

No. 21004

---

**UNITED STATES OF AMERICA**  
**and**  
**SIERRA LEONE**

**Agreement for the sale of agricultural commodities (with memorandum of negotiations). Signed at Freetown on 8 August 1980**

**Exchange of notes constituting an agreement amending the above-mentioned Agreement. Freetown, 29 September 1980**

*Authentic texts: English.*

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

---

**ÉTATS-UNIS D'AMÉRIQUE**  
**et**  
**SIERRA LEONE**

**Accord relatif à la vente de produits agricoles (avec mémorandum de négociations). Signé à Freetown le 8 août 1980**

**Échange de notes constituant un accord modifiant l'Accord susmentionné. Freetown, 29 septembre 1980**

*Textes authentiques : anglais.*

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

AGREEMENT<sup>1</sup> BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE REPUBLIC OF SIERRA LEONE FOR THE SALE OF AGRICULTURAL COMMODITIES UNDER PUBLIC LAW 480 TITLE I PROGRAM

The Government of the United States of America and the Government of the Republic of Sierra Leone have agreed to the sale of agricultural commodities specified below. This Agreement shall consist of the preamble, parts I and III of the Agreement signed August 31, 1978,<sup>2</sup> together with the following part II:

*Item I. COMMODITY TABLE*

<i>Commodity</i>	<i>Import period (U.S. Fiscal Year)</i>	<i>Approximate maximum quantity (metric tons)</i>	<i>Maximum export market value (million dollars)</i>
Wheat/wheat flour (grain equivalent) . . . . .	1980	2,000	.300
Corn/sorghum . . . . .	1980	714	.100
Rice . . . . .	1980	2,000	.800
TOTAL			1.200

*Item II. PAYMENT TERMS*

Convertible local currency credit (40 years)

1. Initial payment: none.
2. Currency use payment: 5 percent for section 104(a) purposes.
3. Number of installment payments: 31.
4. Amount of each installment payment: approximately equal annual installments.
5. Due date of first installment: ten years from date of last delivery of commodities in each fiscal year.
6. Initial interest rate: 2 percent.
7. Continuing interest rate: 3 percent.

*Item III. USUAL MARKETING TABLE*

<i>Commodity</i>	<i>Import period (U.S. Fiscal Year)</i>	<i>Usual marketing requirements (metric tons)</i>
Wheat/wheat flour . . . . .	1980	28,000
Corn/sorghum . . . . .	1980	400
Rice . . . . .	1980	20,000

<sup>1</sup> Came into force on 8 August 1980 by signature, in accordance with part III (A) (see note 2 below).

<sup>2</sup> United Nations, *Treaty Series*, vol. 1150, p. 211.

*Item IV.* EXPORT LIMITATIONS

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

B. For the purpose of part I, article III (A) (4), of the 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); for corn/sorghum—corn, sorghum, barley, oats, and rye, including mixed feed containing such grains; for rice—rice.

*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 enabling the poor to participate actively in increasing agricultural production through small farm agriculture.

B. The Government of Sierra Leone agrees to:

1. Accelerate and expand food crop adaptive research and replicable delivery systems, by increased support to the National Agricultural Research Center and Njala University College for the development of new food crop varieties responsive to local conditions, by establishment and adequate support of a National Food Crops Adaptive Research and Extension Institute, by implementation of supervised on-farm adaptive food crops research and extension trials among small farmers, and by distribution and supervision of food crop mini-kits which are properly synthesized (being technically sound, economically feasible and socially compatible) for direct small farmer use and benefit;
2. Accelerate the production and distribution of technology-related inputs such as improved food crop seed to small farmers, by establishment and support of the seed multiplication project and rice development program on a national basis providing assistance to small farmers in securing and utilizing improved seeds;
3. Strengthen the extension service within the Ministry of Agriculture and Forestry to speed diffusion of new agricultural technology to small farmers, by implementation and adequate support of a national training program for farmer-level extension technicians;
4. Support and expand the capability of the Ministry of Agriculture and Forestry to collect and analyze agricultural statistics in order to improve the quality of sectoral planning and evaluation;
5. Expand agricultural policy research in order to shed additional light on such structural issues as farm input and commodity pricing, marketing system economies and food grain stabilization;
6. Improve the agricultural marketing infrastructure through the expansion and maintenance of the rural feeder road network.
7. In cooperation with appropriate national/international organizations and the Government of the United States of America, namely the United States Department of Agriculture/United States Agency for International Development, conduct an official review of the current supply distribution and trade

data in the agricultural sector to determine completeness and validity for its utilization for economic development and related research analysis and projection and for the Public Law 480-type programming. Particular emphasis will be given to updating supply/demand and trade data required for commodities proposal for PL 480 programming.

*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, rural development and population planning.

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.

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

DONE at Freetown, in duplicate the 8th day of August, 1980.

For the Government  
of the United States of America:

[Signed]

RICHARD J. TIERNEY  
Chargé d'Affaires a.i.  
Embassy of the United States  
of America

For the Government  
of the Republic of Sierra Leone:

[Signed]

SAMA S. BANYA  
Minister of Development  
and Economic Planning of the  
Republic of Sierra Leone

## MEMORANDUM OF NEGOTIATIONS

The following issues were discussed and agreed upon during negotiations leading to the 1980 Agreement between the Government of Sierra Leone and the Government of the United States for sale of agricultural commodities under the PL-480 Title I Program. The negotiators were for the Government of Sierra Leone (GOSL), Solomon B. E. Scott, Officer in Charge of PL-480, Ministry of Development and Economic Planning, and for the Government of the United States (USG), Norman L. Sheldon, Agricultural Development Officer, A.I.D. Section of the Embassy of the United States in Freetown.

*I. Role and rationale for the Title I PL-480 Program*

The concessional sale of U.S. commodities,

- a) Provides foreign exchange relief during a period of foreign exchange scarcity and thus frees resources for other essential imports and development expenditures. In this context the FY 1980 sales program is directly supportive of the current GOSL-IMF Stand-by Arrangement.
- b) Generates, in a non-inflationary manner, revenues for the GOSL development effort, thus ensuring program continuity in a period of budget austerity.

- c) Provides, in a non-disincentive manner, food grain commodities during a period of scarcity.

## II. *Conditions and procedures*

Mr. Scott was provided a copy of the negotiating instructions issued by the Agency for International Development and the U.S. Department of Agriculture. The points raised in that instruction were subsequently reviewed by the negotiators and agreed upon. Summarized briefly below these were:

a) Financial terms were noted to not have changed, namely: the financing, as set forth in part II, item 2 of the proposed Agreement, provides for convertible local currency credit (CLCC) terms of 40 years, including a 10-year grace period; interest rates of 2 percent during the grace period and 3 percent thereafter. There is no initial payment but a currency use payment (CUP) of 5 percent is required.

b) The proposed commodity compositions, as shown in part II, item 1, provides for 2,000 metric tons (MT) of wheat/wheat flour, 714 MT of corn, and 2,000 MT of rice with a total export market value of \$1.2 million for supply in Fiscal Year 1980. The export market value is the final determinate of the amount of commodities which can be purchased.

c) Part II, item 3, of the draft Sales Agreement provides for usual marketing requirements (UMR's) of 28,000 MT of wheat/wheat flour (Grain equivalent basis), 400 MT of feedgrains and 20,000 MT of rice. The above UMR's reflect a 5 year average (1974/75-1978/79) for wheat/wheat flour (grain equivalent basis), (1975-1979) for feedgrains, and (1975-1979) for rice. UMR's are based on commercial imports from non-communist countries.

d) Self-help measures and requirements are reflected in the draft agreement text, item V. During FY 1980 the GOSL and AID will evolve more specific self-help indicators susceptible to periodic evaluation. The U.S. gives increased emphasis on self-help measures which develop human capital and are tied more closely to basic agricultural research.

e) The Ministry of Development and Economic Planning and AID will hold quarterly reviews to evaluate the progress of the programs financed under item V of the Agreement.

f) The commodities financed under the Agreement will be received, stored and distributed within Sierra Leone as indicated below unless otherwise agree to:

### *Receipt:*

All PL 480 Title I commodities are received at the port of Freetown and delivered directly to the purchasers. Highest priority will be accorded to process these commodities through the Freetown port. Berth No. 1 is reserved for these commodities.

### *Storage:*

All the purchasers have adequate storage facilities capable of handling many times the volume of the commodities provided under the PL 480 Title I program. There is no record of commodity spoilage or loss in storage.

### *Distribution:*

Distribution of the commodities in this agreement will proceed without interfering with local marketing of the same kind of commodities.

*Disincentives:*

Import and distribution of PL 480 Title I commodities will not cause disincentives to local production of the same kind of commodities.

g) The Ministry of Development and Economic Planning (MDEP) has agreed to provide, as part of the Self-Help and Use of Sales Proceeds Reports by 15 December 1980, proper identification of each receiving and distribution channel for each of the commodities along with the associated price and cost levels. The GOSL is making every effort to provide the requisite compliance reports, arrival and shipping information (ADP sheets) reports, self-help reports, and use of sales proceeds reports on a timely basis, as required under the provisions of the agreement. The USG presently enjoys access on request to all points involved in the receipt and storage of PL 480 commodities before conversion, and plans to make spot checks of the commercial entities mentioned above which have purchased the commodities from the GOSL.

h) The possibility of commodity diversions outside normal marketing channels or other misuse was discussed and it was noted that there has been no problem in this regard in the past. Furthermore, it is felt that the quantities involved are small enough to be relatively easy to secure in the short interval between off-loading and conversion by the purchaser.

The Representative of the Ministry of Development and Economic Planning noted that, as in the past, the GOSL would keep the flow of the commodities under close scrutiny and stood ready to prosecute any person guilty of theft or misuse of the commodities.

i) The GOSL is completely familiar with the requirement to ship at least 50 percent of the commodities on U.S. flag carriers.

j) Agreements have been made by appropriate authorities to relay to GOSL Embassy/Washington all instructions, information and authority necessary to ensure timely implementation of agreement, including:

- (1) Type and grade of commodity(ies) to be purchased in accordance with official U.S. standards;
- (2) Proposed contracting and delivery schedules (Note that delivery means delivery to vessel at U.S. port.);
- (3) Name and address of Sierra Leone and U.S. commercial banks through which letters of credit for commodity and ocean freight will be opened;
- (4) Assurance that appropriate GOSL authorities are prepared to make prompt transfers of funds to cover ocean freight costs on commodities purchased under the Agreement;
- (5) Instructions regarding arrangements for purchasing commodities and contracting for freight (including appointment of purchasing and shipping agent); and
- (6) Instructions to contact Program Operations Division, Export Credits, Foreign Agricultural Service, USDA, telephone (202) 447-5780 for further assistance in implementing Agreement.

k) Under current regulatory and legislative requirements:

- (1) Purchase of food commodities under the Agreement must be made on the basis of invitation for bids (IFB's) publicly advertised in the United States

on the basis of bids (offers) which must conform to the IFB. Bids must be received and publicly opened in the United States. All awards under IFB's must be consistent with open, competitive, and responsive bid procedures.

- (2) Terms of all IFB's (including IFB's for ocean freight) must be approved by the General Sales Manager, FAS, USDA, prior to issuance.
- (3) If the GOSL nominates a purchasing or shipping agent to procure commodities or arrange ocean transportation under the agreement, the GOSL must notify the General Sales Manager, FAS, USDA, in writing, of such nomination and attach a copy of the proposed Agency agreement. All purchasing and shipping agents must be approved by the Foreign Agricultural Service in accordance with regulatory standards designed to eliminate potential conflicts of interest.

1) The GOSL is prepared to open operable letters of credit, for both commodity and freight, confirmed by U.S. commercial banks named by the GOSL, as soon as commodities are purchased and ocean freight booked.

The GOSL agrees to open letters of credit for 100 percent of ocean freight not later than 48 hours prior to vessel presentation for loading, providing for sight payment or acceptance of a draft in U.S. dollars in favor of the ocean transportation supplier on the basis of tonnage and rates specified in the applicable charter party or booking note.

The provisions concerning claims were also noted.

[Signed]

NORMAN L. SHELDON  
Agricultural Development Officer  
U.S. Embassy, Sierra Leone

[Signed]

SOLOMON B. E. SCOTT  
Officer-in-Charge of PL 480 Program  
Ministry of Development  
and Economic Planning

EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT<sup>1</sup>  
BETWEEN THE GOVERNMENT OF THE UNITED STATES OF  
AMERICA AND THE GOVERNMENT OF THE REPUBLIC OF  
SIERRA LEONE AMENDING THE AGREEMENT OF 8 AUGUST  
1980 FOR THE SALE OF AGRICULTURAL COMMODITIES<sup>2</sup>

I

*The American Chargé d'Affaires ad interim to the Sierra Leonean  
Minister of Development and Economic Planning*

EMBASSY OF THE UNITED STATES OF AMERICA

Freetown, September 29, 1980

Sir:

I have the honor to refer to the Agricultural Commodities Agreement signed by representatives of our two governments August 8, 1980,<sup>3</sup> and to propose that part II, Particular Provisions, be amended as follows:

Under item I, Commodity Table, column entitled Supply period (U.S. Fiscal Year) delete "1980" for wheat/wheat flour (grain equivalent basis) and for corn/sorghum and substitute "1980 plus October 1 through December 31, 1980".

All other terms and conditions of the August 8 Agreement remain the same.

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

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

*[Signed — Signé]*<sup>3</sup>

The Honorable Dr. Sama S. Banya  
Minister of Development and Economic Planning,  
Republic of Sierra Leone  
Freetown

cc: Ministry of Foreign Affairs  
Ministry of Finance

<sup>1</sup> Came into force on 29 September 1980, the date of the note in reply, in accordance with the provisions of the said notes.

<sup>2</sup> See p. 183 of this volume.

<sup>3</sup> Signed by Richard J. Tierney — Signé par Richard J. Tierney.



## II

*The Sierra Leonean Minister of Development and Economic Planning  
to the American Ambassador*

MINISTRY OF DEVELOPMENT AND ECONOMIC PLANNING  
FREETOWN

29th September 1980

Excellency,

I have the honour to refer to your note dated 29th September, 1980, in which Your Excellency proposed that part II, Particular Provisions, of the Agricultural Commodity Agreement signed by representatives of our two Governments on 8th August, 1980, be amended as follows:

[*See note I*]

Your Excellency further proposed that the other terms and conditions of the Agreement referred to above shall remain the same.

In reply, I have the honour to confirm that the proposals contained in your note referred to above are acceptable to the Government of Sierra Leone and I agree and confirm that your note and this note in reply constitute an agreement between our two Governments which comes into effect from today's date.

Accept, Excellency, the assurance of my most esteemed consideration.

[*Signed*]

S. S. BANYA (Dr)  
Minister of Development  
and Economic Planning

H. E. Ms. Theresa Healy  
Ambassador of the United States of America  
Freetown