

No. 4118

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**UNITED STATES OF AMERICA  
and  
ETHIOPIA**

**Exchange of notes constituting an agreement relating to  
economic assistance. Addis Ababa, 25 April 1957**

*Official text: English.*

*Registered by the United States of America on 19 December 1957.*

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

**Échange de notes constituant un accord d'aide économique.  
Addis-Abéba, 25 avril 1957**

*Texte officiel anglais.*

*Enregistré par les États-Unis d'Amérique le 19 décembre 1957.*

No. 4118. EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT<sup>1</sup> BETWEEN THE UNITED STATES OF AMERICA AND ETHIOPIA RELATING TO ECONOMIC ASSISTANCE. ADDIS ABABA, 25 APRIL 1957

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I

*The American Ambassador to the Ethiopian Minister of Foreign Affairs*

AMERICAN EMBASSY  
ADDIS ABABA, ETHIOPIA

No. 913

April 25, 1957

Excellency :

It is an honor for me to refer to recent discussions between representatives of our two Governments concerning the furnishing of economic assistance by the Government of the United States of America to the Imperial Ethiopian Government in furtherance of mutual security and the maintenance of the economy and stability of Ethiopia.

Considering that, under legislation enacted by the Congress of the United States, the United States is enabled to furnish such assistance to the Imperial Ethiopian Government, it is deemed desirable to set forth the understandings which will govern the furnishing of such assistance by the Government of the United States, the receipt of such assistance by the Imperial Ethiopian Government and the measures which the two Governments will take individually and together in furtherance of the above objectives.

These understandings are as follows :

1. The Government of the United States, subject to the terms and conditions of applicable United States laws and regulations and the provisions set forth in this Agreement, will furnish to the Imperial Ethiopian Government such economic or authorized related assistance as may be requested by the Imperial Ethiopian Government and approved by the Government of the United States. Such assistance will be furnished in such form, on such terms and for such purposes as may be provided for in such additional arrangements as may be agreed upon between appropriate representatives of the agency designated by the Government of the United States to discharge its responsibilities under this Agreement and representatives of any agency or agencies designated by the Imperial Ethiopian Government, or between other designated representatives of the two Governments. The Imperial Ethiopian Government will cooperate with the

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<sup>1</sup> Came into force on 25 April 1957 by the exchange of the said notes.

Government of the United States to assure that procurement will be at reasonable prices and on reasonable terms. Assistance provided hereunder shall be in addition to and separate from that provided under the technical cooperation programs conducted pursuant to the General Agreement for Technical Cooperation between the Government of the United States of America and the Imperial Ethiopian Government, signed at Addis Ababa, June 16, 1951<sup>1</sup> and in addition to that provided pursuant to the Mutual Defense Assistance Agreement between the Government of the United States of America and the Imperial Ethiopian Government, signed at Washington, May 22, 1953.<sup>2</sup>

2. It is understood that, in order to assure the maximum benefits to the people of Ethiopia from the assistance to be furnished hereunder by the Government of the United States, the Imperial Ethiopian Government intends to continue to pursue all appropriate measures in furtherance of the purposes for which such assistance is made available. For those purposes the Imperial Ethiopian Government will make effective use of the assistance provided hereunder and will coordinate any operations carried on pursuant to this Agreement with other economic and related programs in Ethiopia.

3. Recognizing that the effectiveness of this assistance program will be enhanced by the fullest cooperation of the two Governments, the Imperial Ethiopian Government agrees :

(a) To make such contribution as is permitted by its manpower, resources, facilities and general economic conditions in furtherance of the purposes for which such assistance is made available pursuant to this Agreement;

(b) With regard to any case where commodities may be furnished hereunder on a grant basis under arrangements which will result in the accrual of proceeds to the Imperial Ethiopian Government from the import or sale thereof, to establish in its own name a special account in the State Bank of Ethiopia (referred to below as the "Special Account") and, except as may otherwise be specifically agreed by the Government of the United States, to deposit promptly in this account the amount of local currency equivalent to any such proceeds. The Government of the United States will from time to time notify the Imperial Ethiopian Government of its local currency requirements and the Imperial Ethiopian Government will thereupon make such sums available out of any balances in the Special Account in the manner requested by the Government of the United States in its notifications. The Imperial Ethiopian Government may draw upon any remaining balances in the Special Account for such purposes beneficial to Ethiopia as may be agreed upon from time to time by the representatives referred to in paragraph 1. Any unencumbered balances of funds which remain in the Special Account upon termination of assistance to Ethiopia under this Agreement shall be disposed of for such purposes as may, subject to approval by Act or joint resolution of the Congress of the United States, be agreed to between the Government of the United States and the Imperial Ethiopian Government.

4. (a) The Governments will, upon the request of either of them, consult regarding the application of this Agreement and operations thereunder. The Imperial Ethiopian Government will provide such information as may be necessary for the implementation of the provisions of this Agreement, including statements on the use of the assistance received hereunder and other relevant information which the Government of the United

<sup>1</sup> United Nations, *Treaty Series*, Vol. 148, p. 39; Vol. 179, p. 261; Vol. 205, p. 340; Vol. 232, p. 340, and Vol. 273, p. 250.

<sup>2</sup> United Nations, *Treaty Series*, Vol. 207, p. 127.

States may need to determine the nature and scope of operations under this Agreement and to evaluate the effectiveness of the assistance furnished or contemplated;

(b) The Imperial Ethiopian Government will give full publicity in Ethiopia to the objectives and progress of the program under this Agreement and will provide the United States, upon termination of this program and at such other times during the course of the program as the Government of the United States may request, full statements of operations hereunder, including information as to the use of the assistance received and the use of the local currency deposited in the Special Account;

(c) Any supplies, materials, equipment or funds introduced into or acquired in Ethiopia by the Government of the United States of America, or any contractor financed by that Government, for purposes of any program or project conducted pursuant to this Agreement shall, while such supplies, materials, equipment or funds are used in connection with such a program or project, be exempt from any taxes on ownership or use of property, and any other taxes, investment or deposit requirements and currency controls in Ethiopia, and the import, export, purchase, use or disposition of any such supplies, materials, equipment or funds in connection with such a program or project shall be exempt from any tariffs, customs duties, import and export taxes, taxes on purchase or disposition of property, and any other taxes or similar charges in Ethiopia;

(d) All personnel (other than citizens and permanent residents of Ethiopia), whether employees of the Government of the United States or individuals and employees of public or private organizations under contract with the Imperial Ethiopian Government or its agencies or the Government of the United States or its agencies, whose entry into Ethiopia has been approved by the Imperial Ethiopian Government for the purpose of performance by them of work in connection with this Agreement, shall be exempt from income and social security taxes levied under the laws of Ethiopia with respect to income upon which they are obligated to pay income or social security taxes to the Government of the United States, and from taxes on purchase, ownership or use of personal movable property intended for their own use. Such personnel and members of their families shall be exempt from the payment of customs and import and export duties on personal effects, equipment and supplies imported into Ethiopia for their own use;

(e) The Imperial Ethiopian Government agrees to receive, subject to its immigration legislation, persons designated by the Government of the United States to discharge the responsibilities of the Government of the United States under this Agreement and to permit such persons the full observation and review provided for in paragraph 5;

(f) United States dollar funds introduced into Ethiopia for purposes of furnishing assistance to be provided by the Government of the United States under this Agreement shall be convertible into currency of Ethiopia at the highest rate in terms of the number of Ethiopian dollars per United States dollar which, at the same time the conversion is made, is not unlawful in Ethiopia;

(g) The two Governments will establish procedures whereby the Imperial Ethiopian Government will so deposit, segregate or assure title to all funds allocated to or derived

from any United States aid program 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 the Imperial Ethiopian Government is advised by the Government of the United States that such legal process would interfere with the attainment of the objectives of the program.

5. The Government of the United States shall have the right at any time to observe and review operations carried out in Ethiopia under this Agreement. Such Government, during the period of any project or transaction under this Agreement and for three years thereafter, shall have the right (1) to examine any property procured through financing by such Government for purposes of any program or project conducted pursuant to this 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 Government for purposes of any program or project conducted pursuant to this Agreement, wherever such records may be located and maintained, for the purpose of assuring to the United States Government an adequate exercise of this right covering the period up to the date of the completion of the project. Each Government, in arranging for any disposition of any property procured through financing by the other Government for purposes of such programs or projects, shall assure that rights of examination, inspection and audit described in the preceding sentence are reserved to the Government which did the financing.

6. It is understood that all or any part of the program of assistance provided hereunder may be terminated by the Government of the United States or by the Imperial Ethiopian Government if either determines that because of changed conditions the continuation of the assistance is unnecessary or undesirable. The termination of the assistance under this provision may include the termination of deliveries of any commodities hereunder not yet delivered.

It is my honor to propose that, if these understandings are acceptable to the Imperial Ethiopian Government, the present note and your reply note concurring therein shall constitute an Agreement between our two Governments which shall enter into force on the date of Your Excellency's reply note and which shall remain in force until thirty days after the receipt by either Government of written notification of the intention of the other to terminate it, it being understood, however, that the provisions of this Agreement shall remain in full force and effect with respect to assistance furnished pursuant to requests made under paragraph 1 hereof.

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

J. S.

His Excellency Ato Aklilou Abte Wold  
Minister of Foreign Affairs  
Imperial Ethiopian Government

## II

*The Ethiopian Minister of Foreign Affairs to the American Ambassador*

## MINISTRY OF FOREIGN AFFAIRS

No. 6964/35/49

Addis Ababa, the 25th of April, 1957

Excellency :

I am in receipt of your Note of 25th April, 1957, concerning the furnishing of economic assistance by the Government of the United States of America to the Imperial Ethiopian Government and setting forth the understandings governing the furnishing and receipt of such assistance.

I take pleasure in confirming to Your Excellency the acceptance by the Imperial Ethiopian Government of such understandings, as follows :

[See note I]

It is further understood and agreed that Your Excellency's Note of 25th April, 1957, under acknowledgement and the present Note shall constitute an agreement between our two Governments which shall enter into force as of the date of the present note and which shall remain in force until thirty days after the receipt by either Government of written notification of the intention of the other to terminate it, it being understood, however, that the provisions of this Agreement shall remain in full force and effect with respect to assistance furnished pursuant to requests made under paragraph I hereof.

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

AKLILOU  
[SEAL]

His Excellency Dr. Joseph Simonson  
Ambassador of the United States of America  
Embassy of the United States of America  
Addis Ababa