

INDONESIA



Treaty Series No. 48 (1969)

Exchange of Notes
concerning an Interest-free Loan by the
Government of the
United Kingdom of Great Britain
and Northern Ireland to the
Government of the Republic of Indonesia
(United Kingdom/Indonesia (Project) Loan, 1969)

Djakarta, 16 January 1969

*Presented to Parliament
by the Secretary of State for Foreign and Commonwealth Affairs
by Command of Her Majesty
May 1969*

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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 GOVERNMENT
OF THE REPUBLIC OF INDONESIA**

No. 1

*Her Majesty's Ambassador at Djakarta to the Minister for
Foreign Affairs of Indonesia*

*British Embassy,
Djakarta.*

Your Excellency,

16 January, 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 Republic of Indonesia and to inform Your Excellency that the Government of the United Kingdom are prepared to conclude an Agreement with the Government of Indonesia 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 Indonesia 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 Indonesia by way of an interest-free loan a sum not exceeding £215,000 (two hundred and fifteen thousand pounds sterling) towards the purchase of certain goods and services in the United Kingdom.
- 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 Indonesia 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 Indonesia 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 the Crown Agents for Oversea Governments and Administrations of 4, Millbank, London, S.W.1 (hereinafter referred to as "the Crown Agents"). 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 Indonesia shall furnish the Ministry with a copy of the Government's instructions to the Crown Agents given

in accordance with the foregoing provisions of this paragraph. The Government of Indonesia or the Crown Agents on their behalf 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 and Requests for Drawing hereinafter provided and shall furnish a specimen signature in duplicate of each such officer.

- (c) The Government of Indonesia shall ensure that the Crown Agents forward monthly to the Ministry a statement of receipts to and payments from the Account.
 - (d) Unless the Ministry otherwise agree, payments into the Account shall 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 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 :
- (a) provides for payment in sterling to persons carrying on business in the United Kingdom; and
 - (b) is approved on behalf of the Government of Indonesia and accepted by the Ministry for financing from the loan; and
 - (c) is a contract entered into after the date of this Note and before the 1st March 1969.
- (4) (a) Where the Government of Indonesia proposes that part of the loan shall be applied to a contract, that Government or the Crown Agents on their behalf shall ensure that there are forwarded at the earliest opportunity to the Ministry :
- (i) a copy of the contract, or of a notification thereof in the form set out in Annex B to this Note; and
 - (ii) two copies of a certificate from the contractor concerned in the United Kingdom in the form set out in Annex C to this Note.
- (b) The Government of Indonesia or the Crown Agents on their behalf shall ensure that the Ministry 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 Indonesia shall or the Crown Agents acting on their behalf 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 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 Indonesia or the Crown Agents for this purpose (and which that Government or the Crown Agents shall then supply), the Ministry shall notify that Government or the Crown Agents in the form set out in Annex C(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 Ministry so accepts a contract and agrees to payment from the Account, it shall, on receipt of a request from the Crown Agents on behalf of the Government of Indonesia, in the form set out in Annex C(ii) 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) For payments due under a contract to which paragraph (3) refers, withdrawals from the Account shall be made in accordance with Payment Authorities in the form shown in Annex D hereto duly signed on behalf of the Government of Indonesia 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 Contractors concerned in the form shown in Annex E hereto and the invoices (or a photocopy 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 Indonesia 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 Indonesia 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>Amount</i>
<i>Date Due</i>		<i>£</i>
15th July 1976 and on the 15th July in each of the succeeding 17 years	5,970
15th January 1977 and on the 15th January in each of the succeeding 16 years	5,970
15th January 1994	6,050

(9) Notwithstanding the provisions of paragraph (8) of this Note, the Government of Indonesia shall be free at any earlier time to repay to the Ministry in pounds sterling in London the whole of any part of the loan that is still outstanding.

2. If the foregoing is acceptable to the Government of the Republic of Indonesia, 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/Indonesia (Project) Loan, 1969.

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

H. C. HAINWORTH

ANNEX A

Government of the Republic of Indonesia

To: The Crown Agents for Oversea
Governments and Administrations,
4, Millbank,
London, S.W.1.

Dear Sir,

United Kingdom/Indonesia (Project) Loan, 1969

I confirm your appointment as agents of the Government of The Republic of Indonesia (hereinafter called "the Government") in connection with the administration in the United Kingdom of the above-mentioned loan which is for a sum not exceeding £215,000 (two hundred and fifteen thousand pounds sterling).

2. I have to request you on behalf of the Government to open a Special Account in the name of the Government to be styled the United Kingdom/Indonesia (Project) Loan 1969 Account (hereinafter called "the Account").

3. Payments into the Account will be made from time to time by the Ministry of Overseas Development of Her Majesty's Government in the United Kingdom of Great Britain and Northern Ireland (hereinafter called "the Ministry") on receipt by the Ministry of requests in the form shown in Annex C (ii) to the Agreement between Her Britannic Majesty's Ambassador in Indonesia and the Government of the Republic of Indonesia dated 16 January, 1969 (a copy of which is attached hereto), and which you are authorised to present on behalf of the Government. 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.

4. Payments from the Account are to be made only in respect of the payments falling due under the contracts and transactions described in paragraph B (3) of the Agreement referred to above and on the authority, in the manner and subject to the conditions described in paragraph B (6) of the said Agreement.

5. You will supply the Ministry as soon as possible with a copy of any contract or notification of contract and of any amendment thereto as provided in paragraph B (4) of the said Agreement. The Ministry will inform you in writing whether and to what extent it agrees that payments can be made out of the Account in respect of such contracts. You will also supply the Ministry with any additional information that it may require to enable it to satisfy itself that payments due under a contract may properly be debited to the Account.

6. You are to send to the Ministry at the end of each month a detailed statement showing all debits and credits to the Account during the month.

7. You are to send to the Ministry with copies to the Government specimen signatures of the officers of the Crown Agents authorised to sign Payment Authorities and Requests for Drawing on behalf of the Government.

8. Specimen signatures of the officers authorised to countersign Payment Authorities on behalf of the Ministry will be sent to you direct.

9. Your charges and commissions for acting as our agents in connection with this loan shall be chargeable to the Account.

10. A copy of this letter has been sent to the Ministry.

Yours faithfully,

ANNEX B

United Kingdom/Indonesia (Project) Loan, 1969

NOTIFICATION OF CONTRACT

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

Notification of Contract No.....

The following are details of a contract under which it is proposed that payments shall be made in accordance with the terms and conditions of the above Loan.

1. Name and address of
United Kingdom contractor:
2. Date of Contract:
3. Name of purchaser:
4. Short description of goods

and/or works or services:

5. Value of Contract: £
6. Terms of Payment:

Signed on behalf of the Government
of the Republic of Indonesia

.....

Date

ANNEX C

United Kingdom/Indonesia (Project) Loan, 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, 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		
	<i>Amount</i>	<i>Description</i>
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 for the purpose 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	

5. I hereby declare that I am employed in the United Kingdom by the Contractor named below and I 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

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.

ANNEX C (i)

United Kingdom/Indonesia (Project) Loan, 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 Ministry
of Overseas Development

ANNEX C (ii)

United Kingdom/Indonesia (Project) Loan, 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 Republic of Indonesia

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

ANNEX D

United Kingdom/Indonesia (Project) Loan, 1969

PAYMENT AUTHORITY

Crown Agents for Oversea
Governments and Administrations,
4, Millbank,
London, S.W.1.

To: Ministry of Overseas Development,

Serial No.:

Dear Sir,

..... Account

I have to request authority to pay and debit direct to the above-mentioned Account the amounts listed below:

Name and address of Contractor	Contractor No.	Amount

Date.....

.....
Signed on behalf of the Crown Agents
for Oversea Governments and
Administrations acting on behalf of
the Government of the Republic of
Indonesia

Date.....

.....
Countersigned on behalf of the
Ministry of Overseas Development

No. 2

*The Minister for Foreign Affairs of Indonesia to
Her Majesty's Ambassador at Djakarta*

Djakarta.

January 16, 1969.

Your Excellency,

United Kingdom/Indonesia (Project) Loan, 1969

I have the honour to acknowledge Your Excellency's Note dated January 16, 1969, reading as follows:

[As in No. 1]

In reply to the above, I have the honour to inform Your Excellency that the above-mentioned proposals are acceptable to the Government of the Republic of Indonesia and that Your Excellency's Note and this reply shall be regarded as constituting an Agreement between the two Governments on this matter.

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

For the Government of the
Republic of Indonesia

A. MALIK

[Annexes as in No. 1]

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