

Agreement
between
the Government of the Republic of Austria
and
the Government of the United States of America

to Supplement the ERP Counterpart Settlement Agreement of March 29, 1961

The Government of the Republic of Austria and the Government of the United States of America (the Parties),

Recalling the contribution of the European Recovery Program (Marshall Plan) to European prosperity and freedom, through economic development and integration;

Considering the continuing desire of the United States to further these objectives;

Recalling that, in accordance with the provisions of the 1961 U.S.-Austrian ERP Counterpart Settlement Agreement (Counterpart Settlement Agreement), for over forty years the sound economic development of Austria has been supported through loans made from a revolving fund (Counterpart Fund or Fund) deriving from Marshall Plan assistance to Austria and administered by the Government of the Republic of Austria;

Taking account of the Parties' intent, reflected in the Counterpart Settlement Agreement, that the assets of the Counterpart Fund be preserved;

Noting that the Counterpart Settlement Agreement contemplated a limited program of grants from the Fund to promote productivity through, inter alia, training, research and productivity studies;

Recognizing Austria's desire to increase the resources available for research and development grants for the purpose of improving the environment for innovation and technology, enhance Austrian competitiveness and meet goals agreed by Austria as a member of the European Union;

Noting the recent establishment by Austria of a National Foundation for Research, Technology and Development ("Nationalstiftung fuer Forschung, Technologie und Entwicklung") (the Foundation), with a mandate to conduct research and development for these purposes;

Hereby agree to supplement the Counterpart Settlement Agreement as follows:

1. Beginning in 2004, Austria may annually apply assets of the Counterpart Fund in an amount not exceeding the amount of interest derived from the Counterpart Fund in the preceding calendar year, in the form of non-repayable grants through the Foundation. Such grants shall be made for purposes consistent with the objectives set forth in the Counterpart Settlement Agreement, and will be awarded for the purpose of promoting and enhancing Austrian innovation, research and technology

development. Special attention in grantmaking will be given to small and medium-sized enterprises and projects in the interest of promoting European integration.

2. Consistent with Article II of the Counterpart Settlement Agreement, the Government of the Republic of Austria will make funds available to the Foundation under an annual program, approved in advance and based on the Government's research and development objectives.

3. The Government of the Republic of Austria will, not later than February 15 each year, provide to the U.S. Embassy in Vienna a report, prepared by the Foundation, on awards during the preceding calendar year of grants made from funds in the Counterpart Fund and on use and results of those grants. These reports will show yearly and cumulative disbursements by sector.

This Agreement shall enter into force on the first day of the month following the month in which the Government of the Republic of Austria informs the Government of the United States of America in writing that the conditions of its constitutional law for the entry into force of this Agreement have been fulfilled. This Agreement shall remain in force thereafter so long as the Counterpart Settlement Agreement remains in force, unless earlier terminated by either Party upon six months' notice in writing.

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

Done at Vienna on 30 April 2004, in duplicate, in the German and English languages, each text being equally authentic.

FOR THE GOVERNMENT OF THE
REPUBLIC OF AUSTRIA:

Martin BARTENSTEIN

FOR THE GOVERNMENT OF THE
UNITED STATES OF AMERICA:

William Lee Lyons BROWN JR.