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**ECONOMIC, TECHNICAL AND RELATED ASSISTANCE AGREEMENT
BETWEEN
THE GOVERNMENT OF THE REPUBLIC OF MALAWI
AND
THE UNITED STATES OF AMERICA**

The Government of the United States of America and the Government of the Republic of Malawi have agreed as follows:

1. The Government of the United States of America will furnish such economic, technical and related assistance hereunder as may be requested by representatives of the appropriate agency or agencies of the Government of the Republic of Malawi and approved by representatives of the agency designated by the Government of the United States of America to administer its responsibilities hereunder, or as may be requested and approved by other representatives designated by the Government of the United States of America and the Government of the Republic of Malawi. The furnishing of such assistance shall be subject to applicable United States laws and regulations. It shall be made available in accordance with arrangements agreed upon between the above-mentioned representatives.
2. The Government of the Republic of Malawi will make the full contribution permitted by its manpower, resources, facilities, and general economic condition in furtherance of the purposes for which assistance is made available hereunder; will take appropriate steps to assure the effective use of such assistance; will cooperate with the Government of the United States of America to assure that procurement will be at reasonable terms; will, without restriction, permit continuous observation and review by United States representatives of programs and operations hereunder, and records pertaining thereto; will provide the Government of the United States of America with full and complete information concerning such programs and operations and other relevant information which the Government of the United States of America may need to determine the nature and scope of operations and to evaluate the effectiveness of the assistance furnished or contemplated; and will give to the people of Malawi full publicity concerning programs and operations hereunder. With respect to cooperative technical assistance programs hereunder, the Government of the Republic of Malawi will also bear a fair share of the costs thereof; will, to the maximum extent possible, seek full coordination and integration of technical cooperation programs being carried on in Malawi; and will cooperate with other nations participating in such programs in the mutual exchange of technical knowledge and skills.
3. In any case where commodities or services are furnished on a grant basis under arrangements which will result in the accrual of proceeds to the Government of the Republic of Malawi from the import and sale of such commodities or services, the government of the Republic of Malawi, except as may otherwise be mutually agreed upon by the representatives referred to in paragraph 1 hereof, will establish in its own name a Special Account in one of the Malawi-based banks; will deposit promptly in such

Special Account the amount of local currency equivalent to such proceeds; and, upon the notification from time to time by the Government of the United States of America of its local currency requirements, will make available to the Government of the United States of America, in the manner requested by the Government of the United States of America, out of any balances in the Special Account, such sums as are stated in such notifications to be necessary for such requirements. The government of the Republic of Malawi may draw upon any remaining balance in the Special Account for such purposes beneficial to Malawi as may be agreed upon from time to time by the representatives referred to in paragraph hereof. Any unencumbered balances of funds which remain in the Special Account upon termination of assistance hereunder to the Government of the Republic of Malawi shall be disposed of for such purposes as may be agreed upon by the representatives referred to in paragraph hereof.

4. The Government of the United States of America and the Government of the Republic of Malawi agree that a special mission will be received by the Government of the Republic of Malawi to carry out and discharge the responsibilities of the Government of the United States of America under this Agreement. The Government of the United States of America and the Government of the Republic of Malawi further agree that the special mission will enjoy the same inviolability of premises as is extended to the diplomatic mission of the United States of America and that the Government of the Republic of Malawi shall accord all United States Government employees (and their families), who are present in Malawi to perform work in connection herewith, full and complete immunity from civil and criminal jurisdiction. The Government of the United States of America will endeavour to assure maximum possible compliance with the law of Malawi when not in conflict with the law of the United States, will be prepared to discuss such disputes as may arise, and will remove as promptly as feasible, either on its own initiative or on the request of the Government of the Republic of Malawi, any United States Government employee covered by this Agreement who may abuse the privileges or immunities granted herein.

5. In order to assure the maximum benefits to the people of Malawi from the assistance to be furnished hereunder:

(a) Goods, equipment, or funds introduced into or acquired in Malawi by the Government of the United States of America or any contractor financed by the Government of the United States of America, for purposes of any program or project conducted hereunder shall, while such goods, equipment, or funds are specifically used in connection with such a program or project, be exempt from any taxes, customs duties, and currency controls in Malawi, provided that if any such goods, equipment or funds are disposed of in Malawi, other than to the Government of the Republic of Malawi or another entity that has been accorded duty free status by the Government of the Republic of Malawi or otherwise with the concurrence of the Government of the Republic of Malawi, or are not exported from Malawi within three months of completion of such a program or project, then any taxes, customs duties or similar charges due thereon under any written law in Malawi, shall become payable.

(b) All personnel (and their families) who are employees of the Government of the United States of America, except citizens and permanent residents of Malawi, who are

present in Malawi to perform work in connection with this Agreement shall be exempt from income and social security taxes levied under the laws of Malawi with respect to income upon which they are obligated to pay income or social security taxes to any other Government and from taxes on the purchase, ownership, use, or disposition of personal movable property (including automobiles) intended for their own use. Such personnel (and their families) shall be exempt from customs, import, and export duties on all personal and household effects imported into Malawi for their own use, and from all other duties and fees of whatsoever nature. Such articles may be disposed of in Malawi only in accordance with the laws and regulations of the Government of Malawi.

(c) All personnel, except those referred to in paragraph (b) of this article or citizens and permanent residents of Malawi, under contract with or financed by the Government of the United States of America who are present in the Republic of Malawi to perform work in connection with this Agreement shall be exempt from income tax, social security tax and any other tax of a substantially similar nature levied under the laws of the Republic of Malawi with respect to income upon which they are obligated to pay income tax, social security tax, or any other tax of similar nature to any other Government, and from taxes on the purchase, ownership, use or disposition of personal movable property (including automobiles) intended for their own use. Such personnel shall be permitted, upon first taking up their appointment in the Republic of Malawi, to import under exemption of customs, import, export, excise and sales taxes, their personal and household effects and one motor vehicle for personal use, provided that such personal and household effects and motor vehicle are imported within six months of their arrival in the Republic of Malawi.

(d) Funds introduced into Malawi for purposes of furnishing assistance hereunder shall be convertible into currency of Malawi at the prevailing rate of exchange providing the largest number of units of such currency per United States Dollar which, at the time the conversion is made, is not unlawful in Malawi.

6. The Government of the United States of America and the Government of the Republic of Malawi will establish procedures whereby the Government of the Republic of Malawi will so deposit, segregate, or assure title to all funds allocated to or derived from any program of assistance undertaken hereunder by the Government of the United States of America that such funds shall not be subject to garnishment, attachment, seizure, or other legal process by any person, firm, agency, corporation, organization, or Government when the Government of the Republic of Malawi is advised by the Government of the United States of America that such legal process would interfere with the attainment of the objectives of the program of assistance hereunder.

7. All or any part of any program of assistance provided hereunder except as may otherwise be provided in arrangements agreed upon pursuant to paragraph 1 hereof, be terminated by either Government if that Government determines that because of changed conditions the continuation of such assistance is unnecessary or undesirable. The termination of such assistance under this provision may include the termination of deliveries of any commodities hereunder not yet delivered, except that the recipient Government shall be entitled to reimbursement of any expense or liability which they are

committed to make for commodities pursuant to noncancellable commitments entered into with third parties prior to the termination of this Agreement.

8. This Agreement shall enter into force upon signature.

9. This Agreement shall remain in force until thirty (30) days after the receipt by either Government of written notification of the intention of the other to terminate it. Notwithstanding any such termination, however, the provisions hereof shall remain in full force and effect with respect to assistance theretofore furnished.

IN WITNESS WHEREOF, the respective representatives, duly authorized for the purpose, have signed the present Agreement at Lilongwe, Malawi in quadruplicate on the day and date first below written.

FOR THE GOVERNMENT OF THE
UNITED STATES OF AMERICA

By: /s/ Dennis C. Jett
Title: Charge d'Affaires, a.i.

By: /s/ John F. Hicks
Title: Mission Director, USAID/Malawi

FOR THE GOVERNMENT OF THE
REPUBLIC OF MALAWI

By: /s/ Dalton Katopola
Title: Minister of Finance

Date: January 8, 1987