

No. 30591

**REPUBLIC OF KOREA
and
KENYA**

**Exchange of notes constituting an agreement concerning the
Economic Development Cooperation Fund Loan to the
Republic of Kenya. Nairobi, 30 April 1993**

Authentic text: English.

Registered by the Republic of Korea on 3 December 1993.

**RÉPUBLIQUE DE CORÉE
et
KENYA**

**Échange de notes constituant un accord relatif au prêt du
Fonds de coopération au développement économique à la
République du Kenya. Nairobi, 30 avril 1993**

Texte authentique : anglais.

Enregistré par la République de Corée le 3 décembre 1993.

EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE REPUBLIC OF KOREA AND THE GOVERNMENT OF THE REPUBLIC OF KENYA CONCERNING THE ECONOMIC DEVELOPMENT COOPERATION FUND LOAN TO THE REPUBLIC OF KENYA

I

EMBASSY OF THE REPUBLIC OF KOREA

Nairobi, April 30, 1993

Honourable,

I have the honour to confirm the following understanding recently reached between the Government of the Republic of Korea and the Government of the Republic of Kenya concerning a Korean loan to be extended to the Republic of Kenya with a view to supporting the economic development efforts of the Republic of Kenya and promoting the economic cooperation between the two countries.

1. The Government of the Republic of Korea shall enable the Government of the Republic of Kenya to obtain a loan in Korean Won up to the amount of ten billion nine hundred and ninety-four million Won (W10,994,000,000.-) (hereinafter referred to as "the Loan") from the "Economic Development Cooperation Fund" for the implementation of the Establishment of a Technology Development Centre (hereinafter referred to as "the Project").
2. (1) The utilization of the Loan as well as the terms and conditions on which it is made available shall be governed by the provisions of a loan agreement (hereinafter referred to as "the Loan Agreement") which will be concluded between the Export-Import Bank of Korea (hereinafter referred to as "the Bank")

¹ Came into force on 30 April 1993 by the exchange of the said notes.

and the Government of the Republic of Kenya in accordance with the relevant laws and regulations of the Republic of Korea.

- (2) The Loan Agreement will contain, inter alia, the following principles:
 - (a) The repayment period will be twenty (20) years including the grace period of five (5) years.
 - (b) The rate of interest will be three and a half (3.5) percent per annum.
 - (3) The Loan Agreement will be concluded after the Bank is satisfied with its administrative requirements and the implementation program of the Kenyan executing agency for the Project.
3. (1) The Loan will be extended to cover payments to be made by the Kenyan executing agency to suppliers, contractors and/or consultants of eligible source countries under such contracts as may be entered into between them for procurement of goods and/or services required for the implementation of the Project.
- (2) The scope of the eligible source countries mentioned in sub-paragraph (1) above will be agreed upon between the authorities concerned of the two Governments.
4. The Government of the Republic of Kenya shall ensure that goods and/or services mentioned in sub-paragraph (1) of paragraph 3 above are procured in accordance with the procurement procedures stipulated in the Loan Agreement.
5. With regard to the shipping and marine insurance of goods procured under the Loan, the Government of the Republic of Kenya shall refrain from imposing any restrictions that may hinder fair and free competition between the shipping and marine insurance companies of the two countries.

6. The Government of the Republic of Kenya shall endeavour to take necessary measures to facilitate activities related to the Project by the nationals of the Republic of Korea and assist them in obtaining such services and conveniences as may be required to carry out their mission in the Republic of Kenya.
7. The Government of the Republic of Kenya shall exempt the Bank from any fiscal levy or tax imposed in the Republic of Kenya on and/or in connection with the Loan and interest accruing therefrom.
8. The Government of the Republic of Kenya shall take necessary measures to ensure that the facilities installed with the Loan be maintained and used for the best of the purposes prescribed in this understanding.
9. The two Governments shall consult each other at the request of either side about any matters concerning the implementation of the Loan Agreement and take necessary measures to ensure most proper and effective utilization of the Loan.

If the above provisions are acceptable to the Government of the Republic of Kenya, this Note and Your Excellency's Note in reply to that effect shall be regarded as constituting an agreement between the two Governments in this matter.

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

WON CHAN RAH
Ambassador Extraordinary and Plenipotentiary
of the Republic of Korea

His Honourable Musalia Mudavadi, M.P.
Minister for Finance
Republic of Kenya

II

MINISTRY OF FINANCE
OFFICE OF THE MINISTER
NAIROBI
KENYA

30th April, 1993

Ref. No. EA/FA 163/78/01/D

Your Excellency,

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

[*See note I*]

I have further the honour to inform Your Excellency that the foregoing proposal is acceptable to the Government of the Republic of Kenya and to confirm that Your Excellency's Note and this Note in reply shall constitute an agreement between the two Governments on this matter.

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

W. MUSALIA MUDAVADI
Minister of Finance
Republic of Kenya

H. E. Mr. Won Chan Rah
Ambassador Extraordinary and Plenipotentiary
of the Republic of Korea to the Republic of Kenya
