

No. 30603

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**ESTONIA
and
SWITZERLAND**

**Agreement on the granting of financial assistance (with
annex). Signed at Tallinn on 14 December 1992**

Authentic text: English.

Registered by Estonia on 10 December 1993.

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**ESTONIE
et
SUISSE**

**Accord relatif à l'octroi d'une aide financière (avec annexe).
Signé à Tallinn le 14 décembre 1992**

Texte authentique : anglais.

Enregistré par l'Estonie le 10 décembre 1993.

AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE REPUBLIC
OF ESTONIA AND THE GOVERNMENT OF THE SWISS CON-
FEDERATION ON THE GRANTING OF FINANCIAL ASSIST-
ANCE

The Government of the Republic of Estonia and the Government of
the Swiss Confederation,

Having regard to the friendly relations between the two
countries,

Desirous of strengthening these relations and the fruitful
cooperation between the two countries,

Intending to promote further the on-going democratization process
in Estonia,

Have agreed as follows:

Article 1

Definitions

In this Agreement, unless the context otherwise requires, the
following terms shall have the following meanings:

- a. "Estonian Government" means Government of the Republic
of Estonia;
- b. "Swiss Government" means Government of the Swiss
Confederation;
- c. "Contribution" means the contribution granted by the
Swiss Confederation under this Agreement;
- d. "Contracting Parties" means the Estonian Government
and the Swiss Government;
- e. "Closing Date" means the last day on which the
Estonian Government can submit a proposal to the Swiss
Government.

¹ Came into force on 14 December 1992 by signature, in accordance with article 12 (1).

Article 2

Objective of the Contribution

The objective of the Contribution is to support the transition to a market economy in Estonia and to mitigate the economic and social cost of adjustment.

Article 3

Amount and Utilization of the Contribution

- 3.1. The Swiss Government agrees to make a non-reimbursable Contribution to the Estonian Government to finance the foreign currency costs of imports of goods and services for priority projects, including freight and other services associated with the supply of goods. The Contribution will be made on a project to project basis. By mutual agreement between the Contracting Parties, a certain percentage of the Contribution can be used to finance local costs and technical assistance necessary for the successful implementation of the projects financed by the Swiss Government.
- 3.2. The Contribution shall be utilized for priority infrastructure and rehabilitation projects. Particular emphasis is to be given to projects in the social, health care, environment and infrastructure sectors and to projects favouring the development of the emerging private sector of the economy.
- 3.3. No proceeds of the Contribution shall be used for the payment of any duties and taxes (import duties, levies and fees of any kind) imposed under the law of the Republic of Estonia.

Article 4

Conditions of the Contribution

- 4.1. To the extent that local counterpart funds (in local currency) are generated through importers' payments for Swiss goods and services, the Estonian Government shall use these funds to finance projects mutually agreed upon in the sectors such as social protection and export promotion.

- 4.2. The terms of the Contribution shall be passed on to the end user according to the standard relending terms of the Estonian Government or other terms to be mutually agreed upon, by the Contracting Parties and taking into account the nature of the project. The onlending terms shall not be less favourable than the terms offered under similar external financing agreements.

Article 5

Accounts

- 5.1. Upon entry into force of this Agreement, the Swiss Government shall open an account with the Swiss National Bank for the Contribution in the name of the Estonian Government.
- 5.2. The Swiss Government shall credit this account with the amount necessary for the Swiss National Bank to effect the payments due under this Agreement.
- 5.3. The Estonian Government shall open a special account with the Eesti Sotsiaalpank in Tallinn entitled "Swiss Financial Assistance" for the importers' payments in local currency of counterpart funds after the signing of this Agreement.

Article 6

Administration of the Contribution

- 6.1. The Estonian Government shall furnish to the Swiss Government all such relevant information as the Swiss government shall reasonably request, in particular the information indicated in Annex I. Information on the current status of utilization should be provided every 12 months to the Swiss authorities.
- 6.2. The Estonian Government shall take or cause to be taken all actions, including the provision of facilities, services and other measures, necessary or appropriate, for carrying out the present Agreement.
- 6.3. The Estonian Government shall maintain or cause to be maintained records adequate to identify the goods and services financed out of the proceeds of the Contribution, as well as the local currency counterpart funds mentioned under Article 5.3., and to disclose the use and beneficiaries thereof.