

No. 6587

**UNION OF SOVIET SOCIALIST REPUBLICS
and
SOMALIA**

**Agreement on economic and technical co-operation. Signed
at Moscow, on 2 June 1961**

Official texts: Russian and Italian.

Registered by the Union of Soviet Socialist Republics on 8 April 1963.

**UNION DES RÉPUBLIQUES SOCIALISTES
SOVIÉTIQUES
et
SOMALIE**

**Accord de coopération économique et technique. Signé
à Moscou, le 2 juin 1961**

Textes officiels russe et italien.

Enregistré par l'Union des Républiques socialistes soviétiques le 8 avril 1963.

[TRANSLATION — TRADUCTION]

No. 6587. AGREEMENT¹ ON ECONOMIC AND TECHNICAL
CO-OPERATION BETWEEN THE UNION OF SOVIET
SOCIALIST REPUBLICS AND THE SOMALI REPUBLIC.
SIGNED AT MOSCOW, ON 2 JUNE 1961

The Government of the Union of Soviet Socialist Republics and the Government of the Somali Republic,

Considering the friendly relations existing between the Soviet Union and the Somali Republic,

Prompted by a mutual desire to establish and develop economic and technical co-operation, on the basis of the principles of equality, non-interference in domestic affairs and full respect for the national dignity and sovereignty of the two countries, and with a view to promoting the implementation of plans for the development of the national economy of the Somali Republic and increasing the well-being of the Somali people,

Have agreed as follows :

Article 1

The Government of the Union of Soviet Socialist Republics, in order to meet the wishes of the Government of the Somali Republic, agrees to extend economic and technical assistance to the Somali Republic for the development of agriculture through the organization of three State farms : a grain farm with pedigree live-stock breeding units and a school for the training of agricultural specialists, a cotton farm equipped for irrigation, and a farm for oil-producing crops ; for the construction of a dam and a hydroelectric power plant approximately 25,000 kilowatts in capacity, of a seaport and three food-industry undertakings ; for geological surveys and prospecting for tin and lead ; for the drilling of wells to supply water for the needs of live-stock breeding ; and for the construction of other plant within the limits of the loan granted under this Agreement.

The forms, periods and extent of technical assistance in respect of each undertaking and project, and a list specifying their capacity, shall be established by the Parties after their experts have studied the data required for determining the technical

¹ Came into force provisionally on 2 June 1961, the date of signature, and definitively on 10 February 1962, the date of the exchange of the instruments of ratification, in accordance with the provisions of article 12.

and economic feasibility of the execution of these or other undertakings and projects. For these purposes the Soviet organizations shall, at their own expense, send to Somalia experts whose number and the duration of whose stay shall be determined by agreement with the competent organizations of the Somali Republic.

Article 2

The Soviet organizations shall provide the technical assistance for the construction of undertakings and other plant provided for in article 1 of this Agreement by carrying out planning and exploratory work, furnishing such equipment, building machinery and materials for the construction of the undertakings and plant, and for the effecting of geological research, as are unobtainable in the Somali Republic, and supplying technical assistance for the construction, assembly, adjustment and bringing into operation of equipment, for which purpose Soviet specialists and qualified workers shall be sent to the Somali Republic in numbers and for periods of stay that shall be determined by agreement between the Parties. The Soviet organizations shall also help in the training of Somali specialists for work in undertakings to be set up with the aid of the Soviet Union in accordance with this Agreement, by supplying Somali citizens with training locally and at appropriate undertakings in the USSR.

Article 3

The Government of the Somali Republic, acting through the competent Somali organizations and observing time-limits to be agreed upon by the two Parties, shall :

- provide the Soviet organizations with the initial data necessary for planning and for technical exploration in the areas of operation ;
- consider, approve and sign plan specifications and draft contracts ;
- execute, with the technical assistance of the Soviet organizations, all construction and assembly work for the undertakings and plant, and carry out the geological surveys and other work, provided for in this Agreement ; supply labour, such essential local building and other materials as can be provided in Somalia, as well as electric power and water ; build access roads and external lines of communication up to the sites of the projects ; and provide such services and fulfill such other obligations of the Somali Party as are necessary to enable the Soviet organizations to furnish the technical assistance specified in this Agreement.

Article 4

The competent Soviet organizations shall deliver to the competent organizations of the Somali Republic the technical documents, information and licences necessary

for organizing the manufacture of the products provided for in the technical plans of undertakings and plant constructed in pursuance of this Agreement. These documents and the necessary licences for production shall be delivered gratis, save for the repayment of expenses actually incurred by the Soviet organizations in connexion with their preparation and delivery.

The documents and licences in question shall be used solely for the purpose of the manufacture of the aforementioned products in the Somali Republic and shall not be delivered to foreign persons, whether natural or juridical.

Deviations from this principle may be permitted only with the consent of the competent Soviet organizations, in each individual case.

Article 5

The Government of the Union of Soviet Socialist Republics shall grant to the Government of the Somali Republic a loan of 40 million roubles (one rouble=0.987412 gramme of fine gold) at 2.5 per cent interest per annum, wherewith to defray the expenses of the Soviet organizations connected with the execution of planning, exploratory work and geological surveys, the cost of the equipment, building machinery and materials to be delivered from the Union of Soviet Socialist Republics to Somalia, as provided for in article 2 of this Agreement, and the expenses connected with the dispatch of Soviet experts to Somalia and their maintenance.

Article 6

The Government of the Union of Soviet Socialist Republics also agrees to furnish the Somali Republic with Soviet goods to the value of 7 million roubles, for sale in the Somali Republic, the proceeds of such sale being used by the Government of the Somali Republic in order to defray expenses in local currency connected with the construction of the undertakings and the execution of the work referred to in article 1 of this Agreement.

The nature, quantities and prices of these goods, as well as the dates for their delivery, shall be determined by the Parties subsequently.

Article 7

The Government of the Somali Republic shall repay the loan granted in accordance with article 5 of this Agreement in equal annual instalments over a period of twelve years, beginning one year after receipt from the Union of Soviet Socialist Republics of the complete set of equipment for each undertaking or project, or for the execution of the work, covered by the loan.

Repayment of the goods loan granted in accordance with article 6 of this Agreement shall be effected by the Government of the Somali Republic in equal annual

instalments over a period of five years, beginning with the year following that in which the corresponding portion of the goods loan is utilized.

Interest on the loans granted in accordance with articles 5 and 6 of this Agreement at the rate of 2.5 per cent per annum shall accrue from the date on which the corresponding portion of the loan is utilized, and shall be paid during the first quarter of the year following the year in respect of which it accrues for which purpose the date of the bill of lading shall be deemed to be the date on which the loan was utilized to pay for equipment, machines, building machinery, materials and goods and the date of the rendering of the account shall be deemed to be that on which the loan was utilized to pay for exploratory work and other kinds of technical assistance.

The dates for the completion of delivery of the complete set of equipment for the undertakings or projects shall be fixed in letters to be sent by the Soviet foreign trade bodies to the competent Somali organizations together with the last bill of lading covering the equipment for the undertaking or project concerned.

Article 8

The repayment of the loans made in accordance with this Agreement, and the payment of accrued interest thereon, shall be effected by the Government of the Somali Republic by means of deliveries to the Union of Soviet Socialist Republics of Somali goods, including cotton, oil-seeds and raw hides, on the terms set out in the existing Soviet-Somali Trade Agreement. That portion of a loan which is not repaid by deliveries of Somali goods shall be repaid in a convertible currency to be determined by agreement between the State Bank of the Union of Soviet Socialist Republics, or on its behalf the Foreign Trade Bank of the Union of Soviet Socialist Republics and the National Bank of Somalia.

At least three months before the commencement of each calendar year in which the loans are to be reimbursed and the interest thereon paid, the Parties shall agree on the description, the prices based on world market prices, and the dates of delivery of the Somali goods to be supplied during that calendar year.

In the event of reimbursement of the loan and payment of the interest thereon being made in a freely convertible currency, the conversion of roubles into the freely convertible currency shall be effected at the rate of exchange quoted on the date of payment.

Article 9

For the purpose of recording the utilization and reimbursement of the loans and the payment of interest accruing thereon, the State Bank of the USSR, or on its behalf the Foreign Trade Bank of the USSR, and the National Bank of Somalia shall open special loan accounts and shall together determine the technical procedure for the management of the said accounts and of settlements under the loans.

Article 10

The performance of the geological surveys and the planning, exploratory and research work specified in this Agreement, the delivery of equipment, materials and goods, the dispatch of Soviet experts to the Somali Republic and the admission of Somali citizens to the USSR for training shall be effected by the Soviet organizations on the basis of contracts to be concluded with Somali organizations empowered for the purpose by the Parties.

Such contracts shall specify in detail the quantities, prices, delivery dates and other conditions relating to the deliveries of equipment, building machinery and materials and the performance of services provided for in this Agreement.

Article 11

If the value of the services of Soviet organizations specified in article 5 of this Agreement should exceed the above-mentioned loan total of 40 million roubles, the sum in excess shall be paid by the Government of the Somali Republic in the form of deliveries of Somali goods to the USSR in accordance with the terms of the existing Soviet-Somali Trade Agreement, or in a freely convertible currency to be determined by agreement between the State Bank of the USSR, or on its behalf the Foreign Trade Bank of the USSR, and the National Bank of Somalia.

Article 12

This Agreement shall be subject to ratification in accordance with the laws of each of the two countries and shall enter into force provisionally on the date of signature and definitively on the date of the exchange of the instruments of ratification.

DONE in duplicate in Moscow, on 2 June 1961, in the Russian and Italian languages, both texts being equally authentic.

For the Government of the Union
of Soviet Socialist Republics :

SKACHKOV

For the Government of the
Somali Republic :

A. MUHAMUD