

No. 27157

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**UNITED STATES OF AMERICA  
and  
DOMINICAN REPUBLIC**

**Agreement for the sale of agricultural commodities (with memorandum of understanding, annexes and attachments). Signed at Santo Domingo on 21 May 1982**

*Authentic texts: English and Spanish.*

*Registered by the United States of America on 15 March 1990.*

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**ÉTATS-UNIS D'AMÉRIQUE  
et  
RÉPUBLIQUE DOMINICAINE**

**Accord relatif à la vente de produits agricoles (avec mémorandum d'accord, annexes et pièces jointes). Signé à Saint Domingue le 21 mai 1982**

*Textes authentiques : anglais et espagnol.*

*Enregistré par les États-Unis d'Amérique le 15 mars 1990.*

# AGREEMENT<sup>1</sup> BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE DOMINICAN REPUBLIC FOR THE SALE OF AGRICULTURAL COMMODITIES

The Government of the United States of America and the Government of the Dominican Republic agree to the sale of agricultural commodities specified below. This Agreement shall consist of the Preamble and Parts I and III of the Agreement signed September 28, 1977,<sup>2</sup> together with the following Part II.

## PART II. Particular Provisions

### ITEM I. Commodity Table:

<u>Commodity</u>	<u>Supply Period (United States Fiscal Year)</u>	<u>Approximate Quantity (Metric Tons)</u>	<u>Maximum Export Market Value Dols. (Millions)</u>
Corn/Sorghum	1982	100,000	\$11.7
Soybean/Cottonseed Oil	1982	10,000	<u>5.3</u>
Total			\$17.0

### ITEM II. Payment Terms:

Convertible local currency credit (CLCC)

- a. Initial Payment - Five (5) Percent
- b. Currency Use Payment - Five (5) percent for section 104(a) purposes
- c. Number of Installment Payments - Seventeen (17)
- d. Amount of Each Installment Payment - Approximately equal annual amounts.

<sup>1</sup> Came into force on 21 May 1982 by signature.

<sup>2</sup> United Nations, *Treaty Series*, vol. 1119, p. 107.

- e. Due Date of the First Installment Payment - Four (4) years after date of last delivery of commodities in each calendar year.
- f. Initial Interest Rate - Three (3) percent.
- g. Continuing Interest Rate - Four (4) percent.

ITEM III. Usual Marketing Table

<u>Commodity</u>	<u>Import Period</u> (United States) Fiscal Year)	<u>Usual Marketing Requirements</u> (Metric Tons)
Feed Grains	1982	96,000 metric tons
Edible Oil	1982	45,000 metric tons of which at least 38,000 metric tons shall be imported from the United States

ITEM IV. Export Limitations:

A. The export limitation period shall be United States fiscal year 1982, 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 corn/sorghum - corn, cornmeal, barley, grain sorghum, rye, oats, and any other feed grains including mixed feeds containing predominantly such grains; and for soybean/cottonseed oil - all edible vegetable oils including peanut oil, soybean oil, cottonseed oil, rapeseed oil, sunflower oil, sesame oil, and any other edible vegetable oil or oil bearing seeds from which these oils are produced.

ITEM V. Self-Help Measures:

A. The Government of the Dominican Republic agrees to undertake self-help measures to improve the production of agricultural commodities. The following self-help measures shall be implemented to

contribute directly to development progress in poor rural areas and enable the poor to participate actively in increasing agricultural production and productivity through small farm agriculture.

B. The Government of the Dominican Republic agrees to undertake the following activities and in doing so to provide adequate financial, technical managerial resources for their implementation:

(1) African Swine Fever.

(a) Continue efforts in African Swine Fever surveillance. Train specialists, as required, in detection of the disease. Keep diagnostic centers supplied with necessary equipment.

(b) Provide funding for local costs associated with swine repopulation activities.

(2) Agricultural Production.

Continue efforts to expand food crop production, with special emphasis on programs assisting small farmers to improve their agricultural productivity. As part of this effort the GODR will:

(a) Continue the activities and programs of the Agricultural Bank, working with USAID and the Inter-American Bank, to increase the availability of credit for small farmers and farmer associations. Efforts will also be made to increase their access to farm inputs including seed, fertilizer, pesticides, and hand tools.

(b) Continue efforts to reconstruct and upgrade the rural transportation network. Special emphasis shall be placed on programs of maintenance and rehabilitation of rural feeder roads.

(c) Continue efforts to improve management of irrigation facilities, including providing training in water resource management to appropriate technicians and managers.

(d) Continue review of the operations of the Dominican Price Stabilization Institute (INESPRE) to insure that small-scale producers are benefiting to the maximum possible extent from price support programs.

(e) Implement programs in soil conservation.

(3) Training.

(a) Expand and improve training programs and extension services for small farmers and farmer associations. Emphasis shall be placed on encouraging the adoption of high yielding varieties of food crops and modern cultivation and production techniques.

(b) Implement training programs for staff level personnel and mid-level management for the execution of resource conservation programs. The USDA, Title XII Institutions and/or other international agencies may be used to provide technical assistance for this activity.

(4) Upgrade rudimentary health services offered to the rural poor population through the Secretariat of Health. Provide budget support for: (a) inoculation against prevailing contagious diseases; (b) family planning services; and (c) improvement of rural sanitation and shelter.

(5) Continue to improve access to rural education facilities, including training, curriculum development, and materials production.

ITEM VI. Economic Development Purposes for Which Proceeds Accruing to Importing Country Are to be Used:

A. The proceeds accruing to the Government of the Dominican Republic 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 development in the agricultural sector, in a manner designed to increase the access of the poor in the recipient country to an adequate, nutritious, and stable food supply.

B. In the use of proceeds for these purposes, emphasis will be placed on directly improving the lives of the poorest of the Dominican people and their capacity to participate in the development of their country.

ITEM VII. This Agreement is prepared in both English and Spanish. In the event of ambiguity or conflict between the two versions, the English language version will control.

IN WITNESS WHEREOF, the respective representatives, duly authorized for the purpose, have signed the present Agreement. Done at Santo Domingo, in duplicate, the 21 day of May, 1982.

For the Government  
of the Dominican Republic:

*[Signed]*

By: ANTONIO GUZMÁN

Title: President

For the Government  
of the United States of America:

*[Signed]*

By: ROBERT L. YOST

Title: Ambassador

MEMORANDUM OF UNDERSTANDING  
TO ESTABLISH THE OPERATIONAL PROCEDURES FOR THE USE OF THE  
PROCEEDS GENERATED UNDER THE PL-480 TITLE I AGREEMENT

Memorandum of Understanding dated May 21, 1982, between the Government of the Dominican Republic (Importing Country) and the United States of America (Exporting Country).

The purpose of this Memorandum is to set out the understandings between the Importing Country and the Exporting Country concerning the relationships and responsibilities of the different agencies of the Importing Country involved in the import and sale of commodities as well as in programming, use and control of the proceeds generated under the PL-480 Agreement executed on September 28, 1977, as amended (The Agreement).

The Importing and Exporting Countries, therefore, agree to the following:

A. The Instituto Nacional de Estabilización de Precios (INESPRE) will deposit through commercial banks all proceeds from the sale or disposition of the commodities under this Agreement in the Special Peso Account established in the Central Bank of the importing country the next working day following the sale or disposition of the commodities but in no case later than 60 days after the arrival of the commodities to the Importing Country. Any extension of such period must be approved in writing by the Technical Secretariat of the Presidency and A.I.D.

B. INESPRES will inform the Technical Secretariat of the Presidency, the Secretariat of State for Finance, the Central Bank, the United States Embassy, the U.S. Agricultural Attaché (USDA/DR), and the Agency for International Development (A.I.D.), in writing: (1) the arrival date and the disposition of the commodities, and the date of deposit in the Central Bank, through the Commercial Banks, of the proceeds from the sale

of commodities. This information will include but not be limited to the following documentation: bill of lading, consular invoice, and supplier's invoice; (2) when required by the U.S. Agricultural Attaché (USDA/DR), INESPRE will complete the special form for shipping, arrival, and attesting to the condition of specified PL-480 commodities.

C. INESPRE will provide the Technical Secretariat of the Presidency, the Secretariat of State for Finance, the Central Bank, the U.S. Agricultural Attaché (USDA/DR), and the Agency for International Development (A.I.D.) in writing, quarterly compliance, shipping and arrival reports required by the agreement in original form. The reporting due dates for compliance reports in question are February 1, May 1, August 1, and November 1.

D. CEDOPEX will provide the Technical Secretariat of the Presidency, the Secretariat of State for Finance, the Central Bank, the U.S. Agricultural Attaché (USDA/DR), and the Agency for International Development (A.I.D.) in writing a special report covering Dominican exports of certain raw, semi-processed and processed agricultural commodities regardless of country of destination. The commodities and products covered are as follows:

1. All Dominican exports of whole, cracked, rolled, flaked, or ground corn, corn meal, corn oil, grits, bakers grits, grits for beer and corn as a part of an unprepared or a prepared feed ration and all other exports of derivatives of corn.
2. All exports of animal feeds either prepared or unprepared, containing corn, wheat or rice. All human foods prepared or unprepared containing corn, wheat or rice.
3. All exports of vegetable oil as further defined to be soybean oil, cottonseed oil, coconut oil or palm oil.



The report will be delivered by CEDOPEX on the fifteenth of each month beginning with the first fifteenth occurring after the signing of the agreement. The report will cover the just completed 30 days export period.

E. Within the U.S. Embassy, the Office of the Agricultural Attaché shall be contacted directly for problems which fall into the following categories:

1. Commodity information to assist with program determination, including quality, grade and types of grains required.
2. Requested changes in the commodity mix.
3. Arrearages in PL 480 payments involving past programs.
4. Demurrage problems.
5. Preparing and execution of purchase authorizations.
6. Shipping and arrival information.
7. Problems and questions relating to exports of certain products and/or commodities.

F. The Central Bank will inform the Technical Secretariat of the Presidency of the Importing Country, the Secretariat of State for Finance, and A.I.D. of all deposits of the proceeds from the sale of commodities and will submit any financial information that A.I.D. might reasonably request.

G. 1. The Technical Secretariat of the Presidency of the Importing Country, jointly with A.I.D. will plan and program the use of the proceeds generated under the Agreement. Therefore, in accordance with the terms of Part II, Item VI of the Agreement, it is understood that the Technical Secretariat of the Presidency of the Importing Country will plan and program the use of the proceeds generated under the Agreement and will submit such plan and program for A.I.D. consideration and acceptance. Subsequently and prior to disbursement of the proceeds

generated from the sale of the commodities, the Technical Secretariat of the Presidency will submit for A.I.D. acceptance, a detailed plan of each subproject to be financed with the proceeds generated under this Agreement.

2. In addition, by November 15 of each calendar year, the Technical Secretariat of the Presidency will furnish to A.I.D. a detailed report of the progress the Government of the Importing Country is making in carrying out the self-help measures described in Part II, Item V of this Agreement. The Technical Secretariat will also submit to A.I.D. quarterly compliance reports, end-of-project report for each subproject, as well as any other reports that A.I.D. may reasonably request.

H. The Importing country will:

1. Furnish A.I.D. and USDA/DR such information and reports relating to this Agreement as A.I.D. may reasonably request.

2. Maintain or cause to be maintained, in accordance with generally accepted accounting principles and practices consistently applied, books and records relating to this Agreement. Such books and records will be audited regularly, in accordance with generally accepted auditing standards and maintained for three years after the date of arrival of the commodity, or after the last disbursement of proceeds by the Central Bank, whichever occurs later.

3. Afford authorized representatives of any party to this Memorandum of Understanding the opportunity at all reasonable times to inspect the project sites financed with the proceeds, and all books, records, and other documents relating to this Memorandum of Understanding and the Agreement.

I. To assist the Importing Country in the implementation of the Agreement, the Exporting country may, from time to time, issue Operational Letters that will furnish additional information about matters stated in the Agreement and this Memorandum of Understanding.

The parties may also use jointly agreed-upon Operational Letters to confirm and record their mutual understanding on aspects of the implementation of the Agreement. Operational letters will not be used to amend the text of the Agreement, but can be used to record revisions or exceptions which are permitted by the Agreement.

J. At such intervals as the reporting country or the importing country might deem appropriate, but not less than every six months, will meet to review its accomplishments. This will include the review of the achievements of the goals and targets of the general program and of self-help projects.

K. This Memorandum of Understanding forms an integral part of the PL-480 Title I Agreement of 1982.

L. This Memorandum of Understanding is written in both English and Spanish. In the event of ambiguity or conflict between the two versions, the English language version will control. In any case, the Agreement and the Memorandum of Understanding will be signed in both languages.

M. For all purposes relevant to this Memorandum the Importing Country will be represented by the individual holding or acting in the office of the Technical Secretariat of the Presidency or by the individual holding or acting in the office of the Secretary of State for Finance. INESPRES will be represented by the individual holding or acting in the office of the Director of INESPRES; CEDOPEX will be represented by the individual holding or acting in the office of the Director of CEDOPEX; and the Central Bank will be represented by the individual holding or acting in the office of the Governor of the Central Bank. The Exporting Country will be represented by the individual holding or acting in the Office of the Director, U.S. A.I.D. Mission to the Dominican

Republic. Each representative named above, may designate additional representatives for all purposes related to this Memorandum of Understanding. The person acting in the AID/PL-480 Resource Coordinating Unit (ONAPLAN) in the Technical Secretariat of the Presidency will be at the same time the PL-480 Title I Project Coordinator. The designation of this person, who will be named by the importing country, should be acceptable to A.I.D. The names of the representatives of the above Importing Country institutions, with specimen signature will be provided to A.I.D., which may accept as duly authorized any instrument signed by such representatives in implementation of the Agreement and this Memorandum, until receipt of written notice of revocation of their authority.

N. A "Self-help Measures Annex A," which describes the activities for which the proceeds from the agreement can be used and Annex B which describes procedures for disbursement for PL-480 Title I Sales Proceeds are attached and form a part of this Memorandum of Understanding. The elements of Annex A can be changed by written agreement of the authorized representatives of the Technical Secretariat of the Presidency and A.I.D.

O. Prior to the disbursement of any of the proceeds generated under the PL-480 Title I agreement for a particular self-help activity, the Technical Secretariat of the Presidency will provide A.I.D. with the specific targets to be used to measure the extent to which the particular self-help activity has been carried out.

IN WITNESS WHEREOF, the undersigned each acting on behalf of their respective Agency, have caused this Memorandum to be signed in five (5) originals on this date of May 21, 1982.

For the Government  
of the Dominican Republic:

*[Signed]*

Dr. BOLÍVAR BÁEZ ORTIZ  
Technical Secretary  
of the Presidency

*[Signed]*

RAMÓN MARTÍNEZ APONTE  
Secretary of State  
for Finance

*[Signed]*

CARLOS DESPRADEL  
Governor  
of the Central Bank

*[Signed]*

GUSTAVO O. SÁNCHEZ DÍAZ  
Executive Director,  
INESPRE

*[Signed]*

JESÚS MARÍA HERNÁNDEZ  
Director,  
CEDOPEX

For the Government  
of the United States of America:

*[Signed]*

RONALD F. VENEZIA  
Acting Director, USAID Mission  
to the Dominican Republic

*[Signed]*

ROBERT R. ANLAUF  
Agricultural Attaché  
USDA/DR

## ANNEX A

## SELF-HELP MEASURES ANNEX

Memorandum of Understanding for the Use of  
Proceeds Generated Under the PL-480 Title I Agreement

In accordance with Item V, Self-Help Measures, the following policies and projects will be undertaken:

- (A) African Swine Fever (\$1.85 million): 185 loans for 3,700 Beneficiaries. Through the Agricultural Bank.

Provide funding through the Agricultural Bank for swine repopulation activities.

- (B) Agricultural Production (\$7.5 million):

Continue efforts to expand food crop production, with special emphasis on programs assisting small farmers to improve their agricultural productivity. As part of this effort the GODR will:

(1) Continue the activities and programs of the Agricultural Bank, working with USAID and the Inter-American Development Bank, to increase the availability of credit for small farmers and farmer associations (\$5.0 million); 4,200 loans for 4,200 Beneficiaries

(2) Efforts will be made to improve management and rehabilitation of irrigation facilities (\$1.5 million). Rehabilitation of 500 kms. of irrigation canals.

(3) Review operations of agencies involved in price support programs to assure that small-scale producers are benefiting from price support programs;

(4) Establish a technical unit within the GODR to gather, analyze, and make recommendations about the costs and prices of agricultural inputs and products.

(5) Agroindustrial Credit through the Agricultural Bank. (\$1.0 million) 50 loans for 750 Beneficiaries.

- (C) Rural Roads (\$2.0 million):

Continue efforts to upgrade the rural transportation network. Special emphasis shall be placed on programs of rehabilitation of rural feeder roads. Rehabilitation of 200 Kms. of rural roads.

- (D) Rural Sanitation (\$2.3 million)

Preventive and simple curative health services, including sanitation, will be available to approximately 80% of the rural population.

(E) Rural Housing (\$1.5 million);

For a program to improve the living conditions of the poor people in the rural areas through INVI. Home improvement for on or about 25,000 families.

(F) Improvement of GOCR Financing Management Practices for Development Project Operations (\$0.15 million)

Establishment of a unit within the Technical Secretariat of the Presidency to examine and reform the financial management practices of the GOCR development projects and activities beginning with A.I.D. financed projects. Unit in operation by September 30, 1982.

## ANNEX B

## PL-480 Funds

Disbursement Procedures for the Implementing Agencies

1. The Implementing Agency will request to the Technical Secretary of the Presidency, the quarterly disbursement (for the first quarter), attaching a list of the expenditures to be incurred. For subsequent requests it should also attach the documents justifying the previous expenditures.
2. The Technical Secretary of the Presidency will authorize the Central Bank, with the approval of the Agency for International Development (A.I.D.), the disbursement of funds for each individual project. (See Annex B.1.)
3. The Central Bank will deposit in the National Treasury the amount requested.
4. The amount disbursed by the Central Bank will be placed in a special account in the National Treasury, named, "PL-480 Special Fund," within the Budget of the Technical Secretariat of the Presidency.
5. The Technical Secretary of the Presidency will request the disbursement of funds from the National Treasury to the Implementing Agency in accordance with procedures established under Dominican laws.
6. The disbursements will be made through checks issued by the National Treasury to the Implementing Agencies of each project, and such funds will be deposited in a bank account separate from their other resources.
7. Under no circumstance will the procedures indicated in No. 5 and 6 above exceed 10 working days.



## ATTACHMENT B.1

Banco Central de la República Dominicana  
Santo Domingo, D. N.

Dear Sirs:

Pursuant to the agreement entered into between the Government of the Dominican Republic and the U.S. Government, acting through the Agency for International Development on \_\_\_\_\_, it is hereby requested that the amount of RD\$\_\_\_\_\_ be released from the Special Peso Account established in the Central Bank, in accordance with the terms of PL-480, Title I, Agreement of \_\_\_\_\_, 19\_\_\_\_, and deposited in the Banco de Reservas de la República Dominicana, Account No. \_\_\_\_\_, entitled "\_\_\_\_\_".

For your information and/or necessary action, we attach a financial statement which shows the financial status of the project, since its inception to date.

Please notify this office once this action has been completed.

Your prompt attention to this matter will be greatly appreciated.

Sincerely,

\_\_\_\_\_  
Technical Secretary of the Presidency

Concur:

\_\_\_\_\_  
A.I.D.

## ATTACHMENT B.2

(GODR Agency)

## Project Identification

Financial Status as of \_\_\_\_\_

Previous Expenditures	RD\$
<u>Add: Expenditures this Period:</u>	
<u>Budget Line Item</u>	<u>RD\$</u>
_____	
_____	
_____	
_____	
Total Expenditures to Date	RD\$ _____
<u>Advance Accounting:</u>	
Advance Balance for previous period	RD\$
Advance received during this period	
Sub-Total	RD\$ _____
Less: Expenditures this period	_____
Advance Balance available for Next Period	RD\$
Advance requested for next period	_____
Advance Balance After This Request	RD\$ _____

\_\_\_\_\_