



**AN BILLE UM CHOMHLACHAS FORBARTHA IDIR-
NAISIUNTA (CUNTAS GNIOMHAIOCHTA SPEISIALTA),
1978**

**INTERNATIONAL DEVELOPMENT ASSOCIATION
(SPECIAL ACTION ACCOUNT) BILL, 1978**

EXPLANATORY MEMORANDUM

Background

1. At the final Ministerial session of the Conference on International Economic Co-operation in Paris, 30 May-2 June, 1977, the participating industrial and developed countries agreed to put into effect a \$1,000 million Special Action Programme to help the poorest developing countries. The object of the programme is to provide additional aid to be lent as quickly as possible to those developing countries whose development prospects had been most seriously affected by adverse international developments in the previous 2-3 years.

The Agreement

2. The EEC Member States, in making their contribution of \$385 million to the Special Action Programme, decided to use the International Development Association as administrator. (The Irish contribution is \$1.04 million or £569,395.) An Agreement between the EEC, its Member States and the Association sets out the conditions governing the arrangements between the parties.

3. The Agreement provides that the Association will set up a Special Action Account which it will keep separate from its other accounts and assets. The EEC Member States will pay their contributions into this account. The Association will then draw on the account to make loans to developing countries in respect of programmes and projects which have been approved by its Executive Board. These loans will be interest free and will have long grace and maturity periods, as is the case with loans financed from the Association's normal resources. According as loans are repaid by the developing country recipients, the Association will, in turn, repay the funds concerned on a pro rata basis to the donors. The Agreement is self-financing in that it allows the Association to make charges, payable by the loan recipients, to cover its expenses. The Agreement will not come into effect until it has been approved by the EEC and by each Member State, in accordance with their procedural requirements and the Association has been so notified.

The Bill

4. The purpose of the Bill is to approve acceptance by Ireland of the Agreement and to provide for the payment of its contribution and related matters.

The Sections

Section 1 defines terms used in the Bill.

Section 2 provides for approval of the Agreement.

Section 3 provides for the payment of Ireland's contribution and the creation, issue and discharge of notes which may be used in that connection.

Section 4 provides for disposal of funds repaid.

Section 5 provides the short title and citation.

Schedule contains the text of the Agreement.

*An Roinn Airgeadais,
Meitheamh, 1978.*

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(SPECIAL ACTION ACCOUNT) BILL, 1978

EXPLANATORY MEMORANDUM

Background

1. At the final ministerial session of the Conference on International Economic Co-operation in Paris, 30 May 1977, the participating industrial and developed countries agreed to put into effect a \$1,000 million Special Action Programme to help the poorest developing countries. The object of the programme is to provide additional aid to be lent as quickly as possible to those developing countries whose development progress had been most seriously affected by adverse international developments in the previous 5-7 years.

2. The Agreement provides that the Association will set up a Special Action Account which it will keep separate from its other accounts and assets. The EEC Member States will pay their contributions into this account. The Association will then draw on the account to make loans to developing countries in respect of programmes and projects which have been approved by its Executive Board. These loans will be interest free and will have long grace and maturity periods, as is the case with loans financed from the Association's normal resources. According as loans are repaid by the developing country recipients, the Association will, in turn, repay the funds concerned on a pro rata basis to the donors. The Agreement will not be implemented in that it allows the Association to make changes, payable by the loan recipients, to cover its expenses. The Agreement will not come into effect until it has been approved by the EEC and by each Member State, in accordance with their procedural requirements and the Association has been so notified.

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Enacted in Dublin, this 12th day of May, 1978.