



International Atomic Energy Agency

INFORMATION CIRCULAR

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THE TEXTS OF THE INSTRUMENTS CONNECTED WITH THE AGENCY'S
ASSISTANCE TO CHILE IN FURTHERING PROJECTS BY THE
SUPPLY OF MATERIALS

1. The texts [1] of the Master Agreement between the Agency and the Government of Chile, and of Supplementary Agreement No. 1 thereto, in connection with the Agency's assistance to that Government in furthering projects by the supply of materials, are reproduced herein for the information of all Members.
2. The Master Agreement entered into force on 16 March 1973, pursuant to its Article XIV, and the Supplementary Agreement on 14 June 1973, pursuant to its Article IV.

[1] The footnotes to the texts have been added in the present information circular.

I. MASTER AGREEMENT BETWEEN
THE INTERNATIONAL ATOMIC ENERGY AGENCY
AND THE REPUBLIC OF CHILE FOR ASSISTANCE BY THE AGENCY
IN FURTHERING PROJECTS BY THE SUPPLY OF MATERIALS

WHEREAS the International Atomic Energy Agency (hereinafter the "Agency") is authorized to assist its Member States in the acquisition of special fissionable or other materials for research on atomic energy for peaceful purposes; and

WHEREAS the Government of the Republic of Chile (hereinafter the "Government") wishes to make arrangements for securing from time to time, on a simplified basis, materials from the Agency;

NOW, THEREFORE, the Agency and the Government agree as follows:

ARTICLE I

Upon approval by the Agency of a project proposed by the Government for the peaceful uses of atomic energy and of the allocation thereto of special fissionable or other materials, the Agency and the Government will enter into a supplementary agreement to this Agreement (hereinafter the "Supplementary Agreement") which shall inter alia:

- (a) Define the project;
- (b) Specify the materials allocated (hereinafter, and in the Supplementary Agreement, the "supplied material");
- (c) Set forth the terms and conditions, including charges, on which the supplied material is to be provided, which in general will be accomplished by incorporating into the Supplementary Agreement the provisions of the related instrument concluded between the Agency and the supplier (hereinafter the "Supply Instrument"); and
- (d) Set forth any special provisions.

ARTICLE II

Except as may be otherwise specified in the Supplementary Agreement, the Government shall perform on behalf of the Agency all obligations which the Agency assumes in the Supply Instrument, and the Agency and the Government shall have, with respect to each other, mutatis mutandis the same rights and obligations as are specified respectively for the seller and the purchaser in that Instrument.

ARTICLE III

The Government shall communicate to the supplier any necessary shipping instructions, and shall also indicate the person(s) authorized to accept the shipment and to sign a receipt therefor. If the Supply Instrument provides that the supplier is to deliver the supplied material to the Agency, then such person(s) designated by the Government is/are hereby also authorized and should be instructed to accept and sign on behalf of the Agency.

ARTICLE IV

The Government shall transmit to the Agency, immediately after accepting possession of the supplied material, a copy of the receipt by which delivery of the supplied material is acknowledged, which receipt should specify the exact amount and description of the nuclear material transferred and the date and place of transfer of possession.

ARTICLE V

Unless otherwise specified in the Supplementary Agreement:

- (a) The Government shall pay to the Agency, within thirty days of receiving its invoice, an amount equal to that which the Agency is required to pay to the supplier pursuant to the Supply Instrument. If that Instrument provides for any penalty charge to be paid by the Agency in case of delayed payment, the Agency shall be entitled to a similar charge in case of a delay in payment by the Government; and
- (b) The Government shall assume and pay directly all costs in connection with the supplied material that are not charged by the supplier to the Agency, including costs of fabrication, transportation and insurance, to whomsoever these may be payable.

ARTICLE VI

Unless otherwise provided in the Supply Instrument, title to the supplied material shall pass to the Government at the time it accepts possession of the material. If the Supply Instrument provides that title shall be transferred to the Agency, then the title shall upon such transfer immediately and automatically vest in the Government.

ARTICLE VII

Any part of the supplied material the shipment of which is arranged by the Government while the material is in its possession shall be entrusted to a licensed public carrier selected by the Government or shall be accompanied by a responsible person designated by the Government. The conditions of the shipment shall conform, as far as possible, to those set forth in the Agency's Regulations for the Safe Transport of Radioactive Materials [2].

ARTICLE VIII

The Government undertakes that the supplied material shall not be used in such a way as to further any military purpose.

ARTICLE IX

Upon its delivery to the Government, any supplied nuclear material shall be subject to Agency safeguards to the extent provided for in Agency document INFCIRC/66/Rev. 2. The necessary safeguards procedures shall be determined by the Board of Governors of the Agency after the Director General of the Agency has consulted with the Government, except if the material can be exempted or suspended from the application of safeguards and the Government so requests.

[2] Safety Series No. 6, 1973 Revised Edition (STI/PUB/323).

ARTICLE X

Unless otherwise provided in the Supplementary Agreement, the Government shall apply to operations carried out in implementation of each project the Agency's Basic Safety Standards [3] and its specialized regulations, and shall endeavour to ensure safety conditions as recommended in the relevant parts of the Agency's Codes of Practice. The Government shall arrange for the submission of the reports specified in paragraphs 25(a), 26 and 27 of Agency document INFCIRC/18 with respect to any supplied material and operations involving it. The Agency may carry out special inspections under the circumstances specified in paragraph 32 of the said document; the Government shall apply the relevant provisions of the Annex to Agency document GC(V)/INF/39 and of the Agreement on the Privileges and Immunities of the Agency [4] to the Agency's inspectors and to any property of the Agency used by them in performing their functions.

ARTICLE XI

Pursuant to Article VIII.B of the Statute of the Agency, the Government shall make available to the Agency without charge all scientific information developed as a result of the assistance extended by the Agency. The Agency does not claim, on the basis of its participation resulting from this Agreement and the Supplementary Agreements thereto, any right in any inventions or discoveries arising from the projects. The Agency may, however, be granted licences under any patents upon terms to be agreed.

ARTICLE XII

Reports and other information should be submitted to the Agency in one of the working languages of the Board of Governors of the Agency.

ARTICLE XIII

Any dispute concerning the interpretation or application of this Agreement or of any Supplementary Agreement thereto (including any Supply Instrument incorporated therein), which is not settled by negotiations or as may otherwise be agreed, shall be submitted to an arbitral tribunal. At the request of the Agency the supplier may also join in such proceeding as a separate party.

Each party to the disputes proceeding shall designate one arbitrator. If within thirty days of the request for arbitration any party has not designated an arbitrator, the President of the International Court of Justice (hereinafter the "Court") may appoint the necessary number of arbitrators at the request of any party to the proceeding. The arbitrators so designated or appointed shall by unanimous decision elect an additional arbitrator, who shall be the Chairman, as well as a sufficient number of other arbitrators so that the number of elected arbitrators is one less than the number of parties to the proceeding. If within thirty days after the last of the necessary number of arbitrators has been designated or appointed, the Chairman or any of the other additional arbitrators has not been elected, the President of the Court may appoint the necessary number of additional arbitrators at the request of any designated or appointed arbitrator.

A majority of the members of the arbitral tribunal shall constitute a quorum, and decision shall be made by majority vote. The arbitral procedure shall be established by the tribunal, whose decision, including all ruling concerning its constitution, procedure, jurisdiction and the division of the expenses of arbitration between the parties, shall be binding on all parties to the proceeding. The remuneration of the arbitrators shall be determined on the same basis as that of ad hoc judges of the Court.

[3] Safety Series No. 9, 1967 Edition (STI/PUB/147).

[4] INFCIRC/9/Rev. 2.

ARTICLE XIV

This Agreement shall enter into force upon signature by or for the Director General of the Agency and by the authorized representative of the Government.

DONE in duplicate in the English and Spanish languages, both texts being equally authentic.

For the INTERNATIONAL ATOMIC ENERGY AGENCY:

(signed) Sigvard Eklund Vienna, 16 March 1973

For the GOVERNMENT OF THE REPUBLIC OF CHILE:

(signed) Renato Gaona Vienna, 14 March 1973

II. SUPPLEMENTARY AGREEMENT No. 1 TO THE MASTER AGREEMENT BETWEEN
THE INTERNATIONAL ATOMIC ENERGY AGENCY AND THE GOVERNMENT
OF THE REPUBLIC OF CHILE FOR ASSISTANCE BY THE AGENCY IN
FURTHERING PROJECTS BY THE SUPPLY OF MATERIALS

WHEREAS the International Atomic Energy Agency (hereinafter the "Agency") and the Government of the Republic of Chile (hereinafter "Chile") on 16 March 1973 entered into a Master Agreement for Assistance by the Agency in Furthering Projects by the Supply of Materials (hereinafter the "Master Agreement") [5];

WHEREAS Chile has proposed a project on medical application of atomic energy and has requested the assistance of the Agency in the supply of certain material therefor;

WHEREAS the Agency and the Government of the United States of America (hereinafter the "United States") on 11 May 1959 concluded an Agreement for Co-operation (hereinafter the "Co-operation Agreement") [6], under which the United States undertook to make available to the Agency pursuant to its Statute certain quantities of special fissionable material, and also undertook, subject to various applicable provisions and licence requirements, to permit, upon request of the Agency, persons under the jurisdiction of the United States to make arrangements to transfer and export materials, equipment or facilities for a Member of the Agency in connection with an Agency project; and

WHEREAS Chile has made arrangements with a manufacturer in the United States of America (hereinafter the "Manufacturer") for the supply of a pace-maker for medical therapy;

NOW, THEREFORE, the Agency and Chile hereby agree as follows:

ARTICLE I

The project to which this Agreement relates is the use of a plutonium-powered pace-maker for medical therapy at the Clinica Santa Maria in Santiago, Chile.

ARTICLE II

The following material (hereinafter the "supplied material") is hereby allocated to the project:

Approximately 150 milligrams of plutonium-238.

ARTICLE III

The Agency, pursuant to Article IV of the Co-operation Agreement, shall request the United States to permit the transfer and export to Chile of the pace-maker and the supplied material contained therein, in accordance with the arrangements made between Chile and the Manufacturer. The provisions of the Master Agreement shall apply to the project.

[5] Reproduced in part I of this document.

[6] Reproduced in document INFCIRC/5, part III.

ARTICLE IV

This Agreement shall enter into force upon signature by or for the Director General of the Agency and by the authorized representative of Chile.

For the INTERNATIONAL ATOMIC
ENERGY AGENCY:

(signed) Sigvard EKLUND

Vienna, 14 June 1973

For the GOVERNMENT OF THE REPUBLIC
OF CHILE:

(signed) Renato GAONA

Vienna, 12 June 1973