



**AGREEMENT BETWEEN
THE GOVERNMENT OF
THE UNITED STATES OF AMERICA
AND
THE GOVERNMENT OF
THE REPUBLIC OF BULGARIA
CONCERNING
THE BULGARIAN-AMERICAN COMMISSION FOR EDUCATIONAL EXCHANGE**

The Government of the United States of America and the Government of the Republic of Bulgaria (hereinafter referred to as "the Parties"),

Desiring to promote further mutual understanding and cooperation through the implementation of programs for the support of mutual educational, research and cultural contacts, and

Taking into account the outstanding results achieved throughout ten years of cooperation, the mutual benefits derived from such programs, and the desire of the Parties to cooperate and assist further in the financing and administration of such programs for the further strengthening of international cooperation;

Have agreed as follows:

**PART I. STATUS AND ACTIVITIES OF THE BULGARIAN-AMERICAN
COMMISSION FOR EDUCATIONAL EXCHANGE**

ARTICLE 1

**LEGAL STATUS OF THE BULGARIAN-AMERICAN COMMISSION FOR
EDUCATIONAL EXCHANGE**

1) The Bulgarian-American Commission for Educational Exchange in the Republic of Bulgaria (hereinafter referred to as "the Commission"), as established by the Agreement Between the Government of the Republic of Bulgaria and the Government of the United States of America for the Establishment of the Bulgarian-American Commission for Educational Exchange, signed in Sofia on September 2, 1992, shall continue its activities on the basis of this Agreement. The Commission is an independent legal entity with its seat in the city of Sofia, and with autonomous

management and administration, according to the provisions of this Agreement. The Commission shall be represented by an Executive Director, appointed pursuant to Article 7 of this Agreement.

2) The Parties shall recognize the Commission as a bi-national organization created and established for the implementation of educational exchange programs based on the provision of financial support to the citizens of the Republic of Bulgaria, and citizens and nationals of the United States of America. Its main activities shall be: provision of scholarships and subsidies for the reimbursement of travel expenses, costs of tuition, accommodation and food and other forms of social and other aid, as well as provision of educational, research, cultural, informational, consultant and other services specified by this Agreement. These programs, and the costs of the Commission's operation related to their implementation, shall be financed from the funds provided to the Commission by the Parties in accordance with the provisions of this Agreement. The Commission shall also be entitled to obtain funds from other sources.

3) The Commission shall be entitled to carry out other activities outside the scope of, but consistent with, this Agreement and approved by the Board. These other activities shall be funded from sources other than those provided by the Parties to the Commission on the basis of this Agreement, and separate accounting records shall be kept for them.

ARTICLE 2

ACTIVITIES OF THE COMMISSION

In order to accomplish the objectives of this Agreement, the Commission shall conduct the following activities:

a) On the basis of the interests and needs of both Parties, plan, adopt, and conduct programs of the Commission described in Article 1, paragraph 2, above, by:

1. financing studies, research, instruction and other educational activities

aa) of or for citizens of the Republic of Bulgaria in

U.S. schools and institutions of learning and research located in or outside the United States of America;

ab) of or for citizens and nationals of the United States of America in the Republic of Bulgaria, and

2. financing visits and interchanges between the Parties of students, trainees, research scholars, teachers and university professors, instructors, lecturers, artists, and professionals; and

3. financing and/or implementing such other educational, research, informational, consultant and other activities as are provided for in budgets approved in accordance with Article 8, below.

b) Develop and submit for approval to the bodies of the Parties responsible for the execution of this Agreement, as identified in Article 10 below, a draft Commission budget (including a proposal of the total amount of the financial contribution of the Parties) for the next fiscal year, and a comprehensive proposal of the Commission's activities that shall be carried out on the basis of this Agreement in the next fiscal year, detailing particularly the extent, amount, types and focuses of purpose, if any, of the financial supports which shall be granted according to the Commission's programs for the next fiscal year. For the purposes of this Agreement, a fiscal year shall be defined as a calendar year for the Republic of Bulgaria, and as October 1 of one calendar year through September 30 of the following calendar year for the United States.

c) Prepare each fiscal year an announcement of application instructions for a national public competition in the Republic of Bulgaria, setting forth the details of the financial support offer for the appropriate fiscal year, including information on procedures for the distribution and submission to the Commission of applications for participating in the program and for granting the financial support; and assess these applications and select applicants who will be proposed to participate in the Commission's program and to receive the financial support;

d) Submit to the J. William Fulbright Foreign Scholarship Board of the United States of America (hereinafter referred to as the "Fulbright Foreign Scholarship Board"), appointed by the President of the United States of America and with

its seat in the United States of America, for approval, proposals by the Commission of students, trainees, academic scholars, research scholars, teachers, instructors, artists and professionals, who are citizens residing in the Republic of Bulgaria, or citizens or nationals of the United States of America, for participation in such programs, as well as proposals by the Commission for participation in such programs of institutions with a seat in the Republic of Bulgaria or in the United States of America.

e) Recommend to the competent organizations in both countries candidates for studies, research, instruction, and other educational activities;

f) Recommend to the Fulbright Foreign Scholarship Board qualifications for the selection of participants who shall receive the financial support that the Commission may deem necessary for achieving the purposes of this Agreement;

g) Authorize the disbursement of funds and the making of grants, including payment for transportation, accommodation, food, tuition, maintenance and other expenses incident thereto, if the Fulbright Foreign Scholarship Board approves of the selection of individual applicants for participation in the Commission's program and of the granting of financial support, subject to the conditions and limitations as set forth herein;

h) Conduct an annual audit of the accounts of the Commission, the results of which shall be submitted to the appropriate bodies of the Parties responsible for execution of this Agreement; if so requested by one of the Parties, the Commission shall also permit other auditing of its accounts concerning only the respective financial contribution of this Party to the Commission budget;

i) Prepare annual reports of its activities, the form and contents of which shall be specified by the Parties, and submit these reports to the appropriate bodies of the Parties responsible for execution of this Agreement; and

j) With the approval of the appropriate bodies of both Parties responsible for execution of this Agreement, administer or assist in extending financial support offers and other aid in furtherance of the purposes of this Agreement.

PART II. BODIES OF THE COMMISSION

ARTICLE 3

THE BOARD OF THE COMMISSION

1) The Commission shall be governed by a ten-member Board (hereinafter referred to as "the Board"), which shall be authorized to act on its behalf and to manage the activities of the Commission. The Board shall consist of five citizens of the Republic of Bulgaria and five citizens of the United States of America.

2) Unless the Board states otherwise, the Chairperson of the Board shall act on behalf of the Board in all matters.

3) The Minister of Education and Science of the Republic of Bulgaria shall have the power to appoint and remove the Bulgarian members of the Board, two of whom shall be governmental agents of the Republic of Bulgaria. The Chief of the Diplomatic Mission of the United States of America to the Republic of Bulgaria shall have the power to appoint and remove the American members of the Board, two of whom shall be officers of the United States Foreign Service in the Republic of Bulgaria.

4) The Board members shall be appointed for three-year terms and shall be eligible for reappointment for an additional three years. Vacancies by reason of resignation, expiration of service or otherwise, shall be filled in accordance with the preceding paragraph for the balance of the term remaining.

5) Each member of the Board shall have one vote. The decisions of the Board shall be made by a majority of the votes cast. The Chairperson shall cast a second and deciding vote in the event of a tie vote by the Board.

6) Appointment to the Board shall not give rise to an employment relationship with the Commission. The members of the Board shall serve without compensation, but the Commission is authorized to defray necessary expenses incurred by Board members in attending meetings of the Board, which shall take place at least once every two months, and in performing other duties assigned by the Commission.

7) The Board shall adopt such bylaws as it deems necessary for the execution of the Commission's programs.

8) The meetings of the Board shall be held in the Sofia office as well as at such places as may be determined by the Commission or by the Board.

ARTICLE 4
CHAIRPERSON OF THE BOARD OF THE COMMISSION

A Chairperson shall be elected by the Board from its own membership for a period of service of one year, provided that the Chair shall be assumed alternately by a citizen of the Republic of Bulgaria and a citizen of the United States of America.

ARTICLE 5
TREASURER AND ALTERNATE TREASURER OF THE COMMISSION

A Treasurer and Alternate Treasurer shall be elected by the Board from its own membership, subject to removal by the Board. One of them shall be a citizen of the Republic of Bulgaria and the other a citizen of the United States of America. The Treasurer, and in his or her absence the Alternate Treasurer, shall perform financial management duties as designated by the Board.

ARTICLE 6
HONORARY CO-CHAIRPERSONS OF THE COMMISSION

The Minister of Education and Science of the Republic of Bulgaria and the Chief of the Diplomatic Mission of the United States of America to the Republic of Bulgaria shall be Honorary Co-Chairpersons of the Commission, entitled to participate in Board meetings as non-voting members.

ARTICLE 7
EXECUTIVE DIRECTOR OF THE COMMISSION

1) The Board shall appoint an Executive Director (hereinafter referred to as the "Director") who shall be a Commission employee. The Director shall represent the Commission as a legal entity according to the Bulgarian

laws.

2) The Director shall be responsible for conducting and implementing the programs and activities of the Commission in accordance with this Agreement and the Commission by-laws, and for executing and implementing the decisions and policies of the Commission Board.

3) The Director shall be responsible for managing and directing the administrative operations of the Commission within the framework of policies established by the Commission Board and the requirements of Bulgarian law.

PART III. OBLIGATIONS OF THE PARTIES

ARTICLE 8 FINANCIAL OBLIGATIONS

1) The Parties agree to make annual allocations of funds or contributions in kind to the Commission for the purpose of this Agreement each fiscal year. The amount of such annual allocations shall be subject to the funds available to both Parties in accordance with their respective national laws and regulations. All commitments, obligations, and expenditures authorized by the Commission shall be made in accordance with an annual budget approved by the Parties. The Parties agree to strive for parity in their respective financial and in-kind contributions to the Commission.

2) In the budgeting and accounting of the funds of the Republic of Bulgaria, and in the financial and program reporting to the Republic of Bulgaria, the Commission shall follow the regulations of the Republic of Bulgaria.

3) In the budgeting and accounting of the funds of the United States, and in the financial and program reporting to the United States, the Commission shall follow the Department of State's Manual for Bi-national Commissions and Foundations. The interest on the funds of the United States allocation and the exchange rate gains produced during the accounting period shall not be subject to taxes in the Republic of Bulgaria.

4) Concerning the liability of both Parties for the reimbursement of costs and expenses:

a) The Republic of Bulgaria alone shall provide office space with public access at a suitable downtown location in Sofia for the Commission office, and shall cover related rent and utilities expenses.

b) The United States alone shall reimburse all personnel expenses incurred by the Commission (including the Commission's expenditures for salaries and other legal benefits of the Commission's employees, as well as expenses of the Commission for compulsory employer statutory transfers paid by the Commission as the employer for each employee).

ARTICLE 9
FACILITATING PROGRAM IMPLEMENTATION

1) The Parties shall make every effort to facilitate the programs of mutual exchange of persons approved by the Commission on the basis of this Agreement and to resolve problems that may arise in the operations thereof.

2) The citizens of the Republic of Bulgaria who are recipients of the J. William Fulbright scholarships, approved by the Commission and the Fulbright Foreign Scholarship Board, shall enjoy all of the rights and responsibilities, as specified by U.S. laws and regulations, that derive from the terms and conditions outlined in the grant authorization documents issued by the Commission.

3) The citizens and nationals of the United States who are recipients of the J. William Fulbright scholarships, approved by the Commission and the Fulbright Foreign Scholarship Board, :

a) shall be entitled to an entry visa and a residency permit, issued without fees or other charges, for the entire period of their programs, as determined in the grant authorization documents issued by the Commission.

b) shall not require work permits for employment during participation in their grant programs and as determined in the grant authorization documents issued by the Commission.

c) shall be exempt from any customs duties, import taxes, VAT and other similar taxes and charges upon personal or household goods imported into and exported from the Republic of Bulgaria for the period of their grant programs under this Agreement.

4) The Commission shall be exempt from

a) any customs duties, import and VAT taxes on the goods and services, subject to sales and purchases made by the Commission for the purposes of this Agreement.

b) any income or other taxes imposed by the Government of the Republic of Bulgaria or any subdivision thereof, with respect to income derived from the implementation of the programs described in Article 1.

PART IV. GENERAL AND FINAL PROVISIONS

ARTICLE 10

BODIES OF THE PARTIES RESPONSIBLE FOR EXECUTION OF THE AGREEMENT

The bodies of the Parties responsible for the execution of this Agreement are:

a) for the Republic of Bulgaria, the Ministry of Education and Science,

b) for the United States of America, the Department of State.

ARTICLE 11

OPERATION OF LEGAL REGULATIONS OF THE PARTIES

This Agreement and activities arising from it shall be performed in accordance with the laws and regulations of both Parties, as applicable, including those pertaining to the availability and expenditure of funds.

ARTICLE 12
ENTRY INTO FORCE AND VALIDITY OF THE AGREEMENT

1) This Agreement shall enter into force on the date on which the Parties shall have notified each other, via diplomatic channels, of the completion of all internal legal requirements necessary for entry into force.

2) This Agreement may be amended only by mutual written agreement of the Parties. Amendments to this Agreement shall enter into force pursuant to the provisions of Paragraph 1 above.

3) This Agreement shall remain in force until terminated, in writing, by either Party, in which case the Agreement shall expire on the thirtieth day of the first calendar year following the date of delivery of the written termination notice to the other Party. Termination of this Agreement shall not in any way affect programs previously initiated on the basis of this Agreement.

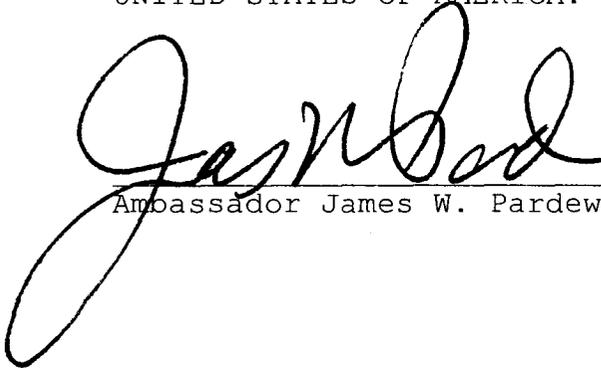
4) In the event of termination, the unused funds and property of the Commission remaining shall be divided between the Parties in proportion to their respective contributions to the Commission.

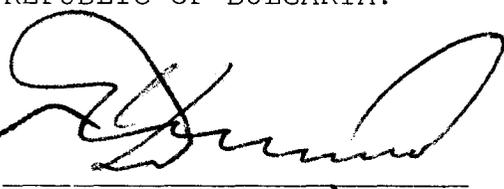
IN WITNESS WHEREOF, the undersigned, being duly authorized by their respective Governments, have signed this Agreement.

DONE at Sofia, in duplicate, this 3rd day of December 2003, in the English and Bulgarian languages, each text being equally authentic.

FOR THE GOVERNMENT OF THE
UNITED STATES OF AMERICA:

FOR THE GOVERNMENT OF THE
REPUBLIC OF BULGARIA:


Ambassador James W. Pardew


Prof. Dr. Igor Damyanov,
Minister of Education and
Science