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UGANDA

Economic, Technical and Related Assistance

*Agreement effected by exchange of notes
Signed at Kampala December 3 and 11, 1971;
Entered into force December 11, 1971.*

Agreement Between the Government of the United States of America and the Government of the Republic of Uganda

EXCELLENCY,

I have the honor to refer to your Note dated 3rd December, 1971, which reads as follows:

"Excellency:

I have the honor to refer to recent conversations between representatives of our two Governments. The United States Government and the Government of the Republic of Uganda, desiring to join in furthering and promoting the economic and social progress and development of Uganda, enter into this Agreement in a spirit of friendly cooperation.

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 or agencies of the Government of the Republic of Uganda 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 the Government of the United States of America and Government of the Republic of Uganda. 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

The Government of the Republic of Uganda will make the full contribution permitted by its manpower, resources, facilities and general economic condition in furtherance of the purposes for which assistance is made available hereunder; will take appropriate steps to ensure the effective use of such assistance; will cooperate with the Government of the United States of America to ensure that procurement will be at reasonable prices and on reasonable terms; will permit continuous observation and review by United States representatives of programs and operations hereunder and records pertaining thereto; will 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 will give to the people of Uganda full publicity concerning programs and operations hereunder. With respect to cooperative technical assistance programs hereunder the Government of the Republic of Uganda will also bear a fair share of the

costs hereof, and will, to the maximum extent possible, see full coordination and integration of technical cooperation programs being carried on in Uganda and will cooperate with other nations participating in such programs in the mutual exchange of technical knowledge and skills.

Article 3

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 Uganda from the import or sale of such commodities or services, the Government of the Republic of Uganda except as may otherwise be mutually agreed upon by the representatives referred to in Article 1 hereof, will establish in its own name a Special Account the Bank of Uganda; will deposit in such Special Account the amount of local in currency equivalent to such proceeds; and, upon notification from time to time by the Government of the United States of America of its local currency requirements, will make a 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. The Government of the Republic of Uganda may draw upon any remaining balances in the Special Account for such purposes beneficial to Uganda as may be agreed upon by the representatives referred to in Article 1 hereof. Any unencumbered balances of funds which remain in the Special Account upon termination of assistance hereunder to the Government of the Republic of Uganda shall be disposed of for such purposes as may be agreed upon by the representatives referred to in Article 1 hereof.

Article 4

The Government of the United States of America and the Government of the Republic of Uganda agree that a special mission will be received by the Government of the Republic of Uganda to carry out and discharge the responsibilities of the Government of the United States of America will endeavor to assure maximum possible compliance with the law of Uganda when not in conflict with the law of the United States, will be prepared to discuss such disputes as may arise and will remove as promptly as feasible, either on its own initiative or on the request of the Government of the Republic of Uganda any United States Government employee covered by this Agreement who may abuse the privileges granted herein.

Article 5

In order to assure the maximum benefits to the people of Uganda from the assistance to be furnished hereunder:

(a) Any supplies, materials, equipment or funds introduced into or acquired in Uganda by the Government of the United States of America, or any contractor financed by that Government, for purposes of any program or project conducted hereunder shall, while such supplies, materials, equipment or funds are used in connection with such a program or project, be exempt from any taxes on ownership or use of property, and any other taxes, investment or deposit requirements and currency controls in Uganda, 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 from any tariffs, customs duties, import and export taxes, taxes on purchase or disposition of property, and any other taxes or similar charges in Uganda. No tax (whether in the nature of an income, profits, business tax or otherwise), duty or fee of whatsoever nature shall be imposed upon any contractor financed by the Government of the United States of America hereunder.

(b) All personnel (and their families), except citizens and permanent residents of Uganda, whether employees of the Government of the United States of America, or individuals under contract with, or employees of public or private organizations under contract with the Government of the United States of America or any agency thereof, or under contract with or financed by the Government of the United States of America or any agency thereof who are present in Uganda to perform work in connection with this Agreement, shall be exempt from income and social security taxes levied under the laws of Uganda with respect to income upon which they are obligated to pay income or social security taxes to any other government and from taxes on the purchase, ownership, use or disposition of personal movable property (including automobiles) intended for their own use. Such personnel (and families) who are employees of the Government of the United States of America shall be exempt from customs, import and export duties on all personal effects, equipment and supplies imported into Uganda for their own use, and from all other duties and fees of whatsoever nature. All other such personnel shall, in accordance with the laws and regulations of the Republic of Uganda, be exempt from customs, import and export duties on all personal effects, equipment and supplies imported into Uganda for their own use at the time of first installation.

(c) Funds introduced into Uganda for purposes of furnishing assistance hereunder shall be convertible into currency of Uganda 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 Uganda.

Article 6

The Government of the United States of America and the Government of the Republic of Uganda will establish procedures whereby the Government of the Republic of Uganda will so deposit, segregate, or ensure 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 Uganda 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 7

All or any part of the program of assistance provided herein may, except as may otherwise be provided in arrangements agreed upon pursuant to paragraph 1 hereof, be terminated by either Government upon 30 days written notice 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.

I have the honor to propose that, if these understanding are acceptable by the Government of the Republic of Uganda, the present note and Your Excellency's reply note concurring therein shall constitute an Agreement between our two Governments which 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, it being understood, however, that in the event of such termination the provisions hereof shall remain in full force and effect with respect to assistance therefore furnished.

Accept, Excellency, the renewed assurance of my highest consideration.

/s/ Clarence Clyde Ferguson, Jr.
Clarence Clyde Ferguson, Jr.
Ambassador of the United States of America"

I have the honor to inform Your Excellency that the above proposal is acceptable to the Government of the Republic of Uganda who therefore agree that your Note and this reply Note shall constitute an Agreement between our two Governments in this matter which Agreement shall remain in force until thirty days after the receipt by either Government of a written notification of the intention of the other to terminate it, it being understood, however, that in the event of such termination the provisions hereof shall remain in full force and effect with respect to assistance therefore furnished.

Accept, Excellency, the assurances of my highest consideration.

/s/ Wanume Kibedi
Wanume Kibedi
Minister of Foreign Affairs

Kampala, December 11, 1971

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