No. 19713

UNITED STATES OF AMERICA
and
KENYA

Agreement for sales of agricultural commodities (with minutes of negotiation). Signed at Nairobi on 6 March 1980

Authentic text: English.

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

ÉTATS-UNIS D'AMÉRIQUE
et
KENYA

Accord relatif à la vente de produits agricoles (avec procès-verbal de négociations). Signé à Nairobi le 6 mars 1980

Texte authentique : anglais.

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

AGREEMENT[1] BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE REPUBLIC OF KENYA FOR SALES OF AGRICULTURAL COMMODITIES

The Government of the United States of America and the Government of the Republic of Kenya,

Recognizing the desirability of expanding trade in agricultural commodities between the United States of America (hereinafter referred to as the exporting country) and the Republic of Kenya (hereinafter referred to as the importing country) and with other friendly countries in a manner that will not displace usual marketings of the exporting country in these commodities or unduly disrupt world prices of agricultural commodities or normal patterns of commercial trade with friendly countries;

Taking into account the importance to developing countries of their efforts to help themselves toward a greater degree of self-reliance, including efforts to meet their problems of food production and population growth;

Recognizing the policy of the exporting country to use its agricultural productivity to combat hunger and malnutrition in the developing countries, to encourage these countries to improve their own agricultural production, and to assist them in their economic development;

Recognizing the determination of the importing country to improve its own production, storage, and distribution of agricultural food products, including the reduction of waste in all stages of food handling;

Desiring to set forth the understandings that will govern the sales of agricultural commodities to the importing country pursuant to title I of the Agricultural Trade Development and Assistance Act, as amended (hereinafter referred to as the Act), and the measures that the two Governments will take individually and collectively in furthering the above-mentioned policies;

Have agreed as follows:

PART I. GENERAL PROVISIONS

Article I

A. The Government of the exporting country undertakes to finance the sale of agricultural commodities to purchasers authorized by the Government of the importing country in accordance with the terms and conditions set forth in this agreement.

B. The financing of the agricultural commodities listed in part II of this agreement will be subject to:

1. The issuance by the Government of the exporting country of purchase authorizations and their acceptance by the Government of the importing country; and
2. The availability of the specified commodities at the time of exportation.

[1] Came into force on 6 March 1980 by signature, in accordance with part III (B).

C. Application for purchase authorizations will be made within 90 days after the effective date of this agreement, and, with respect to any additional commodities or amounts of commodities provided for in any supplementary agreement, within 90 days after the effective date of such supplementary agreement. Purchase authorizations shall include provisions relating to the sale and delivery of such commodities, and other relevant matters.

D. Except as may be authorized by the Government of the exporting country, all deliveries of commodities sold under this agreement shall be made within the supply periods specified in the commodity table in part II.

E. The value of the total quantity of each commodity covered by the purchase authorizations for a specified type of financing authorized under this agreement shall not exceed the maximum export market value specified for that commodity and type of financing in part II. The Government of the exporting country may limit the total value of each commodity to be covered by purchase authorizations for a specified type of financing as price declines or other marketing factors may require, so that the quantities of such commodity sold under a specified type of financing will not substantially exceed the applicable approximate maximum quantity specified in part II.

F. The Government of the exporting country shall bear the ocean freight differential for commodities the Government of the exporting country requires to be transported in United States flag vessels (approximately 50 percent by weight of the commodities sold under the agreement). The ocean freight differential is deemed to be the amount, as determined by the Government of the exporting country, by which the cost of ocean transportation is higher (than would otherwise be the case) by reason of the requirement that the commodities be transported in United States flag vessels. The Government of the importing country shall have no obligation to reimburse the Government of the exporting country for the ocean freight differential borne by the Government of the exporting country.

G. Promptly after contracting for United States flag shipping space to be used for commodities required to be transported in United States flag vessels, and in any event not later than presentation of vessel for loading, the Government of the importing country or the purchasers authorized by it shall open a letter of credit, in United States dollars, for the estimated cost of ocean transportation for such commodities.

H. The financing, sale, and delivery of commodities under this agreement may be terminated by either Government if that Government determines that because of changed conditions the continuation of such financing, sale, or delivery is unnecessary or undesirable.

Article II

A. *Initial Payment*

The Government of the importing country shall pay, or cause to be paid, such initial payment as may be specified in part II of this agreement. The amount of this payment shall be that portion of the purchase price (excluding any ocean transportation costs that may be included therein) equal to the percentage specified for initial payment in part II, and payment shall be made in United States dollars in accordance with the applicable purchase authorization.

B. *Currency Use Payment*

The Government of the importing country shall pay, or cause to be paid, upon demand by the Government of the exporting country in amounts as it may determine, but in any event no later than one year after the final disbursement by the Commodity Credit Corporation under this agreement, or the end of the supply period, whichever is later, such payment as may be specified in part II of this agreement pursuant to section 103(*b*) of the Act (hereinafter referred to as the Currency Use Payment). The Currency Use Payment shall be that portion of the amount financed by the exporting country equal to the percentage specified for Currency Use Payment in part II. Payment shall be made in accordance with paragraph H and for purposes specified in subsections 104 (*a*), (*b*), (*e*), and (*h*) of the Act, as set forth in part II of this agreement. Such payment shall be credited against (*a*) the amount of each year's interest payment due during the period prior to the due date of the first installment payment, starting with the first year, plus (*b*) the combined payments of principal and interest starting with the first installment payment, until the value of the Currency Use Payment has been offset. Unless otherwise specified in part II, no requests for payment will be made by the Government of the exporting country prior to the first disbursement by the Commodity Credit Corporation of the exporting country under this agreement.

C. *Type of Financing*

Sales of the commodities specified in part II shall be financed in accordance with the type of financing indicated therein. Special provisions relating to the sale are also set forth in part II.

D. *Credit Provisions*

1. With respect to commodities delivered in each calendar year under this agreement, the principal of the credit (hereinafter referred to as principal) will consist of the dollar amount disbursed by the Government of the exporting country for the commodities (not including any ocean transportation costs) less any portion of the Initial Payment payable to the Government of the exporting country.

The principal shall be paid in accordance with the payment schedule in part II of this agreement. The first installment payment shall be due and payable on the date specified in part II of this agreement. Subsequent installment payments shall be due and payable at intervals of one year thereafter. Any payment of principal may be made prior to its due date.

2. Interest on the unpaid balance of the principal due the Government of the exporting country for commodities delivered in each calendar year shall be paid as follows:

a. In the case of Dollar Credit, interest shall begin to accrue on the date of last delivery of these commodities in each calendar year. Interest shall be paid not later than the due date of each installment payment of principal, except that if the date of the first installment is more than a year after such date of last delivery, the first payment of interest shall be made not later than the anniversary date of such date of last delivery and thereafter payment of interest shall be made annually and not later than the due date of each installment payment of principal.

b. In the case of Convertible Local Currency Credit, interest shall begin to accrue on the date of dollar disbursement by the Government of the exporting country. Such interest shall be paid annually beginning one year after the date of last delivery of commodities in each calendar year, except that if the installment payments for these commodities are not due on some anniversary of such date of last delivery, any such interest accrued on the due date of the first installment payment shall be due on the same date as the first installment and thereafter such interest shall be paid on the due dates of the subsequent installment payments.

3. For the period of time from the date the interest begins to the due date for the first installment payment, the interest shall be computed at the initial interest rate specified in part II of this agreement. Thereafter, the interest shall be computed at the continuing interest rate specified in part II of this agreement.

E. *Deposit of Payments*

The Government of the importing country shall make, or cause to be made, payments to the Government of the exporting country in the currencies, amounts, and at the exchange rates provided for in this agreement as follows:

1. Dollar payments shall be remitted to the Treasurer, Commodity Credit Corporation, United States Department of Agriculture, Washington, D.C. 20250, unless another method of payment is agreed upon by the two Governments.
2. Payments in the local currency of the importing country (hereinafter referred to as local currency), shall be deposited to the account of the Government of the United States of America in interest bearing accounts in banks selected by the Government of the United States of America in the importing country.

F. *Sales Proceeds*

The total amount of the proceeds accruing to the importing country from the sale of commodities financed under this agreement, to be applied to the economic development purposes set forth in part II of this agreement, shall be not less than the local currency equivalent of the dollar disbursement by the Government of the exporting country in connection with the financing of the commodities (other than the ocean freight differential), provided, however, that the sales proceeds to be so applied shall be reduced by the Currency Use Payment, if any, made by the Government of the importing country. The exchange rate to be used in calculating this local currency equivalent shall be the rate at which the central monetary authority of the importing country, or its authorized agent, sells foreign exchange for local currency in connection with the commercial import of the same commodities. Any such accrued proceeds that are loaned by the Government of the importing country to private or non-governmental organizations shall be loaned at rates of interest approximately equivalent to those charged for comparable loans in the importing country. The Government of the importing country shall furnish, in accordance with its fiscal year budget reporting procedure, at such times as may be requested by the Government of the exporting country but not less often than annually, a report of the receipt and expenditure of the proceeds, certified by the appropriate audit authority of the Government of the importing country, and in case of expenditures the budget sector in which they were used.

G. *Computations*

The Computation of the Initial Payment, Currency Use Payment and all payments of principal and interest under this agreement shall be made in United States dollars.

H. *Payments*

All payments shall be in United States dollars or, if the Government of the exporting country so elects,

1. The payments shall be made in readily convertible currencies of third countries at a mutually agreed rate of exchange and shall be used by the Government of the exporting country for payment of its obligations or, in the case of Currency Use Payments, used for the purposes set forth in part II of this agreement; or
2. The payments shall be made in local currency at the applicable exchange rate specified in part I, article III, G, of this agreement in effect on the date of payment and shall, at the option of the Government of the exporting country, be converted to United States dollars at the same rate, or used by the Government of the exporting country for payment of its obligations or, in the case of Currency Use Payments, used for the purposes set forth in part II of this agreement in the importing country.

Article III

A. *World Trade*

The two Governments shall take maximum precautions to assure that sales of agricultural commodities pursuant to this agreement will not displace usual marketings of the exporting country in these commodities or unduly disrupt world prices of agricultural commodities or normal patterns of commercial trade with countries the Government of the exporting country considers to be friendly to it (referred to in this agreement as friendly countries). In implementing this provision the Government of the importing country shall:

1. Insure that total imports from the exporting country and other friendly countries into the importing country paid for with the resources of the importing country will equal at least the quantities of agricultural commodities as may be specified in the usual marketing table set forth in part II during each import period specified in the table and during each subsequent comparable period in which commodities financed under this agreement are being delivered. The imports of commodities to satisfy these usual marketing requirements for each import period shall be in addition to purchases financed under this agreement.
2. Take steps to assure that the exporting country obtains a fair share of any increase in commercial purchases of agricultural commodities by the importing country.
3. Take all possible measures to prevent the resale, diversion in transit, or transshipment to other countries or the use for other than domestic purposes of the agricultural commodities purchased pursuant to this agreement (except where such resale, diversion in transit, transshipment or use is specifically approved by the Government of the United States of America); and
4. Take all possible measures to prevent the export of any commodity of either domestic or foreign origin, which is defined in part II of this agreement, during the export limitation period specified in the export limitation table in part II (except as may be specified in part II or where such export is otherwise specifically approved by the Government of the United States of America).

B. *Private Trade*

In carrying out the provisions of this agreement, the two Governments shall seek to assure conditions of commerce permitting private traders to function effectively.

C. *Self-Help*

Part II describes the program the Government of the importing country is undertaking to improve its production, storage, and distribution of agricultural commodities. The Government of the importing country shall furnish in such form and at such time as may be requested by the Government of the exporting country, a statement of the progress the Government of the importing country is making in carrying out such self-help measures.

D. *Reporting*

In addition to any other reports agreed upon by the two Governments, the Government of the importing country shall furnish at least quarterly for the supply period specified in part II, item I, of this agreement and any subsequent comparable period during which commodities purchased under this agreement are being imported or utilized:

1. The following information in connection with each shipment of commodities under the agreement: the name of each vessel; the date of arrival; the port of arrival; the commodity and quantity received; and the condition in which received;
2. A statement by it showing the progress made toward fulfilling the usual marketing requirements;
3. A statement of the measures it has taken to implement the provisions of sections A 2 and 3 of this article; and
4. Statistical data on imports by country of origin and exports by country of destination, of commodities which are the same as or like those imported under the agreement.

E. *Procedures for Reconciliation and Adjustment of Accounts*

The two Governments shall each establish appropriate procedures to facilitate the reconciliation of their respective records of the amounts financed with respect to the commodities delivered during each calendar year. The Commodity Credit Corporation of the exporting country and the Government of the importing country may make such adjustments in the credit accounts as they mutually decide are appropriate.

F. *Definitions*

For the purposes of this agreement:

1. "Delivery" shall be deemed to have occurred as of the on-board date shown in the ocean bill of lading which has been signed or initialed on behalf of the carrier,

2. "Import" shall be deemed to have occurred when the commodity has entered the country, and passed through customs, if any, of the importing country, and

3. "Utilization" shall be deemed to have occurred when the commodity is sold to the trade within the importing country without restriction on its use within the country or otherwise distributed to the consumer within the country.

G. *Applicable Exchange Rate*

For the purposes of this agreement, the applicable exchange rate for determining the amount of any local currency to be paid to the Government of the exporting country shall be a rate in effect on the date of payment by the importing country which is not less favorable to the Government of the exporting country than the highest exchange rate legally obtainable in the importing country and which is not less favorable to the Government of the exporting country than the highest exchange rate obtainable by any other nation. With respect to local currency:

1. As long as a unitary exchange rate system is maintained by the Government of the importing country, the applicable exchange rate will be the rate at which the central monetary authority of the importing country, or its authorized agent, sells foreign exchange for local currency.
2. If a unitary rate system is not maintained, the applicable rate will be the rate (as mutually agreed by the two Governments) that fulfills the requirements of the first sentence of this Section G.

H. *Consultation*

The two Governments shall, upon request of either of them, consult regarding any matter arising under this agreement, including the operation of arrangements carried out pursuant to this agreement.

I. *Identification and Publicity*

The Government of the importing country shall undertake such measures as may be mutually agreed prior to delivery for the identification of food commodities at points of distribution in the importing country, and for publicity in the same manner as provided for in subsection 103(1) of the Act.

PART II. PARTICULAR PROVISIONS

Item I. COMMODITY TABLE

Commodity	*Supply period (U.S. Fiscal Year)*	*Approximate maximum quantity (metric tons)*	*Maximum export market value (millions)*
Wheat	1980	40,800	Dols. 6.9

Item II. PAYMENT TERMS

Convertible Local Currency Credit (40 Years)

A. Initial Payment—5 percent.
B. Currency Use Payment—none.
C. Number of installment payments—thirty-one (31).
D. Amount of each installment payment—approximately equal annual amounts.
E. Due date of first installment payment—ten (10) 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

Commodity	*Import period (U.S. Fiscal Year)*	*Usual marketing requirements (metric tons)*
Wheat/wheat products	1980	22,000

Item IV. EXPORT LIMITATIONS

A. 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. For the purpose 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 or bulgur (or the same product under a different name). However, those wheat exports utilized for servicing ships' stores and aircraft using Kenya's facilities are exempted from this limitation.

Item V. SELF-HELP MEASURES

A. 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.

B. The GOK agrees to undertake the following and in doing so to provide adequate financial, technical, and managerial resources for their implementation:

1. Support programs of applied agricultural research which will contribute to increased food crop production. As part of this effort, the GOK will:
   (*a*) Upgrade research programs concentrating on appropriate crop selection and production techniques to benefit the small family farms of the arid and semi-arid lands; and
   (*b*) Implement programs of wheat and triticale production research and development, particularly at the Njoro wheat research station.
2. Upgrade the extension service in Kenya to benefit the smallholders through increased dissemination of information and technology appropriate to their needs. In addition, training courses devoted to modern methodologies will be provided to extension agents.
3. Continue efforts to improve the availability of credit to smallholders which will provide access to required production inputs.
4. Support the maintenance fund of the Ministry of Transport and Communication for use in rural, farm-to-market road projects.
5. Support the soil conservation programs of the Ministry of Agriculture in the arid and semi-arid lands.
6. Provide additional funding to the rural development fund of the Ministry of Economic Planning to support rural, self-help development activities initiated by the District Development Committees.

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 used for financing the self-help measures set forth in the agreement and for the following economic development sectors: agriculture and rural development.

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.

PART III. FINAL PROVISIONS

A. This agreement may be terminated by either Government by notice of termination to the other Government for any reason, and by the Government of the exporting country if it should determine that the self-help program described in the agreement is not being adequately developed. Such termination will not reduce any financial obligations the Government of the importing country has incurred as of the date of termination.

B. This agreement shall enter into force upon signature.

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

DONE at Nairobi, in duplicate, this 6th day of March 1980.

For the Government of the United States of America:

[*Signed*]

WILBERT J. LEMELLE
American Ambassador

For the Government of the Republic of Kenya:

[*Signed*]

MWAI KIBAKI
Vice-President and
Minister for Finance

MINUTES OF THE NEGOTIATING MEETING BETWEEN THE PARTIES TO THE PROPOSED FY 1980 PUBLIC LAW 480 TITLE I SALES AGREEMENT

Date: Preliminary Meeting: February 21, 1980 at 0900 hours
Subsequent Meeting: February 27, 1980 at 1415 hours

Place: Nairobi, Kenya

Attending:

Government of Kenya Delegation:

Mr. J. M. Gachui—Leader of Kenya delegation, Deputy Secretary, Office of the Vice-President and Ministry of Finance;

Mr. J. B. O. Omondi—Deputy Secretary, Ministry of Agriculture;

Mr. A. B. Tench—Economic Advisor, Ministry of Economic Planning and Development;

Mr. C. H. Webb—Finance and Administration Manager, National Cereals and Produce Board;

** Mr. M. J. Emukule—Senior State Counsel, Office of the Attorney General.

Government of the United States Delegation:

Mr. E. Stumpf—Leader of U.S. Delegation, Acting Economic Counselor, U.S. Embassy, Nairobi;

Mr. D. Vining—Agricultural Attaché, Foreign Agricultural Service, U.S. Department of Agriculture;

* Mr. W. Lefes—Acting Deputy Director, USAID/Kenya;

Mr. C. Penndorf—Program Economist, USAID/Kenya;

* Mr. P. Strong—Regional P.L. 480 Officer, REDSO/EA, Nairobi;

** Mr. D. Nelson—Regional P.L. 480 Officer, REDSO/EA, Nairobi.

The purpose of the meetings between representatives of the Government of Kenya and the United States of America was to negotiate a U.S. Fiscal Year 1980 (October 1, 1979, to September 30, 1980) commodity sales agreement for wheat for $6.9 million under the U.S. Government Public Law 480 Title I program.

I. The U.S. delegation explained that:

A. The provisions of this Agreement include an export market value not to exceed $6.9 million which at current prices represents approximately 40,800 metric tons of wheat. The supply period is U.S. Fiscal Year 1980. The $6.9 million limitation represents a FOB price ceiling. The Government of Kenya is responsible for the payment of ocean freight costs, with a minimum of 50% carried on U.S. flag vessels. The Government of Kenya is also responsible for a 5% initial payment for the subject commodity;

B. The usual marketing requirement (UMR) is 22,000 metric tons of wheat to be imported from commercial sources at commercial terms during U.S. Fiscal Year 1980;

C. Purchase authorization will be issued following signing and only after the Secretary of Agriculture has determined that the provisions of the Bellmon Amendment, dealing with storage facilities and domestic market disincentives, have been satisfied. The U.S. delegation requested additional information on the wheat storage capacity of the National Cereals and Produce Board and domestic sales policies to be followed for the wheat sales;

D. The purchase of commodities under this Agreement must be based on invitations for bid (IFBs) from U.S. suppliers which are [publicly] advertised in the U.S. and conform to IFB standards. Bids must be received and [publicly] opened in the U.S. The terms of all IFBs (including IPBs for ocean freight) must be approved by the General Sales Manager/USDA, prior to issuance. All awards under the IFBs must be consistent with open, competitive and responsive bidding procedures, and selection of the successful bid must be approved by USDA;

E. Commissions, fees, or other payments to any selling agent are prohibited in any purchase of commodities under this Agreement;

F. Should the Government of Kenya nominate a purchasing or shipping agent to procure commodities or to arrange for ocean transportation, the Government of Kenya must notify the General Sales Manager, United States Department of Agriculture (USDA), in writing of such nomination and provide along with the nomination a copy of the proposed agency agreement. All purchasing and shipping agents must be approved by the Sales Manager's office;

* Only in attendance at February 21 meeting.

** Only in attendance at February 27 meeting.

G. Purchase authorization will only be issued upon receipt by USDA of an operational reporting cable which contains the following information: the type and grade of commodity to be purchased; proposed contracting and delivery schedules; names and addresses of U.S. and foreign banks which will handle financing operations; assurances that appropriate Government of Kenya authorities are prepared to make immediate transfer of funds to cover the initial payment of five (5) % and ocean freight costs;

H. Letters of credit should be opened in favor of suppliers of grain and freight and confirmed by designated U.S. or foreign banks. The letters of credit must be opened no later than 48 hours prior to each contracted vessel's presentation for loading. Commodity suppliers are refusing to load vessels when acceptable letters of credit are not available at time of loading;

I. The Government of Kenya will be required to submit to the U.S. delegation quarterly compliance reports including shipping and arrival information (ADP) sheets, and progress toward meeting the UMR, as well as annual (due November 15 of the year following signature of the agreement) reports on progress being made on the self-help activities and the uses of the sales proceeds. (Copies of certain reports and formats were distributed by the U.S. delegation.) The importance of accurate and timely reports was emphasized. The first quarterly report will cover the period October 1, 1979, through March 31, 1980, and will detail all wheat imports, by country of origin, by financing terms (commercial or concessional), by month of arrival. Compliance and self-help reports will be required until all commodities supplied under this Agreement have been fully utilized;

J. The Government of Kenya will be requested, in a subsequent letter from the U.S. Embassy, to provide the U.S. Embassy with a report indicating the programs, policies, and actions which the Government of Kenya intends to undertake to satisfy Kenya's wheat needs;

K. The U.S. Embassy must notify Washington, at least 72 hours in advance (not including U.S. holidays and weekends) of the proposed date and time for signing the Agreement;

L. Upon signature of the Agreement, the Government of Kenya should act expeditiously to make an early request for Purchase Authorization and in all matters pertaining to the purchase and delivery of the commodity in order to comply with the supply period of the Agreement (U.S. Fiscal Year 1980, October 1, 1979, through September 30, 1980);

M. The U.S. Embassy shall be the initial point of contact on all matters related to this Agreement.

II. The Kenyan delegation informed the U.S. delegation of the following:

A. Type and grade of commodity to be purchased in accordance with official U.S. standards: U.S. Number 2 hard winter wheat;

B. Proposed contracting and delivery schedules: Delivery should be in two shipments of approximately 20,400 metric tons each. The first shipment should be scheduled to arrive at Mombasa middle to late April 1980 with the second shipment scheduled to arrive in Mombasa middle to late May 1980;

C. Transportation and storage: Additional evacuators should be operating in Mombasa by the time the first wheat shipment under this sales agreement arrives in Mombasa. Transportation from Mombasa to consuming areas will be handled by the Kenya Railways, private road transporters, and Government of Kenya military and National Youth Service vehicles, if necessary. Sufficient short-term storage is available in Mombasa during the off-loading period and the national wheat storage capacity far exceeds wheat shipments under this sales agreement.

D. The names and addresses of banks, both U.S. and foreign, handling the financing operations: All financing operations will be handled by Citibank, NA, located at 339 Park Avenue, New York, New York, and Wabera Street, P.O. Box 30711, Nairobi, Kenya.

III. The Kenyan delegation assured the U.S. delegation that:

A. Appropriate Government of Kenya authorities are prepared to make transfer of funds to cover ocean freight costs to be concluded pursuant to the Agreement;

B. In addition, arrangements have been made by appropriate authorities of the Government of Kenya to relay to its Washington Embassy all instructions, information and authority necessary to enable timely implementation of the Agreement;

C. The principal contact for the Government of Kenya will be Mr. J. M. Gachui, Deputy Secretary, Office of the Vice-President and Ministry of Finance. Operational matters, particularly the compliance and self-help reports, will be the responsibility of Mr. Omondi, Deputy Secretary, Ministry of Agriculture;

D. The Kenyan delegation understands the usual marketing requirements (UMR);

E. Wheat purchased under this sales Agreement would be imported and distributed by the National Cereals and Produce Board in accordance with distribution practices and pricing policies now being followed for domestically produced wheat;

F. The Kenyan delegation requests that the Self-Help Measures, part II, item V, B, Sub-para. 4, be amended in the following manner: "Ministry of Works" be changed to read "Ministry of Transportation and Communication" since a recent government reorganization had transferred road maintenance responsibilities from the Ministry of Works to the new Ministry of Transportation and Communication.

IV. The Kenyan delegation informed the U.S. delegation that it was satisfied with the draft sales agreement, with negotiations, and that the Government of Kenya was prepared to sign the PL-480 sales agreement. The two delegations agreed upon 0900 hours, March 6, for signing the Agreement.

For the Government of the United States of America:	For the Government of the Republic of Kenya:
[Signed]	*[Signed]*
WILBERT J. LEMELLE American Ambassador	MWAI KIBAKI Vice President and Minister for Finance