

No. 4116

**UNITED STATES OF AMERICA
and
LIBYA**

**Exchange of notes constituting an agreement relating to
economic development. Tripoli, 2 and 4 April 1957**

Official texts: English and Arabic.

Registered by the United States of America on 19 December 1957.

**ÉTATS-UNIS D'AMÉRIQUE
et
LIBYE**

**Échange de notes constituant un accord de développement
économique. Tripoli, 2 et 4 avril 1957**

Textes officiels anglais et arabe.

Enregistré par les États-Unis d'Amérique le 19 décembre 1957.

No. 4116. EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹ BETWEEN THE UNITED STATES OF AMERICA AND LIBYA RELATING TO ECONOMIC DEVELOPMENT. TRIPOLI, 2 AND 4 APRIL 1957

I

The American Ambassador to the Libyan Minister of Foreign Affairs

THE FOREIGN SERVICE OF THE UNITED STATES OF AMERICA
AMERICAN EMBASSY
TRIPOLI, LIBYA

April 2, 1957

Excellency :

I have the honor to refer to discussions between our two Governments with reference to a development assistance program supplementing the program for development purposes referred to in the exchange of notes signed at Tripoli on June 27, 1956.² As both Governments recognize that further economic assistance can promote economic development and stability in Libya, and considering that, under legislation enacted by the Congress of the United States, the United States is enabled to furnish such further assistance to the Government of Libya, it is deemed desirable to set forth the understandings which will govern the furnishing of such assistance by the Government of the United States, the receipt of such assistance by the Government of Libya and the measures which the two Governments will take individually and together in furtherance of the above objectives.

These understandings are as follows :

Paragraph I

The Government of the United States, subject to the terms and conditions specified in applicable United States laws and regulations and the provisions set forth in this Agreement, will furnish such development assistance or authorized related assistance to the Government of Libya as may be requested by the Government of Libya and approved by the Government of the United States. Such assistance will be furnished in such form, on such terms, and pursuant to such additional arrangements as may be agreed upon between appropriate representatives of the agency designated by the Government of the United States to administer such assistance and representatives of any agency or agencies designated by the Government of Libya, or between other designated representatives of the two Governments. Commodities or services furnished hereunder may

¹ Came into force on 4 April 1957 by the exchange of the said notes.

² United Nations, *Treaty Series*, Vol. 273, p. 89.

be distributed within Libya on terms and conditions mutually agreed upon by such representatives. To the extent that commodities to be provided pursuant to this Agreement may be obtained other than by United States Government procurement, the Government of Libya will cooperate with the Government of the United States to assure that procurement will be at reasonable prices and on reasonable terms. Assistance provided hereunder shall be in addition to that provided under the technical cooperation programs conducted pursuant to the General Agreement for Technical Cooperation between the Government of the United States of America and the Government of Libya signed at Tripoli, July 21, 1955.¹

Paragraph II

It is understood that, in order to assure the maximum benefits to the people of Libya from the assistance to be furnished hereunder by the Government of the United States, the Government of Libya intends to continue to pursue all appropriate measures to promote economic development and maintain stable economic conditions in Libya and to reduce its need for assistance for the achievement of those objectives. For these purposes the Government of Libya will make effective use of the assistance provided hereunder, and will coordinate and integrate any operations carried on pursuant to this Agreement with other technical cooperation and development programs in Libya.

Paragraph III

Recognizing that the effectiveness of this assistance program will be enhanced by the two Governments' sharing reasonably the financing of cooperative operations hereunder and by the expenditure of local currency which may derive from the assistance provided hereunder by the Government of the United States, the Government of Libya agrees :

(a) To bear a fair share of the costs of cooperative projects or operations carried out pursuant to this Agreement; and

(b) With regard to any case where commodities may be furnished hereunder on a grant basis under arrangements which will result in the accrual of proceeds to the Government of Libya from the import or sale thereof, to establish in its own name a special account in the National Bank of Libya (referred to below as the "Special Account") and, except as may otherwise be specifically agreed by the Government of the United States, to deposit promptly in this account the amount of local currency equivalent to any such proceeds. The Government of the United States will from time to time notify the Government of Libya of its local currency requirements and the Government of Libya will thereupon make such sums available out of any balances in the Special Account in the manner requested by the Government of the United States in its notification. The Government of Libya may draw upon any remaining balance in the Special Account for purposes of economic development in Libya and for other purposes beneficial to Libya as may be agreed upon from time to time by the representatives referred to in Paragraph I.

Any unencumbered balances of funds which remain in the Special Account upon termination of assistance to Libya under this Agreement shall be disposed of for such

¹ United Nations, *Treaty Series*, Vol. 264, p. 247.