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**ECONOMIC, TECHNICAL AND RELATED ASSISTANCE AGREEMENT
BETWEEN
THE GOVERNMENT OF THE UNITED STATES OF AMERICA
AND
THE GOVERNMENT OF THE REPUBLIC OF SOUTH AFRICA**

PREAMBLE

The Government of the United States of America and the Government of the Republic of South Africa (hereinafter jointly referred to as the "Parties"), have agreed as follows:

ARTICLE 1

The Government of the United States of America will furnish such economic, technical and related assistance hereunder as may be requested by representatives of the appropriate agency of the Government of the Republic of South Africa and approved by representatives of the agency designated by the Government of the United States of America to administer its responsibilities hereunder, or as may be requested and approved by other representatives designated by either of the Parties. The furnishing of such assistance shall be subject to applicable United States laws and regulations. It shall be made available in accordance with arrangements agreed upon between the above-mentioned representatives.

ARTICLE 2

1. The Government of the Republic of South Africa will-

- (a) make the full contribution permitted by its personnel, resources, facilities, and general economic condition in furtherance of the purposes for which assistance is made available hereunder;
- (b) take appropriate steps to assure the effective use of such assistance;
- (c) cooperate with the Government of the United States of America to assure that procurement will be at reasonable prices and on reasonable terms;
- (d) without restriction, other than those normally applied to representatives of foreign countries in accordance with international law, permit continuous observation and review by United States representatives of programs and operations hereunder, and records pertaining thereto;
- (e) provide the Government of the United States of America with full and complete information concerning such programs and operations and other relevant information which the Government of the United States of America may need to determine the nature and scope of operations and to evaluate the effectiveness of the assistance furnished or contemplated; and
- (f) give to the people of the Republic of South Africa full publicity concerning assistance programs and operations hereunder.

2. With respect to cooperative technical assistance programs hereunder, the Government of the Republic of South Africa will

- (a) bear a fair share of the costs thereof;

(b) to the maximum extent possible, seek full coordination and integration of technical cooperation programs being carried on in South Africa; and

(c) cooperate with other nations participating in such programs in the mutual exchange of technical knowledge and skills.

ARTICLE 3

1. In any case where commodities or services are furnished on a grant basis under arrangements which will result in the accrual of proceeds to the Government of the Republic of South Africa from the import or sale of such commodities or services, the Government of the Republic of South Africa, except as may otherwise be mutually agreed upon by the representatives referred to in Article 1 hereof, will;

(a) establish, for the purposes of this Agreement, a Special Account in its own name in the Republic of South Africa;

(b) deposit promptly in such Special Account the amount of local currency equivalent to such proceeds; and

(c) upon notification from time to time by the Government of the United States of America of its local currency requirement, will make available to the Government of the United States of America, in the manner requested by that Government, out of any balances in the Special Account, such sums as are stated in such notifications to be necessary for such requirements.

2. The Government of the Republic of South Africa may draw upon any remaining balances in the Special Account for such purposes beneficial to South Africa as may be agreed upon from time to time by the representatives referred to in Article 1 hereof.

3. Any unencumbered balances of funds which remain in the Special Account upon termination of assistance hereunder to the Government of the Republic of South Africa shall be disposed of for such purposes as may be agreed upon by the representatives referred to in paragraph 1 hereof.

ARTICLE 4

1. The Government of the Republic of South Africa will receive a special mission to carry out and discharge the responsibilities of the Government of the United States of America under this Agreement.

2. The special mission will enjoy the same inviolability of premises as is extended to the diplomatic mission of the United States of America and the Government of the Republic of South Africa shall accord all United States Government employees (and their families) who are present in South Africa to perform work in connection herewith, except for diplomatic agent personnel covered under Article 7 below, full and complete immunity from criminal jurisdiction and from civil jurisdiction in regard to acts performed by them in the performance of their official functions.

3. The Government of the United States of America will, subject to due consideration of its own law, endeavor to assure respect for the law of the Republic of South Africa by

United States Government employees enjoying immunities and privileges in terms of this Agreement and will:

(a) be prepared to discuss such disputes as may arise in regard to the conduct of any such employee concerning immunities and privileges in terms of this Agreement; and

(b) remove as promptly as feasible, either on its own initiative or on the request of the Government of the Republic of South Africa, any United States Government employee covered by this Agreement who may abuse the privileges or immunities granted herein.

ARTICLE 5

1. In order to assure the maximum benefits to the people of South Africa from the assistance to be furnished hereunder, the agency designated by the Government of the United States of America to administer its responsibilities in terms of this Agreement shall be exempt from taxes, duties, levies, deductions or other imposts of any kind, whether considered to be direct or indirect, other than such as represent payment for specific services rendered (i.e. utilities): without limitation this exemption includes stamp, registration and similar duties. Notwithstanding, individual employees of or contractors financed by the Government of the United States of America under this Agreement shall be subject to the regulations and practices of the Government of the Republic of South Africa regarding payment of taxes normally included in the price of goods and services.

2. Any supplies, materials, equipment, or funds introduced into or acquired in South Africa by the Government of the United States of America, or any contractor or grantee financed by that Government, for purposes of any program or project conducted hereunder or any Southern Africa Regional program financed by the United States Government, shall, whilst such supplies, materials, equipment or funds are used in connection with such a program or project, be exempt, including retroactively, from any taxes on ownership or use of property and any other taxes, investment or deposit requirements, and currency controls in South Africa, and the import, export, purchase, use, or disposition of any such supplies, materials, equipment or funds in connection with such a program or project shall be exempt, including retroactively, from any tariffs, customs duties, import and export taxes, taxes on purchase or disposition of property, and other taxes or similar charges in South Africa. The exemption from currency controls shall not apply to funds acquired in the Republic of South Africa for purposes not related to the official functions of the Government of the United States of America. No tax (whether in the nature of an income, profits, business, or other tax), duty or fee of whatsoever nature shall be imposed upon any contractor in respect of work financed by the Government of the United States of America hereunder.

3. The exemption from taxation referred to in this Article, excepting the taxation referred to in paragraph two above, will not apply to such dues and taxes payable under the law of the Republic of South Africa by persons contracting with the agency designated to administer the responsibilities of the Government of the United States of America under this Agreement or any contractor financed by the Government of the United States of America who are citizens and/or permanent residents of the Republic of South Africa.

4. All personnel (and their families), except citizens and/or permanent residents of South Africa, and persons covered under Article 7 below, whether

(i) employees of the Government of the United States of America or any agency thereof;

(ii) individuals under contract with, or employees of public or private organizations under contract with, the Government of the Republic of South Africa or any agency thereof; or

(iii) individuals under contract with or financed by, or employees of public or private organizations under contract with or financed by, the Government of the United States of America or any agency thereof,

who are present in South Africa to perform work in connection with this Agreement or Southern Africa Regional program financed by the government of the United States of America shall be accorded exemptions, concessions and privileges in respect of taxation, import duties and otherwise, no less favorable than those accorded to such employees of comparable bilateral governmental assistance organizations, and shall, including retroactively:

(a) not be subject to income or similar taxes in respect of salaries and other similar payments, and emoluments;

(b) be entitled, within six months of arriving in the Republic of South Africa, to import free of customs and import duties, taxation and surcharge, personal effects (including one vehicle for personal or family use) and household goods and to export the same free of export duties and other fiscal charges, at the end of their stay in the Republic of South Africa:

Provided that the six month period will be leniently applied where circumstances and fairness may so require: Provided further that the employment conditions of personnel regarding importation of personal effects and goods for personal consumption shall be recognized, and in particular all such personnel (and their families) who return from home leave in the United States of America shall be allowed the same duty free import privileges as are customarily allowed to representatives of comparable rank of the United States of America employed at its Embassy in the Republic of South Africa; and

(c) be exempt from social security provisions and compulsory military service.

5. Funds introduced into South Africa for purposes of furnishing assistance hereunder shall be convertible into the Rand currency at the rate providing the largest number of units of such currency per United States dollar which, at the time the conversion is made, is not unlawful in South Africa.

ARTICLE 6

1. The Government of the Republic of South Africa will facilitate the issue of all visas, permits and other authorizations required to enable employees of the agency designated to administer the Government of the United States of America's obligations under this Agreement, and of contractors and grantees financed by that Government under this Agreement, to work in the Republic of South Africa, and for such employees and their families to enter, remain and reside in and leave the Republic of South Africa at any time

and from time to time, as required, in order to carry out the Government of the United States of America's responsibilities under this Agreement.

2. The Government of the Republic of South Africa will, as far as possible, give favorable consideration to applications for work permits for spouses of personnel of the agency designated by the Government of the United States of America to carry out its responsibilities under this Agreement.

ARTICLE 7

This Agreement shall not regulate the immunities and privileges to be accorded to members of the staff of the agency designated by the Government of the United States of America to administer its obligations in terms of this Agreement who are accredited members of the staff of the Embassy of the United States of America in the Republic of South Africa, the number of which will be determined between the two Governments.

ARTICLE 8

The Parties will establish procedures, within the limits of their respective constitutional principles, whereby the Government of South Africa will so deposit, segregate, or assure title to all funds allocated to or derived from any program of assistance undertaken hereunder by the Government of the United States of America that such funds shall not be subject to garnishment, attachment, seizure, or other legal process by any person, firm, agency, corporation, organization, or government when the Government of the Republic of South Africa is advised by the Government of the United States of America that such legal process would interfere with the attainment of the objectives of the program of assistance hereunder.

ARTICLE 9

All or any part of any program of assistance provided hereunder may, except as may otherwise be provided in arrangements agreed upon pursuant to Article 1 hereof, be terminated by either Government if that Government determines that because of changed conditions the continuation of such assistance is unnecessary or undesirable. The termination of such assistance under this provision may include the termination of deliveries of any commodities hereunder not yet delivered.

ARTICLE 10

1. This Agreement shall enter into force upon signature.
2. Any amendment agreed upon by the Parties shall be effected by an Exchange of Notes, or such other means as may be agreed upon by the Parties.

ARTICLE 11

This Agreement shall remain in force until thirty days after the receipt by either Government of written notification of the intention of the other to terminate it. Notwithstanding any such termination, however, the provisions hereof shall remain in full force and effect with respect to assistance theretofore furnished.

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

DONE AT Pretoria on the Fifth day of December, 1995.

FOR THE GOVERNMENT OF
THE UNITED STATES OF AMERICA

/s/ Al Gore

Vice President of the United States of America

FOR THE GOVERNMENT OF
THE REPUBLIC OF SOUTH AFRICA

/s/ Thabo Mbeki

Deputy President of the Republic of South Africa