

AGREEMENT

establishing an International Science and Technology Centre

THE UNITED STATES OF AMERICA, JAPAN, THE RUSSIAN FEDERATION, and, acting as one party, the EUROPEAN ATOMIC ENERGY COMMUNITY and EUROPEAN ECONOMIC COMMUNITY:

REAFFIRMING the need to prevent the proliferation of technologies and expertise related to weapons of mass destruction, nuclear, chemical, and biological weapons;

TAKING NOTE of the present critical period in the states of the Commonwealth of Independent States (hereinafter referred to as 'CIS') and Georgia, a period that includes the transition to a market economy, the developing process of disarmament, and the conversion of industrial-technical potential from military to peaceful endeavours;

RECOGNIZING, in this context, the need to create an International Science and Technology Centre that would minimize incentives to engage in activities that could result in such proliferation, by supporting and assisting the activities for peaceful purposes of weapons scientists and engineers in the Russian Federation and, if interested, in other states of the CIS and Georgia;

RECOGNIZING the need to contribute, through the Centre's projects and activities, to the transition of the states of the CIS and Georgia to market-based economies and to support research and development for peaceful purposes;

DESIRING that Centre projects provide impetus and support to participating scientists and engineers in developing long-term career opportunities, which will strengthen the scientific research and development capacity of the states of the CIS and Georgia; and

REALIZING that the success of the Centre will require strong support from governments, foundations, academic and scientific institutions, and other inter-governmental and non-governmental organizations;

HAVE AGREED AS FOLLOWS:

Article I

There is hereby established the International Science and Technology Centre (hereinafter referred to as the 'Centre') as an inter-governmental organization. Each Party shall facilitate, in its territory, the activities of the Centre. In order to achieve its objectives, the Centre shall have, in accordance with the laws and regulations of the Parties, the legal capacity to contract, to acquire and dispose of immovable and movable property, and to institute and respond to legal proceedings.

Article II

A. The Centre shall develop, approve, finance, and monitor science and technology projects for peaceful purposes, which are to be carried out primarily at institutions and facilities located in the Russian Federation and, if interested, in other states of the CIS and Georgia.

B. The objectives of the Centre shall be:

- (i) to give weapons scientists and engineers, particularly those who possess knowledge and skills related to

weapons of mass destruction or missile delivery systems, in the Russian Federation and, if interested, in other states of the CIS and Georgia, opportunities to redirect their talents to peaceful activities; and

- (ii) to contribute thereby through its projects and activities: to the solution of national or international technical problems; and to the wider goals of reinforcing the transition to market-based economies responsive to civil needs, of supporting basic and applied research and technology development, *inter alia*, in the fields of environmental protection, energy production, and nuclear safety, and of promoting the further integration of scientists of the states of the CIS and Georgia into the international scientific community.

Article III

In order to achieve its objectives, the Centre is authorized to:

- (i) promote and support, by use of funds or otherwise, science and technology projects in accordance with Article II of this Agreement;

- (ii) monitor and audit Centre projects in accordance with Article VIII of this Agreement;
- (iii) establish appropriate forms of cooperation with governments, inter-governmental organizations, non-governmental organizations (which shall, for the purposes of this Agreement, include the private sector), and programs;
- (iv) receive funds or donations from governments, inter-governmental organizations, and non-governmental organizations;
- (v) establish branch offices as appropriate in interested states of the CIS and Georgia; and
- (vi) engage in other activities as may be agreed upon by all the Parties.

Article IV

A. The Centre shall have a Governing Board and a Secretariat, consisting of an Executive Director, Deputy Executive Directors, and such other staff as may be necessary, in accordance with the Statute of the Centre.

B. The Governing Board shall be responsible for:

- (i) determining the Centre's policy and its own rules of procedure;
- (ii) providing overall guidance and direction to the Secretariat;
- (iii) approving the Centre's operating budget;
- (iv) governing the financial and other affairs of the Centre, including approving procedures for the preparation of the Centre's budget, drawing up of accounts, and auditing thereof;
- (v) formulating general criteria and priorities for the approval of projects;
- (vi) approving projects in accordance with Article VI;
- (vii) adopting the Statute and other implementing arrangements as necessary; and
- (viii) other functions assigned to it by this Agreement or necessary for the implementation of this Agreement.

Decisions of the Governing Board shall be by consensus of all Parties on the Board, subject to the conditions and terms determined pursuant to Article V, except as provided otherwise in this Agreement.

C. Each of the four Signatory Parties shall be represented by a single vote on the Governing Board. Each shall appoint no more than two representatives to the Governing Board within seven (7) days after entry into force of this Agreement.

D. The Parties shall establish a Scientific Advisory Committee, made up of representatives to be nominated by the Parties, to give to the Board expert scientific and other necessary professional advice within forty-five (45) days of every project proposal's submission to the Centre; to advise the Board on the fields of research to be encouraged; and to provide any other advice that may be required by the Board.

E. The Governing Board shall adopt a Statute in implementation of this Agreement. The Statute shall establish:

- (i) the structure of the Secretariat;
- (ii) the process for selecting, developing, approving financing, carrying out and monitoring projects;
- (iii) procedures for the preparation of the Centre's budget, drawing up of accounts and auditing thereof;
- (iv) appropriate guidelines on intellectual property rights resulting from Centre projects and on the dissemination of project results;
- (v) procedures governing the participation of governments, inter-governmental organizations, and non-governmental organizations in Centre projects;
- (vi) personnel policies; and
- (vii) other arrangements necessary for the implementation of this Agreement.

Article V

The Governing Board shall have the discretion and exclusive power to expand its membership to include representatives appointed by Parties that accede to this Agreement, on such conditions and terms as the Board may determine. Parties not represented on the Governing Board and inter-governmental and non-governmental organizations may be invited to participate in Board deliberations, in a non-voting capacity.

Article VI

Each project submitted for approval by the Governing Board shall be accompanied by the written concurrence of the state or states in which the work is to be carried out. In addition to the prior agreement of that state or

those states, the approval of projects shall require the consensus of Parties on the Governing Board, subject to the conditions and terms determined pursuant to Article, V, other than such Parties that are states of the CIS and Georgia.

Article VII

A. Projects approved by the Governing Board may be financed or supported by the Centre, or by governments, inter-governmental organizations, or non-governmental organizations, directly or through the Centre. Such financing and support of approved projects shall be provided on terms and conditions specified by those providing it, which terms and conditions shall be consistent with this Agreement.

B. Representatives of the Parties on the Board and personnel of the Centre Secretariat shall be ineligible for project grants and may not directly benefit from any project grant.

Article VIII

A. The Centre shall have the right, within the Russian Federation and other interested states of the CIS and Georgia in which the work is to be carried out:

- (i) to examine on-site Centre project activities, materials, supplies, use of funds, and project-related services and use of funds, upon its notification or, in addition, as specified in a project agreement;
- (ii) to inspect or audit, upon its request, any records or other documentation in connection with Centre project activities and use of funds, wherever such records or documentation are located, during the period in which the Centre provides the financing, and for a period thereafter as determined in a project agreement.

The written concurrence required in Article VI shall include the agreement, of both the state or states of the CIS or Georgia in which the work is to be carried out and the recipient institution, to provide the Centre with access necessary for auditing and monitoring the project, as required by this paragraph.

B. Any Party represented on the Governing Board shall also have the rights described in paragraph (a), coordinated through the Centre, with regard to projects it finances in whole or in part, either directly or through the Centre.

C. If it is determined that the terms and conditions of a project have not been respected, the Centre or a financing government or organization may, having informed the Board of its reasons, terminate the project and take appropriate steps in accordance with the terms of the project agreement.

Article IX

A. The Headquarters of the Centre shall be located in the Russian Federation.

B. By way of providing material support to the Centre the Government of the Russian Federation shall provide at its own expense a facility suitable for use by the Centre, along with maintenance, utilities, and security for the facility.

C. In the Russian Federation, the Centre shall have the status of a legal person and, in that capacity, shall be entitled to contract, to acquire and dispose of immovable and movable property, and to institute and respond to legal proceedings.

Article X

In the Russian Federation:

- (i) (a) in determining profits of the Centre subject to taxation, funds received by the Centre from its founders and sponsors, governments, inter-governmental organizations, and non-governmental organizations, and any interest arising from keeping those funds in banks in the Russian Federation, shall be excluded;
- (b) the Centre, or any branch thereof, shall not be subject to any taxation on property that is subject to taxation under the tax laws of the Russian Federation;
- (c) commodities, supplies, and other property provided or utilized in connection with the Centre and its projects and activities may be imported into, exported from, or used in the Russian Federation free from any tariffs, dues, customs duties, import taxes, and other similar taxes or charges imposed by the Russian Federation;
- (d) personnel of the Centre who are not Russian nationals shall be exempt from payment of the income tax in the Russian Federation for physical persons;
- (e) funds received by legal entities, including Russian scientific organizations, in connection with Centre's projects and activities, shall be excluded in determining the profits of these organizations for the purpose of tax liability;

- (f) funds received by persons, in particular scientists or specialists, in connection with the Centre's projects or activities, shall not be included in those persons' taxable income;
- (ii) (a) the Centre, governments, inter-governmental organizations, and non-governmental organizations shall have the right to move funds related to the Centre and its projects or activities, other than Russian currency, into or out of the Russian Federation without restriction. Each shall have the right to so move only amounts not exceeding the total amount it moved into the Russian Federation;
- (b) to finance the Centre and its projects and activities, the Centre shall be entitled, for itself and on behalf of the entities referred to in subparagraph (ii) (a), to sell foreign currency on the internal currency market of the Russian Federation;
- (iii) personnel of non-Russian organizations taking part in any Centre project or activity and who are not Russian nationals shall be exempt from the payment of any customs duties and charges upon personal or household goods imported into, exported from, or used in the Russian Federation for the personal use of such personnel or members of their families.

Article XI

A. The Parties shall closely cooperate in order to facilitate the settlement of legal proceedings and claims under this Article.

B. Unless otherwise agreed, the Government of the Russian Federation shall, in respect of legal proceedings and claims by Russian nationals or organizations, other than contractual claims, arising out of the acts or omissions of the Centre or its personnel done in the performance of the Centre's activities:

- (i) not bring any legal proceedings against the Centre and its personnel;
- (ii) assume responsibility for dealing with legal proceedings and claims brought by the aforementioned against the Centre and its personnel;
- (iii) hold the Centre and its personnel harmless in respect of legal proceedings and claims referred to in subparagraph (ii) above.

C. The provisions of this Article shall not prevent compensation or indemnity available under applicable international agreements or national law of any state.

D. Nothing in paragraph (B) shall be construed to prevent legal proceedings or claims against Russian nationals or permanent residents of the Russian Federation.

Article XII

A. Personnel of the Governments of the States or the European Communities that are Parties present in the Russian Federation in connection with the Centre or its projects and activities shall be accorded, by the Government of the Russian Federation, status equivalent to that accorded to administrative and technical staff under the Vienna Convention on Diplomatic Relations of 18 April 1961.

B. Personnel of the Centre shall be accorded, by the Government of the Russian Federation, the privileges and immunities usually accorded to officials of international organizations, namely:

- (i) immunity from arrest, detention, and legal process, including criminal, civil, and administrative jurisdiction, in respect of words spoken or written and all acts performed by them in their official capacity;
- (ii) exemption from any income, social security, or other taxation, duties, or other charges, except those that are normally incorporated in the price of goods or paid for services rendered;
- (iii) immunity from social security provisions;
- (iv) immunity from immigration restrictions and from alien registration; and
- (v) right to import their furniture and effects, at the time of first taking up their post, free of any Russian tariffs, dues, customs duties, import taxes, and other similar taxes or charges.

C. Any Party may notify the Executive Director of any person, other than those in paragraphs (A) and (D), who will be in the Russian Federation in connection with the Centre's projects and activities. A Party making such a notification shall inform such persons of their duty to respect the laws and regulations of the Russian Federation. The Executive Director shall notify the Government of the Russian Federation, which shall accord to such persons the benefits in subparagraph (B) (ii) to (v) and a status adequate for carrying out the project or activity.

D. Representatives of the Parties on the Governing Board, the Executive Director, and the Deputy Executive Directors shall be accorded by the Government of the Russian Federation, in addition to the privileges and immunities listed in paragraphs (A) and (B) of this Article, the privileges, immunities, exemptions, and facilities generally accorded to the representatives of members and executive heads of international organizations in accordance with international law.

E. Nothing in this Article shall require the Government of the Russian Federation to provide the privileges and immunities provided in paragraphs (A), (B) and (D) of this Article to its nationals or its permanent residents.

F. Without prejudice to the privileges, immunities, and other benefits provided above, it is the duty of all persons enjoying privileges, immunities, and benefits under this Article to respect the laws and regulations of the Russian Federation.

G. Nothing in this Agreement shall be construed to derogate from privileges, immunities, and other benefits granted to personnel described in paragraphs (A) to (D) under other agreements.

Article XIII

Any state desiring to become Party to this Agreement shall notify the Governing Board through the Executive Director. The Governing Board shall provide such a state with certified copies of this Agreement through the Executive Director. Upon approval by the Governing Board, that state shall be permitted to accede to this Agreement. This Agreement shall enter into force for that state on the thirtieth (30th) day after the date on which its instrument of accession is deposited. In the event that a state or States of the CIS and Georgia accede to this Agreement, that State or those States shall comply with the obligations undertaken by the Government of the Russian Federation in Articles VIII, IX(C) and X to XII.

Article XIV

Although nothing in this Agreement limits the rights of the Parties to pursue Projects without resort to the

Centre, the Parties shall make their best efforts to use the Centre when pursuing projects of character and objectives appropriate to the Centre.

Article XV

A. This Agreement shall be subject to review by the Parties two years after entry into force. This review shall take into account the financial commitments and payments of the Parties.

B. This Agreement may be amended by written agreement of all the Parties.

C. Any Party may withdraw from this Agreement six months after written notification to the other Parties.

Article XVI

Any question or dispute relating to the application or interpretation of this Agreement shall be the subject of consultation between the Parties.

Article XVII

With a view to financing projects as soon as possible, the four Signatories shall establish necessary interim procedures until the adoption of the Statute by the Governing Board. These shall include, in particular, the appointment of an Executive Director and necessary staff and the establishment of procedures for the submission, review, and approval of projects.

Article XVIII

A. This Agreement shall be open for signature by the United States of America, Japan, the Russian Federation and, acting as one party, the European Atomic Energy Community and European Economic Community.

B. Each Signatory shall notify the others through diplomatic channels that it has completed all internal procedures necessary to be bound by this Agreement.

C. This Agreement shall enter into force upon the thirtieth (30th) day after the date of the last notification described in paragraph (B).

IN WITNESS WHEREOF the undersigned, being duly authorized thereto, have signed this Agreement.

Done at Moscow on 27 November 1992, in the Danish, Dutch, English, French, German, Greek, Italian, Japanese, Portuguese, Russian and Spanish languages, each text being equally authentic.

FOR:

The United States of America



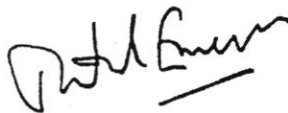
Japan

枝村 紘郎

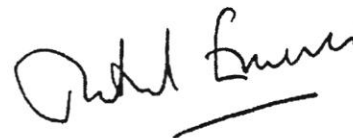
The Russian Federation



*The European Atomic
Energy Community*



*The European Economic
Community*



**Declaration made by the Representatives of the Community on the signing of the Agreement
establishing the International Science and Technology Centre**

'The Community declares that the Centre shall have legal personality and enjoy the most extensive legal capacity to legal persons under laws applicable in the Community, and, in particular, may contract, acquire and dispose of movable and immovable property and be a party to legal proceedings.'
