

No. 9041

**UNION OF SOVIET SOCIALIST REPUBLICS
and
SYRIA**

Agreement on economic and technical co-operation in the construction of the first stage of a hydroelectric project on the Euphrates River. Signed at Damascus on 18 December 1966

Official texts : Russian and Arabic.

Registered by the Union of Soviet Socialist Republics on 19 March 1968.

**UNION DES RÉPUBLIQUES SOCIALISTES
SOVIÉTIQUES
et
SYRIE**

Accord de coopération économique et technique concernant la construction de la première tranche d'un complexe hydro-énergétique sur l'Euphrate. Signé à Damas le 18 décembre 1966

Textes officiels russe et arabe.

Enregistré par l'Union des Républiques socialistes soviétiques le 19 mars 1968.

[TRANSLATION — TRADUCTION]

No. 9041. AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE UNION OF SOVIET SOCIALIST REPUBLICS AND THE GOVERNMENT OF THE SYRIAN ARAB REPUBLIC ON ECONOMIC AND TECHNICAL CO-OPERATION IN THE CONSTRUCTION OF THE FIRST STAGE OF A HYDROELECTRIC PROJECT ON THE EUPHRATES RIVER. SIGNED AT DAMASCUS, ON 18 DECEMBER 1966

The Government of the Union of Soviet Socialist Republics and the Government of the Syrian Arab Republic,

Guided by the relations of friendship and co-operation which exist between the two countries,

Desiring to extend the economic ties between the Union of Soviet Socialist Republics and the Syrian Arab Republic and

With a view to implementing the agreement between the Parties set out in the Soviet-Syrian Protocol of 22 April 1966 on co-operation in the construction of the first stage of a hydroelectric project on the Euphrates River for the purposes of irrigation and electric power production,

Have concluded this Agreement as follows :

Article 1

The Government of the Union of Soviet Socialist Republics and the Government of the Syrian Arab Republic shall co-operate in the construction of the first stage of a hydroelectric project on the Euphrates River in the region of Tabqa, taking into account the wish of the Syrian Party that the first stage of this project should enter into operation in 1972.

The aforementioned first stage of the hydroelectric project shall consist of :

- An earthen dam approximately 2.5 km long and approximately 60 m high to form a reservoir with a normal mark of 300 m;
- A dam approximately 1.6 km long on the left bank of the river;

¹ Came into force provisionally on 18 December 1966 by signature, and definitively on 19 May 1967 by the exchange of the instruments of ratification at Moscow, in accordance with article 16.

- A water intake with water delivery conduits and a building for a hydroelectric power station with a step-up transforming station and three hydroelectric units with a total capacity of 300,000 kw to be installed during the first stage;
- A spillway for discharging flood-water to ensure that the water-level does not rise above the maximum safe mark of 304 m;
- A 220-kilovolt power transmission line approximately 160 km long between Aleppo and the hydroelectric power station.

These technical data are preliminary and will be specified more precisely by agreement between the competent organizations of the Parties during the preparation of the plan or while the work is being carried out.

Article 2

For the purpose of furnishing the co-operation provided for in article 1 of this Agreement, the Government of the USSR, through the appropriate Soviet organizations, shall :

- Prepare and deliver the plan, working drawings, specifications and a list of the physical quantities of work, carry out research work based on the results of exploratory work and basic data submitted by Syrian organizations and prepare a plan for the organization and execution of work on the construction of the first stage of the hydroelectric project;
- Deliver from the USSR the necessary equipment, including the technological equipment for the water intake, the 300,000-kw hydroelectric power station and the spillway, and machines, building machinery, vehicles (with sets of spare parts), instruments and materials which are unobtainable in the Syrian Arab Republic;
- Carry out exploratory and planning work for the construction of power transmission lines;
- Deliver equipment, machinery and materials for the power transmission lines;
- Deliver the technological equipment for the pumping stations of the first stage;
- Send Soviet experts to the Syrian Arab Republic to provide technical assistance in carrying out exploratory work, designer's supervision, and technical guidance, to take part in the execution of work on the construction, assembly, adjustment and putting into operation of the installations and equipment of the hydroelectric project, and to carry out the technical

industrial training of Syrian workers for work on the installations of the hydroelectric project and the power transmission lines, including the organization of a training centre;

- Receive Syrian citizens in the USSR for technical industrial training at appropriate enterprises and construction projects in the USSR;
- Transmit to the appropriate Syrian organizations the technical documents required for the normal operation of the installations of the hydroelectric project;
- Carry out research work to confirm the soundness of the dam and conduct tests of the water-gates and the basic equipment for the hydroelectric power station with the reservoir filled up to the 300-m mark, which shall be done not later than 1974.

The Soviet organizations shall also carry out specialized work on the silting of the main dam, the installation of anti-seepage devices and the assembly of the basic technological equipment for the first stage of the hydroelectric project. The specific form this work shall take and the conditions for its execution and payment shall be agreed between the competent organizations of the Parties on the basis of articles 5 and 11 of this Agreement.

Article 3

For the purpose of furnishing the co-operation provided for in article 1 of this Agreement, the Government of the Syrian Arab Republic shall :

- Deliver to the Soviet organizations the basic data available to the Syrian organizations required for the execution of the planning work and provide the necessary assistance to the Soviet organizations in the collection and preparation of other data necessary for the construction of installations under this Agreement;
- Consider and approve the plans for the hydroelectric project and the power transmission lines within three months of their submission by the Soviet organizations to the Syrian organizations;
- Build access roads, auxiliary installations and enterprises, and external communication lines, and carry out all other preparatory work;
- Arrange for the prompt unloading, storage and delivery from Syrian ports to the site of the hydroelectric project of equipment, machines, building machinery and materials supplied by the USSR;

- Provide an uninterrupted supply of the necessary electric power, compressed air, water and so on for the construction of the hydroelectric project and the power transmission lines;
- Purchase in third countries certain equipment and materials which are not produced in the USSR or the Syrian Arab Republic, after consultations between the competent organizations of the Parties;
- Ensure the prompt execution of all construction and assembly work on installations in the first stage of the hydroelectric project on the Euphrates River in accordance with the construction schedule agreed between the competent organizations of the Parties.

The Syrian Party shall assume full responsibility for financing all the domestic expenditure involved in the construction of the first stage of the hydroelectric project on the Euphrates River and for providing the construction project at the appropriate time with the vehicles and local materials obtainable in the Syrian Arab Republic and with manpower in the numbers and for the periods required under the construction schedule.

Taking into account the obligations specified, the General Organization for the Execution of the Euphrates Project shall carry out the work mentioned above and, in particular, shall be responsible for the administrative and technical direction of the construction of the hydroelectric project and the other installations. The aforementioned organization shall carry out, within the time-limits specified in the schedule, the exploratory and research work, the construction and assembly work and all the other preparatory work agreed between the appropriate organizations of the Parties.

In addition, and without violating the provisions of article 2 of this Agreement, the Syrian Party, with its own resources, shall also be responsible for planning, constructing and putting into operation the irrigation, water-intake and other installations of the irrigation system for the utilization of the waters of the reservoir formed on the Euphrates River. The Syrian Party shall also take the necessary measures at the appropriate time to prepare for the utilization of the electric power which will be generated by the hydroelectric power station on the Euphrates River.

The aforementioned work shall not fall within the scope of the co-operation between the Parties provided for in this Agreement.

Article 4

The Soviet organizations shall be responsible for the technical direction of the construction of installations of the first stage of the hydroelectric project on the Euphrates River and for the proper execution of all construction work, the soundness of the installations, the assembly of equipment and machinery and for preparing them to be brought into operation within the time-limits agreed

between the organizations of the Parties, provided that the Syrian Party carries out the obligations specified in article 3 of this Agreement in accordance with the schedule agreed between the appropriate organizations of the Parties. For this purpose, the Soviet organizations shall send a chief expert to the Syrian Arab Republic together with the appropriate number of Soviet experts, engineers, technicians and skilled workers, the number and the length of their stay to be determined by mutual agreement between the appropriate organizations of the Parties.

The chief Soviet expert shall assist the director of the General Organization for the Execution of the Euphrates Project and, in agreement with him, shall co-ordinate the work of the Soviet and Syrian experts engaged in the construction of the aforementioned hydroelectric project.

Article 5

The Government of the Union of Soviet Socialist Republics shall grant the Government of the Syrian Arab Republic a loan up to the amount of 120 (one hundred and twenty) million roubles (one rouble is equivalent to 0.987412 grammes of fine gold) at 2.5 per cent interest per annum.

This loan shall be used to pay for :

- The planning, exploratory and research work to be done by the Soviet organizations;
- The equipment, machines, building machinery, vehicles (with sets of spare parts), tools, and materials which cannot be obtained or produced in the Syrian Arab Republic, to be delivered from the USSR f.o.b. Soviet ports, together with the equipment and machinery to be leased to the Syrian organizations;
- The travel from the USSR to the Syrian Arab Republic and back of Soviet experts sent to provide technical assistance under this Agreement;
- The subsistence expenses of Syrian citizens sent to the USSR for technical industrial training with a view to preparing them for work on the Euphrates hydroelectric project. The technical industrial training of Syrian citizens shall be provided by the Soviet organizations free of charge;
- Expenses connected with the preparation of technical documents by Soviet organizations and their delivery to Syrian organizations.

If the aggregate amount of the aforementioned expenses of the Soviet organizations to be paid for by the loan exceeds the amount of the loan to be granted under this article, the amount in excess shall be paid by the Government of the Syrian Arab Republic by means of deliveries to the USSR of Syrian goods

under the terms of the Soviet-Syrian trade and payments agreements in force and/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, on the one hand, and the Central Bank of Syria, on the other.

Article 6

The Government of the Syrian Arab Republic shall repay the loan granted under article 5 of this Agreement in equal annual instalments over a period of twelve years in the following manner :

- Repayment of the amount of the loan taken down up to the completion of the construction of the first stage of the dam shall begin one year after the completion of the construction of the first stage of the dam, but in any case not later than 1 January 1974;
- Repayment of the amount of the loan taken down after the completion of the construction of the first stage of the dam and up to the time the first stage of the hydroelectric power station is ready to be brought into operation shall begin one year after the first stage of the 300,000-kw hydroelectric power station has been made ready for operation, but not later than 1 January 1974;
- The amount of the loan taken down after 1 January 1974 shall be repaid in the same manner and within the same periods as the amount of the loan taken down up to the time the first stage of the hydroelectric power station is ready for operation. If, however, the periods for the completion of the construction of the first stage of the dam and the hydroelectric power station coincide, the repayment of this amount shall be effected in the same manner and within the same periods as the repayment of the amount of the loan taken down up to the completion of the construction of the first stage of the dam and hydroelectric power station.

Interest on the loan shall accrue from the date on which the relevant portion of the loan is taken down and shall be paid during the first quarter of the year following the year for which it is payable. The final payment of interest shall be made at the same time as the final payment in the repayment of the principal of the loan.

The date on which the loan is taken down shall be considered to be the date of the bill of lading, for each consignment of equipment, machines, building machinery and materials, and the date of the account for work carried out and expenses incurred in the travel from the USSR to the Syrian Arab Republic and

back of Soviet experts, and similarly for the subsistence of Syrian experts in the USSR.

Article 7

The repayment of the loan and the payment of accrued interest thereon shall be effected by the Government of the Syrian Arab Republic by means of deliveries of goods to the USSR in the following manner :

When repayment of each instalment of the loan is due, the Government of the Syrian Arab Republic shall deposit the appropriate amount in a separate account in pounds sterling, free of any taxes or duties, which shall be opened by the Central Bank of Syria in the name of the State Bank of the USSR or on its behalf in the name of the Foreign Trade Bank of the USSR. The conversion of roubles into pounds sterling shall be effected on the basis of the gold value of the rouble and of the pound sterling on the date payment is effected. One pound sterling at the present time is equivalent to 2.48828 grammes of fine gold.

The sums deposited in the aforementioned account shall be wholly used by the Soviet organizations to purchase Syrian goods in the Syrian Arab Republic in accordance with the Soviet-Syrian trade and payments agreements in force, to settle the trade balance and to effect other payments by the Soviet organizations in the Syrian Arab Republic.

Before the beginning of each calendar year in which the loan is to be repaid with the interest thereon, the Parties shall agree on the schedule of goods and the terms governing their purchase.

If within six months from the date of deposit of the appropriate sums in the aforementioned account of the State Bank of the USSR or the Foreign Trade Bank of the USSR the Syrian Party does not make the aforementioned goods available to Soviet foreign trade organizations for purchase at world market prices, the unused sum may, at the request of the State Bank of the USSR or, on its behalf, the Foreign Trade Bank of the USSR, be converted into any freely convertible currency to be determined by agreement between the banks of the Parties and transferred to accounts of the aforementioned Soviet banks in third countries. In such a case, the conversion of pounds sterling into other freely convertible currencies shall be effected at the average official rate for the pound sterling prevailing in the country of the currency of payment on the date of the transfer.

In the event of a change in the gold value of the pound sterling as specified in this article, the State Bank of the USSR, or on its behalf the Foreign Trade Bank of the USSR, and the Central Bank of Syria shall adjust the balance in the aforementioned separate account to offset the change in the gold value of the pound sterling.

In the event of any subsequent change in the gold value of the pound sterling, the balance in the aforementioned separate account shall be adjusted so as to correspond with the change which has taken place in the gold value of the pound sterling by comparison with the gold value obtaining up to the date of such change.

Article 8

For the purpose of recording transactions relating to the use and repayment of the loan granted in accordance with this Agreement and the calculation and payment of the interest accruing thereon, the State Bank of the USSR and the Central Bank of Syria shall open for each other special loan accounts in roubles and shall together determine the technical procedure for the settlement and management of the loan accounts.

Article 9

In the event of a change in the gold value of the rouble, as specified in article 5 of this Agreement, the State Bank of the USSR and the Central Bank of Syria shall adjust the balances in the special loan accounts opened in accordance with article 8 of this Agreement, on the date on which the gold value of the rouble is changed, so as to correspond with the said change. The unused portion of the loan shall be adjusted in the same way.

Article 10

Without violating the provisions of article 5 of this Agreement concerning the delivery from the USSR, under the loan, of equipment, machinery, materials and so on at prices f.o.b. Soviet ports, the Soviet organizations shall effect delivery of the aforementioned equipment, machinery, materials and so on, on terms c.i.f. Syrian ports.

The Syrian Party shall pay the freight and insurance expenses separately under the Soviet-Syrian trade and payments agreements in force.

Article 11

The Government of the Syrian Arab Republic shall reimburse the Soviet organizations for the subsistence expenses of the Soviet experts sent to the Syrian Arab Republic under this Agreement, through the payment of the sums stipulated

in the contracts into a separate account to be opened in the name of the State Bank of the USSR, or on its behalf in the name of the Foreign Trade Bank of the USSR, in the Central Bank of Syria in accordance with article 7 of this Agreement.

The Syrian Party shall provide free of charge for the Soviet experts sent to the Syrian Arab Republic to furnish technical assistance under this Agreement proper office and living accommodation with the necessary facilities, medical services and transport for official journeys within the Syrian Arab Republic.

Article 12

The delivery by the USSR of equipment and materials, the carrying out of the planning, exploratory and research work, the dispatch of Soviet experts to the Syrian Arab Republic and the receiving of Syrian citizens in the USSR for technical industrial training shall be effected on the basis of contracts to be concluded between the competent organizations of the Parties.

The contracts shall specify, *inter alia*, quantities, delivery periods, prices, guarantees of the quality of machinery and equipment and of their conformity to capacity specifications, the responsibility of the Parties in the event of *force majeure* and other detailed conditions for the performance of obligations under this Agreement. These contracts shall be considered and signed by the aforementioned organizations not later than three months from the date of their submission by the Soviet organizations. They shall come into force immediately upon their signature.

The prices of all the equipment, machinery, materials and so on to be delivered by the USSR to the Syrian Arab Republic in accordance with this Agreement shall be determined on the basis of world market prices.

Article 13

The Soviet and Syrian organizations empowered to carry out this Agreement shall provide each other with any information and assistance required to carry out the Agreement and the contracts concluded on the basis of it, and, in particular, shall provide each other with particulars concerning the progress of the work and any other information connected with the programmes for carrying out the work on the construction of the first stage of the hydroelectric project on the Euphrates River.

The technical documents and information to be received by the Syrian Party from the Soviet organizations under this Agreement shall be used by the

Syrian organizations exclusively in enterprises and institutions belonging to the Syrian Arab Republic and shall not be delivered to any foreign bodies corporate or individuals whatsoever without the prior agreement of the Soviet organizations.

The technical documents and information received by the Soviet organizations from the Syrian organizations in the course of carrying out this Agreement shall not be delivered to any third party whatsoever, either body corporate or individual, without the prior agreement of the Syrian organizations.

Article 14

If any difference of opinion should arise between the Soviet and the Syrian organizations on any question arising out of this Agreement, the representatives of the Government of the USSR and the representatives of the Government of the Syrian Arab Republic shall consult each other and settle any such difference of opinion.

The two Parties shall endeavour to ensure that any such differences of opinion which arise do not affect the execution of this Agreement.

Article 15

The representatives of the Parties shall meet not less than once a year on the proposal of one of the Parties in order to review progress in the implementation of this Agreement and to prepare appropriate recommendations, if this is deemed necessary. Such recommendations shall be submitted to the Governments of the Contracting Parties for consideration.

The aforementioned meetings shall take place either in Moscow or in Damascus, by agreement between the Parties.

Article 16

This agreement shall be subject to ratification in accordance with the constitutional procedure of each country. The Contracting Parties have agreed that the provisions of this Agreement shall enter into force provisionally on the date of its signature. The Agreement shall finally enter into force on the date of the exchange of the instruments of ratification, which shall take place in Moscow.

DONE in duplicate at Damascus, on 8 December 1966, in the Russian and Arabic languages, the two texts being equally authentic.

For the Government
of the Union of Soviet
Socialist Republics :

S. SKACHKOV

For the Government
of the Syrian Arab Republic :

A. HASSAN