

No. 18373

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**BRAZIL  
and  
CANADA**

**Exchange of notes constituting an agreement relating to technical co-operation for the development of the human resources of the Brazilian electric energy enterprises. Brasília, 8 August 1978**

*Authentic texts: French and Portuguese.  
Registered by Brazil on 26 March 1980.*

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**BRÉSIL  
et  
CANADA**

**Échange de notes constituant un accord relatif à une coopération technique pour la formation de personnel des entreprises brésiliennes d'énergie électrique. Brasília, 8 août 1978**

*Textes authentiques : français et portugais.  
Enregistré par le Brésil le 26 mars 1980.*

## [TRANSLATION — TRADUCTION]

EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT<sup>1</sup> BETWEEN BRAZIL AND CANADA RELATING TO TECHNICAL CO-OPERATION FOR THE DEVELOPMENT OF THE HUMAN RESOURCES OF THE BRAZILIAN ELECTRIC ENERGY ENTERPRISES

## I

No. B-91

Excellency,

Pursuant to article V, section 5.05, of the Loan Agreement signed on January 13, 1977,<sup>2</sup> I have the honour to propose, in the name of the Government of Canada, the present Subsidiary Agreement relating to technical co-operation for the development of the human resources of the Brazilian electric energy enterprises, which is essential in order to promote their growth.

*Article 1.* For the purposes of this Subsidiary Agreement, the Government of Canada shall act through the intermediary of the Canadian International Development Agency (hereinafter referred to as CIDA), and the Government of the Federative Republic of Brazil shall act through the intermediary of Centrais Elétricas Brasileiras S/A (hereinafter referred to as ELETROBRÁS), assisted by the Secretaria de Cooperação Econômica e Técnica Internacional of the Secretaria de Planejamento da Presidência da República (hereinafter referred to as SUBIN) and by the Divisão de Cooperação Técnica (hereinafter referred to as DCOPT) of the Ministry of External Relations.

*Article 2.* The objective of this Subsidiary Agreement is to execute a technical co-operation project to provide the Brazilian electric energy enterprises with the human resources needed to promote their growth, with special emphasis on those responsible for service in the northern and north-eastern regions, in accordance with the plan of operations contained in the annex, which is an integral part of this Subsidiary Agreement.

*Article 3.* In order to carry out the project referred to in article 2, the Parties agree to allocate a sum of up to \$Can 450,000 (four hundred and fifty thousand Canadian dollars) drawn from the proceeds of the Loan Agreement signed on 13 January 1977.

*Article 4.* The resources provided for in the preceding article shall be used by ELETROBRÁS exclusively for the procurement of Canadian goods and services designed to execute the project and may finance the following costs:

- (a) Cost of services of experts and/or consultants;
- (b) Cost of services of consulting firms;
- (c) Cost of training of Brazilian personnel in Canada, including the supplement for the support of the trainees;
- (d) Cost of equipment purchased in Canada and transportation costs to the Canadian port of embarkation.

<sup>1</sup> Came into force on 8 August 1978, the date of the note in reply, in accordance with the provisions of the said notes.

<sup>2</sup> See p. 21 of this volume.

*Article 5.* As a counterpart, ELETROBRÁS shall provide, in accordance with the specifications set out in the plan of operations annexed to this Subsidiary Agreement:

- (a) Technicians from its staff;
- (b) Lodging, subsistence and transportation expenses in Brazil for Canadian experts while they are on mission;
- (c) The salaries of trainees in Canada including the supplement for the daily subsistence allowance;
- (d) Transportation and insurance for the equipment purchased from the Canadian port of embarkation to the installation site in Brazil.

*Article 6.* If the amount provided for in article 3 has not been fully committed prior to January 12, 1980, the corresponding balance shall be cancelled, unless the Parties decide otherwise.

*Article 7.* For the purposes of this Subsidiary Agreement, it shall be the responsibility of ELETROBRÁS, in accordance with the procedures provided for in annex B of the Loan Agreement of January 13, 1977:

- (a) To identify, select and recruit the experts and/or consultants and to negotiate their respective contracts with them;
- (b) To identify, select and negotiate contracts with the Canadian firms and/or institutions with which contracts will be concluded for consultancy services;
- (c) To select the Brazilian personnel to be trained in Canada and at the same time to draw up contracts and agreements with the Canadian institutions with a view to organizing the corresponding training programmes;
- (d) To invite and select bids and negotiate contracts for the procurement of equipment and materials.

*Article 8.* ELETROBRÁS may request CIDA assistance in carrying out any of the tasks referred to in article 7.

*Article 9.* ELETROBRÁS shall keep DCOPT and SUBIN regularly informed of progress in the operations provided for in article 7.

*Article 10.* Pursuant to article 6, section 6.01, of the Loan Agreement of January 13, 1977, all communications from ELETROBRÁS to CIDA and vice versa relating to this Subsidiary Agreement shall be made through DCOPT and SUBIN.

*Article 11.* CIDA shall disburse all the amounts committed by ELETROBRÁS under this Subsidiary Agreement and previously authorized by CIDA. These payments shall be made out to the order of the beneficiaries indicated by ELETROBRÁS, in accordance with the terms of payment provided for in the contracts. However, no contract shall provide for more than one payment per month.

*Article 12.* All requests for withdrawals shall be made by ELETROBRÁS and be accompanied by the original supporting documents.

*Article 13.* CIDA, SUBIN, DCOPT and ELETROBRÁS shall take the necessary steps to evaluate, at least once a year, the project contained in this Subsidiary Agreement.

*Article 14.* On September 30 and March 31 of each year, the Canadian Embassy in Brazil shall submit to CIDA, SUBIN and DCOPT a comprehensive financial report on the status of the project.

*Article 15.* CIDA shall have the right to examine at any time the activities carried out under this Subsidiary Agreement. To this end, ELETROBRÁS shall take the necessary steps to ensure that all contracts financed by this loan guarantee CIDA the right of inspection.

*Article 16.* This Subsidiary Agreement shall remain in force until January 12, 1982, unless otherwise agreed by the Parties.

*Article 17.* This Subsidiary Agreement may be terminated by either Party. In this event, the date of termination shall take effect 60 days after the transmission, by one Party to the other, of a written notification indicating this intent.

*Article 18.* The termination shall not affect any commitments made prior to the date of the notification, unless otherwise decided by the Parties.

*Article 19.* This Subsidiary Agreement may be revised, amended or extended if so agreed by the Parties concerned.

*Article 20.* The provisions contained in the Loan Agreement signed on January 13, 1977, between the Governments of Canada and the Federative Republic of Brazil shall apply to this Subsidiary Agreement.

*Article 21.* Any communications, notifications or documentation relating to this Subsidiary Agreement shall be sent to the following addresses:

For the Federative Republic of Brazil:

Secretaria de Cooperação Econômica e Técnica Internacional (SUBIN)  
da Secretaria de Planejamento da Presidência da República  
Esplanada dos Ministérios, Bloco 16, sala 511  
70 000 Brasília, DF  
Telex: 061-1555

Divisão de Cooperação Técnica (DCOPT)  
Ministério das Relações Exteriores  
Palácio do Itamaraty  
Esplanada dos Ministérios  
70 000 Brasília, DF

For Canada:

The President  
Canadian International Development Agency (CIDA)  
200, rue Principale  
Hull, Quebec  
K1A 0G4  
Telex: 053-4140

If the Government of the Federative Republic of Brazil agrees with the proposals included in articles 1 to 21, I propose that this note and the reply of Your Excellency, expressing the agreement of your Government, constitute a Subsidiary Agree-

ment between our two Governments, to enter into force on the date of Your Excellency's reply.

Accept, Sir, etc.

Brasília, 8 August 1978

[Signed]

JAMES HOWARD STONE  
Ambassador

His Excellency

Mr. Antonio Francisco Azeredo da Silveira  
Ministry of External Relations

## II

8 August 1978

DCOPT/DCS/DAI/DPF/18/644(B10)(B46)

Sir,

I have the honour to acknowledge receipt of your note B-91, of 8 August, which, in Portuguese, reads as follows:

[See note I]

2. In reply, I wish to inform you that the Brazilian Government agrees to the terms of the foregoing note which, together with this note, shall constitute a Subsidiary Agreement between our two Governments, to enter into force on today's date.

Accept, Sir, etc.

ANTONIO F. AZEREDO DA SILVEIRA

His Excellency Mr. James Howard Stone  
Ambassador Extraordinary and Plenipotentiary  
of Canada

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