



Treaty Series No. 15 (2005)

Exchanges of Notes

between the Government of the
United Kingdom of Great Britain and Northern Ireland
and the Government of the Republic of Ghana

concerning Certain Commercial Debts (The United Kingdom/Ghana Debt Agreement No. 3 (2002))

Accra, 8 and 14 January 2003

and The United Kingdom/Ghana Debt Agreement No. 3 (2002) Amendment

Accra, 30 January and 10 March 2004

[The Agreement entered into force on 14 January 2003, and the Amendment on 10 March 2004.
The Agreement was subsequently terminated on 26 October 2004]

*Presented to Parliament
by the Secretary of State for Foreign and Commonwealth Affairs
by Command of Her Majesty
May 2005*

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**EXCHANGE OF NOTES BETWEEN THE GOVERNMENT OF THE
UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND
AND THE GOVERNMENT OF THE REPUBLIC OF GHANA
CONCERNING CERTAIN COMMERCIAL DEBTS (THE UNITED
KINGDOM/GHANA DEBT AGREEMENT NO. 3 (2002))**

No. 1

*The British High Commission at Accra to the Ministry of Finance of the Republic
of Ghana*

Accra
8 January 2003

The British High Commission presents its compliments to the Ministry of Finance and has the honour to refer to the Agreed Minute on the Consolidation of the Debt of the Republic of Ghana which was signed in Paris on 16 May 2002, and to inform Your Excellency that the Government of the United Kingdom of Great Britain and Northern Ireland is prepared to provide debt relief to the Government of the Republic of Ghana on the terms and conditions set out in the attached Annex.

If these terms and conditions are acceptable to the Government of the Republic of Ghana, the High Commission has the honour to propose that this Note together with its Annex, and your reply to that effect, shall constitute an Agreement between our two Governments in this matter which shall be known as 'The United Kingdom/Ghana Debt Agreement No 3 (2002)' and which shall enter into force on the date of your reply.

The High Commission has the honour to convey to Your Excellency the assurance of my highest consideration.

ANNEX

SECTION 1

Definitions and Interpretation

- (1) In this Annex, unless the contrary intention appears:
- (a) "Agreed Minute" means the Agreed Minute on the Consolidation of the Debt of the Republic of Ghana that was signed in Paris on 16 May 2002;
 - (b) "Appropriate Market Rate" means the Reference Rate plus 0.5 per cent;
 - (c) "Business Day" means (i) a day on which banks are open for domestic and foreign exchange business in London and in respect of Debt whose Currency is the US Dollar, a day on which banks are open for domestic and foreign exchange business in both London and New York ;
 - (d) "Contract" means a contract, including any agreement supplemental thereto, entered into on or before 20 June 1999, the parties to which include the Debtor and a Creditor and which either was for the sale of goods and/or services from outside Ghana to a buyer in Ghana, or was for the financing of such a sale, and which in either case granted or allowed credit to the Debtor for a period exceeding one year;
 - (e) "Creditor" means a person or body of persons or corporation resident or carrying on business in the United Kingdom, the Channel Islands or the Isle of Man, or any successor in title thereto;
 - (f) "Currency" in relation to the Debt specified in:
 - (i) Section 2(1)(a) means the currency specified in the relevant Contract,
 - (ii) Section 2(1)(b) means the currency in which it was agreed in the Second Agreement that such a Debt should be paid;
 - (g) "Debt" means each and all the amounts listed in Section 2(1);
 - (h) "Debtor" means the Government of the Republic of Ghana whether as primary debtor or as guarantor or any person or body of persons or corporation resident or carrying on business in Ghana or any successor in obligation to that debtor;

(i) "Department" means the Export Credits Guarantee Department or any other department or entity that the Government of the United Kingdom may subsequently nominate to perform the functions of the Export Credits Guarantee Department hereunder;

(j) "Ghana" means the Republic of Ghana;

(k) "Late Interest" means interest charged under Section 4(4) and Section 4(5) of this Agreement on any amount of Debt or interest which remains unpaid after the date for payment specified therefor;

(l) "Maturity" in relation to a Debt specified in:

(i) Section 2(1)(a) means the due date for repayment thereof under the relevant Contract,

(ii) Section 2(1)(b) means the due date for repayment specified in the Second Agreement;

(m) "The Ministry" means the Ministry of Finance of the Republic of Ghana or any other institution which the Government of the Republic of Ghana may nominate for the purpose of this Annex;

(n) "Reference Rate" means the rate (rounded upwards where necessary to the nearest multiple of one sixteenth of one per cent) quoted by a bank to be agreed upon by the Department and the Government of Ghana as the rate that bank offers in the London Interbank Market at 11am (London time) two Business Days before the commencement of the relevant interest period for (i) six-month eurodollar deposits, in the case of Debts whose Currency is the US Dollar, or (ii) six-month sterling deposits, in the case of Debts whose Currency is sterling;

(o) "Second Agreement" means the Agreement between the Government of the United Kingdom and the Government of Ghana on Certain Commercial Debts which was signed on 15 July 2002¹;

(p) "United Kingdom" means the United Kingdom of Great Britain and Northern Ireland.

(2) All interest payable pursuant to this Annex shall be calculated on the basis of actual days elapsed and a year of 360 days, in the case of Debts denominated in US dollars, and 365 days, in the case of Debts denominated in sterling.

(3) Where the context of this Annex so allows, words importing the singular include the plural and vice versa.

¹ Treaty Series No. 48 (2002) Cm 5682

- (4) Unless otherwise indicated, reference to a specified Section shall be construed as a reference to that Section of this Annex.
- (5) The headings to the Sections are for ease of reference only.

SECTION 2

The Debt

(1) The provisions of this Annex shall, subject to the provisions of paragraph (2) of this section and Article IV paragraph 3 of the Agreed Minute, apply to:

- (a) Any amount, whether of principal or of contractual interest accruing up to Maturity, which is owed by the Debtor to a Creditor and:
 - (i) Arises under or in relation to a Contract;
 - (ii) Is guaranteed by the Department as to payment according to the terms of the Contract;
 - (iii) Is not expressed by the terms of the Contract to be payable in the lawful currency of Ghana;
 - (iv) Does not arise from an amount payable upon or as a condition of the cancellation or termination of the Contract; and
 - (v) Has fallen due or will fall due for payment between 1 February 2002 and 31 March 2004 inclusive and remains unpaid; and
- (b) Any amount, whether of principal or of interest (excluding late interest) payable under the Second Agreement which has fallen due or will fall due for payment between 1 February 2002 and 31 March 2004 inclusive and remains unpaid;

(2) The Department and the Ministry shall, as soon as possible, agree and draw up a list of Debts ("the Debt List") to which this Annex shall apply. The Debt List may be reviewed from time to time at the request of the Department or of the Ministry, but may not be added to or amended without the agreement of both the Department and the Ministry. Delay in the completion of the Debt List shall neither prevent nor delay the implementation of the other provisions of this Annex.

SECTION 3

Debt Reduction and Payment

(a) On Maturity it shall be deemed that each Debt specified in Sections 2 (1)(a) and 2 (1)(b) is reduced by 90 per cent:

(b) The Government of Ghana shall pay to the Department, in accordance with the provisions of Section 5 (1), the remainder of the Debt specified in section 2 (1) (a) and (b) on the following dates and in the following percentages:

Repayment Date	Percentage to be repaid
01 January 2009	0.12
01 July 2009	0.20
01 January 2010	0.28
01 July 2010	0.38
01 January 2011	0.48
01 July 2011	0.58
01 January 2012	0.70
01 July 2012	0.82
01 January 2013	0.94
01 July 2013	1.08
01 January 2014	1.22
01 July 2014	1.36
01 January 2015	1.52
01 July 2015	1.70
01 January 2016	1.86
01 July 2016	2.06
01 January 2017	2.26
01 July 2017	2.46
01 January 2018	2.68
01 July 2018	2.92
01 January 2019	3.18
01 July 2019	3.44
01 January 2020	3.70
01 July 2020	4.00
01 January 2021	4.30
01 July 2021	4.64
01 January 2022	4.98
01 July 2022	5.34
01 January 2023	5.72
01 July 2023	6.12
01 January 2024	6.54
01 July 2024	7.00
01 January 2025	7.46
01 July 2025	7.96

SECTION 4

Interest

- (1) Interest on the balance of each Debt shall be deemed to have accrued and shall accrue during, and shall be payable in respect of, the period from Maturity until the complete payment of that Debt.
- (2) The Government of Ghana shall pay to the Department interest on each Debt to the extent that such Debt has not been settled by payment. Such interest shall be paid in half-yearly instalments on 1 January and 1 July (the "Due Dates"), commencing on 1 January 2003.
- (3) All interest shall be paid at the Appropriate Market Rate applicable to each half-yearly interest period commencing with the half-yearly interest period within which the Maturity of the Debt concerned occurs.
- (4) If any amount of interest payable in accordance with the provisions of paragraph (2) of this Section is not paid on the pertinent Due Date for payment thereof, the Government of Ghana shall pay to the Department Late Interest on such amount of overdue interest, such Late Interest accruing at the Appropriate Market Rate and becoming due and payable on the outstanding overdue amount without further notice or demand.
- (5) If any amount of Debt payable in accordance with the provisions of Section 3 is not paid on the pertinent Due Date for payment specified thereof the Government of Ghana shall pay to the Department Late Interest on any such outstanding amount, such Late Interest accruing at the Appropriate Market Rate and becoming due and payable on the outstanding overdue amount without further notice or demand.

SECTION 5

Payments to the Department

- (1) When payment becomes due under the terms of Sections 3 or 4, the Ministry shall arrange for the necessary amounts, without deduction of taxes, fees, other public charges or any other costs incurred outside the United Kingdom, to be paid in the Currency of the Debt to an account notified by the Department to the Ministry.
- (2) If the day on which such a payment falls due is not a Business Day payment shall be made on the next succeeding Business Day.

(3) The Ministry shall give the Department full particulars of the Debts and/or interest and compensation to which the payments relate.

SECTION 6

Exchange of Information

The Department and the Ministry shall exchange all information required for the implementation of this Annex.

SECTION 7

Other Debt Settlements

(1) The Government of Ghana undertakes to fulfil its commitments under Article III of the Agreed Minute and agrees to accord to the Government of the United Kingdom terms no less favourable than those agreed with any other creditor, notwithstanding any provision of this Annex to the contrary.

(2) The provisions of paragraph (1) of this Section shall not apply to matters relating to the payment of interest determined by Section 4.

SECTION 8

Preservation of Rights and Obligations

This Annex and its implementation shall not affect the rights or obligations of any Creditor or Debtor under a Contract other than those rights and obligations in respect of which the Government of the United Kingdom and the Government of Ghana are authorised to act and do act respectively on behalf of and to bind such Creditor and Debtor.

SECTION 9

Debt Swaps Option

The Department shall notify the Government of Ghana if it wishes to exercise the option given in Article II paragraph 3 of the Agreed Minute to sell or exchange Debt. This option may only be implemented with the consent of the Government

of Ghana and will only be exercised on condition that the Debt sold or exchanged is discharged in the legal currency of Ghana.

No. 2

The Minister of Finance of the Republic of Ghana to the British High Commissioner at Accra

Accra
14 January 2003

I have the honour to acknowledge receipt of Your Excellency's Note which reads as follows:

[As in No. 1]

I have the honour to confirm that the terms and conditions set out in the Annex to your Note are acceptable to the Government of the Republic of Ghana, and that your Note together with its Annex, and this reply, shall constitute an Agreement between our two Governments in this matter which shall be known as the 'The United Kingdom/Ghana Debt Agreement No.3 (2002)' and which shall enter into force today.

I have the honour to convey to Your Excellency the assurance of my highest consideration.

YAW OSAFO-MAAFO

**EXCHANGE OF NOTES BETWEEN THE GOVERNMENT OF THE
UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND
AND THE GOVERNMENT OF THE REPUBLIC OF GHANA
CONCERNING CERTAIN COMMERCIAL DEBTS (THE UNITED
KINGDOM/GHANA DEBT AGREEMENT NO. 3 (2002) AMENDMENT)**

No. 1

*The British High Commissioner at Accra to the Ministry of Finance and Economic
Planning of the Republic of Ghana*

Accra
30 January 2004

I have the honour to refer to the Agreed Minute on the Consolidation of the Debt of the Republic of Ghana which was signed in Paris on 16 May 2002, as amended by the exchange of letters between the Vice President of the Paris Club and the Minister of Finance of the Republic of Ghana on 11 June 2003 and 23 June 2003, and to the United Kingdom/Ghana Debt Agreement No.3 (2002) which entered into force on 14 January 2003 (the "Agreement") and to inform Your Excellency that the Government of the United Kingdom of Great Britain and Northern Ireland is prepared to extend the period of debt relief to the Government of the Republic of Ghana.

I have the honour to propose that in Section 2 (1) (a) (v) and Section 2 (1) (b) of the Agreement "30 November 2002" shall be deleted and replaced by "31 March 2004."

If this amendment is acceptable to the Government of the Republic of Ghana, I have the honour to propose that this Note, and your reply to that effect, shall constitute an Agreement between our two Governments in this matter which shall be known as "The United Kingdom/Ghana Debt Agreement No.3 (2002) Amendment" and which shall enter into force on the date of your reply.

I have the honour to convey to Your Excellency the assurance of my highest consideration.

G G WETHERELL

No. 2

The Minister of Finance and Economic Planning of the Republic of Ghana to the British High Commissioner at Accra

Accra
10 March 2004

I have the honour to acknowledge receipt of your Excellency's Note of 30 January 2004, which reads as follows:

[As in No. 1]

I have the honour to confirm that the terms set out in your Note are acceptable to the Government of the Republic of Ghana, and that your Note, and this reply, shall constitute an Agreement between our two Governments in this matter which shall be known as "The United Kingdom/Ghana Debt Agreement No.3 (2002) Amendment: and which shall enter into force today.

I have the honour to convey to Your Excellency the assurance of my highest consideration

YAW OSAFO-MAAFO



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