



**CARIBBEAN
DEVELOPMENT
BANK**

Treaty Series No. 12 (1972)

Exchange of Notes

between the Government of the
United Kingdom of Great Britain and Northern Ireland
and the Caribbean Development Bank

concerning a Contribution by
the Government of the United Kingdom
to the Special Development Fund
of the Bank

Bridgetown, 28 October 1971

[The Exchange of Notes entered into force on 28 October 1971]

*Presented to Parliament
by the Secretary of State for Foreign and Commonwealth Affairs
by Command of Her Majesty
January 1972*

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**EXCHANGE OF NOTES
BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM
OF GREAT BRITAIN AND NORTHERN IRELAND AND
THE CARIBBEAN DEVELOPMENT BANK CONCERNING
A CONTRIBUTION BY THE GOVERNMENT OF THE UNITED
KINGDOM TO THE SPECIAL DEVELOPMENT FUND
OF THE BANK**

*The United Kingdom High Commissioner at Bridgetown to the
President of the Caribbean Development Bank*

*British High Commission,
Bridgetown.*

Sir,

28 October 1971.

I have the honour to confirm the announcement made by the Government of the United Kingdom of Great Britain and Northern Ireland at Kingston, Jamaica, on the occasion of the signing there on 18 October 1969⁽¹⁾ of the Agreement establishing the Caribbean Development Bank (hereinafter referred to as "the Bank"), that the Government of the United Kingdom (hereinafter referred to as "the Contributor") have agreed to make a contribution to the Special Development Fund of the Bank in the sum of £2,083,333.33 (hereinafter referred to as "the contribution"). The terms and conditions upon which the contribution will be made are as follows:

- (a) the Special Development Fund Rules adopted by the Bank on 16 October 1970 (hereinafter referred to as "the Rules") shall apply to the contribution except as otherwise provided for in this letter;
- (b) the Contributor shall pay the contribution in such amounts as the Bank may request from time to time to enable the Bank to enter into appropriate arrangements for the financing, in accordance with the following provisions of this letter, of:
 - (i) the cost of goods (including shipping and insurance costs in accordance with the provisions of subparagraph (ii) below) and services eligible for financing from the contribution;
 - (ii) administrative expenses charged in accordance with Section 1 of Article 6 of the Rules;
- (c) the Bank shall consult the Contributor from time to time, through the Contributor's representative on the Board of Directors, concerning the rate of disbursement of the contribution in order that the Contributor shall have a reasonable period of notice of the Bank's requirements;
- (d) requests by the Bank to the Contributor for payment from the contribution shall be made to the Contributor's representative on the Board of Directors and shall be supported by a brief statement of the purposes for which the payment is required;

(¹) Treaty Series No. 36 (1970), Cmnd. 4358.

- (e) payment from the contribution shall be made in sterling to an Account in the name of the Bank at the Bank of England;
- (f) the contribution shall be used in accordance with the provisions of Section 2 of Article 3 of the Rules (except that it shall not be used to provide technical assistance on a non-reimbursable basis) and in accordance with the provisions of the following subparagraphs;
- (g) the Bank may use the contribution to provide financing from the Special Development Fund in accordance with the provisions of Section 4 of Article 3 of the Rules, provided that the contribution may be used to meet local expenditure only in special circumstances and only in amounts to be agreed upon between the Contributor and the Bank in each particular case;
- (h) subject to the provisions of the preceding subparagraph, the contribution may be used:
 - (i) for procurement in the United Kingdom (which for the purposes of this letter includes the Channel Islands and the Isle of Man), or in a developing country which is a member of the Bank, of goods produced in, and services supplied from the United Kingdom;
 - (ii) for procurement in a developing country which is a member of the Bank, of goods produced in, and services supplied from, that country;
 - (iii) for procurement of goods produced in and services supplied from any country which, in the agreed opinion of the Bank and the Contributor, has made contributions to the Special Development Fund of the Bank on terms and conditions relating to procurement not less liberal as a whole than those governing the contribution from the United Kingdom;
- (i) for the purpose of subparagraph (h)(i) above, the Bank shall, as part of its procurement procedure, obtain from the producer or supplier:
 - (i) in the case of procurement in the United Kingdom, certification that the goods are of United Kingdom origin or that the services will be carried out by nationals of the United Kingdom;
 - (ii) in the event of procurement in a developing country which is a member of the Bank, certification that the goods are of United Kingdom origin or that the services will be carried out by nationals of the United Kingdom or of that developing country;
- (j) for the purpose of subparagraph (h)(ii) above, the Bank shall, as part of its procurement procedure, obtain from the producer or supplier certification that not less than 50 per cent of the value of the goods and services originated in that country or that the services will be carried out by nationals of that country;
- (k) for the purpose of subparagraph (h)(iii) above, the Bank shall, as part of its procurement procedure, obtain from the producer or supplier certification that not less than 50 per cent of the value of the goods originated in that country or that the services will be carried out by nationals of that country;

- (l) for the purposes of subparagraphs (h) to (k) above, any producer or supplier shall be regarded as a national of the United Kingdom, or of the country in question, if he has his principal place of business, or is ordinarily resident, in the United Kingdom or in such country, as the case may be;
- (m) notwithstanding subparagraphs (j) to (l), the Contributor reserves the right to specify as necessary further certification procedures and guidelines for the procurement of consultancy services under the contribution;
- (n) the contribution may only be used for financing the costs of shipping and insurance of goods, the procurement of which is eligible for financing from the contribution, where such shipment is in keeping with the principle of free circulation of ships in international trade in free and fair competition;
- (o) all monies received by the Bank in repayment of loans financed from the contribution, and of income derived from the contribution, shall be credited to and form part of the contribution and shall be available for further use as part of the Special Development Fund but free of the requirements or restrictions set out in subparagraphs (f) to (n) above;
- (p) in addition to the information contained in the reports provided for in the Rules, the Bank shall from time to time furnish the Contributor with such reports as the latter may reasonably request with respect to the contribution and to special operations financed therefrom;
- (q) in carrying out special operations within the terms of the Rules financed from the contribution, the Bank shall consult with the Contributor on those matters related to such operations as shall be agreed between the parties to be of substantial importance;
- (r) the Contributor may, after consultation with the Bank, withdraw all or part of the contribution, and the accrued resources derived therefrom, in accordance with the provisions of Section 3 of Article 7 of the Rules.

2. If the above provisions are acceptable to the Bank, I have the honour to propose that this letter and your reply in that sense shall constitute an Agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Caribbean Development Bank which shall enter into force on the date of your reply.

I have the honour to be,

Sir,

Your obedient servant,

D. A. ROBERTS

High Commissioner

No. 2

*The President of the Caribbean Development Bank to the
United Kingdom High Commissioner at Bridgetown*

*Bridgetown,
Barbados, W.I.*

Your Excellency,

28th October, 1971.

I have the honour to acknowledge receipt of your letter of 28th October, 1971, concerning the offer of a contribution by the Government of the United Kingdom of Great Britain and Northern Ireland to the Special Development Fund of the Caribbean Development Bank which reads as follows:

[As in No. 1]

In reply I have the honour to inform you that the Board of Directors accept the offer under the terms and conditions set out and agree that Your Excellency's letter and this reply shall constitute an Agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Caribbean Development Bank which shall enter into force on this day's date.

Please accept, Your Excellency, assurances of my highest consideration.

W. A. LEWIS

President

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