

No. 3337

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**UNITED STATES OF AMERICA  
and  
YUGOSLAVIA**

**Counterpart Release Agreement (with annex). Signed at  
Belgrade, on 16 April 1954**

*Official texts: English and Serbo-Croat.*

*Registered by the United States of America on 3 May 1956.*

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**ÉTATS-UNIS D'AMÉRIQUE  
et  
YUGOSLAVIE**

**Accord sur l'utilisation des fonds de contrepartie (avec  
annexe). Signé à Belgrade, le 16 avril 1954**

*Textes officiels anglais et serbo-croate.*

*Enregistré par les États-Unis d'Amérique le 3 mai 1956.*

No. 3337. COUNTERPART RELEASE AGREEMENT<sup>1</sup> BETWEEN THE UNITED STATES OF AMERICA AND YUGOSLAVIA. SIGNED AT BELGRADE, ON 16 APRIL 1954

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The Government of the United States of America and the Government of the Federal People's Republic of Yugoslavia

Considering that Article III, Paragraph 3, of the Economic Cooperation Agreement of January 8, 1952,<sup>2</sup> provides that the Government of the Federal People's Republic of Yugoslavia may draw upon the Federal People's Republic of Yugoslavia Special Account for such purposes as may be agreed with the Government of the United States of America ; and

Desiring to assure the most effective cooperation in the selection of purposes for which these amounts shall be used ; and

Desiring to establish the procedures under which releases of funds will be made from the Federal People's Republic of Yugoslavia Special Account ;

Do hereby agree as follows :

*Article I*

The purposes for which funds from the Special Account (hereinafter referred to as counterpart funds) should be used subject to the mutual agreement of the two governments are set forth in Article III of the Economic Cooperation Agreement concluded between the Government of the United States of America and the Government of the Federal People's Republic of Yugoslavia on January 8, 1952. The intent of this agreement is to set forth the manner in which the two governments will cooperate together in the release of funds from the Special Account for the above-mentioned purposes.

*Article II*

In order to carry out the purposes referred to in Article I, the Government of the United States of America and the Government of the Federal People's Republic of Yugoslavia will establish in advance for each Yugoslav fiscal year an allocation of the accumulated counterpart funds into the major sectors of the Federal People's Republic of Yugoslavia economy, including public health and defense.

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<sup>1</sup> Came into force on 16 April 1954, as from the date of signature, in accordance with article X.

<sup>2</sup> United Nations, *Treaty Series*, Vol. 152, p. 61, and Vol. 207, p. 360.

Within the agreed sectors the Government of the Federal People's Republic of Yugoslavia will propose to the Government of the United States of America projects which it desires to finance wholly or in part with counterpart funds. Projects may also be suggested for consideration under this paragraph by the Government of the United States.

#### *Article III*

Should the Government of the Federal People's Republic of Yugoslavia desire to use funds from the Federal People's Republic of Yugoslavia Special Account for purposes of establishing sources of credit to any sector of the Yugoslav economy, the Government of the Federal People's Republic of Yugoslavia should propose to the Government of the United States of America procedures covering the establishment and operation of such credit facilities. Upon approval of these proposals by the two Governments they will become a part of this Agreement.

#### *Article IV*

In the selection of projects to be financed from counterpart funds, the competent Federal People's Republic of Yugoslavia authorities will submit to the Government of the United States of America information concerning such projects as listed in Annex A.<sup>1</sup>

Within the agreed program referred to in Article II, projects will be mutually agreed upon between the Government of the United States of America and the Government of the Federal People's Republic of Yugoslavia. Such an agreement will be immediately mutually confirmed by both governments in written notification. This written notification will represent at the same time a concurrence for the release and transfer of funds necessary for the implementation of that project to the responsible agency of the Federal People's Republic of Yugoslavia.

#### *Article V*

For each project the responsible Federal People's Republic of Yugoslavia agency will submit to the two governments monthly statements indicating the allotments to the project out of the released funds, disbursements during the reporting period out of project allotments, and the balance remaining to the project.

For each project the responsible Federal People's Republic of Yugoslavia agency will also submit to the two governments quarterly reports itemizing expenditures made for materials (domestic and imported), labor, equipment, transportation and such other costs as may have been incurred.

If rates of expenditures are foreseen to exceed the preliminary estimate, referred to in Annex A, this preliminary estimate will be reviewed by appropriate United

<sup>1</sup> See p. 84 of this volume.

States of America and Federal People's Republic of Yugoslavia officials and following agreement, the requisite amount of additional funds will be released from the Special Account.

*Article VI*

Ordinarily funds will be expended as nearly as possible within the costs established by the preliminary estimate for the project. Should expenditures be found to be inconsistent with the preliminary estimate (unless the preliminary estimate shall have been revised as provided in Article V), the Government of the Federal People's Republic of Yugoslavia will take corrective action and, if necessary, require the redeposit in the Federal People's Republic of Yugoslavia Special Account of all unexpended balances.

*Article VII*

Balances from the funds released and allotted for any project, as may remain unexpended upon the completion or at the expiration of the time limit established for that project will be redeposited in the Federal People's Republic of Yugoslavia Special Account.

Materials or serviceable equipment surplus to a project at the time of completion will either be transferred and credited to other approved counterpart projects, or will be sold; if sold, the proceeds thereof will be redeposited to the Special Account.

*Article VIII*

In accordance with the expressed purpose of the Economic Cooperation Agreements of April 17, 1951<sup>1</sup> and January 8, 1952, the Government of the Federal People's Republic of Yugoslavia will facilitate the examination, by representatives of the Government of the United States of America, of project accounts and records, and the observation of the physical progress of all projects financed from counterpart funds.

*Article IX*

With respect to Article VII of the Economic Cooperation Agreement of January 8, 1952, the Government of the Federal People's Republic of Yugoslavia will give full publicity to the projects financed under this Agreement.

*Article X*

This Agreement can be amended by mutual consent of the Government of the United States of America and the Government of the Federal People's Republic of Yugoslavia, acting through their respective representatives.

<sup>1</sup> United Nations, *Treaty Series*, Vol. 162, p. 173, and Vol. 207, p. 364.

This Agreement will become effective on this day's date. It will remain in force until all the sums in the currency of Yugoslavia required to be deposited in accordance with the provisions of Paragraph 7 of the Agreement of April 17, 1951 and Article III of the Agreement of January 8, 1952 have been disposed of as provided in Article III of the latter Agreement.

IN WITNESS WHEREOF the respective representatives, duly authorized for the purpose, have signed the present Agreement.

DONE at Belgrade, in duplicate, in the English and Serbo-Croat languages, both texts authentic, this sixteenth day of April, 1954.

For the Government of the United States of America :

James S. KILLEN  
Director, U.S.A. Operations Mission  
Yugoslavia, American Embassy

For the Government of the Federal People's Republic of Yugoslavia :

Bogdan CRNOBRNJA  
Undersecretary of State for Foreign Affairs

#### A N N E X A

##### *Section I*

- A. Name of Project
- B. Type and Branch
- C. Location
- D. Description of Project
- E. Preliminary Estimate of Dinar Cost during the year itemized by material costs, labor costs and others.
- F. Duration of Project
- G. Responsible Authority
- H. Importance to the Internal Economy
- I. Import and Export Effects
- J. Technical Assistance Required

##### *Section II*

Information submitted for military projects should include their importance for the increase of defensive power of the Federal People's Republic of Yugoslavia in addition to an economic justification, if any.