



Treaty Series No. 8 (1970)

## Exchange of Notes

concerning an Interest-free Development  
Loan by the Government of the  
United Kingdom of Great Britain and  
Northern Ireland to the Government  
of the Democratic Republic of the Sudan

(United Kingdom/Sudan Loan (No. 1) 1969)

Khartoum, 23 August 1969

[The Agreement entered into force on 23 August 1969]

*Presented to Parliament  
by the Secretary of State for Foreign and Commonwealth Affairs  
by Command of Her Majesty  
January 1970*

LONDON

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**EXCHANGE OF NOTES  
CONCERNING AN INTEREST-FREE DEVELOPMENT LOAN BY  
THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT  
BRITAIN AND NORTHERN IRELAND TO THE GOVERNMENT  
OF THE DEMOCRATIC REPUBLIC OF THE SUDAN**

No. 1

*Her Majesty's Ambassador at Khartoum to the Minister of  
Planning of the Sudan*

Note No. 186

*British Embassy,  
Khartoum.*

Your Excellency,

*23 August, 1969.*

I have the honour to refer to the recent discussions concerning development aid from the Government of the United Kingdom of Great Britain and Northern Ireland to the Government of the Democratic Republic of the Sudan and to inform Your Excellency that the Government of the United Kingdom are prepared to conclude an Agreement with the Government of the Democratic Republic of the Sudan in the following terms. 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 Democratic Republic 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 to make available to the Government of the Democratic Republic of the Sudan by way of an interest-free loan a sum not exceeding £459,000 (Four hundred and Fifty-nine thousand pounds sterling) towards the cost of new sluice gates and ancillary equipment at the Sennar Dam.
- B. (1) The Government of the United Kingdom shall adopt the arrangements 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 Democratic Republic 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 Democratic Republic 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 Democratic Republic of the Sudan shall furnish the Government of the United Kingdom 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 Democratic Republic of the Sudan shall at the same time and so often as any change is made therein notify the Government of the United Kingdom of the names of the officers who are duly authorised to sign on its behalf the Payment Authorities, Payment Orders and Requests for Drawing hereinafter provided and shall furnish a specimen signature in duplicate of each such officer.
- (c) The Government of the Democratic Republic of the Sudan shall ensure that the Bank forwards monthly to the Government of the United Kingdom a statement of receipts to and payments from the Account.
- (3) Save to the extent (if any) to which the Government of the United Kingdom may otherwise agree, drawings from the loan shall be used only:
- (a) For payments under a contract for the purchase in the United Kingdom (which expression in this Note shall be deemed to include the Channel Islands and the Isle of Man) of goods wholly produced or manufactured in the United Kingdom or for work to be done or for services to be rendered by persons ordinarily resident or carrying on business in the United Kingdom or for two or more of such purposes, being a contract which:
- (i) provides for payment in sterling to persons carrying on business in the United Kingdom; and
  - (ii) is approved on behalf of the Government of the Democratic Republic of the Sudan and accepted by the Government of the United Kingdom for financing from the loan.
- (b) For reimbursing the Government of the Democratic Republic of the Sudan a proportion of the costs of consultancy services (including the services of architects and quantity surveyors) provided by a firm of consultants carrying on business in the United Kingdom and selected in consultation with, and on terms approved by, the Government of the United Kingdom, being such proportion as is accepted by the Government of the United Kingdom for financing from the loan.
- (4) (a) Where the Government of the Democratic Republic of the Sudan proposes that part of the loan shall be applied to a contract, that Government shall ensure that there are forwarded at the earliest opportunity to the Government of the United Kingdom:
- (i) a copy of the contract; and
  - (ii) two copies of a certificate from the contractor concerned in the United Kingdom in the form set out in Annex B to this Note.

- (b) The Government of the Democratic Republic of the Sudan shall ensure that the Government of the United Kingdom is informed if at any time a contract (being a contract in respect of which documents have been forwarded, in accordance with the foregoing provisions) 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 so forwarded; and in any of these cases the Government of the Democratic Republic of the Sudan shall ensure that there are forwarded as soon as possible to the Government of the United Kingdom, the relevant supplementary or revised documents.
- (5) (a) After the Government of the United Kingdom has considered the documents forwarded, in respect of any contract 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 Democratic Republic of the Sudan for this purpose (and which that Government shall then supply), the Government of the United Kingdom shall notify that Government in the form set out in Annex B (i) to this Note whether and to what extent it accepts that a contract is eligible for payment from the loan.
- (b) To the extent that the Government of the United Kingdom so accepts a contract and agrees to payment from the Account, it shall, on receipt of a request from the Government of the Democratic Republic of the Sudan, in the form set out in Annex C to this Note, giving details of the payment due and about to be made, make payments in sterling into the Account, and each such payment shall constitute a drawing on the loan.
- (c) Unless the Government of the United Kingdom otherwise agrees payments into the Account shall not be made after the 31st March 1973.
- (6) Withdrawals from the Account shall be made only in the manner and subject to the conditions set out hereunder:
- (a) For payments due under a contract in the cases to which paragraph B. (3) (a) refers, withdrawals shall be made in accordance with Payment Authorities in the form shown in Appendix D hereto duly signed on behalf of the Government of the Democratic Republic of the Sudan and countersigned by the Government of the United Kingdom. Each Payment Authority shall be forwarded in duplicate to the Government of the United Kingdom for countersignature and shall be accompanied by Payment Certificates from the contractors concerned, in the form shown in Appendix E hereto and the invoices (or a photo-copy or duplicate of such invoices) referred to therein for retention by the Government of the United Kingdom.
- (b) For reimbursements in the cases to which paragraph B. (3) (b) refers, withdrawals shall be made in accordance with Payment Orders in the form shown in Appendix D (i) hereto duly signed on behalf of the Government of the Democratic Republic of the

Sudan and countersigned by the Government of the United Kingdom. Each Payment Order shall be forwarded in duplicate to the Government of the United Kingdom for countersignature and shall be accompanied by a copy of the invoice (or a photo-copy or duplicate of such invoice) from the firm or firms of consultants concerned.

- (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 Democratic Republic 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.

### Repayment

- (8) The Government of the Democratic Republic of the Sudan 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 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>Date Due</i>					<i>Amount</i>
					£
10th October 1971	...	...	...	...	1,900
10th April 1972	...	...	...	...	1,900
10th October 1972	...	...	...	...	3,800
10th April 1973	...	...	...	...	3,800
10th October 1973	...	...	...	...	5,700
10th April 1974	...	...	...	...	5,700
10th October 1974	...	...	...	...	7,600
10th April 1975	...	...	...	...	7,600
10th October 1975	...	...	...	...	9,500
10th April 1976	...	...	...	...	9,500
10th October 1976 and on the 10th October in each of the succeeding 17 years	...	...	...	...	11,200
10th April 1977 and on the 10th April in each of the succeeding 16 years	...	...	...	...	11,200
10th April 1994	...	...	...	...	10,000

- (9) Notwithstanding the provisions of paragraph (8) of this Note, the Government of the Democratic Republic of the Sudan shall be free at any earlier time to repay to the Government of the United Kingdom in Pounds Sterling in London the whole or any part of the loan that is still outstanding.

(10) The Government of the Democratic Republic 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 the project.

2. If the foregoing is acceptable to the Government of the Democratic Republic 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 enter into force on the date of your reply, and the Agreement shall be referred to as the United Kingdom/Sudan Loan (No. 1) 1969.

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

ROBERT FOWLER

ANNEX A

GOVERNMENT OF THE DEMOCRATIC REPUBLIC  
OF THE SUDAN

To: The Manager,

..... Bank Ltd.,

London.

Dear Sir,

**United Kingdom/Sudan Loan (No. 1) 1969**

1. I have to request you on behalf of the Government of the Democratic Republic of the Sudan (hereinafter called "the Government") to open an account in the name of the Government to be styled the United Kingdom/Sudan Loan (No. 1) 1969 Account (hereinafter called "the Account").

2. Payments into the Account may be made from time to time by Her Majesty's Government in the United Kingdom of Great Britain and Northern Ireland. It is possible that, as a result of refunds becoming due from contractors, payments into the Account will also be made by the Government itself.

3. Payments from the Account are to be made only against Payment Authorities in the form marked "D" and against Payment Orders in the form marked "D (i)" attached hereto duly signed on behalf of the Government and countersigned on behalf of the Government of the United Kingdom.

4. You are to send to the Government of the United Kingdom at the end of each month a detailed statement showing all debits and credits to the Account during the month.

5. You will notify the Sudan Embassy in London from time to time of the amount required to be drawn from the loan so that the amount so drawn, together with any balance which may be available in the Account, will be sufficient to cover the total value of payments due under Payment Authorities and Payment Orders duly signed on behalf of the Government and countersigned on behalf of the Government of the United Kingdom.

6. The following persons are severally authorised to sign Payment Authorities and Payment Orders on behalf of the Government:

- 1.
- 2.
- 3.
- 4.

Specimens of the signature of each of the above are attached in duplicate.

7. Specimen signatures of the officers authorised to countersign Payment Authorities and Payment Orders on behalf of the Government of the United Kingdom will be sent to you direct.

8. No charges and commissions claimed by you in respect of the operation of the Account are to be debited to the Account.

9. A copy of this letter has been sent to the Government of the United Kingdom.

Yours faithfully,

ANNEX B

United Kingdom/Sudan Loan (No. 1) 1969

CONTRACT CERTIFICATE

*Particulars of Contract*

1. Date of Contract	Contract Number	
	<i>United Kingdom Origin</i>	<i>Non-United Kingdom Origin</i>
2. Description of goods and/or works and services to be supplied to the Purchaser		
	<i>Sterling</i>	<i>Other Currency, if any</i>
3. Total [estimated] contract price payable by Purchaser		
4. Estimated amounts, if any, paid or to be paid by the Contractor in respect of goods or services of non-United Kingdom origin procured or to be procured and used for the purposes of the Contract	In respect of non-United Kingdom goods and services: (a) goods or materials, (b) work to be done or services performed in Buyer's country, (c) know-how, (d) plans, designs and technical documentation, (e) other services.	<i>Amount    Description</i>

5. I hereby declare that I am employed in the United Kingdom by the Contractor named below and have the authority to sign this Certificate. I hereby undertake that, in performance of the Contract, no goods or services which are not of United Kingdom origin will be supplied by the Contractor other than those specified in paragraph 4 above.

Signed .....

Position held .....

Name and address of Contractor .....

Date .....

*Note:* For the purposes of this declaration, the United Kingdom includes the Channel Islands and the Isle of Man.



ANNEX B (i)

**United Kingdom/Sudan Loan (No. 1) 1969**

To:

We are pleased to inform you that we accept  
We regret to inform you that we cannot accept

the Contract, particulars of which are set out in the copy certificate attached hereto, as eligible for payment from the above-mentioned loan to the extent of £

Date .....

.....  
Signed on behalf of the Government  
of the United Kingdom.

ANNEX C

United Kingdom/Sudan Loan (No. 1) 1969

REQUEST FOR DRAWING

The following payments are expected to fall due under contracts accepted under the terms of the above-mentioned loan:

Name and address of Beneficiary	Contract No.	Date payment is due	Amount £

The amount available in the Special Account to meet the above payments is £                      and a further payment into the Account of £                      is hereby requested.

The sum of £                      now requested shall, on payment into the Account, constitute a drawing on the loan.

Date .....

.....  
Signed on behalf of the Government  
of the Democratic Republic of the  
Sudan.

To: The Ministry of Overseas Development,  
Finance Department,  
Eland House, Stag Place,  
London, S.W.1.

ANNEX D

United Kingdom/Sudan Loan (No. 1) 1969

PAYMENT AUTHORITY

To: The Manager,

Serial No.

..... Bank Ltd.,

.....

Dear Sir,

..... Account

You are hereby authorised to make the following payments from the above account on the dates stated:

Name and address of Beneficiary	Contract No.	Date	Amount

This is to certify that the payments stated above are due in sterling to the beneficiaries named under the Contracts noted who are carrying on business in the United Kingdom, the Channel Islands or the Isle of Man.

Date .....

.....  
Signed on behalf of the Government  
of the Democratic Republic of the  
Sudan

Date .....

.....  
Countersigned on behalf of the  
Government of the United Kingdom

APPENDIX D (i)

United Kingdom/Sudan Loan (No. 1) 1969

PAYMENT ORDER

Serial No.:

Dear Sir,

..... Account

I have to request authority to make reimbursement out of the above-mentioned account to the account of the Government of the Democratic Republic of the Sudan of the following amounts in respect of the under-mentioned contracts:

Name and address of Contractors	Project/ Contract No./ Reference	Date of payment	Amount of payment

This is to certify that the payments stated above have been made on the dates as shown under the contracts noted to the Contractors named.

Signed on behalf of the Government of the Democratic Republic of the Sudan

.....  
.....

Date .....

To: The Ministry of Overseas Development, Reimbursement agreed.

Countersigned on behalf of the Government of the United Kingdom

.....  
.....

Date .....

To: The Manager, ..... Bank Ltd., .....

ANNEX E

**United Kingdom/Sudan Loan (No. 1) 1969**

**PAYMENT CERTIFICATE**

I hereby certify that

- (i) the payments referred to in the invoices listed below which, or copies of which, accompany this Payment Certificate, fall due and are to be made in respect of Contract No. .... dated ..... between the Contractor named below and the Government of the Democratic Republic of the Sudan, and are in accordance with the particulars of this Contract notified in the Contract Certificate, signed on behalf of the said Contractor on .....

Contractor's Invoice No.	Date	Amount £	Short description of goods or services

- (ii) there are included in the above-mentioned invoices the following amounts in respect of the non-United Kingdom goods or services specified in paragraph 4 of the Contract Certificate:
- (a) £
  - (b) £
  - (c) £
  - (d) £
  - (e) £
- (iii) apart from the amounts specified in paragraph (ii) all the amounts specified in paragraph (i) are payable in respect of goods and services of United Kingdom origin.
- (iv) I have the authority to sign this certificate on behalf of the Contractor named below.

Signed .....

Position held .....

For and on behalf of .....

Name and address of Contractor .....

Date .....

*Note:* For the purposes of this declaration, the United Kingdom includes the Channel Islands and the Isle of Man.

No. 2

*The Minister of Planning of the Sudan to Her Majesty's  
Ambassador at Khartoum*

Your Excellency,

23rd August, 1969.

I have the honour to acknowledge receipt of Your Excellency's Note No. 186 dated 23 August, 1969 which reads as follows:

[As in No. 1]

In reply to the above, I have the honour to inform Your Excellency that the foregoing is acceptable to the Government of the Democratic Republic of the Sudan and that Your Excellency's Note and this reply shall be regarded as constituting an Agreement between the two Governments which shall enter into force on today's date and shall be known as the United Kingdom/Sudan Loan (No. 1) 1969.

Please accept, Your Excellency, the assurance of my highest consideration.

M. EL MAKAWI MUSTAFA

[Annexes as in No. 1]

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