

No. 19827

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

**Exchange of notes constituting an agreement concerning
a refinancing loan—*Loan No. 1* (with appendices).
Ankara, 5 December 1980**

Authentic text: English.

*Registered by the United Kingdom of Great Britain and Northern Ireland on
3 June 1981.*

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

**Échange de notes constituant un accord concernant un prêt
de refinancement — *Prêt n° 1* (avec appendices).
Ankara, 5 décembre 1980**

Texte authentique : anglais.

*Enregistré par le Royaume-Uni de Grande-Bretagne et d'Irlande du Nord
le 3 juin 1981.*

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 TURKEY CONCERNING A REFINANCING LOAN — *LOAN No. 1*

I

*Her Majesty's Ambassador at Ankara to the Director General
of the Treasury and OIEC, Ministry of Finance of Turkey*

BRITISH EMBASSY
ANKARA

5 December 1980

Sir,

The United Kingdom/Turkey Refinancing Loan Agreement (No. 1) 1980

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 on the OECD Turkey Consortium on 25 July 1979, 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 £3,403,599.44 sterling (three million, four hundred and three thousand, five hundred and ninety-nine pounds forty-four pence sterling) (hereinafter referred to as "the loan") for the purpose of enabling the Government of Turkey to pay maturities on various aid loans listed in appendix 1 (a) and 1 (b) to this Note (hereinafter referred to as "the aid loans") which fell due between 1 July 1979 and 30 June 1980, 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 Overseas Development Administration (hereinafter referred to as "the ODA"). 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.

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

¹ Came into force on 5 December 1980 by the exchange of the said notes.

6. For maturities of capital and interest on the aid loans, 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.

REPAYMENT

7. 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:

<i>Date Due</i>	<i>Amount £</i>
1 April 1980	170,180
1 October 1980	170,180
1 April 1981	170,180
31 December 1983	289,306
30 June 1984	289,306
31 December 1984	289,306
30 June 1985	289,306
31 December 1985	289,306
30 June 1986	289,306
31 December 1986	289,306
30 June 1987	289,306
31 December 1987	289,306
30 June 1988	289,305.44

Notwithstanding these provisions, the Government of Turkey shall be free to repay in pounds sterling in London at any earlier time than is specified herein any amount of the loan that is outstanding.

8. 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 cent 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 7, the drawings being reduced in chronological order by such repayments for the purposes of the calculation.
- (c) The first and second payments of accrued interest, which were due on 31 December 1979 and 30 June 1980 should now be made while subsequent payments shall be made on 30 June and 31 December in each year.

9. The Government of Turkey shall on sending a reply to this Note advise the Government of the United Kingdom of 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.

10. If the foregoing proposals are acceptable to the Government of Turkey, I have the honour to propose that the present Note together with its appendices and Your Excellency's reply in that sense shall constitute an Agreement between the two

Governments which shall enter into force on today's date, and which shall be known as "the United Kingdom/Turkey Refinancing Loan Agreement (No. 1) 1980".

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

P. H. LAURENCE

APPENDIX 1 (a)

SCHEDULE OF PRINCIPAL AND INTEREST PAYMENTS TO THE OVERSEAS DEVELOPMENT ADMINISTRATION ("ODA") TO BE MADE ON OR BEFORE 30 JUNE 1980

Agreement	Date payment falls due	Principal	Interest	Totals
		£	£ i p.	£ p.
Goods and Services 1966	31. 7.79	73,200	—	73,200
	31. 1.80	73,200	—	73,200
Goods and Services 1967	1.10.79	61,000	—	61,000
	1. 4.80	61,000	—	61,000
Leyland Buses 1968 (1)	15. 7.79	24,500	—	24,500
	15. 1.80	24,500	—	24,500
Goods and Services 1968 (2)	1.10.79	61,000	—	61,000
	1. 4.80	61,000	—	61,000
Steel Pipe Plant 1968 (3)	10.10.79	48,600	—	48,600
	10. 4.80	48,600	—	48,600
Bosporous Bridge Consultancy 1968 (4) .	1.10.79	6,700	—	6,700
	1. 4.80	6,700	—	6,700
Goods and Services 1968 (5)	1. 7.79	24,500	—	24,500
	1. 1.80	24,500	—	24,500
Goods and Services 1969 (1)	1.10.79	61,000	—	61,000
	1. 4.80	61,000	—	61,000
Goods and Services 1969 (2)	1.10.79	27,000	—	27,000
	1. 4.80	27,000	—	27,000
Polythene Plant 1969 (3)	1.11.79	35,000	—	35,000
	1. 5.80	35,000	—	35,000
Bosporous Bridge 1970	30. 9.79	87,500	49,699.14	137,199.14
	31. 3.80	87,500	47,949.14	135,449.14
Goods and Services 1970 (2)	1.10.79	24,500	—	24,500
	1. 4.80	24,500	—	24,500
Goods and Services 1970 (3)	1.10.79	28,000	9,160.00	37,160.00
	1. 4.80	28,000	8,880.00	36,880.00
Fertiliser Plants 1971	1.12.79	29,400	—	29,400
	1. 6.80	29,400	—	29,400
Fertiliser Plants 1971 (Bearing Portion)	1.12.79	153,000	50,391.20	203,391.20
	1. 6.80	153,000	48,880.00	201,880.00
Goods and Services 1971 (2)	1. 9.79	41,700	14,583.00	56,283.00
	1. 3.80	41,700	14,166.00	55,866.00
Topraksu-on-Farm Dev 1974	15. 7.79	—	11,502.84	11,502.84
	15. 1.80	—	11,595.62	11,595.62
Gemlik Ammonia Plant 1976	1. 7.79	—	27,801.28	27,801.28
	1. 1.80	—	27,801.28	27,801.28
Sub totals		1,573,200	322,409.50	1,895,609.50
Minus payments already made		— 24,500	— 27,801.28	— 52,301.28
TOTALS		1,548,700	294,608.22	1,843,308.22

APPENDIX 1 (b)

SCHEDULE OF PRINCIPAL AND INTEREST PAYMENTS TO THE EXPORT CREDITS GUARANTEE
DEPARTMENT ("ECGD") TO BE MADE ON OR BEFORE 30 JUNE 1980

No. Agreement	Payment due	Principal		Interest		Total	
		£	p.	£	p.	£	p.
1 Turkey 1963 (A)	31 October 1979	49,000.00		24,386.25		73,386.25	
	30 April 1980	49,000.00		23,008.13		72,008.13	
2 Turkey 1963 (B)	31 October 1979	29,000.00		16,500.00		45,500.00	
	30 April 1980	29,000.00		15,630.00		44,630.00	
3 2nd Turkey 1963	31 October 1979	27,000.00		16,069.37		43,069.37	
	30 April 1980	27,000.00		15,259.37		42,259.37	
4 Turkey 1964	31 October 1979	81,000.00		53,602.50		134,602.50	
	30 April 1980	81,000.00		51,071.25		132,071.25	
5 2nd Turkey 1964	31 October 1979	81,000.00		58,333.13		139,333.13	
	30 April 1980	81,000.00		55,548.75		136,548.75	
6 Turkey 1965	31 October 1979	54,000.00		39,533.75		93,533.75	
	30 April 1980	54,000.00		37,745.00		91,745.00	
7 Turkey (Polythene) 1965	31 July 1979	54,000.00		51,937.50		105,937.50	
	31 January 1980	54,000.00		49,912.50		103,912.50	
8 2nd Turkey 1965	31 July 1979	54,000.00		45,353.75		99,353.75	
	31 January 1980	54,000.00		43,328.75		97,328.75	
9 Turkey (V C Plant) 1965	31 July 1979	27,000.00		26,041.86		53,041.86	
	31 January 1980	27,000.00		25,029.36		52,029.36	
TOTALS		912,000.00		648,291.22		1,560,291.22	

II

*The Director General of the Treasury and OIEC, Ministry of Finance of Turkey
to Her Majesty's Ambassador at Ankara*

5 December 1980

Sir,

I have the honour to acknowledge receipt of Your Excellency's Note of 5th December 1980 which reads as follows:

[See note I]

I have the honour to confirm that the foregoing proposals are acceptable to the Government of Turkey who therefore agree that your Note and its appendices together with this reply constitute an Agreement between the two Governments in this matter which shall enter into force on today's date and shall be known as "the United Kingdom/Turkey Refinancing Loan Agreement (No. 1) 1980".

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:

TUNÇ BILGET

[Appendices as under note I]