

No. 6613

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**UNITED STATES OF AMERICA  
and  
ETHIOPIA**

**Exchange of notes constituting an agreement relating to  
investment guaranties. Addis Ababa, 3 August 1962**

*Official text: English.*

*Registered by the United States of America on 15 April 1963.*

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

**Échange de notes constituant un accord relatif à la garantie  
des investissements. Addis-Abéba, 3 août 1962**

*Texte officiel anglais.*

*Enregistré par les États-Unis d'Amérique le 15 avril 1963.*

No. 6613. EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT<sup>1</sup> BETWEEN THE UNITED STATES OF AMERICA AND ETHIOPIA RELATING TO INVESTMENT GUARANTIES. ADDIS ABABA, 3 AUGUST 1962

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I

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

No. 81

Excellency :

I have the honor to refer to conversations which have recently taken place between representatives of our two Governments relating to investment guaranties which may be issued pursuant to the present Agreement by the Government of the United States of America with respect to investments in Ethiopia.

The Government of the United States of America and the Imperial Ethiopian Government, in order to facilitate and increase the participation of private enterprise in furthering the development of the economic resources and productive capacities of Ethiopia by the issuance of United States Government investment guaranties, agree as follows :

1. The Government of the United States of America and the Imperial Ethiopian Government shall, upon the request of either of them, consult respecting projects in Ethiopia for which United States Government investment guaranties have been issued or may be issued pursuant to the present Agreement, with respect to inconvertibility, expropriation, and such other risks as may be mutually agreed upon.

2. The Government of the United States of America shall issue no guaranty pursuant to the present Agreement with respect to any project unless such project has been approved by the Imperial Ethiopian Government for guaranty purposes.

3. If the Government of the United States of America makes payment in United States dollars to any investor under a guaranty issued pursuant to the present Agreement, the Imperial Ethiopian Government shall recognize the transfer to the Government of the United States of America of any currency, credits, assets, or investment on account of which payment under such guaranty is to be made, and the succession of the Government of the United States of America to any right, title, claim, privilege, or cause of action existing, or which may arise, in connection therewith.

4. Amounts in the lawful currency of Ethiopia and credits thereof 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 funds of private United States

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<sup>1</sup> Came into force on 3 August 1962 by the exchange of the said notes.

nationals deriving from investment activities like those in which the investor has been engaged, and not less favorable than the most favorable treatment accorded, in like circumstances, to nationals of Ethiopia or nationals of any other country, with reference to any reimbursement, compensation, indemnification, or any other payment that the Imperial Ethiopian Government may make or pay for loss due to inconvertibility, expropriation, and such other risks as may be mutually agreed upon. Such amounts and credits shall be freely available to the Government of the United States of America to meet its expenditures in Ethiopia.

5. Any claim against the Imperial Ethiopian Government to which the Government of the United States of America may succeed as a result of any payment under such 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 tribunal of three arbitrators, one to be named by each Government, and the third to be agreed upon by the two arbitrators so chosen provided that such third arbitrator shall not be a national of either country. Each of the Governments shall designate an arbitrator within two months of the date of delivery by either Government to the other Government of a diplomatic request for arbitration of dispute; and the third arbitrator shall be agreed upon within two months after such period of two months. If either of the Governments fails to designate its own arbitrator within two months or if the third arbitrator is not agreed upon within the time limit indicated, they shall request the President of the International Court of Justice to make the necessary appointment or appointments by choosing the arbitrator or arbitrators.

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

Accept, Excellency the assurances of my highest consideration.

Arthur L. RICHARDS

Embassy of the United States of America  
Addis Ababa, August 3, 1962

His Excellency Ato Ketema Yifru  
Acting Minister of Foreign Affairs  
Addis Ababa

## II

*The Ethiopian Acting Minister of Foreign Affairs to the American Ambassador*IMPERIAL ETHIOPIAN GOVERNMENT  
MINISTRY OF FOREIGN AFFAIRS

12965/54

Addis Ababa, 3.8.62

Excellency :

I have the honour to refer to conversations which have recently taken place between representatives of our two Governments relating to investment guaranties which may be issued pursuant to the present Agreement by the Government of the United States of America with respect to investments in Ethiopia, and to acknowledge the receipt of Your Excellency's note on this subject, No. 81.

The Imperial Ethiopian Government and the Government of the United States of America, in order to facilitate and increase the participation of private enterprise in furthering the development of the economic resources and productive capacities of Ethiopia by the issuance of United States Government investment guaranties, agree as follows :

[See note I]

The foregoing provisions are acceptable to the Imperial Ethiopian Government. The Imperial Ethiopian Government consider that Your Excellency's Note No. 81 and my reply thereto constitute an Agreement between our two Governments on this subject, the Agreement to enter into force on the date of this reply.

Accept, Excellency, the assurances of my highest consideration.

[SEAL] Ketema YIFRU

His Excellency Arthur L. Richards  
Ambassador of the United States of America  
Addis Ababa, Ethiopia