

No. 30565

**UNITED STATES OF AMERICA
and
MADAGASCAR**

**Agreement for the sale of agricultural commodities. Signed at
Antananarivo on 12 August 1982**

Authentic text: English.

Registered by the United States of America on 2 December 1993.

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

**Accord relatif à la vente de produits agricoles. Signé à
Antananarivo le 12 août 1982**

Texte authentique : anglais.

Enregistré par les États-Unis d'Amérique le 2 décembre 1993.

AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE DEMOCRATIC REPUBLIC OF MADAGASCAR FOR THE SALE OF AGRICULTURAL COMMODITIES

The Government of the United States of America and the Government of the Democratic Republic of Madagascar agree to the sale of agricultural commodities specified below. This agreement shall consist of the Preamble and Parts I and III of the P.L. 480 Title I Agreement signed August 19, 1981, together with the following Part II:

PART II. PARTICULAR PROVISIONS

ITEM I. COMMODITY TABLE:

COMMODITY:	SUPPLY PERIOD (U.S. Fiscal Year)	APPROXIMATE QUANTITY (Metric Tons)	MAXIMUM EXPORT MARKET VALUE (Dols Millions)
Rice	1982	16,000	5.0

ITEM II. PAYMENT TERMS

Convertible Local Currency Credit (CLCC) - Twenty (20) years

- A. Initial payment - Five (5) percent;
- B. Currency use payment - Five (5) percent for Section 104(A) purposes;
- C. Number of installment payments - Thirteen (13);
- D. Amount of each installment payment - Approximately equal annual amounts;
- E. Due date of the first installment payment - Eight (8) years after date of last delivery of commodities in each calendar year;
- F. Initial interest rate - Two (2) percent;

¹ Came into force on 12 August 1982 by signature, in accordance with Part III (B).

² United Nations, *Treaty Series*, vol. 1534, No. I-26579.

G. Continuing interest rate - Four (4) percent.

ITEM III. USUAL MARKETING TABLE:

COMMODITY	IMPORT (U.S. Fiscal Year)	USUAL MARKETING REQUIREMENT (MT)
Rice	1982	107,000

ITEM IV. EXPORT LIMITATION

A. Export Limitation Period:

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 limitation apply:

For the purposes of Part I, Article III A (4) of this agreement, the commodities which may not be exported are: for rice — rice in the form of paddy, brown or milled.

ITEM V. SELF-HELP MEASURES:

A. The Government of the Democratic Republic of

Madagascar agrees to undertake self-help measures to improve the production, storage, and distribution of agricultural commodities. The following self-help measures shall be implemented to contribute directly to development in poor rural areas and enable the poor to participate actively in increasing agricultural production through small farm agriculture.

B. The Government of the Democratic Republic of Madagascar agrees to undertake the activities of Items V and VI

of Part II of this agreement and in doing so to provide adequate financial, technical and managerial resources for their implementation, as can be financed by the sales proceeds:

1. a. Continue the development, refinement and implementation of food policy strategy by completing the following research studies and surveys by dates indicated: (i) Complete within six (6) months the study of existing storage facilities and their utilization and construction requirements; (ii) Complete within twelve (12) months the study of the current input distribution and marketing systems to develop recommendations for increased effectiveness; and (iii) Complete within eighteen (18) months the study on the reduction of post-harvest losses on rice.
- b. Continue to support policy and other interventions through provision of appropriate directives, regulations, decrees, etc. with special attention to producer prices, incentives, consumer prices, and agricultural input supplies and prices. Complete within twelve (12) months research and appropriate studies to develop methodology for determining (i) realistic costs to producers, which include considerations for inputs and provide incentives, particularly for rice producers; and (ii) fair price to consumers.
- c. Initiate implementation of recommendations of the above studies.

2. Increase support for micro-development projects selected, planned and executed by participating members at the "fokonolona" levels with emphasis on their efforts to improve construction/maintenance of storage facilities and improvement/construction of village water supply systems. At least twenty (20) "fokonolona" will be targeted to receive benefits within twelve (12) months.
 3. Continue to support improved food production, particularly rice, through efforts to:
 - a. Expand seed multiplication through renovations of current facilities and establishment of new facilities for these purposes.
 - b. Improve the distribution of fertilizer to the small producers in order to maximize the benefit of improved seed multiplication.
 - c. Increase support necessary for completion of repairs and rehabilitation of irrigation canals and structures serving 4,000 hectares over an eighteen (18) month period.
 - d. Increase support to rice research in the areas of fertilizer utilisation, development and distribution of new and improved rice varieties, and improved cultivation practices for small farms.
 - e. Undertake within eighteen (18) months a study of the present "extension" system to develop recommendations for increasing its effectiveness and coverage.
- C. Use of Sales Proceeds:
1. The Government of the Democratic Republic of Madagascar agrees to deposit Malagasy Francs (FMG) proceeds from the sale of commodities in a special account.

The amount of proceeds must be equivalent to the amount of credit provided by CCC converted to FMG at the most favourable exchange rate available to foreign governments.

2. The Government of the Democratic Republic of Madagascar agrees to release such sales proceeds from the special account for the purposes outlined in Item V, Self-Help measures and for such other agricultural and rural development purposes as may be agreed upon with the Government of the United States of America.
3. The Government of the Democratic Republic of Madagascar and the Government of the United States of America agree to convene twice each year to: consult on the agreed purposes for which the sales proceeds generated under this agreement will be used; review actual disbursements from special account and physical progress against benchmarks; and discuss such other matters as may be agreed.

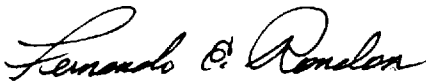
ITEM VI. ECONOMIC DEVELOPMENT PURPOSES FOR WHICH
PROCEEDS ACCRUING TO IMPORTING COUNTRY
ARE TO BE USED:

- A. The proceeds accruing to the Government of the Democratic Republic of Madagascar 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 and rural development sectors, in a manner designed to increase the access of the poor in Madagascar 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 Madagascar's people and their capacity to participate in the development of their country.

In witness whereof, the respective representatives, duly authorized for the purpose, have signed the present agreement. Done at Antananarivo, in duplicate, the twelfth day of August 1982.

For the Government
of the United States of America:



FERNANDO ENRIQUE RONDON
Ambassador

For the Government
of the Democratic Republic
of Madagascar:



PASCAL RAKOTOMAVO
Ministre auprès de la Présidence
chargé des finances