



International Atomic Energy Agency

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ENGLISH

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RUSSIAN

THE TEXTS OF THE INSTRUMENTS CONNECTED WITH THE
AGENCY'S ASSISTANCE TO FINLAND IN ESTABLISHING A
SUB-CRITICAL ASSEMBLIES PROJECT

1. The text [1] of the Project Agreement between the Agency and the Government of Finland in connection with the Agency's assistance to that Government in establishing a sub-critical assemblies project is reproduced in Part I of this document for the information of all Members. This Agreement entered into force on 30 July 1963.

2. Part II contains the text [1] of the related Supply Contract concluded on 11 July 1963 between the Ministry of Commerce and Industry of Finland and the Office of Technical Supplies of the Mashinoeksport [2] All-Union Combine of the Union of Soviet Socialist Republics in conformity with Section 3 of the Project Agreement.

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

[2] This Office has since become the All-Union Office Techsnabeksport ("Export of Technical Supplies").

I. PROJECT AGREEMENT

AGREEMENT BETWEEN THE INTERNATIONAL ATOMIC ENERGY AGENCY AND THE GOVERNMENT OF FINLAND FOR ASSISTANCE BY THE AGENCY IN ESTABLISHING A SUB-CRITICAL ASSEMBLIES PROJECT

WHEREAS the Government of Finland (hereinafter called "Finland"), desiring to set up a project for research on, and development and practical application of, atomic energy for peaceful purposes, has requested the assistance of the International Atomic Energy Agency (hereinafter called the "Agency") in securing fuel elements containing enriched uranium necessary for the operation of one or more sub-critical assemblies;

WHEREAS the Board of Governors of the Agency approved the project on 20 February 1963;

WHEREAS the Agency and the Government of the Union of Soviet Socialist Republics (hereinafter called the "Soviet Union") on 11 May 1959 concluded an agreement under which the Soviet Union undertook to make available to the Agency pursuant to its Statute certain quantities of enriched uranium for use by the Agency or its Members [3];

WHEREAS, pursuant to the above-mentioned agreement, Finland and the Soviet Union are concluding a contract for the sale of fuel elements for the sub-critical assemblies (hereinafter called the "Supply Contract");

NOW THEREFORE the Agency and Finland agree as follows:

ARTICLE I

Definition of the Project

Section 1. The project to which this Agreement relates is the establishment of one or more sub-critical assemblies using enriched uranium, and their operation by the Institute of Technology at Otaniemi, Finland.

ARTICLE II

Allocation and Supply of Enriched Uranium

Section 2. The Agency hereby allocates to the project defined in Article I up to 30 000 grams of uranium enriched to approximately 10% in uranium-235 to be contained in 370 fuel elements (hereinafter called the "supplied material") with the following specifications and approximate dimensions:

Over-all length of fuel element	588 millimeters
Active length of fuel element	500 millimeters
Cladding material	aluminium
Clad O. D.	10 millimeters
Weight of uranium in fuel element	80 grams

Section 3. The supplied material will be sold to Finland by the Soviet Union through the Mashinoeksport All-Union Combine (Office of Technical Supplies)[2] pursuant to the Supply Contract. This Contract, of which Finland shall transmit a copy to the Agency immediately upon its conclusion, shall be drawn up in accordance with this Agreement and

[3] Text reproduced in document INFCIRC/5, Part I.

with the agreement of 11 May 1959 between the Agency and the Soviet Union [3] and should provide that the supplied material is to be delivered, if possible, before 30 June 1963 for a total price equal to US \$45 000, f. o. b. Moscow airport or the Soviet-Finnish frontier. The Agency shall not bear any responsibility towards Finland or any person claiming through Finland for the use of or any defect in the supplied material.

Section 4. To enable the Agency to fulfil its responsibilities under Article IX. G of its Statute, Finland shall transmit to the Agency immediately upon receiving the supplied material a copy of the receipt for such material, showing the actual quantity and enrichment of the uranium. The Agency may require that up to three elements be delivered to it for analysis and testing, for each of which element so delivered the Agency will pay US \$122, f. o. b. Helsinki.

ARTICLE III

Shipment of the Supplied Material

Section 5. Any shipment of the supplied material arranged for by Finland while the supplied material is in its possession shall be carried out in the custody of a licensed public carrier selected for that purpose by Finland or shall be accompanied by a responsible person designated by Finland. Such shipment shall as far as possible comply with the Agency's Regulations for the Safe Transport of Radioactive Materials [4].

ARTICLE IV

Agency Safeguard against Diversion

Section 6. Finland agrees that the supplied material shall not be used in such a way as to further any military purpose.

Section 7. It is hereby agreed and specified that the rights and responsibilities provided for in Article XII. A of the Statute of the Agency are relevant to the project, provided that paragraphs 1, 3, 4 and 6 of that Article shall be implemented in accordance with the Agency's letter of 4 April 1961 relating to safeguards for the FIR 1 Triga reactor [5], as follows:

- (a) The supplied material under this Agreement shall be considered as part of the supplied material referred to in sub-paragraph 4(a) of the letter.
- (b) Sub-paragraphs 4(b), (c) and 6(c) of the letter are not applicable; safeguards will be applied to the sub-critical assemblies pursuant to paragraph 66 of Agency document INFCIRC/26.
- (c) The design information required by paragraph 7 of the letter need only refer to the permanent structural features of the sub-critical assemblies.
- (d) The records, reports and special inspections provided for in paragraphs 8-10 of the letter shall be extended to include the present project.

[4] Agency's Safety Series No. 6 (STI/PUB/40).

[5] Text reproduced in document INFCIRC/24/Add. 1.

ARTICLE V

Health and Safety Measures

Section 8. The relevant health and safety measures specified in the Annex to the project agreement relating to the FiR 1 Triga reactor [6] will be applied, mutatis mutandis, to the present project. The information to be provided pursuant to paragraph 3 of that Annex shall in particular indicate the means designed to prevent accidental criticality.

ARTICLE VI

Changes in Project

Section 9. Should Finland desire to use or store the supplied material outside the facility specified in paragraph 2 of the letter referred to in Section 7, or to use such material in any critical assembly, or to process or to arrange for the processing of any such material, or to send any such material out of Finland or to change the structural design of the sub-critical assemblies or their associated facilities, it shall inform the Agency sufficiently in advance to permit the Agency to prepare any appropriate safeguards provisions and health and safety measures before the operation in question is performed. Subject to Article XII, A of the Statute and to any relevant principles that have been or may be established thereunder, such provisions and measures shall be determined by the Board of Governors of the Agency after consultation by the Director General of the Agency with Finland. Finland hereby agrees to comply with any provisions and measures thus established and to co-operate with the Agency in their application.

ARTICLE VII

Information and Rights to Inventions and Discoveries

Section 10. Pursuant to Article VIII, B of the Statute of the Agency, Finland shall make available to the Agency without charge all scientific information developed as a result of the assistance extended by the Agency.

Section 11. The Agency, in view of the degree of its participation in the present project, does not claim any right in any inventions or discoveries arising from the project. The Agency may, however, be granted licences under any patents upon terms to be agreed.

ARTICLE VIII

Languages

Section 12. Reports and other information should be submitted to the Agency in one of the working languages of the Board of Governors.

ARTICLE IX

Settlement of Disputes

Section 13. Any dispute between the parties to this Agreement concerning its interpretation or application which is not settled by negotiation or as may otherwise be agreed shall be settled in accordance with Article V of the Supply Agreement relating to the FiR 1 Triga reactor [7].

[6] Text reproduced in document INFCIRC/24, Part II.

[7] Text reproduced in document INFCIRC/24, Part I.

Section 14. In case of any dispute involving the application of Articles IV, V or VI, decisions of the Board of Governors of the Agency shall, if they so provide, immediately be given effect by Finland, pending the conclusion of any consultation, negotiation or arbitration that may be or may have been invoked with regard to the dispute.

ARTICLE X

Entry into Force

Section 15. This Agreement shall enter into force upon signature by or for the Director General of the Agency and by the authorized representative of Finland.

DONE in duplicate in the English language:

For the INTERNATIONAL ATOMIC ENERGY AGENCY:

(signed) H. Seligman

Vienna

30 July 1963

For the GOVERNMENT OF FINLAND:

(signed) Otso Wartiovaara

Vienna

30 July 1963

II. SUPPLY CONTRACT
[Translation]

CONTRACT No. 543/60

MOSCOW

11 July 1963

The Office of Technical Supplies of the Mashinoeksport All-Union Combine [2], Moscow, hereinafter referred to as the Seller, on the one hand, and the Ministry of Commerce and Industry of the Republic of Finland, Helsinki, hereinafter referred to as the Purchaser, on the other, have concluded the present Contract in the terms set out below.

I. Subject of contract

In conformity with a decision of the International Atomic Energy Agency ("Agency") and the Agreement between the Agency and the Government of the Union of Soviet Socialist Republics dated 11 May 1959 [3], the Seller has sold and the Purchaser has purchased the goods designated, and of the quality specified, and at the prices, quantities and delivery dates set out, in Annex I (and such other annexes as may be necessary), which constitutes an integral part of the present Contract, the goods to be delivered free to the Soviet-Finnish frontier (Seller's truck) or to Moscow or Leningrad Airport.

II. Price

The price of the goods shall be established in roubles and is agreed to be for free delivery to the Soviet-Finnish frontier (Seller's truck) or to the air transport organizations' freight section at Moscow or Leningrad Airport, including the cost of the package, packaging and marking.

III. Quality

The quality of the goods shall be in accordance with the requirements in force for such goods in the Union of Soviet Socialist Republics and shall be confirmed by a certificate of quality (or by an analysis) provided by the manufacturer, or by letter of guarantee from the Seller.

IV. Packaging, marking and transmission
of original technical documents

The packaging of the goods shall be in accordance with the standards in force in the Union of Soviet Socialist Republics and shall ensure their safe transport.

The following shall be marked in Russian on each package: terminal station; name of consignee; the goods category "amorphous chemicals"; purchase order number; number of item; gross and net weight; and such other details as may be agreed upon between the Seller and the Purchaser.

The goods shall be described as "amorphous chemicals" in the transport, accompanying and clearance (bank) documents, which shall also specify any item number assigned to them in the relevant annex to the present Contract, the number and date of such annex and the number and date of the present Contract.

The original technical documents (certificate of origin and certificate of quality) describing the goods shall be tendered to the Purchaser's representative in Moscow.

V. Dispatch advice

Not later than the fifth day from the date of dispatch of the goods the Seller shall inform the Purchaser's representative in Moscow of the unloading date, the item numbers assigned to them in the present Contract, the number of packages and the gross weight and shall hand over the technical documents to him.

VI. Delivery and acceptance

The Seller shall be considered to have delivered and the Purchaser to have received goods which conform:

- (a) As far as gross weight and number of packages are concerned, to the specifications listed in the air transport bill-of-lading or railway way-bill;
- (b) As far as number of units and quality are concerned, to the specifications listed in the manufacturer's certificate or the Seller's letter of guarantee.

VII. Payment

Payment for the goods delivered under the present Contract shall be made in roubles by clearing arrangements that are in accordance with the Agreement of 22 October 1959 between the Union of Soviet Socialist Republics and the Republic of Finland covering deliveries for the period 1961-65, on presentation to the Foreign Trade Bank of the Union of Soviet Socialist Republics of the invoice in triplicate, together with the air transport bill-of-lading or a copy of the international way-bill.

The cost of transporting the goods by passenger freight train, or by air from Moscow or Leningrad Airport to the airport of destination, shall be shown separately in the Seller's statement of account and shall be payable by the Purchaser.

VIII. Arbitration

Any dispute or disagreement which may arise out of or in connection with the present Contract shall be submitted for decision to the Foreign Trade Arbitration Commission of the All-Union Chamber of Commerce in Moscow in accordance with the rules of the said Arbitration Commission, whose decision shall be final and binding on both parties.

The civil courts shall have no jurisdiction over disputes arising under the present Contract.

IX. Force majeure

Should circumstances occur which make it impossible for either party to fulfil all or any of the obligations under the present Contract, namely fire, natural calamity, war, military operations of whatever kind, blockade, export or import prohibitions, or other circumstances beyond the control of either party, the date by which the said obligations must be fulfilled shall be commensurately extended by the period during which the said circumstances prevail.

Should such circumstances continue beyond 15 days, both parties shall be entitled to decline to take any further action in respect of obligations entered into under the present contract, in which case neither party shall be entitled to compensation from the other for possible losses.

The party hindered from carrying out its obligations under the present Contract shall inform the other party forthwith of the circumstances which have arisen to prevent it from fulfilling such obligations, and of the cessation of the said circumstances.

A certificate issued by the Chamber of Commerce of the country of the Seller or Purchaser respectively shall constitute due proof of the existence and continuance of the aforesaid circumstances.

X. Additional provisions

All prior negotiations and the related correspondence shall be superseded by the signature of the present Contract.

No alteration or addition to the present Contract shall be considered valid unless made in writing and signed by persons duly authorized by the contracting parties.

All communications, declarations and claims relating to or arising out of the implementation of the present Contract shall be directly communicated to each other by both parties at the addresses set out in the Contract.

Neither party to the present Contract shall be entitled to transfer rights and obligations arising out of or relating to the Contract to third parties without the written consent of the other.

All expenditure and dues, including customs duties and taxes, as well as dues connected with the conclusion and implementation of the present Contract which are payable on the territory of the Seller, shall be borne by the Seller; outside of the said territory such expenditure and dues shall be borne by the Purchaser.

The present Contract has been drawn up in quadruplicate in the Russian language, two copies for the Seller and two for the Purchaser.

XI. Addresses of the parties for legal purposes

Seller: Office of Technical Supplies of the Mashinoeksport All-Union Combine, Moscow, G. 200, Smolenskaya Sennaya pl., No. 32/34.

Purchaser: Ministry of Commerce and Industry, Republic of Finland, Helsinki.

SELLER
(Two signatures)

PURCHASER
(Two signatures)

Annex I

to Contract No. 543/60 dated 11 July 1963 between the Technical Supplies Office of the Mashinoeksport All-Union Combine, Moscow, and the Ministry of Commerce and Industry of the Republic of Finland

Item numbers	Designation of goods	Technical specifications	Unit dimensions	Quantity	Unit Price	Total in roubles	Date of delivery	Consignee and marking
	EK-10 type fuel-elements for a WWR-C type water-water reactor */ */ U ²³⁵ content: 3 kg.	Per supplier's specification, rod type, enrichment 10% in uranium-235 (without adaptors); aluminium cladding	Unit. (Rod dimensions: 588 mm high; 10 mm in diameter)	380	106.58	40 500.40	First quarter 1964	Ministry of Commerce and Industry of the Republic of Finland

- N. B.
1. The Seller shall be entitled to deliver the goods ahead of schedule.
 2. On request, the Seller will dispatch the fuel elements by air at the Purchaser's expense.

SELLER
(Two signatures)

PURCHASER
(Two signatures)