



Treaty Series No. 12 (1971)

Exchange of Notes

concerning an Interest-free Loan by the
Government of the United Kingdom
of Great Britain and Northern
Ireland to the Royal Afghan
Government

(United Kingdom/Afghanistan Loan Agreement 1970)

Kabul, 13 December 1970

[The Agreement entered into force on 13 December 1970]

*Presented to Parliament
by the Secretary of State for Foreign and Commonwealth Affairs
by Command of Her Majesty
March 1971*

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**EXCHANGE OF NOTES
CONCERNING AN INTEREST-FREE LOAN BY THE
GOVERNMENT OF THE UNITED KINGDOM OF
GREAT BRITAIN AND NORTHERN IRELAND
TO THE ROYAL AFGHAN GOVERNMENT**

No. 1

*Her Majesty's Ambassador at Kabul to the Minister of Finance
of Afghanistan*

*British Embassy,
Kabul.*

13 December, 1970.

Your Excellency,

I have the honour to refer to the discussions concerning the provision of development aid by the Government of the United Kingdom of Great Britain and Northern Ireland to the Royal Afghan Government and the reimbursement of the cost of certain fire-fighting equipment purchased in the United Kingdom and to inform you that the Government of the United Kingdom are prepared to conclude an Agreement with the Royal Afghan Government in the following terms:

- (1) The Government of the United Kingdom shall make available to the Royal Afghan Government by way of an interest-free loan a sum not exceeding £77,000 (seventy-seven thousand pounds sterling) for the reimbursement of the cost of the purchase in the United Kingdom by the Royal Afghan Government of fire-fighting equipment under contracts of purchase which comply with the conditions set out in sub-paragraph (2).
- (2) Save to the extent to which the Government of the United Kingdom may otherwise agree in writing, drawings from the loan shall be used only to reimburse the Royal Afghan Government for payments it has made in pounds sterling to persons carrying on business in the United Kingdom, after the 13th of December, 1970 under contracts for the purchase in the United Kingdom of fire-fighting equipment wholly produced or manufactured in the United Kingdom (which expression shall be deemed to include the Channel Islands and the Isle of Man) being contracts payments under which are acceptable to the Government of the United Kingdom as eligible for reimbursement from the loan.
- (3) Reimbursements shall be made only as provided in this sub-paragraph:
 - (a) reimbursements shall be made on a request submitted by the Royal Afghan Government to the Government of the United Kingdom in the form set out in the Appendix to this letter. Each request shall be accompanied by:

- (i) the relevant invoices from the United Kingdom suppliers concerned, for retention by the Government of the United Kingdom, and a certificate from the supplier that the fire-fighting equipment has been wholly produced or manufactured in the United Kingdom; and
- (ii) such other evidence as the Government of the United Kingdom may from time to time require of the details of the payments for which reimbursement is requested;
- (b) unless the Government of the United Kingdom otherwise agree in writing reimbursements shall not be made after 31 March, 1972;
- (c) photocopies or duplicates of invoices may be submitted instead of the originals for the purposes of this sub-paragraph.
- (4) If any payment in respect of which a reimbursement has been made is subsequently refunded either by the supplier or by a guarantor, the Royal Afghan Government shall, so long as there are reimbursements to be made under this Agreement, pay an amount equivalent to such refund to the Government of the United Kingdom and, in any other case, apply the refund to the reduction of the loan.
- (5) The Royal Afghan Government shall repay to the Government of the United Kingdom in pounds sterling in London the total sum borrowed under this Agreement, 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

	£
1 November, 1972	300
1 May, 1973	300
1 November, 1973	600
1 May, 1974	600
1 November, 1974	900
1 May, 1975	900
1 November, 1975	1,200
1 May, 1976	1,200
1 November, 1976	1,500
1 May, 1977	1,500
1 November, 1977, and on the 1 November in each of the succeeding seventeen years	1,900
1 May, 1978, and on the 1 May in each of the succeeding sixteen years	1,900
1 May, 1995	1,500

(6) Notwithstanding the provisions of sub-paragraph (5), the Royal Afghan Government shall be free at an earlier date 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.

2. If the foregoing is acceptable to the Royal Afghan Government, I have the honour to propose that the present Note and Your Excellency's reply to that effect 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/Afghanistan Loan Agreement 1970.

I have the honour to be,
with the highest consideration,
Your Excellency's obedient Servant,
P. L. CARTER.

APPENDIX

Dear Sirs,

The United Kingdom/Afghanistan Loan Agreement 1970

Request for Drawing

1. The Government of the United Kingdom is hereby requested to pay to the account of the Royal Afghan Government at the [..... London Bank], the sum of £..... in reimbursement of the payments made, after the 13th of December, 1970, under [a] contract[s] complying with the conditions set out in sub-paragraph (2) of the Loan Agreement.

2. This is to certify that these payments have been made in sterling in the United Kingdom on the dates as shown in the enclosed documents to the suppliers named, who are persons carrying on business in the United Kingdom, the Channel Islands or the Isle of Man and that the payments made were in respect of fire-fighting equipment wholly produced or manufactured in the United Kingdom.

3. The sum of £..... now requested shall on payment into the Royal Afghan Government account constitute a drawing on the loan.

Date

Signed on behalf of the
Royal Afghan Government

To: The Government of the United Kingdom

No. 2

*The Minister of Finance of Afghanistan to Her Majesty's
Ambassador at Kabul*

*Ministry of Finance,
Royal Afghan Government,
Kabul.*

Your Excellency,

13 December, 1970.

I have the honour to acknowledge receipt of Your Excellency's Note dated the 13th of December, 1970 reading as follows:

[Note and Appendix as in No. 1]

In informing Your Excellency that the Royal Afghan Government approves the proposal contained in the aforesaid Note and therefore considers that an Agreement has been reached in the matter between the two Governments, I avail myself of the opportunity to convey to Your Excellency the expression of my highest consideration.

Signed on behalf of the
Royal Afghan Government

DR. M. AMAN,
Minister of Finance.

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