

No. 16882

**UNITED KINGDOM OF GREAT BRITAIN
AND NORTHERN IRELAND
and
FEDERAL REPUBLIC OF GERMANY**

**Exchange of notes constituting an agreement for offsetting
the foreign exchange expenditure on British forces in
the Federal Republic of Germany. Bonn, 18 October
1977**

Authentic texts: German and English.

*Registered by the United Kingdom of Great Britain and Northern Ireland on
20 July 1978*

**ROYAUME-UNI DE GRANDE-BRETAGNE
ET D'IRLANDE DU NORD
et
RÉPUBLIQUE FÉDÉRALE D'ALLEMAGNE**

**Échange de notes constituant un accord relatif à la compen-
sation des dépenses en devises des forces britanniques
en République fédérale d'Allemagne. Bonn, 18 octobre
1977**

Textes authentiques : allemand et anglais.

*Enregistré par le Royaume-Uni de Grande-Bretagne et d'Irlande du Nord le
20 juillet 1978.*

EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE GOVERNMENT OF THE FEDERAL REPUBLIC OF GERMANY FOR OFFSETTING THE FOREIGN EXCHANGE EXPENDITURE ON BRITISH FORCES IN THE FEDERAL REPUBLIC OF GERMANY

I

[GERMAN TEXT — TEXTE ALLEMAND]

DER STAATSEKRETÄR IM AUSWÄRTIGEN AMT
BONN

Den 18. Oktober 1977

Herr Botschafter,

Die Frage von Devisenausgleichsvereinbarungen zwischen der Bundesrepublik Deutschland und dem Vereinigten Königreich Grossbritannien und Nordirland wurde jüngst verschiedentlich zwischen Vertretern unserer beiden Regierungen erörtert. Gemäss dem in diesen Gesprächen erzielten Einvernehmen beehre ich mich, Ihnen im Namen der Regierung der Bundesrepublik Deutschland die folgende Vereinbarung vorzuschlagen:

1. In Anbetracht der engen Beziehungen, die heute zwischen der Bundesrepublik Deutschland und dem Vereinigten Königreich als Partner in den Europäischen Gemeinschaften bestehen, sowie der seit langem bestehenden Bindungen innerhalb des nordatlantischen Bündnisses werden die zweiseitigen Devisenausgleichsregelungen mit Ablauf der vorliegenden Vereinbarung beendet.

2. Es ist der Regierung der Bundesrepublik Deutschland bekannt, dass die Regierung des Vereinigten Königreichs mit dem Ziele der Erhöhung der Verteidigungsbereitschaft der in der Bundesrepublik Deutschland stationierten britischen Truppen eine Reihe von Massnahmen zur Umstrukturierung und Straffung der Britischen Rheinarmee durchgeführt hat oder noch durchzuführen beabsichtigt. Mit Rücksicht auf diese Massnahmen und die grosse Bedeutung, die die Regierung der Bundesrepublik Deutschland dem britischen Beitrag zur Verteidigungskraft des Bündnisses beimisst, ist sie bereit, einen einmaligen Beitrag von DM 475 Mio zu Aufwendungen der deutschen Bauverwaltung für die unter Nummer 3 dieser Vereinbarung bezeichneten Kasernen und sonstigen Einrichtungen zu leisten, die von den britischen Truppen in der Bundesrepublik Deutschland genutzt werden. Dieser Betrag wird in folgenden Raten zur Verfügung gestellt:

bis zum 31. März 1978.	DM 250 Mio
in der Zeit vom 1. April 1978 bis 31. März 1979.	DM 150 Mio
in der Zeit vom 1. April 1979 bis 31. März 1980.	DM 75 Mio

3. Der Betrag wird für Lieferungen und sonstige Leistungen zur Erstellung, Modernisierung und Verbesserung von Kasernen und sonstigen Einrichtungen der in der Bundesrepublik Deutschland stationierten britischen Streitkräfte sowie zur Finanzierung von Umweltschutzvorrichtungen und

¹ Came into force on 18 October 1977 with retroactive effect from 1 April 1977, in accordance with the provisions of the said notes.

[TRANSLATION — TRADUCTION]

*The State Secretary in the Ministry of Foreign Affairs of the Federal Republic
of Germany to Her Majesty's Ambassador at Bonn*

STATE SECRETARY IN THE MINISTRY OF FOREIGN AFFAIRS
BONN

18 October 1977

Your Excellency,

[*See note II*]

Accept, Sir, etc.

PETER HERMES

II

*Her Majesty's Ambassador at Bonn to the State Secretary in the Ministry of Foreign
Affairs of the Federal Republic of Germany*

THE BRITISH EMBASSY
BONN

18 October, 1977

Your Excellency,

I have the honour to acknowledge receipt of your Note of today's date which in translation reads as follows:

“The question of balance of payments offset arrangements between the Federal Republic of Germany and the United Kingdom of Great Britain and Northern Ireland has recently been discussed on various occasions by representatives of our two Governments. On the basis of the understanding reached in those discussions, I have the honour to propose to you in the name of the Government of the Federal Republic of Germany the following Agreement:

1. In view of the close relations which now exist between the Federal Republic of Germany and the United Kingdom as partners in the European Communities and of the long-standing ties in the North Atlantic Alliance, bilateral offset arrangements shall be terminated after the expiry of the present Agreement.

2. The Government of the Federal Republic of Germany is aware that the Government of the United Kingdom has carried out, or intends to carry out, a number of measures to restructure and rationalize the British Army of the Rhine in order to increase the defence capability of the British Forces stationed in the Federal Republic of Germany. In recognition of these measures and of the great importance which the Government of the Federal Republic of Germany attaches to the British contribution to the defence potential of the Alliance, it is willing to make a single payment of DM475 million towards expenditure incurred through the German Construction Administration on barrack and other facilities as defined in paragraph 3 of this Agreement for the use of British Forces in the Federal Republic of Germany. This amount shall be made available in instalments as follows:

During the period up to 31 March 1978.	DM250 million
During the period 1 April 1978 to 31 March 1979 . . .	DM150 million
During the period 1 April 1979 to 31 March 1980 . . .	DM 75 million

3. The amount shall be made available to meet expenditure for deliveries and other services for the construction, modernisation or improvement of troop barracks and other facilities of the British Forces stationed in the Federal Republic of Germany and also for the financing of environmental protection installations and safety precautions with regard to ammunition depots and other safety projects. The funds may be used to finance running costs of maintenance and repair of barracks and other accommodation if they are connected with the above measures. In the British financial year 1977/78 running costs of maintenance and repair may, as an exceptional case, be financed up to a maximum of DM130 million, irrespective of the requirements of the second sentence of this paragraph. To the extent that the funds available during the financial year 1978/1979 cannot be spent on the measures set out in sentence 1 above, they may also be used for financing maintenance and repair work which is tantamount to modernisation and improvement.

4. At least fifteen per cent of the total amount of DM475 million made available shall be used to finance environmental protection and safety measures of the kind mentioned in the preceding paragraph. Such measures shall be agreed by experts chosen by the two Governments.

5. The measures shall be implemented by the German Construction Administration in accordance with the existing arrangements. Disbursement of the funds shall be made in portions in step with the progress of the projects. In so far as measures within the meaning of this Agreement have been paid for by the British authorities after the beginning of the British financial year 1977/78 they may request, subject to proof, reimbursement of the amount involved, to be deducted from the annual instalment of DM250 million. Amounts made available pursuant to this Agreement but not called by the end of any one year shall remain available even beyond 31 March 1980 for measures envisaged under this Agreement. In so far as further arrangements are necessary with regard to procedure they shall be effected as soon as possible between the competent authorities or Ministries of the Government of the Federal Republic of Germany and the Government of the United Kingdom.

6. Structures, improvements and other alterations including built-in equipment financed in accordance with this Agreement shall be treated as property owned by the Federal Republic of Germany and used by the British Forces within the framework of the NATO Status of Forces Agreement¹ and the Supplementary Agreement² thereto with respect to Forces stationed in the Federal Republic of Germany.

7. The Government of the Federal Republic of Germany deems it important to state that this special single contribution does not establish any obligation on the part of the Federal Republic of Germany to pay any stationing costs which, under the Status of Forces Agreement and the Supplementary Agreement thereto, are the responsibility of the Sending States.

8. The payment of outstanding instalments in accordance with the provisions of paragraphs 2 and 3 of this Agreement shall be subject to the level of the British Forces in the Federal Republic of Germany on 1 April 1977 being maintained without any permanent substantial change. In the event of such a change prior to 31 March 1980, either Government may propose consultations on the implications of the changed circumstances.

If the Government of the United Kingdom of Great Britain and Northern Ireland are in agreement with the foregoing, I propose that this Note and Your Excellency's

¹ United Nations, *Treaty Series*, vol. 199, p. 67.

² *Ibid.*, vol. 481, p. 262.

reply to that effect shall constitute an Agreement between our two Governments in this matter which shall be deemed to have entered into force on 1 April 1977.”

I have the honour to inform you that the foregoing proposals are acceptable to the Government of the United Kingdom and that therefore your Note and this reply shall constitute an Agreement between the two Governments in this matter which shall be deemed to have entered into force on 1 April 1977.

I have the honour to be, with the highest consideration, Sir, Your Excellency's obedient Servant,

J. O. WRIGHT
