

No. 14908

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

**Exchange of notes constituting an agreement concerning an  
interest-free loan by the Government of the United  
Kingdom to the Government of Bolivia (with annexes).  
La Paz, 29 June 1973**

*Authentic texts: English and Spanish.*

*Registered by the United Kingdom of Great Britain and Northern Ireland on  
27 July 1976*

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

**Échange de notes constituant un accord relatif à un prêt  
franc d'intérêts du Gouvernement du Royaume-Uni au  
Gouvernement de la Bolivie (avec annexes). La Paz,  
29 juin 1973**

*Textes authentiques : anglais et espagnol.*

*Enregistré par le Royaume-Uni de Grande-Bretagne et d'Irlande du Nord le  
27 juillet 1976.*

EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT<sup>1</sup> BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE GOVERNMENT OF THE REPUBLIC OF BOLIVIA CONCERNING AN INTEREST-FREE LOAN BY THE GOVERNMENT OF THE UNITED KINGDOM TO THE GOVERNMENT OF BOLIVIA

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I

*Her Majesty's Ambassador at La Paz to the Minister for Foreign Affairs and Worship of Bolivia*

BRITISH EMBASSY  
LA PAZ

29 June 1973

*United Kingdom/Bolivia Loan Agreement No. 1 1973*

Your Excellency,

I have the honour to refer to the discussions concerning development aid from the Government of the United Kingdom of Great Britain and Northern Ireland to the Government of the Republic of Bolivia and to inform Your Excellency that the Government of the United Kingdom are prepared to conclude an Agreement with the Government of Bolivia 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 Bolivia 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 Bolivia (acting by such agents as that Government may notify by separate Note to the Government of the United Kingdom) by way of a loan a sum not exceeding £395,000 (three hundred and ninety-five thousand pounds sterling), repayable over a period of 25 years without interest, towards the purchase in the United Kingdom of equipment and machinery for a tin pre-concentration plant to be established at Potosí by the Corporación Minera de Bolivia.

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 Bolivia 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 purpose of these arrangements the Government of Bolivia 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, S.W.1 (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 Bolivia shall furnish the Government of the United Kingdom with a copy of their instructions to the Crown Agents given in accordance with the foregoing provisions of this paragraph. The

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<sup>1</sup> Came into force on 29 June 1973, the date of the note in reply, in accordance with the provisions of the said notes.

Government of Bolivia, 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 authorized to sign on its behalf the Requests for Drawing hereinafter provided and shall furnish a specimen signature in duplicate of 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 equipment and machinery wholly produced or manufactured in the United Kingdom or for work to be done or for services to be rendered by persons ordinarily resident or carrying on business in 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 Bolivia and accepted by the Crown Agents acting 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 31 March 1974;

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

(4) Where the Government of Bolivia 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.

(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 Bolivia, 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 31 March 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) 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 hereto and the invoices (or a photocopy or duplicates of such invoices) referred to therein.

(b) for payments to which paragraph B (3) (b) refers, the Crown Agents shall debit the Account.

(7) If any monies that have been paid out of the Account are subsequently refunded either by the Contractor or by a Guarantor, the Government of Bolivia 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 Bolivia 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 December 1975 .....	1,600
15 June 1976 .....	1,600
15 December 1976 .....	3,200
15 June 1977 .....	3,200
15 December 1977 .....	4,800
15 June 1978 .....	4,800
15 December 1978 .....	6,400
15 June 1979 .....	6,400
15 December 1979 .....	8,000
15 June 1980 .....	8,000
15 December 1980 and on 15 December in each of the succeeding 17 years ...	9,600
15 June 1981 and in each of the succeeding 16 years .....	9,600
15 June 1998 .....	11,000

(9) Notwithstanding the provisions of paragraph 8 of this Note, the Government of Bolivia 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.

(10) The Government of Bolivia 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.

(11) The Government of Bolivia will ensure that the Corporación Minera de Bolivia appoints agents at the port of Antofagasta in Chile to ensure and be responsible for the clearance of the equipment and machinery through customs and for its transit to Potosí.

(12) In relation to goods and services provided with finance from the loan, the Government of Bolivia 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.

(13) If the foregoing proposals are acceptable to the Government of Bolivia, 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 of your reply and it shall be known as the United Kingdom/Bolivia Loan Agreement No. 1 1973.

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

J. G. TAHOURDIN  
Her Britannic Majesty's Ambassador

## ANNEX A

## GOVERNMENT OF THE REPUBLIC OF BOLIVIA

To: The Crown Agents for Oversea Governments and Administrations  
4 Millbank  
London

Dear Sirs,

*United Kingdom/Bolivia Loan No. 1 1973*

1. I confirm your appointment as agents of the Government of the Republic of Bolivia (hereinafter called "the Government") in connection with the purchase and payment for goods, works and/or services under the terms of the above loan to the value of three hundred and ninety-five 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/Bolivia Loan No. 1 1973 Account (hereinafter called "the Account").

3. Payments into the Account will be made from time to time by Her Majesty's Government in the United Kingdom of Great Britain and Northern Ireland on receipt of requests in the form shown in Annex D to the United Kingdom/Bolivia Loan Agreement No. 1 1973 (a copy of which is attached hereto) and which you are hereby authorized 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 paragraph 1.B (3) (a) and in respect of your commissions and charges as described in paragraph 1.B (3) (b) of the above-mentioned Agreement and in the manner and subject to the conditions described in paragraph 1.B (6) of that Agreement.

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

6. Your charges and commissions already included as part of the loan 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,

## ANNEX B

*NOTIFICATION OF CONTRACT*

## UNITED KINGDOM/BOLIVIA LOAN NO. 1 1973

To: The Government of the United Kingdom

*Notification of Contract.....*

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:

Date .....

.....  
Signed on behalf of the Government  
of the Republic of Bolivia

## APPENDIX [ANNEX] C

Reqn. No.:

O.D.M. 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 &amp; 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.

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

Signed.....

Position held.....

Name and Address of Contractor.....

Date.....

*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>
£							

ANNEX D

UNITED KINGDOM/BOLIVIA LOAN NO. 1 1973

D.F. No. ....

Please pay the sum of £.....to the United Kingdom/Bolivia Loan No. 1 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 Bolivia

Funding approved.....ODA

ANNEX E

UNITED KINGDOM/BOLIVIA LOAN NO. 1 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 1 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]

MINISTERIO DE RELACIONES EXTERIORES Y CULTO  
 LA PAZ

29 de junio de 1973

Señor Embajador:

Tengo el honor de acusar recibo de la atenta Nota de Vuestra Excelencia, fechada el día de hoy, referente al Empréstito No. 1, 1973, entre el Reino Unido de Gran Bretaña e Irlanda del Norte y la República de Bolivia, que a la letra dice:

“1. Tengo el honor de referirme a las conversaciones celebradas con relación a la concesión de ayuda para el desarrollo por parte del Gobierno del Reino Unido de Gran Bretaña e Irlanda del Norte al Gobierno de la República de Bolivia, y de informar a Su Excelencia que el Gobierno del Reino Unido se halla dispuesto a establecer un Acuerdo con el Gobierno de Bolivia, según las condiciones estipuladas a continuación. La posición del Gobierno del Reino Unido en lo que respecta a la financiación y al compromiso de dicho Gobierno y a las obligaciones del Gobierno de Bolivia quedarán respectivamente establecidas en las Partes A y B.

“A. El Gobierno del Reino Unido declara que es su intención poner a disposición del Gobierno de Bolivia (actuando por intermedio de aquellos agentes que dicho Gobierno pueda notificar por Nota separada al Gobierno del Reino Unido) a manera de empréstito una suma no superior a £395,000 (trescientos noventa y cinco mil libras esterlinas) sin intereses y pagadera en veinticinco años para la adquisición en el Reino Unido de equipo y maquinaria para la instalación de una planta de preconcentración de estaño, que la Corporación Minera de Bolivia establecerá en Potosí.

“B. (1) El Gobierno del Reino Unido adoptará las providencias y medidas descritas en los subsiguientes párrafos de la presente Nota en cuanto se refiere a lo que se deba llevar a cabo por o en nombre de dicho Gobierno. El Gobierno de Bolivia adoptará las provisiones y medidas así descritas en cuanto se refiere a lo que se tenga que realizar por o en nombre de dicho Gobierno.

“(2) (a) Con este propósito, el Gobierno de Bolivia abrirá — por medio de una solicitud en la forma establecida en el Apéndice A de esta Nota — una cuenta especial (denominada en adelante ‘la Cuenta’) con los Agentes de la Corona para Gobiernos y Administraciones en Ultramar, 4 Millbank, Londres SW1 (a quienes se



[TRANSLATION<sup>1</sup> — TRADUCTION<sup>2</sup>]

*The Minister for Foreign Affairs and Worship of Bolivia  
to her Majesty's Ambassador at La Paz*

MINISTRY OF FOREIGN AFFAIRS AND WORSHIP  
LA PAZ

29 June 1973

Your Excellency,

I have the honour to acknowledge receipt of Your Excellency's Note of today's date, which refers to Loan No. 1, 1973, between the United Kingdom of Great Britain and Northern Ireland and the Republic of Bolivia which reads:

[*See note I*]

In expressing to Your Excellency the agreement of the Bolivian Government to the text of the Note and its annexes I avail myself of this opportunity to renew the assurances of my highest and most distinguished consideration.

MARIO R. GUTIÉRREZ

[*Annexes as under note I*]

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<sup>1</sup> Translation supplied by the Government of the United Kingdom.

<sup>2</sup> Traduction fournie par le Gouvernement du Royaume-Uni.