

No. 13794

**UNITED STATES OF AMERICA
and
ASIAN DEVELOPMENT BANK**

**Contribution Agreement (*Multi-Purpose Special Fund*).
Signed at Manila on 19 April 1974**

Authentic text: English.

Registered by the United States of America on 17 March 1975.

**ÉTATS-UNIS D'AMÉRIQUE
et
BANQUE ASIATIQUE DE DÉVELOPPEMENT**

**Accord de contribution (*Fonds spécial à buts multiples*).
Signé à Manille le 19 avril 1974**

Texte authentique : anglais.

Enregistré par les États-Unis d'Amérique le 17 mars 1975.

CONTRIBUTION AGREEMENT¹ (*MULTI-PURPOSE SPECIAL FUND*) BETWEEN THE GOVERNMENT OF THE UNITED STATES AND THE ASIAN DEVELOPMENT BANK

WHEREAS the Asian Development Bank (hereinafter called the Bank) has established and is administering a Special Fund known as the Multi-Purpose Special Fund, the resources of which are used to provide financing on concessional terms for the Bank's developing member countries; and

WHEREAS the Government of the United States (hereinafter called the Contributor), taking into account the fact that other developed member countries of the Bank have contributed substantial amounts to the Multi-Purpose Special Fund, and being satisfied that under the applicable policies and procedures of the Bank all resources of the Fund will be used on an equitable basis, desires to assist the Bank by contributing certain resources to such Fund in the amount and on the terms hereinafter set forth;

NOW THEREFORE the parties hereto agree as follows:

Article I. THE CONTRIBUTION

A. The Contributor agrees to contribute to the Multi-Purpose Special Fund an amount of fifty million United States dollars (US \$50,000,000) (hereinafter called the Contribution).

B. The Contribution shall be made available to the Bank, within 90 days after this Agreement comes into force and effect, in the form of non-negotiable, non-interest-bearing letters of credit which shall be payable to the Bank at par value on demand.

C. The Bank may encash the letters of credit as needed to make disbursements for financing the cost of eligible goods and services and administrative costs, as provided in paragraph C of article III of this Agreement, Such encashment shall be made in accordance with procedures to be agreed between the Contributor and the Bank.

Article II. APPLICATION OF REGULATIONS

Subject to the express provisions of this Agreement, the Special Funds Rules and Regulations adopted by the Bank on September 17, 1968 (hereinafter called the Regulations) shall apply to the Contribution, and to repayments thereof and income derived therefrom, with the same force and effect as if they were set forth herein.

Article III. USE OF CONTRIBUTION

A. The Contribution shall be used to finance specific high priority development projects and programs in developing member countries of the Bank.

¹ Came into force on 19 April 1974 by signature, in accordance with article IX.

B. Such financing may only be made available by the Bank to recipients in the form of (1) development loans, on terms which are more flexible and bear less heavily on the balance of payments of the borrowing countries than the terms established by the Bank for its ordinary operations and (2) technical assistance on a reimbursable basis.

C. Except as the Contributor may otherwise agree in writing, the Bank may draw upon the Contribution only

- (1) to finance expenditures for procurement in the United States of goods produced in the United States with a United States national content of at least 75%, or of services supplied from the United States; and
- (2) to reimburse administrative expenses of the Bank arising from use of the Contribution, but only to the extent that such expenses are not covered from the Bank's service fee or from income derived from the Contribution.

The Bank shall adopt procedures to ensure compliance with subparagraph (1) above. Such procedures shall include the obtaining of appropriate warranties from suppliers, and inspection by Bank staff during visits to the project site of goods financed from the Contribution.

D. The Bank shall require all repayments by borrowers of amounts drawn from the Contribution to be made in United States dollars.

Article IV. INFORMATION

A. In addition to the information contained in the reports provided for in section 6.03 of the Regulations, the Bank shall furnish to the Contributor

- (1) quarterly or other agreed periodic statements of (a) all receipts and disbursements relating to the Contribution, (b) commitments made for financing from the Contribution during the period, (c) the specific items procured or to be procured under such commitments and the name of the supplier, (d) an estimate of the amount of the Contribution which the Bank anticipates will be required for financing in the next ensuing period, and (e) information on application of the procedures adopted as contemplated in paragraph C of article III of the Agreement; and
- (2) such other information on use of the Contribution as the Contributor may from time to time request.

Article V. CONSULTATION

A. Either party shall upon the request of the other consult with regard to any matter arising under this Agreement.

B. In consultations on matters arising under this Agreement, the United States Director on the Board of Directors of the Bank shall represent the Contributor.

Article VI. WITHDRAWAL AND TERMINATION

A. The Contributor shall have the right to withdraw all or part of the Contribution, and any accrued resources derived therefrom, in accordance with the provisions of section 8.03 of the Regulations.

B. In the event of a termination of the Bank's administration of the Contribution pursuant to section 8.02 of the Regulations, the Contributor and the Bank shall consult with a view to ensuring the orderly disposition of the Contribution, as provided in that section.

Article VII. REALLOCATION TO ASIAN DEVELOPMENT FUND

The Contributor is aware of the Bank's intention to establish as soon as possible a new Special Fund, to be known as the Asian Development Fund, which will replace the Multi-Purpose Special Fund as the primary instrument for the Bank's concessional lending operations. The Contributor intends to transfer the Contribution to the Asian Development Fund upon its establishment, provided that the provisions which will govern the use and disposition of the Contribution in that Fund are consistent with the provisions hereinbefore set forth, and that appropriate authorization of the Board of Governors of the Bank is obtained to permit such transfer to occur.

Article VIII. AMENDMENT

This Agreement may be amended at any time by agreement between the Contributor and the Bank.

Article IX. EFFECTIVE DATE

This Agreement shall come into force and effect when signed by duly authorized representatives of the Contributor and the Bank.

IN WITNESS WHEREOF the parties hereto, acting through their duly authorized representatives, have caused this Agreement to be signed in two copies in Manila this 19th day of April, 1974.

For the Government of the United States:

GEORGE P. SHULTZ
Secretary of the United States Treasury

For the Asian Development Bank:

SHIRO INUOE
President
