

No. 18067

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**UNITED STATES OF AMERICA  
and  
ISRAEL**

**Agreement to establish the United States–Israel agricultural research and development fund (with appendix). Signed at Jerusalem on 25 October 1977**

*Authentic text: English.*

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

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**ÉTATS-UNIS D'AMÉRIQUE  
et  
ISRAËL**

**Accord portant création du Fonds États-Unis-Israël pour la recherche et le développement agricoles (avec appendice). Signé à Jérusalem le 25 octobre 1977**

*Texte authentique: anglais.*

*Enregistré par les États-Unis d'Amérique le 14 novembre 1979.*

AGREEMENT<sup>1</sup> BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF ISRAEL TO ESTABLISH THE UNITED STATES–ISRAEL AGRICULTURAL RESEARCH AND DEVELOPMENT FUND

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The Government of the United States of America and the Government of Israel,

Recalling the close ties in scientific and technological cooperation which have developed over many years between the two countries, including the creation of binational projects for scientific research and industrial research and development,

Convinced of the desirability of establishing a joint fund to encourage and support agricultural research and development of mutual benefit, particularly for geographical areas in which water supply and rainfall limit crop production,

Recognizing the success of any such joint undertaking can only be firmly established when each party is assured that the undertaking will be of mutual benefit,

Convinced that a joint agricultural research and development program will make substantial contributions to the agriculture of both countries as well as to the solution of food and fiber production problems elsewhere,

Recognizing that the United States, with its resources, manpower, training facilities and advanced technologies, has long emphasized broad-based agricultural research, development and production, and that Israel, with its limited resources, is in the forefront of the development of agricultural technologies designed to maximize production with minimum use of resources such as water and labor, and

Recognizing the rising demand for a limited supply of water in the United States, coupled with increasing pressures to minimize the use of energy in all aspects of agriculture, suggest that the Israeli approach to agriculture can be of substantial benefit to the United States, and the past, extensive contribution made by United States agriculture to Israel indicates the potential gain to Israel that would result from establishing a joint research effort,

Have agreed as follows:

*Article I. ESTABLISHMENT*

There is agreement to establish the United States–Israel Agricultural Research and Development Fund, hereinafter referred to as the “Fund.” The implementing agency of the Fund for the United States will be the United States Department of Agriculture. The implementing agency of the Fund for Israel will be the Ministry of Agriculture of Israel.

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<sup>1</sup> Came into force on 6 November 1978, i.e., the day when the contributions from both Governments to the endowment, as specified in article VI, had been deposited with the Accountant General of Israel, in accordance with article X (A).

## *Article II. OBJECTIVE*

The objective of the Fund shall be to promote and support agricultural research and development activities which are of mutual benefit to the United States and Israel.

## *Article III. SCOPE OF COOPERATION*

The scope of agricultural research and development activities which the Fund may promote and support shall cover all scientific activities related to agriculture, including production, processing, marketing, and agricultural services. The Fund shall give emphasis, but need not limit its efforts, to the support of applied research which improves water, labor, and energy utilization in agriculture or which improves agricultural production. Areas of potential mutual interest in which the Fund shall consider supporting research shall include water conservation, water management and utilization, soil management and utilization, utilization of new forms of energy for agricultural production, environmental aspects of agricultural technology, intensive crop production, agricultural engineering and processing, and other aspects of agricultural technology. Further explanation of these areas of potential mutual interest is set forth in an appendix to this Agreement.

## *Article IV. POWERS OF THE FUND*

The Fund shall be an independent, binational entity and shall possess all of the powers necessary to carry out its objectives, including, but not limited to, the power to:

- (1) Promote and support, by funding or otherwise, agricultural research and development projects of mutual benefit (hereinafter referred to as "projects") in either country or elsewhere;
- (2) Make appropriate research or development grants or loans to public or private entities; and
- (3) Encourage or support the exchange of agricultural scientists, engineers, or other types of agricultural experts.

Specific identification of the remainder of the Fund's powers shall be subsequently developed and mutually agreed to by the Secretary of Agriculture, United States of America, and the Ministers of Agriculture and Finance, Israel.

## *Article V. MANAGEMENT OF THE FUND*

A management system, to be subsequently developed and mutually agreed to, will establish the Fund's program and priorities and its financial and managerial policies. Such system will provide equal management responsibility and authority to both governments.

## *Article VI. FINANCIAL ASPECTS*

A. The original endowment of the Fund shall consist of the following:

- (1) Forty million dollars (\$40,000,000) to be contributed by the Government of Israel; and
- (2) Forty million dollars (\$40,000,000) to be contributed by the Government of the United States.

B. The original endowment shall be provided promptly to the Fund after all necessary authorizations for the creation of the Fund and implementation of this Agreement have been obtained by the two Governments.

C. The funds provided for in paragraph A above shall be deposited in a dollar account with the Accountant General of Israel in the name of the Fund, subject to the control of the Fund's management system. Such a dollar account shall earn interest in U.S. dollars at the rate of six and one-half percent (6.5%) per annum, payable quarterly in arrears. All income earned from all sources which is not to be used immediately for the operations of the Fund shall be deposited in such dollar account with the Accountant General of Israel, or with banks in the United States or in Israel, or invested in obligations issued or guaranteed by the Government of Israel, the Government of the United States or an instrumentality of either Government. Investments of the Fund's income shall be made pursuant to policies to be established by the Fund's management system and shall be made in such manner as to maximize the Fund's earnings, consistent with their security and liquidity.

D. Additional financial specifications and conditions shall be subsequently developed and mutually agreed to by the Secretary of Agriculture, United States of America and the Minister of Finance, Israel.

#### *Article VII. OPERATIONS*

A. The Fund's operations shall consist mainly of the selection, approval and monitoring of projects supported in whole or in part by the Fund. The primary source of such funding shall be from the income of the Fund. The Fund shall minimize its annual operational costs in order to permit the maximum utilization of its resources to support agricultural research and development. Detailed operational functions and responsibilities of the Fund shall be subsequently developed and mutually agreed to by the Secretary of Agriculture, United States of America and the Minister of Agriculture and Minister of Finance, Israel. If a principal office of the Fund is established, it shall be located in Israel.

B. Projects financed by the Fund may not be conducted in geographic areas which came under the Administration of the Government of Israel after June 5, 1967, and may not relate to subjects primarily pertinent to such areas.

#### *Article VIII. EXEMPTIONS*

A. United States citizens employed by the Fund or engaged in projects in Israel sponsored by the Fund, and accompanying members of their families, if such citizens and such members are not permanent residents of Israel, shall be exempt from Israeli income taxes (including contributions required by the National Insurance Law of Israel), on income derived from the Fund.

B. Travel by United States and Israeli citizens, who are not permanent residents of Israel, in connection with the official business of the Fund or in connection with a project sponsored by the Fund shall be exempt from the Israeli travel tax.

C. Permanent residents of Israel, traveling principally in connection with official business of the Fund, shall enjoy the same reductions of travel tax as are accorded Israeli scientists employed by institutions of higher learning traveling on behalf of their institutions.

D. The Government of Israel shall accord exemptions (a) from Israeli income tax and property tax on the Fund and (b) from Israeli customs, duties, excises, surtaxes and other taxes levied on importation (1) of goods (including furniture, equipment, supplies and scientific and educational articles) intended for the use of the Fund and (2) of scientific equipment to be owned by the Fund and intended principally for use in a project sponsored by the Fund.

E. Additional exemptions shall be subsequently developed and mutually agreed to by the Government of the United States of America and the Government of Israel.

*Article IX. OTHER SCIENTIFIC COOPERATION*

Nothing in this Agreement shall be construed to prejudice other arrangements for scientific cooperation between the two countries.

*Article X. DATE OF EFFECTIVENESS AND DURATION*

A. This Agreement shall not enter into force until (1) after the appropriation of the funds with which the United States will make its contribution to the original endowment of the Fund has been enacted into law and (2) after the management system provided for under article V of this Agreement has been mutually agreed to. The Government of the United States shall notify the Government of Israel promptly after the United States has taken all action necessary to permit the United States to make its contribution to the endowment of the Fund, and the Government of Israel shall notify the Government of the United States promptly after it has taken similar action. Thereafter, this Agreement shall enter into force on the first day when the contributions from both governments to the endowment as specified in article VI of this Agreement have been deposited with the Accountant General of Israel. This Agreement shall remain in effect for ten years from the date of its entry into force. At the end of nine years' operation of the Fund, both Governments shall review its operations and effectiveness in light of their future national priorities. In light of this review, the Fund may be continued thereafter or terminated. Termination may be by mutual agreement or by one year's notice in writing by one Government to the other.

B. In the event of termination of this Agreement, each Government shall be entitled to one-half of the assets of the Fund. As soon as possible after termination, the property of the Fund shall be sold and the sale proceeds and any other assets and funds shall, after payment of all obligations, be divided equally between both Governments. However, (1) any agricultural and intellectual property of the Fund may be divided or disposed of as the Governments may otherwise agree and (2) records or documents of the Fund shall be disposed of subject to the approval of the Governments.

C. In the event of termination, each country's share of assets shall be repaid as soon as those assets can be reduced to liquid form.

DONE at Jerusalem in duplicate in the English language this 25 day of October 1977.

For the Government  
of the United States of America:

By: *[Signed]*  
W. MICHAEL BLUMENTHAL

For the Government of Israel:

By: *[Signed]*  
SIMCHA EHRLICH

## APPENDIX

## POTENTIAL AREAS OF MUTUAL INTEREST

1. *Water conservation*
  - a. Water harvesting;
  - b. Water storage in soils and small reservoirs;
  - c. Evaporation suppression;
  - d. Increase use efficiency of precipitation.
2. *Water management and utilization*
  - a. Development of techniques and criteria for improving water application efficiency including the development of low pressure application technologies;
  - b. Improve irrigation scheduling;
  - c. Develop water and soil management practices that limit salt damage to crops, soils and water resources.
3. *Soil management and utilization*
  - a. Develop tillage practices suitable for dry land and irrigated agriculture; such practices should consider the conservation of water energy and soil chemicals;
  - b. Develop biological approaches to enhance soil fertility;
  - c. Develop criteria for assessing and predicting fertilizer needs for maximum long-term production.
4. *Management of solar energy for agricultural production*
  - a. Increase photosynthetic efficiency of crop plants by controlling micrometeorological processes and by selecting for stress tolerant varieties;
  - b. Develop technologies and processes for on-farm utilization of solar energy.
5. *Environmental considerations*
  - a. Develop criteria and technologies for the use of sewage and industrial waste water for crop production;
  - b. Develop the use of agricultural wastes and other sources of biomass for agricultural production;
  - c. Develop plants and animals adaptable to environmental stress, disease and pests;
  - d. Develop health protection technologies to minimize crop and animal losses due to disease and pests. Such methods should be acceptable from the point of view of environmental safety and economic feasibility.
6. *Intensive crop production*
  - a. Develop production schemes for crops of high return per unit water; these should include out of season vegetables and flowers and should consider energy inputs.
7. *Agricultural engineering and processing*
  - a. Develop improved equipment to support water management;
  - b. Develop improved machinery for production and harvest which minimizes crop losses and optimizes labor and energy;
  - c. Develop improved technology for food processing and packaging. Product quality should be a major consideration.
8. *Marketing*
  - a. Develop technologies to prevent spoilage and losses and improve quality of food products;

- b.* Develop technologies to improve transportation and distribution of food products;
  - c.* Develop improved systems for farmers marketing services.
9. *Economic and social considerations*
- a.* Develop models and procedures to assess water-energy-labor production mixes and trade-offs between them;
  - b.* Develop improved technologies to provide for enhanced transfer of technology and services to producers.
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