

No. 13221

**UNITED KINGDOM OF GREAT BRITAIN
AND NORTHERN IRELAND
and
COSTA RICA**

**Exchange of notes constituting an agreement concerning
a loan by the Government of the United Kingdom to
the Government of Costa Rica for water supply equip-
ment. San José, 15 February 1973**

Authentic texts: English and Spanish.

*Registered by the United Kingdom of Great Britain and Northern Ireland on
11 April 1974.*

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

**Échange de notes constituant un accord relatif à un prêt
du Gouvernement du Royaume-Uni au Gouvernement
costa-ricien en vue de l'achat de matériel pour l'ap-
provisionnement en eau. San José, 15 février 1973**

Textes authentiques : anglais et espagnol.

*Enregistré par le Royaume-Uni de Grande-Bretagne et d'Irlande du Nord le 11 avril
1974.*

EXCHANGE OF NOTES¹ CONSTITUTING AN AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE GOVERNMENT OF COSTA RICA CONCERNING A LOAN BY THE GOVERNMENT OF THE UNITED KINGDOM TO THE GOVERNMENT OF COSTA RICA FOR WATER SUPPLY EQUIPMENT

I

*Her Majesty's Ambassador at San José to the Minister of External Relations
of Costa Rica*

BRITISH EMBASSY
SAN JOSÉ

15 February 1973

No. 07
UK6/27

Your Excellency,

I have the honour to refer to the recent discussions concerning development aid from the Government of United Kingdom of Great Britain and Northern Ireland to the Government of the Republic of Costa Rica and to inform Your Excellency that the Government of the United Kingdom are prepared to conclude an Agreement with the Government of Costa Rica 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 Costa Rica as regards associated matters shall be as respectively set out in part A and part B below:

A. The Government of the United Kingdom declare that it is their intention to make available to the Government of Costa Rica by way of a loan a sum not exceeding £2,200,000 (two million two hundred thousand pounds sterling) for the purchase in the United Kingdom of water supply equipment for use by the National Waterworks and Sewerage Service of Costa Rica (SNAA) for the improvement and development of the water supply of the metropolitan area.

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 Costa Rica shall adopt the arrangements and procedures so described insofar as they relate to things to be done by or on behalf of that Government.

¹ Came into force on 4 August 1973, the date on which the Government of Costa Rica notified the Government of United Kingdom that the constitutional requirements of Costa Rica had been met, in accordance with the provisions of the said notes.

(2) (a) For the purposes of these arrangements the Government of Costa Rica 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 Millbank, London SW1 (hereinafter referred to as “the Crown Agents”). The Account shall be operated 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 Costa Rica 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 Costa Rica, 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 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 payments 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 water supply 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 persons ordinarily resident or carrying on business in the United Kingdom including the cost of consultancy services provided by a firm of consultants, whose principal place of business is in the United Kingdom and who have been selected in consultation with, and on terms approved by the Government of the United Kingdom 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 Costa Rica 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 30 June 1977.

(b) for payment of charges and commissions due to the Crown Agents in respect of their services on behalf of the Government of Costa Rica in connection with this loan,

(4) Where the Government of Costa Rica 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 agree to payment 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 Costa Rica, in the form set out in annex D 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 the 30 September 1977.

(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.

(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 Costa Rica shall, so long as there are payments 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 Costa Rica 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>
	£
15 August 1976 and on the 15 August in each of the succeeding 21 years	50,000
15 February 1977 and on 15 February in each of the succeeding 21 years	50,000

(9) The Government of Costa Rica 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 6% (six per cent) per annum;
- (b) interest shall be calculated in respect of each drawing 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 15 August 1973 and subsequent payments shall be made on 15 February 1974 and thereafter on 15 August and 15 February in each year.

(10) Notwithstanding the provisions of paragraph (8) the Government of Costa Rica 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 (9) above up to the date of payment.

(11) The Government of Costa Rica 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.

(12) In relation to goods and services provided with finance from the loan, the Government of Costa Rica shall permit officers from the British Embassy and other servants or agents of the British Government 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 are acceptable to the Government of Costa Rica, I have the honour to propose that the present note and its annexes together with Your Excellency's reply in that sense shall constitute an Agreement between the two Governments which shall enter into force on the date on which the Government of Costa

Rica shall have notified the Government of the United Kingdom that the constitutional requirements of Costa Rica have been met and which shall be known as the United Kingdom/Costa Rica Loan 1973.

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

KENNETH BLACKWELL
Her Britannic Majesty's Ambassador

A N N E X A

GOVERNMENT OF THE REPUBLIC OF COSTA RICA

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

Dear Sirs,

United Kingdom/Costa Rica Loan 1973

1. I confirm your appointment as agents of the Government of the Republic of Costa Rica (hereinafter called "the Government") in connection with the purchase and payment of goods, works and/or services under the terms of the above loan to the value of £2,200,000 (two million two hundred thousand 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/Costa Rica 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 D to the United Kingdom/Costa Rica 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 the amounts falling due under the contracts described in part B, paragraph (3) (a) and (b) 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 of the United Kingdom specimen signatures of the officers of the Crown Agents authorised to sign Requests for Drawing on behalf of the Government.
6. Your charges and commissions for acting as our agents in connection with this loan shall be chargeable to the Account.
7. 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/COSTA RICA 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 Costa Rica

Date

A N N E X C

UNITED KINGDOM/COSTA RICA 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 paragraphs 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

Amount committed	Date of entry	Acceptance		Payments			
		Date	Initials	Date	Amount	PA No.	Initials

£

A N N E X D

UNITED KINGDOM/COSTA RICA LOAN 1973

D.F. No.

Please pay the sum of £ to the United Kingdom/Costa Rica 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 £

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For the Crown Agents acting on behalf
of the Government
of the Republic of Costa Rica

Funding approved ODA

A N N E X E

UNITED KINGDOM/COSTA RICA 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>
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(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.

II

[SPANISH TEXT — TEXTE ESPAGNOL]

DIRECCIÓN GENERAL DE POLÍTICA EXTERIOR
SAN JOSÉ

15 de febrero de 1973

Excelentísimo Señor:

Tengo el honor de contestar vuestra nota N. 7-UK6/27 de 15 de febrero de 1973, en la cual se refiere a las recientes conversaciones sobre la ayuda para el desarrollo, del Gobierno del Reino Unido de la Gran Bretaña e Irlanda del Norte, al Gobierno de Costa Rica y mediante la que nos comunica que el Gobierno del Reino Unido está dispuesto a formalizar un acuerdo con el Gobierno de Costa Rica en las siguientes condiciones. La posición del Gobierno del Reino Unido con relación a la provisión de financiamiento y al compromiso de ese Gobierno y el Gobierno de Costa Rica con relación a los asuntos conexos se regirán de acuerdo con lo establecido en las siguientes Partes A y B respetivamente.

A. El Gobierno del Reino Unido declara que tiene la intención de poner a disposición del Gobierno de Costa Rica, por medio de un préstamo, una suma que no exceda los £2.200,000 (dos millones doscientos mil libras esterlinas) para la compra, en el Reino Unido, de equipo para el suministro de agua y que usará el Servicio Nacional de Acueductos y Alcantarillado de Costa Rica (SNAA) para el mejoramiento y desarrollo del suministro de agua del área metropolitana de San José.

B. (1) El Gobierno del Reino Unido adoptará los arreglos y los procedimientos descritos en los párrafos siguientes de esta Nota en lo que atañen a las cosas que deba hacer el Gobierno o que se hagan en su nombre. El Gobierno de Costa Rica adoptará los arreglos y los procedimientos así descritos, en lo que atañen a las cosas que deba hacer ese Gobierno o que se hagan en su nombre.

(2) (a) Para efectos de estos arreglos el Gobierno de Costa Rica, por medio de una solicitud en la forma establecida en el Anexo A de esta Nota, abrirá una cuenta especial (que en lo sucesivo de este Acuerdo se denominará «la Cuenta» con Crown Agents for Oversea Government and Administrations, 4 Millbank, London, S.W.1 (que en lo

(iii) Tengo la autoridad para firmar esta certificación en nombre del Contratista abajo indicado.

Firmado

Posición

Por y en nombre de

Nombre y Dirección del Contratista

Fecha

NOTA: Para los efectos de esta declaración el Reino Unido comprende Channel Islands (Las Islas del Canal) y la Isle of Man (Isla de Man).

[TRANSLATION¹—TRADUCTION²]

*The Minister of External Relations of Costa Rica
to Her Majesty's Ambassador at San José*

DIRECTORATE GENERAL OF FOREIGN POLICY
SAN JOSÉ

15 February 1973

Your Excellency,

I have the honour to reply to your note No. 7-UK 6/27 of 15 February 1973 in which reference is made to the recent discussions concerning development aid from the Government of the United Kingdom of Great Britain and Northern Ireland to the Government of Costa Rica and in which you inform us that the Government of the United Kingdom are prepared to conclude an agreement with the Government of Costa Rica 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 Costa Rica as regards associated matters shall be as respectively set out in part A and part B below:

[See note I]

I have the honour to inform Your Excellency that the Government of Costa Rica accepts the foregoing proposals, and in consequence, Your Excellency's note and its annexes, together with this reply, constitute an Agreement between the two Governments which shall enter into force on the date on which the Government of Costa Rica notifies the Government of the United Kingdom that they have complied with their constitutional requirements and which shall be known as the United Kingdom/Costa Rica Loan 1973.

I avail myself of this opportunity to express to Your Excellency the assurance of my highest consideration.

GONZALO J. FACIO
Minister of External Relations

[Annexes as under note I]

¹ Translation supplied by the Government of the United Kingdom.

² Traduction fournie par le Gouvernement du Royaume-Uni.