

No. 15948

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

Exchange of notes constituting an agreement concerning an interest-free loan by the Government of the United Kingdom to the Government of Mozambique (with appendices). Maputo, 17 August 1976

Authentic texts: English and Portuguese.

Registered by the United Kingdom of Great Britain and Northern Ireland on 6 October 1977.

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

Échange de notes constituant un accord relatif à un prêt franc d'intérêts par le Gouvernement du Royaume-Uni au Gouvernement du Mozambique (avec annexes). Maputo, 17 août 1976

Textes authentiques : anglais et portugais.

Enregistré par le Royaume-Uni de Grande-Bretagne et d'Irlande du Nord le 6 octobre 1977.

EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF MOZAMBIQUE CONCERNING AN INTEREST-FREE LOAN BY THE GOVERNMENT OF THE UNITED KINGDOM TO THE GOVERNMENT OF MOZAMBIQUE

I

Her Majesty's Ambassador at Maputo to the National Director of International Co-operation, Ministry of Development and Economic Planning of Mozambique

BRITISH EMBASSY
MAPUTO

17 August 1976

Sir,

United Kingdom/Mozambique Programme Loan 1976

1. I have the honour to inform you, with reference to the recent discussions between our Governments concerning economic co-operation, that it is the intention of the Government of the United Kingdom of Great Britain and Northern Ireland (hereinafter referred to as "the Government of the United Kingdom") to make available to the Government of the People's Republic of Mozambique (hereinafter referred to as "the Government of Mozambique") by way of an interest-free loan a sum not exceeding £5 million (five million pounds sterling) (hereinafter referred to as "the loan"), for the purchase of certain goods and services in the United Kingdom.

2. This Note sets out the arrangements and the procedures for the provision and repayment of the loan moneys so made available which, in so far as they relate to things to be done by or on behalf of, or to matters under the control of, the Government of the United Kingdom, my Government intend to adopt. It is the understanding of the Government of the United Kingdom that the Government of Mozambique intend to adopt these arrangements and procedures in so far as they relate to things to be done by or on behalf of, or to matters under the control of, the Government of Mozambique.

3. The goods and services to be purchased from the loan will be those set out in Appendix E to this Note; this Appendix may be amended hereafter by mutual agreement between our two Governments. Full details of the goods to be purchased will be forwarded to the Crown Agents for Overseas Governments and Administrations, 4 Millbank, London SW1P 3JD (hereinafter referred to as "the Crown Agents") who will arrange for the procurement and shipment thereof. Drawings from the loan will be applied, subject to paragraph 6 of this Note, to payments under contracts made for the purchase of goods and services.

¹ Came into force on 17 August 1976, the date of the note in reply, in accordance with the provisions of the said notes.

Initial procedure

4. For the purposes of this Agreement, the Government of Mozambique will, by a request in the form set out in Appendix A to this Note, open a special account (hereinafter referred to as "the Account") with the Crown Agents. The Account will be operated solely for the purposes of the loan and in accordance with the instructions contained in the said request.

5. As soon as the Account is opened, and before taking any other steps required by this Agreement for obtaining any part of the loan, the Government of Mozambique will furnish the Government of the United Kingdom with a copy of its instructions to the Crown Agents given in accordance with the foregoing provisions of paragraph 4. The Crown Agents acting on behalf of the Government of Mozambique will, at the same time and as often as any change is made therein, notify the Government of the United Kingdom of the names of the officers of the Crown Agents who are duly authorised to sign on its behalf the Requests for Drawing, and will furnish a specimen signature in duplicate of each such officer.

Eligible contracts

6. Save to the extent (if any) to which the Government of the United Kingdom notify the Government of Mozambique otherwise in writing, drawings from the loan will be used as provided in paragraph 3 of this Note only:

- (a) for payments under a contract for the purchase in the United Kingdom (which expression in this Note will 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 or allied products, goods which are duly declared to be of United Kingdom origin on the form set out in Appendix 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 such purposes), being a contract which:
- (i) provides for payment in sterling to persons carrying on business in the United Kingdom;
 - (ii) is approved by the Government of Mozambique and accepted by the Crown Agents acting on behalf of the Government of the United Kingdom for financing from the loan; and
 - (iii) is entered into after the date of this Note and before 31 March 1977 save as may be otherwise agreed between the two Governments;
- (b) for payments under a contract for the purchase of goods wholly produced in certain developing countries;
- (c) for payment of sterling charges and commission payable in the United Kingdom to the Crown Agents in respect of their services on behalf of the Government of Mozambique in connection with the loan.

Approval of contracts

7. Where the Government of Mozambique propose that part of the loan should be applied to payments under a contract as described in paragraph 6(a) or 6(b) of this Note, that Government will ensure that the Crown Agents acting on their behalf, obtain at the earliest opportunity:

- (a) a copy of the contract; and
- (b) two copies of a certificate from the United Kingdom contractor concerned in the form set out in Appendix C or Appendix C (Chemicals) (whichever is appropriate) to this Note.

Payments from the Account

8. After the Crown Agents, acting on behalf of the Government of the United Kingdom, have considered the documents referred to in paragraph 7 of this Note they will decide whether and to what extent a contract is eligible for payment from the loan.

9. To the extent that the Crown Agents, acting on behalf of the Government of the United Kingdom, so accept a contract and agree to payment from the Account, the Government of the United Kingdom will, on receipt of a request from the Crown Agents acting on behalf of the Government of Mozambique in the form set out in Appendix B to this Note, make payments in sterling into the Account and each such payment will constitute a drawing on the loan.

10. Unless the Government of the United Kingdom otherwise agree payments into the Account will not be made after 31 March 1978.

11. Withdrawals from the Account will be made only in the manner and subject to the conditions set out in this paragraph:

(a) for payments due under a contract in the cases to which paragraphs 6(a) or 6(b) of this Note refer, withdrawals will be made only on receipt by the Crown Agents of:

(i) Payment Certificates from the contractors concerned in the form shown in Appendix D to this Note and the invoices referred to therein; or

(ii) the invoices only relating to contracts in respect of which a Contract Certificate in the form shown in Appendix C (Chemicals) to this Note has been provided;

(b) for payments to which paragraph 6(c) of this Note refers, the Crown Agents will debit the Account and will inform the Government of Mozambique of the amount so debited;

(c) photocopies or duplicates of invoices may be submitted instead of the originals for the purpose of this paragraph.

12. If any moneys that have been paid out of the Account are subsequently refunded either by a contractor or by a guarantor the Government of Mozambique will pay an equivalent of such sums into the Account.

13. Six months after the date of the last credit to the Account in accordance with paragraph 10 of this Note, any balance remaining in the Account will be remitted to the Government of the United Kingdom in reduction of the loan.

14. Goods will be shipped and insured in accordance with normal commercial competitive practice and not be directed to ships or companies of any particular flag or country. Provided payments for these services are made in sterling in the United Kingdom they may be met from the loan.

Repayment

15. The Government of Mozambique will 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 for that instalment only the amount then outstanding need be paid:

[INSTALMENTS]¹

<i>Date due</i>	<i>Amount</i>
17 February 1984 and each 17 August and 17 February thereafter until 17 February 2001 inclusive	£138,900
17 August 2001	£138,500

16. The Government of Mozambique will, for the purposes of the repayment arrangements, advise the Government of the United Kingdom not less than three months before the first repayment of principal in sterling becomes due under the terms of this Note the name and address of its agent in London through whom repayments will be made and at the same time issue a standing authority to its agent to make payments of the amounts in sterling on the dates specified in this Note, sending a copy of the authority to the Government of the United Kingdom.

17. Notwithstanding the provision of paragraph 15 of this Note, the Government of Mozambique will 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 outstanding.

18. The Government of Mozambique will permit officers of the British Embassy and other servants or agents of the Government of the United Kingdom to examine on arrival any such goods or the documents relating to any such goods and services and afterwards will furnish such officers, servants or agents with such information relating to the use of the goods and services as the latter may reasonably require.

19. All orders placed with the Crown Agents to be financed under this loan will be authorised by the Ministry of Development and Economic Planning, and the Government of Mozambique will forward a certificate of end use in the form of Appendix F to the Government of the United Kingdom.

20. If the foregoing proposals are acceptable to the Government of Mozambique I have the honour to propose that this Note and its Appendices together with your reply in that sense shall constitute an agreement between our two Governments which shall enter into force on the date of your reply and which shall be known as "the United Kingdom/Mozambique Programme Loan 1976".

21. This exchange of Notes is drawn up in the English and Portuguese languages both texts being equally authentic.

Please accept, Sir, the assurances of my highest consideration.

J. H. LEWEN

APPENDIX A

The Crown Agents for Overseas Governments
and Administrations
4 Millbank
London, SW1P 3JD

Dear Sirs,

United Kingdom/Mozambique Programme Loan 1976

1. I confirm your appointment as agents of the Government of the People's Republic of Mozambique (hereinafter called "the Government") in connection with the administration in the United Kingdom of the above-mentioned loan which is for a sum not exceeding £5,000,000.

¹ Text between brackets appears only in the authentic Portuguese text.

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/Mozambique Programme Loan 1976 Account (hereinafter called "the Account").

3. Payments into the Account will be made from time to time by the Government of the United Kingdom of Great Britain and Northern Ireland on receipt of requests in the form shown in Appendix B to the Exchange of Notes between the British Ambassador in Maputo and the Government of the People's Republic of Mozambique dated 17 August 1976 (a copy of which is attached hereto) and which you are authorised to present on behalf of the Government. The amount of the loan to be drawn on any one occasion will be sufficient, together with any balance which may be available in the Account, to cover the payments properly due from the loan in accordance with paragraphs 3 and 6 of the Exchange of Notes. 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 amounts falling due under the provisions of paragraph 3 and in respect of contracts and transactions described in paragraph 6 of the Exchange of Notes referred to above and in the manner and subject to the conditions described in paragraph 11 of the said Exchange of Notes.

5. You are to send to the Government at the end of each month a detailed statement showing all debits and credits to the Account during the month.

6. You are to send to the Government of the United Kingdom specimen signatures of the Officers of the Crown Agents authorised to sign Requests for Drawing on behalf of the Government.

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 addressed to the Government of the United Kingdom.

Yours faithfully,

For the Government

A P P E N D I X B

UNITED KINGDOM/MOZAMBIQUE PROGRAMME LOAN 1976

REQUEST FOR DRAWING

The Crown Agents for Overseas Governments
and Administrations
4 Millbank
London, SW1P 3JD

D.F. No.

Dear Sirs,

Please pay the sum of £ to the United Kingdom/Mozambique Programme Loan 1976 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 on behalf
of the Government of

Funding Approved ODM
Finance Department
Ministry of Overseas Development
Eland House
Stag Place
London, S.W.1

A P P E N D I X C

UNITED KINGDOM/MOZAMBIQUE PROGRAMME LOAN 1976

[Application No
Acceptance No.]¹

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

¹ Text between brackets appears only in the authentic Portuguese text.

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			Initials
		Date	Initials	Date	Amount	PA no.	

APPENDIX C (CHEMICALS)

UNITED KINGDOM/MOZAMBIQUE PROGRAMME LOAN 1976

[Application No.]¹

**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? (Note C)
			State Yes or No
.....
.....
.....

3. Total (estimated) Contract Price payable by Purchaser in Sterling £

¹ Text between brackets appears only in the authentic Portuguese text.

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 United Kingdom Tariff.

B. See:

(i) *Her Majesty's 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 "United Kingdom origin" if made either wholly from indigenous United Kingdom 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 Exports*, 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 "United Kingdom 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 for Department N4, Crown Agents for Overseas Governments and Administrations, 4 Millbank, London, SW1P 3JD.

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

A P P E N D I X D

UNITED KINGDOM/MOZAMBIQUE PROGRAMME LOAN 1976

[Application No. of the Crown Agents
 Suppliers' Contract Reference]¹

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 particulars of this contract notified in the contract certificate signed on behalf of the said contractor on

¹ Text between brackets appears only in the authentic Portuguese text.

<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 already 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.

APPENDIX E

UNITED KINGDOM/MOZAMBIQUE PROGRAMME LOAN 1976

<i>List of goods and services</i>	<i>Pounds sterling</i>
40 Leyland trucks	240,000
100 Leyland bus chassis	800,000
450 Landrover vehicles	1,350,000
Vehicle spare parts	950,000
Air conditioning system for textile factory	337,000
Textile machinery	375,000
4 tractors and spares	63,000
Spares and tyres for aircraft	325,000
Electrical generating plant and transformers and substation for Manica	332,000
Electrical generating plant for Espungabera	8,000
Mobile generating plant for Manica province	40,000
Transformers and supporting equipment for Chingodzi airport	100,000
Agricultural hand tools	80,000
	5,000,000
(Reserve item: spares for sugar mills	350,000)

APPENDIX F

CERTIFICATE OF END-USE — UNITED KINGDOM/MOZAMBIQUE
PROGRAMME LOAN 1976

On behalf of the Government of the People's Republic of Mozambique, I certify that the end-use of the following order will be:

1. Order—Description
2. Description of end-use
 - A. Economic Sector
 - B. Institution
 - C. Location
 - D. Other information

The order number is

.....
For the Government of the People's
Republic of Mozambique

..... 19 (date)

[PORTUGUESE TEXT — TEXTE PORTUGAIS]

EMBAIXADA BRITÂNICA
MAPUTO

17 de Agosto de 1976

Senhor Director,

Empréstimo Programado do Reino Unido a Moçambique—1976

1. Tenho a honra de o informar, reportando-me às recentes conversações entre os nossos Governos sobre a cooperação económica, que é intenção do Governo do Reino Unido da Grã-Bretanha e da Irlanda do Norte (aqui referido seguidamente como “o Governo do Reino Unido”) pôr à disposição do Governo da República Popular de Moçambique (aqui referido seguidamente como “o Governo de Moçambique”), por meio de um empréstimo não remunerado, uma importância que não exceda o limite de 5 milhões de libras esterlinas (cinco milhões de libras esterlinas) (seguidamente aqui referido como “o empréstimo”), destinado à compra de certos bens e serviços no Reino Unido.

2. A presente Nota destina-se ao estabelecimento das condições e processos que o meu Governo se dispõe a adoptar quanto às entregas e ao reembolso das somas postas à disposição em execução do empréstimo, enquanto tais condições e processos impliquem actos que devam ser praticados pelo Governo do Reino Unido, ou que devam ser praticados sob a sua responsabilidade, ou que respeitem a matérias sob o seu controlo. O Governo do Reino Unido fica ciente de que o Governo de Moçambique se dispõe a adoptar igualmente os mencionados processos e condições na medida em que impliquem actos que devam ser por ele praticados, ou praticados sob a sua responsabilidade, ou ainda que respeitem a matérias sob o seu controlo.

II

The National Director of International Co-operation, Ministry of Development and Economic Planning of Mozambique to Her Majesty's Ambassador at Maputo

Maputo, 17 August, 1976

United Kingdom/Mozambique Programme Loan 1976

Your Excellency,

I have the honour to acknowledge the receipt of Your Excellency's Note of today's date reading as follows:

[See note I]

This Exchange of Notes is drawn up in the English and Portuguese languages, both texts being equally authentic.

Please accept, Your Excellency, the assurances of my highest consideration.

Yours faithfully,

FILIFE DE B. FERREIRA

For the National Directorate for International Co-operation

[Appendices as under note I]

[PORTUGUESE TEXT — TEXTE PORTUGAIS]

Maputo

Empréstimo Programado do Reino Unido a Moçambique—1976

Excelência,

Tenho a honra, de acusar a recepção da Nota de Vossa Excelência da data de hoje, e cujo texto é o seguinte:

[See note I— Voir note I]

Esta troca de Notas está redigida em Inglês e em Português, sendo ambos textos considerados igualmente autênticos.

Peço a Vossa Excelência que aceite os protestos da minha mais alta consideração.

Direcção Nacional de Cooperação Internacional
aos 17 de Agosto de 1976

Pel'a Direcção Nacional,
FILIFE DE B. FERREIRA

[Appendices as under note I— Annexes comme sous la note I]