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TECHNICAL COOPERATION AGREEMENT

between

THE UNION OF SOVIET SOCIALIST REPUBLICS
~~AND PLANNED ECONOMY~~

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

and

INTERNATIONAL FINANCE CORPORATION

and

MULTILATERAL INVESTMENT GUARANTEE AGENCY

Dated , 1991

TECHNICAL COOPERATION AGREEMENT

AGREEMENT, dated _____, 1991, between the UNION OF SOVIET SOCIALIST REPUBLICS (the U. S. S. R.) ~~and SEVERAL~~ ~~REPUBLICS~~ ~~and the Signatory Republics being sometimes~~ ~~hereinafter referred to as the~~ ~~Republics~~) and the INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (the Bank), the INTERNATIONAL FINANCE CORPORATION (IFC) and the MULTILATERAL INVESTMENT GUARANTEE AGENCY (MIGA) (the Bank, IFC and MIGA being sometimes hereinafter referred to as the World Bank Group).

WHEREAS (A) by a letter ^{dated} ~~received on~~ July ¹⁵ ~~18~~ 1991, the U. S. S. R. has applied for membership in the Bank, IFC and MIGA;

(B) The U. S. S. R. has requested the World Bank Group to provide technical assistance to the U. S. S. R. and its Republics during the transitional period before the U. S. S. R.'s accession to membership in the Bank and to assist, in particular, in the ^(as requested) efforts towards the transformation of their economies into market based economies by providing the U. S. S. R. and its Republics with technical assistance and expertise in specific areas of economic development and finance which have the highest national priority and which fall within the competence and expertise of the World Bank Group;

(C) The U. S. S. R. and the World Bank Group have agreed to establish a framework for their cooperation, the institutional arrangements to govern their relationship and the procedures under which technical assistance would be provided by the World Bank Group to the U. S. S. R. and the ~~Union~~ ^{its} Republics;

(D) By Resolution No. 91-18, adopted on August 27, 1991, the Executive Directors of the Bank resolved, subject to the adoption by the Board of Governors of the Bank of the Resolution referred to in paragraph (E) of this Preamble, to establish a Technical Assistance Trust Fund for the U. S. S. R. and its Republics, to be administered by the Bank and to which the Bank, its members and other international organizations may contribute, to finance the cost of the technical assistance to be provided by the Bank to the U. S. S. R. and its Republics during the transitional period before membership of the U. S. S. R. on the terms and conditions referred to in said Resolution No. 91-18; and

(E) By Resolution No. 452, adopted on September 18, 1991, the Board of Governors of the Bank authorized the transfer, by way of grant, from surplus to the Technical Assistance Trust Fund of an amount of thirty million United States dollars (US\$30,000,000);

NOW THEREFORE the parties hereto hereby agree as follows:

ARTICLE I

Documents

Section 1.01. Documents. The World Bank Group shall provide to the ~~Soviet Parties~~ ^{U.S.S.R. and its Republics} free of charge documents on general economic topics, as well as documents relevant to the ~~U.S.S.R.~~ ^{Economy} ~~economics~~ among those it provides to its member countries. Such restrictions on the further distribution of these documents as may apply to officials of Bank member countries shall also apply to officials of the ~~Soviet Parties~~ ^{U.S.S.R. and its Republics}.

and those specified in the Convention on the Privileges and Immunities of the Specialized Agencies of the United Nations

ARTICLE II

Legal Status, Privileges and Immunities

Section 2.01. Legal Status; Privileges and Immunities. (a) To enable the World Bank Group to fulfill its functions under this Agreement, the ^{U.S.S.R.} ~~Soviet Parties~~ shall accord the World Bank Group and its officers, staff and external consultants in their territories the status, immunities and privileges set forth in Article VII of the Bank's Articles of Agreement, as the provisions of such Article are applied to members of the Bank. To that end, the Bank shall notify the ^{U.S.S.R.} ~~authorities of the concerned Soviet Parties~~ through ~~their~~ ^{its} representatives designated pursuant to Section 4.02 of this Agreement of the names and assignment of the staff members and external consultants of the Bank who shall be assigned to the office referred to in Section 3.05 of this Agreement or to any activities under this Agreement and their families before their arrival in the ~~the~~ territories of the U.S.S.R.

~~(b) The U. S. S. R., at the request of the Bank, shall facilitate the entry, stay and exit of the persons notified pursuant to paragraph (a) of this Section and promptly issue necessary visas or permits.~~

Goods herein shall not be sold
in the U.S.S.R. except under
conditions agreed between the
U.S.S.R. & the
B.A.K.

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(b) The personal effects of the persons notified pursuant to paragraph (a) of this Section and any professional or office equipment required by them for the office referred to in Section 3.05 of this Agreement or for any activity under this Agreement shall be brought into, used in, and re-exported from the U. S. S. R. free from duties or taxes, and the U. S. S. R. shall facilitate the importation and re-exportation of such effects or equipment.

The articles referred to in this paragraph which are imported in the U.S.S.R.

U.S.S.R.

(c) The ~~Soviet Parties~~ shall hold the World Bank Group and its staff harmless from any claims of any party against the World Bank Group or its staff arising from any action, advice or omission of the World Bank Group, its staff or its external consultants in

the provision of services under this agreement, *except where resulting from willfull misconduct of its staff or external consultants.*

d

U.S.S.R.

(e) In the event that IFC or MIGA agree with the ~~Soviet Parties~~ on work programs under Section 3.09 of this Agreement, the provisions of this Article shall apply to their respective officers, staff and external consultants mutatis mutandis.

ARTICLE III

Technical cooperation

Section 3.01. General. The objectives of the technical cooperation established under this Article are to assist in the transformation of the economies of the U. S. S. R. and ~~the~~ ^{its} Republics into market-based economies and to support their integration into the world economy and the restoration of growth. Technical assistance to be provided by the Bank shall consist of specific programs, studies and other projects of technical assistance for which the ~~Soviet Parties~~ ^{U.S.S.R. and its Republics} wish to obtain from the Bank technical and other advisory services, which are normally provided by the Bank in the course of its operations, and which the Bank would be able, within the scope of its competence and with the resources and expertise available to it, to provide to the U.S.S.R. and its Republics.

U.S.S.R

Section 3.02. Work Programs. (a) The ~~Soviet Parties~~ and the Bank hereby agree that the work program for the three-month period commencing on [November 1, 1991] and ending [January 31, 1992] shall be as set forth in the Annex to this Agreement.

(b) In the course of the above-mentioned three-month period, the ~~Soviet Parties~~ ^{U.S.S.F.} and the Bank shall agree on the work program for the succeeding five-month period ending June 30, 1992.

(c) In the course of the above-mentioned five-month period and in the course of each twelve-month period starting with the period from July 1, 1992 to June 30, 1993, the ~~Soviet Parties~~ ^{U.S.S.R.} and the Bank shall review through their representatives the activities currently under way, and shall agree, before the beginning of the next period, on the program of technical cooperation for such next period. To the extent such program involves services rendered or to be rendered to a Republic ~~other than a Signatory Republic~~ pursuant to the provisions of Section 3.08 of this Agreement, representatives of such Republic shall be included in such review, and inclusion of such services in the program shall be conditioned on the entry into force of this Agreement in respect of such Republic pursuant to Section 3.08.

(d) Such programs shall specify:

- (i) the various projects, studies, training activities or other activities to be undertaken or continued during such period for which technical or other

advisory services are expected to be rendered by the Bank to the ~~Soviet Parties~~ ^{U.S.S.R. and its Republics};

- (ii) the estimated overall manpower requirements of the Bank for such services; and
- (iii) the estimated overall requirements for counterpart or support staff and the facilities to be provided by the U. S. S. R. or the concerned Republic for the purpose of carrying out the activities specified pursuant to sub-paragraph (i).

(e) In establishing their work program the ~~Soviet Parties~~ ^{U.S.S.R., its Republics} and the Bank shall take into due consideration the technical and other advisory services which may be available to the ~~Soviet Parties~~ ^{U.S.S.R. and its Republics} from other Specialized Agencies of the United Nations and other international or national sources.

Section 3.03. Review and Modifications of Work Programs. The U. S. S. R., the concerned Republics to the extent necessary, and the Bank shall in the course of carrying out each work program exchange views from time to time on the progress of such program and may by mutual agreement introduce such modifications in the program, as they shall deem to be desirable.

Section 3.04. Provision of Services: Project Documents. (a)

Within the scope of each of the programs referred to in Section 3.02 of this Agreement, the services of the Bank required to carry out each such program shall be provided pursuant to a project document which shall set forth:

- (i) the objectives, description and estimated duration of the particular activity subject of such document;
- (ii) the methods by which the Bank's services shall be provided and the Bank staff's requirements for the activity;
- (iii) the counterpart or support staff and the facilities to be provided by the concerned entity in the U. S. S. R. or in a Republic at its own cost for the activity;
- (iv) appropriate procedures for the exchange of information and views on the progress of the activity; and
- (v) any financing available from other sources for the purpose of cofinancing the activity.

Activities expected to cost less than ~~[\$100,000]~~ may be undertaken under simplified project documents which shall contain summary

information on the matters set forth in sub-paragraphs (a) (i) and (a) (ii), above.

(b) The Bank staff assigned to the office referred to in Section 3.05 of this Agreement or to any particular activity under a Bank Program shall, in the conduct of their activities, be responsible to, and under the sole direction of the Bank. For this purpose, the staff of the Bank shall include the staff of IFC and MIGA, external consultants of the Bank, and staff and consultants of another Specialized Agency of the United Nations assigned by the Bank to any activity hereunder pursuant to a formal cooperative program or other informal administrative arrangements between the Bank and such Specialized Agency.

(c) The Bank, in providing the services hereunder, shall use the same care and diligence as it uses in its other operations. If, at any time the Bank, after consultation with the U. S. S. R. and the concerned Republic, shall determine that for any reason it is unlikely that the activity subject to a project document can be successfully completed or can be carried out in accordance with the usual standards and practices which are applied by the Bank in its operations, the Bank may, by notice to the U. S. S. R. and the concerned Republic, suspend the provision of its services for such activity and, unless the parties to the project document providing for such activity shall otherwise agree, the Bank shall be relieved

of any further responsibility for the carrying out of the services thereunder and shall take all measures necessary to terminate such services in an orderly manner.

Section 3.05. Bank Office in Moscow. (a) For the purpose of facilitating the preparation and implementation of each of the programs referred to in Section 3.02 of this Agreement and of ensuring continuity in the provision of technical or other advisory services to the ^{U.S.S.R. and its Republics} ~~Soviet Parties~~, the Bank may establish and maintain an office in Moscow, with such functions and staff, and under such terms and conditions, as shall be specified by agreement between the U. S. S. R. and the Bank.

(b) The U. S. S. R. shall assist the Bank in obtaining office facilities, staff housing, vehicles and support staff required for the effective operation of said office, and shall provide such other facilities as may be agreed from time to time between the U. S. S. R. and the Bank.

Section 3.06. Cost of Services. (a) The rates at which the services rendered by the Bank shall be charged to the program budget shall be calculated in accordance with the Bank's normal budgetary

for each of the work programs referred to in Section 3.02 of this Agreement, the Bank, the U.S.S.R. and the concerned Republic shall agree on the estimated amount of such expenditures which

procedures to cover the full incremental cost to the Bank of the services so rendered.

(b) The cost incurred by the Bank in providing services under this Agreement shall be charged to the Technical Assistance Trust Fund, provided, however, that ^{with respect to local} the expenditures incurred by the Bank on account of goods, services and facilities procured in the U. S. S. R., or the concerned Republic, shall be reimbursed by the U.S.S.R. to the Bank. in Ruble equivalent, such equivalent to be determined by the Bank, after consultation with the U.S.S.R., on the basis of the prevailing ~~prevailing~~ rates of exchange. The Bank shall furnish to the U. S. S. R. and the concerned Republic a statement of such expenditures at the end of the term of each work program. The Bank shall be entitled to convert into a freely usable currency the amounts of Rubles which shall have not been utilized by the Bank at the date on which this Agreement terminates.

to be incurred

to the concerned Republic

U.S.S.R.

Section 3.07. Information and Data. The ~~Soviet Parties~~ undertake to provide to the Bank all such economic and other information and data available to ^{it} ~~them~~ as the Bank shall request to carry out the technical assistance provided under this Article. The ^{U.S.S.R.} ~~Soviet Parties~~ shall also ensure that the Bank staff and external consultants carrying out the technical assistance services provided

under this Article have access, as necessary or useful, to all relevant government and government agency officials.

Section 3.08. Services to the Soviet Republics. Services may be provided by the Bank under this Agreement ~~to the Republics signing this Agreement (the Signatory Republics), and to~~ ^{to} any Republic which notifies the Bank of its acceptance of its terms. ~~In the case of a Republic so notifying the Bank,~~ this Agreement shall enter into effect in respect of such Republic ^{on} as of the date upon which the Bank dispatches a notice acknowledging receipt of the notification ^{by a Republic,} ~~The obligations of the Soviet Parties~~ ^{and all} under this Agreement shall apply to ^{and} any Republic which notifies its acceptance ^{and} to the Bank of the terms of this Agreement. ^{U.S.S.R.} in the same manner as they apply to the ~~Soviet Parties~~ ^{U.S.S.R.} as if such Republic were a signatory to this Agreement.

Section 3.09. Other Services by IFC and MIGA. The U.S.S.R., its Republics to the extent necessary, and IFC or MIGA may from time to time agree on work programs to be performed by IFC or MIGA, other than work programs referred to in Section 3.02 of this Agreement financed out of resources of the Technical Assistance Trust Fund, in which case, they shall agree on the terms of such work programs and the sources of funding therefor, and the relevant provisions of

Sections 3.02 (c), (d) and (e) and Sections 3.03, 3.04, 3.05, 3.06 (a), 3.07, 3.08 and 4.01 shall apply mutatis mutandis to IFC or MIGA as well.

The U.S.S.R. and the Bank shall attempt to settle

ARTICLE IV

Settlement of Disputes;
Channel of Communications;
Entry into Force; Termination.

Section 4.01. Settlement of Disputes. Any dispute which may arise between ~~any of the Soviet Parties~~ ^{U.S.S.R.} and the Bank as to the interpretation or application of this Agreement, shall, at the request of ~~such Soviet Parties or the Bank~~ ^{either party}, be referred to arbitration. The arbitral tribunal shall consist of three arbitrators: one to be chosen by the ~~concerned Soviet Parties~~ ^{U.S.S.R.}, one to be chosen by the Bank and the third, who shall be chairman of the tribunal, to be chosen by the first two arbitrators. If the tribunal is not constituted within six months from the date of the request made for the submission of the dispute to arbitration, the appointment of the arbitrators not yet designated shall be made by the President of the International Court of Justice at the request of either party.

Section 4.02. Channel of Communications. The U. S. S. R., ~~the Signatory Republics~~, each Republic which have notified the Bank of its acceptance of the terms of this Agreement pursuant to Section 3.08 of this Agreement and the Bank shall each designate an official who shall be the official channel of communications for all matters

by negotiations before seeking arbitration. Negotiations shall be deemed to have been exhausted if the parties fail to reach a settlement within a period of sixty days from the date of the request by either party to enter into negotiations. If the dispute is not settled through negotiation

arising under this Agreement and who shall be authorized in the name and on behalf of the party appointing him to enter into agreements on the work programs.

Section 4.03. Entry into Force. [This Agreement shall enter into force on the date of signature.] [This Agreement is signed on behalf of the ~~Soviet Parties~~ ^{U.S.S.R} subject to ratification. It shall enter into force with respect to each of the Soviet Parties on the date such party deposits with the Bank its instrument of ratification.]

Section 4.04. Termination. This Agreement shall terminate on the date upon which the Technical Assistance Trust Fund shall terminate. It may be terminated earlier by either ^{party} ~~the U.S.S.R. or the Bank~~ upon notice to the other parties. Upon termination of the Technical Assistance Trust Fund or receipt of such notice, the parties shall take all appropriate steps to terminate in an orderly fashion the activities then ongoing and to settle promptly all outstanding matters.

DONE at _____, on the _____ day of _____,
in two originals in the English language.

For the Union of Soviet
Socialist Republics

For the International Bank for
Reconstruction and Development

By _____
Authorized Representative

By _____
(Title)

~~For [Signatory Republic]~~
~~By _____
Authorized Representative~~
~~For [Signatory Republic]~~
~~By _____
Authorized Representative~~

For the International Finance
Corporation.

By _____
(Title)

For the Multilateral Investment
Guarantee Agency

By _____
(Title)

A N N E X

WORK PROGRAM

November 1, 1991 - January 31, 1992

1991

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Mr. Russel J. Cheetam
Director of the Department
Europe, Middle East
and North Africa Region
The World Bank
1818 H Street, N.W.
Washington, D.C. 2433
Fax: (202) 477-1034

Dear Mr. R. Cheetam,

Мы знаем, что Мировой Банк подготавливает в настоящее время программу оказания технической помощи для Союза и республик. Руководство РСФСР было бы заинтересовано в осуществлении следующих мероприятий в рамках этой помощи:

а) Макроэкономическая политика РСФСР и возможность стабилизации: с введением национальной валюты, без введения, распределение функций между РСФСР и центром в различных вариантах.

б) Проблемы введения национальной валюты в РСФСР. Первоначально это мог бы быть доклад об опыте аналогичных мероприятий в других странах. Хотелось бы иметь представления о размерах затрат и сроках этого мероприятия при различных вариантах, а также анализ возможных последствий.

в) Реформирование налоговой системы в РСФСР. Основная цель этого исследования - создание эффективной и по возможности более простой налоговой системы, позволяющей уберечь налоговые доходы от обесценения в условиях возможного ускорения инфляции. Представляют интерес конкретные рекомендации по развитию системы управления государственным внутренним домом.

г) Либерализация цен, торговли и бюджетная политика. Здесь представляют интерес рекомендации по реализации этого процесса в связи с возможностью введения национальной валюты. Анализ последствий, связь с бюджетными расходами на дотации, возможность их отмены и т.д.

д) Введение конвертируемости национальной валюты: сроки, формы, возможность поддержки со стороны Запада.

Нам бы хотелось, чтобы доклады по п.п. а) и б) были закрытого типа (не для широкого распространения).

Нам также интересуют все вопросы, связанные с разработанной Вами программой оказания технической помощи.

С уважением

Государственный секретарь РСФСР
Геннадий Бурбулис

Мы также крайне заинтересованы в организации подобного сотрудничества с экспертами Банка и другими экспертами из числа наших и зарубежных ученых, работающих в различных областях экономики и промышленности.