limitaciones incluyendo la distribución de cualquier déficit.

8. En caso de que sea necesario imponer cuotas para la importación de tales carnes, el período representativo usado por el Gobierno de los Estados Unidos de América para calcular la cuota para México, no incluirá el período comprendido entre el primero de octubre de 1968, y el 30 de junio de 1972, o los años calendarios 1975, 1976, 1977 y 1978, excepto mediante arreglo con el Gobierno de México.

9. (a) Para capacitar a ambos Gobiernos a seguir el progreso de este acuerdo, el Gobierno de los Estados Unidos de América, proveerá al Gobierno de México, tan pronto como sea posible después del fin de cada semana, la información estadística aduanal sobre las importaciones de tales carnes procedentes de todos los países abastecedores.

(b) Tan pronto como sea posible después del fin de cada mes, el Gobierno de México proveerá al Gobierno de los Estados Unidos de América, detalles de los arribos programados hasta el 31 de diciembre de 1978, barco por barco y puerto por puerto, basados en los embarques ya hechos en México.

Tengo el honor de proponer que si lo anterior es aceptable al Gobierno de México, esta nota y la respuesta confirmatoria de su Excelencia, constituyan un acuerdo entre nuestros dos Gobiernos que entrará en vigor en la fecha de su respuesta.

Acepte, Excelencia, las seguridades renovadas de mi más alta consideración."

En respuesta, me complazco en informar a Vuestra Excelencia, que mi Gobierno encuentra aceptable la precedente propuesta y, en consecuencia, conviene en que la nota de Vuestra Excelencia arriba transcrita y la presente, constituyen un acuerdo entre los Estados Unidos Mexicanos y los Estados Unidos de América.

Aprovecho esta oportunidad para renovar a Vuestra Excelencia el testimonio de mi más alta consideración.

HUGO B MARGAIN

Hugo B. Margain
Embajador

Excelentísimo señor CYRUS R. VANCE,
Secretario de Estado,
Washington, D.C.

Translation

EMBASSY OF MEXICO

No. 0106

WASHINGTON, February 22, 1978

MR. SECRETARY:

I have the honor to acknowledge receipt of Your Excellency's note of December 21, 1977, which, translated into Spanish, reads as follows:

[For the English language text, see pp. 6048-6050.]

In reply, I take pleasure in informing Your Excellency that the foregoing proposal is acceptable to my Government and that it agrees, therefore, that Your Excellency's note transcribed above and this note should constitute an agreement between the United Mexican States and the United States of America.

I avail myself of this opportunity to renew to Your Excellency the assurances of my highest consideration.

HUGO B MARGAIN

Hugo B. Margain
Ambassador

His Excellency
CYRUS R. VANCE,
Secretary of State,
Washington, D.C.

The Secretary of State to the Australian Ambassador

DECEMBER 21, 1977

EXCELLENCY:

I have the honor to refer to discussions among representatives of our two governments and other governments relating to the importation into the United States for consumption of meats described below in paragraph 1 during the calendar year 1978. With the understanding that similar agreements also will be concluded for calendar year 1978 with governments of other countries which export substantial quantities of meat to the United States, I have the honor to propose the following agreement between our two governments:

1. For purposes of this agreement, the term "such meats" shall mean fresh, chilled or frozen cattle meat (Item 106.10 of the Tariff Schedules of the United States), fresh, chilled or frozen meat of goats and sheep, except lambs (Item 106.20 of the Tariff Schedules of the United States), and meats which, but for processing in foreign-trade zones, territories or possessions of the United States prior to entry, or withdrawal from warehouse, for consumption in United States Customs Territory, would fall within the above descriptions (and Items of the Tariff Schedules of the United States) upon such entry, or withdrawal from warehouse, for consumption.
2. This agreement, together with similar agreements with other countries which export to the United States substantial quantities of such meats, shall constitute the 1978 restraint program. Subject to paragraph 6, the permissible total quantity of imports of such meats into the United States for consumption during the calendar year 1978 from countries party to the 1978 restraint program shall be 1216.1 million pounds, and the Government of Australia and the Government of the United States of America shall respectively undertake responsibilities as set forth below for regulating exports to, and imports into, the United States pursuant to the 1978 restraint program.
3. The Government of Australia shall limit the quantity of such meats exported from Australia as direct shipments or on a through bill of lading to the United States in such a manner that the quantity of such meats entered, or withdrawn from warehouse, for consumption in United States Customs Territory during the calendar year 1978 does not exceed 663.5 million pounds, or such greater quantity as may result from adjustments pursuant to paragraph 6.
4. The Government of the United States of America may issue regulations limiting to 663.5 million pounds, or such greater quantity as may result from adjustments pursuant to paragraph 6, the quantity of such meats from Australia which, during calendar year 1978, may be entered, or withdrawn from warehouse, for consumption, whether such meats were shipped directly or indirectly, provided that (a) such regulations shall not be employed to govern spacing within

calendar year 1978 of entry, or withdrawal from warehouse, for consumption of such meats from Australia, unless otherwise agreed; and (b) such regulations shall be issued after consultation pursuant to paragraph 7. It is understood that United States Customs statistics of entries, or withdrawals from warehouse, for consumption, will be used for purposes of this agreement. Such statistics shall not include meats which have been refused entry because of failure to meet appropriate standards prescribed pursuant to the Federal Meat Inspection Act, as amended, and such meats will not be regarded as part of the quantity described in paragraph 3, as it may be increased pursuant to paragraph 6.

5. The Government of the United States of America may take appropriate steps to ensure that imports into the United States for consumption from countries not party to the 1978 restraint program do not disrupt the 1978 restraint program.

6. The Government of the United States of America may increase the permissible total quantity of imports of such meats into the United States during the calendar year 1978 from countries party to the 1978 restraint program or may re-allocate any estimated shortfall in a share of the restraint program quantity or in the initial estimates of imports from countries not party to the 1978 restraint program. If no shortfall is estimated for Australia, such increases or estimated shortfall as may be available shall be allocated to Australia in the proportion that 663.5 million pounds bears to the total initial shares from all countries party to the 1978 restraint program which are estimated to have no shortfall for the calendar year 1978. In determining the amount available for re-allocation pursuant to this paragraph, the Government of the United States of America may take into account any increase in its initial estimates of imports from countries not party to the restraint program.

7. The Government of Australia and the Government of the United States of America shall consult promptly upon the request of either government regarding any matter involving the application, interpretation or implementation of this agreement, and regarding any increase in the total quantity of imports from Australia permissible under the restraint program including allocation of any shortfall.

8. In the event that quotas on imports of such meats should become necessary, the representative period used by the Government of the United States of America for calculation of the quota for Australia shall not include the period between October 1, 1968 and June 30, 1972 or the calendar years 1975, 1976, 1977 and 1978 except by the agreement of the Government of Australia.

9. (a) To enable both Governments to follow progress under this agreement, the Government of the United States of America shall provide to the Government of Australia as soon as possible after the end of each week Customs statistical information concerning imports of such meats from all supplying countries.

(b) As soon as possible after the end of each month, the Government of Australia shall provide to the Government of the United States of America details of scheduled arrivals to December 31, 1978, ship by ship and port by port, based on actual loadings in Australia.

I have the honor to propose that, if the foregoing is acceptable to the Government of Australia, this note and Your Excellency's confirmatory reply constitute an agreement between our two Governments which shall enter into force on the date of your reply.

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

For the Secretary of State:

JULIUS L. KATZ

His Excellency

ALAN PHILIP RENOUE,
Ambassador of Australia.

The Australian Ambassador to the Secretary of State

SIR,

I have the honour to refer to your note of 21 December, 1977 which reads as follows:

"I have the honor to refer to discussions among representatives of our two governments and other governments relating to the importation into the United States for consumption of meats described below in paragraph 1 during the calendar year 1978. With the understanding that similar agreements also will be concluded for calendar year 1978 with governments of other countries which export substantial quantities of meat to the United States, I have the honor to propose the following agreement between our two governments:

1. For purposes of this agreement, the term "such meats" shall mean fresh, chilled or frozen cattle meat (Item 106.10 of the Tariff Schedules of the United States), fresh, chilled or frozen meat of goats and sheep, except lambs (Item 106.20 of the Tariff Schedules of the United States), and meats which, but for processing in foreign-trade zones, territories or possessions of the United States prior to entry, or withdrawal from warehouse, for consumption in United States Customs Territory, would fall within the above descriptions (and Items of the Tariff Schedules of the United States) upon such entry, or withdrawal from warehouse, for consumption.

2. This agreement, together with similar agreements with other countries which export to the United States substantial quantities of such meats, shall constitute the 1978 restraint program. Subject

to paragraph 6, the permissible total quantity of imports of such meats into the United States for consumption during the calendar year 1978 from countries party to the 1978 restraint program shall be 1216.1 million pounds, and the Government of Australia and the Government of the United States of America shall respectively undertake responsibilities as set forth below for regulating exports to, and imports into, the United States pursuant to the 1978 restraint program.

3. The Government of Australia shall limit the quantity of such meats exported from Australia as direct shipments or on a through bill of lading to the United States in such a manner that the quantity of such meats entered, or withdrawn from warehouse, for consumption in United States Customs Territory during the calendar year 1978 does not exceed 663.5 million pounds, or such greater quantity as may result from adjustments pursuant to paragraph 6.

4. The Government of the United States of America may issue regulations limiting to 663.5 million pounds, or such greater quantity as may result from adjustments pursuant to paragraph 6, the quantity of such meats from Australia which, during calendar year 1978, may be entered, or withdrawn from warehouse, for consumption, whether such meats were shipped directly or indirectly, provided that (a) such regulations shall not be employed to govern spacing within calendar year 1978 of entry, or withdrawal from warehouse, for consumption of such meats from Australia, unless otherwise agreed; and (b) such regulations shall be issued after consultation pursuant to paragraph 7. It is understood that United States Customs statistics of entries, or withdrawals from warehouse, for consumption, will be used for purposes of this agreement. Such statistics shall not include meats which have been refused entry because of failure to meet appropriate standards prescribed pursuant to the Federal Meat Inspection Act, as amended, and such meats will not be regarded as part of the quantity described in paragraph 3, as it may be increased pursuant to paragraph 6.

5. The Government of the United States of America may take appropriate steps to ensure that imports into the United States for consumption from countries not party to the 1978 restraint program do not disrupt the 1978 restraint program.

6. The Government of the United States of America may increase the permissible total quantity of imports of such meats into the United States during the calendar year 1978 from countries party to the 1978 restraint program or may re-allocate any estimated shortfall in a share of the restraint program quantity or in the initial estimates of imports from countries not party to the 1978 restraint program. If no shortfall is estimated for Australia, such increases or estimated shortfall as may be available shall be allocated to Australia in the proportion that 663.5 million pounds bears to the total initial shares from all countries party to the 1978 restraint program which are estimated to have no shortfall for the calendar

year 1978. In determining the amount available for re-allocation pursuant to this paragraph, the Government of the United States of America may take into account any increase in its initial estimates of imports from countries not party to the restraint program.

7. The Government of Australia and the Government of the United States of America shall consult promptly upon the request of either government regarding any matter involving the application, interpretation or implementation of this agreement, and regarding any increase in the total quantity of imports from Australia permissible under the restraint program including allocation of any shortfall.

8. In the event that quotas on imports of such meats should become necessary, the representative period used by the Government of the United States of America for calculation of the quota for Australia shall not include the period between October 1, 1968 and June 30, 1972 or the calendar years 1975, 1976, 1977 and 1978 except by the agreement of the Government of Australia.

9. (a) To enable both Governments to follow progress under this agreement, the Government of the United States of America shall provide to the Government of Australia as soon as possible after the end of each week Customs statistical information concerning imports of such meats from all supplying countries.

(b) As soon as possible after the end of each month, the Government of Australia shall provide to the Government of the United States of America details of scheduled arrivals to December 31, 1978 ship by ship and port by port, based on actual loadings in Australia.

I have the honor to propose that, if the foregoing is acceptable to the Government of Australia, this note and Your Excellency's confirmatory reply constitute an agreement between our two Governments which shall enter into force on the date of your reply."

I have the honour to confirm that the foregoing is acceptable to the Government of Australia which agrees that your note together with this reply shall constitute an agreement between our two Governments on this matter.

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

ALAN RENOUE

(A. P. Renouf)
Ambassador

EMBASSY OF AUSTRALIA
WASHINGTON, D.C.
March 1, 1978

The Hon. CYRUS R. VANCE
Secretary of State
Washington, D.C. 20520

INDONESIA
Agricultural Commodities

*Agreements amending the agreement of May 17, 1977, as amended,
and exchange of letters of December 16, 1977.*

Effectuated by exchange of notes

Signed at Jakarta February 23, 1978;

Entered into force February 23, 1978.

And exchange of notes

Signed at Jakarta July 13, 1978;

Entered into force July 13, 1978.

And exchange of notes

Signed at Jakarta December 6, 1978;

Entered into force December 6, 1978.

The American Ambassador to the Indonesian Acting Minister of Foreign Affairs

Jakarta, February 23, 1978

No. 145

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, and December 16, 1977, [¹] and to propose that Part II, Particular Provisions, be further amended as follows to increase the dollars available for rice and to increase the total dollar value of the Agreement:

Item I, Commodity Table: Under column heading titled "Maximum Export Market Value" make the following changes:

- A. On line titled "Rice" change "131.9" to "150.8".
- B. On line titled "Total" change "165.8" to "184.7".

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 third amendment to the May 17, 1977, Title I, PL 480 agreement and change the funds allocated for the project "Sedang/Kecil Irrigation" from \$30 million" to \$40 million"

His Excellency

Professor Mochtar Kusumaatmadja

Acting Minister of Foreign Affairs

Department of Foreign Affairs

Jakarta

¹ TIAS 8677, 8913, 8984; 28 UST 6172; *ante*, p. 2877.

July 13, 1978

and add a new project: Agricultural Education and Training - \$10 million.

A description of the latter project is attached to this note.

All other terms and conditions of the May 17, 1977, agreement, as amended, remain the same.

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.



Edward E. Masters

[1]

Attachment

¹ Edward E. Masters.

4. AGRICULTURAL EDUCATION AND TRAINING - \$10 Million

The purpose of this project is to provide operational support to 17 governmental, 84 provincial and private vocational agricultural high schools located throughout the country. These schools graduate 3,300 students each year after completion of three year courses. The total annual enrollment in these schools is about 20,000 which would indicate fairly rigorous graduation standards are being maintained. Many of these graduates become field extension agents in the agricultural extension service. This project is also to provide operational funds for a total of 25 in-service training centers which offer one to four weeks short courses to upgrade the skill of the extension service personnel at all levels. Five of these centers are devoted to fisheries, five to forestry training and 15 to food crops, animal husbandry and estate crops. Operational funds are also provided for rural extension centers for training of key farmers, with whom each field extension agent works with about 20 such farmers. The efforts of local extension agents thereby are multiplied by each key farmer who in turn passes on new technology to at least five other farmers. There are at present 529 rural extension centers with a goal to increase their number to 1,000. There are at present 70,000 key farmers and the goal is to reach a total of 200,000 by the end of Replita III. IBRD is supporting this overall program with funds for capital costs of buildings, equipment and training materials.

*The Indonesian Minister for Foreign Affairs ad interim to the
American Ambassador*



MINISTER FOR FOREIGN AFFAIRS
REPUBLIC OF INDONESIA

Jakarta, February 23 , 1978.

No. : 00222/78/01.

Your Excellency ,

I have the honor to acknowledge receipt of Your Excellency's Note of February 23 , 1978, 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, and December 16, 1977, and to propose that Part II, Particular Provisions, be further amended as follows to increase the dollars available for rice and to increase the total dollar value of the Agreement :

Item I, Commodity Table : Under column heading titled "Maximum Export Market Value" make the following changes :

- A. On line titled "Rice" change "131.9" to "150.8".
- B. On line titled "total" change "165.8" to "184.7".

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 Titled I, PL 480 agreement dated May 17, 1977, or the proceeds generated by the sale, be modified to incorporated the funds generated by the proceeds from the sale of commodities under

His Excellency

Edward E. Masters
The United States Ambassador

J A K A R T A .

the third amendment to the May 17, 1977, Title I, PL-480 agreement and change the funds allocated for the project "Sedang/Kecil Irrigation" from "\$ 30 million to "\$ 40 million" and add a new project : Agricultural Education and Training - \$ 10 million.

A description of the latter project is attached to this note.

All other terms and conditions of the May 17, 1977, agreement, as amended, remain the same.

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."

I have the honor to confirm that the proposed amendments 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 clark

MOCHTAR KUSUMAATHADJA
Minister for Foreign Affairs ad interim

The American Ambassador to the Indonesian Minister of Foreign Affairs

Jakarta, July 13, 1978

No. 540

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, and February 23, 1978, and to propose that Part II, Particular Provisions, be further amended as follows:

- A. In Item I, Commodity Table: On Line Titled "Rice", and under appropriate Column headings, change "500,000" to "550,000" and "150.8" to "168.3".
- B. In same Item, on Line Titled "Total", and under Column headed "Maximum Export Market Value (Millions)", change "\$184.7" to "\$202.2". 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

His Excellency

Dr. Mochtar Kusumaatmadja

Minister of Foreign Affairs

Department of Foreign Affairs

Jakarta

Fourth Amendment to the May 17, 1977, Title I, PL 95-232 Agreement and allocate such funds to the Sederhana Irrigation Project (simple irrigation/reclamation).

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.



Edward E. Masters

Attachment

5. SEDERHANA IRRIGATION AND LAND DEVELOPMENT - \$17.5 Million

The purpose of this program is to construct, expand and rehabilitate small irrigation systems with an average size of 350 Ha. In the past four years 677 subprojects covering 238,616 Ha have received assistance under this program. The main focus is to assist small farmers located off Java. Over 80 percent of the subprojects are located off Java and average land holdings for the vast majority of the farmers is between 0.3 and 1.0 hectares. The annual per capita incomes of 80 percent to 90 percent of the direct beneficiaries is estimated to be less than \$150. There will be a major focus on Sederhana activities in the present year and throughout the Repelita III planning period. The Sederhana program is recognized as a significant program which helps to increase rice production, farm employment and the incomes of small poor farmers. In a recent evaluation of rice production in Sederhana project areas it was estimated that rice production increased by about 40 percent as a result of expanded harvested area and increasing production to two crops a year.

Between 1974/75 and 1978/79 a total of 260,000 Ha of land will be assisted under this program and during Repelita III (1979/80 - 1984/85) the Government plans to include an additional 290,000 Ha of land.

The proposed attribution of \$17.5 million of local currency generated by the Fourth Amendment to the May 17, 1977 Title I, PL 94-480 Agreement to the Sederhana Irrigation program constitutes less than five percent of the total development expenditure scheduled by the Government of Indonesia in IFY 1978/79 and Repelita III for the Sederhana program.

The Indonesian Minister for Foreign Affairs to the American Ambassador



MINISTER FOR FOREIGN AFFAIRS
REPUBLIC OF INDONESIA

Jakarta, July 13, 1978.

No. : D. 6095 /78/01.

Your Excellency,

I have the honour to acknowledge receipt of your Excellency's Note of July 13, 1978 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, and February 23, 1978, and to propose that Part II, Particular Provisions, be further amended as follows :

- A. In Item I, Commodity Table : On Line Titled "Rice", and under appropriate Column headings, change "500,000" to "550,000" and "150.8" to "168.3".
- B. In same Item, on Line Titled "Total", and under Column headed "Maximum Export Market Value (Millions)", change "\$184.7" to "\$202.2". 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 Fourth Amendment to the May 17, 1977, Title I, PL 480 Agreement and allocate such funds to the Sederhana Irrigation Project (simple irrigation/reclamation).

His Excellency
Edward E. Masters
The United States Ambassador

JAKARTA.

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."

I have the honour to confirm that the proposed amendments 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.



The American Ambassador to the Indonesian Minister of Foreign Affairs

EMBASSY OF THE
UNITED STATES OF AMERICA

No. 923

Jakarta, December 6, 1978

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, and July 13, 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) Under column headed "Supply Period (United States Calendar Year)" change: "1977 Plus First Nine Months of 1978" to "1977, 1978 and 1979" on each of the three lines titled Wheat/Wheat Flour, Rice and Bulgur.
- (2) On line titled "Wheat/Wheat Flour" change: "280,000" to "530,000" and "\$31.1" to \$ "65.10".
- (3) On line titled "Rice" change: "550,000" to "745,000" and "\$168.3" to "220.04".
- (4) On line titled "Bulgur" change: "20,000" to "40,000" and "\$2.8" to "6.36".
- (5) On line titled "Total" change: "\$202.2" to "\$291.5".

B. Item III, Usual Marketing Table: Delete current table and substitute the following:

His Excellency

Dr. Mochtar Kusumaatmadja
Minister of Foreign Affairs
Jakarta

| "Commodity | Import Period (United States Calendar Year) | Usual Marketing Requirement |
|------------------------------------|---|---|
| Wheat/Wheat Flour (Wheat Basis) | 1977 | 445,000 Metric Tons |
| | 1978 | 445,000 Metric Tons as previously established |
| | 1979 | 576,000 Metric Tons |
| Rice | 1977 | 200,000 Metric Tons |
| | 1978 | 200,000 Metric Tons as previously established |
| | 1979 | 625,000 Metric Tons" |

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 Fifth Amendment to the May 17, 1977, Title I, PL 480 Agreement and allocate such funds to the projects Tertiary and Quaternary Irrigation Canal Construction - \$26 Million, Agricultural Extension - \$15.3 Million and Sedang/Kecil Irrigation - \$48 Million.

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.

Attachment

6. TERTIARY AND QUATERNARY IRRIGATION CANAL CONSTRUCTION - \$26 MILLION

The large investment in construction of primary and secondary irrigation canal systems is often unproductive until the tertiary canals are completed. Delays in construction of these canals have been sometimes encountered due to lack of adequate trained manpower and funds. The Indonesian Government has initiated a new program of tertiary and quaternary canal construction covering approximately 360,000 Ha over a three year period beginning in 1978/79. As the average farm size is about one-half hectare and the average per capita income level in rural areas is very low, completion of these irrigation systems will directly contribute to increased agricultural productivity and improved income of large numbers of people.

Under the projects proposed for attribution of local currency generated by the Fifth Amendment to the May 17, 1977, Title I, PL 480 Agreement, the following targets for completion in 1979/80 have been set: survey, mapping and design for canals covering 175,046 Ha and actual construction of canals covering 110,730 Ha.

7. AGRICULTURAL EXTENSION - \$15.3 MILLION

The purpose of this project is to create an integrated agricultural extension program to help improve farmer productivity and income through a network of agricultural information centers, agricultural extension centers, demonstration farms and plots.

This network will seek to provide information and training which will support Indonesia's effort to diversify and increase food crop production through printed material, films, radio broadcasts, training, demonstration trials, agricultural competition and fairs.

For the projects proposed for attribution, the following 1979/80 targets have been set:

- operation of ten information centers
- construction and operation of 100 rural extension centers (out of an eventual 1,000 units)
- establishment of 11,000 demonstration farms (one per extension worker/PPL)
- establishment of two to four demonstration plots using key farmers/kontak tani per demonstration farm (of eventual 16 demonstration plots per demonstration farm)

8. SEDANG/KECIL IRRIGATION - \$48 MILLION

The purpose of the Sedang/Kecil irrigation program is to construct and rehabilitate small and medium size irrigation systems, mostly off Java. These irrigation systems are generally from 500 to 1,000 hectares in size and are aimed at providing small farmers with an average farm size of one-half hectare with irrigation services. Farmers benefiting from the program would be able to switch to high yield varieties of seed which require water control and thereby increase their incomes by growing two crops of rice per year.

Under the projects proposed for attribution, the following targets have been set for 1979/80: survey and design work for canals covering 49,324 Ha and the construction of canals and dams covering 27,267 Ha.

The Indonesian Minister for Foreign Affairs to the American Ambassador

MINISTER FOR FOREIGN AFFAIRS
REPUBLIC OF INDONESIA

Jakarta, December 6, 1978.

NO. : D. 1389 /78/01.

Your Excellency,

I have the honour to acknowledge receipt of Your Excellency's Note of December 6, 1978 which reads as follows :

" I have the honour 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, and July 13, 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) Under column headed "Supply Period (United States Calender Year)" change : " 1977 Plus First Nine Months of 1978 " to " 1977, 1978 and 1979 " on each of the three lines titled Wheat/Wheat Flour. Rice and Bulgur.
- (2) On line titled "Wheat/Wheat Flour" change : "280,000" to "530,000" and "\$. 31.1" to "\$. 65.10".
- (3) On line titled "Rice" change : "550,000" to "745,000" and "\$. 168.3" to "\$. 220.04".
- (4) On line titled "Bulgur" change : "20,000" to "40,000" and "\$. 2.8" to "\$. 6.36"
- (5) On line titled "Total" change : "\$. 202.2" to "\$. 291.5".

B. Item III, Usual Marketing Table : Delete current table and substitute the following :

His Excellency
Edward E. Masters
The United States Ambassador

JAKARTA.

TIAS 9169

| "Commodity | Import Period (United States Calender Year) | Usual Marketing Requirement |
|------------------------------------|---|---|
| Wheat/Wheat Flour (Wheat Basis) | 1977 | 445,000 Metric Tons |
| | 1978 | 445,000 Metric Tons as previously esta- blished |
| | 1979 | 576,000 Metric Tons |
| Rice | 1977 | 200,000 Metric Tons |
| | 1978 | 200,000 Metric Tons as previously esta- blished |
| | 1979 | 625,000 Metric Tons" |

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 Fifth Amendment to the May 17, 1977, Title I, PL-480 Agreement and allocate such funds to the projects Tertiary and Quaternary Irrigation Canal Construction - \$. 26 Million, Agricultural Extension - \$. 15.3 Million and Sedang/Kecil Irrigation - \$. 48 Million.

If the foregoing is acceptable to your Government, I have the honor to propose that his 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 the honour to confirm that the proposed amendments 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.



Minister for Foreign Affairs.

TANZANIA .

Agricultural Commodities

*Agreement signed at Dar es Salaam April 28, 1978;
Entered into force April 28, 1978.*

AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA
AND THE GOVERNMENT OF THE UNITED REPUBLIC OF TANZANIA
FOR THE SALE OF AGRICULTURAL COMMODITIES
UNDER THE PUBLIC LAW 480 TITLE I PROGRAM

The Government of the United States and the Government of the United Republic of Tanzania agree to the sales of Agricultural Commodities specified below. This Agreement shall consist of the preamble, Parts I and III of the Title I Agreement signed June 15, 1976, [¹] together with the following Part II:

PART II - PARTICULAR PROVISIONS:

Item I. Commodity Table:

| <u>Commodity</u> | <u>Supply Period</u> (United States Fiscal Year) | <u>Approximate Maximum Quantity</u> (Metric Tons) | <u>Maximum Export Market Value</u> (Millions) |
|------------------|--|--|--|
| Rice | 1978 | 18,000 | \$ 6.5 |
| | | TOTAL | \$ 6.5 |

Item II. Payment Terms:

Convertible Local Currency Credit (40 years):

1. Initial Payment - 5 percent
2. Currency Use Payment - 5 percent
3. Number of Installment Payments - 31
4. Amount of each installment payment - approximately equal annual amounts
5. Due Date of First Installment Payment - 10 years after date of last delivery of commodities in each calendar year.
6. Initial Interest Rate - 2 percent
7. Continuing Interest Rate - 3 percent

Item III. Usual Marketing Table:

| <u>Commodity</u> | <u>Import Period</u> (U.S.Fiscal Year) | <u>Usual Marketing Requirement</u> (Metric Tons) |
|------------------|---|---|
| Rice | 1978 | 16,000 |

¹ TIAS 8310; 27 UST 2315.

Item IV. Export Limitations:

- A. The export limitation period shall be U. S. Fiscal year 1978 or any subsequent U. S. fiscal year during which commodities financed under this Agreement are being imported or utilized.
- B. For the purpose of Part I, Article III (A) (4) of the Agreement, the commodities which may not be exported are: For 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 the United Republic of Tanzania agrees to:
 1. Expand the program of assistance to small farmers by improving and extending into isolated areas the systems and facilities for distribution of factors of production, such as seeds and fertilizers, and programs of pest control.
 2. Expand and improve food grain storage and handling facilities in both food deficit and surplus production areas, thereby enabling the Tanzanian Government to make timely and adequate domestic purchases.
 3. Upgrade the agricultural research system and the dissemination and application of the results of its research to the small farmer.
 4. Expand and improve the production credit program so as to make loans to small farmers.

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

This Agreement shall enter into force upon signature.

IN WITNESS WHEREOF, the respective representatives, duly authorized for the purpose, have signed the present Agreement. DONE at Dar es Salaam in duplicate, this 28 day of April, 1978.

FOR THE GOVERNMENT OF THE
UNITED STATES OF AMERICA

R. L. Podol
Richard L. Podol, Acting Director
U. S. AID Mission to Tanzania

FOR THE GOVERNMENT OF THE
UNITED REPUBLIC OF TANZANIA

E. A. Mulokozi
E. A. Mulokozi, Prin. Secretary
Ministry of Finance & Planning

MEXICO
Trade in Textiles

*Agreement amending the agreement of May 12, 1975,
as amended.*

*Effectuated by exchange of notes
Dated at México and Tlatelolco April 26 and 29, 1978;
Entered into force April 29, 1978.*

The American Ambassador to the Mexican Secretary of Foreign Relations

EMBASSY OF THE
UNITED STATES OF AMERICA

Mexico, D. F.

No. 623

April 26, 1978

Excellency:

I have the honor to refer to the bilateral agreement of May 12, 1975, as amended.^[1] between our two Governments concerning trade in cotton, wool and man-made fiber textiles and textile products (hereafter referred to as the Agreement). I have further the honor to refer to recent discussions held in Mexico City between representatives of our two Governments. As a result of these discussions, I wish to propose that the Agreement be further amended as follows:

1. In the third agreement year (May 1, 1977 – April 30, 1978):
 - a) Categories 42 and 43 are merged. This merged category is subject to a consultation level of 2,000,000 square yards equivalent (SYE).
 - b) Categories 116 and 117 are merged. This merged category is subject to a consultation level of 200,000 SYE.
 - c) The following categories are subject to the consultation levels specified below:

His Excellency

Lic. Santiago Roel

Secretary of Foreign Relations

Tlal elolco, D. F.

¹ TIAS 8079, 8272, 8674; 26 UST 910; 27 UST 1627; 28 UST 6147.

| <u>Category</u> | <u>SYE</u> |
|-----------------|------------|
| 15 | 2,000,000 |
| 24 | 2,500,000 |
| 30/31 | 2,000,000 |
| 39 | 2,000,000 |
| 46 | 1,500,000 |
| 49 | 2,500,000 |
| 50/51 | 6,000,000 |
| (sublimit 50) | 3,750,000) |
| (sublimit 51) | 3,750,000) |
| 52 | 900,000 |
| 53 | 1,050,000 |
| 63 | 3,000,000 |
| 64 | 1,000,000 |
| 104 | 650,000 |
| 121 | 550,000 |
| 122 | 800,000 |
| 200 | 24,000,000 |
| 201 | 11,500,000 |
| 202 | 5,100,000 |
| 204 | 10,300,000 |
| 205 | 3,500,000 |
| 208 | 5,000,000 |
| 209 | 3,000,000 |
| 213 | 23,000,000 |
| 216 | 5,500,000 |
| 217 | 4,000,000 |
| 222 | 4,000,000 |
| 223 | 8,000,000 |
| 228 | 2,600,000 |
| 230 | 2,000,000 |
| 232 | 5,000,000 |
| 237 | 850,000 |
| 240 | 11,500,000 |
| 242 | 1,700,000 |
| 243 | 5,000,000 |

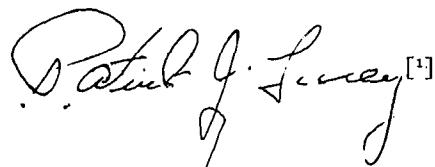
2. The specific limit for category 238 for the third agreement year is changed to 18,038,000 SYE.

3. The specific limits for categories 9/10, 22/23, 26/27, and the duck subceiling for the third agreement year are as follows:

| <u>Category</u> | <u>SYE</u> |
|-------------------|------------|
| 9/10 | 18,190,000 |
| 22/23 | 28,000,000 |
| 26/27 | 18,000,000 |
| (Duck subceiling) | 9,630,000 |

If the foregoing conforms with the understanding of your Government, this note and your note of confirmation on behalf of the Government of Mexico shall constitute an agreement between our two Governments which further amends the Agreement, effective on the date of your note of acceptance.

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

A handwritten signature in black ink, appearing to read "Patrick J. Lucey". A small superscript "[1]" is located at the end of the signature.

¹ Patrick J. Lucey.

*The Mexican Department of Foreign Relations to the American
Embassy*

ESTADOS UNIDOS MEXICANOS
SECRETARIA DE RELACIONES EXTERIORES
MEXICO

Nota No. 700853.

La Secretaría de Relaciones Exteriores saluda muy atentamente a la Embajada de los Estados Unidos de América y tiene el honor de hacer referencia a su atenta Nota 623 fechada el 26 de abril del año en curso, relativa al Convenio Bilateral de Textiles que mantiene México con ese honorable Gobierno.

Sobre el particular, y con respecto a la Nota 623, el Gobierno de México esta de acuerdo con la misma ya que los niveles para el tercer año Convenio son los acordados por ambos países.

La Secretaría de Relaciones Exteriores aprovecha la oportunidad para reiterar a la Embajada de los Estados Unidos de América las seguridades de su más alta y distinguida consideración.

Tlatelolco, D.F., a 29 de abril de 1978.

A LA EMBAJADA DE LOS ESTADOS UNIDOS DE AMERICA,
C I U D A D .



TRANSLATION

UNITED MEXICAN STATES
DEPARTMENT OF FOREIGN RELATIONS
MEXICO

No. 700853

The Department of Foreign Relations presents its compliments to the Embassy of the United States of America and has the honor to refer to its note No. 623 of April 26, 1978 regarding the bilateral textile agreement between our two Governments.

On this matter, the Government of Mexico concurs with note No. 623 since the levels for the third agreement year are those approved by both countries.

The Department of Foreign Relations avails itself of the opportunity to renew to the Embassy of the United States of America the assurances of its highest and most distinguished consideration.

Tlalocito, D.F., April 29, 1978

[Initialed]

Embassy of the United States
of America,
Mexico, D.F.

PHILIPPINES

Trade in Textiles

*Agreement amending the agreement of October 15, 1975,
as amended and extended.*

Effectuated by exchange of notes

Signed at Manila March 27 and May 5, 1978;

Entered into force May 5, 1978.

The American Ambassador to the Philippine Secretary of Foreign Affairs

Note No. 168

MANILA, March 27, 1978

EXCELLENCY:

I have the honor to refer to the bilateral agreement of October 15, 1975, on trade in cotton, wool, and man-made fiber textiles and textile products, with annexes, between our two governments, as amended,[¹] (hereinafter referred to as the agreement) and to Note No. 78-464 of February 21, 1978 to the Embassy of the United States of America from the Government of the Republic of the Philippines Department of Foreign Affairs.

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

| <u>Traditional Categories</u> | <u>Levels</u> |
|-------------------------------|---------------|
| 335----- | 24,213 dozen |
| 337----- | 226,610 dozen |
| 641----- | 48,276 dozen |
| 635----- | 24,213 dozen |

| <u>Non-Traditional Categories</u> | <u>Levels</u> |
|-----------------------------------|----------------|
| 338/339----- | 510,000 dozen |
| —of which 339----- | 410,000 dozen |
| 445/446----- | 15,000 dozen |
| 459----- | 100,000 pounds |
| 641----- | 100,000 dozen |

¹ TIAS 8179, 8879, 8880, 8881; 26 UST 2622; *ante*, p. 1355.

If this proposal is acceptable to the government of the Republic of the Philippines, this note and your Excellency's note in confirmation shall constitute an amendment of the agreement.

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

DAVID D NEWSOM

His Excellency

CARLOS P. ROMULO,

Secretary of Foreign Affairs,

Department of Foreign Affairs,

Manila.

The Philippine Secretary of Foreign Affairs to the American Charge d'Affaires ad interim

REPUBLIKA NG PILIPINAS
KAGAWARAN NG SULIRANING PANLABAS
MAYNILA^[1]

10573

MANILA, 5 May 1978

SIR:

I wish to acknowledge receipt of your Note No. 166 dated 27 March 1978 which reads as follows:

"EXCELLENCY:

I have the honor to refer to the bilateral agreement of October 15, 1975, on trade in cotton, wool, and man-made fiber textiles and textile products, with annexes, between our two governments, as amended, (hereinafter referred to as the Agreement) and to Note No. 78-464 of February 21, 1978 to the Embassy of the United States of America from the Government of the Republic of the Philippines Department of Foreign Affairs.

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

| Traditional Categories | Levels |
|------------------------|---------------|
| 335----- | 24,213 dozen |
| 337----- | 226,610 dozen |
| 641----- | 48,276 dozen |
| 635----- | 24,213 dozen |

¹ In translation reads: "Republic of Philippines
Department of Foreign Affairs
Manila"

| <u>Non-Traditional Categories</u> | <u>Levels</u> |
|-----------------------------------|----------------|
| 338/339----- | 510,000 dozen |
| —of which 339----- | 410,000 dozen |
| 445/446----- | 15,000 dozen |
| 459----- | 100,000 pounds |
| 641----- | 100,000 dozen |

If this proposal is acceptable to the government of the Republic of the Philippines, this note and your note in confirmation shall constitute an amendment of the Agreement.

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

I have the honor to inform you on behalf of my Government, that the new consultation levels are acceptable to the Philippine Government and shall constitute an amendment of the Agreement.

Accept, Sir, the assurances of my high consideration.

CARLOS P. ROMULO

Secretary of Foreign Affairs

Mr. LEE T. STULL

Charge d'Affaires a.i.

*Embassy of the United States of America
Manila*

REPUBLIC OF KOREA

Trade: Non-Rubber Footwear

Agreement amending the agreement of June 21, 1977.

Effectuated by exchange of letters

Signed at Washington May 8, 1978;

Entered into force May 8, 1978.

The Special Representative for Trade Negotiations to the Korean Minister

May 8, 1978

Minister Yoonsae Yang
Embassy of the Republic of Korea
23220 Massachusetts Avenue, N.W.
Washington, D.C. 20008

Dear Mr. Minister:

I have the honor to refer to the agreement between the Government of the Republic of Korea and the Government of the United States of America regarding exports from the Republic of Korea of non-rubber footwear, [¹] hereinafter referred to as the "Agreement".

Paragraph 2(d) of that Agreement contained special provisions regarding footwear that was exported from the Republic of Korea before the date that the visa requirement became effective under the Agreement (June 28, 1977). These provisions state in part that non-rubber footwear exported from the Republic of Korea before June 28, 1977, and that entered the United States on or after June 1, 1977 but before September 1, 1977, would not be counted against the first year's restraint levels unless such exports exceeded 9 million pairs. All such exports in excess of 9 million pairs would be counted against the restraint levels for the first year.

The purpose of this provision was to permit a reasonable amount of footwear exports that were "in the pipeline" at the time the agreement was signed to enter without being counted against the restraint levels, but to count those "pipeline" shipments in excess of the specified levels.

The Government of the Republic of Korea has stated that at the time the Agreement was signed a far greater volume of footwear was in transit to the United States than it had anticipated. It has asked for relief from the reduction in the first annual restraint levels that has resulted from counting "pipeline" shipments in excess of 9 million pairs against the first year's levels.

The Government of the United States of America has consented to amend the Agreement in order to permit the Government of the Republic of Korea to request increases in the first year's restraint levels by borrowing from the second year's levels a larger amount than the Agreement originally permitted. Thus the Government of the United States of America and the Government of the Republic of Korea have agreed to the amendment set forth below, which increases the amount of footwear that can be taken from the second year's restraint levels and allocated to the first year's levels.

¹ Exchange of notes of June 21, 1977. TIAS 8885; *ante*, p. 1415.

Accordingly, pursuant to discussions that have been held between representatives of our Governments, I hereby propose to amend subparagraphs 4(c) and 4(d) of the Agreement to read as follows:

"4. (c) The restraint levels for each category may be exceeded by not more than 6 percent in any one restraint period, except that in the restraint period June 28, 1977 - June 30, 1978, the restraint level for each category may be exceeded by not more than an additional 14 percent at the discretion of the Special Representative for Trade Negotiations (1,610,000 pairs for category K1 and 2,990,000 pairs for category K2). Any restraint level that is exceeded in one restraint period will be reduced for the next succeeding restraint period by the absolute amount by which it was exceeded.

"4. (d) Except at the discretion of the Special Representative for Trade Negotiations during the first restraint period, subparagraphs (a) and (c) may not be used in combination to increase the restraint level applicable to any category in any restraint period by more than 11 percent."

It is also my understanding that the Government of the Republic of Korea will continue to adhere to the commitments made at the time of the signing of the Agreement and under foreseeable circumstances will not make similar approaches for relief from delayed entry of non-rubber footwear covered by the Agreement.

I would appreciate your confirming that this proposal is acceptable to your Government.

With best wishes, I am,

Sincerely yours,

Robert S. Strauss

Robert S. Strauss

The Korean Minister to the Special Representative for Trade Negotiations

EMBASSY OF THE REPUBLIC OF KOREA
WASHINGTON, D. C.

May 8, 1978

Dear Mr. Ambassador:

I have the honor to acknowledge the receipt of your letter of today's date which reads as follows:

"I have the honor to refer to the Agreement between the Government of the Republic of Korea and the Government of the United States of America regarding exports from the Republic of Korea of non-rubber footwear, hereinafter referred to as the 'Agreement'.

"Paragraph 2 [d] of that Agreement contained special provisions regarding footwear that was exported from the Republic of Korea before the date that the visa requirement became effective under the Agreement [June 28, 1977]. These provisions state in part that non-rubber footwear exported from the Republic of Korea before June 28, 1977, and that entered the United States on or after June 1, 1977 but before September 1, 1977, would not be counted against the first year's restraint level unless such exports exceeded 9 million pairs. All such exports in excess of 9 million pairs would be counted against the restraint level for the first year.

"The purpose of this provision was to permit a reasonable amount of footwear exports that were 'in the pipeline' at the time the Agreement was signed to enter without being counted against the restraint levels, but to count those 'pipeline' shipments in excess of the specified level.

"The Government of the Republic of Korea has stated that at the time the Agreement was signed a far greater volume of footwear was in transit to the United States than it had anticipated. It has asked for relief from the reduction in the first annual restraint level that has resulted from counting 'pipeline' shipments in excess of 9 million pairs against the first year's level.

"The Government of the United States of America has also consented to amend the Agreement in order to permit the Government of the Republic of Korea to request increases in the year's restraint levels by borrowing from the second year's levels a larger amount than the Agreement originally permitted. Thus the Government of the United States of America and the Government of the Republic of Korea have agreed to the amendment set forth below, which increases the amount of footwear that can be taken from the second year's restraint levels and allocated to the first year's levels.

"Pursuant to discussions that have been held between representatives of our two Governments, I hereby propose to amend subparagraphs 4[c] and 4[d] of the Agreement to read as follows:

'4.[c] The restraint levels for each category may be exceeded by not more than 6 percent in any one restraint period, except that in the restraint period June 28, 1977-June 30, 1978, the restraint level for each category may be exceeded by not more than an additional 14 percent at the discretion of the Special Representative for Trade Negotiations [1,610,000 pairs for category K1 and 2,990,000 pairs for category K2]. Any restraint level that is exceeded in one restraint period will be reduced for the next succeeding restraint period by the absolute amount by which it was exceeded.'

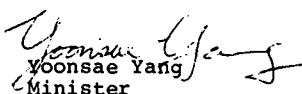
'4.[d] Except at the discretion of Special Representative for Trade Negotiations during the first restraint period, subparagraphs [a] and [c] may not be used in combination to increase the restraint level applicable to any category in any restraint period by more than 11 percent.'

"It is also my understanding that the Government of the Republic of Korea will continue to adhere to the commitments made at the time of the signing of the Agreement and under foreseeable circumstances will not make similar approaches for relief from delayed entry of non-rubber footwear covered by this Agreement.

"I would appreciate your confirming that this proposal is acceptable to your Government."

I have further the honor to confirm that the proposal and your understanding contained in your letter is acceptable to the Government of the Republic of Korea.

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



Yoon-sae Yang
Minister

His Excellency

Ambassador Robert S. Strauss

Special Representative for Trade Negotiations

Executive Office of the President

Washington, D. C.

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