No. 8334

UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND
and
INTER-AMERICAN DEVELOPMENT BANK

Agreement to provide for the administration by the Bank of certain funds to be made available by the Government of the United Kingdom for economic assistance to countries which are members of the Bank (with exchange of letters). Signed at Washington, on 18 April 1966

Official text: English.

Registered by the United Kingdom of Great Britain and Northern Ireland on 27 September 1966.

ROYAUME-UNI DE GRANDE-BRETAGNE ET D'IRLANDE DU NORD
et
BANQUE INTERAMÉRICAINE DE DÉVELOPPEMENT

Accord confiant à la Banque la gestion de certains fonds à fournir par le Gouvernement britannique en vue d'une aide économique à des pays membres de la Banque (avec échange de lettres). Signé à Washington, le 18 avril 1966

Texte officiel anglais.

Enregistré par le Royaume-Uni de Grande-Bretagne et d'Irlande du Nord le 27 septembre 1966.

No. 8334. AGREEMENT[1] BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE INTER-AMERICAN DEVELOPMENT BANK TO PROVIDE FOR THE ADMINISTRATION BY THE BANK OF CERTAIN FUNDS TO BE MADE AVAILABLE BY THE GOVERNMENT OF THE UNITED KINGDOM FOR ECONOMIC ASSISTANCE TO COUNTRIES WHICH ARE MEMBERS OF THE BANK. SIGNED AT WASHINGTON, ON 18 APRIL 1966

WHEREAS the Government of the United Kingdom of Great Britain and Northern Ireland (hereinafter generally referred to as "the Government") have indicated their desire to make a further contribution to the economic development of countries which are members of the Inter-American Development Bank through the extension of aid for this purpose ;

WHEREAS the purpose of the Inter-American Development Bank (hereinafter generally referred to as "the Bank") is to contribute to the development of its member countries ;

WHEREAS in the view of the Government and of the members of the Bank, the Bank is an appropriate multilateral institution through which such United Kingdom aid could be made available ;

WHEREAS the Bank, in compliance with general policy directives from its Board of Governors, has determined that close co-operation with the Government for administration of United Kingdom aid to its member countries would strengthen the efforts of the Bank to foster the development of such countries ;

NOW, THEREFORE, the parties hereto agree as follows :

Article 1

BASIC AUTHORIZATION OF THE BANK

On behalf of the Government and subject to the provisions of this Agreement, the Bank is authorised, as administrator, to make loans to any government, entity,

[1] Came into force on 18 April 1966, upon signature, in accordance with article 15 (*a*).

or person in the member countries of the Bank, to assist in financing projects, which are consistent with the general lending policies of the Bank.

Article 2

AMOUNTS AVAILABLE

For the purpose of this Agreement, the Government shall make available £4,142,800 (four million one hundred and forty-two thousand eight hundred pounds sterling) to finance approved projects in member countries of the Bank.

Article 3

TERMS OF LOANS

(*a*) Loans shall have maturities of from fifteen (15) to twenty-five (25) years with a grace period for the beginning of amortization payments of from nil to seven (7) years.

(*b*) The applicable rate of interest for each loan shall be agreed with the Government prior to the signing of each loan agreement.

(*c*) Consistent with its normal procedures, the Bank is authorised to require each borrower to pay to the Bank a commission of up to ½ of 1 per cent per annum, payable in such currency as may be determined by the Bank, on amounts committed or outstanding to compensate it for services rendered on loans made under this Agreement.

(*d*) Amortization and interest shall be payable in pounds sterling.

Article 4

EXPENDITURE OF FUNDS IN THE UNITED KINGDOM

Funds made available under this Agreement shall be used only for the purchase in the United Kingdom of goods of United Kingdom manufacture and United Kingdom services. For the purpose of this Article the Government will indicate the definitions of United Kingdom goods and services to be adopted.

Article 5

RESPONSIBILITY FOR SELECTION OF PROJECTS

The Bank shall have the primary responsibility for selecting, processing, and approving loan projects and, subject to the provisions of this Agreement, for establishing terms and conditions of loans, using its normal policies, procedures, and staff, provided, however, that the Bank shall consult the Government at an early stage in the selection of projects and thereafter from time to time during the processing