



*Embassy of the United States of America*

Skopje, September 9, 2001

Dear Mrs. Minister:

I have the honor to refer the Ministry of Foreign Affairs to the attachment to this letter concerning establishment of a framework to govern and facilitate the provision of assistance which has been provided to date and which may be provided in the future.

I would like to propose that cooperation between the Government of the United States of America (the Government of the Sending Country) and the Government of Macedonia (the Government of the Receiving Country) concerning economic, technical and related assistance shall be in accordance with the terms and conditions set forth in the attachment to this letter.

Your Excellency, please allow me to take this opportunity to renew the assurances of my highest consideration.

A handwritten signature in black ink, appearing to read "M. Michael Einik".

M. Michael Einik  
Ambassador

Her Excellency Dr. Ilička Mitreva,  
Minister of Foreign Affairs,  
Skopje



РЕПУБЛИКА МАКЕДОНИЈА  
МИНИСТЕРСТВО ЗА НАДВОРЕШНИ РАБОТИ  
REPUBLIC OF MACEDONIA  
MINISTRY OF FOREIGN AFFAIRS  
*Министар / Minister*

Skopje, September 9, 2001

Excellency,

Referring to your letter dated September 9, 2001, I have the honor to inform you that the Government of the Republic of Macedonia accepts your proposal contained therein, concerning the establishment of a framework to govern and facilitate the provision of assistance which has been provided to date and which may be provided in future.

On behalf of the Government of the Republic of Macedonia, I have the honor to inform you that the cooperation between the Government of Macedonia (the Government of the Receiving Country) and the Government of the United States of America (the Government of the Sending Country) concerning economic, technical and related assistance shall be in accordance with the terms and conditions set forth in the attachment to this letter.

Allow me, Excellency, to take this opportunity to renew the assurances of my highest consideration.

**Dr. Ilinka Mitreva**

His Excellency

Michael Einik, Ambassador  
of the United States of America  
SKOPJE

AGREEMENT BETWEEN  
THE GOVERNMENT OF THE RECEIVING COUNTRY  
AND  
THE GOVERNMENT OF THE SENDING COUNTRY  
CONCERNING ECONOMIC, TECHNICAL  
AND RELATED ASSISTANCE

The Government of the Receiving Country and the Government of the Sending Country,

Recognizing the substantial efforts and progress that the Receiving Country has made to advance its economic and political development;

Recognizing that the Government of the Sending Country has initiated a Program of assistance in the receiving country, in support of economic and political reform, involving activities in areas such as privatization, improved quality of life and support for democratic initiatives;

Recognizing the important role played by Sending Country private organizations in implementing such assistance programs;

Desiring to consolidate and confirm certain arrangements and to establish a framework to govern and facilitate the provision of assistance which has been provided to date, and which may be provided in the future, by the Government of the Sending Country, subject to the applicable laws and regulations of the Sending Country,

Hereby agree as follows:

**Article 1**

The diplomatic mission of the Sending Country to the Receiving Country shall carry out and discharge the responsibilities of the Government of the Sending Country under this Agreement, and a section of that diplomatic mission has been established for this purpose.

**Article 2**

The Government of the Receiving Country shall:

- A. *Make such contribution as may be appropriate and as agreed to by both Governments, permitted by its personnel, resources, facilities, and general economic condition in furtherance of the purposes for which assistance may be provided;*
- B. Take appropriate steps to ensure the effective use of such assistance;

- C. Provide the Government of the Sending Country with full and complete information concerning the implementation of assistance provided by the Government of the Sending Country as well as other relevant information which representatives of the Government of the Sending Country may need in order to assess the nature, scope and effectiveness of such assistance programs, projects and operations; and
- D. Upon reasonable notice, permit observation and review by representatives of the Government of the Sending Country of any assistance programs, projects and operations, and records pertaining thereto.

### **Article 3**

In order to assure the maximum benefits to the people of the Receiving Country from the Sending Country assistance Program, and except as may be agreed by the two Governments:

A. Services, commodities, supplies, equipment or other property ("services or property") utilized in connection with the Sending Country assistance Program shall be imported, exported, purchased, and used in the Receiving Country free and exempt from any tariffs, customs duties, import taxes, export taxes, or value-added taxes ("VAT") on the importation or exportation of such services or property, or similar taxes or charges. VAT taxes on services or property in connection with purchases or transactions in the territory of the Receiving Country under the assistance Program, other than importation or exportation, shall be refunded in accordance with the law on VAT of the Receiving Country.

B. Any public or private organization, other than a local organization (established under the laws of the Receiving Country), that has responsibility for implementing the Sending Country assistance Program in the receiving country, and that is paid from financial resources of the Sending Country's assistance Program, shall be exempt from any taxes imposed by the Receiving Country, or any subdivision thereof, with respect to income derived from contracts, grants or agreements for the implementation of the Sending Country assistance Program. Income derived from other activities in the Receiving Country is not exempted by this agreement from taxation under the laws of the Receiving Country.

C. All personnel, except nationals or permanent residents of the Receiving Country, who are under contract with, or are employees of any public or private organization that has responsibility for implementing the Sending Country assistance Program, and who are present in the Receiving Country to perform work in connection with the Sending Country assistance Program, shall be exempt from:

(I) Any personal income, social security, or other taxes levied under the laws of the Receiving Country with respect to personal income derived from the Sending Country assistance Program;

II) Any tariffs, customs duties, import taxes, VAT and other similar taxes and charges upon personal or household goods imported into the Receiving Country for the personal use of such personnel and members of their families, and such personal or household goods may be used in and exported from the Receiving Country free from any such taxes; and

(III) VAT or other taxes on rent or leases for the personal residences of such personnel and their families.

D. Employees of the Government of the Sending Country (and their families), except nationals or permanent residents of the Receiving Country, who are present in the receiving country to perform work in connection with the Sending Country assistance Program shall be accorded status equivalent to that accorded to administrative and technical staff personnel under the Vienna Convention on Diplomatic Relations.

E. The Government of the Receiving Country shall implement procedures to efficiently administer the tax exemptions and tax refund provisions granted in this international Agreement, including, but not limited to i) procedures for exemptions from customs duties, tariffs, or VAT on importation or exportation of services or property, and ii) procedures for refund of VAT on purchases or transactions within the territory of the Receiving Country, other than importation or exportation, in accordance with provisions of the VAT law of the Receiving Country.

F. Nothing in this Agreement shall be construed to derogate from the privileges and immunities to which personnel are otherwise entitled.

#### Article 4

Funds brought into the Receiving Country for purposes of the Sending Country assistance Program shall be:

- A. Convertible into the currency of the Receiving Country at the buying rate providing the largest number of units of such currency per dollar of the Sending Country which, at the time the conversion is made, is not unlawful in the Receiving Country; and
- B. Exempt from any currency controls or investment or deposit requirements which may be in effect in the Receiving Country.

## Article 5

The Government of the Sending Country and the Government of the Receiving Country may from time to time enter into implementing arrangements to assist in the implementation of this Agreement.

## Article 6

- A. This Agreement shall enter into force upon signature. The provisions of this Agreement shall apply to organizations and individuals as of the date of their arrival in the receiving country in connection with the Sending Country assistance Program, whether before or after the date this Agreement enters into force, and shall also apply to assistance provided before or after such date. This Agreement may be amended by written consent of the parties.
- B. This Agreement shall remain in force until thirty (30) days after the receipt by either party of written notification of the intention of the other party to terminate the Agreement. Notwithstanding any such termination, this Agreement shall be applicable to assistance furnished before the termination.

In witness whereof, the undersigned, duly authorized for this purpose, have signed this Agreement.

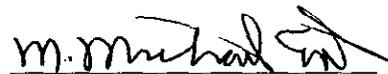
Done at Skopje, in duplicate, in the Macedonian and English languages, the texts being equally authentic, on this 9th day of September, 2001.

For the Government  
of the Receiving Country:



Ilinka Mitreva,  
Minister of Foreign Affairs

For the Government  
of the Sending Country:



M. Michael Einik,  
Ambassador