

No. 20349

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

**Exchange of notes constituting an agreement concerning
an interest free loan by the Government of the United
Kingdom to the Government of Honduras. Teguci-
galpa, 11 September and 24 December 1980**

Authentic texts: English and Spanish.

*Registered by the United Kingdom of Great Britain and Northern Ireland
on 13 August 1981.*

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

**Échange de notes constituant un accord concernant un
prêt sans intérêt par le Gouvernement du Royaume-
Uni au Gouvernement du Honduras. Tegucigalpa,
11 septembre et 24 décembre 1980**

Textes authentiques: anglais et espagnol.

*Enregistré par le Royaume-Uni de Grande-Bretagne et d'Irlande du Nord
le 13 août 1981.*

EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹
BETWEEN THE GOVERNMENT OF THE UNITED KING-
DOM OF GREAT BRITAIN AND NORTHERN IRELAND
AND THE GOVERNMENT OF THE REPUBLIC OF HON-
DURAS CONCERNING AN INTEREST FREE LOAN BY
THE GOVERNMENT OF THE UNITED KINGDOM TO THE
GOVERNMENT OF HONDURAS

I

*Her Majesty's Ambassador at Tegucigalpa to the Minister for Foreign Affairs
of the Republic of Honduras*

BRITISH EMBASSY
TEGUCIGALPA

11 September 1980

Monsieur le Ministre,

United Kingdom/Honduras Loan 1980

I have the honour to inform you, with reference to the discussions between our Governments concerning development assistance, that it is the intention of the Government of the United Kingdom of Great Britain and Northern Ireland to make available to the Government of the Republic of Honduras by way of an interest-free loan a sum not exceeding five million pounds sterling (hereinafter called "the loan") to be allocated to specific projects to be mutually determined by our respective Governments.

2. Save to the extent to which my Government notify your Government otherwise in writing, the loan allocations may be used either to make direct payments or to reimburse payments made for goods or services wholly produced in and supplied from the United Kingdom, or your country, as may be mutually determined by our Governments at the time of each project approval. Allocations shall be made in accordance with the procedures and Practices Applicable to the Expenditure of United Kingdom aid resources.

3. The loan shall not be used to meet the cost of any taxes, fees, import or customs duties imposed directly or indirectly by your Government on goods and services provided.

4. No more than 10% of the loan shall be used to meet local expenditure. Project allocations, including the local cost element, shall be determined when the project is agreed by our Governments.

¹ Came into force on 24 December 1980, the date of the note in reply, in accordance with the provisions of the said notes.

5. Unless my Government otherwise agrees, the period for the disbursement of the loan expires on 31 March 1985.

6. The Crown Agents for Overseas Governments and Administrations shall procure and arrange shipment of the goods purchased in the United Kingdom and funded from the loan.

7. Goods shall be shipped and insured in accordance with normal commercial competitive practice.

8. Your Government shall permit my Government's authorised personnel to visit any project in respect of which loan drawings are applied and shall furnish them with such information as regards the project, its progress and financing as they require.

9. Your Government shall provide such finance additional to the loan as may be required to complete the agreed projects and shall ensure that it is provided during the same period as the loan and in accordance with any programme of disbursement mutually determined by our two Governments.

10. Your Government shall repay to the Government of the United Kingdom in pounds sterling in London the total sum borrowed under the loan. The repayments shall 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 for the instalment only the amount then outstanding need be paid:

INSTALMENTS

<i>Date due</i>	<i>Amount</i>
December 1987 and then each June and December until 2004	140,000
June 2005	100,000

Notwithstanding these provisions, your Government shall be free to repay at any earlier time to my Government in pounds sterling in London any amount of the loan that is outstanding.

11. If the foregoing proposals are acceptable to the Government of the Republic of Honduras I have the honour to propose that the present Note together with Your Excellency's reply in that sense shall constitute an Agreement between our Governments which shall enter into force on the date of Your Excellency's reply, and shall be known as the United Kingdom/Honduras Loan 1980.

12. I avail myself of this opportunity to renew to His Excellency the assurance of my highest and most distinguished consideration.

J. B. WEYMES

[TRANSLATION¹—TRADUCTION²]

*The Minister for Foreign Affairs of the Republic of Honduras
to Her Majesty's Ambassador at Tegucigalpa*

MINISTRY OF FOREIGN AFFAIRS
TEGUCIGALPA, D.C.

24 December 1980

Dear Sir,

I have the honour to acknowledge receipt of your Note No. 3/2 (40/80) of 11 September 1980 which in translation reads as follows:

[See note 1]

In this regard I have the honour to inform Your Excellency that the foregoing proposals are acceptable to the Government of the Republic of Honduras and therefore constitute an Agreement between our two Governments which shall enter into force on today's date and shall be known as the United Kingdom/Honduras Loan 1980.

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

CÉSAR ELVIR SIERRA

¹ Translation supplied by the Government of the United Kingdom of Great Britain and Northern Ireland.

² Traduction fournie par le Gouvernement du Royaume-Uni de Grande-Bretagne et d'Irlande du Nord.