

No. 20997

**UNITED STATES OF AMERICA
and
GUINEA**

**Agreement for the sales of agricultural commodities. Signed
at Conakry on 22 May 1980**

**Memorandum of Understanding relating to the above-men-
tioned Agreement. Signed at Conakry on 26 May 1980**

Authentic texts: English and French.

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

**ÉTATS-UNIS D'AMÉRIQUE
et
GUINÉE**

**Accord en vue de la vente de produits agricoles. Signé à
Conakry le 22 mai 1980**

**Mémorandum d'entente concernant l'Accord susmen-
tionné. Signé à Conakry le 26 mai 1980**

Textes authentiques : anglais et français.

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

AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE PEOPLE'S REVOLUTIONARY REPUBLIC OF GUINEA FOR THE SALES OF AGRICULTURAL COMMODITIES UNDER THE PUBLIC LAW 480 TITLE I PROGRAM

The Government of the United States of America and the Government of the People's Revolutionary Republic of Guinea have agreed to the sales of agricultural commodities specified below. This Agreement shall consist of the preamble and parts I and III of the Agreement signed April 21, 1976,² together with the following part II:

PART II. PARTICULAR PROVISIONS

Item I. COMMODITY TABLE

Commodity	Supply period (United States Fiscal Year)	Approximate maximum quantity (metric tons)	Maximum export market value (millions)
Rice	1980	11,400	\$5.0
Vegetable oil	1980	1,400	1.0
TOTAL			\$6.0

Item II. PAYMENT TERMS

Convertible local currency credit (30 years)

- A. Initial payment: 5 percent.
- B. Currency use payment: none.
- C. Number of installment payments: 26.
- D. Amount of each installment payment: approximately equal annual amount.
- E. Due date of first installment payment: five years after the date of last delivery of commodities in each calendar year.
- F. Initial interest rate: 2 percent.
- G. Continuing interest rate: 3 percent.

Item III. USUAL MARKETING TABLE

Commodity	Import period (United States Fiscal Year)	Usual marketing requirements (metric tons)
Rice	1980	12,000
Vegetable oil	1980	1,936

¹ Came into force on 22 May 1980 by signature, in accordance with part III (B) (see note 2 below).

² United Nations, *Treaty Series*, vol. 1072, p. 65.

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. 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 vegetable oil—vegetable oils, including soybean oil, peanut oil, sesame oil, sunflower oil, cottonseed oil, rapeseed oil, and any edible oil bearing seeds from which edible oils are produced; for rice—rice in the form of paddy, brown or milled.

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 Government of the People's Revolutionary Republic of Guinea agrees to undertake the following activities and in doing so to provide adequate financial, technical, and managerial resources for their implementation:

1. Upgrade programs of assistance to small farmers aimed at increasing food crop production, and in particular rice production. As part of this effort, the Government of the People's Revolutionary Republic of Guinea will offer adequate monetary and consumer good incentives to small farmers and will make available at reasonable prices seed, fertilizers, and equipment needed to implement the improved production techniques taught by extension agents.
2. Continue programs of applied agricultural research in food crop production and activities to improve the agricultural extension service by facilitating the dissemination of improved production techniques to the small-scale farmers.
3. Continue programs to improve the marketing of agricultural production by stabilizing prices for inputs and production, by upgrading and expanding marketing facilities and farm-to-market roads, and by supporting appropriate research on the constraints to better marketing in Guinea.
4. Continue programs to improve the processing and distribution of food crops, including the expansion of rice milling and storage facilities at the village level.
5. Continue activities to strengthen the training of mid-level Government officials in agricultural technology, vocational education, and management training in order to increase the number of trained officials assigned to rural development projects.
6. In collaboration with the Ministry of Agriculture, Water and Forests and FAPAs, other appropriate Government agencies, and national university departments, the Government of the People's Revolutionary Republic of Guinea shall institute a baseline study designed to generate crop reporting, input data, marketing, and rural economic data for domestic agricultural production, especially for domestic production of PL 480 programmed commodities. The USDA, Title XII institutions, consulting firms, or international

organizations may be approached for technical assistance as required, through the use of PL 480 generated funds.

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

A. The Commodities provided in this Agreement, or the proceeds accruing to the importing country from the sale of such commodities, will be used for development purposes which directly benefit the needy people of the importing country, as described in item V B above.

B. The areas of development identified under item V B above will directly benefit the needy in the following ways:

1. The liberalization of private trade and increased cash payments to farmers will create new incentives to increase production, thereby cutting the rice deficit. These measures will improve both the diet and the purchasing power of the neediest sectors of the Guinean population.
2. Improvements in the processing and distribution of food crops will also help insure that the neediest in food-deficit areas will receive an adequate diet. Nearly-completed road projects have improved the exchange of food grains and consumer goods between urban centers and food-grain areas.
3. Agricultural institutes and research centers are training Guineans at all levels. Graduates of these institutions are now working in each of the 33 regions of Guinea. The continuation of their research efforts and the improvement of extension services will spread modern agriculture, health, and production techniques into rural areas.
4. Trained mid-level officials are managing a new unit of agricultural production, the FAPA (Agro-Pastoral Farm at the Arrondissement level). Initially supplied by the Government with technicians and the necessary machinery, seeds, and fertilizer, FAPA's are designed to become self-supporting rural co-operatives which will add to national agricultural output and sell their production on local, regional, and national markets. They will reinvest their profits in the cooperative itself.
5. The Government of the People's Revolutionary Republic of Conakry, in cooperation with the FAO, has begun a program to train agricultural statisticians and soil scientists as part of an overall effort to expand and improve the statistical base which is used to measure and plan agricultural production. The results of these efforts should prove useful in the identification and design of new AID programs in Guinea.

Item VII. REPORT ON USE OF CURRENCY

In addition to the report required by part I, article II (F) of this Agreement, the importing country agrees to report on the progress of implementation of the projects/programs identified in item VI (A). Such reports shall be made by the importing country within six months following the last delivery of commodities in the first calendar year of the agreement and every six months thereafter until all the commodities provided hereunder, or the proceeds from their sale have been used for the project/program specified in item VI (A). In case of discrepancies between the English and French texts, the English shall prevail.

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

DONE at Conakry, in duplicate, this 22nd day of May 1980.

For the Government
of the People's Revolutionary Republic
of Guinea:

[Signed]

S.E.M. ABDOULAYE DIAO BALDÉ
Minister of Internal Commerce

For the Government
of the United States of America:

[Signed]

OLIVER S. CROSBY
Ambassador of the United States
of America

MEMORANDUM OF UNDERSTANDING¹ RELATING TO THE
AGREEMENT BETWEEN THE GOVERNMENT OF THE
UNITED STATES OF AMERICA AND THE GOVERNMENT OF
THE PEOPLE'S REVOLUTIONARY REPUBLIC OF GUINEA
FISCAL YEAR 1980²

In implementation of the Agreement between the Government of the United States of America and the Government of the People's Revolutionary Republic of Guinea for Sales of Agricultural Commodities in Fiscal Year 1980 (hereinafter referred to as the Agreement), the Government of the United States of America and the Government of the People's Revolutionary Republic of Guinea have noted and agreed as follows:

I. COMMODITIES

Previous Agreements for the Sales of Agricultural Commodities were concluded on the following dates: February 2, 1962³ (and the amendments thereto of May 3, 1962,⁴ and June 29, 1962);⁵ May 22, 1963⁶ (and the amendments thereto of November 2, 1963;⁷ July 1 and July 11, 1964;⁸ and September 18, 1965);⁹ June 13, 1964¹⁰ and the amendments thereto of October 7, 1964, and December 21, 1964); February 4, 1966;¹¹ October 18, 1967;¹² February 3, 1969;¹³ May 6, 1970, August 8, 1970;¹⁴ March 12, 1971;¹⁵ June 17, 1971¹⁶ (and the amendments thereto of May 15 and 23, 1972);¹⁷ March 15, 1973,¹⁸ (and the amendments thereto of March 30 and April 11, 1973); May 8, 1974¹⁹ (and the amendments thereto of May 24, 1974; June 13 and 14, 1974; May 8, 1975);²⁰ April 21, 1976²¹ (and the amendments thereto of September 22, 1976;²² June 15, 1977;²³ December 10, 1977; and May 29, 1979).

Under the terms of these Agreements, the people of the United States of America have extended food assistance to the people of the People's Revolutionary Republic of Guinea for 18 years, from 1962 through 1979, valued at

¹ Came into force on 26 May 1980 by signature, with retroactive effect from 22 May 1980, the date of signature of the Agreement, in accordance with part VII.

² See p. 51 of this volume.

³ United Nations, *Treaty Series*, vol. 435, p. 35.

⁴ *Ibid.*, vol. 451, p. 341.

⁵ *Ibid.*, vol. 458, p. 364.

⁶ *Ibid.*, vol. 487, p. 251.

⁷ *Ibid.*, vol. 494, p. 362.

⁸ *Ibid.*, vol. 531, p. 408.

⁹ *Ibid.*, vol. 574, p. 256.

¹⁰ *Ibid.*, vol. 531, p. 263.

¹¹ *Ibid.*, vol. 579, p. 213.

¹² *Ibid.*, vol. 701, p. 65.

¹³ *Ibid.*, vol. 714, p. 157.

¹⁴ *Ibid.*, vol. 764, p. 211.

¹⁵ *Ibid.*, vol. 796, p. 317.

¹⁶ *Ibid.*, vol. 806, p. 347.

¹⁷ *Ibid.*, vol. 852, p. 322.

¹⁸ *Ibid.*, vol. 1279, No. I-21085.

¹⁹ *Ibid.*, vol. 953, p. 277.

²⁰ *Ibid.*, vol. 1049, p. 87.

²¹ *Ibid.*, vol. 1072, p. 65.

²² *Ibid.*, vol. 1087, p. 27.

²³ *Ibid.*, vol. 1115, p. 363.

79.5 million. Wishing to maintain and strengthen the relations between the people of the United States of America and the People's Revolutionary Republic of Guinea, the two Governments have entered into the present Agreement whereby.

The Government of the United States of America as stated in part I, article I (A) of the Agreement undertakes to finance the sales of agricultural commodities to the Government of the People's Revolutionary Republic of Guinea on a concessional basis in quantities specified in part II of the Agreement. Commodities so furnished under the Agreement shall be considered as supplementing Guinean national production in the transitional period to greater national food self-sufficiency.

II. REPORTING

A. In order that the two partners may be informed of the status of the program and in order to implement the provisions of the Agreement, the Government of the People's Revolutionary Republic of Guinea acknowledges the following reports which must be submitted to AID by the Government of the People's Revolutionary Republic of Guinea, noting the dates due for each report:

Reporting schedule

<i>Annual date due</i>	<i>Report</i>
January 15	Compliance report covering October–December
April 15	Compliance report covering January–March
July 15	Compliance report covering April–June
October 15	Compliance report covering July–September
December 1	Annual self-help report
December 1	Receipt and expenditures of proceeds
2. Within six months after delivery of the commodities	Self-help report
Upon completion of unloading of each ship	Shipping and arrival report

B. The GOG shares the concern that timely reporting be submitted regarding the use of proceeds generated by the sale of PL-480 Title I commodities. As such reporting is a stipulated condition and is essential to the approval of all PL-480 agreements, the GOG and the embassy of the United States will take special measures to ensure that this requirement is satisfactorily met. The GOG will establish procedures for the concurrent assembly of complete and accurate information and statistics regarding the implementation of the 1980 PL-480 Title I agreement and pledges itself to submit timely compliance reports clearly indicating the amount of funds generated, the amounts expended and the purpose in the agreement for which they were expended. The GOG likewise agrees to establish firm procedures for the systematic deposit of payments, including arrearages due the Commodity Credit Corporation. The United States Embassy and the People's Revolutionary Republic of Guinea have each designated official responsibility

for all compliance and repayment matters falling under the PL-480 program. They are the Secretary of State for International Cooperation for the People's Revolutionary Republic of Guinea and the AID Affairs Officer and or the Economic Commercial Officer of the United States Embassy.

C. The GOG agrees to keep the Embassy of the United States fully informed regarding progress made in the effort to attain self-sufficiency in food production in Guinea. To this end, there will be regular quarterly discussions between the Embassy of the United States and appropriate GOG officials, focusing on steps that may be taken to facilitate implementation of the self-help measures listed in part 2 of the Agreement and on early utilization in self-help programs of local currency proceeds generated by the sale of Title I commodities. At the Ambassador's request, he or his designee may with the agreement of the Guinean authorities make on site inspections, to evaluate the nature of measures taken and progress achieved in this area.

III. USE OF LOCAL CURRENCY PROCEEDS: SELF-HELP REQUIREMENTS

A. With regard to the accumulation and use of proceeds from sales of commodities provided under Title I, the Government of the People's Revolutionary Republic of Guinea notes in part I, article II (F) of the Agreement the requirements for an accounting of the use of the proceeds accruing under the Agreement and agrees to furnish annual reports which indicate: (1) total amount of proceeds deposited (2) the projects for which the proceeds were used (3) the sites of the projects (4) the amount of proceeds used for each project (5) the total amount of proceeds used on all projects (6) a statement indicating what actions were taken in accordance with the Agreement and the extent to which these efforts have benefited the needy.

B. The Government of the People's Revolutionary Republic of Guinea agrees that it will notify the Embassy via diplomatic note when a project deemed to qualify as a "self-help project" within the terms of this agreement is undertaken. The Embassy will be notified and will be given access to the project site. The Government of the People's Revolutionary Republic of Guinea will also inform the Embassy via diplomatic note of the total resources to be expended on such projects as they are begun.

C. The Government of the People's Revolutionary Republic of Guinea agrees to use the proceeds accruing under the Agreement for the purposes outlined in part II, items V and VI of the Agreement, entitled Self-help measures, and for budget sectors related to those purposes, particularly the development of incentives to farmers for the increase of food crop production and improvements in the processing, distribution and marketing of food crops.

IV. PROVISIONS OF THE AGREEMENT

A. *Financial terms.* 1. As set forth in part II, item II of the Agreement, financing of the program shall provide for convertible local currency credit terms of 30 years credit including a five year grace period, with interest rates of two percent during the grace period and three percent thereafter.

2. The Government of the People's Revolutionary Republic of Guinea agrees to pay the initial payment specified in part II of the Agreement. This payment shall be a total of five percent of the purchase price (\$300,000) to be

made in United States dollars in accordance with applicable purchase authorization.

B. *Identification.* In view of the efforts of the Government of the United States of America to assist the Government of the People's Revolutionary Republic of Guinea providing food commodities on a concessional basis in recognition that this assistance has continued for 18 years providing 79.5 million in concessional sales of agricultural commodities; being desirous of promoting increased goodwill between the people of the United States of America and the people of the People's Revolutionary Republic of Guinea; with reference to the Agreement under consideration; and in recognition of part I, article III, item I of the Agreement,

The Government of the United States of America and the Government of the People's Revolutionary Republic of Guinea agree to undertake a program of identification and publicity of the Agreement including the following:

- a. Upon signature of the Agreement both parties will issue a joint communique detailing the signing of the Agreement, including the amounts of commodities to be provided;
- b. The text of this communique shall be broadcast over the national radio network of the People's Revolutionary Republic of Guinea, The Voice of the Revolution, not later than one week after the signing of the Agreement;
- c. The text of the communique shall be published in *Horoya*, the central organ of the Parti-Etat de Guinée not later than three weeks following the signing of the Agreement and shall be accompanied by an article noting the United States commodity assistance to the People's Revolutionary Republic of Guinea which is provided on the basis of the friendship between the peoples of the People's Revolutionary Republic of Guinea and the United States of America.
- d. The text of the communique shall be published in the Bulletin of the Embassy of the United States of America in Conakry accompanied by an article noting the United States commodity assistance to the People's Revolutionary Republic of Guinea which is provided on the basis of the friendship between the peoples of the People's Revolutionary Republic of Guinea and the United States of America.
- e. In the issuance of bids for provision of the commodities to be financed under the Agreement, the Government of the People's Revolutionary Republic of Guinea agrees that food commodities shall be marked as being provided on a concessional basis to the people of Guinea by the people of the United States of America. In addition, the Government of the People's Revolutionary Republic of Guinea, insofar as practicable, will insure that such identification is made at the point of sales of the commodities.
- f. The Government of the People's Revolutionary Republic of Guinea will announce the arrival of commodities financed under the Agreement on the national radio network and in *Horoya* after the final delivery under this agreement.

C. In order to fully implement items *a*, *b*, *c*, *d*, *e*, and *f* above, the Government of the People's Revolutionary Republic of Guinea agrees to report on a periodic basis on the measures taken to carry out publication of the Agreement. These reports shall be included as part of the quarterly compliance reports (part II (A) of the Memorandum of Understanding) and shall detail the measures

taken by the Government to identify the commodities provided under the Agreement as being provided to the people of Guinea by the people of the United States of America.

D. *Usual marketing requirements (UMR's)*. 1. The Government of the People's Revolutionary Republic of Guinea notes in part II, item III of the Agreement the provision for a usual marketing Requirement in fiscal year 1980 of the following:

Rice	12,000 MT
Vegetable Oils	1,936 MT

2. The usual marketing requirement for each commodity represents an average of commercial imports of the People's Revolutionary Republic of Guinea over the past five years. The UMR complies with section 103 (c) of PL 480 which requires that in negotiating PL 480 Title I Agreements the President of the United States of America shall take reasonable precautions to safeguard usual marketings of the United States and to assure that sales under Title I will not unduly disrupt world prices of agricultural commodities or normal patterns of commercial trade with friendly countries.

Therefore, the Government of the United States of America wishes to point out and the Government of the People's Revolutionary Republic of Guinea acknowledges the following:

- a. The UMR for each commodity is presumed to be the minimum quantity that would be imported through normal commercial channels in the absence of a Title I sales agreement and, therefore, must be imported commercially even though the full allotment under Title I is not utilized.
- b. Purchases against the UMR's are to be financed by the Government of the People's Revolutionary Republic of Guinea from its own resources (*not including AID financing*). Imports from the USSR, People's Republic of China, Eastern Europe (except Poland and Yugoslavia), Cuba, Vietnam and North Korea, commodities imported under PL 480, or grants received from the United States or other sources cannot be counted towards the UMR's.
- c. Should the United States Government authorize and finance deliveries of Title I commodities to extend beyond the supply period specified in part II of the Agreement, the importing country will be required according to article III A (1) of the Agreement to maintain the same UMR for the subsequent comparable period. If a UMR different from that established in the Agreement is deemed appropriate, the Agreement may be amended.

3. In view of the Usual Marketing Requirement the Government of the United States of America wishes to inform the Government of the People's Revolutionary Republic of Guinea that short term commercial credit (6 to 36 months) is available through the Commodity Credit Corporation (CCC) Export Credit Sales Program to foreign buyers purchasing U.S. agricultural commodities. This source of financing may be used to purchase the usual marketing requirements. Credit is initially extended by the Foreign Agricultural Service, USDA, to U.S. exporters to help them move a greater volume of sales than they could otherwise be able to do by conventional private financing. A letter of credit is opened in favor of CCC credit and after shipment of a commodity, the U.S. exporter sells the account receivable to the Treasurer of the CCC. In this process

the deferred payment benefit and credit obligations are transferred to the foreign buyer.

Financing is limited to the full export value of the commodity (FOB or FAS basis) and payments are due 12 months from the onboard bill of lading date in equal annual payments of principal and accrued interests. If the term of credit is less than one year, then the total is due and payable at the end of the credit period. The key assurance document to CCC financing is the irrevocable letter of credit from either an approved foreign or U.S. bank. A foreign bank letter of credit opened in favor of the Treasurer of CCC must be confirmed for at least 10 percent of the value by a U.S. bank. The interest rates charged for CCC financing are adjusted periodically to reflect a proper relation to U.S. bank rates, the costs of money to CCC, and credit rates offered by competing foreign suppliers. The Department of Agriculture issues monthly press releases announcing current interest rates and the list of commodities eligible for short-term financing.

As the CCC Export Credit Sales Program services commercial trade requirements and aims only at expanding commodity exports, the cargo requirements of the U.S. cargo preference legislation (PL 664) do not apply to the resulting exports. Foreign buyers are free to select ocean carriers.

E. *Cost and value.* The export market values of commodities shown in part II of the Agreement represent the total amount for which purchase authorizations may be issued and include the initial payment. The quantities of commodities shown in part II of the Agreement are approximations based on current estimates of export market prices. It should be understood that changes in market prices may take place after negotiations have begun which will result in an increase or decrease in the quantity of the commodity procurable with the dollar amounts under negotiation.

In view of limitations on overall commodity and PL 480 funding availabilities, the Government of the United States of America wishes to call particular attention of the Government of the People's Revolutionary Republic of Guinea to the article I (e) of part I of the Agreement, which provides that the export market value specified in part II may not be exceeded. This means that, if commodity prices increase over those used in determining the quantities and market values indicated in part II of the Agreement, the quantity to be financed under the Agreement will be less than the appropriate maximum quantity set forth in part II. However, should commodity prices be lower at time of purchase, the Government of the People's Revolutionary Republic of Guinea may purchase up to the maximum export market value. Also if supply problems and limitations on PL 480 expenditures arise in FY 1980 it may become necessary to withhold some shipments during the supply period. Such actions can be taken pursuant to part I, article III of the Agreement, which is a standard provision included in all Agreements to cover a point required by statute. Although such action does not now appear probable, the Government of the People's Revolutionary Republic of Guinea acknowledges this provision in the event the United States Government is unable to implement fully the amounts provided for in the sales agreement. In all cases, commodities are purchased from private U.S. suppliers and actual prices are agreed upon between buyers and sellers (subject to price review by USDA).

F. *Exports.* The commodities provided in the Agreement are for the purpose of helping to meet the food requirements of the People's Revolutionary Republic of Guinea and are not for the purpose of permitting an increase

in exports of the same or like commodities as defined in the Agreement. Any exports of the same or like commodities, either of indigenous origin or foreign origin accordingly, cannot be permitted unless specifically agreed to by the U.S. This is specifically covered in part I, article III A (4) and part II, item IV of the Agreement.

G. *Violations.* The Government of the United States of America and the Government of the People's Revolutionary Republic of Guinea note that failure to comply with the provisions of part I, article II A of the Agreement or failures to comply with any other requirement of the Agreement, could result in withholding issuance of purchase authorizations and would be taken into account in consideration of new PL 480 agreements unless the situation is remedied. If the violation involves prohibited exports, remedy may take form of dollar payment to the U.S. Government to the extent of the value of the violation or the purchase and importation, utilizing the importing country's own resources on a commercial basis from the United States, an equivalent amount of such excess exports. These additional imports must be over and above the UMR.

H. *Purchase authorizations.* The Government of the People's Revolutionary Republic of Guinea notes that purchase authorizations issued under the Agreement will contain requirements that invitations for bids for both commodity and freight must be submitted to FAS/USDA/Washington for review and approval prior to their release to prospective bidders. The primary purpose of this requirement is to enable USDA to insure that invitations do not contain terms or conditions which may be in conflict with purchase authorization terms and PL 480 financing regulations. Prior review of invitations will also give USDA specialists opportunity to provide advice and assistance in assuring realistic commodity delivery schedules in order to allow maximum flexibility in matching available shipping to commodity contracts.

V. GENERAL CONSIDERATIONS

A. Prior to the signature of the Agreement, the Government of the People's Revolutionary Republic of Guinea informs the Embassy of the United States of America in Conakry of the individuals or agencies in the Government of the People's Revolutionary Republic of Guinea responsible for, and with whom representatives of the United States Government may consult, concerning:

- 1) Commodity arrival and offloading information.
- 2) Marking and identifying of commodities.
- 3) Publicizing arrivals.
- 4) Assurances against resale and transshipment.
- 5) Access to port facilities during delivery.
- 6) Access to warehousing and distribution facilities.
- 7) Compliance with usual marketing requirements and export limitations.
- 8) Generation and use of currencies arising from convertible local currency credit sales.
- 9) Carrying out self-help measures.
- 10) Reconciliation of accounts, including principal and interest payments.

B. The Government of the United States of America informs the Government of the People's Revolutionary Republic of Guinea that it will be necessary to designate one or more persons in the United States to consult with representatives of the United States Government to discuss the rules and procedures applicable to procurement, financing, reporting, and ocean transportation, because of the complications involved in connection with the implementation of all the provisions of the Agreement. This consultation must be completed before any purchase authorizations are issued. A designated person in the United States should be authorized to sign all documents relating to the implementation of the Agreement.

C. Furthermore, the Government of the United States of America informs the Government of the People's Revolutionary Republic of Guinea that if it engages the services of an individual or firm as its agent to handle the procurement of the commodities and/or ocean shipping, such agent must be approved by the United States Department of Agriculture. A copy of the written agreement between the Government of the People's Revolutionary Republic of Guinea and the United States agent must be submitted to USDA for approval. Such approval should be obtained prior to the issuance of the applicable purchase authorizations.

VI. DELIVERY; DISTRIBUTION

A. The Government of the People's Revolutionary Republic of Guinea is responsible for the payment of all shipping costs incurred for the delivery of commodities under this Agreement except for the ocean freight differential, which will be paid for by the Government of the United States of America. The ocean freight differential is deemed to be the amount, as determined by the Government of the United States of America, 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.

B. In view of the responsibility of the Embassy of the United States in Conakry for execution of the Agreement on the part of the Government of the United States of America, the Government of the People's Revolutionary Republic of Guinea agrees to provide access to the port of Conakry throughout the duration of delivery of commodities under the Agreement, to Embassy personnel charged with operational responsibility for the Agreement (including the Economic/Commercial Officer, the Consul, and the representative of AID).

C. The People's Revolutionary Republic of Guinea agrees to identify receiving and storage points for all PL 480 commodities provided under this Agreement. In addition, special efforts will be taken to insure against the movement of commodities outside of official channels. Should any PL 480 commodities be distributed outside of official channels, the People's Revolutionary Republic of Guinea agrees to identify the commodities and the quantities involved as well as the corrective and punitive measures to be taken against offenders.

D. The Government of the People's Revolutionary Republic of Guinea recognizes the necessity of the expeditious discharging of commodities provided under the Agreement and to this end, per item VI (B), will formulate a delivery schedule making the most judicious use of port, transport and storage facilities. Discharging of the cargo shall be accomplished as rapidly as possible on a twenty-four hour basis, weather permitting. In addition, special care shall be taken to insure the integrity of the shipments against any loss.

E. The Government of the People's Revolutionary Republic of Guinea agrees to undertake specific measures to assure safety and personal security to U.S. and foreign flag vessels delivering commodities financed under this Agreement.

VII. CONCLUSION

This Memorandum of Understanding shall enter into force upon signature of the Agreement between the Government of the United States of America and the Government of the People's Revolutionary Republic of Guinea for Sales of Agriculture Commodities.

SIGNED this 26th day of May 1980.

For the Government
of the People's Revolutionary
Republic of Guinea:

[Signed]

MAMADOU CAMARA
Chef de Cabinet
Secretary of State for
International Cooperation

For the Government
of the United States of America:

[Signed]

WALTER SHERWIN
AID Affairs Officer