STATUTORY INSTRUMENTS

1977 No. 1590

OVERSEAS AID

The African Development Fund (Further Payments to Capital Stock) Order 1977

Laid before the House of Commons in draft
Made - - - - 16*th September* 1977
Coming into Operation 7*th October* 1977

Whereas it is provided in section 2(1) of the Overseas Aid Act 1968**(a)** as amended by section 7(2) of the International Finance, Trade and Aid Act 1977**(b)** that if Her Majesty's Government in the United Kingdom becomes bound by any arrangements for the making of any further payment to an international development bank, other than the initial subscription or contribution to its capital stock, the Minister of Overseas Development may with the approval of the Treasury by order made by Statutory Instrument make provision for the payment out of moneys provided by Parliament of any sums required by him for any of the purposes specified in that subsection;

Now, therefore, the Minister of Overseas Development in exercise of the powers conferred upon him by section 2 of the Overseas Aid Act 1968 as amended by section 7(2) of the International Finance, Trade and Aid Act 1977 and with the approval of the Treasury, hereby makes the following Order:

1.—(1) This Order may be cited as the African Development Fund (Further Payments to Capital Stock) Order 1977 and shall come into operation on 7th October 1977.

(2) In this Order—

"the Fund" means the African Development Fund established by the Agreement;

"the Agreement" means the Agreement establishing the African Development Fund dated 29th November 1972 and ratified by Her Majesty's Government in the United Kingdom on 30th June 1973**(c)**.

"the Minister" means the Minister of Overseas Development.

(3) The Interpretation Act 1889**(d)** shall apply to the interpretation of, and otherwise in relation to, this Order as it applies to the interpretation of, and otherwise in relation to, an Act of Parliament.

2. The Minister may make provision on behalf of Her Majesty's Government in the United Kingdom out of moneys provided by Parliament for a further payment to the capital stock of the Fund, in respect of its first, two and a half year, operating period, of a sum not exceeding £2 million, for a further pay-

(a) 1968 c. 57.
(b) 1977 c. 6.
(c) Cmnd. 5230
(d) 1889 c. 63.

ment to the capital stock of the Fund, in respect of its second, three year, operating period, of a sum not exceeding £8 million, and for payments to maintain the value of the said further payments, in accordance with arrangements made between Her Majesty's said Government and the Fund.

3. The Minister may redeem out of moneys provided by Parliament any non-interest-bearing and non-negotiable notes or other obligations which may be issued or created by and accepted by the Fund in accordance with the arrangements.

4. Any sums received by Her Majesty's said Government from the Fund in pursuance of the arrangements shall be paid into the Consolidated Fund.

David Owen,
The Minister of Overseas Development.

16th September 1977.

We approve,

J. Dormand,
T. E. Graham,
Two of the Lords Commissioners of Her Majesty's Treasury.

16th September 1977.

EXPLANATORY NOTE
(*This Note is not part of the Order.*)

The Overseas Aid Act 1968 section 2(1) as amended by the International Finance, Trade and Aid Act 1977 section 7(2) provides that if the Government of the United Kingdom becomes bound by arrangements for the making of further payments to an international development bank, other than the initial subscription or contribution to its capital stock, the Minister of Overseas Development may, with the approval of the Treasury, provide by Order for the payment out of moneys provided by Parliament of any sums required by him for any of the purposes specified in that subsection.

This Order provides for the payment in accordance with arrangements made with the African Development Fund of sums not exceeding £10 million to the capital stock of that Fund, (in accordance with the arrangements the sums will be linked to units of account having a par value based on the value of the International Monetary Fund Special Drawing Right rather than on the value of gold as is the case with the Fund unit of account at present), for the payment of any sums which may be required to maintain the value of any payment on the date of Parliamentary approval of that payment against the value from time to time of the said units of account, and for the redemption of non-interest-bearing and non-negotiable notes issued by the Minister of Overseas Development in payment of those payments. The Order further provides that certain sums which may be received by the Government of the United Kingdom from the Fund shall be paid into the Consolidated Fund.

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