



Treaty Series No. 66 (1975)

# Agreement

between the Government of the  
United Kingdom of Great Britain and Northern Ireland  
and the Government of the Republic of Ghana  
on Medium-term Commercial Debts  
owed by the Government of the  
Republic of Ghana and Residents  
of Ghana

Accra, 27 December 1974

[The Agreement entered into force on 27 December 1974]

*Presented to Parliament  
by the Secretary of State for Foreign and Commonwealth Affairs  
by Command of Her Majesty  
June 1975*

LONDON

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14p net

**AGREEMENT  
BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM  
OF GREAT BRITAIN AND NORTHERN IRELAND AND THE  
GOVERNMENT OF THE REPUBLIC OF GHANA ON  
MEDIUM-TERM COMMERCIAL DEBTS OWED BY THE  
GOVERNMENT OF THE REPUBLIC OF GHANA AND  
RESIDENTS OF GHANA**

The Government of the United Kingdom of Great Britain and Northern Ireland (hereinafter referred to as "the Government of the United Kingdom") and the Government of the Republic of Ghana (hereinafter referred to as "the Government of Ghana");

Considering the Agreements signed on 27 February 1967<sup>(1)</sup> and 17 December 1968<sup>(2)</sup> between the Government of the United Kingdom and the Government of Ghana on medium-term commercial debts owed by the Government of Ghana and residents of Ghana (hereinafter referred to respectively as the "1967 Agreement" and the "1968 Agreement");

Considering the Agreement signed on 17 July 1971<sup>(3)</sup> between the Government of the United Kingdom and the Government of Ghana for the provision of a special loan to the Government of Ghana to facilitate the payment by the Government of Ghana and residents of Ghana of medium-term commercial debts falling due between 1 July 1970 and 30 June 1972 (hereinafter referred to as the "1971 Agreement");

Desiring to conclude an Agreement to give effect to the proposals formulated at the Conference held in Ghana from 11 to 18 December 1973 and in Italy from 11 to 13 March 1974 at which the Government of the United Kingdom and the Government of Ghana, together with certain other Governments, the International Monetary Fund and the International Bank for Reconstruction and Development, were represented;

Have agreed as follows:

**PART I. GENERAL PROVISIONS**

**ARTICLE 1**

**Definitions**

In this Agreement and the Schedules thereto unless the contrary intention appears:

- (a) "*creditor*" shall mean a creditor as defined in Article 2;
- (b) "*debt*" shall mean any debt as defined in Article 2 and, for the purposes of Article 4, includes, in relation to any debt to which paragraph (5) of Article 3 applies, the amount payable under the provisions of that paragraph;

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<sup>(1)</sup> Treaty Series No. 31 (1967), Cmnd. 3247.

<sup>(2)</sup> Treaty Series No. 40 (1969), Cmnd. 3944.

<sup>(3)</sup> Treaty Series No. 65 (1971), Cmnd. 4763.

- (c) “*debtor*” shall mean a debtor as defined in Article 2;
- (d) “*the Department*” shall mean the Export Credits Guarantee Department of the United Kingdom or any other department which the Government of the United Kingdom may nominate for the purposes of this Agreement;
- (e) “*the loan*” shall have the meaning assigned to it under Article 7;
- (f) “*maturity*” in relation to a debt shall mean the date for payment thereof under the relevant medium-term credit contract or under a promissory note, bill of exchange or other negotiable instrument drawn pursuant to the terms of such a medium-term credit contract;
- (g) “*medium-term credit contract*” shall mean a medium-term credit contract as defined in Article 2;
- (h) “*transfer scheme*” shall mean the transfer scheme referred to in Article 3.

## PART II. SETTLEMENT OF DEBTS

### ARTICLE 2

#### The Debts

The provisions of this Part of this Agreement shall apply to any debt whether of principal or of contractual interest accruing up to maturity owed as original debtor or guarantor by the Government of Ghana or by a person or corporation resident or carrying on business in Ghana or by any successors thereto (hereinafter referred to as “debtor”) to the Government of the United Kingdom or to a person or corporation resident or carrying on business in the United Kingdom or to any successors thereto (hereinafter referred to as “creditor”).

Provided that—

- (a) the debt arises under or in relation to either a contract for a credit or a loan agreement, in either case with an original maturity exceeding one year but not exceeding twelve years, and for the supply of goods or services or both from outside Ghana and concluded before 24 February 1966 (such a contract or agreement being hereinafter referred to as “a medium-term credit contract”);
  - (b) either—
    - (i) payment of the debt fell due on or before 30 June 1972 and the debt has not been finally settled in accordance with the provisions of the 1967 Agreement or the 1968 Agreement, or
    - (ii) payment of the debt was due, or will fall due, after 30 June 1972;
  - (c) the debt is not in respect of an amount the payment of which is required under the terms of the relevant medium-term credit contract to be made either as a condition of its execution or completion or in respect of its cancellation;
- and
- (d) the debt is not expressed to be payable in cedis.

## ARTICLE 3

### The Transfer Scheme

(1) The Government of Ghana shall ensure that all transfers which were to be made on or before 31 January 1972 in accordance with the provisions of Article 4 of the 1967 Agreement and Schedule 1 thereto and of Article 4 of the 1968 Agreement and Schedule 1 thereto shall, to the extent that they have not been completed, be so completed on or before the date of entry into force of this Agreement.

(2) The Government of Ghana shall also ensure that all interest accruing in accordance with the provisions of Article 5 of the 1967 Agreement and Article 5 of the 1968 Agreement during the period from maturity until 31 January 1972 shall, to the extent that it has not been transferred to the creditor concerned, be so transferred on or before the date of entry into force of this Agreement.

(3) Notwithstanding the provisions of Article 11 of the 1967 Agreement and Article 11 of the 1968 Agreement, those Agreements shall terminate when all the transfers referred to in paragraphs (1) and (2) of this Article have been completed.

(4) The Government of Ghana shall further ensure transfers in sterling to or for the credit of creditors in the United Kingdom in accordance with the transfer scheme set out in Schedule 1 to this Agreement.

(5) In respect of any debt to which the provisions of Article 2 (b) (i) of this Agreement apply the Government of Ghana shall, in addition, pay to the creditor in the United Kingdom an amount in sterling equivalent to interest at the rate of  $2\frac{1}{2}$  per cent per annum in respect of the period from 1 February 1972, or from maturity, whichever is the later, until 30 June 1972, both dates inclusive, calculated on the amount of the debt outstanding on the completion of the transfers referred to in paragraph (1) of this Article. This payment shall be made to the creditor in 36 equal instalments on 30 June and 31 December in each year commencing on 31 December 1982 and concluding on 30 June 2000.

## ARTICLE 4

### Interest

(1) The Government of Ghana shall pay to the creditor interest in accordance with the provisions of this Article on the amount of any debt to the extent that it has not been settled by transfer to the creditor in accordance with Article 3 of this Agreement.

(2) The interest shall accrue during and shall be payable in respect of the period from 1 July 1972 or from maturity, whichever is the later, until the settlement of the debt by transfer to the creditor in accordance with Article 3, and shall be paid and transferred in sterling to the creditor concerned in the United Kingdom as follows:—

- (a) the interest accruing between 1 July 1972 and 30 June 1974, both dates inclusive, shall be paid and transferred in five equal instalments on 31 December 1974, 30 June 1975, 31 December 1975, 30 June 1976 and 31 December 1976;
- (b) the interest accruing after 30 June 1974 shall be paid and transferred by instalments on 30 June and 31 December in each year commencing on 31 December 1974 and concluding on 30 June 2000.
- (3) The interest shall be paid at the rate of  $2\frac{1}{2}$  per cent per annum and shall be calculated on the outstanding amount of the debt.

## ARTICLE 5

### **The Bank of Ghana**

In executing the provisions of this Part of this Agreement the Bank of Ghana shall act as agent of the Government of Ghana.

## ARTICLE 6

### **Technical Rules**

In the implementation of this Part of this Agreement the technical rules set out in Schedule 2 thereto shall apply.

## PART III. 1971 AGREEMENT

## ARTICLE 7

### **The Loan**

The provisions of this Part of this Agreement shall apply to the sum of £2,471,916·14 (two million four hundred and seventy-one thousand nine hundred and sixteen pounds and fourteen pence) sterling disbursed by the Government of the United Kingdom to the Government of Ghana in accordance with the provisions of the 1971 Agreement (hereinafter referred to as "the loan").

## ARTICLE 8

### **Repayment of the Loan and Interest Thereon**

(1) All payments under this Article shall be made to the Government of the United Kingdom in pounds sterling in London.

(2) The Government of Ghana shall, on or before the date of the entry into force of this Agreement, pay the Government of the United Kingdom the sum of £4,018·84 (four thousand and eighteen pounds and eighty-four pence) sterling being interest accruing under the 1971 Agreement up to 31 January 1972 and not previously paid to the Government of the United Kingdom.

(3) The Government of Ghana shall pay to the Government of the United Kingdom—

- (i) the amount of the loan £2,471,916·14 (two million, four hundred and seventy-one thousand, nine hundred and sixteen pounds and fourteen pence) sterling and
- (ii) an amount of £20,395·98 (twenty thousand, three hundred and ninety five pounds and ninety-eight pence) sterling being an amount equivalent to interest at the rate of 2 per cent per annum in respect of the period from 1 February 1972 until 30 June 1972, both dates inclusive, calculated on a daily basis:
  - (a) in respect of 1 February and 2 February, on the sums disbursed under the loan before 2 February;
  - (b) in respect of the period from 3 February to 30 June, both dates inclusive, on the full amount of the loan.

Payment of these amounts shall be made by the instalments and on the dates specified in paragraph 1 of Schedule 3 to this Agreement.

(4) The Government of Ghana shall pay interest to the Government of the United Kingdom on the amounts referred to in sub-paragraphs (i) and (ii) of paragraph (3) of this Article by instalments at the rate and on the date specified in paragraph 2 of Schedule 3 to this Agreement.

(5) Notwithstanding the provisions of Article VIII of the 1971 Agreement, that Agreement shall terminate upon the entry into force of this Agreement.

## PART IV. FINAL PROVISIONS

### ARTICLE 9

#### Non-Discrimination

(1) This Article applies to any Agreement concluded, or arrangements made, by the Government of Ghana at any time whether before or after the date of signature of this Agreement (but after 13 March 1974) in connection with the settlement of debts similar to the debts the subject of this Agreement owed to the Government of, or persons or corporations resident or carrying on business in, any country other than the United Kingdom.

(2) If the terms of any Agreement or arrangements to which this Article applies are more favourable to the Government of, or to persons or corporations resident or carrying on business in, any country other than the United Kingdom than the effect of this Agreement is to the Government of the United Kingdom and to persons and corporations resident or carrying on business therein, then the Government of Ghana shall, subject to paragraph (3) of this Article, forthwith accord no less favourable terms to the Government of the United Kingdom and persons or corporations resident or carrying on business therein.

(3) The provisions of paragraph (2) of this Article shall not have effect in relation to any Agreement or arrangement concerning debts in respect of which payments in the aggregate falling due after 31 January 1972 to the Government of, or persons or corporations resident or carrying on business in, any country other than the United Kingdom total less than the equivalent of US\$1.5 million (one point five million dollars).

(4) The Government of Ghana shall promptly inform the Government of the United Kingdom of the terms of any Agreement or arrangements to which this Article applies.

## ARTICLE 10

### **Exchange of Information**

The Government of the United Kingdom and the Government of Ghana shall exchange all information required for the proper implementation of this Agreement.

## ARTICLE 11

### **Settlement of Disputes**

Any dispute which may arise between the Government of the United Kingdom and the Government of Ghana as to the interpretation or application of any of the provisions of this Agreement shall, at the request of either Government, be referred to and settled by an arbitrator to be agreed upon between the two Governments or failing agreement to be nominated on the application of either Government by the President for the time being of the International Court of Justice.

Provided that no dispute shall be submitted to such arbitration until both Governments have attempted to resolve such dispute by negotiation or such other means as the Governments may agree. The award of the arbitrator shall be final and binding on the Governments.

## ARTICLE 12

### **Preservation of Rights and Obligations**

This Agreement and its implementation shall not affect the rights and obligations of the individual creditors or debtors concerned.

## ARTICLE 13

### **The Schedules**

The Schedules to this Agreement shall form an integral part thereof.

**ARTICLE 14**

**Entry into Force and Duration**

This Agreement shall enter into force on today's date and terminate when the last of the payments to be made under Articles 3, 4 and 8 has been completed.

In witness whereof the undersigned, being duly authorised thereto by their respective Governments, have signed this Agreement.

Done in duplicate at Accra this 27th day of December 1974.

For the Government of the United  
Kingdom of Great Britain and  
Northern Ireland

H. S. H. STANLEY

For the Government of the Republic  
of Ghana

K. D. FORDWOR



## SCHEDULE 1

### Transfer Scheme

1. In respect of each debt there shall be transferred to the United Kingdom an amount equal to that debt provided that in the case of any debt to which the provisions of Article 2(b)(i) of this Agreement apply the amount to be transferred shall be reduced by the sum of all amounts transferred on or before the entry into force of this Agreement pursuant to Article 4 of the 1967 Agreement and Schedule 1 thereto, Article 4 of the 1968 Agreement and Schedule 1 thereto and Article 3(1) of this Agreement.

2. The transfers referred to in paragraph 1 shall be made in 36 equal instalments on 30 June and 31 December in each year commencing on 31 December 1982 and concluding on 30 June 2000.

## SCHEDULE 2

### Technical Rules

1. The Department and the Bank of Ghana shall compile a list of all debts to which this Agreement applies.

2. Such a list shall be completed as soon as possible and in any event in time for all transfers to be made in accordance with the provisions of the transfer scheme set out in Schedule 1 to this Agreement. The list may be reviewed from time to time at the request of the Department or of the Bank of Ghana. The agreement of both the Department and the Bank of Ghana shall be necessary before the list may be altered or amended or added to.

3. (a) Unless otherwise agreed between the Department and the Bank of Ghana, the Bank of Ghana shall transfer the amount to be paid pursuant to the provisions of Part II of this Agreement and Schedule 1 thereto in sterling to a bank in London together with payment instructions in favour of the creditor to whom payment is due in accordance with this Agreement.

(b) When making such transfers the Bank of Ghana shall give the Department particulars of the debts and of the interest to which the transfer relates.

## SCHEDULE 3

### Repayment of the Loan and Interest thereon

1. Payment of the amounts referred to in sub-paragraphs (i) and (ii) of paragraph (3) of Article 8 of this Agreement shall be made in 35 equal instalments each of £69,230·89 (sixty-nine thousand, two hundred and thirty pounds, and eighty-nine pence) sterling on 30 June and 31 December in

each year commencing on 31 December 1982 and concluding on 31 December 1999 and a final instalment of £69,230·97 (sixty-nine thousand, two hundred and thirty pounds and ninety-seven pence) sterling on 30 June 2000.

2. The Government of Ghana shall pay by instalments to the Government of the United Kingdom interest on the amounts referred to in sub-paragraphs (3) (i) and (ii) of Article 8 of this Agreement as follows:

- (a) Interest at the rate of  $2\frac{1}{2}$  per cent per annum shall accrue during, and be payable in respect of, the period from 1 July 1972 until the amounts referred to in sub-paragraphs (3) (i) and (ii) of Article 8 have been fully paid;
- (b) Interest shall be calculated on a daily basis on that part of the amounts referred to in sub-paragraphs (3) (i) and (ii) of Article 8 which has not been paid to the Government of the United Kingdom;
- (c) The interest accruing between 1 July 1972 and 30 June 1974, both dates inclusive, shall be paid and transferred in four instalments each of £24,923·12 (twenty-four thousand, nine hundred and twenty-three pounds and twelve pence) sterling, on 31 December 1974, 30 June 1975, 31 December 1975 and 30 June 1976, and a final instalment of £24,923·13 (twenty-four thousand, nine hundred and twenty-three pounds and thirteen pence) sterling on 31 December 1976.
- (d) The interest accruing after 30 June 1974 shall be paid and transferred in instalments on 30 June and 31 December in each year commencing on 31 December 1974 and concluding on 30 June 2000.

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