

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

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 the Sudan (with annexes). Khartoum, 17 October and 11 December 1968

Authentic text: English.

Registered by the United Kingdom of Great Britain and Northern Ireland on 8 August 1969.

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

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 du Soudan d'un prêt de développement sans intérêt (avec annexes). Khartoum, 17 octobre et 11 décembre 1968

Texte authentique : anglais.

Enregistré par le Royaume-Uni de Grande-Bretagne et d'Irlande du Nord le 8 août 1969.

EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT ¹
CONCERNING AN INTEREST-FREE DEVELOPMENT
LOAN BY THE GOVERNMENT OF THE UNITED KING-
DOM OF GREAT BRITAIN AND NORTHERN IRELAND
TO THE GOVERNMENT OF THE REPUBLIC OF THE
SUDAN

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*The Counsellor at Her Majesty's Embassy, Khartoum, to the Under-Secretary
at the Sudanese Ministry of Finance and Economics*

BRITISH EMBASSY
KHARTOUM

17 October, 1968

Your Excellency,

I have the honour to refer to the discussions concerning development aid from the Government of the United Kingdom of Great Britain and Northern Ireland to the Government of the Sudan to inform Your Excellency that the Government of the United Kingdom are prepared to conclude an Agreement with the Sudan Government on this question. The position of the Government of the United Kingdom with regard to the provision of finance and the commitments of that Government and of the Government of the Sudan as regards associated matters shall be as respectively set out in part A and part B below:

A. The Government of the United Kingdom declare that it is their intention, acting by the Ministry of Overseas Development (hereinafter referred to as "the Ministry"), to make available to the Government of the Sudan by way of an interest-free loan a sum not exceeding £200,000 (two hundred thousand pounds sterling) for the purpose of that development providing financial assistance to the Sudan Railways Corporation towards the cost of the purchase of ten diesel electric locomotives.

B. (1) The Government of the United Kingdom shall adopt the arrangements

¹ Came into force on 11 December 1968 by the exchange of the said notes.

and procedures described in the following paragraphs of this Note in so far as they relate to things to be done by or on behalf of that Government. The Government of the Sudan shall adopt the arrangements and procedures so described in so far as they relate to things to be done by or on behalf of that Government.

(2) (a) For the purposes of these arrangements the Government of the Sudan shall, by a request in the form set out in Annex A to this Note, open a special account (hereinafter referred to as "the Account") with a bank in London (hereinafter referred to as "the Bank"). The Account shall be operated solely for the purposes of the loan and in accordance with the instructions contained in the said request.

(b) As soon as the Account is opened and before taking any other step required by these arrangements for obtaining any part of the loan the Government of the Sudan 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 the Sudan 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 the Sudan 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 March, 1969.

(3) Save to the extent (if any) to which the Ministry may otherwise agree, drawings from the loan shall be used only for: Payments under a contract between the English Electric Company Limited and the Sudan Railways Corporation (hereinafter referred to as "the Contract") for the purchase of ten diesel electric locomotives wholly produced or manufactured in the United Kingdom, being a contract which:

(a) provides for payment in sterling in the United Kingdom; and

(b) is approved on behalf of the Government of the Sudan and accepted by the Ministry for financing from the loan.

(4) (a) The Government of the Sudan shall ensure that there are forwarded at the earliest opportunity to the Ministry:

- (i) a copy of the Contract; and
- (ii) two copies of a certificate from the Contractor in the form set out in Annex B to this Note.

(b) The Government of the Sudan shall ensure that the Ministry is informed if at any time the Contract is amended or if liability is incurred or is to be incurred thereunder to a greater or lesser amount than the amount specified in the relevant documents forwarded in accordance with the foregoing provisions; and in any of

these cases the Government of the Sudan shall ensure that there are forwarded as soon as possible to the Ministry the relevant supplementary or revised documents.

(5) (a) After the Ministry has considered the documents forwarded, in pursuance of the procedure described in the foregoing provisions of this Note and any additional information which it may request from the Government of the Sudan for this purpose (and which shall then be supplied by or on behalf of that Government), the Ministry shall notify that Government in the form set out in Annex B (i) to this Note whether and to what extent it accepts that the Contract is eligible for payment from the loan.

(b) To the extent that the Ministry so accepts the Contracts and agrees to payment from the Account, it shall, on receipt of a request duly signed by or on behalf of the Government of the Sudan, in the form set out in Annex C to this Note, giving details of the payments due and about to be made, make payments in sterling into the Account and each such payment shall constitute a drawing on the loan.

(6) Withdrawals from the Account shall be made only in accordance with Payment Authorities in the form shown in Annex D hereto duly signed on behalf of the Government of the Sudan and countersigned by the Ministry. Each Payment Authority shall be forwarded in duplicate to the Ministry for counter-signature and shall be accompanied by Payment Certificates from the Contractor in the form shown in Annex E hereto and the invoices (or a photo-copy or duplicate of such invoices) referred to therein, for retention by the Ministry.

(7) If any monies that have been paid out of the Account are subsequently refunded either by the Contractor or by a guarantor the Government of the Sudan 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.

(8) The Government of the Sudan shall repay to the Ministry in pounds sterling in London the total sum borrowed under the arrangements set out in this Note, such repayment 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 shall be paid:

INSTALMENTS

<i>Dates due</i>	<i>Amount £</i>
10th April, 1971	800
10th October, 1971	800
10th April, 1972	1,600

<i>Dates due</i>	<i>Amount £</i>
10th October, 1972	1,600
10th April, 1973	2,400
10th October, 1973	2,400
10th April, 1974	3,200
10th October, 1974	3,200
10th April, 1975	4,000
10th October, 1975	4,000
10th April, 1976 and on the 10th April in each of the succeeding 17 years	4,900
10th October, 1976 and on the 10th October in each of the succeeding 16 years	4,900
10th October, 1993	4,500

(9) Notwithstanding the provisions of paragraph (8) of this Note, the Government of the Sudan 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.

(10) The Government of the Sudan shall ensure the provision of such finance additional to the loan finance provided in accordance with the arrangements set out in this Note, as may be needed to complete payments under the contract.

(11) The Government of the Sudan shall charge interest at the rate of six per cent annum to the Sudan Railways Corporation in respect of the finance provided in accordance with the arrangements set out in this Note.

2. If the foregoing proposals are acceptable to the Government of the Sudan, 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 into force on the date of your reply, and the Agreement shall be referred to as the United Kingdom/Sudan Loan, 1968.

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

Norman REDDAWAY