



Treaty Series No. 55 (1966)

Agreement on Financial Assistance

between the Government of the
United Kingdom of Great Britain and Northern Ireland
and the Government of Malta

Malta, 21 September 1964

[The Agreement entered into force on 21 September 1964]

*Presented to Parliament by the Secretary of State for Commonwealth Affairs
by Command of Her Majesty
October 1966*

LONDON
HER MAJESTY'S STATIONERY OFFICE
TENPENCE NET

**AGREEMENT
ON FINANCIAL ASSISTANCE BETWEEN
THE GOVERNMENT OF THE UNITED KINGDOM
OF GREAT BRITAIN AND NORTHERN IRELAND AND
THE GOVERNMENT OF MALTA**

PREAMBLE

WHEREAS the Government of the United Kingdom of Great Britain and Northern Ireland, having regard to the special problems of the economy of Malta, desire to assist the Government of Malta in the diversification and development of the economy of Malta,

AND WHEREAS the Government of Malta and the Government of the United Kingdom of Great Britain and Northern Ireland have to-day concluded a ten-year Agreement on Mutual Defence and Assistance,

NOW THEREFORE the Government of Malta and the Government of the United Kingdom of Great Britain and Northern Ireland have agreed as follows.

ARTICLE 1

Subject to the provisions of the present Agreement the Government of the United Kingdom will during the three years ending on the 31st March 1967 make available to the Government of Malta amounts not exceeding in total £18·8 million. Of this sum a maximum of £6·8 million may be drawn in the year ending on the 31st March 1965, and a maximum of £6 million in each of the years ending on the 31st March 1966 and the 31st March 1967. The amount for each year will be drawn in quarterly instalments in advance, according to requirements.

ARTICLE 2

During the seven years beginning on the 1st April 1967 but subject at all times to the continued operation of the Agreement on Mutual Defence and Assistance, the Government of the United Kingdom will, subject to the provisions of the present Agreement, make available to the Government of Malta amounts not exceeding in total £31·2 million. The maximum amounts which may be drawn in each of these seven years will be the subject of future discussion between the Government of the United Kingdom and the Government of Malta. The amount for each year will be drawn in quarterly instalments in advance, according to requirements.

ARTICLE 3

(1) Financial assistance towards the diversification and development of the economy of Malta during the five years ending on the 31st March 1969, will be devoted primarily to schemes related to the following heads of

expenditure under the second five year development plan of the Malta Government:—

Water
Port Development
Electricity
Industrial Development
Tourism
Agriculture
Fisheries
Higher Education
Technical Education

(2) Subject to the provisions of Articles 1 and 2 of the present Agreement and of paragraphs (1) and (4) of this Article, the Government of the United Kingdom will also provide financial assistance during the five years ending on the 31st March, 1969 towards:

- (a) schemes related to other heads of expenditure under the said development plan up to a total of £5 million;
- (b) other jointly selected schemes;
- (c) the costs of emigration at levels to be agreed from time to time between the two Governments.

(3) The purposes for which United Kingdom assistance under this Agreement will be provided in the five years ending on the 31st March, 1974, will be the subject of future discussion between the two Governments.

(4) The Government of Malta will furnish the Government of the United Kingdom with detailed proposals for projects within each of the heads of the development plan to which in accordance with paragraphs (1) and (2)(a) of this Article United Kingdom assistance is to be devoted, and such projects, if jointly agreed, and any projects selected under paragraph (2)(b), in such form as may be agreed between the two Governments, will be the basis on which gifts and loans will be made.

ARTICLE 4

(1) Financial assistance provided under the provisions of this Agreement may, with the prior agreement of the Government of the United Kingdom, be used to meet local costs. As much as possible of such aid shall be spent on United Kingdom goods and services. Imports of goods and services into Malta for the purposes of projects towards which United Kingdom financial assistance is being made available shall be made from sources in the United Kingdom except to the extent that the Government of the United Kingdom waive this requirement on representations from the Government of Malta in relation to specific cases.

(2) The way in which the Development Corporation which the Government of Malta propose to set up will be established and the way in which it will function shall be agreed between the two Governments. Any sums given or lent under this Agreement for industrial, agricultural or tourist

development will, in the period in which such a Corporation is functioning, be made available by the Government of Malta for such development through that Corporation.

ARTICLE 5

The financial assistance provided under this Agreement shall consist of gifts and loans as follows:—

- (a) in respect of the period of five years ending on the 31st March, 1969, the division will be as to 75 per cent by way of gift, and as to 25 per cent by way of loans bearing interest related to the current lending rates of the United Kingdom Exchequer:

Provided that—

- (i) in any year the proportion drawn by way of gift may exceed 75 per cent provided that the total drawn during the period of five years does not exceed that proportion, and
 - (ii) loans made to Bailey (Malta) Limited for the completion of Phase I of the civil dockyard conversion plan will be on the terms already agreed;
- (b) in respect of the period of five years ending on the 31st March 1974, the division between gifts and loans will be the subject of future discussion.

ARTICLE 6

(1) Sums issued by the Government of the United Kingdom between the 1st April 1964, and the date of the present Agreement for any of the purposes mentioned in Article 3 of this Agreement, including in particular the sums advanced to Bailey (Malta) Limited for the civil dockyard conversion plan and the sums issued to the Malta War Damage Fund, shall be regarded as drawings on the sum of £6·8 million specified in Article 1 of this Agreement.

(2) Nothing in this Agreement shall be construed as implying any obligation on the part of the Government of Malta in respect of the repayment of any part of the advances made to Bailey (Malta) Limited by the Government of the United Kingdom.

ARTICLE 7

During the ten years beginning on the 1st April 1964, but subject at all times to the continued operation of the Agreement on Mutual Defence and Assistance, the Government of the United Kingdom will make available to the Government of Malta, in addition to the sums to be made available under Articles 1 and 2 of this Agreement and in the form and manner specified in the Annex to this Agreement, sums not exceeding a total of £1 million towards expenditure on the restoration of historic buildings and works in Malta now occupied by the Government of the United Kingdom for purposes referred to in the Agreement on Mutual Defence and Assistance.

IN WITNESS whereof the undersigned, being duly authorised thereto by their respective Governments, have signed this Agreement.

Done at Malta in duplicate this 21st day of September 1964.

For the Government of the United Kingdom of Great Britain and Northern Ireland

DUNCAN SANDYS

For the Government of Malta

G. BORG OLIVIER

ANNEX

1. The sums referred to in Article 7 of this Agreement will be made available by way of gift.

2. The Government of Malta and the Government of the United Kingdom will jointly agree from time to time proposals for expenditure out of such sums on the restoration of specified buildings and works.

3. Such expenditure may, by agreement between the two Governments, be incurred either after such buildings and works are surrendered by the Government of the United Kingdom to the Government of Malta, or in advance of such surrender; and may take the form either of expenditure by the Government of the United Kingdom on restoration work carried out by Departments of that Government, or of expenditure by the Government of Malta.

4. Where by arrangement work is carried out on such buildings and works before surrender, it shall be carried out in such a way as not to interfere with their use for purposes referred to in the Agreement on Mutual Defence and Assistance.

5. Where the works are carried out by or on behalf of the Government of Malta, the payments will be drawn in quarterly instalments in advance according to requirements.

6. Notwithstanding the provisions of the preceding paragraphs of this Annex, if the Government of Malta should at any time propose that any part of the total amount to be made available under Article 7 of this Agreement should be applied to projects for capital expenditure which the Government of Malta would regard as having greater importance for the diversification and development of the economy of Malta than the purposes defined in those paragraphs, the Government of the United Kingdom will be prepared to give sympathetic consideration to such proposals, and to make available part of those sums for expenditure on such projects, if jointly agreed and in the form in which they may be agreed.

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