

No. 12504

**BULGARIA, CZECHOSLOVAKIA, GERMAN
DEMOCRATIC REPUBLIC, HUNGARY, MONGOLIA,
POLAND, ROMANIA and UNION OF SOVIET
SOCIALIST REPUBLICS,
and
INTERNATIONAL INVESTMENT BANK**

**Agreement establishing within the International Investment
Bank a Special Fund to grant credits for economic and
technical assistance to developing countries. Done at
Moscow on 11 April 1973**

Authentic text: Russian.

Registered by the International Investment Bank on 4 May 1973.

**BULGARIE, HONGRIE, MONGOLIE, POLOGNE,
RÉPUBLIQUE DÉMOCRATIQUE ALLEMANDE,
ROUMANIE, TCHÉCOSLOVAQUIE et UNION
DES RÉPUBLIQUES SOCIALISTES SOVIÉTIQUES,
et
BANQUE INTERNATIONALE D'INVESTISSEMENT**

**Accord portant création, au sein de la Banque internationale
d'investissement, d'un Fonds spécial pour l'octroi de
crédits d'assistance économique et technique aux pays
en développement. Conclu à Moscou le 11 avril 1973**

Texte authentique : russe.

Enregistré par la Banque internationale d'investissement le 4 mai 1973.

[TRANSLATION — TRADUCTION]

AGREEMENT¹ ESTABLISHING WITHIN THE INTERNATIONAL INVESTMENT BANK A SPECIAL FUND TO GRANT CREDITS FOR ECONOMIC AND TECHNICAL ASSISTANCE TO DEVELOPING COUNTRIES

The Governments of the People's Republic of Bulgaria, the Czechoslovak Socialist Republic, the German Democratic Republic, the Hungarian People's Republic, the Mongolian People's Republic, the Polish People's Republic, the Socialist Republic of Romania and the Union of Soviet Socialist Republics, on the one hand, and the International Investment Bank, on the other hand, guided by the Agreement establishing the International Investment Bank² and by its Statute, have agreed as follows:

Article I. There shall be established within the International Investment Bank a Special Fund to grant credits for economic and technical assistance to developing countries.

The founder members of the Special Fund shall be the countries signing this Agreement.

Activities connected with the Special Fund, undertaken pursuant to the provisions of this Agreement, the basic principles governing the establishment and use of the Special Fund and the Agreement Establishing the Bank and its Statute, shall be directed by the Board of Governors of the Bank. The Board of Directors of the Bank shall operate within the sphere of competence defined by the Board of Governors of the Bank.

Article II. The Special Fund is established for the purpose of promoting the development of the national economy of the developing countries, strengthening their economic independence and expanding stable economic relations between the countries members of the Special Fund and the developing countries.

Article III. The establishment and use of the Special Fund shall not prevent the countries members of the Fund from maintaining direct bilateral and multilateral financial and other business relations with the developing countries.

Article IV. 1. The Special Fund's capital shall be a sum equivalent to 1,000 million transferable roubles. Ninety-five per cent of the capital shall be in transferable roubles and 5 per cent in convertible currencies.

The gold content of the transferable rouble is 0.987412 gramme of pure gold.

2. The first payment into the Special Fund shall be made by the founder members of the Fund within a period of three years starting in 1974 and shall be in the amount of 100 million transferable roubles, payable in the proportions indicated in paragraph 1 of this article. The payment shall be based on the volume of exports in trade between the founder members of the Special Fund and shall be in the amount of:

8.08 million transferable roubles for the People's Republic of Bulgaria;

¹ Came into force on 11 April 1973 by signature, in accordance with article XII.

² United Nations, *Treaty Series*, vol. 801, p. 319.

- 12.34 million transferable roubles for the Czechoslovak Socialist Republic;
- 16.73 million transferable roubles for the German Democratic Republic;
- 7.95 million transferable roubles for the Hungarian People's Republic;
- 0.43 million transferable roubles for the Mongolian People's Republic;
- 11.53 million transferable roubles for the Polish People's Republic;
- 5.0 million transferable roubles for the Socialist Republic of Romania;
- 37.94 million transferable roubles for the Union of Soviet Socialist Republics.

3. The conditions, amounts, time-limits and procedures for payment of the balance of the announced capital of the Special Fund (900 million transferable roubles) shall subsequently be determined by the Board of Governors of the Bank on the proposal of the Board of Directors of the Bank, regard being had to the development of credit operations.

4. The amount of the Special Fund's capital may be increased by agreement between the countries members of the Fund on the recommendation of the Board of Governors of the Bank.

5. The Special Fund shall also be increased by the amount of the contribution payable into the Fund by any new country which accedes to this Agreement. The amount of such contributions and the time-limits and procedures for its payment shall be determined by the Board of Governors of the Bank.

Article V. 1. The Special Fund of the Bank shall grant credits for the construction of new enterprises and the reconstruction and modernization of existing enterprises in industry, agriculture and other sectors of the economy of developing countries in conformity with the objectives set out in article II of this Agreement.

2. The Special Fund shall grant credits to:

- (a) Central and other banks in developing countries;
- (b) Enterprises and economic organizations forming part of the State and co-operative sectors in developing countries.

In particular cases, credits may, by decision of the Board of Governors of the Bank, be granted to private firms and organizations in developing countries.

Credits shall be granted against appropriate evidence of intention to repay (bills of exchange, bonds, guarantees, etc.).

3. Credits shall be granted for a period of up to 15 years.

4. Credits shall be granted, in the first instance, for projects offering assurance of a high degree of economic effectiveness, the criteria for which shall be defined in credit agreements between the Bank and the borrowers in the light of the nature and purpose of the capital investment in question.

Article VI. The procedures for the granting of credits by the Special Fund and for their use and repayment shall be determined by the basic principles governing the establishment and use of the Special Fund, which shall be approved by the Board of Governors of the Bank.

Article VII. The Bank may, in accordance with its Statute, obtain funds for the purposes of the Special Fund in collective currency (transferable roubles) and convertible currencies by the means employed in international banking practice.

Article VIII. Temporarily idle resources of the Special Fund may be deposited by the Bank in other banks and may be used by it for banking operations.

Article IX. In considering matters connected with the Special Fund, the Board of Governors of the Bank shall adopt decisions unanimously on the following matters:

- Accession to this Agreement by other countries;
- Recommendations for increasing the amount of the Special Fund's capital;
- The conditions, amounts, time-limits and procedures for payments into the Special Fund in accordance with article IV, paragraph 3, of this Agreement;
- Other matters specified by decisions of the Board of Governors of the Bank;
- The approval of, and amendments to, the basic principles governing the establishment and use of the Special Fund.

Decisions of the Board of Governors of the Bank on other matters shall be adopted by not less than a three-fourths majority.

Article X. Other countries may accede to this Agreement.

Any country wishing to accede to the Agreement shall submit to the Board of Governors of the Bank an official declaration indicating that it shares the purposes and principles of the Agreement and assumes the obligations arising from it.

Matters relating to accession by countries to the Agreement shall be decided by the Board of Governors of the Bank, which shall determine the amount of each country's contribution to the Special Fund, the conditions and procedures for accession and the nature of participation in Special Fund activities by countries not members of the Bank.

Article XI. Any country may cease to be a party to this Agreement by giving at least six months' notice to that effect to the Board of Governors of the Bank. Relations between the Bank and the country in question as regards their obligations arising from participation in the Special Fund must be duly regulated during the above-mentioned period.

Article XII. This Agreement shall enter into force on the date of its signature.

Article XIII. This Agreement may be amended by agreement between the countries members of the Special Fund.

The Agreement shall cease to have effect if at least two thirds of the countries members of the Special Fund indicate that they are ceasing to be parties to it.

The Agreement shall, in that case, cease to have effect at such time and in such manner as are determined by the Board of Governors of the Bank.

Article XIV. This Agreement shall be deposited with the International Investment Bank, which shall act as depositary thereof.

Certified copies of this Agreement shall be transmitted by the depositary to all countries members of the Special Fund.

DONE at Moscow, on 11 April 1973, in one copy in the Russian language.

For the Government
of the People's Republic
of Bulgaria:

[K. ZAREV]

For the Government
of the Czechoslovak
Socialist Republic:

[S. POTÁČ]

For the Government
of the German Democratic Republic:

[H. TAUT]

For the Government
of the Hungarian People's Republic:

[A. LÁSZLÓ]

For the Government
of the Mongolian People's Republic:

[P. TUMUR]

For the Government
of the Polish People's Republic:

[W. BIEN]

For the Government
of the Socialist Republic
of Romania:

[M. DIAMANDOPOL]

For the Government
of the Union of Soviet Socialist
Republics:

[M. SVESHNIKOV]

For the International Investment Bank,
on behalf of the Board of Governors
of the Bank:

[V. VOROBYEV]

Chairman of the Board of Directors of
the International Investment Bank