

**No. 25943**

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**SPAIN  
and  
HONDURAS**

**Agreement for the establishment of a food assistance counterpart fund (with annexes). Signed at Tegucigalpa on 11 March 1988**

*Authentic text: Spanish.*

*Registered by Spain on 19 May 1988.*

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**ESPAGNE  
et  
HONDURAS**

**Accord pour la création d'un fonds de contrepartie d'aide alimentaire (avec annexes). Signé à Tegucigalpa le 11 mars 1988**

*Texte authentique : espagnol.*

*Enregistré par l'Espagne le 19 mai 1988.*

[TRANSLATION — TRADUCTION]

## AGREEMENT<sup>1</sup> BETWEEN HONDURAS AND SPAIN FOR THE ESTABLISHMENT OF A FOOD ASSISTANCE COUNTERPART FUND

Whereas the Republic of Honduras (hereinafter referred to as “Honduras”) and the Kingdom of Spain (hereinafter referred to as “Spain”), in view of the prospects of an increase in technical cooperation resulting from the Spanish food assistance supplied to Honduras, have decided to conclude an Agreement for the establishment of a Counterpart Fund intended to finance development and cooperation projects arranged by mutual agreement between their two countries,

The two Governments, desiring to define the rules that shall govern the management, control and authorization of this Fund, have agreed as follows:

### *Article I. RESPONSIBLE AUTHORITIES*

1. Honduras appoints the Secretariat for Planning, Coordination and Budget, hereinafter referred to as “SECPLAN”, as the agency responsible for executing the obligations arising under this Agreement, without prejudice to the functions expressly assigned to the Secretariat of Finance and Public Credit.

2. Spain appoints its Embassy in Tegucigalpa, Central District, as the agency responsible for executing its obligations arising from this Agreement.

### *Article II. PROJECTS*

1. Honduras undertakes to establish a Fund to finance development and cooperation projects jointly agreed with Spain.

2. The Fund shall be financed by the net proceeds from the sale of food assistance supplied by Spain.

3. The Government of Honduras, through the Ministry of Finance and Public Credit, shall appoint the vendors of the donated products.

### *Article III. RESPONSIBILITIES OF HONDURAS*

The Government of Honduras, through the Secretariat of Finance and Public Credit, shall open an account at the Central Bank of Honduras under the name “Spanish-Honduran Food Assistance Counterpart Fund”, with the approval of Spain, and undertakes:

1. To exempt the materials required to implement the development and cooperation projects mentioned in article II, paragraph 1, from port charges, import and export duties, storage charges and other public taxes. No permit shall be required for the import of the said materials.
2. To ensure that the Ministry of Finance and Public Credit appoints an official to audit the account in which the funds are to be deposited.
3. To guarantee that the procedures for the management and control of the Fund are implemented in accordance with the terms of article IV and annexes A and B of this Agreement.

<sup>1</sup> Came into force on 11 March 1988 by signature, in accordance with article X(2).

4. To guarantee that the Counterpart Fund is used in conformity with article V of this Agreement.

*Article IV. MANAGEMENT AND CONTROL OF THE COUNTERPART FUND*

The management and control procedures for the Counterpart Fund shall be as follows:

1. *Concerning the management apparatus*

Payments into and out of the Counterpart Fund shall be made in the manner described in annex A.

2. *Concerning the special bank account entitled "Spanish-Honduran Food Assistance Counterpart Fund"*

The Central Bank of Honduras shall operate in accordance with the guidelines established in annex B.

3. *Concerning financial reports*

All matters relating to financial control and supervision shall be the responsibility of the Ministry of Finance and Public Credit, which shall report at least once a year and whenever so requested, by means of a certified statement of transactions, receipts and expenditures, to the Embassy of Spain and SECPLAN.

4. *Concerning access to information on the administration of the Counterpart Fund*

Honduras, through its appointed auditor, shall afford Spain and its representatives access to the accounts and other documents relating to the administration of the Counterpart Fund upon request.

*Article V. UTILIZATION OF THE COUNTERPART FUND*

1. The Fund, constituted by the net proceeds from the sale of food assistance consisting of staple commodities or any other Spanish produce, shall be utilized exclusively to finance development and cooperation projects arranged by agreement between the two countries, through a Spanish-Honduran *Ad Hoc* Committee to be established each year as soon as Spain informs Honduras of the size and amount of its food assistance for the year in question.

2. The *Ad Hoc* Committee shall consist of:

- One representative of the Secretariat for Planning, Co-ordination and Budget;
- One representative of the Ministry of Finance and Public Credit; and
- One representative of the Embassy of Spain in Tegucigalpa Central District.

The Committee shall meet annually to allocate funds on the basis of the draft programme prepared by SECPLAN.

3. Provision shall be made from the Counterpart Fund only for the benefit of development and cooperation projects approved by the *Ad Hoc* Committee.

*Article VI. ASSESSMENT*

1. It is agreed that Honduras and Spain shall meet annually on the proposal of one of the Parties to assess the utilization of the Fund in accordance with the procedures established in the *Ad Hoc* Committee.

*Article VII. GENERAL UNDERTAKINGS*

1. Honduras and Spain shall ensure that this Agreement is observed with due care and efficiency and each Party shall supply the other with any information for which a reasonable request is made.

2. Honduras shall grant the representatives accredited by Spain all reasonable facilities to visit any part of its territory for the purposes envisaged in this Agreement.

3. Honduras and Spain accept and agree that annexes A and B form a part of the Agreement.

*Article VIII. SUSPENSION*

Spain reserves the right, following consultation with the Honduran authorities, to suspend its participation in the subsequent stages of projects agreed by the *Ad Hoc* Committee in the event that serious anomalies occur in:

1. The depositing of payments for Spanish produce to the account of the Counterpart Fund;
2. The management, control and utilization of the Fund;
3. The performance of any other undertaking assumed under this Agreement.

Participation by Spain may be resumed following rectification of such anomalies.

*Article IX. COMMUNICATIONS*

Any document or communication provided under this Agreement and its annexes by either Honduras or Spain shall be provided in writing and shall be sent by messenger, mail, telegram, cable or radio to the following addresses:

Honduras:

Secretaría de Planificación, Coordinación y Presupuesto  
Apartado Postal 1327  
Tegucigalpa, D.C.

Spain:

Embajada de España en Tegucigalpa  
Apartado Postal No. 114-C  
Tegucigalpa, D.C.

*Article X. SIMULTANEOUS IMPLEMENTATION OF THE AGREEMENT*

1. This Agreement and its annexes may be amended by agreement.
2. This Agreement shall enter into force on the date of its signature.

DONE at Tegucigalpa on 11 March 1988, in duplicate, both copies being equally authentic.

Signed on behalf  
of the Kingdom of Spain:

[Signed]

FERNANDO GONZALEZ-CAMINO  
Ambassador of Spain  
in Tegucigalpa

Signed on behalf  
of the Republic of Honduras:

[Signed]

FRANCISCO FIGUEROA Z.  
Secretary for Planning,  
Co-ordination and Budget

## ANNEX A

## MANAGEMENT PROCEDURES FOR THE FOOD ASSISTANCE COUNTERPART FUND

1. The Counterpart Fund shall be jointly administered by the Ministry of Finance and Public Credit and a representative of the Embassy of Spain in Tegucigalpa, Central District.
  2. Because the Counterpart Fund is subject to joint administration, the programme of commitments and use of the Fund prepared by SECPLAN must be approved by the *Ad Hoc* Committee.
  3. Based on the joint programme of use approved by the *Ad Hoc* Committee provided for in article V, paragraphs 1 and 2, documents shall be drawn authorizing use of the Fund by SECPLAN, indicating:
    - (a) The name of the bank, the holder of the account and the exact amount requested;
    - (b) The anticipated use and allocation of funds for the project;
    - (c) The budgetary estimate of planned expenditures compared with the amount requested and the schedule of payments.
  4. The Ministry of Finance and Public Credit shall authorize payments.
- A copy of the order for payment shall be returned to SECPLAN and the Embassy of Spain in Tegucigalpa, Central District.

## ANNEX B

AGREEMENT CONCERNING THE SPECIAL BANK ACCOUNT  
OF THE FOOD ASSISTANCE COUNTERPART FUND

The two Governments agree to and approve the following procedure to be observed by the Central Bank of Honduras, where the account of the Spanish-Honduran Counterpart Fund shall be opened.

1. The Central Bank of Honduras shall prepare monthly bank statements detailing every transaction and shall transmit them to both Governments via the Ministry of Finance and Public Credit. The Ministry of Finance and Public Credit shall provide the Embassy of Spain in Tegucigalpa, Central District, with all documentation concerning movements in the account at the Central Bank of Honduras.

The account shall not incur administrative costs.

2. The Central Bank of Honduras shall inform the Ministry of Finance and Public Credit of any deposits made in the bank account entitled "Spanish-Honduran Food Assistance Counterpart Fund" and the Ministry shall in turn inform the Spanish Party.

3. The Bank shall send a copy of the relevant bank documents to the Ministry of Finance and Public Credit at the time of the transaction, and the Ministry shall, in turn transmit it to the Spanish Party.

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