

Nazia Rashid
Information officer

7 January 2011

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<http://www.ecgd.gov.uk>

Dear Mr Jones,

**REQUEST FOR INFORMATION UNDER THE FREEDOM OF INFORMATION ACT
2000: FOI(10)65**

I refer to your request for information below dated 21 December 2010:

"Interest rate on ECGD debts:

I would like to know what interest rate ECGD charges on the debts outstanding owed by low and middle income countries, what rate has been charged in the past, and what this interest rate is based on (e.g. Bank of England base rate, CIRR rates, UK gilt rates). If the interest is variable between countries, I would like to request the interest rate charged on debts of all countries which currently owe the ECGD money. To my knowledge these are: Argentina, Bosnia and Herzegovina, Cote D'Ivoire, Cuba, Ecuador, Egypt, Grenada, Indonesia, Iraq, Kenya, Pakistan, Serbia and Montenegro Somalia, Sudan, Togo, and Vietnam."

Your request for information has been considered under the Freedom of Information Act 2000 ("FOIA").

In response to your request for information, please note that for many years now under bilateral debt agreements ECGD has charged a 6-month floating interest rate of LIBOR corresponding to the currency of the debt plus 50bps. That is the case with all the countries other than Cuba and Sudan from whom no payments have been received since 1987 and 1984 respectively. Under these very old agreements fixed interest rates were charged. These varied at the time they were set at between 10.5% and 11% per annum under Cuba agreements and 10% and 12% per annum on Sudan.

In addition to the countries that you have listed above, please note that ECGD also has bilateral debt agreements with Antigua and Barbuda, and the Seychelles.

Finally, please also note that no amounts are owed to ECGD by Montenegro, and that, while debts are still owed by some Heavily Indebted Poor Countries, no amounts are payable by them and the debts will be fully cancelled following Completion Point in accordance with Government policy.

If you have any queries about this letter, please contact me. You should quote the reference number above in any future communications.

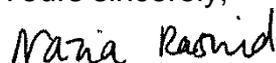
You may appeal against ECGD's decision-making in respect of this request by asking for an internal review to be carried out. If you wish to request an internal review you should write to Tahir Ahmed, Senior Information Officer, ECGD, PO Box 2200, 2 Exchange Tower, Harbour Exchange Square, London E14 9GS, or email information.access@ecgd.gsi.gov.uk.

If you are not content with the outcome of the internal review, assuming you request one, you have the right to apply directly to the Information Commissioner for a decision. The Information Commissioner can be contacted at:

Information Commissioner's Office
Wycliffe House
Water Lane
Wilmslow
Cheshire
SK9 5AF

If you are unhappy with the service you have received in relation to your request and wish to make a complaint you should write to Tahir Ahmed at the above address.

Yours sincerely,



Nazia Rashid
Information Officer