

No. 2909

**UNITED STATES OF AMERICA
and
EGYPT**

Agreement for a co-operative program of community development and rural rehabilitation in the Egyptian Provinces of Buheira and Fayoum. Signed at Cairo, on 19 March 1953

Official texts: English and Arabic.

Registered by the United States of America on 12 September 1955.

**ÉTATS-UNIS D'AMÉRIQUE
et
ÉGYPTE**

Accord relatif à un programme coopératif de développement des collectivités et de reconstruction rurale dans les provinces égyptiennes de Buheïra et de Fayoum. Signé au Caire, le 19 mars 1953

Textes officiels anglais et arabe.

Enregistré par les États-Unis d'Amérique le 12 septembre 1955.

No. 2909. AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF EGYPT FOR A CO-OPERATIVE PROGRAM OF COMMUNITY DEVELOPMENT AND RURAL REHABILITATION IN THE EGYPTIAN PROVINCES OF BUHEIRA AND FAYOUM. SIGNED AT CAIRO, ON 19 MARCH 1953

The Government of the United States of America and the Government of Egypt have agreed as follows :

Article I

THE OPERATING AGENCIES

Pursuant to the General Agreement for Technical Cooperation, signed on behalf of the two Governments on May 5, 1951,² a cooperative program in the field of Community Development and Rural Rehabilitation shall be initiated in Egypt.

The obligations assumed herein by the Government of Egypt will be performed by the Permanent Council for the Development of National Production (hereinafter referred to as the "Council"). The obligations assumed herein by the Government of the United States of America will be performed by the Technical Cooperation Administration (hereinafter referred to as the "Administration"), an agency of the Government of the United States of America.

The Council, on behalf of the Government of Egypt, and the Administration, on behalf of the Government of the United States of America, shall participate jointly in all phases of planning and administration of this cooperative program. This agreement and the activities carried out pursuant to it shall be governed by the provisions of the said General Agreement for Technical Cooperation.

Article II

OBJECTIVES

The objective of this program agreement is cooperation between the two Governments to improve the social and economic conditions throughout all Egypt,

¹ Came into force on 19 March 1953, as from the date of signature, in accordance with article XIII.

² United Nations, *Treaty Series*, Vol. 198, p. 265.

by carrying out a broad demonstrational program of development which attacks, through self help, community participation and direct assistance, the basic problems of rural life for the people in the Provinces of Buheira and Fayoum.

Article III

SCOPE OF THE PROGRAM

This Cooperative Program will include, to the extent that the Parties hereto from time to time agree upon, the following operations in the Provinces of Buheira and Fayoum :

- a.* The reclamation of approximately 80,000 feddans of new land.
- b.* The construction and development of improved housing and community facilities.
- c.* The resettlement of approximately 16,000 landless farm families on reclaimed land.
- d.* Financial and other assistance to farm cooperatives.
- e.* Demonstrations of improved water conservation and management practices and the extension of irrigation, drainage, and navigation services to new lands and lands now under cultivation.
- f.* The establishment of vocational schools and environmental training of farm youth in the fundamentals of scientific agriculture and irrigation practices.
- g.* The provision of agricultural extension and demonstration services.
- h.* The improvement of the marketing and processing of farm produce.
- i.* Improvement of the levels of public health, through environmental sanitation, clinical services, training and health education.
- j.* Aid in the development of small industries and handicrafts.
- k.* The improvement and development of farm-to-market road systems.
- l.* Such other related activities as the Co-Directors may agree upon as being essential to the success of this demonstration in community development and rural rehabilitation.

Article IV

THE TECHNICAL MISSION

The Administration agrees to furnish a group of technicians and specialists to collaborate in carrying out this cooperative program. The technicians and specialists made available by the Administration under this agreement, together

with those so made available under other program agreements with the Government of Egypt, will constitute the Technical Mission of the Administration in Egypt. This technical mission is headed by a Director of Technical Cooperation (hereinafter referred to as the "Director"). The Director and other members of the technical mission shall be appointed by the Government of the United States of America. Technicians sent from the United States to work on this program shall be subject to acceptance by the Government of Egypt.

Article V

THE JOINT FUND

There is hereby established the Egyptian American Service for Rural Improvement (hereinafter referred to as the "Service"). The Service shall be an agency of the Government of Egypt and shall administer the cooperative programs assigned to it in accordance with the provisions of this agreement. The President of the Council and the Director shall serve as Co-Directors of the Service. The moneys of the Service may be maintained in such bank or banks as the Co-Directors shall select, and shall be available only for the purposes of this agreement. The Co-Directors of the Service may from time to time enter into project agreements with appropriate Ministers of the Government of Egypt.

Article VI

PROGRAM FINANCING

The parties 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, in accordance with the following schedules :

1. The Government of the United States of America, during the period from the date of entry into force of this agreement to and including June 30, 1953, shall make available the funds necessary to pay the salaries and other expenses of the technical mission, as well as such other expenses of an administrative nature as the Government of the United States of America may incur in connection with this Cooperative Program. These funds shall be administered by the Administration and shall not be deposited to the credit of the Service.

2. In addition, during the period from the date of entry into force of this agreement through June 30, 1953, the Government of the United States of America shall make available to the Service for use in this Cooperative Program, the sum of \$10,000,000 (Ten Million Dollars). The Parties hereto agree that initially this sum shall be withheld in the United States of America. The President of the Board and the Director may deposit in cash any part of such sum to the credit of the Service in such installments as they may agree upon in project agreements

or amendments thereto. The remainder, if any, of the United States contribution to this Cooperative Program shall continue to be held in the United States of America to meet payments to be made outside of Egypt in United States dollars. The amounts used for such payments, when expended as agreed upon by the Co-Directors, shall be considered as if deposited to the credit of the Service. In the event that the Government of the United States of America does not otherwise make provision for such expenses, the Co-Directors shall make available to the Government of the United States of America, from the said fund of ten million dollars, such amounts as the Co-Directors agree are required to pay the salaries and expenses incurred by the Government of the United States of America after June 30, 1953, for the technicians requested by the Co-Directors to assist on this program.

3. The Government of Egypt, for the period from the date of entry into force of this agreement through June 30, 1953, shall deposit to the credit of the Service L. E. 5,450,000 (five million, four hundred fifty thousand pounds) in the currency of Egypt. These deposits shall be made in such installments and at such times as the Co-Directors shall agree.

4. The Parties may later agree in writing upon the amount of funds and/or other contributions they wish to make available during each subsequent year for use in carrying out the program during the period from June 30, 1953, to and including December 31, 1960.

5. Funds deposited by the Government of the United States of America to the credit of the Service shall be convertible into Egyptian pounds at the par value for the Egyptian Pounds agreed with the International Monetary Fund in effect at the time of each conversion, provided that this par value is the same rate applicable to the purchase of dollars for commercial transactions in Egypt. 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 rates agreed upon by the two Governments, but not less than the effective rates (including the amount of exchange tax, surcharge, bonus, or value of any exchange certificate) which, at the time of conversion, are applicable to the purchase of dollars for the respective purposes for which the dollars deposited to the credit of the Service are to be used.

6. No funds deposited to the Service's account shall be withdrawn for any purpose except by issuance of a check or other suitable withdrawal document signed by both Co-Directors of the Service. The Co-Directors shall include in the deposit agreement to be made with any bank, a provision that the bank shall be obligated to repay to the Service any moneys which it shall pay out from the Service on the basis of any document other than a check or other withdrawal document that has been signed by the two Co-Directors.

Article VII

ADDITIONAL CONTRIBUTIONS

1. The projects to be undertaken under this agreement may include cooperation with national, provincial and local governmental agencies in Egypt, as well as with organizations of a public or private character, and international organizations of which the United States of America and Egypt are members. By agreement between the Co-Directors contributions of funds, property, services or facilities by either or both Parties, or by any of such third parties, may be accepted and deposited to the credit of the Service for use in effectuating the cooperative program in addition to the funds, property, services and facilities required to be contributed under Article VI.

2. The Government of Egypt, in addition to the cash contribution provided for in paragraph 3 of Article VI hereof, shall pursuant to agreement between the Co-Directors and the Ministry concerned :

a. Provide specialists and other necessary personnel to collaborate with the Service.

b. Make available such office space, office equipment, supplies, and services as it can provide for the said program.

c. Make available the general assistance of the other governmental agencies of the Government of Egypt for carrying out the cooperative program.

In the event that the Government of Egypt has not otherwise made provision for such expenses, the Co-Directors shall make available to the Government of Egypt, from the fund of L. E. 5,450,000 such amount as the Co-Directors agree are required to pay the costs of such facilities and services as are furnished pursuant to the request of the Co-Directors.

Article VIII

PROJECT OPERATIONS

1. The cooperative program herein provided for shall consist of a series of projects to be jointly planned and administered by the Co-Directors of the Service. Each project shall be embodied in a written project agreement which shall be signed by the Co-Directors. Such agreements shall define the work to be done and shall make allocations of funds therefor from moneys available to the Service, and may contain such other matters as the Parties may desire to include.

2. 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 expenditures made, the problems encountered and solved, and related basic data.

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

4. The general policies of administration and administrative procedures that are to govern the cooperative program, the carrying out of projects, and the operations of the Service, such as the disbursement of and accounting for funds, the incurring of obligations of the service, the purchase, use, inventory, control and dispositions of property, the appointment and discharge of officers and other personnel of the Service and the terms and conditions of their employment, and all other administrative matters, shall be determined jointly by the Co-Directors.

5. All contracts and other instruments and documents relating to the execution of projects under this agreement shall be executed in the name of the Service and shall be signed by the two Co-Directors. The books and records of the Service relating to the Cooperative Program shall be open at all times for examination by authorised representatives of the Government of Egypt and of the Government of the United States of America. The Co-Directors of the Service shall render an annual report of their activities to the two Governments, and other reports at such intervals as may be appropriate.

6. Any power conferred by this agreement upon 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 IX

ADDITIONAL FISCAL PROVISIONS

1. All funds deposited to the credit of the Service pursuant to this agreement 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 Parties.

2. All materials, equipment and supplies acquired for the cooperative program shall become the property of the Service and shall be used only 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 Egypt.

3. Interest received on funds of the Service and any other increment of assets of the Service, of whatever nature or source, shall be devoted to the carrying out of the cooperative program and shall not be credited against any contribution due from either Government.

4. Any funds of the Service which remain unexpended and unobligated on the termination of the cooperative program shall, unless otherwise agreed upon in writing by the parties hereto at that time, be returned to the parties hereto in the proportion of the respective contributions made by the Government of the United States of America and by the Government of Egypt under this agreement, as it may be from time to time amended and extended.

Article X

RIGHTS AND EXEMPTIONS

1. All contract employees who are citizens of the United States of America under contracts entered into by the Service to assist in carrying out this cooperative program shall receive the same rights, privileges and exemptions as accorded employees of the Government of the United States of America under the terms of the General Agreement for Technical Cooperation referred to in Article I herein. At suitable intervals the Ambassador of the United States of America to Egypt shall furnish to the Minister for Foreign Affairs of Egypt the names of the personnel to whom the provisions of this paragraph are applicable.

2. Supplies, equipment and materials purchased by the Service or contributed to the Service by the Government of the United States of America, either directly or by contract with a public or private organisation, shall be admitted into Egypt free of any customs, import, and other duties or charges.

Article XI

ANTI-ATTACHMENT

The two Governments will establish procedures whereby the Government of Egypt will so deposit, segregate, or assure title to all funds allocated to or derived from any program involving the use of contributions by the Government of the United States of America that such funds shall not be subject to garnishment, attachment, seizure, or other legal process by any firm, agency, corporation, organisation, or government when the Government of Egypt is advised by the Government of the United States of America that such legal process would interfere with the attainment of the objectives of the program.

Article XII

LEGISLATIVE ACTION

The Government of Egypt will endeavor to obtain the enactment of such legislation or decrees and will take such executive action, as may be required to carry out the terms of this agreement.

Article XIII

ENTRY INTO FORCE AND ACTION

This agreement may be referred to as the "Egyptian-American Rural Improvement Program." It shall enter into force on the date that it is signed and shall remain in force to and including December 31, 1960, or until three months after either Government shall have given notice in writing to the other of intention to terminate it, whichever is the earlier, provided however, that the obligations of the Parties under this agreement for the period from June 30, 1953, to and including December 31, 1960, shall be subject to the availability of appropriations to both Parties for the purposes of the Program and to further the agreement of the Parties pursuant to Article VI, paragraph 4, hereof.

DONE in duplicate, in the English and Arabic languages, at Cairo, Egypt, this 19th day of March, 1953.

For the Government of the United States of America :

Jefferson CAFFERY

John R. NICHOLS

For the Government of Egypt :

M. FAWZI

HUSSEIN FAHMY
