

No. 18250

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

**Exchange of notes constituting an agreement concerning a  
refinancing loan (with appendix). Ankara, 2 and  
17 November 1978**

*Authentic text: English.*

*Registered by the United Kingdom of Great Britain and Northern Ireland  
on 30 January 1980.*

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

**Échange de notes constituant un accord concernant un prêt  
de refinancement (avec annexe). Ankara, 2 et 17 novem-  
bre 1978**

*Texte authentique : anglais.*

*Enregistré par le Royaume-Uni de Grande-Bretagne et d'Irlande du Nord  
le 30 janvier 1980.*

EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT<sup>1</sup>  
BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM  
OF GREAT BRITAIN AND NORTHERN IRELAND AND THE  
GOVERNMENT OF THE REPUBLIC OF TURKEY CON-  
CERNING A REFINANCING LOAN

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I

*Her Majesty's Ambassador at Ankara to the Head of Department  
at the Ministry of Finance of Turkey*

BRITISH EMBASSY  
ANKARA

2 November 1978

Sir,

1. I have the honour to refer to the Agreed Minute on the Consolidation of Debt of the Republic of Turkey which was reached in the Working Party of the OECD Turkey Consortium on 20 May 1978, and to inform you 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 Republic of Turkey (hereinafter referred to as "the Government of Turkey") by way of a refinancing loan a sum not exceeding £3,729,417.14p sterling (hereinafter referred to as "the loan") for the purpose of enabling the Government of Turkey to pay on the due dates maturities on various aid loans listed in appendix 1 to this Note (hereinafter referred to as "the aid loans"), falling due between 21 May 1978 and 30 June 1979, both dates inclusive.

2. 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, or to matters under the control of, that Government. The Government of Turkey shall adopt the arrangements and procedures so described insofar as they relate to things to be done by or on behalf of, or to matters under the control of that Government.

ARRANGEMENTS FOR THE LOAN

3. For the purpose of the arrangements specified in this Note the Government of the United Kingdom shall open a special account (hereinafter referred to as "the Account") within the Ministry of Overseas Development (hereinafter referred to as "the Ministry"). The Account shall be operated solely for the purposes of the loan.

4. The loan shall not be used to meet the cost of any taxes or fees imposed directly or indirectly by the Government of Turkey.

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<sup>1</sup> Came into force on 17 November 1978, the date of the note in reply, in accordance with the provisions of the said notes.

5. For the purposes of the loan the Government of Turkey shall delegate to the Ministry all responsibility for payment from the Account.

6. For maturities of capital and interest on the aid loans that fall due for payment between 21 May 1978 and the date of this Note, the Government of the United Kingdom shall now draw from the Account the sum required to clear the payments due. These payments shall be deemed to have been made on the due dates.

7. For maturities of capital and interest on the aid loans that fall due for payment between the date immediately after the date of this Note and 30 June 1979, the Government of the United Kingdom shall draw from the Account on the due date the sum required to clear the payment falling due.

8. The Government of the United Kingdom shall provide the Government of Turkey on 31 December 1978 and thereafter at three monthly intervals details of the precise amounts and dates of each issue from the Account.

9. Unless the Government of the United Kingdom agrees otherwise in writing, no payment shall be made from the loan after 30 June 1979.

#### REPAYMENT

10. The Government of Turkey 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 shall 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	
<i>Date due</i>	<i>Amount (£)</i>
31 December 1978 .....	186,500
30 June 1979 .....	186,500
31 December 1979 .....	186,500
30 June 1980 .....	186,500
30 June 1981 and each 31 December and 30 June until 30 June 1985 inclusive .....	298,350
31 December 1985 .....	298,267.14p

11. The Government of Turkey 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) The rate of interest in respect of each drawing shall be 3% per annum commencing from the date on which the original maturities financed from the drawing fell due;
- (b) Interest shall be calculated on a day-to-day basis on the balance of the total drawings from the loan for the time being outstanding, after deduction of the total repayments made under the provisions of paragraph 10, the drawings

being reduced in chronological order by such repayments for the purposes of the calculation;

- (c) The first payment of accrued interest shall be made on 31 December 1978 and subsequent payments shall be made on 30 June and 31 December in each year.

12. The Government of Turkey shall advise the Government of the United Kingdom not less than one month before the first payment of interest in sterling becomes due under the terms of this Note the name and address of its agent in London through whom payments of interest in sterling shall be made and at the same time issue a standing authority to this agent to make payment of the amounts of interest in sterling as advised by the Government of the United Kingdom as being due for payment. The Government of Turkey shall also issue a standing authority to its agent through whom repayments of principal shall be made to make payments of the amount in sterling on the date specified in this Note, sending a copy of the authority to the Government of the United Kingdom.

13. If the foregoing proposals are acceptable to the Government of Turkey, I have the honour to propose that the present Note and its appendix together with your 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/Turkey Refinancing Loan Agreement 1978".

I avail myself of this opportunity to convey to you, Sir, the assurance of my highest consideration.

DEREK DODSON

## APPENDIX I

### TURKEY: SCHEDULE OF PRINCIPAL AND INTEREST PAYMENTS TO ODM TO BE MADE ON OR BEFORE 30 JUNE 1979

No.	Agreement	Date payment falls due	Principal	Interest	Totals
1	Turkey 1966	31. 7.78	73,200	—	73,200
	Goods and services	31. 1.79	73,200	—	73,200
2	Turkey 1967	1.10.78	61,000	—	61,000
	Goods and services	1. 4.79	61,000	—	61,000
3	Turkey No. 1 1968	15. 7.78	24,500	—	24,500
	Leyland buses	15. 1.79	24,500	—	24,500
4	Turkey No. 2 1968	1.10.78	61,000	—	61,000
	Goods and services	1. 4.79	61,000	—	61,000
5	Turkey No. 3 1968	10.10.78	48,600	—	48,600
	Steel pipe plant	10. 4.79	48,600	—	48,600
6	Turkey No. 4 1968	1.10.78	6,700	—	6,700
	Bosphorous bridge consultancy	1. 4.79	6,700	—	6,700
7	Turkey No. 5 1968	1. 7.78	24,500	—	24,500
	Goods and services	1. 1.79	24,500	—	24,500
8	Turkey No. 1 1969	1.10.78	61,000	—	61,000
	Goods and services	1. 4.79	61,000	—	61,000

No.	Agreement	Date payment falls due	Principal	Interest	Totals
9	Turkey No. 2 1969	1.10.78	27,000	—	27,000
	Goods and services	1. 4.79	27,000	—	27,000
10	Turkey No. 3 1969	1.11.78	35,000	—	35,000
	Polyethylene plant expansions	1. 5.79	35,000	—	35,000
11	Turkey 1970	30. 9.78	87,500	53,199.14	140,699.14
	Bosphorous bridge	31. 3.79	87,500	51,449.14	138,949.14
12	Turkey No. 2 1970	1.10.78	24,500	—	24,500
	Goods and services	1. 4.79	24,500	—	24,500
13	Turkey No. 3 1970	1.10.78	28,000	9,720.00	37,720
	Goods and services	1. 4.79	28,000	9,440.00	37,440
14	Turkey 1971	1. 6.78	182,400	53,689.63	236,089.63
	Fertiliser plants	1.12.78	182,400	52,518.00	234,918.00
		1. 6.79	182,400	51,940.00	234,340.00
15	Turkey No. 2 1971	1. 9.78	—	15,000.00	15,000.00
	Goods and services	1. 3.79	41,700	15,000.00	56,700.00
16	Turkey 1974	15. 7.78	—	11,544.33	11,544.33
	Topraksu on farm development	15. 1.79	—	11,553.42	11,553.42
17	Turkey 1976	1. 7.78	—	26,513.61	26,513.61
	Gemlik ammonia	1. 1.79	—	33,199.90	33,199.90
TOTALS			1,713,900	394,767.17	2,108,667.17

TURKEY: SCHEDULE OF PRINCIPAL AND INTEREST PAYMENTS TO ECGD  
TO BE MADE ON OR BEFORE 30 JUNE 1979

No.	Agreement	Date payment falls due	Principal	Interest	Totals
1	Turkey 1963 (A)	31.10.78	49,000	27,142.50	76,142.50
		30. 4.79	49,000	25,764.375	74,764.375
2	Turkey 1963 (B)	31.10.78	29,000	18,203.75	47,203.75
		30. 4.79	29,000	17,370.00	46,370.00
3	2nd Turkey 1963	31.10.78	27,000	17,655.625	44,655.625
		30. 4.79	27,000	16,879.375	43,879.375
4	Turkey 1964	31.10.78	81,000	58,665.00	139,665.00
		30. 4.79	81,000	56,133.75	137,133.750
5	2nd Turkey 1964	31.10.78	81,000	63,901.875	144,901.875
		30. 4.79	81,000	61,117.500	142,117.500
6	Turkey 1965	31.10.78	54,000	43,111.250	97,111.250
		30. 4.79	54,000	41,322.500	95,322.500
7	Turkey (polythene)	31. 7.78	54,000	55,785.00	109,785.00
		31. 1.79	54,000	53,861.25	107,861.25
8	2nd Turkey 1965	31. 7.78	54,000	49,336.25	103,336.25
		31. 1.79	54,000	47,378.75	101,378.75
9	Turkey (V C plant)	31. 7.78	27,000	28,066.86	55,066.86
		31. 1.79	27,000	27,054.36	54,054.36
TOTALS			912,000	708,749.97	1,620,749.97

## II

*The Head of Department at the Ministry of Finance of Turkey  
to Her Majesty's Ambassador at Ankara*

17 November 1978

Sir,

I have the honour to acknowledge receipt of Your Excellency's Note of 2 November 1978 which reads as follows:

[*See note I*]

I have the honour to confirm that the foregoing proposals are acceptable to the Government of Turkey and that your Note and this reply constitute an agreement between our two Governments in this matter which shall enter into force today and shall be known as the United Kingdom/Turkey Refinancing Loan Agreement 1978.

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

For the Government of the Republic  
of Turkey:

EROL HÜRBAS

[*Appendix as under note I*]

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