

**INTER-AMERICAN  
DEVELOPMENT BANK**



Treaty Series No. 98 (1970)

## Exchange of Notes

between the Government of the  
United Kingdom of Great Britain and Northern Ireland  
and the Inter-American Development Bank

supplementing the Agreement of 18 April 1966  
for the Administration of Funds to be made available  
by the Government of the United Kingdom for  
Economic Assistance to Countries which are  
Members of the Bank

Washington, 10 December 1969

*Presented to Parliament  
by the Secretary of State for Foreign and Commonwealth Affairs  
by Command of Her Majesty  
November 1970*

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**EXCHANGE OF NOTES  
BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM  
OF GREAT BRITAIN AND NORTHERN IRELAND AND  
THE INTER-AMERICAN DEVELOPMENT BANK  
SUPPLEMENTING THE AGREEMENT OF 18 APRIL 1966 FOR  
THE ADMINISTRATION OF FUNDS TO BE MADE AVAILABLE  
BY THE GOVERNMENT OF THE UNITED KINGDOM FOR  
ECONOMIC ASSISTANCE TO COUNTRIES WHICH ARE  
MEMBERS OF THE BANK**

No. 1

*Her Majesty's Ambassador at Washington to the President of the  
Inter-American Development Bank*

*British Embassy,  
Washington.*

Sir,

*10 December, 1969.*

I have the honour to refer to the Agreement signed at Washington on 18 April 1966 between the Government of the United Kingdom of Great Britain and Northern Ireland ("the Government") and the Inter-American Development Bank ("the Bank") providing for the administration by the Bank of certain funds to be made available by the Government for economic assistance to countries which are members of the Bank ("the 1966 Agreement").<sup>(1)</sup> I also have the honour to refer to recent discussions between the Government and the Bank regarding arrangements for reimbursing the Bank in respect of certain expenditures on capital and semi-capital goods and services bought in the United Kingdom. As a result of those discussions the Government has agreed to support such arrangements and I therefore have the honour to propose an Agreement supplementary to the 1966 Agreement, in the following terms:

1. The sum of £1,121,800 (one million one hundred and twenty one thousand eight hundred pounds sterling), being that part of the sum of £4,142,800 (four million one hundred and forty two thousand eight hundred pounds sterling) not yet committed by the Government under the 1966 Agreement, shall be disbursed by the Government and repaid by the Bank on the terms of this Agreement. The sum to be disbursed under this Agreement shall hereinafter be referred to as "the fund".

2. The fund shall be used only for reimbursing the Bank for disbursements by it in respect of purchases by its borrowers of capital or semi-capital goods and services in the United Kingdom since 1 January 1969. For the purpose of this paragraph the Government will indicate the definitions of such goods and services to be adopted, which in any event shall be of a suitable development nature.

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<sup>(1)</sup> Treaty Series No. 42 (1966), Cmnd. 3047.

3. (a) In order to qualify for reimbursement under the preceding paragraph the Bank shall submit to the Government at agreed intervals details of such disbursements. Each submission shall be accompanied by such documents as may be agreed from time to time.

(b) The Government shall notify the Bank whether or to what extent such disbursements are eligible for reimbursement.

4. Reimbursement shall be effected by payments made by the Government into a special account which the Bank shall open in London for that purpose. Sums so received shall be included in the Bank's ordinary capital resources and may be exchanged for the currency of any other country without restriction.

5. The total payments from the fund shall be repaid by the Bank in sterling in London in accordance with the following provisions:

INSTALMENTS		Amount
<i>Date due</i>		<i>£</i>
30 June 1972	... ..	8,500
31 December 1972	... ..	8,500
30 June 1973	... ..	17,000
31 December 1973	... ..	17,000
30 June 1974	... ..	25,500
31 December 1974	... ..	25,500
30 June 1975 and on the 30 June in each of the succeeding 14 years	... ..	34,000
31 December 1975 and on the 31 December in each of the succeeding 13 years	... ..	34,000
31 December 1989	... ..	33,800

6. The Bank shall pay to the Government in sterling in London interest on payments from the fund in accordance with the following provisions:

- (a) the rate of interest in respect of each of such payments shall be eight and seven eighths per cent per annum.
- (b) Interest shall be calculated in respect of each payment, on the basis of a 365 day year, on the balance of the instalments for the time being outstanding, provided that no interest shall be payable on any balance of the instalments outstanding during a period of four years from 31 December 1969.
- (c) Subject to the preceding sub-paragraph, interest shall be paid on 30 June and on 31 December in each year.

7. The Bank shall be free to repay the whole or any part of the instalments outstanding, together with accrued interest, at any time.

8. No payment from the fund shall be made in respect of disbursements by the Bank after 30 September 1970. If these terms are acceptable to the Bank, I have the honour to propose that this Note and your reply to that effect shall constitute an Agreement between the Government and the Bank which shall enter into force on the date of your reply and shall be referred to as the United Kingdom/Inter-American Development Bank Supplementary Agreement (1969).

I am, Sir,

Yours truly,

JOHN FREEMAN.

No. 2

*The President of the Inter-American Development Bank to  
Her Majesty's Ambassador at Washington*

*Inter-American Development Bank,  
Washington.*

Dear Mr. Ambassador,

*10 December, 1969.*

I wish to acknowledge the receipt of your Note of today's date which reads as follows:

[As in No. 1]

In reply I have the honour to inform Your Excellency that the above terms are acceptable to the Bank and that your Note, together with this reply, shall constitute an Agreement between the Bank and the Government which shall enter into force today and shall be referred to as the United Kingdom/Inter-American Development Bank Supplementary Agreement (1969).

Yours truly,

F. HERRERA.