

No. 12101

**UNITED STATES OF AMERICA
and
NIGERIA**

Exchange of notes constituting an agreement regarding deposits for military assistance under the Foreign Assistance Act of 1971. Lagos, 12 and 20 April 1972

Authentic text: English.

Registered by the United States of America on 17 October 1972.

**ÉTATS-UNIS D'AMÉRIQUE
et
NIGÉRIA**

Échange de notes constituant un accord relatif aux dépôts effectués au titre de l'assistance militaire en vertu de la loi de 1971 sur l'aide à l'étranger. Lagos, 12 et 20 avril 1972

Texte authentique : anglais.

Enregistré par les États-Unis d'Amérique le 17 octobre 1972.

EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹ BETWEEN
THE UNITED STATES OF AMERICA AND NIGERIA REGARDING
DEPOSITS FOR MILITARY ASSISTANCE UNDER THE FOREIGN
ASSISTANCE ACT OF 1971

I

The American Embassy to the Nigerian Ministry of External Affairs

No. 14

The Embassy of the United States of America presents its compliments to the Ministry of External Affairs of the Federal Republic of Nigeria and has the honor to refer to recent discussions in the Congress of the United States regarding the United States Assistance Act, which includes a provision requiring payment to the United States Government in Nigerian pounds of ten percent of the value of Grant Military Assistance provided by the United States to the Federal Republic of Nigeria.

In accordance with that provision, it is proposed that the Federal Republic of Nigeria will deposit in an account to be specified by the United States Government, at a rate of exchange which is not less favorable to the United States Government than the best legal rate at which United States dollars are sold by authorized dealers in the Federal Republic of Nigeria for Nigerian pounds on the date deposits are made, the following amount in Nigerian pounds:

In the case of a Grant of Military Assistance to the Federal Republic of Nigeria an amount equal to ten percent of each such grant.

The Federal Republic of Nigeria will be notified quarterly of rendering of defense services and the values thereof. Deposits to the account of the United States Government will be due and payable upon request by the United States Government, which request shall be made, if at all, within one year following the aforesaid notification of deliveries. This provision applies to Military Assistance Act training only and not to training received under the auspices of Foreign Military Sales. Training purchased under the Foreign Military Sales Program continues to require full payment in United States dollars within 120 days of the signing of an agreement to purchase such training by the representative of the Federal Military Government.

It is further proposed that the amounts to be deposited may be used to pay all official costs of the United States Government in Nigerian pounds, including but not limited to all costs relating to the financing of international educational and cultural exchange activities under programs authorized by the United States Mutual Education and Cultural Exchange Act of 1961. The estimated ten percent deposit required for training currently programmed under the auspices of the Military Assistance Act in U.S. Fiscal Year 1972 and due to commence after February 7, 1972 is £N581.12.9.

It is finally proposed that the Ministry's reply stating that the foregoing is acceptable to the Federal Republic of Nigeria shall, together with this note, constitute an agreement between our governments on this subject effective from and after February 7, 1972 and applicable to rendering of Defense Services funded or agreed to and delivered or rendered on or subsequent to that date.

¹ Came into force on 20 April 1972 by the exchange of the said notes, with retroactive effect from 7 February 1972, in accordance with their provisions.

In order to continue the current Military Assistance Program, granted to Nigeria, a written acceptance of the terms set forth above must be received by the Embassy not later than April 21, 1972. Non-receipt of such a response must, by law, result in the cancellation of remaining training projected by the Military Assistance Program. It is again emphasized that this note and the request for agreement do not apply to the current and projected Foreign Military Sales Programs which continue to require payment of all training costs in United States dollars within 120 days of contract execution.

The Embassy of the United States of America avails itself of this opportunity to renew to the Ministry the assurances of its highest consideration.

Lagos, April 12, 1972.

Embassy of the United States of America

II

The Nigerian Ministry of External Affairs to the American Embassy

20th April, 1972

Note No. 478/72

The Ministry of External Affairs of the Federal Republic of Nigeria presents its compliments to the Embassy of the United States of America and has the honour to refer to the Embassy's note No. 14 of 12th April, 1972, and the Ministry's note No. 470/72 of 18th April, 1972.*

The Ministry wishes to inform the Embassy that the Federal Government of Nigeria is agreeable to depositing, in local currency, an amount equal to ten per cent of the value of Grant Military Assistance provided by the United States with effect from the 7th of February, 1972.

The Ministry of External Affairs avails itself of this opportunity to renew to the Embassy of the United States of America the assurances of its highest considerations.

The Embassy of the United States of America
Lagos

* Not printed.