



International Atomic Energy Agency

INFORMATION CIRCULAR

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**THE TEXTS OF THE INSTRUMENTS CONNECTED WITH THE AGENCY'S
ASSISTANCE TO PAKISTAN IN ESTABLISHING A RESEARCH REACTOR PROJECT**

A Second Supply Agreement

As a sequel to the assistance which the Agency provided to the Government of Pakistan in establishing a research reactor project¹⁾, a second Supply Agreement has been concluded between the Agency and the Governments of Pakistan and the United States of America. This Agreement entered into force on 19 October 1967, and the text²⁾ is reproduced herein for the information of all Members.

1) Pursuant to the agreements reproduced in document INFCIRC/34.
2) The footnotes to the text have been added in the present information circular.

CONTRACT FOR THE TRANSFER OF ENRICHED URANIUM FOR A RESEARCH REACTOR IN PAKISTAN

WHEREAS the International Atomic Energy Agency (hereinafter called the "Agency") and the Government of Pakistan (hereinafter called "Pakistan") on 5 March 1962 signed an Agreement (hereinafter called the "Project Agreement")³⁾ for assistance by the Agency to Pakistan in establishing a project consisting of a research reactor for peaceful purposes, and in securing the special fissionable material necessary for that reactor;

WHEREAS the Agency, Pakistan and the United States Atomic Energy Commission (hereinafter called the "Commission"), acting on behalf of the Government of the United States of America (hereinafter called the "United States"), on 5 March 1962 signed a Contract for the Transfer of Enriched Uranium and Plutonium (hereinafter called the "First Supply Agreement")⁴⁾ for the reactor, pursuant to which a supply of enriched uranium, among other things, was delivered to Pakistan;

WHEREAS Pakistan, in connection with the Project Agreement, has requested the assistance of the Agency in securing from the United States an additional supply of enriched uranium;

WHEREAS the Board of Governors of the Agency approved the additional assistance for the project on 21 February 1967;

WHEREAS the Agency and the United States on 11 May 1959 concluded an Agreement for Co-operation (hereinafter called the "Co-operation Agreement")⁵⁾, under which the United States undertook to make available to the Agency pursuant to its Statute certain quantities of special fissionable material; and

WHEREAS Pakistan has made arrangements with a supplier in the United States of America for the supply of additional fuel elements containing enriched uranium for the reactor;

NOW, THEREFORE, the Agency, the Commission and Pakistan hereby agree as follows:

ARTICLE I

Transfer of Enriched Uranium

Section 1. Subject to the provisions of the Co-operation Agreement, the Commission shall transfer to the Agency and the Agency shall accept from the Commission approximately 4445 grams of uranium enriched to approximately 90% by weight in the isotope uranium-235 (hereinafter called the "fuel material"), the precise quantities to be determined pursuant to Section 3, contained in fuel elements for a 5-megawatt AMF pool-type research reactor.

Section 2. The Agency shall transfer to Pakistan and Pakistan shall accept from the Agency the fuel material.

Section 3. The conditions specified in Sections 3(a), 3(b), 3(e) and 3(f) of the First Supply Agreement shall apply, mutatis mutandis, to the transfers of the fuel material provided for by Sections 1 and 2.

3) INFCIRC/34, part II.

4) Ibid., part I.

5) INFCIRC/5, part III.

ARTICLE II

Payment

Section 4. The Agency shall send an invoice to Pakistan at or subsequent to the time the parties have agreed with respect to the determination pursuant to Section 3(b) of the First Supply Agreement. Within thirty days from the date of this invoice Pakistan shall pay to the Agency in United States currency a sum equal to that which the Agency will be obliged to pay to the Commission pursuant to Section 5. If the Agency does not receive payment within thirty days after the date of invoice, it is entitled to an additional charge at the rate of six per cent per annum on the unpaid amount.

Section 5. The Commission shall send an invoice to the Agency at or subsequent to the time the Commission transfers possession pursuant to Section 3(e) of the First Supply Agreement. Within sixty days from the date of this invoice the Agency shall pay for the fuel material as per the schedule of charges for enriched uranium published in the United States Federal Register and in effect on the date of transfer of the material, provided, however, that in the event said charges in effect on the date of transfer of the material should exceed the charges set forth below, the Agency may, and at the request of Pakistan shall, cancel this Contract without incurring obligations of any kind thereunder.

Percentage enrichment by weight in the isotope ^{235}U of the enriched uranium	Price US\$/g of enriched uranium
85	10.183
90	10.808
92	11.061

Payment shall be made in United States currency to the Commission or its designated agent or contractor. If payment is not received within sixty days after the date of invoice, the Commission shall be entitled to an additional charge at the rate of six per cent per annum on the unpaid amount.

Section 6. In order to assist and encourage research on peaceful uses or for medical therapy, the Commission has in each calendar year offered to distribute to the Agency, free of charge, special fissionable material of a value of up to US\$50 000 at the time of transfer, to be supplied from the amounts specified in Article II.A of the Co-operation Agreement. If the Commission finds the project to which this Contract relates eligible, it shall decide by the end of the calendar year in which this Contract is concluded on the extent, if any, to which the project shall benefit by the gift offer, and shall promptly notify the Agency and Pakistan of that decision. The payments provided in Sections 4 and 5 shall be reduced by the value of any free material thus made available.

ARTICLE III

General Provisions

Section 7. Articles III, IV and V of the First Supply Agreement shall apply, mutatis mutandis, to the transfers specified in Sections 1 and 2.

ARTICLE IV

Amendment of Project Agreement

Section 8. It is understood by the Agency and Pakistan that Section 3 of the Project Agreement is hereby amended to include the material covered by this Contract under the definition of fuel material.

ARTICLE V**Entry into Force**

Section 9. This Contract shall enter into force upon signature by or for the Director General of the Agency and by the authorized representatives of the Commission and Pakistan.

DONE in triplicate in the English language.

For the INTERNATIONAL ATOMIC ENERGY AGENCY:

(*signed*) Sigvard Eklund

Vienna, 28 August 1967

For the GOVERNMENT OF PAKISTAN:

(*signed*) Enver Murad

Vienna, 29 August 1967

For the UNITED STATES ATOMIC ENERGY COMMISSION on behalf of the GOVERNMENT OF THE UNITED STATES OF AMERICA:

(*signed*) Verne B. Lewis

Vienna, 19 October 1967