

No. 19711

**UNITED STATES OF AMERICA
and
DOMINICAN REPUBLIC**

Agreement for the sale of agricultural commodities (with memorandum of understanding). Signed at Santo Domingo on 3 January 1980

Exchange of notes constituting an agreement amending the above-mentioned Agreement. Santo Domingo, 9 and 11 April 1980

Authentic texts: English and Spanish.

Registered by the United States of America on 27 March 1981.

**ÉTATS-UNIS D'AMÉRIQUE
et
RÉPUBLIQUE DOMINICAINE**

Accord relatif à la vente de produits agricoles (avec memorandum d'accord). Signé à Saint-Domingue le 3 janvier 1980

Échange de notes constituant un accord modifiant l'Accord susmentionné. Saint-Domingue, 9 et 11 avril 1980

Textes authentiques : anglais et espagnol.

Enregistrés par les États-Unis d'Amérique le 27 mars 1981.

AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE DOMINICAN REPUBLIC FOR THE SALE OF AGRICULTURAL COMMODITIES

The Government of the United States of America and the Government of the Dominican Republic agree to the sale of Agricultural Commodities specified below. This agreement shall consist of the preamble and parts I and III of the Agreement signed September 28, 1977,² together with the following part II:

PART II. PARTICULAR PROVISIONS

Item I. COMMODITY TABLE

<i>Commodity</i>	<i>Supply period (United States Fiscal Year)</i>	<i>Approximate maximum quantity (metric tons)</i>	<i>Maximum export market value (million)</i>
Wheat/wheat flour (wheat basis)	1980	40,000	US\$ 6.7
Corn/sorghum	1980	36,000	4.3
Soybean/cotton-seed oil	1980	5,000	4.0
TOTAL			US\$15.0

Item II. PAYMENT TERMS

Dollar Credit (DC)

- A. Initial payment—none.
- B. Currency use payment—none.
- C. Number of installment payments—nineteen (19).
- D. Amount of each installment payment—approximately equal annual amounts.
- E. Due date of first installment payment—two (2) years after the date of last delivery of commodities in each calendar year.
- F. Initial interest rate—two (2) percent.
- G. Continuing interest rate—three (3) percent.

Item III. USUAL MARKETING TABLE

<i>Commodity</i>	<i>Import period (United States Fiscal Year)</i>	<i>Usual marketing requirement</i>
Wheat/wheat flour (wheat basis) .	1980	127,900 metric tons
Feed grains	1980	73,000 metric tons
Edible vegetable oil and/or bearing seeds (oil equivalent basis)	1980	33,200 metric tons of which at least 26,500 M. T. shall be imported from the United States

¹ Came into force on 3 January 1980 by signature.

² United Nations, *Treaty Series*, vol. 1119, p. 107.

Item IV. EXPORT LIMITATIONS*A. Export limitation period:*

The export limitation period shall be United States Fiscal Year 1980, or any subsequent United States Fiscal Year during which commodities financed under this Agreement are being imported or utilized.

B. Commodities to which export limitations apply:

For the purposes of part I, article III-A (4) of this Agreement, the Commodities which may not be exported are: For wheat/wheat flour—wheat, wheat flour, rolled wheat, semolina, farina, and bulgur (or the same products under a different name); for corn/sorghum—corn, cornmeal, barley, grain sorghum, rye, oats, and any other feed grains, including mixed feeds containing predominantly such grains, and for soybean/cotton-seed oil—all edible vegetable oils, including peanut oil, soybean oil, cotton-seed oil, rapeseed oil, sunflower oil, sesame oil, and any other edible vegetable oil or oil bearing seeds from which these oils are produced.

Item V. SELF-HELP MEASURES

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

B. The Government of the Dominican Republic (GODR) agrees to undertake the following programs and in doing so to provide adequate financial, technical and managerial resources for their implementation:

1. Continue efforts to restore and expand food crop production with special emphasis on programs assisting small farmers to improve their agricultural productivity. As part of this effort, the GODR will:
 - a) Continue the activities and programs of the Agricultural Bank, working with U.S.A.I.D. and the Interamerican Development Bank, to increase the availability of credit for small farmers and farmer associations. Efforts will also be made to increase their access to farm inputs including seed, fertilizer, pesticides, and hand tools.
 - b) Expand and improve training programs and extension services for small farmers and farmer associations. Emphasis shall be placed on encouraging the adoption of high yielding varieties of food crops and modern cultivation and production techniques.
 - c) Implement programs to reconstruct and expand rural agricultural storage facilities with emphasis on reducing post-harvest spoilage and thereby improving income returns to small scale producers.
 - d) Continue efforts to reconstruct and upgrade the rural transportation network. Special emphasis shall be placed on construction programs to expand rural feeder roads.
 - e) Implement programs to reconstruct ponds, small dams, and small scale irrigation facilities and to upgrade existing facilities to improve their operating efficiency. Efforts will be made to improve management of irrigation facilities, including providing training in water resource management to concerned officials.

- f) Continue review of the operations of the Dominican Price Stabilization Institute (INESPRE) to insure that small-scale producers are benefiting to the maximum possible extent from price support programs.
2. Continue programs designed to eradicate African swine fever, including activities in pig eradication, farmer compensation, and repopulation.
 3. Continue programs designed to assist home repair and reconstruction in the disaster areas.
 4. Upgrade rudimentary health services offered to the rural poor population through the Secretariat of Health. Special emphasis will be placed on and budget support provided for:
 - a) Inoculation against prevailing contagious diseases;
 - b) Family Planning services;
 - c) Reconstruction or repair of rural clinics and health posts.
 5. Support programs in regional development and planning.
 6. Support programs in rural education.

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

A. The proceeds accruing to the importing country from the sale of commodities financed under this agreement will be programmed jointly by the Government of the Dominican Republic and the Agency for International Development and used for financing the self-help measures set forth in item V above, and other expenditures in the Agriculture and Public Health Sectors.

B. In the use of proceeds for these purposes, emphasis will be placed on directly improving the lives of the poorest of the recipient country's people and their capacity to participate in the development of their country.

Item VII. This Agreement is prepared in both English and Spanish. In the event of ambiguity or conflict between the two versions, the English language version will control.

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

DONE at Santo Domingo, in duplicate, the 3rd. day of January 1980

For the Government
of the Dominican Republic:

By: [Signed]
ANTONIO GUZMÁN

Title: President

Date: January 3, 1980

For the Government
of the United States of America:

By: [Signed]
ROBERT L. YOST

Title: Ambassador

Date: January 3, 1980

MEMORANDUM OF UNDERSTANDING TO ESTABLISH THE OPERATIONAL PROCEDURES FOR THE USE OF THE PROCEEDS GENERATED UNDER THE PL-480 TITLE I AGREEMENT OF 1980

Memorandum of Understanding dated January 3, 1980, between the Government of the Dominican Republic (Importing Country) and the United States of America (Exporting Country).

The purpose of this Memorandum is to set out the understandings between the Importing Country and the Exporting Country concerning the relationships and responsibilities of the different agencies of the Importing Country involved in the import and sale of commodities as well as in programming, use and control of the proceeds generated under the PL-480 Agreement executed on September 28, 1977, amended on this date (the Agreement) and executed together with this Memorandum of Understanding.

The Importing and Exporting Countries, therefore, agree to the following:

A. The Instituto Nacional de Estabilización de Precios (INESPRE) will deposit through Commercial Banks all proceeds from the sale or disposition of the commodities under this Agreement in the Special Peso Account established in the Central Bank of the Importing Country the next working day following the sale or disposition of the commodities but in no case later than 60 days after the arrival of the commodities to the Importing Country. Any extension of such period must be approved in writing by the parties to this Memorandum.

B. INESPRES will inform the Secretariat of State for Finance, the Central Bank and the Agency for International Development (A.I.D.) in writing of the arrival dates and the disposition of the commodities, and the dates of deposit in the Central Bank through the Commercial Banks, of the proceeds from the sale of the commodities. This information will be in the form of a monthly report which will include but not be limited to the following documentation: bill of lading, consular invoice and supplier's invoice.

C. The Central Bank will inform the Secretariat of State for Finance, the Technical Secretariat of the Presidency of the Importing Country and A.I.D. of all deposits of the proceeds from the sale of commodities and will submit any financial information that A.I.D. might reasonably request.

D. 1. The Technical Secretariat of the Presidency of the Importing Country, jointly with A.I.D. will plan and program the use of the proceeds generated under the Agreement. Therefore, in accordance with the terms of part II, item VI of the Agreement, it is understood that the Technical Secretariat of the Presidency of the Importing Country will plan and program the use of the proceeds generated under the Agreement and will submit such plan and program for A.I.D. consideration and acceptance. Subsequently and prior to disbursement of the proceeds generated from the sale of the commodities, the Technical Secretariat of the Presidency will submit for A.I.D. acceptance, a detailed plan of each subproject to be financed with the proceeds generated under this Agreement.

2. In addition, by December 15 of each calendar year, the Technical Secretariat of the Presidency will furnish to A.I.D. a detailed report of the progress the Government of the Importing Country is making in carrying out the self-help measures described in part II, item V of this Agreement. The Technical Secretariat will also submit to A.I.D. quarterly compliance reports, end-of-project reports for each subproject, as well as any other reports that A.I.D. may reasonably request.

E. Once a subproject has been approved for financing under the Agreement, A.I.D. must give its consent to all disbursements for the project.

F. The Importing Country will:

1. Furnish A.I.D. such information and reports relating to this Agreement as A.I.D. may reasonably request.
2. Maintain or cause to be maintained, in accordance with generally accepted accounting principles and practices consistently applied, books and records relating to this Agreement. Such books and records will be audited regularly, in accordance with generally accepted auditing standards and maintained for three years after the date of arrival of the commodity, or after the last disbursement of proceeds by the Central Bank, whichever occurs later.
3. Afford authorized representatives of any party to this Memorandum of Understanding the opportunity at all reasonable times to inspect the project sites financed with the

proceeds, and all books, records, and other documents relating to this Memorandum of Understanding and the Agreement.

G. To assist the Importing Country in the implementation of the Agreement, the Exporting Country may, from time to time, issue Operational Letters that will furnish additional information about matters stated in the Agreement and this Memorandum of Understanding. The parties may also use jointly agreed-upon Operational Letters to confirm and record their mutual understanding on aspects of the implementation of the Agreement. Operational Letters will not be used to amend the text of the Agreement, but can be used to record revisions or exceptions which are permitted by the Agreement.

H. At such intervals as any party might deem appropriate, but not less than every six months, all parties involved in the Agreement and this Memorandum of Understanding will meet to review its accomplishments. This will include the review of the general program and the projects.

I. This Memorandum of Understanding forms an integral part of the Agreement.

J. This Memorandum of Understanding is written in both English and Spanish. In the event of ambiguity or conflict between the two versions, the English language version will control. In any case, the Agreement and the Memorandum of Understanding will be signed in both languages.

K. For all purposes relevant to this Memorandum, the Importing Country will be represented by the individual holding or acting in the office of the Technical Secretariat of the Presidency and by the individual holding or acting in the office of the Secretary of State for Finance; INESPRES will be represented by the individual holding or acting in the office of the Director of INESPRES; and the Central Bank will be represented by the individual holding or acting in the office of the Governor of the Central Bank. The Exporting Country will be represented by the individual holding or acting in the Office of the Director, U.S.A.I.D. Mission to the Dominican Republic. Each representative named above, may designate additional representatives for all purposes related to this Memorandum of Understanding. The names of the representatives of the above Importing Country institutions, with specimen signature will be provided to A.I.D., which may accept as duly authorized any instrument signed by such representatives in implementation of the Agreement and this Memorandum, until receipt of written notice of revocation of their authority.

IN WITNESS WHEREOF, the undersigned, each acting on behalf of its respective Agency, have caused this Memorandum to be signed in five (5) originals on this date of January 3, 1980.

For the Government
of the Dominican Republic:

[Signed]

Dr. BOLÍVAR BÁEZ ORTÍZ
Secretary of State for Finance

[Signed]

Dr. JAIME ALVAREZ DUGAN
Technical Secretary of the Presidency

[Signed]

Ing. GUSTAVO O. SÁNCHEZ DÍAZ
Executive Director, INESPRES

[Signed]

Lic. EDUARDO FERNÁNDEZ P.
Governor of the Central Bank

For the Government
of the United States of America:

[Signed]

PHILIP R. SCHWAB
Director, U.S.A.I.D. Mission
to the Dominican Republic

1. Continuar los esfuerzos para restaurar y aumentar la producción de cosechas de productos alimenticios, poniendo un énfasis especial en los programas para ayudar a los pequeños agricultores a aumentar su productividad agrícola. Como parte de este esfuerzo, el GODR cumplirá con:
 - a. Continuar con las actividades y programas del Banco Agrícola, colaborando con la U.S.A.I.D. y el Banco Interamericano de Desarrollo, para aumentar la disponibilidad de créditos a pequeños agricultores y asociaciones de agricultores. Los esfuerzos se harán para aumentar su acceso a insumos agrícolas, incluyendo semillas, fertilizantes, insecticidas y herramientas de mano.
 - b. Ampliar y mejorar los programas de adiestramiento y servicios de extensión a los pequeños agricultores y a las asociaciones de agricultores. Se le dará énfasis para incentivar la adopción de variedades de productos alimenticios de un alto rendimiento y técnicas modernas de cultivo y producción.
 - c. Desarrollar programas para reconstruir y ampliar las facilidades de almacenaje para los productos rurales agrícolas con énfasis en reducir daños a la cosecha después de recolectada y de tal modo, mejorar el ingreso de los pequeños agricultores.
 - d. Continuar los esfuerzos para reconstruir y mejorar la red de caminos rurales para aumentar los caminos vecinales. Se le dará énfasis especial a los programas de construcción para aumentar los caminos vecinales.
 - e. Desarrollar programas para reconstruir estanques, presas pequeñas y facilidades de irrigación a pequeña escala y a mejorar la calidad de las facilidades existentes para mejorar su eficiencia operativa. Se harán esfuerzos para mejorar la administración de facilidades de irrigación, incluyendo proveer entrenamiento en administración de fuentes de agua a los funcionarios concernientes.
 - f. Continuar revisando las operaciones del Instituto Nacional de Estabilización de Precios (INESPRE) para asegurarse que productores pequeños se beneficien hasta el máximo posible de los programas de apoyo de precios.
2. Continuar los programas designados a erradicar la Fiebre Porcina Africana, incluyendo actividades para la erradicación de los cerdos, compensación a los agricultores y repoblación.
3. Continuar los programas diseñados a ayudar en la reparación y reconstrucción de casas en las áreas de desastre.
4. Mejorar los servicios de salud rudimentarios que se ofrecen a la población rural pobre a través de la Secretaría de Salud. Se le dará un énfasis especial y se suministrará apoyo presupuestario para:
 - a. Inmunizaciones contra enfermedades transmisibles endémicas;
 - b. Servicios de Planificación Familiar; y
 - c. Reconstruir o reparar las clínicas rurales y puestos de salud.
5. Apoyar los programas regionales de desarrollo rural y de planificación.
6. Apoyar los programas en educación rural.

If the foregoing is acceptable to your Government, I propose that this note, together with your reply thereto, constitute an agreement between our two governments, effective the date of your note in reply.

Accept, Excellency, the renewed assurances of my highest consideration.

ROBERT L. YOST

Embassy of the United States of America
Santo Domingo, April 9, 1980

His Excellency Emilio Ludovino Fernández
Secretary of State for Foreign Relations
Santo Domingo, Dominican Republic

II

[SPANISH TEXT — TEXTE ESPAGNOL]

REPÚBLICA DOMINICANA
SECRETARÍA DE ESTADO DE RELACIONES EXTERIORES

11 de abril de 1980

DAE.-11045

Excelencia:

Tengo el honor de avisarle recibo de su Nota No. 37 de fecha 9 del presente mes de abril, la cual se refiere al Acuerdo de Ventas de Productos Agrícolas que fué firmado por nuestros dos Gobiernos el 3 de enero de 1980, para proponer que disposiciones especiales del Acuerdo sean enmendadas como se expresa a continuación:

1. En el punto 1, Tabla de Productos, hacer los siguientes cambios:

- A. En la línea titulada « trigo/harina de trigo (base de trigo) » bajo la columna apropiada cambie « 40.000 — Dóls. 6,7 » por « 14.000 — Dóls 2,5 ».
- B. En la línea titulada « Maíz/sorgo » bajo la columna apropiada cambie « 36.000 — Dóls. 4,3 » por « 64.000 — Dóls. 7,7 ».
- C. Suprimir la línea titulada « Aceite de soya/semilla de algodón », y sustitúyala bajo la columna apropiada por « Arroz — 1980 — 12.000 — Dóls. 4,8 ».

2. En el punto III, Cuadro para compras normales en mercados comerciales, cambie la línea titulada « Aceite vegetal comestible y/o semillas portadoras de aceites (base equivalente de aceite) », y sustitúyala que diga « Arroz — 1980 — 33.000 toneladas métricas ».

3. En el punto IV, Limitaciones de exportaciones, en el párrafo B, Productos a los cuales se aplican las limitaciones de exportación después de las palabras « cualquier otro grano para alimentación de animales, incluyendo

alimentos mezclados conteniendo predominantemente tales granos » cambie el texto y sustitúyalo por el siguiente: « y por arroz en la forma de, en cáscara, descascarado y pulido ».

Todos los demás términos y condiciones del acuerdo del 3 de enero de 1980 quedan igual.

Todo lo antes expresado es aceptado por el Gobierno de la República Dominicana y estoy de acuerdo con la proposición de Su Excelencia para que nuestras respectivas notas constituyan un acuerdo entre los Gobiernos de la República Dominicana y el de los Estados Unidos de América, efectivo a partir de la fecha de hoy.

Acepte, Excelencia, las renovadas seguridades de mi más alta consideración.

[Signed — Signé]¹

Su Excelencia Señor Robert L. Yost
Embajador Extraordinario y Plenipotenciario
de los Estados Unidos de América
Ciudad

[TRANSLATION² — TRADUCTION³]

DOMINICAN REPUBLIC
OFFICE OF THE SECRETARY OF STATE FOR FOREIGN RELATIONS

DAE.-11045

Excellency:

I have the honor to acknowledge receipt of your note No. 37 of April 9, 1980, referring to the Agreement for Sales of Agricultural Commodities which was signed by our two Governments on January 3, 1980, and proposing that particular provisions of the Agreement be amended as follows:

[See note I]

All of the foregoing has been accepted by the Government of the Dominican Republic and I concur with Your Excellency's proposal that our respective notes constitute an agreement between the Governments of the Dominican Republic and the United States of America, effective today.

Accept, Excellency, the renewed assurances of my highest consideration.

E. LUDOVINO F.

His Excellency Robert L. Yost
Ambassador Extraordinary and Plenipotentiary
of the United States of America
Santo Domingo

¹ Signed by E. Ludovino F. — Signé par E. Ludovino F.

² Translation supplied by the Government of the United States.

³ Traduction fournie par le Gouvernement des Etats-Unis.