

No. 5890

**UNITED STATES OF AMERICA
and
SIERRA LEONE**

**Exchange of notes constituting an agreement relating to
the guaranty of private investments. Freetown, 16 and
19 May 1961**

Official text : English.

Registered by the United States of America on 29 September 1961.

**ÉTATS-UNIS D'AMÉRIQUE
et
SIERRA LEONE**

**Échange de notes constituant un accord relatif à la garantie
des investissements privés. Freetown, 16 et 19 mai 1961**

Texte officiel anglais.

Enregistré par les États-Unis d'Amérique le 29 septembre 1961.

No. 5890. EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹ BETWEEN THE UNITED STATES OF AMERICA AND SIERRA LEONE RELATING TO THE GUARANTY OF PRIVATE INVESTMENTS. FREETOWN, 16 AND 19 MAY 1961

I

The American Chargé d'Affaires ad interim to the Sierra Leonean Minister of External Affairs

Freetown, May 16, 1961

No. 2

Excellency :

I have the honor to refer to conversations which have recently taken place between representatives of our two Governments relating to guaranties authorized by Section 413 (b) (4) of the Mutual Security Act of 1954, as amended. I also have the honor to confirm the following understandings reached as a result of these conversations :

1. The Governments of the United States of America and of Sierra Leone will, upon the request of either of them, consult respecting projects in Sierra Leone undertaken or proposed by nationals of the United States of America with respect to which guaranties under Section 413 (b) (4) of the Mutual Security Act of 1954, as amended, have been made or are under consideration.

2. The Government of the United States of America agrees that it will issue no guaranty with respect to any project unless it is approved by the Government of Sierra Leone.

3. With respect to such guaranties extending to projects which are approved by the Government of Sierra Leone in accordance with the provisions of the aforementioned Section 413 (b) (4), the Government of Sierra Leone agrees :

(a) That if the Government of the United States of America makes payment in United States dollars to any person under any such guaranty, the Government of Sierra Leone shall recognize the transfer to the Government of the United States of America of any currency, credits, assets, or investment on account of which such payment is made, and the subrogation of the Government of the United States of America to any right, title, claim or cause of action existing in connection therewith ;

¹ Came into force on 19 May 1961 by the exchange of the said notes.

- (b) That amounts in pounds sterling or credits in pounds sterling acquired by the Government of the United States of America pursuant to such guaranties shall be accorded treatment not less favorable than that accorded to private funds arising from transactions of United States nationals which are comparable to the transactions covered by such guaranties, and that such amounts in pounds sterling or credits in pounds sterling shall be freely available to the Government of the United States of America for administrative expenses ;
- (c) That any claim against the Government of Sierra Leone to which the Government of the United States of America may be subrogated as a result of any payment under such a guaranty, shall be the subject of direct negotiations between the two Governments. If within a reasonable period, they are unable to settle the claim by agreement, it shall be referred for final and binding determination to a sole arbitrator selected by mutual agreement. If the Governments are unable, within a period of three months, to agree upon such selection, the arbitrator shall be one who may be designated by the President of the International Court of Justice at the request of either Government ;
- (d) That if the Government of the United States of America issues guaranties to cover losses by reason of war with respect to investments in Sierra Leone, nationals of the United States of America to whom such guaranties have been issued, shall be accorded by the Government of Sierra Leone treatment not less favorable than the most favorable treatment accorded, in like circumstances, to nationals of Sierra Leone or nationals of third countries, with reference to any reimbursement, compensation, indemnification, or any other payment, including the distribution of reparations received from enemy countries, that the Government of Sierra Leone may make or pay for losses incurred by reason of war ; if the Government of the United States of America makes payment in U.S. dollars to any national of the United States of America under a guaranty against losses by reason of war, the Government of Sierra Leone shall recognize the transfer to the Government of the United States of America of any right, privilege, or interest, or any part thereof, that such nationals may be granted or become entitled to as a result of the aforementioned treatment by the Government of Sierra Leone ;
- (e) That the aforementioned subparagraph (c) with respect to the arbitration of claims shall not be applicable to the type of guaranties against losses by reason of war provided for in subparagraph (d).

Upon receipt of a note from Your Excellency indicating that the foregoing provisions are acceptable to the Government of Sierra Leone, the Government of the United States of America will consider that this note and your reply thereto constitute an agreement between our two Governments on this subject, the agreement to enter into force on the date of your note in reply.

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

H. REINER, Jr.
Chargé d'Affaires ad interim

His Excellency Dr. John Karefa-Smart
Minister of External Affairs
Freetown

II

*The Sierra Leonean Minister of External Affairs to the American Chargé d'Affairs
ad interim*

THE MINISTRY OF EXTERNAL AFFAIRS
FREETOWN, SIERRA LEONE

19th May 1961

No. 15393/9.

U.S. Investment Guarantee Programme

I have the honour to refer to your memorandum dated 16th May 1961, on the above subject, and confirm that the provisions in paragraph 3 (a)-(e) of the note are acceptable to the Government of Sierra Leone. It is therefore agreed that your note and this reply constitute an agreement between our two Governments on this subject, with effect from the above-mentioned date.

Accept, Sir, the assurances of my highest consideration.

John KAREFA-SMART
Minister for External Affairs

The Chargé d'Affaires ad interim
U.S. Embassy
Freetown