

No. 14701

**UNITED NATIONS (UNITED NATIONS
DEVELOPMENT PROGRAMME), FEDERAL
REPUBLIC OF GERMANY and INDIA**

**Agreement concerning the establishment of a demonstra-
tion plant for the production of synthetic fibres at
SASMIRA, Bombay (with letter of understanding be-
tween the United Nations Development Programme
and the Government of the Federal Republic of
Germany). Signed at New Delhi on 12 April 1976**

Authentic texts of the Agreement: English, German and Hindi.

Authentic texts of the letter of understanding: English and German.

Registered ex officio on 12 April 1976.

**ORGANISATION DES NATIONS UNIES
(PROGRAMME DES NATIONS UNIES
POUR LE DÉVELOPPEMENT), RÉPUBLIQUE
FÉDÉRALE D'ALLEMAGNE et INDE**

**Accord concernant la création d'une usine pilote pour
la production de fibres synthétiques à la SASMIRA à
Bombay (avec lettre d'accord entre le Programme des
Nations Unies pour le développement et le Gouverne-
ment de la République fédérale d'Allemagne). Signé à
New Delhi le 12 avril 1976**

Textes authentiques de l'Accord : anglais, allemand et hindi.

Textes authentiques de la lettre d'accord : anglais et allemand.

Enregistré d'office le 12 avril 1976.

AGREEMENT¹ BETWEEN THE UNITED NATIONS DEVELOPMENT PROGRAMME, THE GOVERNMENT OF THE FEDERAL REPUBLIC OF GERMANY AND THE GOVERNMENT OF INDIA CONCERNING THE ESTABLISHMENT OF A DEMONSTRATION PLANT FOR THE PRODUCTION OF SYNTHETIC FIBRES AT "SASMIRA", BOMBAY

Article 1. The United Nations Development Programme (hereinafter called UNDP), the Government of the Federal Republic of Germany and the Government of India hereby agree to establish a Demonstration Plant for the Production of Synthetic Fibres at the Silk and Art Silk Mills Research Association (hereinafter called SASMIRA) in Bombay, India.

Article 2. 1. The long-range objective of this Demonstration Plant is to

- a) encourage and accelerate the production and use of synthetic fibres as textile fibres in order to reduce India's dependence on imported cotton and other raw materials for the textile industry;
- b) establish technical and advisory services in synthetic fibres for the textile industry, including the undertaking of systematic programmes of experimental work and training, the collection and dissemination of technical information, the provision of non-partisan consultancy services and the provision of impartial communication links between fibre producers, textile mills, the textile trade and consumers to ensure that all efforts in this field are effectively coordinated.

2. The immediate objective of the project is to assist in the establishment of a demonstration unit at SASMIRA for the development of the production and use of nylon and polyester fibres for textiles as well as the simultaneous production of the staple fibres and filament. The plant will not be used as a production unit on a commercial scale, although the fibres produced will be used for end-product development. Part of the plant output may be sold to cover some of the operating costs of the plant.

3. The demonstration plant will be used primarily to

- a) provide facilities for the training and upgrading skills of personnel in synthetic fibre technology;
- b) provide facilities for experimental work, especially in the polymer to yarn processes, for synthetic fibres and for the development and application of process and product technology in this field;
- c) provide a focus for the collection and dissemination of technical data on synthetic fibres.

Article 3. 1. To this end, the Government of the Federal Republic of Germany and UNDP shall provide the equipment and expertise to be imported and the training of relevant Indian nationals outside of India, in particular:

- Polymerisation/Polycondensation equipment
- Spinning and take up unit

¹ Came into force on 12 April 1976 by signature, in accordance with article 9.

- Draw twisting equipment
- Staple fibre line
- Auxiliary equipment
- Spare parts for one year
- Measuring and control equipment for air-conditioning plant
- Chief Technical Advisor, 48 months
- Synthetic Fibre Engineer, 24 months
- Synthetic Fibre Technologist, 24 months.

2. To finance the contribution by the Government of the Federal Republic of Germany and UNDP the Government of the Federal Republic of Germany has allocated a grant of DM 5.0 million and the UNDP has approved an amount of US\$ 735,000 plus or minus 15 percent. In the event that the foreign exchange inputs are required to be increased the Government of India will request further UNDP funding under the IPF.

3. The United Nations Industrial Development Organization (hereinafter called UNIDO) will act on UNDP's behalf in implementing the UNDP commitment in accordance with normal "Executing Agency" practice in the United Nations system. The Deutsche Gesellschaft für Technische Zusammenarbeit GmbH (hereinafter called GTZ) will act on behalf of the Government of the Federal Republic of Germany in implementing the commitment of the latter.

Article 4. 1. The Government of India shall provide at its expense all other contributions necessary for the establishment, operation and maintenance of the project, in particular:

Premises

- Installations
- Locally available equipment
- Raw materials
- Utilities
- Staff car for use by the experts;

Staff of Fibre Division

- Head of Fibre Division (Plant Manager)
- Research Section Head (1)
- Production Section Head (1)
- Technical Education Section Head (1)
- Scientist (1)
- Senior Scientific Officers (2)
- Technical Assistants (4)
- Mechanical Engineer (1)
- Textile Technologist (1)
- Junior Chemical Engineers (4)
- Junior Textile Technologist (1)
- Plant Operators/Workers (44)
- Assistant Professor in Polymer Chemistry (1)
- Lecturers (3)
 - Chemical Engineering
 - Engineering
 - Fibre Chemistry

- Assistant Lecturers (3)
 - Chemistry
 - Engineering
 - Fibre Physics
 - Clerical and administrative staff (3)
 - Driver (1).
2. SASMIRA will act on behalf of the Government of India in implementing the latter's commitment.

Article 5. 1. GTZ and UNIDO will conclude a working agreement to jointly implement the project.

2. A joint committee will be established consisting of representatives of the Government of India, the Government of the Federal Republic of Germany, UNDP, GTZ and UNIDO which will undertake periodical reviews of the implementation of the project. Its meeting will normally be held in India.

Article 6. 1. The equipment referred to in Article 3 above shall be supplied cif Bombay and shall become the property of the Government of India upon installation and functioning for the purposes supplied. The Government of India shall bear the cost of harbour dues, import duties, taxes or other public charges levied in India and the cost of Transport in India.

2. The personnel referred to in Article 3 above will hold UNIDO contracts.

Article 7. As envisaged in the basic assistance agreement between the Government of India and UNDP, these parties will sign a separate agreement in the form of a Project Document.

Article 8. This Agreement shall also apply to Berlin (West), provided that the Government of the Federal Republic of Germany does not make a contrary declaration to the Government of India and UNDP within three months of the date of entry into force of this Agreement.

Article 9. This Agreement shall enter into force on the date of signature.

DONE at New Delhi on April 12, 1976, in nine originals, three each in the English, German and Hindi languages. In the event of difficulties regarding the interpretation of this Agreement, the English text shall prevail.

For the United Nations Development Programme:
[Illegible]

For the Government of the Federal Republic of Germany:
[Illegible]

For the Government of India:
[Illegible]

LETTER OF UNDERSTANDING

BETWEEN THE UNITED NATIONS DEVELOPMENT PROGRAMME (UNDP)
AND THE GOVERNMENT OF THE FEDERAL REPUBLIC OF GERMANY

In connection with the Agreement between the Government of India, the United Nations Development Programme and the Government of the Federal Republic of Germany concerning the establishment of a Demonstration Plant for the Production of Synthetic Fibres at SASMIRA, Bombay, signed today, the following modalities for the financing of the foreign exchange costs for this project have been concluded:

On the basis of statements of expenditures presented by UNIDO to UNDP, the UNDP agrees to provide its inputs which will represent one third of the documented amounts; on the basis of statements of expenditures presented by the GTZ to the Government of the Federal Republic of Germany the latter agrees to provide its inputs which will represent two thirds of the documented amounts. This agreement will remain in force until such time as either the aggregate amount of UNDP approved funds has been expended or until the aggregate amount of DM 5.0 million representing the contribution by the Government of the Federal Republic of Germany has been expended, whichever comes first.

SIGNED at New Delhi on the 12th (of) April 1976.

On behalf of the UNDP:

[Illegible]

On behalf of the Government of the Federal Republic of Germany:

[Illegible]
