

PAKISTAN



Treaty Series No. 101 (1979)

Exchange of Notes

Handwritten: JKS
26/6/79

between the Government of the
United Kingdom of Great Britain and Northern Ireland
and the Government of Pakistan
constituting the United Kingdom/Pakistan
Retrospective Terms Agreement 1979

Islamabad, 26 June 1979

[The Agreement entered into force on 26 June 1979]

*Presented to Parliament
by the Secretary of State for Foreign and Commonwealth Affairs
by Command of Her Majesty
December 1979*

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**EXCHANGE OF NOTES
BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF
GREAT BRITAIN AND NORTHERN IRELAND AND THE
GOVERNMENT OF PAKISTAN CONSTITUTING THE
UNITED KINGDOM/PAKISTAN RETROSPECTIVE TERMS
AGREEMENT 1979**

No. 1

*The British Chargé d'Affaires a.i. at Islamabad to the Secretary,
Economic Affairs Division, Ministry of Finance and Economic Affairs
of Pakistan*

26 June 1979

Sir

United Kingdom/Pakistan Retrospective Terms Agreement 1979

1. I have the honour to inform you that, following the announcement by the Government of the United Kingdom on 31 July 1978, and subsequent discussions between my Government and the Government of Pakistan, my Government shall provide assistance to your Government in accordance with the recommendations of the Trade and Development Board (TDB) of UNCTAD. Retrospective adjustment shall be made to the terms of all the loans set out in the Schedules to this Note, which were provided as Official Development Assistance (ODA) and on which there were outstanding repayments of capital and payments of interest (hereinafter called 'loan payments') on 31 July 1978.

2. The following paragraphs of this Note set out the nature of, and procedures for, the assistance to be given. For the purposes of this Agreement the eligible loans shall be divided into two groups:

- i. loans provided under the 1966 Overseas Aid Act, Colonial Development and Welfare Schemes and other legislation and set out in Schedule 1 to this Note;
- ii. loans provided by the Export Credits Guarantee Department (ECGD) under Credit Agreements and set out in Schedule 2 to this Note.

The amounts and the phasing of such Loan Payments, which are in accordance with the United Kingdom/Pakistan Debt Relief Agreement 1976,⁽¹⁾ are set out in Schedule 3 to this Note.

3. Unless our Governments agree otherwise, my Government shall waive all loan payments due on or after 31 July 1978, on the date that such payments fall due, on each Schedule 1 loan and each Schedule 2 Credit Agreement.

4. The terms and conditions of each loan shall otherwise continue to subsist.

⁽¹⁾ Treaty Series No. 35 (1977), Cmnd. 6779 as amended by Treaty Series No. 24 (1978), Cmnd. 7111.

5. Any loan payments due between 31 July 1978 and today's date inclusive, and made by your Government, on either Schedule 1 loans or Schedule 2 Credit Agreements shall be refunded by my Government. Payment shall be made on receipt, and approval by my Government, of a request for payment as set out in Appendix A to this Note.

6. Loan payments due before 31 July 1978 but paid on or after that date shall not be refunded by my Government. Any loan payments due before 31 July 1978 and still outstanding shall be paid by your Government.

7. If these proposals are acceptable to the Government of Pakistan I have the honour to propose that the present Note together with your reply in that sense shall constitute an Agreement between the Government of the United Kingdom and the Government of Pakistan in this matter and shall be known as the United Kingdom/Pakistan Retrospective Terms Agreement 1979.

I avail myself of this opportunity to renew to you, Sir, the assurance of my highest consideration.

For and on behalf of the
Government of the United Kingdom

P. R. FEARN

SCHEDULE 1

Title and Initial Value of Loan			Amount Outstanding as at 31 July 1978 £
United Kingdom/Pakistan Loan No. 1 ...	1966 ⁽²⁾	(£4,000,000·00)	2,779,000·00
United Kingdom/Pakistan Loan No. 2 ...	1966 ⁽²⁾	(£221,870·64)	93,674·64
United Kingdom/Pakistan Loan No. 3 ...	1966 ⁽²⁾	(£3,979,548·45)	2,979,648·45
United Kingdom/Pakistan Loan No. 1 ...	1967 ⁽²⁾	(£60,085·65)	43,173·65
United Kingdom/Pakistan Loan No. 2 ...	1967 ⁽²⁾	(£4,254,835·26)	3,300,435·26
United Kingdom/Pakistan Loan No. 3 ...	1967 ⁽²⁾	(£303,469·67)	232,493·67
United Kingdom/Pakistan Loan No. 1 ...	1969 ⁽²⁾	(£4,395,169·00)	3,784,759·00
United Kingdom/Pakistan Loan No. 3 ...	1969 ⁽²⁾	(£5,494,000·00)	5,036,167·00
United Kingdom/Pakistan Loan ...	1970 ⁽²⁾	(£1,099,798·19)	1,038,054·19
United Kingdom/Pakistan Loan No. 3 ...	1970 ⁽²⁾	(£1,718,000·00)	1,670,300·00
United Kingdom/Pakistan Loan ...	1972 ⁽³⁾	(£4,000,000·00)	4,000,000·00
United Kingdom/Pakistan Loan ...	1973 ⁽⁴⁾	(£4,000,000·00)	4,000,000·00
United Kingdom/Pakistan Project Loan ...	1974 ⁽⁵⁾	(£20,000,000·00)	20,000,000·00
United Kingdom/Pakistan Loan ...	1975 ⁽⁶⁾	(£272,067·89)	272,067·89
United Kingdom/Pakistan (Mixed Projects Loan) (No. 2) ...	1969 ⁽²⁾	(£161,962·25)	143,918·25
United Kingdom/Pakistan Loan (Railway Electrification) ...	1966 ⁽²⁾	(£6,200,000·00)	5,065,400·00
United Kingdom/Pakistan (Tarbela No. 1) Loan ...	1969 ⁽²⁾	(£1,500,000·00)	1,333,200·00
United Kingdom/Pakistan (Tarbela No. 2) Loan ...	1969 ⁽²⁾	(£2,500,000·00)	2,291,500·00
United Kingdom/Pakistan (Tarbela No. 3) Loan ...	1970 ⁽²⁾	(£150,000·00)	141,500·00
United Kingdom/Pakistan (Tarbela No. 4) Loan ...	1970 ⁽²⁾	(£1,200,000·00)	1,166,000·00
United Kingdom/Pakistan (Tarbela No. 5) Loan ...	1971 ⁽²⁾	(£1,250,000·00)	1,250,000·00
United Kingdom/Pakistan (Tarbela No. 6) Loan ...	1972 ⁽²⁾	(£1,000,000·00)	1,000,000·00
United Kingdom/Pakistan (Tarbela No. 7) Loan ...	1973 ⁽⁷⁾	(£2,000,000·00)	2,000,000·00
United Kingdom/Pakistan (Tarbela No. 8) Loan ...	1974 ⁽⁸⁾	(£400,000·00)	400,000·00
			£64,021,292·00

The above loans are interest free.

⁽²⁾ Not published.

⁽³⁾ Treaty Series No. 40 (1973), Cmnd. 5278.

⁽⁴⁾ Treaty Series No. 17 (1974), Cmnd. 5550.

⁽⁵⁾ Treaty Series No. 70 (1975), Cmnd. 6051.

⁽⁶⁾ Treaty Series No. 112 (1975), Cmnd. 6202.

⁽⁷⁾ Treaty Series No. 78 (1973), Cmnd. 5348.

⁽⁸⁾ Treaty Series No. 7 (1975), Cmnd. 5837.

SCHEDULE 2

Title and Initial Value of Credit Agreement

Amount Outstanding as at 31 July 1978

	Principal	Interest	Total
United Kingdom/Pakistan Credit Agreement ⁽²⁾ 3rd Credit (£185,546·00)	61,848·64	5,138·09	66,986·73
United Kingdom/Pakistan (Railway) Credit Agreement ⁽²⁾ 4th Credit (£1,195,590·00)	459,842·32	39,994·84	499,837·16
United Kingdom/Pakistan Credit Agreement 1962 ⁽²⁾ 5th Credit (£1,682,012·00)	1,143,768·16	344,201·34	1,487,969·50
United Kingdom/Pakistan Credit Agreement 1962 ⁽²⁾ 6th Credit (£3,054,890·00)	2,149,737·44	760,280·58	2,910,018·02
United Kingdom/Pakistan Credit Agreement 1963 ⁽²⁾ 7th Credit (£249,905·00)	180,965·72	72,426·42	253,392·14
United Kingdom/Pakistan Credit Agreement 1964 ⁽²⁾ 8th Credit (£2,700,840·00)	1,980,616·00	811,070·81	2,791,686·81
United Kingdom/Pakistan Credit Agreement 1964 ⁽²⁾ 9th Credit (£270,505·00)	202,878·76	94,977·70	297,856·46
United Kingdom/Pakistan (General) Credit Agreement 1964 ⁽²⁾ 10th Credit (£3,355,000·00)	2,515,000·00	1,207,328·32	3,722,328·32
United Kingdom/Pakistan (Railway Electrification) Credit Agreement ⁽²⁾ 11th Credit (£42,000)	34,000·00	15,338·75	49,338·75
United Kingdom/Pakistan (Ships) Credit Agreement 1964 ⁽²⁾ (£1,066,000·00)	298,000·00	22,275·00	320,275·00
	<u>9,026,657·04</u>	<u>3,373,031·85</u>	<u>12,399,688·89</u>

SCHEDULE 3

Amounts and Phasing of the Loan Payments covered by the United Kingdom/Pakistan Retrospective Terms Agreement 1979—As at 31 July 1978

Year	Schedule 1 Payments		Schedule 2 Payments		Total Payments		Grand Totals
	Principal	Interest	Principal	Interest	Principal	Interest	
31.7.78–31.3.79 ...	£ 1,229,811·00	£	£ 596,953·87	£ 313,510·46	£ 1,826,764·87	£ 313,510·46	£ 2,140,275·33
1979–80 ...	2,307,148·00		1,204,907·74	569,858·17	3,512,055·74	569,858·17	4,081,913·91
1980–81 ...	2,473,848·00		987,445·55	494,001·09	3,461,293·55	494,001·09	3,955,294·64
1981–82 ...	2,762,748·00		788,046·48	433,429·16	3,550,794·48	433,429·16	3,984,223·64
1982–83 ...	3,900,060·00		788,046·48	380,106·90	4,688,106·48	380,106·90	5,068,213·38
1983–84 ...	3,900,060·00		788,046·48	325,529·22	4,688,106·48	325,529·22	5,013,635·70
1984–85 ...	3,900,060·00		788,046·48	270,979·25	4,688,106·48	270,979·25	4,959,085·73
1985–86 ...	3,900,060·00		788,046·48	216,812·72	4,688,106·48	216,812·72	4,904,919·20
1986–87 ...	3,900,060·00		788,046·48	162,166·47	4,688,106·48	162,166·47	4,850,272·95
1987–88 ...	3,900,060·00		653,485·63	108,747·84	4,553,545·63	108,747·84	4,662,293·47
1988–89 ...	3,896,725·65		427,197·49	62,530·35	4,323,923·14	62,530·35	4,386,453·49
1989–90 ...	3,895,832·00		319,934·56	30,188·22	4,215,766·56	30,188·22	4,245,954·78
1990–91 ...	3,899,832·00		108,453·32	5,172·00	4,008,285·32	5,172·00	4,013,457·32
1991–92 ...	3,638,868·76				3,638,868·76		3,638,868·76
1992–93 ...	3,187,799·26				3,187,799·26		3,187,799·26
1993–94 ...	2,990,847·25				2,990,847·25		2,990,847·25
1994–95 ...	2,432,382·00				2,432,382·00		2,432,382·00
1995–96 ...	1,954,490·19				1,954,490·19		1,954,490·19
1996–97 ...	1,794,312·00				1,794,312·00		1,794,312·00
1997–98 ...	1,593,312·00				1,593,312·00		1,593,312·00
1998–99 ...	1,425,012·00				1,425,012·00		1,425,012·00
1999–2000 ...	1,137,963·89				1,137,963·89		1,137,963·89
Totals ...	64,021,292·00		9,026,657·04	3,373,031·85	73,047,949·04	3,373,031·85	76,420,980·89

APPENDIX A

To British Embassy

REFUND OF LOAN PAYMENTS

The following loan payments which were due on or after 31 July 1978 on loans set out in Schedule to the United Kingdom/Pakistan Retrospective Terms Agreement 1979 have been made by my Government.

Title of Loan	Date due	Amount due	Date of payment	Amount of payment
		£		£
Total				£

Under the terms of Paragraph 5 of the said Agreement, I have to request you to refund the sum of £.....

Payment should be made to the Government of Pakistan's Account at.....

Signed.....

Ministry of Finance
 Government of Pakistan

Date.....

Signed.....

Overseas Development
 Administration
 or Export Credits Guarantee
 Department
 Government of the United
 Kingdom

Refund approved.

Date.....

No. 2

The Secretary, Economic Affairs Division, Ministry of Finance and Economic Affairs of Pakistan to the British Chargé d' Affaires a. i. at Islamabad

Islamabad, 26 June 1979

Sir,

I have the honour to acknowledge receipt of your letter of today's date which reads as follows:—

[As in No. 1]

I have the honour on behalf of the Government of Pakistan to inform you that the foregoing proposals are acceptable and to agree that your Note and this reply shall constitute the Agreement in this matter between the two Governments which shall enter into force on this day's date.

For and on behalf of the
Government of Pakistan

AFTAB AHMAD KHAN

[Schedules and Appendix as in No. 1]