

No. 24849

ITALY
and
YUGOSLAVIA

**Agreement on the development of economic co-operation
(with annexes, exchanges of letters and final act).
Signed at Osimo, Ancona, on 10 November 1975**

*Authentic text of the Treaty, annexes, exchanges of letters and final act:
French.*

Authentic text of maps: Italian.

Registered by Italy on 9 July 1987.

ITALIE
et
YUGOSLAVIE

**Accord sur la promotion de la coopération économique
(avec annexes, échanges de lettres et acte final). Signé à
Osimo (Ancona) le 10 novembre 1975**

*Texte authentique du Traité, des annexes, des échanges de lettres et de
l'acte final : français.*

Texte authentique des cartes : italien.

Enregistré par l'Italie le 9 juillet 1987.

ANNEXE II

[ITALIAN TEXT — TEXTE ITALIEN]

[TRADUCTION — TRANSLATION]

L'allegato II è costituito dal seguente spezzone di carta topografica :¹

Carta d'Italia alla scala 1:25.000 dell'Istituto Geografico Militare :

Edizione 7 — 1962 F°. 40° IV N.E.

Gorizia

L'annexe II se compose de la partie suivante d'une carte topographique :¹

Carte d'Italie de l'Institut géographique de l'armée. Echelle 1:25 000 :

Edition 7 — 1962 F°. 40° IV N.E.

Gorizia

¹ See insert in a pocket at the end of this volume
— Voir hors-texte dans une pochette à la fin du présent volume.

¹ Voir hors-texte dans une pochette à la fin du présent volume.

[TRANSLATION — TRADUCTION]

AGREEMENT¹ ON THE DEVELOPMENT OF ECONOMIC CO-OPERATION BETWEEN THE ITALIAN REPUBLIC AND THE SOCIALIST FEDERAL REPUBLIC OF YUGOSLAVIA

Desiring to develop their economic and technical co-operation and in particular to improve the living conditions of the frontier populations in the two countries, the Contracting Parties have agreed as follows:

Article 1. Each Party shall set aside in its territory the tracts of land designated in the annexed Protocol (annex I) as a free zone, to which shall be extended the Trieste free points (*punti franchi di Trieste*) régime applicable to goods, in the manner provided for in the said Protocol.

Article 2. The two Governments shall establish a permanent Joint Water Resources Management Commission to study water problems of common interest and to propose appropriate solutions, while ensuring the improvement of the water and electricity supplies, in keeping with the obligations deriving from the agreements and treaties concluded between the two Parties.

The two Governments shall as soon as possible conclude an agreement specifying the composition, mandate and rules of procedure of the Commission.

Article 3. The two Governments attach particular importance to regulating the waters of the Isonzo, Judrio and Timavo river basins and utilizing them for the production of electric power, for irrigation and for other public purposes, without prejudice to the obligations deriving from the Agreements and Treaties concluded between the two Parties.

To that end, the two Governments shall recommend that their respective economic organizations co-operate through joint ventures in the joint construction and utilization of power generation facilities.

Of particular interest in the context of such co-operation is the construction near Salcano of a dam on the Isonzo and of a hydroelectric plant.

If the construction of this plant does not appear to be justified from the technical or economic standpoint, a regulating pond shall be constructed, in Yugoslav territory, as a joint venture, for the purpose of regulating the flow of the Isonzo and irrigating the land situated in Italian territory south of Gorizia. The decision concerning the feasibility of constructing the hydroelectric plant shall be taken within one year from the entry into force of this Agreement, after which the operational phase shall begin as soon as possible.

The feasibility of regulating and collecting the waters of the Rosandra river and using them for the economic development of Trieste shall also be studied.

Article 4. The two Parties undertake to finance, each in respect of the part pertaining to its own territory, the studies needed to assess the technical and economic advisability and the feasibility of constructing a navigable waterway

¹ Came into force on 3 April 1977 by the exchange of the instruments of ratification, which took place at Belgrade, in accordance with article 11.

between Monfalcone, Gorizia and Lubiana and linking it to the Central European network of navigable waterways and to the Black Sea. A Joint Commission shall be established to co-ordinate such studies.

Article 5. In order to facilitate road traffic, the two Parties shall link the Venice/Trieste-Gorizia-Tarvisio motorway to the Nuova Gorizia-Postumia-Lubiana, Ferneti-Postumia and Erpelle-Cosina-Fiume roads.

The two Parties shall also study all the possibilities of improving frontier traffic, especially in the tourist regions, and shall agree on the measures to be adopted.

Article 6. In order to ensure a direct road link between the Yugoslav regions of the Collio and of Salcano, an asphalted carriage road shall be constructed within two years from the date of the entry into force of this Agreement, following the projected course indicated on the map annexed to this Agreement (annex II).

An Italo-Yugoslav Joint Commission shall be responsible for drawing up the technical specifications for the work and drafting the regulations governing the use of the aforesaid road.

Following procedures to be agreed upon by the police and customs authorities of the two countries, the aforesaid road shall be open to free and uninterrupted transit of Yugoslav civilians into Italian territory. The competent Yugoslav authorities shall be given all responsibility for controlling traffic on the said road, in accordance with the formalities and conditions to be approved by mutual agreement between the competent Italian and Yugoslav authorities.

The régime provided for in the third paragraph of this article shall remain in force for a period of 25 years and shall be automatically renewable for periods of 10 years, unless it is denounced in advance two years before the end of a given period.

The Joint Commission referred to in the second paragraph of this article shall also review the technical specifications for the road to be constructed between the villages of Raune di Luico Cambresco in Yugoslav territory in accordance with the conditions established in annex III.

Article 7. The two Parties shall encourage continuing close co-operation between the ports of the northern Adriatic with a view to achieving, in a rational and co-ordinated manner and through specialization and other forms of co-operation, and improvement in the installation and equipment of the said ports, an increase in their capacity, a reduction in operating costs and the co-ordinated expansion of their capacity to compete in supplying third countries.

To that end, the two Parties shall recommend that the port institutions concerned establish specific programmes of co-operation.

Article 8. The two Parties shall co-operate, possibly in conjunction with the local bodies concerned, in protecting the Adriatic Sea against pollution and in dealing with ecological problems.

Article 9. The two Parties shall work together to conduct the studies needed for the improvement of economic co-operation in the frontier region.

Article 10. The two Parties express their common interest in accelerating the development of their economic ties, in particular through all forms of long-term industrial co-operation, including joint ventures, through broader co-

operation in the area of technical exchanges, and through research and the joint use of basic economic resources and of sources of energy.

Within the framework of the legislation in force, they are also interested in the establishment of long-term programmes and in the rational use of agricultural resources.

Within that same framework, the two Parties shall encourage agreements between Italian and Yugoslav economic organizations, particularly in the following sectors:

- Electric power;
- Petroleum and natural gas;
- Metallic and non-metallic minerals, in particular fissile materials;
- Wood and cellulose.

Such co-operation shall be carried out under specific agreements within the framework of the Joint Intergovernmental Commission for Economic, Scientific and Technical Co-operation.

Article 11. This Agreement shall be ratified as soon as possible and shall enter into force on the date of the exchange of the instruments of ratification, simultaneously with the Treaty between the two countries signed on today's date.¹ The exchange of the instruments of ratification shall take place at Belgrade.

DONE at Osimo, Ancona, on 10 November 1975, in two original copies in the French language.

For the Government
of the Italian Republic:

M. RUMOR

For the Government
of the Socialist Federal Republic
of Yugoslavia:

MILOS MINIC

¹ See "Treaty of 10 November 1975 on the delimitation of the frontier for the part not indicated as such in the Peace Treaty of 10 February 1947", p. 25 of this volume.

ANNEX I

PROTOCOL ON THE FREE ZONE

Desiring to contribute to the industrial development of Trieste and of the frontier regions of the two countries and to increase the employment opportunities of the populations of these regions, the Contracting Parties have agreed as follows:

Article 1. The tracts of land set aside as the Free Zone (hereinafter referred to as the "Zone"), pursuant to article 1 of the Agreement on the development of economic co-operation between the Italian Republic and the Socialist Federal Republic of Yugoslavia, are comprised within the following boundaries:

- In Yugoslav territory: between the railway line from Sesana to the national frontier, the national frontier itself and the Basovizza-Lipizza-Sesana road;
- In Italian territory: between the railway line from the national frontier to the intersection with the road between Ferneti and Opicina, the Ferneti-Opicina road, the Opicina-Basovizza road, the road between Basovizza and the national frontier, and the national frontier itself.

Within these boundaries, the exact configuration of the tracts of land set aside as the Zone shall be established by an Italo-Yugoslav Joint Commission to be appointed within two months from the date of the entry into force of this Protocol.

On the tracts of land in question, the Trieste free points (*punti franchi di Trieste*) régime shall be applied, in the manner provided for in this Protocol.

None of the above provisions shall affect the national frontiers between the Italian Republic and the Socialist Federal Republic of Yugoslavia.

Article 2. Within the Zone, all operations relating to the entry and exit of materials and goods, their storage, marketing, handling and processing, including industrial processing, may be carried out free of all restrictions, taxes and customs duties.

Goods originating in countries other than the Italian Republic and the Socialist Federal Republic of Yugoslavia which are brought into the Zone shall be considered as being outside the Italian and Yugoslav customs territories; if they come from within those territories, they shall be considered as having been permanently removed from the Italian Republic and the Socialist Federal Republic of Yugoslavia.

Goods of the two countries or goods which have been cleared through customs in the two countries and are brought into the Zone shall be considered, from the customs point of view, as having been permanently exported unless, at the request of the persons concerned, such goods are made subject to constant customs and tax control with a view to maintaining their national provenance.

Oil products and fuel in general intended for consumption in industrial establishments situated in the Zone shall be exempt from customs duties and frontier surcharges if they are foreign products, and from Italian taxes on production if they are Italian, or from the corresponding Yugoslav taxes if they are Yugoslav.

Electric power used in the aforesaid establishments shall also be exempt from any tax on consumption.

The special tax and customs régime of the Zone shall not be applicable to:

- (a) Goods originating in countries other than those of the Contracting Parties which are used or consumed within the Zone, except as provided in the case of oil products, fuel and electric power;
- (b) Construction materials, fittings and furniture.

In respect of goods whose entry into the Zone is subject to the payment of customs duties, such payment shall be made to the customs authorities of the country into whose territory the goods are brought.

Article 3. The goods which are not allowed entry into the Zone and the processing activities which are not permitted in the Zone shall be determined by the Italo-Yugoslav Joint Commission referred to in article 1 of this Protocol.

The Joint Committee referred to in article 7 may, however, authorize derogations from this provision, after consultation with the competent authorities of the two countries.

Article 4. Goods for which constant customs and tax control is requested at the time of entry into the Zone shall, if they are intended for export to the European Economic Community or to the Socialist Federal Republic of Yugoslavia, be subject, respectively to the customs provisions of the Trieste free points (*punti franchi di Trieste*) or to the customs provisions in force in the Socialist Federal Republic of Yugoslavia governing the movement, storage, handling and processing of goods. These provisions shall include the Italian or Yugoslav regulations on the prevention and punishment of violations.

Goods for which constant customs and tax control is not requested at the time of their entry into the Zone, because they are destined for countries other than those of the European Economic Community or the Socialist Federal Republic of Yugoslavia, shall be subject to the customs provisions of the State in whose territory the establishment into which the said goods have been brought is situated.

In respect of the prevention and punishment of illegal activities, smuggling and all other offences, each country shall apply its own laws in the part of the Zone which is situated in its territory. The authorities of the two Parties shall assist each other in such prevention and punishment.

Article 5. Labour relations and exchange and tax questions involving establishments situated in the Zone shall be subject to the legislation of the State in which the headquarters of the enterprise to which the said establishment belongs is situated.

The authorities of the State whose legislation applies shall have jurisdiction over the enforcement of the provisions governing the aforesaid matters.

Article 6. Rights *in rem* to immovable property situated in the Zone shall be governed by the legislation of the State in whose territory the property is situated.

Rights to movable property shall be subject to the legislation of the State in which the headquarters of the enterprise to which an establishment belongs is situated.

Article 7. The Zone shall be administered by an Italo-Yugoslav Joint Committee composed of three representatives of the Trieste Industrial Zone Authority (*Ente Zona Industriale di Trieste*) and by an equal number of representatives of the corresponding Yugoslav body.

The Joint Committee shall have the following powers:

- (a) To propose a town-planning project for the Zone to the competent authorities of the two countries, to draw up the plan for the project and, in the most appropriate way and by the most appropriate means, to see to its implementation;
- (b) To perform the other functions provided for in this Protocol and in its additional provisions;
- (c) To perform other functions that may be assigned to it, by mutual agreement, by the Trieste Industrial Zone Authority and the corresponding Yugoslav body, within their respective spheres of competence.

Article 8. The two Governments shall facilitate the establishment of the Zone by taking all measures within their competence, each in its own territory, to ensure that the bodies responsible provide the Zone with water, electric power and gas and with telecommunications and link its roads and railways with the national lines of communication.

Article 9. Nationals of the two Contracting Parties shall have the same rights to employment in establishments situated in the Zone.

Article 10. There shall be free movement of persons within the Zone across the Italo-Yugoslav national frontier.

Article 11. Any additional provisions which may be required to ensure the functioning of the Zone shall be stipulated in separate agreements.

Article 12. Within the Zone, the Italian and Slovene languages shall be on an equal footing. The modalities for their use shall be determined by the Italo-Yugoslav Joint Committee referred to in article 7 of this Protocol.

Article 13. The national legislation of the respective territories of the two Parties shall apply in all matters which are not regulated by this Protocol and by its additional provisions.

Article 14. This Protocol shall be valid for a period of 30 years from the date of its entry into force and shall be automatically renewable for periods of five years.

Either Party may denounce this Protocol upon the expiry of the thirty-year period by giving the other Party three years' advance notice. If the Protocol is renewed, either Party may denounce it upon the expiry of any given five-year period by giving the other Party at least one year's advance notice.

DONE at Osimo, Ancona, on 10 November 1975, in two original copies in the French language.

For the Government
of the Italian Republic:

M. RUMOR

For the Government
of the Socialist Federal Republic
of Yugoslavia:

R. MINIC

A N N E X I I

The following segment of topographical map constitutes annex II:
Map of Italy on a scale of 1:25,000 of the Military Geographic Institute:
(Edition 7, 1962), Sheet No. 40^a IV N.E.

Gorizia¹

A N N E X I I I

I

THE MINISTER FOR FOREIGN AFFAIRS
OF THE ITALIAN REPUBLIC

Osimo, Ancona, 10 November 1975

Sir,

With reference to the last paragraph of article 6 of the Agreement on the development of economic co-operation between the Italian Republic and the Socialist Federal Republic of Yugoslavia signed on today's date, I have the honour to inform you of the following:

The construction of a road similar to that which at the present time links the Yugoslav villages of Ravne (Raune di Luico) and Kambresko (Cambresco), the projected course of

¹ See p. 126 of this volume.

which is indicated on the map annexed to this letter, shall be financed by the Italian Government.

The Mt. Sabotino road shall be constructed by the Italian Government.

Accept, Sir, etc.

M. RUMOR

His Excellency Mr. Milos Minic
Vice-President of the Federal Executive Council
and Federal Secretary for Foreign Affairs
of the Socialist Federal Republic of Yugoslavia

The following topographical map segment is annexed to the exchange of letters:
Map of Italy on a scale of 1:25,000 of the Military Geographic Institute:
(Edition 6, 1962), Sheet No. 26 IV S.E.

Drenchia¹

II

THE VICE-PRESIDENT OF THE FEDERAL EXECUTIVE COUNCIL AND FEDERAL SECRETARY
FOR FOREIGN AFFAIRS OF THE SOCIALIST FEDERAL REPUBLIC OF YUGOSLAVIA

Osimo, Ancona, 10 November 1975

Sir,

I have the honour to inform you that I have taken due note of your letter which reads as follows:

[*See letter I*]

I have the honour to confirm to you my Government's agreement to the foregoing.

Accept, Sir, etc.

M. MINIC

His Excellency Mr. Mariano Rumor
Minister for Foreign Affairs
of the Italian Republic

[*Annex as under letter I*]

¹ See p. 128 of this volume.

ANNEX IV

I

THE MINISTER FOR FOREIGN AFFAIRS
OF THE ITALIAN REPUBLIC

Osimo, Ancona, 10 November 1975

Sir,

Since the Agreement on the development of economic co-operation between the Italian Republic and the Socialist Federal Republic of Yugoslavia signed on today's date does not entail any amendment to the Agreements, Treaties and Conventions between our two countries in this field, the two Governments, in respect of the following Agreements, as currently in force:

- (1) Agreement between the Italian Republic and the People's Federal Republic of Yugoslavia concerning minor frontier traffic between the Trieste frontier zone and the frontier zone of Buje, Capodistria, Sesana and Nova Gorica, signed at Rome on 31 March 1955;
- (2) Agreement between the Italian Republic and the People's Federal Republic of Yugoslavia concerning minor frontier traffic between the Gorizia-Udine frontier region and the Sesana-Nova Gorica-Tolmino frontier region, signed at Rome on 31 March 1955; and
- (3) Agreement between the Italian Republic and the People's Federal Republic of Yugoslavia governing the movement of persons, road and maritime traffic and transit between the frontier regions, signed at Udine on 31 October 1962,

recognize that they are in accordance with the goals referred to in the preamble to the first-mentioned Agreement and confirm their intention of maintaining them in force in the future and improving them, when need be, in keeping with the spirit of article 9 of the Agreement which has just been signed on today's date.

Accept, Sir, etc.

M. RUMOR

His Excellency Mr. Milos Minic
Vice-President of the Federal Executive Council
and Federal Secretary for Foreign Affairs
of the Socialist Federal Republic of Yugoslavia

II

THE VICE-PRESIDENT OF THE FEDERAL EXECUTIVE COUNCIL AND FEDERAL SECRETARY
FOR FOREIGN AFFAIRS OF THE SOCIALIST FEDERAL REPUBLIC OF YUGOSLAVIA

Osimo, Ancona, 10 November 1975

Sir,

[See letter I]

Accept, Sir, etc.

M. MINIC

His Excellency Mr. Mariano Rumor
Minister for Foreign Affairs
of the Italian Republic

FINAL ACT

At the close of negotiations between the delegations of the Italian Republic and of the Socialist Federal Republic of Yugoslavia, the Plenipotentiaries of the two Governments have today signed at Osimo, Ancona:

1. A Treaty between the two countries with ten annexes;
2. An Agreement on the development of economic co-operation between the two countries, with four annexes.

The two agreements shall be ratified as soon as possible in accordance with the constitutional procedures in force in the two countries. The instruments of ratification of the two agreements shall be exchanged on the same date and the two agreements shall enter into force simultaneously on the day of the exchange of the instruments of ratification.

DONE at Osimo, Ancona, on 10 November 1975, in two original copies in the French language.

M. RUMOR

M. MINIC

EXCHANGES OF LETTERS

I a

THE VICE-PRESIDENT OF THE FEDERAL EXECUTIVE COUNCIL AND FEDERAL SECRETARY FOR FOREIGN AFFAIRS OF THE SOCIALIST FEDERAL REPUBLIC OF YUGOSLAVIA

Osimo, Ancona, 10 November 1975

Sir,

I have the honour to confirm to you that we have agreed to conclude as soon as possible an Agreement on the recognition of university diplomas.

The delegations appointed for the purpose shall begin negotiations within six months of the date of the entry into force of the Treaty between our two countries of 10 November 1975.

Accept, Sir, etc.

M. MINIC

His Excellency Mr. Mariano Rumor
Minister for Foreign Affairs
of the Italian Republic

II a

THE MINISTER FOR FOREIGN AFFAIRS
OF THE ITALIAN REPUBLIC

Osimo, Ancona, 10 November 1975

Sir,

[See letter I a]

Accept, Sir, etc.

M. RUMOR

His Excellency Mr. Milos Minic
Vice-President of the Federal Executive Council
and Federal Secretary for Foreign Affairs
of the Socialist Federal Republic of Yugoslavia

I b

THE MINISTER FOR FOREIGN AFFAIRS
OF THE ITALIAN REPUBLIC

Osimo, Ancona, 10 November 1975

Sir,

During the negotiations which resulted in the signing of the Treaty between our two countries on today's date, we agreed as follows:

Within six months from the date of the entry into force of the said Treaty, delegations appointed respectively by the Italian Government and the Yugoslav Government shall meet in a place to be determined in order to consider issues relating to cultural property, works of art, archives, and land registers pertaining to the territory referred to in article 21 of the Treaty of Peace with Italy of 10 February 1947. The remaining issues relating to archives and land registers pertaining to the territory ceded by Italy to the Socialist Federal Republic of Yugoslavia under the Treaty of Peace with Italy of 10 February 1947 shall likewise be considered during the same meeting.

Accept, Sir, etc.

M. RUMOR

His Excellency Mr. Milos Minic
Vice-President of the Federal Executive Council
and Federal Secretary for Foreign Affairs
of the Socialist Federal Republic of Yugoslavia

II b

THE VICE-PRESIDENT OF THE FEDERAL EXECUTIVE COUNCIL AND FEDERAL SECRETARY FOR FOREIGN AFFAIRS OF THE SOCIALIST FEDERAL REPUBLIC OF YUGOSLAVIA

Osimo, Ancona, 10 November 1975

Sir,

[See letter I b]

Accept, Sir, etc.

M. MINIC

His Excellency Mr. Mariano Rumor
Minister for Foreign Affairs
of the Italian Republic

I c

THE VICE-PRESIDENT OF THE FEDERAL EXECUTIVE COUNCIL AND FEDERAL SECRETARY FOR FOREIGN AFFAIRS OF THE SOCIALIST FEDERAL REPUBLIC OF YUGOSLAVIA

Osimo, Ancona, 10 November 1975

Sir,

During the negotiations which resulted in the signing of the Treaty and the Agreement between our two countries on today's date, the two Parties agreed to open, as soon as possible, an international crossing of the first category at Vrtojba (Standrez) and an international crossing of the second category at Nova Gorica on Erjavceva Cesta Street (Mt. S. Gabriele Street).

I have the honour to confirm to you that instructions to this effect have been given to the competent Yugoslav bodies so that they may make the necessary contacts with their Italian counterparts in that connexion.

Accept, Sir, etc.

M. MINIC

His Excellency Mr. Mariano Rumor
Minister for Foreign Affairs
of the Italian Republic

II c

THE MINISTER FOR FOREIGN AFFAIRS
OF THE ITALIAN REPUBLIC

Osimo, Ancona, 10 November 1975

Sir,

During the negotiations which resulted in the signing of the Treaty and the Agreement between our two countries on today's date, the two Parties agreed to open, as soon as possible, an international crossing of the first category at S. Andrea/Vrtojba and an international crossing of the second category at Gorizia on Mt. S. Gabriele Street/Erjavceva Cesta.

I have the honour to inform you that instructions to this effect have been given to the competent Italian bodies so that they may make the necessary contacts with their Yugoslav counterparts in that connexion.

Accept, Sir, etc.

M. RUMOR

His Excellency Mr. Milos Minic
Vice-President of the Federal Executive Council
and Federal Secretary for Foreign Affairs
of the Socialist Federal Republic of Yugoslavia
