

No. 16557

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**UNITED STATES OF AMERICA  
and  
REPUBLIC OF KOREA**

**Memorandum of understanding for the development of the  
Korea Standards Research Institute. Signed at Seoul on  
19 December 1975 and at Washington on 15 January  
1976**

*Authentic text: English.*

*Registered by the United States of America on 27 April 1978.*

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**ÉTATS-UNIS D'AMÉRIQUE  
et  
RÉPUBLIQUE DE CORÉE**

**Mémorandum d'accord en vue de développer les activités de  
l'Institut coréen de la recherche métrologique. Signé à  
Séoul le 19 décembre 1975 et à Washington le 15 janvier  
1976**

*Texte authentique : anglais.*

*Enregistré par les États-Unis d'Amérique le 27 avril 1978.*

MEMORANDUM OF UNDERSTANDING<sup>1</sup> BETWEEN THE INDUSTRIAL ADVANCEMENT ADMINISTRATION, MINISTRY OF COMMERCE AND INDUSTRY, REPUBLIC OF KOREA, AND THE NATIONAL BUREAU OF STANDARDS, U.S.A., FOR THE DEVELOPMENT OF THE KOREA STANDARDS RESEARCH INSTITUTE

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The Industrial Advancement Administration (IAA), working within the framework of the Republic of Korea's five-year development plans, has developed a plan for the acceleration of Korea's industrial growth.

The broad purposes of this plan are as follows:

1. To promote rapid economic growth through the application of basic and applied science and technology to the development of Korea's industry;
2. To strengthen Korea's capabilities in the industrial sector to compete successfully in international markets through quality improvement of industrial products;
3. To maximize the production efficiency of Korea's industry, especially its heavy and chemical industry, in order to achieve and maintain a self-sustaining economy.

The basis of this Memorandum of Understanding is the Joint Communiqué of the Second Annual United States-Korean Commerce Ministers Meeting held in Washington, D.C., on July 15-17, 1968, supporting cooperative arrangements between the National Bureau of Standards and the Korean National Industrial Research Institute, whose former functions are now included in the responsibilities vested in the IAA.

This Memorandum of Understanding provides the basis upon which the National Bureau of Standards (NBS) agrees to provide scientific and technical advice and administrative assistance on a reimbursable basis to the Korea Standards Research Institute (KSRI) to enhance Korea's capabilities in fields related to standardization and measurement, and to furnish additional consultation to the Korean National Standards System which might be needed to improve its effectiveness in support of Korean industry. A further objective of the program is to develop institutional relationships which will lead to long-lasting cooperative activities between the standards and measurement activities of the Governments of the Republic of Korea and the United States of America.

Under the program outlined in this memorandum, NBS is to assist in developing the capabilities of KSRI and other institutions which will make a direct contribution to measurement systems standardization and product quality with possible benefit throughout Korea.

The immediate purpose of the assistance to be rendered by NBS under the terms of this memorandum is to assist KSRI in the implementation of the project designed to establish KSRI as a fully functioning entity by early 1978. In support of this project, the Government of the Republic of Korea has entered into a Loan Agreement with the Agency for International Development (A.I.D.), acting on behalf of the Government of the United States. This Loan Agreement, for A.I.D. Loan No. 489-W-093, was signed on September 19, 1975<sup>2</sup>. The A.I.D. Loan, in turn, was

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<sup>1</sup> Came into force on 15 January 1976 by signature, in accordance with its provisions.

<sup>2</sup> United Nations, *Treaty Series*, vol. 1067, p. 161.

negotiated on the basis of the research and planning described in two separate documents. The first comprises six volumes prepared by General Electric Company-TEMPO and is entitled *National Standards System of Korea* (GE75TMP-19 April 1975) ("TEMPO Report"). The second is the Capital Assistance Paper prepared by A.I.D. for its review of the proposed loan project, which is dated May 22, 1975. It is hereby agreed that all activities covered by this Memorandum of Understanding will be undertaken within the framework of the project as described in the A.I.D. Loan Agreement (including Annex 1), the TEMPO Report and the Capital Assistance Paper.

Assistance may be given by NBS or there may be NBS/KSRI cooperative activities in the following project areas:

1. Advice on the design and construction of KSRI's laboratories;
2. Advice on procurement of equipment and instruments, in accordance with established policies;
3. Technical consultation on KSRI staff recruitment and training in the U.S.;
4. Training at NBS or at other governmental and private institutions;
5. Participation of KSRI technical staff in NBS programs;
6. Technical and administrative assistance, including possibly consultation assignments of NBS staff to KSRI and KSRI staff to NBS;
7. Participation by NBS on the Board of Trustees of KSRI on an honorary, non-voting membership basis (it is hereby specifically agreed that NBS shall have the right to terminate such participation unilaterally at any time in the future);
8. Supply to KSRI of research materials, physical standards or instruments for precise measurement or quality control;
9. Any other NBS services normally provided on a reimbursable basis to national standards organizations of friendly countries, provided that such services fall within the purview of the project being supported by A.I.D. Loan No. 489-W-093;
10. Advice and assistance to KSRI on the design and implementation of an evaluation program which will meet the requirements for project evaluation described in the Loan Agreement and the Capital Assistance Paper for A.I.D. Loan No. 489-W-093.

The program will be developed in these project areas through the identification of a series of specific tasks in these areas and allow for addition or deletion of specific tasks. Each task will give as an intended end product a new or enhanced capability of KSRI or other Korean standards and measurement institutions to perform a certain service for the Korean industrial community or government.

Each task plan will include: purpose of the task, assumptions for achieving purpose, names of the monitors at NBS and at KSRI, inputs by KSRI and by NBS and dates thereof, expected milestones towards completion, reports and dates thereof, output indicators, budget, and expenditures schedule. Each task must be approved in advance by the coordinators for NBS and KSRI and information must be given to A.I.D. no less than two weeks before the start of each task. At the conclusion of a task, the monitors will prepare a final report which must be approved by the coordinators for both NBS and KSRI and which will be submitted to KSRI with copies to IAA and A.I.D.

Payment is to be made for completed work upon request by NBS for reimbursement from A.I.D. Loan No. 489-W-093. A.I.D. will guide NBS on the procedures to

be adopted for approvals and voucher presentation. Provision will be included for KSRI review of all vouchers presented.

KSRI shall pay actual costs in Korean currency (won) of transportation of travelers in Korea in connection with duties directly attributable to the task including travel allowances at rates prescribed by the U.S. Federal Government Travel Regulations as from time to time amended. In accord with these Regulations, KSRI will also provide a per diem allowance (in lieu of quarters allowance) to short-term NBS staff members and other consultants who spend time at posts of duty in Korea under this Memorandum of Understanding. In authorizing such per diem rates, KSRI shall consider the particular circumstances involved with respect to each such short-term staff member, including the extent to which meals and/or lodging may be made available without charge or at nominal cost by a Korean agency and similar factors. Where travel or subsistence expenses in countries other than Korea are involved for NBS or KSRI staff or consultants, U.S. Federal Travel Regulations shall be applied.

Reimbursement shall be for all program costs, including such travel or subsistence expenses, salary, costs of planning, other administrative costs and overhead expenses as routinely recorded in the NBS accounting system. A pro forma budget by project area will be developed by consultation between NBS and KSRI and this pro forma budget may be amended from time to time upon the concurrence of both parties. The pro forma budget and any amendment which increases the amount of any original project area by 15 % or more must be approved by A.I.D. The total value of the activities undertaken and reimbursable from A.I.D. Loan No. 489-W-093 shall not exceed \$300,000 (three hundred thousand dollars). This limit may be exceeded by the formulation of an amended budget acceptable to NBS and KSRI and approved by A.I.D.

KSRI will establish an irrevocable letter of credit in U.S. dollars at the New York office of the Korea Exchange Bank (or at an alternative banking institution in the United States acceptable to NBS) and in the name of the NBS in the amount of \$300,000, which will be amended if the face value of this Memorandum of Understanding is changed.

It is anticipated that this Memorandum of Understanding will not involve NBS in administrative procedures for the procurement of materials, instruments or other equipment or goods for project purposes. Instead, in accordance with project design, it is believed that all such procurement will take place within the framework of normal practices of the Government of the Republic of Korea when procuring goods for A.I.D.-financed loan projects. However, should procurement of commercial equipment or goods valued at less than \$300 per item be found necessary at any time for accomplishment of the ends set out in this Memorandum of Understanding, NBS procedures for such procurement may be followed.

When training necessary for the accomplishment of any agreed task is not available at NBS, this training may be accomplished by contracting with other public or private institutions or organizations defined in the task plan approved by NBS and KSRI. The program may involve additional training in areas mutually agreed to by NBS and KSRI. All contracts with non-governmental institutions or organizations shall contain provisions required by law or U.S. Government policy and shall be approved by KSRI and A.I.D.

KSRI will appoint a senior resident representative to assist in the program management at NBS. Both KSRI and NBS will appoint project areas coordinators with responsibility for effectively carrying out all phases of this program. The greatest possible flexibility in the administration shall be accorded to the coordinators coupled with

full responsibility and accountability. Administrative status reports will be prepared by the coordinators on a quarterly basis. These reports must be approved by NBS, KSRI and A.I.D. Review and evaluation procedures will include a joint meeting among officials of both KSRI and NBS to consider reports presented by the coordinators. Preliminary internal review procedures will be established by each organization in accordance with its own needs.

This Memorandum of Understanding shall be in effect for two years from the date of signing. It may be terminated by either side thirty days after written notification, but without affecting previously agreed and current tasks. Tasks in specific project areas may be added or withdrawn by mutual consent. The Memorandum of Understanding may be amended or extended for periods of two years by a simple exchange of letters establishing mutual consent. Mutual consent for additional project areas or an extension of the period of the Memorandum of Understanding will require agreement for any additional funding that may be necessary. Any extension of the period of the Memorandum of Understanding must be approved also by A.I.D.

Approved and accepted for the Industrial Advancement Administration,  
Ministry of Commerce and Industries:

*By:* JONG WAN CHOI  
*Title:* Administrator  
*Date:* December 19, 1975

Accepted for the Korea Standards  
Research Institute:

*By:* ZAEQUAN KIM  
*Title:* President  
*Date:* December 19, 1975  
*Witness:* ZACHARY M. HAHN

Approved and accepted for the National  
Bureau of Standards:

*By:* E. AMBLER  
*Title:* Acting Director  
*Date:* January 15, 1976

Approved for the Agency  
for International Development:

*By:* JOHN ROXBOROUGH  
*Title:* Acting Director USAID/Korea  
*Date:* December 19, 1975