

No. 9451

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

Exchange of notes constituting an agreement concerning an interest-free development loan by the Government of the United Kingdom of Great Britain and Northern Ireland to the Government of the Republic of Turkey (with annexes). Ankara, 6 August 1968

Authentic text: English.

Registered by the United Kingdom of Great Britain and Northern Ireland on 3 March 1969.

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

Échange de notes constituant un accord relatif à l'octroi par le Gouvernement du Royaume-Uni de Grande-Bretagne et d'Irlande du Nord au Gouvernement de la République de Turquie d'un prêt de développement sans intérêt (avec annexes). Ankara, 6 août 1968

Texte authentique: anglais

Enregistré par le Royaume-Uni de Grande-Bretagne et d'Irlande du Nord le 3 mars 1969.

EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹
BETWEEN THE GOVERNMENT OF THE UNITED KING-
DOM OF GREAT BRITAIN AND NORTHERN IRELAND
AND THE GOVERNMENT OF THE REPUBLIC OF TUR-
KEY CONCERNING AN INTEREST-FREE DEVELOP-
MENT LOAN BY THE GOVERNMENT OF THE UNITED
KINGDOM OF GREAT BRITAIN AND NORTHERN IRE-
LAND TO THE GOVERNMENT OF THE REPUBLIC OF
TURKEY

I

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

BRITISH EMBASSY

Ankara, 6 August, 1968

Your Excellency,

I have the honour to refer to the discussions that have taken place between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Republic of Turkey about future British development aid, and to inform you that it is the intention of the Government of the United Kingdom to make an interest-free loan not exceeding £ 275,000 (two hundred and seventy-five thousand pounds sterling) to enable the Government of Turkey to retain Freeman, Fox and Partners (hereinafter referred to as "the Contractors") for the purpose of designing and supervising the erection of a bridge across the Bosphorus (hereinafter referred to as "the bridge"). The Government of the United Kingdom will act in this matter through the Ministry of Overseas Development (hereinafter referred to as "the Ministry").

2. In so far as they relate to things to be done by or on their behalf, the Governments of the United Kingdom, and of Turkey, shall adopt the arrangements and procedures set out below:

¹ Came into force on 6 August 1968, the date of the note in reply, in accordance with the provisions of the said notes.

(1) *Special Account.* By a request in the form set out in Annex A to this Note, the Central Bank of the Republic of Turkey acting on behalf of the Government of Turkey shall open a special account (hereinafter referred to as "the Account") with a bank in London (hereinafter referred to as "the Bank").

- (a) The Account shall be operated solely for the purposes of the loan and in accordance with the instructions contained in the request.
- (b) As soon as the Account has been opened and before taking any other step required by these arrangements for obtaining any part of the loan, the Government of Turkey shall furnish the Ministry with a copy of the Government's instructions to the Bank given in accordance with the foregoing provisions of this paragraph. The Government of Turkey shall at the same time and so often as any change is made therein, notify the Ministry of the names of the officers who are duly authorised to sign on its behalf the Payment Authorities hereinafter provided and shall furnish a specimen signature in duplicate of each such officer.
- (c) The Government of Turkey shall ensure that the Bank forwards monthly to the Ministry a statement of receipts to and payments from the Account.
- (d) Unless the Ministry otherwise agree, payments into the Account will not be made after the 31st of March, 1973.

(2) *Drawings from the loan.* Unless the Ministry otherwise agree, drawings from the loan shall be used only for payments due in sterling under a contract (hereinafter referred to as "the Contract") dated the 5th of February, 1968 between Freeman, Fox and Partners and the Ministry of Public Works General Directorate of Highways of the Government of Turkey for the provision of Engineering Services to be rendered by Freeman, Fox and Partners of London in connection with the Bosphorus Strait Suspension Bridge, subject to such contract being accepted by the Ministry for financing from the loan.

(3) *Submission of Contract documents.* The Government of Turkey shall ensure that a copy of the Contract and two copies of a certificate from the Contractor, in the form set out in Annex B to this Note, are forwarded to the Ministry at the earliest opportunity; shall inform the Ministry if any amendments are subsequently made to the contract and ensure that any relevant supplementary documents are forwarded to the Ministry as soon as possible; and shall provide any additional information about the Contract which the Ministry may request. After due consideration of the documents and other information submitted to it, the Ministry shall notify the Government of Turkey, in the form set out in Annex C to this Note whether, and to what extent, it accepts that the Contract is eligible for payment from the loan.

(4) *Payments into the Account.* The Government of Turkey shall submit requests for payments to be made in the form set out in Annex D to this Note, giving details of the payments due and about to be made. To the extent that the Ministry approves these requests and agrees to payment out of the account it shall then make payments in sterling into the Account and these shall constitute drawings on the loan.

(5) *Withdrawals from the Account.* Withdrawals from the Account shall be made only in accordance with Payment Authorities in the form shown in Annex E to this Note, duly signed on behalf of the Government of Turkey and countersigned by the Ministry. Each Payment Authority shall be forwarded in duplicate to the Ministry and shall be accompanied by Payment Certificates from the Contractors in the form shown in Annex F to this Note and the invoices (or duplicates thereof) to which reference is made.

(6) *Refund of monies into the Account.* If any monies that have been paid out of the Account are subsequently refunded either by the Contractors or by a guarantor the Government of Turkey shall, so long as there are payments to be made from the Account, pay an equivalent of such sums into the Account and, in any other case, apply the refunds to the reduction of the loan.

(7) *Repayment for the Loan.* The Government of Turkey shall repay to the Ministry, the total sum borrowed, in pounds sterling, in London. Payments shall be made in accordance with the following repayments schedule until the total sum borrowed has been repaid.

INSTALMENTS	
<i>Due</i>	<i>Amount £</i>
1st October, 1970	1,100
1st April, 1971	1,100
1st October, 1971	2,200
1st April, 1972	2,200
1st October, 1972	3,300
1st April, 1973	3,300
1st October, 1973	4,400
1st April, 1974	4,400
1st October, 1974	5,500
1st April, 1975	5,500
1st October, 1975 and on the 1st October in each of the succeeding 17 years	6,700
1st April, 1976 and on the 1st April in each of the suc- ceeding 16 years	6,700
1st April, 1993	7,500

Save only that

(a) the Government of Turkey shall be free at any earlier time to repay to the Ministry in pounds sterling in London the whole or any part of the loan that is still outstanding; and

(b) the Government of Turkey shall not be required to repay in any instalment a sum larger than the amount of the loan then outstanding for repayment.

(8) *Provision of local facilities.* The Government of Turkey shall provide the Contractors with all local facilities which they may reasonably require for the efficient and expeditious discharge of the Contract.

(9) *Provision of further finance.* The Government of Turkey shall use its best endeavours to ensure that finance is forthcoming on reasonable terms for the construction of the bridge, and for any other purpose germane to the Contract but not covered by this loan; so that the work of designing the bridge may be followed as speedily as possible by the work of construction, and supervision.

(10) *Provision of further information.* In addition to the documents and other information required in connection with the Contract, and set out in paragraph 2 (3) of this Note, the Government of Turkey shall:

(a) make available to the Ministry any further studies that may be prepared on the economic benefits to be gained from the construction of the bridge;

(b) inform the Ministry of the progress made in arranging finance for the construction of the bridge, and in particular inform the Ministry, when the design stage has been completed, of plans for the construction of the bridge; and

(c) permit officers of Her Britannic Majesty's Embassy at Ankara and other servants or agents of the British Government to visit the site of the bridge; and furnish their agents with all the information relating to the execution of the contract that they may reasonably require.

3. If the foregoing proposals are acceptable to the Government of the Republic of Turkey, I have the honour to suggest that the present Note, 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 shall be referred to as the United Kingdom/Turkey (Bosphorus Bridge Consultancy) Loan, No. 4, 1968.

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

Roger ALLEN