

**UNITED KINGDOM OF GREAT BRITAIN
AND NORTHERN IRELAND
and
COLOMBIA**

Exchange of notes constituting an agreement concerning a loan by the Government of the United Kingdom to the Government of Colombia for the purchase of hospital and laboratory equipment (with annexes). Bogotá, 3 May 1973

Authentic texts: English and Spanish.

Registered by the United Kingdom of Great Britain and Northern Ireland on 27 February 1974.

**ROYAUME-UNI DE GRANDE-BRETAGNE
ET D'IRLANDE DU NORD
et
COLOMBIE**

Échange de notes constituant un accord relatif à l'octroi d'un prêt par le Gouvernement du Royaume-Uni au Gouvernement de Colombie pour l'achat d'équipements hospitaliers et de laboratoire (avec annexes). Bogotá, 3 mai 1973

Textes authentiques : anglais et espagnol.

Enregistré par le Royaume-Uni de Grande-Bretagne et d'Irlande du Nord le 27 février 1974.

EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE GOVERNMENT OF THE REPUBLIC OF COLOMBIA CONCERNING A LOAN BY THE GOVERNMENT OF THE UNITED KINGDOM TO THE GOVERNMENT OF COLOMBIA FOR THE PURCHASE OF HOSPITAL AND LABORATORY EQUIPMENT

I

*The British Chargé d'Affaires at Bogotá to the Minister of Public Health
and the Minister of Finance and Public Credit of Colombia*

BRITISH EMBASSY,
BOGOTÁ

3 May 1973

Your Excellencies,

I have the honour to refer to the recent discussions concerning development aid from the Government of the United Kingdom of Great Britain and Northern Ireland to the Government of the Republic of Colombia and to inform Your Excellencies that the Government of the United Kingdom are prepared to conclude an agreement with the Government of Colombia in the following terms. The position of the Government of the United Kingdom with regard to the provision of finance and the commitment of that Government and the Government of Colombia as regards associated matters shall be as respectively set out in part A and part B below:

A. The Government of the United Kingdom declares that it is their intention to make available to the Government of Colombia by way of a loan a sum not exceeding £4,000,000 (four million pounds sterling) for the purchase in the United Kingdom of hospital and laboratory equipment for use by the Colombian Ministry of Health for the equipping of established and new hospitals and a National Laboratory of Health (hereinafter referred to as "the Project").

B. (1) The Government of the United Kingdom shall adopt the arrangements and procedures described in the following paragraphs of this note insofar as they relate to things to be done by or on behalf of that Government. The Government of Colombia shall adopt the arrangements and procedures so described insofar as they relate to things to be done by or on behalf of that Government.

(2) (a) For the purposes of these arrangements the Government of Colombia shall, by a request in the form set out in annex A to this note, open a special account (hereinafter referred to as "the Account") with the Crown Agents for Oversea Governments and Administrations, 4

¹ Came into force on 27 June 1973, date of the signing on behalf of the Presidency of the Republic of Colombia, in accordance with the provisions of the said notes.

Millbank, London, SW1P 3JD (hereinafter referred to as “the Crown Agents”). The Account shall be operated solely for the purposes of the loan and in accordance with the instructions contained in the said request.

(b) As soon as the Account is opened and before taking any other step required by these arrangements for obtaining any part of the loan, the Government of Colombia shall furnish the Government of the United Kingdom with a copy of their instructions to the Crown Agents given in accordance with the provisions of sub-paragraph (a). The Government of Colombia, or the Crown Agents on their behalf, shall at the same time, and so often as any change is made therein, notify the Government of the United Kingdom of the names of the officers who are duly authorised to sign on its behalf the Requests for Drawing and Payment Orders hereinafter provided and shall furnish a specimen signature in duplicate for each such officer.

(3) Save and to the extent (if any) to which the Government of the United Kingdom may otherwise agree, drawings from the loan shall be used only:

- (a) For payment under a contract for the purchase in the United Kingdom (which expression in this note shall be deemed to include the Channel Islands and the Isle of Man) of hospital and laboratory equipment wholly produced or manufactured in the United Kingdom, or for work to be done or for services to be rendered in connection with such equipment by Health Planning Services International Limited (HPSIL) or for two or more of such purposes, being a contract which:
 - (i) provides for payment in sterling to persons carrying on business in the United Kingdom; and
 - (ii) is approved on behalf of the Government of Colombia and accepted on behalf of the Government of the United Kingdom for financing from the loan; and
 - (iii) is a contract entered into after the date of this note and before 3 June 1975.
- (b) For payment of charges and commissions due to the Crown Agents in respect of their services on behalf of the Government of Colombia in connection with this loan.
- (c) For reimbursing the Government of Colombia a proportion of payments made by them towards costs incurred in Colombia in respect of:
 - (i) the purchase of goods wholly produced or manufactured in Colombia; or
 - (ii) the purchase in Colombia with the prior approval of the Government of the United Kingdom of goods wholly produced or manufactured in the United Kingdom; or
 - (iii) the costs of services rendered by citizens of the United Kingdom or citizens of Colombia.
- (4) Where the Government of Colombia proposes that part of the loan shall be applied to a contract, that Government shall ensure that the Crown Agents acting on their behalf obtain at the earliest opportunity:
 - (i) a copy of the contract, or of a notification in the form set out in annex B to this note; and
 - (ii) two copies of a certificate from the United Kingdom contractor concerned in the form set out in annex C to this note.
- (5) (a) After the Crown Agents acting on behalf of the Government of the United Kingdom have considered the documents obtained in pursuance of the procedure described in the foregoing provisions of this note, they shall decide whether and to what extent a contract is eligible for payment from the loan.
- (b) To the extent that the Crown Agents acting on behalf of the Government of the United Kingdom so accept a contract or transaction and undertake to pay from the Account and to the extent that reimbursement of expenditure incurred in Colombia is properly due from the Account, the Government of the United Kingdom shall, on receipt of a request from

the Crown Agents acting on behalf of the Government of Colombia, in the form set out in annex C (i) to this note, make payments in sterling into the Account, and each such payment shall constitute a drawing on the loan.

(c) Unless the Government of the United Kingdom otherwise agrees payments into the Account shall not be made after 3 December 1975.

(6) Withdrawals from the Account shall be made only in the manner and subject to the conditions set out in this paragraph:

- (a) For payments due under a contract to which paragraph B (3) (a) above refers, withdrawals shall be made only on receipt by the Crown Agents of Payment Certificates from the contractors concerned, in the form shown in annex E to this note and the invoices (or a photocopy or duplicates of such invoices) referred to therein.
- (b) For payments to which paragraph B (3) (b) above refers the Crown Agents shall debit the Account.
- (c) For reimbursements to the Government of Colombia in the cases to which paragraph B (3) (c) refers, withdrawals shall be made in accordance with Payment Orders in the form shown in annex D to this note duly signed on behalf of that Government and countersigned on behalf of the Government of the United Kingdom. Each Payment Order shall be forwarded in duplicate to the Government of the United Kingdom for counter-signature and shall be accompanied by a claim in duplicate from the Government of Colombia in the form shown in annex F to this note.

(7) If any monies which have been paid out of the Account are subsequently refunded either by the Contractor or by a Guarantor, the Government of Colombia shall, so long as there are payments or reimbursements to be made from the Account, pay an equivalent of such sums into the Account and, in any other case, apply the refund to the reduction of the loan.

(8) The Government of Colombia shall supply to the Government of the United Kingdom an annual statement in duplicate in respect of local costs incurred on the Project. The statement shall be countersigned by the appropriate Colombian audit authority and shall show the loan drawings made and the actual expenditure incurred during each Colombian financial year for the purposes of sub-paragraph B (3) (c) of this note, and shall certify that the expenditure was incurred in accordance with the terms and conditions set out in this note and any conditions on which the Project was accepted for financing from the loan. Such statements shall be forwarded to the Government of the United Kingdom as soon as possible and, in any event, not later than twelve months after the end of each Colombian financial year.

(9) The Government of Colombia shall repay to the Government of the United Kingdom in pounds sterling in London, the total sum borrowed under the arrangements set out in this note, such repayments to be made by instalments paid on the dates and in the amounts specified below; except that if, on the date when any such instalment is due to be paid, there is then outstanding less than the amount specified in relation to that date only the amount then outstanding need be paid:

INSTALMENTS

<i>Date due</i>	<i>Amount</i>
3 November 1977 (4½ years from signature of loan) and on the 3 November in each of the succeeding 20 years	95,300
3 May 1978 (5 years from signature of loan) and on 3 May in each of the succeeding 19 years	95,300
3 May 1998	92,700

(10) The Government of Colombia shall pay to the Government of the United Kingdom in pounds sterling in London interest on drawings from the loan in accordance with this paragraph:

- (a) The rate of interest in respect of each drawing shall be 3% (three per cent) per annum.
- (b) Interest shall be calculated on a day-to-day basis on the balance of the loan for the time being outstanding.
- (c) The first payment of accrued interest (if any) shall be made on 3 November 1973 and subsequent payments shall be made on 3 May 1974 and thereafter on 3 November and 3 May in each year.

(11) Notwithstanding the provisions of paragraph (9) of this note the Government of Colombia shall be free at any earlier time to repay to the Government of the United Kingdom in pounds sterling in London the whole or any part of the loan that is still outstanding, together with the accrued interest thereon calculated as in paragraph (10) above up to the date of payment.

(12) The Government of Colombia shall ensure the provision of such finance additional to the loan finance provided in accordance with the arrangements set out in this note, as may be needed to complete the project.

(13) In relation to goods and services provided with finance from the loan, the Government of Colombia shall permit officers from the British Embassy and other servants or agents of the Government of the United Kingdom to inspect any such goods or the documents relating to any such goods and services and shall furnish such officers, servants or agents with such information relating to the goods and services as the latter may reasonably require.

2. If the foregoing proposals are acceptable to the Government of Colombia, I have the honour to propose that the present note and its annexes together with Your Excellencies' reply in that sense shall constitute an agreement between the two Governments which shall enter into force on the date of the signing on behalf of the Presidency of the Republic of Colombia and which shall be known as the United Kingdom/Colombia Loan 1973.

I avail myself of this opportunity to renew to Your Excellencies the assurance of my highest consideration.

COLIN MCLEAN

A N N E X A

GOVERNMENT OF THE REPUBLIC OF COLOMBIA

To: The Crown Agents for Oversea
Governments and Administrations,
4 Millbank,
London, S.W.1.

Dear Sirs,

United Kingdom/Colombia Loan 1973

1. I confirm your appointment as agents of the Government of the Republic of Colombia (hereinafter called "the Government") in connection with the purchase of any payment for goods, works and/or services under the terms of the above loan to the value of £4,000,000 (four million pounds sterling).

2. I have to request you on behalf of the Government to open a Special Account in the name of the Government to be styled United Kingdom/Colombia Loan 1973 Account (hereinafter called "the Account").

3. Payments into the Account will be made from time to time by the Government of the

United Kingdom on receipt of requests in the form shown in annex C (i) to the United Kingdom/Colombia Loan Agreement 1973 (a copy of which is attached hereto) and which you are hereby authorised to present on behalf of the Government. It is possible that, as a result of refunds becoming due from contractors, payments into the Account will also be made by the Government itself.

4. Payments from the Account are to be made only in respect of payments and reimbursements described in part B, paragraphs (3) (a), (b) and (c) of the above-mentioned Loan and in the manner and subject to the conditions described in that Loan.

5. You are to send to the Government at the end of each month a detailed statement showing all debits and credits to the Account during the month.

6. You are to send to the Government of the United Kingdom specimen signatures of the officers of the Crown Agents authorised to sign Requests for Drawing on behalf of the Government.

7. Any two of the following persons (whose specimen signatures are attached) are authorised to sign Payment Orders on behalf of the Government in respect of costs incurred in Colombia:

- | | |
|---------|---------|
| 1. | 3. |
| 2. | 4. |

8. Your charges and commissions for acting as our agents in connection with this loan shall be chargeable to the Account.

9. A copy of this letter has been sent to the Government of the United Kingdom.

Yours faithfully,

A N N E X B

NOTIFICATION OF CONTRACT

UNITED KINGDOM/COLOMBIA LOAN 1973

To: The Government of the United Kingdom

Notification of Contract No.

The following are details of a contract under which it is proposed that payments shall be made in accordance with the terms and conditions of the above Loan.

1. Name and Address of United Kingdom Contractor:
2. Date of Contract:
3. Name of Purchaser:
4. Short description of goods: and/or works or services:
5. Value of contract: £
6. Terms of Payment:

Signed on behalf of the Government
of the Republic of Colombia

Date

.....

A N N E X C
UNITED KINGDOM/COLOMBIA LOAN 1973

Acceptance No

CONTRACT CERTIFICATE

Particulars of Contract

1. Date of Contract 2. Contract No
3. Description of goods or services to be supplied to the purchaser

If a number of items are to be supplied, a detailed list should be appended to this certificate.

4. Total contract price payable by purchaser (state CIF, C & F or FOB) £

If goods are to be supplied the following sections must be completed. If the contractor is exporting agent only, the information requested should be obtained from manufacturer.

5. Estimated % of the FOB value of the goods not originating in the United Kingdom, but purchased by the contractor directly from abroad, i.e. % of imported raw material or components used to manufacture:

(a) %FOB value

(b) Description of items and brief specifications

6. If any raw material or components used originated from abroad, e.g. copper, asbestos, cotton, wood pulp, etc., but have been purchased in the United Kingdom by the contractor for this contract, specify:

(a) %FOB value

(b) Description of items and brief specifications

If services are to be supplied, the following section should also be completed.

7. State the estimated value of any work to be done or services performed in the purchaser's country by:

(a) Your firm (site engineer's charges, etc.)

(b) Local contractor

8. Qualifying remarks as necessary in respect of paragraph 5, 6 or 7 above

9. I hereby declare that I am employed in the United Kingdom by the Contractor named below and have the authority to sign this certificate. I hereby undertake that in performance of the contract no goods or services which are not of United Kingdom origin will be supplied by the Contractor other than those specified in paragraphs 5, 6, 7 and 8 above.

Signed

Position held

Name and Address of Contractor

Date

NOTE: For the purpose of this declaration the United Kingdom includes the Channel Islands and the Isle of Man.

Contractors should note that goods should not be manufactured until acceptance has been notified.

FOR OFFICIAL USE ONLY

Name or number of Project

<i>Amount committed</i>	<i>Date of entry</i>	<i>Acceptance</i>		<i>Payments</i>			
		<i>Date</i>	<i>Initials</i>	<i>Date</i>	<i>Amount</i>	<i>PA No.</i>	<i>Initials</i>
£							

A N N E X C (i)

UNITED KINGDOM/COLOMBIA LOAN 1973

D.F. No.

Please pay the sum of £ to the United Kingdom/Colombia Loan 1973 Account at the Crown Agents. This sum shall, on payment into the Account, constitute a drawing on the Loan.

The balance in hand is £

.....
For the Crown Agents acting on behalf
of the Government of the Republic of Colombia

Funding approved ODA

A N N E X D

UNITED KINGDOM/COLOMBIA LOAN 1973

PAYMENT ORDER

Serial No.

Dear Sir,

..... Account

You are hereby authorised to make reimbursement out of the above-mentioned account to the account of the Government of the Republic of Colombia of £ in respect of expenditure incurred in the Republic of Colombia on the Project.

Signed on behalf of the Government
of the Republic of Colombia

.....
.....

Date

Reimbursement agreed

Signed on behalf of the Government
of the United Kingdom of Great Britain
and Northern Ireland

.....
.....

Date

To: Crown Agents

.....
London

A N N E X E

UNITED KINGDOM/COLOMBIA LOAN 1973

PAYMENT CERTIFICATE

I hereby certify that

(i) the payments referred to in the invoices listed below, which or copies of which accompany this payment certificate, fall due and are due to be made in respect of Contract No dated between the contractor named below and (Purchaser) and are in accordance with the particulars of this contract notified in the contract certificate signed on behalf of the said contractor on

<i>Contractor's Invoice No.</i>	<i>Date</i>	<i>Amount £</i>	<i>Short description of goods, works and/or services</i>
-------------------------------------	-------------	---------------------	--

(ii) The amounts specified in paragraph (i) do not include any additional foreign content to that declared in paragraphs 5, 6 or 7 of the contract certificate.

(iii) I have the authority to sign this certificate on behalf of the Contractor named below.

Signed
 Position held
 For and on behalf of
 Name and Address of Contractor

 Date

NOTE: For the purpose of this declaration the United Kingdom includes the Channel Islands and the Isle of Man.

A N N E X F

Serial No. of this Certificate

UNITED KINGDOM/COLOMBIA LOAN AGREEMENT 1973

CERTIFICATE OF EXPENDITURE AND REQUEST FOR DRAWINGS

	<i>A Local expenditure</i>	<i>B Imports from Britain</i>	<i>C Imports from other sources</i>
	<i>£</i>	<i>£</i>	<i>£</i>
Ministry			
Project			
Period in which expenditure incurred			

Section I

REIMBURSABLE EXPENDITURE
SINCE DATE OF LAST CLAIM

(a) c.i.f. cost of imports from Britain purchased locally with prior approval of the

Government of the United Kingdom
(details overleaf)

- (b) c.i.f. cost of other imports (reckoned as local costs subject to prior approval of the Government of the United Kingdom).
State source country (details overleaf)
- (c) Other costs being local expenditure on the Project (in period shown)
- (d) Proportion of paragraphs (b) and (c) eligible for reimbursement being
of local expenditure
- (e) Amount now being claimed (a) plus (b) plus (c) £

Section II

SUMMARY

- (f) Estimated total of local costs of Project as approved
- (g) Costs covered by previous claims (copy paragraph (i) of the last claim submitted)
- (h) Costs covered by *this* claim (as paragraph (e) above)
- (i) Total reimbursement claimed to date £

Section III

CERTIFICATION

I certify that the above claim for £ (paragraph (e)) is correct and that the expenditure was incurred additional to that already claimed on previous certificates.

Date

Signature
(Ministry Accountant)

Date

Signature
(Ministry of Finance)

II

*The British Chargé d'Affaires at Bogotá to the Minister of Public Health
and the Minister of Finance and Public Credit of Colombia*BRITISH EMBASSY
BOGOTÁ

3 May 1973

Your Excellencies,

United Kingdom/Colombia Loan 1973

1. With regard to the United Kingdom/Colombia Loan 1973 and the equipping of established and new hospitals and a National Laboratory of Health in Colombia thereunder, it is the understanding and the intention of the Government of the United Kingdom and the Government of Colombia that at least 90 per cent of the loan money will be used for United Kingdom goods and services including the supervisory and procurement services of Health Planning Services International Limited (HPSIL). Up to 10 per cent of the loan money may be used for "local costs" (i.e. costs incurred in Colombia but excluding import duty, sales tax or any other tax levied directly in Colombia).

2. The sum of £4,000,000 will be used as follows:

	£
Offshore hospital and laboratory equipment from the list attached as an annex to this letter.....	2,989,773
Offshore spares.....	298,977
Consultancy services	111,250
Local costs, including locally procured spares	400,000
Contingencies	200,000
TOTAL	4,000,000

3. The services of HPSIL financed from loan funds shall include the overseeing of the ordering of equipment and discussions with the Colombian Government on ways of ensuring that local staff are available for the proper use of such equipment, including the provisions of training as necessary under United Kingdom technical assistance arrangements.

4. Equipment purchased from loan funds shall be confined to the items listed, or the United Kingdom equivalents thereof, in the attached annex to this letter, unless the Foreign and Commonwealth Office, Overseas Development Administration, in London approves the alternative arrangements beforehand.

5. Disbursements. The Government of the United Kingdom desires that the total loan of £4,000,000 will be drawn before 2 December 1975.

6. I should be grateful for your reply that the understandings and intentions described above accord with those of your Government.

I avail myself of this opportunity to renew to Your Excellencies the assurance of my highest consideration.

COLIN MCLEAN

(12) El Gobierno de Colombia deberá garantizar la provisión de la financiación adicional a la finanza del empréstito (o a la financiación del empréstito), dispuesta de acuerdo con los arreglos expuestos en esta Nota, que sea necesaria para completar el proyecto.

(13) En relación con bienes (o artículos) y servicios suministrados con financiación proveniente del empréstito, el Gobierno de Colombia, deberá permitirles a los funcionarios de la Embajada Británica y a otros empleados o agentes del Gobierno del Reino Unido que inspeccionen cualesquiera de dichos bienes (o artículos) o de los documentos relacionados con dichos bienes y servicios y deberá suministrarles a dichos funcionarios como empleados o agentes, la información relativa a los bienes (o artículos) y servicios, que éste último exija razonablemente.

Los términos anteriores son aceptables al Gobierno de Colombia y por lo tanto la presente Nota de respuesta así como la nota enviada por su Excelencia junto con los anexos y la carta complementaria, son considerados por el Gobierno de Colombia como el convenio entre los dos Gobiernos, y su nombre será el de Empréstito de Colombia/Reino Unido de 1973.

Firmado a los 3 días del mes de Mayo de 1973 en Bogotá D.E.

LUIS F. ECHAVARRÍA
Ministro de Hacienda
y Crédito Público

JOSÉ MARÍA SALAZAR B.
Ministro de Salud Pública

República de Colombia
Consejo de Ministros
Bogotá, 12 Jun. 1973
En sesión de hoy el Consejo de Ministros
emitió dictamen favorable acerca del
contrato que precede.
El Secretario
G. TASCÓN

Presidencia de la República
Aprobado
Bogotá, D.E., 27 Jun. 1973
M. PASTRANA BORRERO
Presidente de la República

[TRANSLATION¹ — TRADUCTION²]

*The Minister of Finance and Public Credit and the Minister of Public Health
of Colombia to the British Chargé d'Affaires at Bogotá*

MINISTRY OF PUBLIC HEALTH
BOGOTÁ, D.E.

3 May 1973

Your Excellency,

We are pleased to acknowledge receipt of your communication of 3 May 1973 regarding the loan to equip hospitals and the National Health Laboratory which has been negotiated between the Government of Colombia and the Government of the United Kingdom of Great Britain and Northern Ireland in the following terms:

[See note I]

¹ Translation supplied by the Government of the United Kingdom.

² Traduction fournie par le Gouvernement du Royaume-Uni.

The foregoing terms are acceptable to the Government of Colombia and therefore this note of reply as well as the note Your Excellency sent together with the annexes and the side letter are considered by the Government of Colombia as the agreement between the two Governments, and shall be known as the Colombia/United Kingdom Loan 1973.

Signed on the 3rd day of May 1973 in Bogotá, D. E.

LUIS E. ECHAVARRÍA

Minister of Finance and Public Credit

JOSÉ MARÍA SALAZAR B.

Minister of Public Health

Republic of Colombia

Council of Ministers

Bogotá, 12 June 1973

In today's session the Council of Ministers declared itself in favour of the preceding contract.

The Secretary:

G. TASCON

Presidency of the Republic

Approved

Bogotá, D. E., 27 June 1973

M. PASTRANA BORRERO

President of the Republic