

No. 12635

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

**Exchange of notes constituting an agreement concerning a
development loan by the Government of the United
Kingdom to the Government of Tunisia (with annexes).
Tunis, 16 November 1972**

Authentic texts: English and French.

*Registered by the United Kingdom of Great Britain and Northern Ireland
on 19 June 1973.*

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

**Échange de notes constituant un accord relatif à l'octroi
d'un prêt de développement par le Gouvernement du
Royaume-Uni au Gouvernement tunisien (avec
annexes). Tunis, 16 novembre 1972**

Textes authentiques: anglais et français.

*Enregistré par le Royaume-Uni de Grande-Bretagne et d'Irlande du Nord le
19 juin 1973.*

EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE GOVERNMENT OF THE REPUBLIC OF TUNISIA CONCERNING A DEVELOPMENT LOAN BY THE GOVERNMENT OF THE UNITED KINGDOM TO THE GOVERNMENT OF TUNISIA

ÉCHANGE DE NOTES CONSTITUANT UN ACCORD¹ ENTRE LE GOUVERNEMENT DU ROYAUME-UNI DE GRANDE-BRETAGNE ET D'IRLANDE DU NORD ET LE GOUVERNEMENT DE LA RÉPUBLIQUE TUNISIENNE RELATIF À L'OCTROI D'UN PRÊT DE DÉVELOPPEMENT PAR LE GOUVERNEMENT DU ROYAUME-UNI AU GOUVERNEMENT TUNISIEN

I

Her Majesty's Ambassador at Tunis to the Ambassador-Director of International Co-operation at the Tunisian Ministry for Foreign Affairs

L'Ambassadeur de Sa Majesté britannique à Tunis à l'Ambassadeur-Directeur de la Coopération internationale au Ministère des affaires étrangères tunisien

BRITISH EMBASSY
TUNIS

16 November, 1972

Your Excellency,

I have the honour to refer to the recent discussions concerning development aid from the Government of the United Kingdom of Great Britain and Northern Ireland to the Government of the Republic of Tunisia and to inform Your Excellency that the Government of the United Kingdom are prepared to conclude an agreement with the Tunisian Government in the following terms. The position of the Government of the United Kingdom with regard to the provision of finance and the commitment of that Government and the Government of Tunisia as regards associated matters shall be as respectively set out in part A and part B below.

A. The Government of the United Kingdom declare that it is their intention to make available to the Government of Tunisia by way of a loan a sum not exceeding £500,000 (five hundred thousand pounds sterling) towards the cost of development projects to be agreed.

B. (1) The Government of the United Kingdom shall adopt the arrangements and procedures described in the following paragraphs of this Note insofar as they relate to things to be done by or on behalf of that Government. The Government of Tunisia shall adopt the arrangements and procedures so described insofar as they relate to things to be done by or on behalf of that Government.

¹ Came into force on 16 November 1972, the date of the note in reply, in accordance with the provisions of the said notes.

¹ Entré en vigueur le 16 novembre 1972, date de la note de réponse, conformément aux dispositions desdites notes.

(2) (a) For the purpose of these arrangements the Government of Tunisia shall, by a request in the form set out in annex A to this note, open a special account (hereinafter referred to as "the Account") with the Crown Agents for Oversea Governments and Administrations, 4 Millbank, London, SW1 (hereinafter referred to as "the Crown Agents"). The Account shall be operated in accordance with the instructions contained in the said request.

(b) As soon as the Account is opened and before taking any other step required by these arrangements for obtaining any part of the loan, the Government of Tunisia shall furnish the Government of the United Kingdom with a copy of their instructions to the Crown Agents given in accordance with the foregoing provisions of this paragraph. The Government of Tunisia, or the Crown Agents on their behalf, shall at the same time and so often as any change is made therein, notify the Government of the United Kingdom of the names of the officers who are duly authorised to sign on its behalf the Payment Orders and Requests for Drawing hereinafter provided and shall furnish a specimen signature in duplicate for each such officer.

(3) (a) Where the Government of Tunisia propose that part of the loan shall be allocated to the costs of a project, they shall forward to Government of the United Kingdom through the British Embassy a description of the project and its location and shall provide such further details as the Government of the United Kingdom may require.

(b) The Government of the United Kingdom shall notify the Government of Tunisia whether their proposal to allocate part of the loan to the costs of a project is approved, the amount of the loan approved as provisionally allocated towards the offshore sterling costs and local costs, and any special conditions attached to such approval. If the project has not previously been agreed between the Government of Tunisia and the Government of the United Kingdom, the approval of the Government of the United Kingdom of a proposal under this sub-paragraph shall constitute the agreement of the project.

(c) For the purposes of the loan "off-shore sterling costs" are defined as costs payable outside Tunisia, and "local costs" (which exclude import duty, sales tax or any other tax levied directly in Tunisia) as costs payable within Tunisia.

(4) Save and to the extent (if any) to which the Government of the United Kingdom may otherwise agree, drawings from the loan shall be used only:

(a) for payments under a contract for the purchase in the United Kingdom (which expression in this note shall be deemed to include the Channel Islands and the Isle of Man) of goods wholly produced or manufactured in the United Kingdom or in the case of chemical and allied products, goods which are duly declared to be of United Kingdom origin on the form set out in annex C (Chemicals) to this Note, or for work to be done or for services to be rendered by persons ordinarily resident or carrying on business in the United Kingdom or for two or more of such purposes, being a contract which:

(i) provides for payment in sterling to persons carrying on business in the United Kingdom; and

(ii) is approved on behalf of the Government of Tunisia and accepted by the Government of the United Kingdom for financing from the loan; and

(iii) is a contract entered into after the date of this Note and before 1 October 1973.

(b) for reimbursing the Government of Tunisia a proportion of payments made for a project by them being payments of costs incurred in Tunisia in respect of:

(i) the purchase of goods wholly produced or manufactured in Tunisia; or

(ii) the purchase in Tunisia, with the prior approval of the Government of the United Kingdom, of goods wholly produced or manufactured in the United Kingdom; or

(iii) the costs of services rendered by citizens of the United Kingdom and Colonies or citizens of Tunisia

in such proportion and in respect of such goods and services as are accepted by the Government of the United Kingdom for financing from the loan.

(c) for payment of charges and commissions due to the Crown Agents in respect of their services on behalf of the Government of Tunisia in connection with this loan.

(5) Where the Government of Tunisia propose that part of the loan shall be applied to a contract, that Government shall ensure that the Crown Agents acting on their behalf obtain at the earliest opportunity:

- (i) a copy of the contract, or of a notification in the form set out in annex B to this note; and
- (ii) two copies of a certificate from the United Kingdom contractor concerned in the form set out in annex C or annex C (Chemicals) (whichever is appropriate) to this note.

(6) (a) After the Crown Agents, acting on behalf of the Government of the United Kingdom, have considered the documents described in the foregoing provisions of this note, they shall decide whether and to what extent a contract is eligible for payment from the loan.

(b) To the extent that the Crown Agents acting on behalf of the Government of the United Kingdom so accept a contract or transaction and agree to payment from the Account, the Government of the United Kingdom shall, on receipt of a request from the Crown Agents acting on behalf of the Government of Tunisia in the form set out in annex C (i) to this note, make payments in sterling into the Account, and each such payment shall constitute a drawing on the loan.

(c) Unless the Government of the United Kingdom otherwise agree payments into the Account shall not be made after 31 March 1975.

(7) Withdrawals from the Account shall be made only in the manner and subject to the conditions set out in this paragraph:

- (a) for payments due under a contract to which paragraph B (4) (a) refers, withdrawals shall be made on receipt by the Crown Agents of Payment Certificates from the contractors concerned, in the form shown in annex E hereto and the invoices (or a photocopy or duplicate of such invoices) referred to therein, or the invoices only relating to contracts in respect of which a contract certificate in the form shown in annex C (Chemicals) hereto has been provided;
- (b) for reimbursements to the Government of Tunisia in the cases to which paragraph B (4) (b) refers, withdrawals shall be made in accordance with Payment Orders in the form shown in annex D to this note duly signed on behalf of that Government and countersigned on behalf of the Government of the United Kingdom. Each Payment Order shall be forwarded in duplicate to the Government of the United Kingdom for countersignature and shall be accompanied by a claim from the Government of Tunisia in the form shown in annex F to this note.
- (c) The amount of the loan finally allocated towards local costs shall not exceed 20 per cent (twenty per cent).
- (d) For payments to which paragraph B (4) (c) refers, the Crown Agents shall debit the Account.

(8) If any monies that have been paid out of the Account are subsequently refunded either by the Contractor or by the Guarantor, the Government of Tunisia shall, so long as there are payments to be made from the Accounts, pay an equivalent of such sums into the Account and, in any other case, apply the refund to the reduction of the loan.

(9) The Government of Tunisia shall repay to the Government of the United Kingdom in pounds sterling in London, the total sum borrowed under the arrangements set out in this Note, such repayments to 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 in relation to that date only the amount then outstanding need be paid.

INSTALMENTS

| <i>Date due</i> | <i>Amount</i> £ |
|---|--------------------|
| 1 June 1980 and on 1 June in each of the succeeding 17 years | 13,900 |
| 1 December 1980 and on 1 December in each of the succeeding 16 years | 13,900 |
| 1 December 1997 | 13,500 |

The Government of Tunisia shall pay to the Government of the United Kingdom in pounds sterling in London interest on drawings from the loan in accordance with the following provisions:

- (a) in respect of each drawing the rate of interest shall be 2 per cent (two per cent) per annum;
- (b) interest shall be calculated on a day-to-day basis on the balance of the loan for the time being outstanding;
- (c) the first payment of accrued interest shall be made on 1 June 1973 and subsequent payments shall be made on 1 December 1973 and thereafter on 1 June and on 1 December in each year until and including 1 December 1997.

(10) Notwithstanding the provisions of paragraph B (9) of this Note, the Government of Tunisia shall be free at any earlier time to repay to the Government of the United Kingdom in pounds sterling in London the whole or any part of the loan that is still outstanding.

(11) The Government of Tunisia shall ensure the provision of such finance additional to the loan finance provided in accordance with the arrangements set out in this note, as may be needed to complete each project.

(12) The Government of Tunisia shall supply to the Government of the United Kingdom an annual statement in duplicate in respect of local costs incurred on each project. The statement shall be countersigned by the appropriate audit authority of Tunisia and shall show the loan drawings made and the actual expenditure incurred during each financial year of the Government of Tunisia in accordance with the provisions of this note and any conditions on which a project was accepted for financing from this loan. Such statements shall be forwarded to the Government of the United Kingdom as soon as possible and, in any event, not later than twelve months after the end of each financial year of the Government of Tunisia.

(13) In relation to goods and services provided with finance from the loan, the Government of Tunisia shall permit officers from the British Embassy and other servants or agents of the British Government to inspect any such goods or the documents relating to any such goods and services and shall furnish such officers, servants or agents with such information relating to the goods and services as the latter may reasonably require.

(14) Any sum unspent out of the £500,000 shall be the subject of a fresh programme.

2. If the foregoing proposals are acceptable to the Government of Tunisia, I have the honour to propose that the present Note and its annexes together with Your Excellency's reply in that sense shall constitute an agreement between the two Governments which shall enter into force on the date of your reply and which shall be known as the United Kingdom/Tunisia Loan Agreement 1971.

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

A. R. K. MACKENZIE
Her Britannic Majesty's Ambassador

ANNEX A

GOVERNMENT OF THE REPUBLIC OF TUNISIA

To: The Crown Agents for Oversea Governments
and Administrations
4 Millbank
London, S.W.1.

United Kingdom/Tunisia Loan 1971

Dear Sirs,

1. I confirm your appointment as agents of the Government of the Republic of Tunisia (hereinafter called "the Government") in connection with the purchase and payment for goods, works and/or services under the terms of the above loan to the value of five hundred thousand pounds sterling.

2. I have to request you on behalf of the Government to open a Special Account in the name of the Government to be styled United Kingdom/Tunisia Loan 1971 Account (hereinafter called "the Account").

3. Payments into the Account will be made from time to time by Her Majesty's Government in the United Kingdom of Great Britain and Northern Ireland on receipt of requests in the form shown in annex C (i) to the United Kingdom/Tunisia Loan Agreement 1971 (a copy of which is attached hereto) and which you are hereby authorised to present on behalf of the Government. It is possible that, as a result of refunds becoming due from contractors, payments into the Account will also be made by the Government itself.

4. Payments from the Account are to be made only in respect of the payments and reimbursements described in paragraph B (4) of the above-mentioned Agreement and in the manner and subject to the conditions described in paragraph B (7) of that Agreement.

5. You are to send to the Government of the United Kingdom specimen signatures of the officers of the Crown Agents authorised to sign Request for Drawings on behalf of the Government.

6. Specimen signatures of the officers authorised to sign Payment Order on behalf of the Government in respect of claims originating in Tunisia are attached hereto.

7. Your charges and commissions for acting as our agents in connection with this loan shall be chargeable to the Account.

8. A copy of this letter has been sent to the Government of the United Kingdom.

Yours faithfully,

ANNEX B

NOTIFICATION OF CONTRACT

UNITED KINGDOM/TUNISIA LOAN 1971

To: The Government of the United Kingdom

Notification of Contract No.

The following are details of a contract under which it is proposed that payments shall be made in accordance with the terms and conditions of the above Loan.

1. Name and Address of United Kingdom Contractor:
2. Date of Contract:
3. Name of Purchaser:
4. Short description of goods:
and/or works or services:
5. Value of Contract: £
6. Terms of payment:

.....
Signed on behalf of the Government
of the Republic of Tunisia

Date

ANNEX C

Acceptance No

UNITED KINGDOM/TUNISIA LOAN 1971

CONTRACT CERTIFICATE

(For Chemicals and Allied Products use alternative "Certificate" overleaf)

Particulars of Contract

1. Date of Contract
2. Contract No
3. Description of goods or services to be supplied to the purchaser

If a number of items are to be supplied, a detailed list should be appended to this certificate.

4. Total contract price payable by purchaser (state CIF, C & F or FOB) £

If goods are to be supplied the following sections must be completed.

If the contractor is exporting agent only, the information requested should be obtained from manufacturer.

5. Estimated % of the FOB value of the goods not originating in the United Kingdom, but purchased by the contractor directly from abroad, i.e. % of imported raw material or components used to manufacture:

(a) % FOB value

(b) Description of items and brief specifications

6. If any raw material or components used originated from abroad, e.g. copper, asbestos, cotton, wood pulp, etc., but have been purchased in the United Kingdom by the contractor for this contract, specify:

(a) % FOB value

(b) Description of items and brief specifications

If services are to be supplied, the following section should also be completed.

7. State the estimated value of any work to be done or services performed in the purchaser's country by:

(a) Your firm (site engineer's charges, etc.)

(b) Local contractor

8. Qualifying remarks as necessary in respect of paragraphs 5, 6 or 7 above

9. I hereby declare that I am employed in the United Kingdom by the Contractor named below and have the authority to sign this certificate. I hereby undertake that in performance of the contract no goods or services which are not of United Kingdom origin will be supplied by the Contractor other than those specified in paragraphs 5, 6, 7 and 8 above.

Signed

Position held

Name and Address of Contractor

Date

NOTE: For the purpose of this declaration the United Kingdom includes the Channel Islands and the Isle of Man.

Contractors should note that goods should not be manufactured until acceptance has been notified.

For Official Use Only

Name or number of Project

| Amount committed | Date of entry | Acceptance | | Payments | | | |
|------------------|---------------|------------|----------|----------|--------|--------|----------|
| | | Date | Initials | Date | Amount | PA No. | Initials |
| £ | | | | | | | |

ANNEX C (CHEMICALS)

Requisition No.

UNITED KINGDOM/TUNISIA LOAN 1971

CONTRACT CERTIFICATE FOR CHEMICAL AND ALLIED PRODUCTS ONLY

1. Date of Contract Contract No

Project Title (if appropriate)

| 2. | Description of Product(s) to be supplied to Purchaser (Note A) | £ Price | U.K. Tariff Classification No. (Note B) | Is the product of U.K. origin? (See Note C) State Yes or No |
|-------|--|------------|---|--|
| | | | | |
| | | | | |
| | | | | |

3. Total [estimated] Contract Price payable by Purchaser in Sterling £

4. (Declaration) I hereby declare that I am employed in the United Kingdom by the contractor named below and have the authority to sign this certificate, and that the above information is correct

Signed

Position held

Name and Address of Contractor

.....

Date

NOTES:

A. This form is only to be used for chemical and allied products, most of which are covered by the appropriate sub-headings of chapters 15, 25, 28—35, and 37—40 of the U.K. Tariff.

B. See:

- (i) *H.M. Customs and Excise Tariff* H.M.S.O.
- (ii) *Classification of Chemicals in Brussels Nomenclature*, H.M.S.O.

C. (i) A product is regarded as 'U.K. origin' if made either wholly from indigenous U.K. materials or according to the appropriate EFTA qualifying process using imported materials wholly or in part.

(ii) The EFTA qualifying processes are set out in Schedule 1 of the "*EFTA Compendium for Use of Exporters*", H.M.S.O.

(iii) For the purposes of this declaration it is to be emphasised that the "alternative percentage criterion" DOES NOT APPLY.

(iv) The words 'Area Origin' where they appear in the above schedule must be taken to mean 'U.K. Origin' only.

(v) For the purposes of this declaration, the "Basic Materials List" (schedule III of the *EFTA Compendium*) does not apply.

(vi) If a qualifying process is not listed for the material in question, advice should be sought from CS4 Department, Crown Agents for Oversea Governments and Administrations, 4 Millbank, London, S.W.1.

D. For the purpose of this declaration the U.K. includes the Channel Islands and the Isle of Man.

ANNEX C (i)

UNITED KINGDOM/TUNISIA LOAN 1971

REQUEST FOR DRAWING

DF No.:

Dear Sirs,

Please pay the sum of £ to the United Kingdom/Tunisia Loan 1971 Account at the Crown Agents.

This sum shall on payment into the Account constitute a drawing on the loan.
The balance in hand is £

Yours faithfully,

for the Crown Agents
acting on behalf of the Government of Tunisia

Funding approvedODA

ANNEX D

UNITED KINGDOM/TUNISIA LOAN 1971

PAYMENT ORDER

Serial No.:

Dear Sirs,

.Account

You are hereby authorised to make reimbursement out of the above-mentioned account to the account of the Government of Tunisia of £ (.) in respect of expenditure incurred in Tunisia on the Project.

Signed on behalf of the Government
of the Republic of Tunisia:

.
.

Date

Reimbursement agreed

Signed on behalf of the Government
of the United Kingdom:

.
.

Date

To: The Crown Agents

ANNEX E

UNITED KINGDOM/TUNISIA LOAN 1971

PAYMENT CERTIFICATE

I hereby certify that

(i) the payments referred to in the invoices listed below, which or copies of which accompany this payment certificate, fall due and are due to be made in respect of Contract No dated between the contractor named below and [Purchaser] and are in accordance with the particulars of this contract notified in the contract certificate signed on behalf of the said contractor on

| <i>Contractor's Invoice No.</i> | <i>Date</i> | <i>Amount £</i> | <i>Short description of goods, works and/or services</i> |
|---------------------------------|-------------|---------------------|--|
|---------------------------------|-------------|---------------------|--|

(ii) The amounts specified in paragraph (i) do not include any additional foreign content to that declared in paragraphs 5, 6 or 7 of the contract certificate.

(iii) I have the authority to sign this certificate on behalf of the Contractor named below.

Signed

Position held

For and on behalf of

Name and Address of Contractor

Date

NOTE: For the purpose of this declaration the United Kingdom includes the Channel Islands and the Isle of Man.

ANNEX F

Serial No. of this Certificate

UNITED KINGDOM/TUNISIA LOAN AGREEMENT 1971

CERTIFICATE OF EXPENDITURE AND REQUEST FOR DRAWINGS

| | <i>Local expenditure</i> | <i>Imports from Britain</i> |
|---|------------------------------|---------------------------------|
| | £ | £ |
| Ministry | | |
| Project | | |
| Period in which expenditure incurred | | |
| <i>Section I. Reimbursable expenditure since date of last claim</i> | | |
| <i>(a) c.i.f. cost of imports from Britain purchased locally with prior approval of the Government of the United Kingdom (details overleaf)</i> | | |
| <i>(b) Other costs being local expenditure on the Project (in period shown)</i> | | |
| <i>(c) Proportion of paragraph (b) eligible for reimbursement being of local expenditure</i> | | |

| | |
|---|---|
| Amount now being claimed (d) (a) plus (c) | £ |
| <hr/> | |
| <i>Section II. Summary</i> | |
| (e) Estimated total of local costs of Project as approved | |
| (f) Costs covered by previous claims (copy paragraph (h) of the last claim submitted) | |
| (g) Costs covered by <i>this</i> claim (as paragraph (d) above) | |
| (h) Total reimbursement claimed to date | £ |

Section III. Certification

I certify that the above claim for £ (paragraph (d)) is correct and that the expenditure was incurred additional to that already claimed on previous certificates.

Date

Signature
(Ministry Accountant)

Date

Signature
(Ministry of Finance)

[TRADUCTION—TRANSLATION]

AMBASSADE BRITANNIQUE
TUNIS

Le 16 novembre 1972

Monsieur l'Ambassadeur,

[Voir note II]

J'ai l'honneur etc.

L'Ambassadeur de Sa Majesté britannique:

A. R. K. MACKENZIE

[Annexes comme sous la note II]

II

The Ambassador-Director of International Co-operation of the Tunisian Ministry for Foreign Affairs to Her Majesty's Ambassador at Tunis

L'Ambassadeur-Directeur de la Coopération internationale au Ministère des affaires étrangères tunisien à l'Ambassadeur de Sa Majesté britannique à Tunis

Tunis, le 16 novembre 1972.

Excellence,

J'ai l'honneur d'accuser réception de votre lettre en date de ce jour ainsi libellée :

« J'ai l'honneur de me référer aux notes que nous avons échangées récemment au sujet de l'aide au développement du Gouvernement du

- b) Autres frais constitués par des dépenses locales relatives au Programme (durant la période mentionnée)
- c) Partie du paragraphe b remplissant les conditions requises pour être remboursée étant
de dépenses locales

Montant demandé actuellement

d) a plus c

£

Rubrique II. Résumé

- e) Total estimatif des coûts locaux du Programme comme convenu
- f) Coûts couverts par des demandes antérieures¹ (copier paragraphe h de la dernière demande présentée)
- g) Coûts couverts par la présente demande (voir paragraphe d ci-dessus)
- h) Total des remboursements demandés à ce jour

£

Rubrique III. Certification

Je certifie que la demande ci-dessus de £ (paragraphe d) est correcte et que les dépenses furent encourues en supplément de celles déjà réclamées dans des attestations précédentes.

Date

Signature
(Comptable du Ministère)

Date

Signature
(Ministère des Finances)

[TRANSLATION¹—TRADUCTION²]

Tunis, 16 November 1972

Your Excellency,

I have the honour to acknowledge receipt of your letter of today's date which reads as follows:

[See note I]

I have the honour to confirm the agreement of my Government to the foregoing.

Please accept, Excellency, the assurance of my highest consideration.

Ambassador-Director of International Co-operation:

ALI HEDDA

[Annexes as under note I]

¹ Translation supplied by the Government of the United Kingdom.

² Traduction fournie par le Gouvernement du Royaume-Uni.