

No. 22814

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

**Exchange of notes constituting an agreement constituting
the United Kingdom/Turkey Project Aid Loan 1983.
Ankara, 3 May 1983**

Authentic text: English.

*Registered by the United Kingdom of Great Britain and Northern Ireland
on 29 March 1984.*

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

**Échange de notes constituant un accord relatif à un prêt du
Royaume-Uni à la Turquie pour une assistance à divers
projets en 1983. Ankara, 3 mai 1983**

Texte authentique : anglais.

*Enregistré par le Royaume-Uni de Grande-Bretagne et d'Irlande du Nord
le 29 mars 1984.*

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 CONSTITUTING THE UNITED KINGDOM/TURKEY PROJECT AID LOAN 1983

I

Her Majesty's Ambassador at Ankara to the Minister of Finance of Turkey

BRITISH EMBASSY
ANKARA

3 May 1983

Your Excellency,

The United Kingdom/Turkey Project Aid Loan 1983

I have the honour to inform you that it is the intention of the Government of the United Kingdom of Great Britain and Northern Ireland to make available to the Government of the Republic of Turkey by way of a loan, a sum not exceeding £15,000,000 (fifteen million pounds sterling) (hereinafter referred to as "the loan") to be allocated to specific projects to be mutually determined by our respective Governments.

2. Save to the extent to which my Government notifies your Government otherwise in writing, the loan allocations will be used to make direct payments for goods or services wholly produced in and supplied from the United Kingdom as may be mutually determined by our Governments at the time of each project approval. Allocations shall be made in accordance with the Procedures and Practices Applicable to the Expenditure of United Kingdom Capital Aid Resources except that sections A III, A V, B III and Appendix E and all references to them shall not apply.

3. Unless my Government otherwise accepts, the period for the disbursement of this loan expires on 31 March 1986.

4. The loan shall not be used to meet the cost of any taxes, fees, import or customs duties imposed directly or indirectly by your Government on goods and services provided.

5. Project allocations shall be determined when each project is agreed by our two Governments.

6. The Crown Agents for Oversea Governments and Administrations shall where appropriate procure and arrange shipment of the goods purchased in the United Kingdom and funded from the loans and shall use their best efforts to arrange shipment of goods on an equitable basis using Turkish and British vessels.

¹ Came into force on 3 May 1983, the date of the note in reply, in accordance with the provisions of the said notes.

7. Goods shall be shipped and insured in accordance with normal commercial competitive practice.

8. Your Government shall permit my Government's authorised personnel to visit any project in respect of which loan drawings are applied and shall furnish them with such information as regards the project, its progress and financing as they require.

9. Your Government shall provide such finance additional to the loan as may be required to complete the agreed projects and shall ensure that it is provided during the same period as the loan and in accordance with any programme of disbursement mutually determined by our two Governments.

10. Your Government shall ensure that all goods and all services of a continuing nature for which payment has been financed from the loan shall be employed for the purposes for which and by the user or users for whom they were supplied, for as long as their being so employed remains feasible. In the event of such goods or services not being, or ceasing to be, so employed my Government shall have the right to recover forthwith from your Government the value of the goods and services concerned.

11. Your Government shall repay to my Government in pounds sterling in London the total amount drawn from the loan. The sum of the amounts repaid by your Government on or before each of the dates shown below shall not be less than the cumulative total shown against the date concerned, except that if on any such date the total amount drawn from the loan is less than the cumulative total shown against that date, your Government need on that date repay only the amount necessary to ensure that the total amount drawn from the loan has been repaid:

<i>Date</i>	<i>Cumulative total amount of repayments £</i>
12 July 1988	375,000
12 January 1989	750,000
12 July 1989	1,125,000
12 January 1990	1,500,000
12 July 1990	1,875,000
12 January 1991	2,250,000
12 July 1991	2,625,000
12 January 1992	3,000,000
12 July 1992	3,375,000
12 January 1993	3,750,000
12 July 1993	4,125,000
12 January 1994	4,500,000
12 July 1994	4,875,000
12 January 1995	5,250,000
12 July 1995	5,625,000
12 January 1996	6,000,000
12 July 1996	6,375,000
12 January 1997	6,750,000
12 July 1997	7,125,000
12 January 1998	7,500,000
12 July 1998	7,875,000
12 January 1999	8,250,000
12 July 1999	8,625,000

<i>Date</i>	<i>Cumulative total amount of repayments £</i>
12 January 2000	9,000,000
12 July 2000	9,375,000
12 January 2001	9,750,000
12 July 2001	10,125,000
12 January 2002	10,500,000
12 July 2002	10,875,000
12 January 2003	11,250,000
12 July 2003	11,625,000
12 January 2004	12,000,000
12 July 2004	12,375,000
12 January 2005	12,750,000
12 July 2005	13,125,000
12 January 2006	13,500,000
12 July 2006	13,875,000
12 January 2007	14,250,000
12 July 2007	14,625,000
12 January 2008	15,000,000

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

12. Your Government shall pay interest to the Government of the United Kingdom in pounds sterling in London, on drawings from the loan, in accordance with the following provisions:

- (a) The rate of interest in respect of each drawing shall be 6 per cent (six per cent) per annum commencing from the drawn-down date of the relevant drawing;
- (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 11, the drawings being reduced in chronological order by such repayments for the purposes of the calculation, and
- (c) The first payment of accrued interest shall be made on 12 July 1983 and subsequent payments shall be made on 12 January and on 12 July in each year, save that if no drawing has been made by 12 July 1983 interest shall only be payable from the twelfth day of July or the twelfth day of January following the first drawing.

13. If the foregoing proposals are acceptable to the Government of Turkey, I have the honour to propose that the present Note together with Your Excellency's reply in that sense shall constitute an agreement between the Government of the United Kingdom and the Government of the Republic of Turkey which shall enter into force on the date of Your Excellency's reply and which shall be known as the United Kingdom/Turkey Project Aid Loan 1983.

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

R. M. RUSSELL

II

The Minister of Finance of Turkey to Her Majesty's Ambassador at Ankara

MINISTRY OF FINANCE

ANKARA

3 May 1983

Your Excellency,

The United Kingdom/Turkey Project Aid Loan 1983

I have the honour to acknowledge receipt of Your Excellency's Note of 3rd May 1983 which reads as follows:

[See note I]

I have the honour to confirm that the foregoing proposals are acceptable to the Government of the Republic 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 Project Aid Loan 1983.

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

ADNAN BAŞER KAFAOĞLU