

January 05, 1952

**AGREEMENT BETWEEN THE GOVERNMENT OF INDIA AND THE GOVERNMENT OF THE UNITED STATES
OF AMERICA RELATING TO TECHNICAL COOPERATION PROGRAMME**

New Delhi, 5 January 1952

The Government of the United States of America and The Government of India Pursuant to the General Agreement for Technical Cooperation signed on behalf of the two Governments at New Delhi on December 28, 1950;

Recognising that individual liberty, free institutions, and independence, on the one hand, and sound economic conditions and stable international economic relationships on the other hand, are mutually interdependent. Desiring to cooperate in promoting and accelerating the integrated economic development of India; Agreeing that increase in the interchange between the two countries of technical knowledge, skills and techniques in the field of economic development is mutually advantageous; and Considering that the Government of the United States of America and the Government of India agree to join in promoting international understanding and goodwill and in maintaining world peace, and to undertake such action as they may mutually agree upon to eliminate causes for international tension; Have agreed to carry out the Technical Cooperation Programme and its separate projects as follows:—

Article I

1. The obligations assumed herein by the Government of India will be performed by it through a duly designated Ministry (hereinafter referred to as the designated Ministry). The obligations assumed herein by the Government of the United States of America will be performed by it through the Technical Cooperation Administration, an agency of the Government of the United States of America (hereinafter referred to as the Administration).

2. The immediate representative in India of the Administration in connection with the Technical Cooperation Programme shall be the Director of Technical Cooperation (hereinafter referred to as the Director). He and his staff shall be a part of the diplomatic mission of the Government of the United States of America in India and shall share fully in the privileges and immunities enjoyed by that Mission and its personnel. The Administration shall furnish a field party of specialists to collaborate in carrying out the Technical Cooperation Programme. The party shall be under the direction of the Director. The Director and other members of the party of specialists shall be selected and appointed by the Government of the United States of America, but shall be acceptable to the Government of India. The Government of India shall make available adequate facilities to the Director of Technical Cooperation as well as to the field party of specialists for observing and aiding in the execution of the Programme and the use to which the assistance furnished under the Programme is put. The Government of India agrees that the Administration, being an agency of the United States of America, wholly directed and controlled by the Government of the United States of America, will share fully in all the privileges and immunities, including immunity from suit in the courts of India, which are enjoyed by the Government of the United States of America.

Article II

1. The two Governments agree that there shall be established an Indo-American Technical Cooperation Fund (hereinafter known as Fund A) in which the Government of the United States of America will deposit up to the 30th June 1952, the sum of 5 million dollars for agreed projects. This fund shall be jointly administered by a duly appointed officer of the Government of India and by the Director and shall be utilised only for the execution of agreed projects of technical cooperation. Allocations will be made pursuant to Article V paragraph 2 of this Agreement, whereby agreed amounts shall be transferred from Fund A to the Consolidated Funds of the Government of India or shall otherwise be authorised to be expended. Such transfers and/or authorisations to expend shall be in the forms of grants-in-aid and loans in proportions to be agreed to the Government of India in support of the Technical Cooperation Programme, which, by this Agreement, the two Governments undertake to execute. The allocations will be subject in each case to the terms and conditions of the relevant project agreements executed pursuant to the provisions of Article V, paragraph 1 of this Agreement. The Government of the United States of America will, from time to time, notify the Government of India of additional amounts that may be deposited in Fund A subject to the availability of appropriations for the purposes of this Agreement.
2. The Government of India has an established Special Development Fund (hereinafter referred to as Fund B) which exceeds 25 crores of rupees. The Government of India agrees that, for each duly agreed project, it will, itself or in cooperation with the Governments of the States in India, make available supplementary finance, in rupees, in agreed proportions, as required, by authorising expenditure against Fund B or otherwise.

Article III

1. The two Governments agree that with respect to the funds to be made available by the Government of the United States of America to Fund A, any part thereof may with the concurrence of Government of India, be withheld in the United States of America for the procurement of

agreed goods, materials and contractors' services from sources outside India; funds so withheld shall be regarded as having been deposited in Fund A.

2. Sums disbursed in furtherance of projects may be disbursed either as grants-in-aid or as loans, or any combination thereof. If funds are disbursed as loans, there shall be a stipulation for repayment in rupees to the Government of India; funds accruing to the Government of India by virtue of such repayments of loans attribute to Fund A as well as sales proceeds of saleable goods imported under the Technical Cooperation Programme shall be deposited in Fund B and shall, during the period this Agreement remains in force, be utilised only for the prosecution of further projects of economic development agreed to between the two Governments.
3. The two Governments agree that the salaries and expenses of all technical experts employed for the programme by the Government of the United States of America, the travel outside India, tuition and other expenses of any nationals of India to whom training facilities outside India are made available by the Government of the United States of America, and the costs of technical assistance provided by the Government of the United States of America, through contract with private agencies, shall be borne by the Government of the United States of America out of funds other than those agreed to be deposited in Fund A. The Government of India on its part shall arrange to provide such local facilities as may be required and agreed in each case including exemption from customs duties for the personal effect and professional and technical equipment of technicians coming into India under contract with private agencies.

Article IV

1. The Government of India agrees to constitute a central committee (hereinafter referred to as the Committee). The Committee shall lay down the broad policies and provide the general supervision under which agreed projects of Technical Cooperation shall be executed. The membership of the Committee shall consist of such persons (not to exceed 7) as may be appointed by the Government of India.
2. The Committee shall be responsible for developing, in consultation with the appropriate authorities in the various States in India, programmes of economic development and technical cooperation in which the assistance provided by the Government of the United States of America can be most advantageously utilised. The Director shall make his services available as a consultant to the Committee and he shall be consulted with respect to all programme recommendations of the Committee and his concurrence shall be required with respect to any recommendations involving the allocation of expenditure of funds made available by the Government of the United States of America.
3. The Government of India shall ensure that all projects undertaken pursuant to this Agreement are properly coordinated with the economic development programmes and activities of the Government of India, including those carried on with the cooperation of other Governments, of international organisations, and of private agencies.

Article V

1. Pursuant to the recommendations of the Committee, specific project agreements shall be executed by an officer of the designated Ministry on behalf of the Government of India and by the Director on behalf of the Government of the United States of America.

2. Each project agreement shall define the scope and the specific character of the project to be undertaken, the method by which it is to be carried out, the period within which and the agency or agencies through which it shall be executed and all other matters require for its effective implementation. Pursuant to each such project agreement, the joint administrators of Fund A shall make agreed allocations by which funds shall be transferred or otherwise authorised to be expended in furtherance of that project; and the Government of India, and/or the Governments of the States in India, as the case may be, shall make available the required supplementary finance, by authorisation against Fund B or otherwise.
3. With respect to each project the Committee shall render to the Government of India a quarterly report of operations and progress of the project, the precise form and coverage of such report to be determined in consultation with the Director at the time of the execution of the relevant project agreement. Copies of this report shall be furnished to the Director.
4. As each project of Technical Cooperation is completed the Committee shall submit to the Government of India a completion Memorandum which shall provide a record of the work done, the objectives sought to be achieved, the financial contribution made, the problem encountered, and those solved and related basis date. Copies of the completion Memorandum shall be furnished to the Director.

Article VI

The Government of India shall have an annual report on the activities under this Technical Cooperation Programme prepared. This report shall cover, inter alia the state which each project has reached; the contribution made by this Programme to the economic development of India; accruals to the disbursements from Fund A; accruals to and disbursement from Fund B in connection with this Programme; contributions made to the Programme from sources other than Funds A and B. Copies of such annual reports shall be made available to the Government of the United States of America.

Article VII

Unexpended amounts deposited in Fund A shall, on request, be returned to the Government of the United States of America in the event that

1. agreement cannot be reached on suitable projects of technical cooperation, or
2. statutory requirements of either party conflict with the continued operation of the arrangements envisaged with respect to this Fund.

Article VIII

The two Government will establish procedure whereby the Government of India will so deposit, segregate or assure title to all funds allocated to or derived from any programme of assistance undertaken by the Government of the United States of America so that such funds shall not be subject to garnishment, attachment, seizure, or other legal process by any person, firm, agency, corporation, organisation or Government when in the opinion of the Government of the United States of America any such legal process would interfere with the attainment of the objectives of such programme of assistance.

Article IX

The two Governments agree to take such action as is necessary to enable them to discharge their responsibilities under this Agreements.

Article X

This Agreement shall enter into force upon signature by both parties and shall remain in force until 30 June 1957, unless previously terminated by either party upon three months' written notice to the other. It may be amended by agreement of the parties from time to time as may be necessary.

IN WITNESS "HEREOF, the undersigned, being duly authorised thereto by their respective Governments, have signed the present Agreement.

DONE at New Delhi, in duplicate, this 5th day of January, 1952.

For the Government of India:

(JAWAHARLAL NEHRU)
Prime Minister and Minister for External Affairs.

For the Government of the United States of America:

(CHESTER BOWEES)
Ambassador Extraordinary and Plenipotentiary of the United States of America in Delhi.