

No. 6267

**UNITED STATES OF AMERICA
and
CYPRUS**

**Memorandum of Understanding regarding the grant, sale
and use of proceeds from the sale of 40,000 metric tons
of wheat. Signed at Nicosia, on 15 January 1962**

Official text: English.

Registered by the United States of America on 2 August 1962.

**ÉTATS-UNIS D'AMÉRIQUE
et
CHYPRE**

**Mémorandum d'accord concernant le don, la vente et l'utili-
sation du produit de la vente de 40 000 tonnes de blé.
Signé à Nicosie, le 15 janvier 1962**

Texte officiel anglais.

Enregistré par les États-Unis d'Amérique le 2 août 1962.

No. 6267. 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 40,000 METRIC TONS OF WHEAT. SIGNED AT NICOSIA, ON 15 JANUARY 1962

Cyprus is presently experiencing a fourth 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 to alleviate this hardship in the form of agricultural products in abundance in America. In response to this request, the United States Agency for International Development is prepared to grant to the Government of Cyprus up to 40,000 metric tons of wheat under the Food for Peace Program in 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.

Accordingly, the Government of Cyprus and the Government of the United States of America agree as follows :

1. The Agency for International Development (hereinafter called AID) will issue a Transfer Authorization for the transfer and delivery to Cyprus of up to 40,000 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. The grain will be delivered f.o.b. to vessels in ports 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. AID will pay for ocean transportation and be responsible for general average and the Government of Cyprus will arrange for, and pay the cost of, sacking, offloading, inland transportation, warehousing, and other costs of the wheat to be delivered to Cyprus.

3. The 40,000 metric tons of wheat shipped will be sold at the highest prevailing market price in Cyprus per metric ton of wheat. The proceeds of

¹ Came into force on 15 January 1962, upon signature, in accordance with paragraph 10.

such sales shall be deposited in a Special Account of the Government of Cyprus immediately upon receipt. The proceeds 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 per cent of total sales proceeds are used for other than labor costs.

4. Disbursements from the Special Account will be subject to prior approval of the United States AID Mission to Cyprus and the Government of Cyprus will provide the Mission with a statement of proposed projects in such detail as the Mission shall request, and a designation of the responsible Ministry or Agency of the Government of Cyprus assigned to carry out the project.

5. 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.

6. The Government of Cyprus will make quarterly and completion reports of projects. Reports will include breakdown of labor, non-labor and progress accomplishment reports. Adequate facilities shall be made available to representatives of the United States Government to observe and review the disposition of the wheat, to conduct end-use checks, and to review and audit the use made of the funds accruing from the sale of wheat.

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

8. 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.

9. The Government of Cyprus agrees to account for the expenditure of the funds made available to it for the purposes described herein in such form as may be mutually agreeable. 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.

10. The Memorandum of Understanding is entered into this fifteenth day

of January, 1962, and shall remain in effect until all proceeds of sale of commodities furnished to the Government of Cyprus 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 8.

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

For the United States of America :

Fraser WILKINS

[SEAL]

For the Republic of Cyprus :

Spyros KYPRIANOU

[SEAL]