

No. 18093

**UNITED STATES OF AMERICA
and
ZAIRE**

Agreement for the sale of agricultural commodities under the P.L. 480 Title I Program (with memorandums of understanding of 17, 24 and 25 August 1978). Signed at Kinshasa on 25 August 1978

Exchange of notes constituting an agreement amending the above-mentioned Agreement. Kinshasa, 27 December 1978 and 3 January 1979

Authentic text of the Agreement: English.

Authentic texts of the Exchange of notes: English and French.

Registered by the United States of America on 14 November 1979.

AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE UNITED STATES
OF AMERICA AND THE GOVERNMENT OF THE REPUBLIC OF
ZAIRE FOR THE SALE OF AGRICULTURAL COMMODITIES UNDER
THE P.L. 480 TITLE I PROGRAM

The Government of the United States of America and the Government of Zaire have agreed to the sales of agricultural commodities specified below. This agreement shall consist of the Preamble, Parts I and III of P.L. 480 Title I Agreement signed on March 25, 1976,² together with the following Part II:

PART II. PARTICULAR PROVISIONS

Item I. COMMODITY TABLE:

<i>Commodity</i>	<i>Supply Period (U.S. Fiscal Year)</i>	<i>Approximate Maximum Quantity (Metric Tons)</i>	<i>Maximum Export Market Value (Millions)</i>
Wheat/Wheat flour (grain equivalent basis)	1978 plus Oct. 1978 to Jan. 1979	50,000	\$ 6.4
Rice	1978 plus Oct. 1978 to Jan. 1979	13,000	4.6
Tobacco	1978 plus Oct. 1978 to Jan. 1979	1,000	4.0
Cotton	1978 plus Oct. 1979 to Jan. 1979	10,000 (bales)	3.0
			TOTAL \$18.0

Item II. PAYMENT TERMS:

Convertible Local Currency Credit (30 years)

1. Initial Payment — None.
2. Currency Use Payment — 10 percent for Section 104 (A) Purposes.
3. Number of Installment Payments — 26.
4. Amount of each Installment Payment — Approximately equal annual installments.
5. Due Date of First Installment Payment — Five years from date of last delivery of commodities in each calendar year.
6. Initial Interest Rate — 2 percent.
7. Continuing Interest Rate — 3 percent.

¹ Came into force on 25 August 1978 by signature.

² United Nations, *Treaty Series*, vol. 1059, p. 35.

Item III. USUAL MARKETING TABLE:

<i>Commodity</i>	<i>Import Period (U.S. Fiscal Year)</i>	<i>Usual Marketing Requirement (Metric Tons)</i>
Wheat/Wheat flour (grain equivalent basis)	1978 plus Oct. 1978 to Jan. 1979	110,000
Rice	1978 plus Oct. 1978 to Jan. 1979	None
Tobacco	1978 plus Oct. 1978 to Jan. 1979	None
Cotton	1978 plus Oct. 1978 to Jan. 1979	None

Item IV. EXPORT LIMITATIONS:

1. The export limitation period shall be U.S. Fiscal Year 1978 or any subsequent U.S. Fiscal Year during which commodities financed under this agreement are being imported or utilized.

2. For the purpose of Part I, Item III (4) (A), of the Agreement, the commodities which may not be exported are: for wheat/wheat flour—wheat, wheat flour, rolled wheat, semolina, farina, bulgur (or the same product under a different name); for rice—rice in the form of paddy, brown or milled; for cotton—cotton and cotton textiles (including yarn and waste); and for tobacco—none.

Item V. SELF-HELP MEASURES:

1. In implementing these self-help measures, specific emphasis will be placed on contributing directly to development progress in poor rural areas and on enabling the poor to participate actively in increasing agricultural production through small farm agriculture.

2. The Government of Zaire agrees to:

- A. Augment the following areas of the North Shaba Rural Development Project, AID Project Number 660-0059:
- a) Development of research and extension operations directed towards the delivery of improved maize and other crop technologies;
 - b) Development of farmer groups/cooperatives which will help ensure the project benefits reach small farmers;
 - c) Development and production of intermediate technology to alleviate peak labor constraints;
 - d) Development and provision of improved credit and marketing services to small farmers;
 - e) Improvement and expansion of the North Shaba rural infrastructure;
 - f) Development of a data collection and analysis system to monitor and evaluate all project activities.
- B. Continue to provide budgetary support of agricultural service and staff, vocational schools and training, the framework for on-the-job training and upgrading, and agricultural credit efforts.
- C. Further support the agricultural research programs (distribution to farmers) which emphasize testing and multiplication of improved seeds.

- D. Provide assistance required to improve farmer-to-market transportation including roads, their repair and maintenance and to provide trucks and related maintenance, such as spare parts.
- E. Place particular emphasis on improvement of data-gathering utilization as it relates to agricultural statistics.
- F. Strengthen data-gathering programs for sub-sector studies (small farmer) to evaluate provisioning, product disposition and production.

Item. VI. ECONOMIC DEVELOPMENT PURPOSES FOR WHICH PROCEEDS ACCRUING TO IMPORTING COUNTRY ARE TO BE USED:

1. The commodities provided hereunder or the proceeds accruing to the importing country from the sale of such commodities will be used for the following projects/programs which directly benefit the needy people of the importing country:

- A. The self-help measures set forth in Item V, A, B, C, D, of the Agreement.
- B. And/or the following other projects/programs:
 - a) Health and Nutrition projects to establish rural health services delivery systems; to carry out a national measles vaccination program and to intensify malaria control measures; and to analyze and address nutrition problems of poor people in Zaire.
 - b) Agriculture Research — Research activities to increase small farmer production of corn and manioc.
 - c) Agricultural Development — The Counterpart Fund Secretariat has a portfolio of medium-sized projects in rural development, focused on small farmers, female agriculturalists, lake fishermen, and community development. These projects are generally implemented and managed by non-governmental organizations with demonstrated success in rural development benefitting the poor.
 - d) Agricultural Credit — A program financed partly by the Counterpart Fund, and managed by SOFIDE. The purpose is to stimulate agricultural production, and to increase rural employment by providing adequate financing, adapted to local conditions. This creation of a special credit program is a priority activity in the GOZ strategy to assist small and medium private enterprises in agriculture.
 - e) Counterpart Funds are reserved for priority activities in the Agriculture Recovery Program which are being elaborated by the World Bank Consultative Group. These activities will be directed at support and expansion of development activities in agriculture, and transportation and training of Zairians as related to agriculture.
 - f) Agricultural education programs at the University of Zaire's Faculty of Agronomy.

2. The projects of programs identified under VI, 1, above, are elements of a country-wide financing and development program which will directly benefit the needy in the following ways:

- A) Integrated rural development projects will deliver a sequence of inputs in the fields of agricultural production, health, education, transport, marketing and credit for small-scale and subsistence farmers in the North Shaba, Bukavu, Karawa, and North-East Dimbelenge areas and the Bandundu region. Approximately 500,000 small farmers are expected to benefit. The principal objectives are to increase production and achieve self-sufficiency by the mid-1980's in maize, rice, cassava, and fish and to help raise rural incomes.

- B) Transportation investments included in Zaire's agricultural program are considered to be top priority. 28,000 km of feeder roads of agricultural importance have been designated for rehabilitation and special maintenance programs. This program will help improve marketing of agricultural produce by providing easier access to market centers, and permitting small rural farmers greater opportunities to receive agricultural assistance and other services.
- C) Health projects being initiated on a prototype basis are to expand following positive evaluation of initial results. The program involves training of urban and rural health and nutrition workers, nutrition programs for children under age five and for mothers, curative and preventive health services, maternity care programs, vaccination program against measles, polio, diphtheria and BCG, and a malaria control program. At the conclusion of this country-wide program, which will take a number of years to complete, approximately 3.5 million persons will benefit. These are people most of whom do not have access to health care at the present time.
- D) Rural education activities will seek to interest young Zairians in agriculture by establishing rural vocational teacher training schools, and to ensure that existing capacity at the technical, agricultural, and veterinary colleges is used fully. Benefits to be derived include increased incomes for rural and urban youth, reduced unemployment, and increased productivity.
- E) Agricultural research activities will increase the availability of improved cereals seed and cassava cuttings for small farmers in Zaire. Benefits will be in terms of increased food production, and improved rural incomes.
- F) Agricultural credit programs will support efforts of small and medium-sized farmers, marketers, and processors to increase food production and to process and market food to the urban centers of Zaire. Low-interest loans for trucks, buying funds, and related equipment will be made to marketers; this will enable small farmers to sell their production at better prices. Pilot activities in small farmer production credit will be initiated and evaluated for possible national application. This program will benefit all segments of the ag sector in Zaire: producers, marketers, and consumers.
- G) The programs described above are either in the planning or early implementation stages, and are subject to change.

3. In addition to the report required by Part I, Article II F, of this agreement, the importing country agrees to report on the progress of the implementation of projects/programs identified in Item VI.1 above. Such report shall be made by the importing country within six months following the last delivery of commodities in the first calendar year of the agreement and every six months thereafter until all the commodities provided hereunder, or the proceeds from their sale, have been used for the project/program specified in Item VI.1 above.

IN WITNESS WHEREOF, the respective representatives, duly authorized for the purpose, have signed the present Agreement.

DONE in Kinshasa, in duplicate, this 25th day of August, 1978.

For the Government
of the United States of America:

[Signed]
ALLEN C. DAVIS
Chargé d'affaires *ad interim*
of the United States of America

For the Government
of the Republic of Zaire:

[Signed]
EMONY MONDANGA
State Commissioner for Finance

MEMORANDUM OF UNDERSTANDING BETWEEN THE DEPARTMENT OF PLAN FOR
THE REPUBLIC OF ZAIRE AND THE USAID FOR THE UNITED STATES OF AMERICA

It is the intention of the Government of the Republic of Zaire to utilize the Counterpart Secretariat under the Department of Plan to implement, in cooperation with the United States Agency for International Development (USAID), the objective agreed to under Item VI of Part II of the "Particular Provisions" of the Title I Agreement and any future amendments to that Agreement for the sale of agricultural commodities, signed by the representatives of the Government of the Republic of Zaire and the Government of the United States of America in Kinshasa on August 25, 1978. Agreement on the programming of counterpart funds will take place through an exchange of letters between the Department of Plan and USAID. This exchange of letters regarding mutual agreement on the programming of counterpart funds will permit the Department of Plan to issue a transfer of funds order to disburse funds if no further conditions have been imposed in the exchange of letters.

The local currency proceeds from the sale of the commodities under this Agreement will be deposited in a special account in the Bank of Zaire within 180 days after the commodities arrive in country, unless an extension is agreed to in writing.

The Government of Zaire will submit a plan for the distribution of the rice under this Agreement to the U.S. Embassy/Agricultural Attaché.

MULUMBA LUKOJI
Commissaire d'Etat
Département du Plan¹
Date: 17/8/78

JACOB L. CRANE
Director, USAID

Date: August 25, 1978

MEMORANDUM OF UNDERSTANDING BETWEEN THE DEPARTMENT OF PLAN FOR
THE REPUBLIC OF ZAIRE AND THE USAID FOR THE UNITED STATES OF AMERICA
CONCERNING GUIDELINES AND PROCEDURES FOR COUNTERPART FUNDS RE-
SULTING FROM THE SALE OF IMPORTS BROUGHT INTO ZAIRE PURSUANT TO
THE PROVISIONS CONTAINED IN AGREEMENTS SIGNED BY REPRESENTATIVES
OF THE GOVERNMENT OF ZAIRE AND THE GOVERNMENT OF THE UNITED
STATES

1. The Department of Plan designates the Secretariat for Counterpart Funds as its representative for discussions and meetings regarding programming of counterpart funds.
2. The USAID designates the Program Office as its representative for discussions and meetings regarding programming and monitoring of counterpart funds.
3. The Government of Zaire is responsible for the deposit of the sales proceeds from the sale of the PL 480 Title I commodities. These deposits may not be less than the FOB or FAS dollar value of the commodities delivered in the United States, less any currency use provision and/or initial payment made by the GOZ to the United States. Such deposits must be made into a special account at the Bank of Zaire within 180 days of the arrival of the commodities in Matadi, unless otherwise agreed in writing.
4. The Government of Zaire is also responsible for the deposit into a separate special account of the equivalent in zaires of the dollar value of other imports brought into Zaire under concessional loans in accordance with the conditions stipulated in the loan agreements. Such local currency deposits are to be made into a special account at the Bank of Zaire within 90 days of the issuance of letters of credit.
5. USAID and Department of Plan representatives will meet not less than quarterly to plan and program allocations from Counterpart Fund accounts. Agreement on the programming of counterpart funds will take place through an exchange of letters between Plan and USAID. Any

¹ Commissaire of State, Department of Plan.

new project or upward adjustments of amounts exceeding 25% of the total on previously approved projects will also be subject to agreement through an exchange of letters. No disbursements of counterpart funds will be made until budgets are agreed by letter.

6. The uses of counterpart funds shall be in accordance with the objectives outlined in PL 480 Title I Sales Agreements and other loan agreements, together with any amendments or written understandings.

7. Where counterpart funds have been programmed for joint GOZ/USAID projects, a project agreement will be cleared and approved by the Department of Plan. A copy of the signed Project Agreement will be sent to Plan, and counterpart funds will be released by a transfer of funds order for purposes agreed in the project agreement, and in a fashion specified in the project agreement.

8. For activities where USAID project agreements are not used, a project description and budget will be made available to the USAID. An exchange of letters between USAID and Plan regarding agreement on the programming of counterpart funds will permit the Department of Plan to issue a transfer of funds order to disburse funds, if no further conditions have been imposed in the exchange of letters.

9. Either the Department of Plan or the USAID may request that parties proposing counterpart-funded projects provide additional information with regard to a project's goal, purpose, inputs, outputs, and assumptions before counterpart funds are programmed or disbursed.

10. Small self-help projects, generally under 5,000 zaires, will be funded through a trust fund administered by USAID. USAID will provide a report, at least annually, to the Department of Plan on the activities. The trust fund will receive an allocation of counterpart to be negotiated between the Department of Plan and USAID.

11. The Department of Plan will report monthly to the USAID on the status of the Counterpart Accounts.

12. Records pertaining to the Counterpart Accounts of funds generated by USG/GOZ agreements will be available for audit and review by USAID/Kinshasa, or its designee.

Counterpart Reports

A. Monthly Report

The Secretariat will provide a written report to the USAID/Controller on the fifteenth day of each month which will include the following detail for each special account:

- (1) The amount of local currency deposited during the previous month and cumulative deposits;
- (2) The amounts disbursed and the recipient of the funds (project/activity);
- (3) The sector in which the project/activity belongs, and the name of the recipient's bank and account into which the funds have been deposited.

B. A quarterly activity report indicating:

- (1) The receipts and expenditures from the project/activity accounts;
- (2) The status of project implementation including any appropriate explanation of delays in expenditures or other implementation problems.

C. Self-Help Report

No later than December 1 of any given year, the Secretariat will submit in writing to USAID/Director a written report of the GOZ's self-help activities per Sec. 109(a) Self-Help Requirement of the PL 480 Act as amended.

MULUMBA LUKOJI
Commissaire d'Etat
Département du Plan¹
Date: 17/8/78

JACOB L. CRANE
Director, USAID

Date: August 24, 1978

¹ Commissaire of State, Department of Plan.

EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹ BETWEEN THE UNITED STATES OF AMERICA AND ZAIRE AMENDING THE AGREEMENT OF 25 AUGUST 1978 FOR THE SALE OF AGRICULTURAL COMMODITIES²

ÉCHANGE DE NOTES CONSTITUANT UN ACCORD¹ ENTRE LES ÉTATS-UNIS D'AMÉRIQUE ET LE ZAÏRE MODIFIANT L'ACCORD DU 25 AOÛT 1978 RELATIF À LA VENTE DE PRODUITS AGRICOLES²

I

[TRADUCTION — TRANSLATION]

The American Embassy to the Zairian Department of Foreign Affairs and International Cooperation

L'Ambassade des Etats-Unis d'Amérique au Ministère des affaires étrangères et de la coopération internationale du Zaïre.

No. 276

N° 276

The Embassy of the United States of America presents its compliments to the Department of Foreign Affairs and International Cooperation of the Republic of Zaire and has the honor to refer to the Agreement between the Government of Zaire and the Government of the United States concerning the Fiscal Year 1978 P.L. 480 Title I Program.²

L'Ambassade des Etats-Unis d'Amérique présente ses compliments au Ministère des affaires étrangères et de la coopération internationale de la République du Zaïre et a l'honneur de se référer à l'Accord entre le Gouvernement du Zaïre et le Gouvernement des Etats-Unis relatif à la vente de produits agricoles en vertu du titre I de la PL-480 pendant l'exercice budgétaire 1978².

This Agreement, which was signed by our two governments on August 25, 1978, by Commissioner of Finance Emony Mondanga, and subsequently on the same date by the United States Chargé d'affaires, a.i. Allen C. Davis, should be amended to read as follows:

Cet accord, qui a été signé pour nos deux gouvernements le 25 août 1978 par le commissaire d'Etat aux finances Emony Mondanga puis, le même jour, par le chargé d'affaires par intérim des Etats-Unis, Allen C. Davis, doit être modifié de manière qu'il se lise comme suit :

In Part II, Commodity Table, under the appropriate column and for wheat/wheat flour only, delete "1978 plus October 1, 1978, through January 1979" and insert "1978 plus October 1 through May 1979."

A la deuxième partie, «Liste des produits», sous la colonne appropriée et pour le blé/farine de blé exclusivement, remplacer «1978 plus la période allant d'octobre 1978 à janvier 1979» par «1978 plus la période allant d'octobre 1978 à mai 1979».

¹ Came into force on 3 January 1979, the date of the note in reply, in accordance with the provisions of the said notes.

² See p. 196 of this volume.

¹ Entré en vigueur le 3 janvier 1979, date de la note de réponse, conformément aux dispositions desdites notes.

² Voir p. 202 du présent volume.

All other terms and conditions of the August 25, 1978, Title I Agreement remain the same. It is proposed this note and your reply concurring therein constitute an agreement between our governments effective date your note in reply.

The Embassy of the United States of America takes this opportunity to renew to the Department of Foreign Affairs and International Cooperation the assurances of its highest consideration.

Kinshasa, December 27, 1978

Embassy of the United States
of America

Toutes les autres clauses et conditions de l'Accord du 25 août 1978 demeurent inchangées. Il est proposé que la présente note et la réponse du Ministère confirmant qu'il accepte ce qui précède constituent entre nos deux gouvernements un accord qui entrera en vigueur à la date de ladite réponse.

L'Ambassade des Etats-Unis saisit cette occasion, etc.

Kinshasa, le 27 décembre 1978

Ambassade des Etats-Unis
d'Amérique

II

[TRANSLATION¹ — TRADUCTION²]

*The Zairian Department of Finance to the
American Embassy*

Kinshasa, le 3 janvier 1979

Le Gouvernement du Zaïre, par la présente, ratifie les amendements présentés dans la Note Diplomatique n° 276, de l'Ambassade des Etats-Unis, au texte de l'Accord P.L. 480 Titre I signé le 25 août 1978.

[Signé]

EMONY MONDANGA
Commissaire d'Etat aux Finances
Département des Finances

Kinshasa, January 3, 1979

The Government of Zaire hereby approves the amendments to the text of the P.L. 480 Agreement, Title I, signed on August 25, 1978, as set forth in diplomatic note No. 276 from the Embassy of the United States.

[Signed]

EMONY MONDANGA
State Commissioner for Finance
Department of Finance

¹ Translation supplied by the Government of the United States.

² Traduction fournie par le Gouvernement des Etats-Unis.