

No. 27304

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**UNITED STATES OF AMERICA  
and  
TUNISIA**

**Agreement for the sale of agricultural commodities. Signed at  
Tunis on 4 June 1983**

**Amendment to the above-mentioned Agreement. Signed at  
Washington on 1 July 1983**

*Authentic texts: English and French.*

*Registered by the United States of America on 25 May 1990.*

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**ÉTATS-UNIS D'AMÉRIQUE  
et  
TUNISIE**

**Accord pour la vente de produits agricoles. Signé à Tunis le  
4 juin 1983**

**Amendement de l'Accord susmentionné. Signé à Washington  
le 1<sup>er</sup> juillet 1983**

*Textes authentiques : anglais et français.*

*Enregistrés par les États-Unis d'Amérique le 25 mai 1990.*

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

The Government of the United States of America and the Government of the Republic of Tunisia agree to the sale of the agricultural commodities specified below. This Agreement shall consist of the Preamble and Parts I and III of the Title I Agreement signed on June 7, 1976,<sup>2</sup> together with the following Part II:

### PART II - PARTICULAR PROVISIONS

#### Item I - Commodity Table:

<u>Commodity</u>	<u>Supply Period (U.S. Fiscal Year)</u>	<u>Approximate Quantity (Metric Tons)</u>	<u>Maximum Export Market Value (Millions)</u>
Wheat	1983	75,000	Dollars 10.0
Totals		75,000	Dollars 10.0

#### Item II - Payment Terms:

##### Dollar Credit (DC)

1. Initial Payment: Fifteen (15) percent;
2. Currency Use Payment: None;
3. Number of Installment Payments: Nineteen (19);
4. Amount of Each Installment Payment: Approximately equal annual amounts;
5. Due Date of First Installment Payment: Two (2) years after the date of the last delivery of commodities in each calendar year;
6. Initial Interest Rate: Three (3) percent;
7. Continuing Interest Rate: Four (4) percent.

<sup>1</sup> Came into force on 4 June 1983 by signature, in accordance with part III (A).

<sup>2</sup> United Nations, *Treaty Series*, vol. 1072, p. 123.

Item III - Usual Marketing Table:

<u>Commodity</u>	<u>Import Period (U.S. Fiscal Year)</u>	<u>Usual Marketing Requirement (Metric Tons)</u>
Wheat	1983	425,000

Item IV - Export Limitations:

## A. The Export Limitation Period:

The Export Limitation Period shall be the U.S. Fiscal Year 1983 or any subsequent U.S. Fiscal Year during which the commodities finances under this Agreement are being imported or utilized.

B. Commodities To Which Limitations Apply:

For the purpose of Part I. Article III A. 4. of this Agreement, the commodities which may not be exported are: wheat, wheat flour, rolled wheat, semolina, farina and bulgur (or the same products under different names).

Item V - Self-Help Measures

A. The Government of Tunisia has established increased agricultural production and rural income, and improved distribution of income as major long-term objectives and as specific objectives of its Sixth Development Plan. The long-term objectives which continue to be accorded the highest priority in Tunisia's agricultural development plan (VI), include:

1. Production growth 5% per year versus -0.1% actual during 5th Plan.
2. Agriculture balance of payments deficit in 1986 of 50 MD versus 100 MD in 1981.
3. Creation of 30,000 jobs in irrigated agriculture and provide 13 million work days in dryland tree crops and livestock.
4. Investment of 1,550 MD (18.9%) of total public investment versus 584 MD (12.9%) in 5th Plan.

Major investment will continue in development of water resources and account for about 39% of the total budget for agriculture. In consideration of the financial support provided by the Government of the United States under this Agreement, The Government of Tunisia agrees to assign priority to the specific measures described below to increase agricultural production and improve distribution of income.

These measures will be implemented to as to contribute directly to the development progress in rural areas and to enable the rural poor to participate in increased agricultural production.

B. In order to implement the program envisioned in the March 1981 PL 480 Title I Program Paper, the Government of Tunisia has decided, in accordance with the objectives of the Sixth Plan, to undertake the following self-help activities to enable the poor, smaller farmers to participate in increasing agricultural production. The Government of Tunisia agrees to provide adequate financial, technical, and managerial resources for the implementation of these measures:

1. Expand the supply and improve the scheduling of nitrogenous fertilizer imports.

(a) Maintain and provide financing for the Sixth Plan target for nitrogen consumption equivalent of 116,000 MT of ammonium nitrate in 1982-83 (from an actual level of 79,000 MT in 1980-81) and 130,000 MT in 1983-84.

(b) Arrange importations so that the total needs for 1983-84 (May 1 - April 30) plus an additional amount for a strategic reserve of at least 15,000 MT (145,000 MT total) are available in Tunisia before the end of February, 1984. The scheduling between May 1983 and February 1984, should be such as to insure adequate supplies at all times.

A new ammonium nitrate plant is expected to come on stream during the 1983-84 period, imports will be scheduled based on conservative estimates of plant start up and monthly review of the status by the Ministry of Agriculture. The plant is expected to go on stream by August producing 1,000 MT per day; 130,000 MT will be reserved for 1983-84 consumption.

2. Maintain an adequate supply of triple super phosphate (TSP) in the distribution system to permit at least a seven (7) percent increase in annual growth rate in the consumption of TSP equivalent during the 1983-84 crop period (15% above 1981-82).

3. Improve the distribution system for fertilizer. (a) In 1982, margins for cooperative and private dealers were increased from 1D500 to 6D600 per metric ton for ammonium nitrate and 4D750 for TSP. During 1983-84, information will be supplied dealers on proper use of fertilizer and other agricultural chemicals.

(b) Plans have been prepared for construction of 40 new fertilizer wholesale-retail storage entities to be used also for grain. Construction of 22 with 14,000 MT of capacity for which contracting is underway are to be completed by January 1984. Schedules and contracts for the other 18 sites will be completed during April-October 1983.

4. Improve collection, handling and storage capacity for cereals. In addition to the dual purpose storage noted above, contracting procedures are in final stages for 100,000 MT of new grain storage and rehabilitation of 54,000 MT as follows with the last units to be completed within 30 months of contracting:

Bizerte	10,000 MT new (+ 20,000 improved)
Beja	10,000 MT new
Kalaa Sghrira	20,000 MT new
Sfax	20,000 MT new
Gafsa	10,000 MT new
Gabès	30,000 MT new
Manouba	54,000 MT rehabilitated

5. Conduct essential fertilizer-research and disseminate information via public and private channels.

(a) Physical research on alternative lower-cost forms of fertilizer such as diammonium phosphate (DAP), urea and direct application of ammonia ( $\text{NH}_3$ ) or aqueous solutions of ammonia will be further expanded from 1982-83.

(b) Study the comparative costs per nutrient-kilogram of these and presently used fertilizers in relation to yield-response from the points of view of both the farmer and the national economy.

(c) Information material on fertilizer use will be disseminated through the new private and cooperative dealer network by October 1983.

(d) Expand fertilizer response - soil analysis correlation research.

6. The 1982 study of constraints on use of production increasing inputs identified credit as a major constraint. Major emphasis will be placed on accelerating expansion of supply and improving efficiency of distribution of short and medium term credit including allocation of some of the sales proceeds of PL 480 financed grain for credit.

7. Continue programs to expand and improve extension, and soil testing services to serve small and medium-size farmers.

Two laboratories have been completed, ESAK (Le Kef), DPV (Cap Bon), and a third is near completion at INRAT (Tunis). Needed equipment will be installed, trained personnel assigned and farmer soil analysis services initiated at each before the end of 1983.

8. Support research to develop superior varieties of forage legumes (*Medicago* spp.) and cereal grains adapted to local conditions and resistant to major plant diseases in Tunisia.

Item VI - Economic Development Purpose for Which Proceeds Accruing to Recipient Country Are to be Used:

A. The Government of Tunisia allots the proceeds accruing from the sale of the commodities financed under this Agreement to help finance the self-help measures set forth in the Agreement and for the development sectors of agricultural and rural development, in a manner designed to increase the access of the most disadvantaged population to an adequate, nutritious and stable food supply.

B. In the use of proceeds for these purposes, the Government of Tunisia intends to pay particular attention to improving the lives of the most disadvantaged population and its capacity to participate in the development of Tunisia.

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

DONE AT TUNIS, this forth day of June, 1983 in two original copies in both the English and French languages, both texts being equally authentic.

For the Government  
of the United States of America:

*[Signed]*

C. NORMAN ANDERSON  
Chargé d'Affaires a.i.  
Embassy of the United States  
of America at Tunis

For the Government  
of the Republic of Tunisia:

*[Signed]*

AHMED BEN ARFA  
Secretary to the Minister  
of Foreign Affairs  
In charge of International Cooperation

AMENDMENT<sup>1</sup> TO THE JUNE 4, 1983 AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE REPUBLIC OF TUNISIA FOR THE SALE OF AGRICULTURAL COMMODITIES<sup>2</sup>

WHEREAS the Government of the United States of America and the Government of the Republic of Tunisia agree to amend the June 4, 1983 Title I PL 480 Agreement,<sup>2</sup> Part II, Particular Provisions of that Agreement are amended as follows:

A. In Item I, Commodity Table, make the following changes under appropriate headings: (a) Insert new commodity line as follows:

"Edible vegetable oil - 1983 - 6,000 - 3.0"

(b) Under column headed "Maximum export market value", insert new cumulative program line as follows:

"Total 13.0."

B. In Item III, Usual Marketing Table, make the following changes under appropriate headings: Insert new commodity line as follows:

"Vegetable oil - 1983 - 66,000 metric tons".

C. In Item IV. 3., Commodities to which export limitations apply, following the words "(or the same products under a different name)" change the period to a semicolon and add "and

<sup>1</sup> Came into force on 1 July 1988 by signature, in accordance with part III (A).

<sup>2</sup> See p. 148 of this volume.



for edible vegetable oil - All edible vegetable oils except olive oil but including peanut oil, soybean oil, cottonseed oil, rapeseed oil, sunflower oil, sesame oil, and other edible vegetable oils or oil bearing seeds from which these oils are produced".

D. In Item V. Self-Help Measures, insert the following section:

"C. The Government of Tunisia agrees to provide adequate financial, technical and managerial resources for the implementation of these measures:

(1) Expand the geographic area covered by the small farmer supervised credit project, APMANE, to include farmers requiring credit in the governorates of Ariana, Ben Arous, and Tunis.

(2) Increase the percentage of farmers served by supervised credit in those areas where the APMANE project is already operating. Under the Sixth Five-Year Development Plan for Agriculture, the Government intends to provide supervised credit for 200,000 hectares of the 500,000 hectares farmed by small and medium sized farmers as compared to the provision of supervised credit for only 100,000 hectares in 1981, the year before the plan period. The following targets have been established for the APMANE project: (These targets do not include the farms to be covered by the expansion of the project into new geographic areas referred to in paragraph 1 above)

	<u>1982/83</u>	<u>1983/84</u>	<u>1984/85</u>
Farmers	7,300	8,662	10,109
Hectares	115,300	143,000	167,000

(3) Increase the variety of loan activities which the APMANE supervised credit project may finance for participating farmers including, but not limited to the following: soil and water conservation works, fruit tree planting, well construction and development, and rabbit raising, bee keeping and other such small animal production activities.

(4) Increase the administrative support to the Ministry of Agriculture Directorate for Assistance to Small and Medium Farmers to enable it to augment the number of project APMANE credit agents, provide training, adequate office space and transportation to them so that they can effectively carry out their work.

(5) Continue and improve the APMANE evaluation process to identify measures necessary for supervised credit programs in Tunisia to have a maximum impact on agricultural production and farmers income. In order to accomplish this, the independent annual evaluation of the APMANE project for the 1982/83 crop year will emphasize: (1) factors limiting the number of small and medium size farmers who have access to and are participating in the supervised credit project; (2) causes of the project's low repayment rates, especially for medium term loans; and (3) identification of procedures to improve reimbursement rates. The program of annual evaluation of the project will be continued by the Government of Tunisia beyond the period of AID assistance to the project.

A joint United States-Tunisian evaluation of the APMANE project will be conducted to determine the extent to which supervised credit has contributed to agriculture development goals in the project area and the measures necessary to improve the effectiveness and efficiency of the project."

**E. All other terms and conditions of June 4, 1983 Agreement remain the same.**

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

**DONE at Washington, this first day of July, 1983 in duplicate, in the English and French languages, both texts being equally authentic.**

For the Government  
of the United States of America:

[Signed]<sup>1</sup>

For the Government  
of the Republic of Tunisia:

[Signed]<sup>2</sup>

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<sup>1</sup> Signed by John R. Block.

<sup>2</sup> Signed by Lassad Ben Osman.