

No. 2309

**UNITED STATES OF AMERICA
and
ISRAEL**

**Agreement for a technical co-operation program (Joint
Fund Program Agreement). Signed at Tel Aviv, on
9 May 1952**

Official text: English.

Registered by the United States of America on 22 October 1953.

**ÉTATS-UNIS D'AMÉRIQUE
et
ISRAËL**

**Accord relatif à un programme de coopération technique
(Accord relatif au programme du Fonds commun).
Signé à Tel-Aviv, le 9 mai 1952**

Texte officiel anglais.

Enregistré par les États-Unis d'Amérique le 22 octobre 1953.

No. 2309. AGREEMENT¹ FOR A TECHNICAL CO-OPERATION PROGRAM (JOINT FUND PROGRAM AGREEMENT) BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF ISRAEL. SIGNED AT TEL AVIV, ON 9 MAY 1952

The Government of the United States of America and the Government of Israel

Have agreed as follows :

Article I

Pursuant to the General Agreement for Technical Cooperation, signed on behalf of the two Governments at Hakiryá on February 26, 1951,² a technical cooperation program shall be initiated in Israel. The obligations assumed herein by the Government of Israel will be performed by it through a representative to be designated by it. The obligations assumed herein by the Government of the United States of America will be performed by it through the Technical Cooperation Administration of the Department of State, an agency of the Government of the United States of America (hereinafter referred to as the "Administration"). The Administration, on behalf of the Government of the United States of America, and the representative, on behalf of the Government of Israel, shall participate jointly in all phases of the planning and administration of the cooperative program. This agreement and all activities carried out pursuant to it shall be governed by the terms and conditions of the said General Agreement for Technical Cooperation.

Article II

It is agreed that the objectives of this cooperative program are :

1. To promote and strengthen understanding and good will between the peoples of the United States of America and Israel, and to further the secure growth of democratic ways of life;
2. To facilitate the economic development of Israel through technical cooperation between the two governments; and
3. To stimulate and increase the interchange between the two countries of knowledge, skills and techniques in the field of economic development.

¹ Came into force on 9 May 1952, as from the date of signature, in accordance with article XIX.

² United Nations, *Treaty Series*, Vol. 137, p. 57.

Article III

It is agreed that this cooperative program will include :

1. The furnishing by the Administration of a field party of specialists (hereinafter referred to as the " Technical Mission ") to collaborate in carrying out the cooperative program.

2. The development and carrying out of activities of the following type :

a. Studies and surveys of the needs of Israel in the fields of agricultural development, public health and sanitation, elementary and vocational education, basic transportation, and other activities related to the economic development of Israel; analysis of the resources available to meet these needs; and the formulation and continuous adaptation of a program adequate to enable it to meet such needs;

b. The initiation and administration of projects in the field of technical cooperation for economic development pursuant to written operational agreements between the Co-Directors of the Joint Fund herein provided for, which may include activities of the following types : agricultural development including irrigation, reforestation and soil conservation; expansion of diversified farming, citriculture and fishing; food storage and processing; expansion and effective operation of basic transportation facilities; housing; establishment and effective operation of community facilities for health and education; fostering of vocational training and the acquisition of technical skills; fostering exploration and industrial engineering related to the use of Israel's natural resources; and such other projects in the field of technical cooperation for economic development as they may hereafter mutually agree upon;

c. Related training activities.

Article IV

The Technical Mission shall be of such size and composition as the Administration shall deem advisable, and shall be under the direction of the Administration's Director of Technical Cooperation, who shall be the immediate representative in Israel of the Administration in connection with the program covered by this Agreement. The Director of Technical Cooperation and the other members of the Technical Mission shall be selected and appointed by the Government of the United States of America but shall be acceptable to the Government of Israel.

Article V

There shall be established an agency of the Government of Israel to be known as the "Israel-American Joint Fund" (hereinafter referred to as the "Joint Fund") for the use of which there shall be established one or more special bank accounts in banks satisfactory to the representative of the Government of Israel and the Director of Technical Cooperation. All funds deposited to the credit of the Joint Fund under the terms of this Agreement shall be available only for the purposes of this Agreement. The representative of the Government of Israel and the Director of Technical Cooperation shall serve as Co-Directors of the Joint Fund.

Article VI

1. Each project, constituting a part of this cooperative program, shall be embodied in a written operational agreement which shall be agreed upon and signed by the Co-Directors, shall define the kind of work to be done, shall determine the allocations of funds required therefor, and may contain such other appropriate matters as the parties may desire to include. Upon substantial completion of any project, a Completion Memorandum shall be drawn up and signed by the Co-Directors, which shall provide a record of the work done, the objectives sought to be achieved, the financial contributions made, the problems encountered and solved, and related basic data.

2. The selection of specialists, technicians and others to be sent to the United States of America or elsewhere at the expense of the Joint Fund pursuant to this program, as well as the training activities in which they shall participate, shall be determined jointly by the Co-Directors.

3. The general policies and administrative procedures that are to govern the cooperative program, the carrying out of projects, and the operations of the Joint Fund, such as the disbursement of and accounting for funds, the incurrence of obligations of the Joint Fund, the purchase, inventory, disposition and end use control of property, the appointment and discharge of officers and other personnel paid out of the Joint Fund, the terms and conditions of their employment, and all other administrative matters, shall be determined jointly by the Co-Directors.

4. The Government of Israel will make available to the Government of the United States of America full opportunity to ascertain the uses made of the funds made available pursuant to paragraphs 2 and 3 of Article VIII of this Agreement.

Article VII

It is agreed that the projects to be undertaken in accordance with this Agreement may include cooperation with national, municipal, and other local

governmental agencies in Israel as well as with organizations of a public or private character, and international organizations of which the United States of America and Israel are members. By agreement between the Co-Directors, contributions of funds, property, services or facilities by either or both parties, or by third parties, may be accepted and deposited for the account of the Joint Fund for use in effectuating the cooperative program, in addition to the funds, property, services and facilities contributed by the two Governments under this Agreement. These contributions may include transfers of such portions of the Israel pound funds deposited in the special account created pursuant to paragraph (4) of the note on behalf of the Government of the United States of America dated February 27, 1952, accepted on behalf of the Government of Israel on February 27, 1952,¹ as the Government of the United States of America may approve.

Article VIII

The parties hereto shall contribute and make available, to the extent provided below, funds for use in carrying out the program during the period covered by this Agreement, as follows :

1. The Government of the United States of America during the period from the date of signing of this Agreement through June 30, 1952, shall make available the funds necessary to pay the salaries and other administrative expenses of the Technical Mission which the Government of the United States of America may incur in connection with this program except as made available by the Government of Israel under Article X. These funds shall be administered by the Administration and shall not be deposited to the credit of the Joint Fund.

2. In addition, for the period from the date of signing of this Agreement through June 30, 1952, the Government of the United States of America shall make available to the Joint Fund a maximum of \$800,000 (eight hundred thousand dollars), in currency of the United States of America, for agreed projects. The two Governments agree that the dollar contributions of the Government of the United States of America will be needed for commitment outside Israel. Therefore, the entire amount of such contribution shall be retained by the Administration for commitment and expenditure pursuant to request by both Co-Directors of the Joint Fund in accordance with the terms of the agreed projects. All commitments made by the Administration pursuant

¹ See p. 123 of this volume.

to such request shall be credited as contributions made by the Government of the United States of America to the Joint Fund.

3. The Government of Israel, for the period from the date of the signing of this Agreement through June 30, 1952, will deposit into the Joint Fund an amount of Israel currency at least sufficient to cover all local currency expenses of the projects covered by this Agreement. In any event, however, the local currency deposits by the Government of Israel shall not be less than the Israel currency equivalent of the amounts of dollar commitments which the Government of the United States of America notifies the Government of Israel from time to time have been made pursuant to the requests of the Co-Directors of the Joint Fund. The exchange rate to be used in computing the amount of such equivalent contribution in Israel currency shall be the par value for the Israel pound agreed with the International Monetary Fund in effect at the time of each deposit, provided that this par value is the single rate applicable to the purchase of dollars for commercial transactions in Israel. If there is no such agreed par value or if there are two or more effective rates that are not unlawful for the purchase of dollars, the rates used shall be the effective rates (including the amount of any exchange tax, surcharge, bonus, or value of any exchange certificate) which, at the time of deposit, are applicable to the purchase of dollars for the respective purposes for which the dollars made available herein are to be used. The Government of Israel agrees to deposit additional sums of Israel currency into the Joint Fund, to the maximum extent feasible with the financial resources of that Government as required for additional projects within the scope of this cooperative program.

4. Subject to the provisions of Paragraph 2 of Article VIII of this Agreement, no funds shall be withdrawn from the Joint Fund for any purpose except by issuance of a suitable withdrawal document signed by both the Co-Directors of the Joint Fund. The Co-Directors shall include, in the deposit agreement to be made with the Bank, a provision that the Bank shall be obligated to repay to the Joint Fund any monies which it shall pay out from the Joint Fund on the basis of any document other than a withdrawal document that has been signed by both the Co-Directors.

5. The parties hereto may later agree in writing upon the amount of funds that each will contribute and make available each year in succeeding years for which United States aid may be provided for use in carrying out the program.

Article IX

Subject to the provisions of this Agreement, the balances of all funds deposited to the credit of the Joint Fund shall continue to be available for the cooperative program during the existence of this Agreement, without regard to annual periods or fiscal years of either of the Governments. All materials, equipment and supplies acquired from the assets of the Joint Fund shall become the property of the Joint Fund and shall be used in the furtherance of this Agreement. Any such materials, equipment and supplies remaining at the termination of this cooperative program shall be at the disposition of the Government of Israel.

Article X

The Government of Israel, in addition to the cash contribution provided for in Paragraph 3 of Article VIII hereof, may, at its own expense, pursuant to agreement between the Co-Directors :

1. Appoint specialists and other necessary personnel to collaborate with the Technical Mission;
2. Make available such office space, office equipment and furnishings, and such other facilities, materials, equipment, supplies, and services as it can conveniently provide for the cooperative program covered by this Agreement;
3. Make available the general assistance of the other governmental agencies of the Government of Israel for carrying out the cooperative program.

Article XI

Interest received on funds of the Joint Fund and any other increment of assets of the Joint Fund, of whatever nature or source, shall be devoted to the carrying out of the program and shall not be credited against the contributions of the Government of the United States of America or of the Government of Israel.

Article XII

Subject to the provisions of Article VIII, that portion of the contribution made available by each country to the Joint Fund remaining unobligated at the termination of this Agreement, will be returned to the respective governments in the currency in which the contribution was made unless otherwise provided by written agreement between the two Governments.

Article XIII

1. The Government of Israel agrees to extend to the Joint Fund, and to all personnel employed by the Joint Fund, all rights and privileges which are

enjoyed, under its laws, by agencies of the Government of Israel or by their personnel. Such rights and privileges shall include, to the extent that they are available to other agencies of the Government of Israel, but shall not be limited to: free postal, telegraph, and telephone service; passes on railroads administered by the Government of Israel; the right to rebates or preferential rates allowed by domestic companies of maritime or river navigation, air travel, telephone, telegraph, or other services; as well as exemption from excises, imposts and stamp taxes.

2. The rights and privileges referred to in Paragraph 1 of this Article XIII, pertaining to communications, transportation and exemption from excises, imposts, and stamp taxes shall also accrue to the Administration and personnel of the Government of the United States of America with respect to operations which are related to, and property which is to be used for, the cooperative program.

Article XIV

In the event that either Government is unable to contribute funds required for the Joint Fund for any period after June 30, 1952, the Joint Fund shall continue to operate with such funds as remain unexpended, such contributions as the other Government may contribute to the Joint Fund, and contributions received from third parties pursuant to Article VII.

Article XV

The Government of Israel will so deposit, segregate, or assure title to all funds allocated to or derived from any program of assistance undertaken by the United States Government so that such funds shall not be subject to garnishment, attachment, seizure, or other legal process by any person, firm, agency, corporation, organization, or government when in the opinion of the Government of the United States of America such legal process would interfere with the attainment of the objectives of the program of assistance.

Article XVI

The parties hereto declare their recognition that the Technical Cooperation Administration of the Department of State, being an agency of the United States of America, wholly directed and controlled by the Government of the United States of America, is entitled to share fully in all the privileges and immunities, including immunity from suit in the courts of Israel, which are enjoyed by the Government of the United States of America.

Article XVII

Any right, privilege, power or duty conferred by this Agreement upon either of the Co-Directors may be delegated by either of them to any of his respective assistants, provided that each such delegation be satisfactory to the other. Such delegation shall not limit the right of the Co-Directors to refer any matter directly to one another for discussion and decision.

Article XVIII

The Government of Israel will endeavor to obtain the enactment of such legislation and take such executive action as may be required to carry out the terms of this Agreement.

Article XIX

This Agreement may be referred to as the "Joint Fund Program Agreement." It shall enter into force on the date on which it is signed and shall remain in force until three months after either government shall have given notice in writing to the other of the intention to terminate it, provided, however, that the obligations of the two Governments under this Agreement for the period after June 30, 1952, shall be subject to the availability of appropriations to both parties for the purposes of the program and to further agreement of the parties pursuant to Article VIII, Paragraph 5 hereof.

DONE in duplicate at Tel Aviv this 9th day of May, 1952.

For the Government of Israel :

M. SHARETT

[SEAL]

For the Government of the
United States of America :

Monnet B. DAVIS

[SEAL]