

**UNITED STATES OF AMERICA
and
CYPRUS**

Memorandum of Understanding regarding the grant, delivery and free distribution of 12,000 metric tons of wheat and 10,000 metric tons of barley. Signed at Nicosia, on 8 December 1960

Memorandum of Understanding regarding the grant, sale and use of proceeds from the sale of 28,000 metric tons of wheat. Signed at Nicosia, on 8 December 1960

Official text: English.

Registered by the United States of America on 23 August 1961.

**ÉTATS-UNIS D'AMÉRIQUE
et
CHYPRE**

Mémorandum d'accord concernant le don, la livraison et la distribution gratuite de 12 000 tonnes de blé et de 10 000 tonnes d'orge. Signé à Nicosie, le 8 décembre 1960

Mémorandum d'accord concernant le don, la vente et l'utilisation du produit de la vente de 28 000 tonnes de blé. Signé à Nicosie, le 8 décembre 1960

Texte officiel anglais.

Enregistré par les États-Unis d'Amérique le 23 août 1961.

No. 5831. MEMORANDUM OF UNDERSTANDING¹ BETWEEN THE UNITED STATES OF AMERICA AND THE REPUBLIC OF CYPRUS REGARDING THE GRANT, DELIVERY AND FREE DISTRIBUTION OF 12,000 METRIC TONS OF WHEAT AND 10,000 METRIC TONS OF BARLEY. SIGNED AT NICOSIA, ON 8 DECEMBER 1960

Cyprus is presently experiencing its third successive season of below-normal rainfall. This has resulted in a severe reduction in agricultural crop production. This, coupled with a reduction of normal crop production in two previous years, has had a cumulative economic effect on the farm community, as well as on related industries, to the extent that the people most severely affected require assistance.

The Government of Cyprus, in order to alleviate this situation, has requested assistance from the Government of the United States of America in the form of cereal grains for free distribution to persons experiencing economic hardship as a direct result of the drought condition.

In response to this request, the International Cooperation Administration, an agency of the Government of the United States of America, is prepared to grant to the Government of Cyprus up to 12,000 metric tons of wheat and up to 10,000 metric tons of barley for free distribution to needy persons in accordance with the provisions of Title II, Section 201, of United States Public Law 480, and in accordance with the terms of the Transfer Authorization issued by the International Cooperation Administration.

The Government of Cyprus (through the Council of Ministers) has authorized the Minister of Foreign Affairs to negotiate and execute this Memorandum of Understanding on behalf of the Government of Cyprus. The International Cooperation Administration (hereinafter called ICA) has authorized the Embassy of the United States of America to Cyprus (hereinafter called the Embassy) to negotiate and execute this Memorandum of Understanding on behalf of ICA.

Accordingly, the Ministry of Foreign Affairs of the Government of Cyprus and the Embassy agree that :

1. ICA will arrange for the transfer and delivery to Cyprus of up to 12,000 metric tons of wheat and 10,000 metric tons of barley, together with the necessary sacks and

¹ Came into force on 8 December 1960 by signature.

twine, in ships' holds to ports of Cyprus as soon as possible after the signing of the Transfer Authorization by the duly authorized representative of the Government of Cyprus.

2. Upon arrival of each shipment of grain at the designated ports, the Government of Cyprus will arrange for inspection of the grain in the ship's hold and, if inspection indicates that the condition of the grain is satisfactory, the Government of Cyprus will accept delivery of the grain, together with the necessary sacks and twine accompanying the shipment, in the ship's hold at the ports.¹

3. The Government of Cyprus will arrange and pay for the cost of sacking and offloading the grain accepted by the Government of Cyprus, in accordance with Paragraph 2 above, as well as for inland transportation, warehousing, and distribution of the grain to persons who are in need as a direct result of the drought.

4. The Government of Cyprus will prepare, review and approve lists of persons eligible to receive grain free of charge under the Transfer Authorization in accordance with criteria to be approved by the Embassy.

5. The Government of Cyprus will appoint or establish a Distribution Organization with the necessary authority staff, equipment, and funds to carry out the physical distribution of the grain. The method of distribution in kind shall be reviewed by the Government of Cyprus, in consultation with the Embassy, for advance evaluation and shall be subject to rejection by the Embassy if not in conformance with program objectives.

6. The organization responsible for distribution will appoint Distribution Directors for each distribution area. The Directors will supervise the distribution and be responsible to the Government of Cyprus for the necessary accounting reports.

7. In order to account for, and assure the proper distribution of, the grain, the Distribution Organization will be responsible for seeing that :

A. The Grain Commission prepares and furnishes to the Distribution Organization and to the Embassy :

- 1) A Port Receiving Report, as shown in Exhibit A² attached hereto ;
- 2) A Monthly Delivery Report, as shown in Exhibit B³ attached hereto.

¹ According to the information provided by the United States of America this paragraph 2, through inadvertence, remained in the text after the two Governments had decided upon a revision thereof consistent with the Transfer Authorization. The correct text of paragraph 2 has been published by the Government of Cyprus. Paragraph 2 should read :

"2. The grain will be delivered FOB to a vessel in the port of the United States at which time title passes to the Government of Cyprus. United States certificates of weight and grade inspection shall be final. In addition, ICA will pay for ocean transportation and will be responsible for general average."

² See p. 152 of this volume.

³ See p. 154 of this volume.

B. The Distribution Director for each distribution area prepares and sends to the Distribution Organization and to the Embassy a Distribution Report, as shown in Exhibit C¹ attached hereto.

8. This Memorandum of Understanding may be amended at any time by mutual consent and agreement of the signatories.

9. This Memorandum of Understanding may be cancelled at any time by mutual consent of the signatories, or on thirty (30) days' written notice by either party to the other. In the event of cancellation of this Memorandum of Understanding, any balance of grain delivered to the Government of Cyprus and remaining undistributed on the date of cancellation shall be promptly distributed in accordance with the provisions of this agreement. Cancellation of this Memorandum of Understanding shall not cancel or affect in any way the obligation of the Government of Cyprus to distribute the grain delivered under the Transfer Authorization in accordance with its provisions. The obligation of the Government of Cyprus to distribute the grain as provided herein shall remain in full force and effect until certification by the Government of Cyprus that the grain delivered has been distributed according to the provisions of the Transfer Authorization and this Memorandum of Understanding.

10. This Memorandum of Understanding is entered into this eighth day of December, 1960, and shall remain in force until completion of the deliveries of grain and certification by the Distribution Organization that all grain delivered has been distributed as provided herein, or until cancellation of this Memorandum of Understanding, as provided in Paragraph 9.

11. In interpreting this Memorandum of Understanding, the terms and conditions included in the Transfer Authorization shall govern.

For the United States of America :
FRASER WILKINS

For the Republic of Cyprus :
SPYROS KYPRIANOU

¹ See p. 156 of this volume.

EXHIBIT A

P. L. 480, TITLE II, RECEIVING OFFICE

PORT OF

RECEIVING REPORT

Approved by :

TITLE :

Date :

Name of vessel : Flag

Commodity received :

Transfer authorization No. :

Bill of lading no. : Date :

Date anchored at port of Date sailed :

Date unloading started : Dated completed :

<i>Description Quantity</i>	<i>Commodity M. Tons</i>	<i>Number of sacks</i>	<i>Twine K gs.</i>	<i>Needles (dozens)</i>	<i>Other</i>
1. As shown on B/L					
2. As shown on ship manifest					
3. As shown on ship log book					
4. Quantity actually received					
Shortages or overages : difference between columns 1 and 4					
REASONS FOR SHORTAGES AND OR OVERAGES IF KNOWN :					

REMARKS

EXHIBIT B

P. L. 480, TITLE II, RECEIVING OFFICE

GRAIN COMMISSION

MONTHLY DELIVERY REPORT

(Geographical Distribution)

COMMODITY :

Approved by :

TITLE

PERIOD COVERED : From To Date :

Name of city or Storage Point	Qty allocated	Quantities (metric tons)		Undelivered qty
		Current deliveries	Cumulative deliveries	
Free Distribution				
1.				
2.				
3.				
4.				
5.				
6.				
7.				
8.				
9.				
TOTAL				

EXHIBIT C

P. L. 480, TITLE II, RECEIVING OFFICE

DISTRIBUTION REPORT

COMMODITY : Prepared by

PERIOD COVERED : From To TITLE :

Date :

Distribution Center :

<i>Quantity received</i>	<i>Quantity distributed</i>	<i>Balance due or on hand</i>	<i>Number of recipients receiving grain</i>

MEMORANDUM OF UNDERSTANDING¹ BETWEEN THE UNITED STATES OF AMERICA AND THE REPUBLIC OF CYPRUS REGARDING THE GRANT, SALE AND USE OF PROCEEDS FROM THE SALE OF 28,000 METRIC TONS OF WHEAT. SIGNED AT NICOSIA, ON 8 DECEMBER 1960

Cyprus is presently experiencing a third successive season of drought, which has brought about a severe reduction of agricultural crop production and has caused economic distress for a large proportion of the population. The drought has affected the economic base of the country, depriving many persons of their normal means of livelihood. The Government of Cyprus has requested the Government of the United States of America to furnish assistance to Cyprus in the form of surplus agricultural products to alleviate this hardship. In response to this request, the Embassy of the United States of America to Cyprus arranged through the International Cooperation Administration, an agency of the Government of the United States, for the delivery of up to 28,000 metric tons of wheat from the United States to Cyprus under Title II, Section 201, of the United States Public Law 480. This wheat is to be sold in Cyprus to supplement food supplies and to provide funds for mutually agreed economic development projects, which will provide employment for the affected population.

The Council of Ministers of the Government of Cyprus has authorized the Minister of Foreign Affairs to negotiate and execute this Memorandum of Understanding on behalf of the Government of Cyprus, and the International Cooperation Administration (hereinafter called ICA) has authorized the Embassy of the United States of America (hereinafter called the Embassy) to negotiate and execute this Memorandum of Understanding on behalf of ICA.

Accordingly, the Ministry of Foreign Affairs and the Embassy agree as follows :

1. ICA will issue a Transfer Authorization for the transfer and delivery to Cyprus of up to 28,000 metric tons of wheat, together with the necessary sacks and twine, in ships' holds at the ports in Cyprus, as the Government of Cyprus shall designate, after the signing of the Transfer Authorization.

2. Upon arrival of each shipment of wheat at the designated ports, the Government of Cyprus will arrange for inspection of the wheat in the ship's hold and, if

¹ Came into force on 8 December 1960 by signature.

inspection indicates that the condition of the wheat is satisfactory, the Government of Cyprus will accept delivery of the wheat, together with the necessary sacks and twine accompanying the shipment, in the ship's hold at the ports.¹

3. The Government of Cyprus will arrange for, and pay the costs of, sacking, offloading inland transportation, and warehousing of the wheat to be delivered to Cyprus. The Government of Cyprus will provide for offloading of not less than 150 metric tons of wheat from each ship's hatch to shore per weather working day, and for inland movement from the port to the Government storage center at Nicosia, of not less than 500 metric tons per day.

4. The 28,000 metric tons of wheat shipped will be sold at the highest prevailing price in Cyprus per metric ton of wheat.

5. The proceeds of such sales shall be deposited in a Special Account of the Government of Cyprus immediately upon receipt. The proceeds as deposited will be used for work relief wages for persons affected by the drought, in an amount sufficient to purchase food requirements of the laborer and his dependents and for the purchase of tools, supplies and equipment for the projects mutually agreed upon between the two Governments, provided that not more than 25 percent of total sales proceeds are used for other than labor costs.

6. This Memorandum of Understanding does not imply any obligation on the part of the Government of the United States of America to finance the economic development projects to be agreed upon other than from funds from the sale of the wheat.

7. Funds will not be disbursed from the Special Account until appropriate work plans for the projects have been mutually approved by the Government of Cyprus and the Embassy. The project presentation shall contain an estimate of the cost, a plan of operations, a time period, and a designation of the responsible Ministry or Agency of the Government of Cyprus assigned to carry out the project.

8. In the event that the Government of Cyprus wishes to advance funds to be subsequently reimbursed from the Special Account for mutually agreed projects, such funds must be processed through the Special Account. In any event, expenditures from fund advances will not be reimbursable if made prior to the signing of the

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"2 The grain will be delivered FOB to a vessel in the port of the United States at which time title passes to the Government of Cyprus. United States certificates of weight and grade inspection shall be final. In addition, ICA will pay for ocean transportation and will be responsible for general average."

Transfer Authorization and review and approval by the Embassy of the specific projects to be financed.

9. Government of Cyprus procedures and rules for accounting of funds will be adopted. Ministries or Agencies of the Government of Cyprus will make quarterly and completion reports of projects assigned to them. Reports will include breakdown of labor, non-labor and progress accomplishment reports. Adequate facilities shall be made available to Embassy representatives to observe and review the disposition of this wheat, to conduct end-use checks, and to review and audit the use made of the funds accruing from such sales.

10. This Memorandum of Understanding may be amended at any time upon mutual consent and agreement by the parties.

11. This Memorandum of Understanding may be cancelled at any time by mutual consent of the signatories or on thirty (30) days' written notice by either party to the other. In the event of cancellation of the Memorandum of Understanding, any balance remaining on deposit in the Special Account on the date of cancellation shall be disposed of by mutual agreement of the signatories to this Memorandum of Understanding.

12. The Government of Cyprus agrees to account for the expenditure of the funds made available to it for the purposes described herein. Cancellation of the Memorandum of Understanding shall not cancel or affect in any way the agreement of the Government of Cyprus to account for the funds made available for the purposes described herein.

13. This Memorandum of Understanding is entered into this eighth day of December, 1960, and shall remain in effect until certification by the Government of Cyprus that all proceeds of sale of commodities furnished to it and authorized for sale by the terms of the Transfer Authorization have been released from the Special Account and have been satisfactorily accounted for as provided herein, or until cancellation of this Memorandum of Understanding in accordance with Paragraph 11.

14. In interpreting this Memorandum of Understanding, the terms and conditions of the Transfer Authorization shall govern.

For the United States of America :
FRASER WILKINS

For the Republic of Cyprus :
SPYROS KYPRIANOU