

ECONOMIC  
CO-OPERATION



Treaty Series No. 2 (1977)

Supplementary Agreement, 1976  
to the  
Second Nam Ngum Development Fund  
Agreement, 1974

Manila, 12 April 1976/31 August 1976

[The Supplementary Agreement entered into force on 12 April 1976]

*Presented to Parliament  
by the Secretary of State for Foreign and Commonwealth Affairs  
by Command of Her Majesty  
January 1977*

LONDON  
HER MAJESTY'S STATIONERY OFFICE

25p net

Cmnd. 6692

**SUPPLEMENTARY AGREEMENT, 1976 TO  
THE SECOND NAM NGUM DEVELOPMENT FUND  
AGREEMENT, 1974**

Agreement dated 12 April 1976 between the Governments of Australia, Canada, France, the Federal Republic of Germany, India, Japan, Laos, New Zealand, Switzerland, Thailand and the United Kingdom of Great Britain and Northern Ireland and the Asian Development Bank.

Whereas

(A) By an Agreement dated 26 June 1974 entitled "Second Nam Ngum Development Fund Agreement, 1974"<sup>(1)</sup> (the Fund Agreement), the Parties to the Fund Agreement established the Second Nam Ngum Development Fund (the Fund) for the purposes of financing the Project described in the Schedule to the Fund Agreement (the Project) with the contributions and loans provided therein;

(B) Since the establishment of the Fund, the Administrator, acting pursuant to Section 12.02 of the Fund Agreement, has received from the Governments of Australia, France and the Kingdom of the Netherlands certain contributions, and has received from the Government of the Kingdom of the Netherlands an offer to make a further contribution of one million dollars (\$1,000,000), in addition to the contributions provided for in the Fund Agreement, to be held and used as part of the Fund;

(C) Electricité du Laos (EDL), a statutory corporation of Laos, has commenced to implement the Project under the terms and conditions of the Fund Agreement and of the Project Agreement dated 26 June 1974 between the Kingdom of Laos, EDL and the Bank (the Project Agreement);

(D) The estimated cost of the Project has substantially increased since the date of the Fund Agreement and the contribution previously available to the Fund from the United States of America is no longer so available;

(E) In order to provide sufficient funds for the implementation and completion of the Project, which remains economically and financially viable:

- (i) the Governments of Australia, India, Japan, and New Zealand have agreed on arrangements for jointly making additional contributions to the Fund;
- (ii) the Government of Canada has agreed to vary the terms and conditions of its bilateral loan to Laos provided for in the Fund Agreement and to become a Contributing Party to the Fund;
- (iii) the Government of the Federal Republic of Germany has agreed to make a further loan to Laos for the purposes of the Project;
- (iv) the Government of France has agreed to become a Contributing Party to the Fund; and
- (v) the Government of Switzerland has agreed to contribute a grant to Laos as hereinafter provided;

---

(1) Treaty Series No. 45 (1975), Cmnd. 5955.

(F) The Governments of Laos, Thailand and the United Kingdom of Great Britain and Northern Ireland and the Asian Development Bank have agreed to continue their participation in the Project in accordance with the terms and conditions of the Fund Agreement and this Agreement;

Now therefore the parties hereto hereby agree as follows:

## ARTICLE I

### Definitions

Section 1.01. This Agreement may be cited as the "Supplementary Agreement, 1976 to the Second Nam Ngum Development Fund Agreement, 1974."

Section 1.02. Wherever used in this Agreement and in the Fund Agreement, except where the context otherwise requires, the several terms defined in Section 1.02 of the Fund Agreement have the respective meanings therein set forth, except that:

- (a) "Laos" means The Lao People's Democratic Republic represented by its Government; and
- (b) the term "Project Agreement" means the Project Agreement (Nam Ngum Hydropower Project) dated 26 June 1974 between Laos, EDL and the Bank as amended by an agreement of even date herewith entitled "Agreement Amending Project Agreement (Nam Ngum Hydropower Project)."

## ARTICLE II

### Contributions to the Fund; Bilateral Loans

Section 2.01. Each of the Parties specified in this Section 2.01 hereby undertakes, subject to such parliamentary action as may be necessary (if any), to make a contribution to the Fund, in addition to the contribution or contributions hitherto undertaken to be made to the Fund, in the amount and on the terms and conditions specified below:

- (a) The Government of Australia shall contribute a further grant of the equivalent in Australian dollars of eight hundred and eighty-two thousand dollars (\$882,000), upon the same terms and conditions as apply to the contributions hitherto undertaken to be made to the Fund by the Government of Australia;
- (b) The Government of India shall contribute a further grant of five hundred thousand Indian rupees (Ind. Rs. 500,000), upon the same terms and conditions as apply to the contribution hitherto undertaken to be made to the Fund by the Government of India; and
- (c) The Government of New Zealand shall contribute a further grant of four hundred and eighty-seven thousand seven hundred and forty-one dollars (\$487,741), upon the same terms and conditions as apply to the contribution hitherto undertaken to be made to the Fund by the Government of New Zealand.

Section 2.02. The Government of Japan hereby confirms that OECF has agreed to make a further loan to Laos not exceeding two billion and ten million yen (Y2,010,000,000) for the Project upon the same terms and conditions as apply to the loan referred to in Section 3.03 of the Fund Agreement.

Section 2.03. The Government of the Federal Republic of Germany hereby undertakes that, on the basis of a bilateral agreement to be concluded with EDL, KFW shall make a further loan to EDL in an amount: (a) sufficient to completely finance the parts of the Project referred to in Section 3.04 of the Fund Agreement; and (b) to finance, to an amount not exceeding thirteen million Deutsche Mark (DM 13,000,000) a portion of the part of the Project described in paragraph (c) of the Schedule to the Fund Agreement as well as the part of the consulting services referred to in paragraph (i) of the said Schedule relating thereto. In all other respects, the further loan from KFW shall be made upon the same terms and conditions as apply to the loan referred to in Section 3.04 of the Fund Agreement.

Section 2.04. The Government of Canada hereby undertakes to amend the terms and conditions of the loan referred to in Section 3.05 of the Fund Agreement in accordance with this Section 2.04 and Laos hereby undertakes to accept such amendments. Notwithstanding Section 3.05 of the Fund Agreement, the loan by the Government of Canada shall be a contribution to the Fund pursuant to Section 12.01 of the Fund Agreement; may be disbursed for any expenditures at any time, whether in foreign currency or kip, on the Project, provided that, to the extent possible, the proceeds of the loan will be used to finance kip expenditures on the Project; shall be interest-free and shall mature over fifty (50) years, including a grace period of ten (10) years. The loan shall continue to be on terms and conditions, not inconsistent with the Fund Agreement and the Project Agreement, as agreed between the Government of Canada and Laos and, for the purposes of Section 12.01 of the Fund Agreement, the Government of Canada shall be deemed to be a Contributing Party and hereby accepts and agrees to be bound by the provisions of the Fund Agreement and this Agreement.

Section 2.05. (a) The contribution by way of grant of the Government of France of one hundred thousand dollars (\$100,000) received by the Administrator on behalf of the Fund on 17 November 1975 is hereby deemed to have been a contribution to the Fund made in conformity with an undertaking pursuant to Section 12.01 of the Fund Agreement. For the purposes of Section 12.01 of the Fund Agreement, the Government of France hereby confirms its acceptance of, and agreement to be bound by, the provisions of the Fund Agreement.

(b) The Government of France reaffirms its offer to make a contribution of an amount not exceeding five million dollars (\$5,000,000) to finance part of the Project described in paragraph (c) of the Schedule to the Fund Agreement provided that tenders for the procurement of such part shall be reissued. If tenders for the procurement of such part are not reissued, the Government of France, Laos and the Administrator may consult with each other to determine whether the whole or part of the amount offered may be used to finance the procurement of other goods or services. The contribution by the Government of France would be in the form of a loan from the French

Treasury on terms and conditions to be agreed bilaterally between the Government of France and Laos, to finance the cost of goods or services procured in, or supplied from, the territories of France.

Section 2.06. The Government of Switzerland hereby confirms that, pursuant to Section 12.02 of the Fund Agreement, the Government of Switzerland has agreed to contribute a grant of five hundred thousand Swiss Francs (Swiss Francs 500,000) to be held and used as part of the Fund, in accordance with arrangements, not inconsistent with the Fund Agreement, as agreed between Switzerland, Laos and the Administrator.

Section 2.07. (a) The further contribution of the Government of Australia provided under Section 2.01 (a) of this Agreement shall be paid in four (4) equal semi-annual instalments commencing with the instalment of the contributions of the Government of Australia hitherto undertaken to be made which is first payable after 1 July 1976.

(b) The further contribution of the Government of New Zealand provided for under Section 2.01 (c) of this Agreement shall be paid in four (4) equal semi-annual instalments commencing with the instalment payable in respect of the semi-annual period commencing 1 July 1976.

### ARTICLE III

#### **Energy supply agreement**

Section 3.01. For the purpose of Section 9.01 (b) of the Fund Agreement, the Administrator hereby confirms its approval of the amendment dated 6 October 1975 to the Energy Supply Agreement dated 22 June 1971, as extended in accordance with Section 9.01 (a) of the Fund Agreement, whereby the sales price of energy supplied by EDL to EGAT has been increased from 4.5 mills per kilowatt-hour to 10.5 mills per kilowatt-hour.

### ARTICLE IV

#### **Application of Fund Agreement**

Section 4.01. Laos and Thailand hereby confirm the undertakings given by them respectively pursuant to the Fund Agreement. Except as otherwise provided in this Agreement, the provisions of the Fund Agreement shall apply *mutatis mutandis* to this Agreement.

### ARTICLE V

#### **Notices and requests**

Section 5.01. The following additional addresses are specified for the purposes of Section 13.01 of the Fund Agreement :

For the Government of France :

Ministère de l'Economie et des Finances  
Direction du Trésor  
83, rue de Rivoli,  
75001 Paris, France

*Telegraphic address :*

Telex 220962  
Direction du Trésor  
Ministère de l'Economie et des Finances  
Paris, France

For the Government of Switzerland :

Office of Technical Cooperation,  
Federal Political Department,  
3003, Berne, Switzerland

*Telegraphic address :*

POLITIQUE  
BERNE

ARTICLE VI

**Signature and Binding Effect**

Section 6.01. This Agreement shall remain open for signature and acceptance on behalf of all the parties hereto until 30 June 1976, or such later date as may be fixed by the Administrator by notice to the other parties.<sup>(2)</sup>

Section 6.02. This Agreement shall bind the signatories hereto either upon signature or, if signature is expressed to be subject to acceptance, then upon acceptance. Acceptance shall be notified to the Administrator.

Done at Manila, Philippines this 12th day of April 1976, in the English language, in a single copy to be deposited in the archives of the Asian Development Bank, which shall communicate certified copies thereof to each of the Governments signatory to this Agreement.

SIGNATURES

Australia ... ..	}	12 April 1976
Canada ... ..		
France ... ..		
Germany, Federal Republic of ... ..		
India ... ..		
Japan ... ..		
Laos ... ..	}	30 August 1976
New Zealand ... ..		
Switzerland ... ..		
Thailand ... ..	}	12 April 1976
United Kingdom ... ..		
The Asian Development Bank ... ..		

<sup>(2)</sup> The date was extended to 31 August 1976.

**HER MAJESTY'S STATIONERY OFFICE**

*Government Bookshops*

49 High Holborn, London WC1V 6HB

13a Castle Street, Edinburgh EH2 3AR

41 The Hayes, Cardiff CF1 1JW

Brazennose Street, Manchester M60 8AS

Southey House, Wine Street, Bristol BS1 2BQ

258 Broad Street, Birmingham B1 2HE

80 Chichester Street, Belfast BT1 4JY

*Government publications are also available  
through booksellers*