

SAUDI ARABIAN - UNITED STATES
JOINT COMMISSION
ON
ECONOMIC COOPERATION

PROJECT AGREEMENT

BETWEEN THE

SAUDI ARABIAN NATIONAL CENTER
FOR
SCIENCE AND TECHNOLOGY

AND THE

SAUDI ARABIAN MINISTRY OF
FAINANCE AND NATIONAL ECONOMY, JOINTLY

AND THE

UNITED STATES DEPARTMENT OF ENERGY

AND THE

UNITED STATES DEPARTMENT OF TREASURY, JOINTLY

FOR

COOPERATION IN THE FIELD OF SOLAR ENERGY

Project Agreement
Between
The Saudi Arabian National Center for
Science and Technology
and the Saudi Arabian Ministry of Finance and
National Economy, Jointly,
and the United States Department of Energy
and the United States Department of Treasury, Jointly
for
Cooperation in the Field of Solar Energy

Article I.

1. This Project Agreement between the Saudi Arabian National Center for Science and Technology (SANCST) and the Saudi Arabian Ministry of Finance and National Economy (MFNE) and the United States Department of Energy (DOE) and the United States Department of Treasury (Treasury), hereinafter called the Agencies, sets forth arrangements for technical cooperation in the field of Solar Energy for the mutual benefit of the two countries.

2. The Agreement will be carried out under the auspices of the United States - Saudi Arabian Joint Commission on Economic Cooperation and in accordance with the provisions of the Technical Cooperation Agreement between the Governments of the United States and Saudi Arabia signed on February 13, 1975 which is hereby incorporated by reference and becomes a part of this Agreement.

3. Activities under this project will take into consideration the general aims expressed in the United States - Saudi Arabian Project Agreement for Technical Cooperation in Science and Technology of February 29, 1976.

Article II.

1. The objectives of this Agreement are: (a) to cooperate in the field of solar energy technology for the mutual benefit of the two countries; (b) to advance the development of solar energy technology; and (c) to facilitate the transfer of technology developed under this Agreement.

2. Areas of cooperation may include research, development and demonstration projects on all types of solar energy systems of mutual interest to the Kingdom of Saudi Arabia and to the United States. Programs and projects may be considered for centralized solar applications such as electric and total energy systems, as well as for decentralized solar applications, such as water heating, space heating and cooling, agricultural and industrial process heating, electricity generation, and irrigation projects. Solar technologies to be investigated may include heating and cooling, solar thermal, photovoltaics, biomass conversion, wind and ocean energy systems.

3. One of the purposes of this Agreement is to improve research capabilities of SANCST and of Saudi Arabian and United States universities, institutes, and research centers in the solar energy field.

Article III.

1. DOE and SANCST will be responsible for the development, coordination and implementation of solar program activities under this Agreement.

2. DOE shall designate an appropriate organizational component to be responsible for coordination between the DOE and SANCST under this Agreement. SANCST shall designate an appropriate SANCST official or officials to be responsible for coordination between SANCST and DOE under this Agreement.

3. Over-all coordination of this Joint Economic Commission Project with other Joint Economic Commission activities within the United States Government and provision of certain administrative facilities and support for this Project will be the responsibility of Treasury. The Office of the Joint Economic Commission in Riyadh (JECOR) will provide a communication link between SANCST and MFNE on the one hand and DOE and Treasury on the other. JECOR will facilitate activities under this Agreement and will monitor the implementation of this Agreement in Saudi Arabia. Funds for these services will be expended in accordance with Article V.

Article IV.

Cooperation in accordance with this Agreement may include, but is not limited to, the following:

1. Joint research, development and demonstration projects as described in Article II in which DOE and SANCST agree to share the work and costs.

2. Exchange of scientific and technical information, and results and methods of solar research and development.

3. The organization of seminars and other meetings on mutually agreed topics concerning problems of research and development in solar energy technology.

4. Exchange visits by specialist teams or individuals to solar energy facilities of the other Agency.

5. Education exchange opportunities for training or study in solar energy research and technology at institutions in the countries of the Agencies.

Other specific forms of cooperation may be jointly agreed by the Agencies.

Selection of the aforementioned teams and individuals will be subject to the approval of DOE and SANCST and will be based solely on the considerations of professional capability, experience and other merit factors.

Article V.

To cover the costs of cooperative activities under this Agreement, the Agencies shall provide funds as follows:

1. Over the five (5) year period of this Agreement, MFNE agrees to designate for deposit in the dollar trust account in the United States Treasury established by the Technical Cooperation Agreement the sum of Fifty Million Dollars (\$50,000,000). An initial sum of \$250,000 will be deposited in the dollar trust account for planning costs and shall constitute a portion of the first fiscal year funding. Funds to be agreed upon each fiscal year thereafter will be deposited on or before January 1 of each subsequent calendar year to cover the Saudi Arabian share of approved program costs.

2. Over the five (5) year period of this Agreement, DOE agrees to designate for deposit in the dollar trust account in the United States Treasury established by the Technical Cooperation Agreement the sum of Fifty Million Dollars (\$50,000,000). An initial sum of \$250,000 will be designated for planning costs and shall constitute a portion of the first fiscal year funding. Funds to be agreed upon each fiscal year thereafter will be deposited on or before January 1 of each subsequent calendar year to cover the U.S. share of approved program costs.

3. Monies will be expended in matching amounts from each Government's contribution to fund fiscal year programs.

4. Monies provided by the Agencies may be co-mingled in order to fund cooperative activities under this Agreement.

5. Treasury shall provide periodic reports to MFNE concerning the use of all funds spent under this Agreement.

Article VI.

1. For each particular project or program within the solar energy areas listed in Articles II and IV, specific annexes to this Agreement shall be executed by DOE and SANCST.

2. Each annex shall contain detailed provisions for implementing that particular project or program, including inter-alia, management of the project or program, exchange of equipment, protection of proprietary information, patents, and liability. Cooperation under

these annexes shall be subject to all general provisions of this Agreement.

Article VII.

If any Agency participating in this Agreement is rendered unable because of force majeure to perform its responsibilities under this Agreement, these responsibilities shall be suspended during the period of continuance of such inability. The term "Force Majeure" means acts of God, acts of the public enemy, war, civil disturbances, and other similar events not caused by or within the control of any Agency. In the event of suspension of an Agency's duties because of force majeure, the Agencies shall consult and endeavor jointly to resolve any attendant difficulties.

Article VIII.

1. This Agreement shall enter into force upon dispatch by Treasury to MFNE of written confirmation that the initial Saudi funds described in Article V above have been deposited in the Trust Account and that the initial United States funds described in Article V above have been designated by DOE. This Agreement shall remain in effect for five years unless terminated either in accordance with paragraph 3 below or through expiration of the Technical Cooperation Agreement. The implementation of, and progress under, this Agreement will be subject to annual review by the Agencies.

2. This Agreement may be amended or extended by the mutual written consent of all Agencies participating therein.

3. This Agreement may be terminated at any time at the discretion of either Government, upon ninety (90) days written notice. Such termination shall be without prejudice to any rights which may have accrued under this Agreement and to any Agency up to the date of such termination.

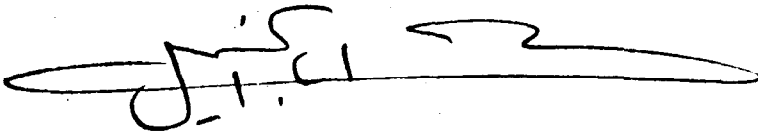
4. All joint efforts and experiments not completed at the termination of this Agreement shall be continued until their completion under the terms of this Agreement, provided sufficient funds are available.

5. All questions related to this Agreement arising during its term shall be settled by the Agencies by mutual agreement.

6. Additional financing under this Agreement over and above the initial sums of \$250,000 referred to in Article V shall be subject to the availability of appropriated funds.

This Agreement is executed the
in Riyadh, Saudi Arabia.

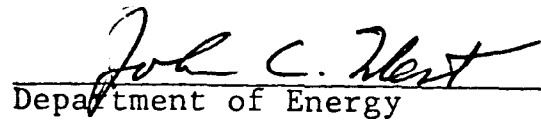
30th day of *October* 1977



Ministry of Finance and
National Economy



Department of the Treasury



Department of Energy