

**No. 3828**

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**UNITED STATES OF AMERICA  
and  
JORDAN**

**Agreement relating to special economic assistance. Signed  
at Amman, on 17 June 1954**

**Amendment No. 1 to the above-mentioned Agreement.  
Signed at Amman, on 17 March 1956**

*Official text: English.*

*Registered by the United States of America on 6 May 1957.*

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**ÉTATS-UNIS D'AMÉRIQUE  
et  
JORDANIE**

**Accord relatif à l'octroi d'une aide économique spéciale.  
Signé à Amman, le 17 juin 1954**

**Amendement n° 1 à l'Accord susmentionné. Signé à  
Amman, le 17 mars 1956**

*Texte officiel anglais.*

*Enregistrés par les États-Unis d'Amérique le 6 mai 1957.*

No. 3828. AGREEMENT<sup>1</sup> BETWEEN THE UNITED STATES OF AMERICA AND JORDAN RELATING TO SPECIAL ECONOMIC ASSISTANCE. SIGNED AT AMMAN, ON 17 JUNE 1954

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June 17, 1954

His Excellency Khlousi Kheiry  
Minister of Economy  
The Hashemite Kingdom of Jordan  
Amman, Jordan

Excellency :

I have the honor to refer you to the General Agreement for Technical Cooperation between the Government of The Hashemite Kingdom of Jordan and the Government of the United States of America,<sup>2</sup> and to the notes exchanged between the two Governments dated May 4 and May 13, 1954,<sup>3</sup> establishing a program of technical and economic assistance for Jordan, the provisions of which shall be applicable to this agreement and the conduct of the program described herein.

In addition to sums heretofore provided for the program of technical cooperation, the Government of the United States of America is prepared to establish with your Government a cooperative special economic assistance program and to contribute therefor equipment, supplies, contractual services, goods to be imported and sold, and other costs. This contribution is in accordance with the following procedures :

I

There is hereby established the Jordan-United States Joint Fund for Special Economic Assistance (hereinafter referred to as the "Joint Fund"). The Joint Fund shall administer the cooperative program of special economic assistance in accordance with the terms of this agreement. The Minister of Economy of The Hashemite Kingdom of Jordan and the Director of the United States of America Operations Mission to Jordan shall serve as Co-Directors of the Joint Fund. The monies of the Joint Fund shall be maintained in such bank or banks as the Co-Directors shall select and shall be available only for the purposes of this agreement.

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<sup>1</sup> Came into force on 17 June 1954 by signature.

<sup>2</sup> United Nations, *Treaty Series*, Vol. 141, p. 55, and Vol. 179, p. 249.

<sup>3</sup> United Nations, *Treaty Series*, Vol. 234, p. 225.

## II

(a) The Government of the United States of America will contribute to the Joint Fund, from funds appropriated for the fiscal year ending June 30, 1954, the sum of Eight million United States dollars (\$8,000,000) in the manner provided above.

(b) The parties agree that these funds shall be withheld in the United States of America to meet payments to be made outside Jordan pursuant to obligations undertaken by the Government of the United States or the Co-Directors to any person, firm, corporation or other legal entity to supply goods, services, materials or equipment to or for the benefit of the cooperative program of special economic assistance. The amounts used to meet payments outside Jordan shall be considered as if deposited to the credit of the Joint Fund, and shall be shown in the records of the Joint Fund as contributions by the Government of the United States of America against its undertaking to contribute eight million dollars to the Joint Fund.

## III

The Government of The Hashemite Kingdom of Jordan shall deposit to the credit of the Joint Fund not less than Nine thousand Jordan Dinars (JD 9,000).

## IV

(a) The Co-Directors by agreement may arrange for the purchase and transport to Jordan of essential goods for sale within Jordan through normal commercial channels by providing for the utilization for this purpose of a portion of the contribution of the Government of the United States of America to finance the foreign exchange costs of such goods. The local currency received from importers in payment for such goods and transport shall be deposited in the banking account or accounts to the credit of the Joint Fund as a portion of the contribution of the United States of America. The dollar costs of such goods and transport shall be shown in the records of the Joint Fund as contributions by the Government of the United States of America against its undertaking to contribute eight million dollars to the Joint Fund.

(b) The Ministry of Economy will request the Co-Directors to issue purchase authorities for the procurement of goods and services to be paid for from United States economic assistance funds attributed to the Joint Fund account. Each such purchase authority will describe in adequate detail the items or services to be procured, the sources of procurement, the maximum value authorized, the contracting and delivery periods permitted, and such other relevant procurement instructions as may be necessary. To the extent procurement is to be effected by a United States Government agency, the purchase authorities, after signature by the Co-Directors, will be transmitted to Foreign Operations Administration, Washington, for appropriate action. To the extent procurement is to be effected by a non-United States Government agency, the purchase authority will indicate both the authorized agency to which issued for procurement and the Approved Applicant through which United States bank financing will be arranged. To the extent commodity imports are for the purpose of local currency generation,

The Hashemite Kingdom of Jordan will make arrangements to assure that at least 25% of the dinar equivalent of the dollar value of each letter of credit opened under such purchase authorities is deposited in the Joint Fund account on the establishment of the letter of credit and that 75% dinar balance is so deposited prior to the entry into Jordan of commodities so procured. In respect of procurement through United States Government agency channels, The Hashemite Kingdom of Jordan will assure that 100% of the dinar equivalent of the dollar value of such procurement will be deposited prior to the entry of the commodity into Jordan or upon notification by the United States Co-Director of the Foreign Operations Administration dollar disbursements, whichever is earlier. The Hashemite Kingdom of Jordan will also assure that the sales proceeds of commodities imported into Jordan through United States Government agency procurement shall promptly be deposited in the Joint Fund account. The exchange rate to be used in calculating such Jordanian equivalents will be the highest rate of exchange for dinars in terms of dollars effective on the date of any such transaction.

(c) The Approved Applicant will promptly deposit to the banking account or accounts of the Joint Fund an amount equal to 90% of all dinars received from importers at the time the letters of credit are established, and the remainder of the dinar equivalent of the foreign exchange utilized in settlements under the letters of credit will be deposited by the bank to the credit of such account or accounts simultaneously with the release of title documents for the imports in question.

(d) All dinars generated or otherwise derived from the use of dollar funds will be deposited to the credit of the banking account or accounts of the Joint Fund. Such account or accounts shall be maintained in collaboration with the Comptroller of the United States of America Operations Mission to Jordan in sufficient detail so that prompt and accurate reportings may be transmitted by him to the Government of the United States of America.

(e) The Government of Jordan further agrees to reimburse the United States Operations Mission to Jordan upon demand, for dollar credits sold to importers of goods whenever full documentation is not furnished within the specified time, or whenever it appears to this Mission that the documentation submitted does not support the expenditure of dollar credits made available hereby, or whenever this Mission determines that the expenditure of dollar credits was improper as being in violation of the Mutual Security Act of 1953 and related United States laws, such as Section 112 (L) of the Economic Cooperation Act of 1948, as amended.

## V

None of the dollar funds heretofore or herein provided, nor any of the dinar funds generated or otherwise derived from the sale of commodities shall be used to make payments on account of the principal or interest of any debt of the Government of The Hashemite Kingdom of Jordan or on any loan made to the Government of The Hashemite Kingdom of Jordan by any other foreign government; nor shall any of these funds

be expended for any purpose for which funds have been withdrawn by the Government of The Hashemite Kingdom of Jordan to make payment on such debts.

## VI

Local currency deposited to the credit of the Joint Fund shall be used for the following purposes and under the following conditions :

(a) Expenditures in such amounts and under such conditions and limitations as may be determined by the Co-Directors in and pursuant to project agreements and other written memoranda executed by the Co-Directors. The projects to be undertaken under this agreement may include cooperation with national and local governmental agencies in The Hashemite Kingdom of Jordan, as well as with organizations of a public or private character, and international organizations of which the United States of America and The Hashemite Kingdom of Jordan are members. By agreement between the Co-Directors contributions of funds, property, services or facilities by either or both parties, or by any of such third parties, may be accepted and deposited to the credit of the Joint Fund for use in effectuating the cooperative program.

(b) Payment of local currency administrative expenses of the Joint Fund as the Co-Directors may determine.

(c) No funds shall be withdrawn from the monies of the Joint Fund for any purpose except by issuance of a check or other suitable withdrawal document signed by the Co-Directors.

(d) The Co-Directors shall determine the general policies and administrative procedures that are to govern the operations of the Joint Fund, such as disbursement of and accounting for funds; incurrence of obligations; purchase and use, inventory, control and disposition of property; and the appointment and discharge of officers and other personnel of the Joint Fund.

(e) All project agreements, contracts and other instruments and documents shall be executed in the name of the Joint Fund and shall be signed by the Co-Directors. The books and records of the Joint Fund shall be open at all times for examination and audit by authorized representatives of both or either of the two Governments. The Co-Directors shall render an annual report of their activities to the two Governments and such other reports as may be appropriate.

(f) All materials, equipment and supplies acquired pursuant to this agreement shall become the property of the Joint Fund. Subject to limitations imposed by Article V above, the Co-Directors may transfer goods, materials, supplies and equipment acquired by the Joint Fund in such manner as to contribute to the economic development of Jordan. Any such goods, materials, supplies and equipment remaining at the termination of this agreement shall be at the disposal of the Government of The Hashemite Kingdom of Jordan.

(g) Any unobligated balance of local currency left to the account of the Joint Fund at the termination of this agreement shall be disposed of as mutually agreed upon by the Government of The Hashemite Kingdom of Jordan and the Government of the United States of America.

## VII

Any right, privilege, power or duty conferred by this agreement either upon an official of the Government of The Hashemite Kingdom of Jordan or upon an American officer of the United States of America Operations Mission to Jordan may be delegated by them to any of their assistants provided that each such delegation shall be satisfactory to the other.

## VIII

The parties hereto recognize the Joint Fund as an integral part of the cooperative program of technical assistance established pursuant to the General Agreement referred to in the first paragraph hereof and declare that the Joint Fund will be accorded all the rights, privileges and immunities accruing to the United States of America Operations Mission to Jordan. The parties hereto further recognize that the effectiveness and value of the program effectuated through and under this agreement depends upon the continuation, progression, maintenance and administration of the projects executed hereunder; therefore, it is agreed by The Hashemite Kingdom of Jordan that it will continue, operate, and manage such projects in accordance with the objectives contained in such project agreements.

## IX

This agreement may be referred to as the "Jordan-United States Economic Assistance Joint Fund Agreement." It shall enter in force on the date of acceptance by the Government of The Hashemite Kingdom of Jordan and shall remain in force through June 30, 1956, or until three months after either Government shall have given notice in writing to the other of intention to terminate it whichever is the earlier. It is complementary to and does not supersede existing agreements between the Governments.

If this proposal meets with the approval of your Government, it is requested that your signature be inscribed below in attestation of its acceptance.

Clark S. GREGORY  
Director, United States of America  
Operations Mission to Jordan

Accepted this 17th day of June 1954 :

KHLOUSI KHEIRY  
Minister of Economy of The Hashemite Kingdom of Jordan

AMENDMENT No. 1<sup>1</sup> TO THE AGREEMENT OF 17 JUNE 1954<sup>2</sup> BETWEEN THE UNITED STATES OF AMERICA AND JORDAN RELATING TO SPECIAL ECONOMIC ASSISTANCE. SIGNED AT AMMAN, ON 17 MARCH 1956

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This Agreement, entered into this 17th day of March, 1956, between the Government of the United States of America, represented by the International Cooperation Administration (hereinafter called "ICA") and the Government of the Hashemite Kingdom of Jordan, represented by the Ministry of Economy;

WITNESSETH :

WHEREAS, the parties hereto entered into a certain agreement entitled Jordan-United States Economic Assistance Joint Fund Agreement, dated June 17, 1954;<sup>2</sup> and

WHEREAS, the parties now desire to amend said Agreement to extend the term thereof;

NOW THEREFORE, the parties mutually agree that said Agreement shall be and it hereby is amended as follows :

Article IX is hereby amended by deleting the date " June 30, 1956 " appearing therein and substituting in lieu thereof the date " June 30, 1958. "

Except as expressly hereby amended, said Agreement is in all respects ratified, confirmed and continued in full force and effect in accordance with its terms.

IN WITNESS WHEREOF the parties hereto have, by their representatives or officers thereunto duly authorized, executed this Agreement as of the day and year first above written.

For the Government  
of the United States  
of America :  
Harold S. NELSON  
Director  
United States of America  
Operations Mission to Jordan

For the Government  
of the Hashemite Kingdom  
of Jordan :  
KHLLOUSI KHEIRY  
Minister of Economy  
of the Hashemite Kingdom  
of Jordan

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<sup>1</sup> Came into force on 17 March 1956 by signature.

<sup>2</sup> See p. 138 of this volume.