

No. 20993

**UNITED STATES OF AMERICA, EGYPT and
UNITED KINGDOM OF GREAT BRITAIN AND
NORTHERN IRELAND**

**Agreement regarding décennale liability and insurance.
Signed at Cairo on 19 October 1979**

Authentic text: English.

Registered by the United States of America on 15 April 1982.

**ÉTATS-UNIS D'AMÉRIQUE, ÉGYPTE et
ROYAUME-UNI DE GRANDE-BRETAGNE
ET D'IRLANDE DU NORD**

**Accord relatif à la responsabilité décennale et à l'assurance.
Signé au Caire le 19 octobre 1979**

Texte authentique : anglais.

Enregistré par les États-Unis d'Amérique le 15 avril 1982.

AGREEMENT¹ AMONG THE ARAB REPUBLIC OF EGYPT, THE
UNITED STATES OF AMERICA AND THE UNITED KING-
DOM OF GREAT BRITAIN AND NORTHERN IRELAND
REGARDING DÉCENNALE LIABILITY AND INSURANCE

Dated: October 19, 1979

AGREEMENT regarding Décennale liability and insurance dated October 19, 1979, among the ARAB REPUBLIC OF EGYPT ("Government"), the UNITED STATES OF AMERICA, acting through the AGENCY FOR INTERNATIONAL DEVELOPMENT ("A.I.D.") and the UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND, acting through the OVERSEAS DEVELOPMENT ADMINISTRATION ("ODA").

WHEREAS, Articles 651 through 654 of the Egyptian Civil Code impose joint and several absolute liability (regardless of fault) on architects (which term includes any person who designs works) and contractors for a period of ten years after delivery of the works (hereinafter "Décennale liability");

WHEREAS, Law 106 of 1976 requires that a license must be obtained to erect buildings and that a prerequisite to obtaining such a license is presentation of an insurance policy covering, *inter alia*, liability under Article 651 of the Egyptian Civil Code;

WHEREAS, project agreements have been or will be signed between the Government and the United States of America or between the Government and the United Kingdom of Great Britain and Northern Ireland for sewerage and sanitary draining projects;

WHEREAS, the cost of premiums for Décennale liability insurance is one and one-half to two percent of project cost, which in connection with projects financed by A.I.D. and ODA would result in a total cost to the Government of many millions of dollars, a huge burden on the Government's scarce resources;

WHEREAS, even at such high cost it does not appear possible to obtain insurance policies which would provide full Décennale liability coverage for A.I.D. and ODA projects in Egypt, thus subjecting A.I.D. and ODA financed Contractors to large uninsured liabilities, thereby making it exceedingly difficult to attract such Contractors to work in Egypt; and

WHEREAS, Articles 163 through 172 of the Egyptian Civil Code regarding liability for negligence apply to persons or firms contracting to do consulting, architectural, design, supervision, construction, or any other work under contracts financed in whole or in part by A.I.D. or ODA ("A.I.D. and ODA financed Contractors"); and would continue to apply even if such Contractors are exempted from the Décennale liability and insurance provisions of Egyptian law;

NOW THEREFORE,

1. The Government agrees that A.I.D. and ODA financed Contractors, architects and consultants working on sewerage projects financed in whole or in

¹ Came into force on 19 October 1979 by signature.

part by agreements which have been or will be signed between the Government and A.I.D. or between the Government and ODA are exempted from the application of Articles 651 through 654 of the Egyptian Civil Code and from the application of Law 106 of 1976. This exemption does not relieve the Contractors, architects or consultants of their respective contractual obligations which relate to their duty to exercise sound judgment, in accordance with the standards of their respective professions, to ensure the safety and fitness of the works for the purposes for which they are designed and erected.

2. A.I.D. and ODA agree that Articles 163 through 172 of the Egyptian Civil Code regarding liability for negligence shall apply to all A.I.D. and ODA financed Contractors, architects and consultants.

3. Notwithstanding the exemptions from Egyptian Law provided in section 1 above, A.I.D. and ODA agree to require A.I.D. and ODA financed Contractors respectively to be covered by third party, Contractors All Risk (construction Contractors only), in the joint names of the Government or its authorized contracting organization and the Contractor, and Professional Indemnity insurance (design Contractors, architects and consultants) in amounts acceptable to the Government or its authorized contracting organization providing protection to third parties who may suffer damages through the fault of such Contractors, architects and consultants.

IN WITNESS WHEREOF, the Government, the United Kingdom of Great Britain and Northern Ireland and the United States of America, each acting through its duly authorized representative, have caused this Agreement to be signed in their names and delivered as of the day and year first above written.

Arab Republic of Egypt:

By: [Signed]

Name: Dr. HAMED EL SAYEH

Title: Minister of Economy, Foreign Trade
and Economic Cooperation

United Kingdom of Great Britain
and Northern Ireland:

By: [Signed]

Chargé d'affaires a.i.

Name: M. S. WEIR

Title: H. M. Ambassador

United States of America:

By: [Signed]

Name: ALFRED L. ATHERTON, Jr.

Title: Ambassador