

No. 18374

**BRAZIL
and
CANADA**

Exchange of notes constituting an agreement relating to technical co-operation for the establishment and operation of the Electric Energy Research Center. Brasília, 8 August 1978

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

**BRÉSIL
et
CANADA**

Échange de notes constituant un accord relatif à la coopération technique pour l'implantation et le fonctionnement du Centre de recherches sur l'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 AGREEMENT¹ BETWEEN BRAZIL AND CANADA RELATING TO TECHNICAL CO-OPERATION FOR THE ESTABLISHMENT AND OPERATION OF THE ELECTRIC ENERGY RESEARCH CENTRE

I

No. B-90

Excellency,

Pursuant to article V, section 5.05, of the Loan Agreement signed on January 13, 1977,² 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 establishment and operation of the Electric Energy Research Centre.

I. 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 the Electric Energy Research Centre (hereinafter referred to as CEPTEL), 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.

II. The objective of this Subsidiary Agreement is to carry out a technical co-operation project to assist CEPTEL at the various design stages of its establishment and with the preliminary measures to select and train its technical staff, in accordance with the plan of operations contained in the annex, which is an integral part of this Subsidiary Agreement.

III. In order to carry out the project referred to in article I, the Parties agree to allocate a sum of up to \$Can 650,000 (six hundred and fifty thousand Canadian dollars) drawn from the proceeds of the Loan Agreement signed on January 13, 1977.

IV. The resources provided for in the preceding article shall be used by CEPTEL exclusively for the procurement of Canadian goods and services designed to execute the project and may finance the following expenditures:

- (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.

V. As a counterpart, CEPTEL shall provide, in accordance with the specifications set out in the plan of operations annexed to this Subsidiary Agreement, the following goods and services:

- (a) Technicians from its staff;
- (b) Lodging, subsistence and transportation expenses in Brazil for Canadian experts while they are on mission;

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

² See p. 21 of this volume.

- (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, including harbour dues and customs duties.

VI. If the amount provided for in article III has not been fully committed prior to January 12, 1980, the corresponding balance shall be cancelled.

VII. For the purposes of this Subsidiary Agreement, it shall be the responsibility of CEPEL, 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 and select the Canadian firms and/or institutions to be engaged to provide consultancy services and to negotiate the contracts;
- (c) To select the Brazilian personnel to be trained in Canada and to establish contact and enter into agreements with Canadian institutions with a view to organizing the respective training programmes;
- (d) To invite and select bids and negotiate contracts for the procurement of equipment and materials.

VIII. CEPEL may request CIDA assistance in carrying out any of the tasks provided for in article VII.

IX. CEPEL shall keep DCOPT and SUBIN regularly informed of progress in the operations provided for in article VII.

X. Pursuant to article VI, section 6.01, of the Loan Agreement of January 13, 1977, all communications from CEPEL to CIDA and vice versa relating to this Subsidiary Agreement shall be made through DCOPT and SUBIN.

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

XII. All requests for withdrawals shall be made by CEPEL and be accompanied by the original supporting documents.

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

XIV. 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.

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

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

XVII. This Subsidiary Agreement may be terminated by either Party. In this event, the termination shall take effect 60 days after the transmission, by one of the Parties, of a written notification indicating this intent.

XVIII. The termination shall not affect any commitments made prior to the receipt of the notification, unless, by mutual agreement, the Parties decide otherwise.

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

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

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

For the Federative Republic of Brazil:

Divisão de Cooperação Técnica
Ministério das Relações Exteriores; and
Secretaria de Cooperação Econômica e Técnica Internacional (SUBIN)
da Secretaria de Planejamento da Presidência da República
Esplanada dos Ministérios, Bloco 16, sala 511
Brasília, DF
Telex No.: 061/1555

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 I to XXI, I propose that this note and the reply of Your Excellency, expressing the agreement of your Government, constitute a Subsidiary Agreement 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
Brasília, DF

II

8 August 1978

DCOPT/DCS/DAI/DPF/19/664(B46)(B10)

Sir,

I have the honour to acknowledge receipt of your note B-90, 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
