

No. 30361

**REPUBLIC OF KOREA
and
NIGERIA**

**Exchange of notes constituting an agreement concerning the
“Economic Development Cooperation Fund” loan to
the Government of Nigeria (with record of discussion).
Abuja, 15 September 1992**

Authentic text: English.

Registered by the Republic of Korea on 6 October 1993.

**RÉPUBLIQUE DE CORÉE
et
NIGÉRIA**

**Échange de notes constituant un accord relatif à un prêt du
Fonds de coopération au développement économique au
Gouvernement nigérian (avec compte-rendu de négocia-
tions). Abuja, 15 septembre 1992**

Texte authentique : anglais.

Enregistré par la République de Corée le 6 octobre 1993.

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

I

EMBASSY OF THE REPUBLIC OF KOREA
LAGOS, NIGERIA

Abuja, 15th September, 1992.

Excellency,

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

1. The Government of the Republic of Korea shall enable the Government of the Federal Republic of Nigeria to obtain a loan in Korean Won up to the amount of TEN BILLION NINE HUNDRED AND THIRTY MILLION Korean Won (₩10,930,000,000.-) (hereinafter referred to as the "Loan") from the "Economic Development Cooperation Fund" for the implementation of "Locomotive Modernization Project" (hereinafter referred to as the "Project").
2. (1) The utilization of the Loan referred in paragraph 1 above, as well as the terms and conditions

¹ Came into force on 15 September 1992 by the exchange of the said notes.

on which it is made available shall be governed by the provisions of a loan agreement (hereinafter referred to as the "Loan Agreement") to be concluded between the Export-Import Bank of Korea (hereinafter referred to as the "Bank") and the Government of the Federal Republic of Nigeria 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.
 - (c) The disbursement period will be two (2) years from the date of signing of the Loan Agreement.
 - (3) The Loan Agreement will be concluded after the Bank is satisfied of its administrative requirements and the implementation program of the Nigerian executing agency for the Project.
3. (1) The Loan will be extended to cover payments to be made by the Nigerian executing agency to suppliers and/or contractors of the Eligible Source countries under such contracts as may be entered into between them for procurements of goods and services required for the implementation of the Project.
 - (2) The scope of the eligible source countries mentioned in subparagraph (1) above will be agreed upon between the authorities concerned of the two Governments.

4. The Government of the Federal Republic of Nigeria shall ensure that goods and/or services mentioned in sub-paragraph (1) of paragraph 3 above be 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 Federal Republic of Nigeria 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 Federal Republic of Nigeria shall endeavour to take necessary measures to facilitate activities of the Korean nationals related to the Project and assist them in obtaining such services and conveniences as may be required to carry out their mission in the Federal Republic of Nigeria.
7. The Government of the Federal Republic of Nigeria shall exempt the Bank from any fiscal levy or tax imposed in the Federal Republic of Nigeria on and/or in connection with the Loan and interest accruing therefrom.
8. The Government of the Federal Republic of Nigeria shall take necessary measures to ensure that the equipment purchased 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 of them on all matters concerning the implementation of the Loan Agreement and take necessary measures to ensure most proper and effective utilization of the Loan.