

No. 8338

**DENMARK
and
JORDAN**

**Agreement on a Danish Government loan to Jordan (with
annex and exchange of letters). Signed at London, on
28 June 1966**

Official text : English.

Registered by Denmark on 27 September 1966.

**DANEMARK
et
JORDANIE**

**Accord relatif à l'octroi d'un prêt du Gouvernement danois à
la Jordanie (avec annexe et échange de lettres). Signé à
Londres, le 28 juin 1966**

Texte officiel anglais.

Enregistré par le Danemark le 27 septembre 1966.

No. 8338. AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE HASHEMITE KINGDOM OF JORDAN AND THE GOVERNMENT OF THE KINGDOM OF DENMARK ON A DANISH GOVERNMENT LOAN TO JORDAN. SIGNED AT LONDON, ON 28 JUNE 1966

The Government of Jordan and the Government of Denmark, desiring to strengthen the traditional co-operation and cordial relations between their countries, have agreed that, as a contribution to Jordan's Development Plan, a Danish Government Loan will be extended to Jordan in accordance with the following provisions :

Article I

THE LOAN

The Government of Denmark (hereinafter called the Lender) agrees to make available to the Government of Jordan (hereinafter called the Borrower) a development Loan in an amount of twelve million Danish kroner for the procurement of capital equipment and services as described in Article VI of this Agreement.

Article II

LOAN ACCOUNT

Section 1. An account designated "Government of Jordan Special Account" (hereinafter called "Special Account") will be opened with Danmarks Nationalbank (acting as agent for the Lender) in favour of the Central Bank of Jordan (acting as agent for the Borrower). The Lender will ensure that sufficient funds are always available in the Special Account to enable the Borrower to effect punctual payment for the goods and services procured under this Loan, provided that the amounts successively made available to the Borrower shall not, in the aggregate, exceed the loan amount specified in Article I.

Section 2. The Central Bank of Jordan (acting as agent for the Borrower) shall be entitled, subject to the provisions of this Agreement, to withdraw from the Special Account amounts needed for the payment of equipment or services procured under the Loan Agreement.

¹ Came into force on 28 June 1966, upon signature, in accordance with article XIV (1).

Article III

RATE OF INTEREST

The Loan will be free of interest.

Article IV

REPAYMENT

Section 1. The Borrower will repay to the Lender the principal of the credit withdrawn from the Special Account in thirty semi-annual instalments of 400,000 Danish kroner each, commencing on March 31, 1971, and ending on September 30, 1985.

Section 2. The Borrower has the right to repay in advance of maturity all or any part of the principal amount of one or more maturities of the Loan specified by the Borrower.

Article V

PLACE OF PAYMENT

The Borrower will repay the Loan in Danish kroner or any other convertible currency acceptable to Danmarks Nationalbank to the credit of the current account of the Ministry of Finance with Danmarks Nationalbank.

Article VI

USE OF THE LOAN BY JORDAN

Section 1. The Borrower will use the proceeds of the Loan to finance imports (including transport charges from Denmark to Jordan) of Danish capital equipment included in the annexed list which may be modified or enlarged by mutual consent, for the implementation of Jordan's Development Plan. The total disbursement shall not exceed the amount of twelve million Danish kroner referred to in Article I.

Section 2. The proceeds of the Loan may also be used to pay for Danish services required for the implementation of Jordan's Development Plan, including, in particular, pre-investment studies, preparation of projects, assembly of plant, consultant engineering, technical and administrative assistance for, e.g., the operation during the initial period of undertakings established by means of the Loan.

Section 3. The terms of payment stipulated in contracts or documentation to the effect that an order has been placed with a Danish exporter for supplies or services of the nature described above shall be considered as normal and proper

whenever such contracts or other documentation contain no clauses involving special credit facilities from Danish exporters.

Section 4. The proceeds of the Loan may be used only for payment of supplies or services contracted for after the entry into force of the Agreement.

Section 5. The Borrower may draw on the account with Danmarks Nationalbank referred to in Article II for up to three years after the entry into force of the Agreement or such other date as may be agreed by the Lender and the Borrower.

Section 6. If the proceeds of the Loan have not been fully utilized within the time stipulated in section 5 above, the semi-annual repayments shall be reduced by a proportion equal to the rate between the unutilized amount of the Loan and the principal of the Loan.

Article VII

NON-DISCRIMINATION

Section 1. In regard to the repayment of the Loan the Borrower undertakes to give the Lender no less favourable treatment than that accorded to other foreign creditors.

Section 2. All shipments of equipment covered by this Agreement shall be in keeping with the principle of free circulation of ships in international trade in free and fair competition.

Article VIII

MISCELLANEOUS PROVISIONS

Section 1. Prior to the first drawing against the Special Account referred to in Article II the Borrower will satisfy the Lender that all constitutional requirements and other requirements laid down by statute in the Borrower's home country have been met so that this Loan Agreement will constitute a valid obligation binding on the Borrower in the terms of the Loan Agreement.

Section 2. The Borrower will furnish to the Lender evidence of the authority of the person or persons who will, on behalf of the Borrower, take any action or execute any documents under this Agreement, and authenticated specimen signatures of all such persons.

Section 3. Any notice or request under this Agreement and any agreement between the parties contemplated by this Agreement shall be in writing. Such

notice or request shall be deemed to have been duly given or made when it has been delivered by hand or by mail, telegram, cable or radiogram to the party at such party's address specified in this Agreement, or at such other address as such party shall have indicated by notice to the party giving such notice or making such request.

Article IX

PARTICULAR COVENANTS

The principal of the Loan shall be repaid without deduction for, and free from, any taxes and charges, and free from all restrictions imposed under the laws of the Borrower. This Agreement shall be free from any present or future taxes imposed under the laws of the Borrower, or laws in effect in its territories on or in connection with the execution, issue, delivery or registration thereof.

Article X

CANCELLATION AND SUSPENSION

Section 1. The Borrower may, by notice to the Lender, cancel any amount of the Loan which the Borrower may not have withdrawn.

If any of the following events shall have happened and be continuing, the Lender may, by notice to the Borrower, suspend in whole or in part the right of the Borrower to make withdrawals from the Special Account :

- (a) a default shall have occurred in the payment of the principal under the Agreement or under any other financial commitment entered into by the Borrower in relation to the Lender,
- (b) a default shall have occurred on the part of the Borrower in the performance of any other covenant or agreement concluded under the Agreement.

Section 2. The Right of the Borrower to make withdrawals from the Special Account shall continue to be suspended in whole or in part, as the case may be, until the event or events which gave rise to such suspension shall have ceased to exist or until the Lender shall have notified the Borrower that the right to make withdrawals has been restored, whichever is earlier, provided, however, that in the case of any such notice of restoration the right to make withdrawals shall be restored only to the extent and subject to the conditions specified in such notice, and no such notice shall affect or impair any right, power, or remedy of the Lender in respect of any other or subsequent event described in this Article.

If the right of the Borrower to make withdrawals from the Special Account shall have been suspended with respect to any amount of the Loan for a continuous period of sixty days, the Lender may, by notice to the Borrower, terminate the right

of the Borrower to make withdrawals with respect to such amount. Upon the giving of such notice such amount of the Loan shall be cancelled.

Section 3. Notwithstanding any cancellation or suspension all the provisions of the Agreement shall continue in full force and effect except as in this Article specifically provided.

Article XI

REMEDIES OF THE LENDER

If any event specified in subparagraphs (a) and (b) of Article X shall occur and shall continue for a period of sixty days after notice thereof has been given by the Lender to the Borrower, then at any subsequent time the Lender, at his option, may declare the principal of the Loan then outstanding to be due and payable immediately, and upon any such declaration such principal shall become due and payable immediately, anything in the Agreement to the contrary notwithstanding.

Article XII

APPLICABLE LAW

Unless otherwise provided for in the Agreement, the Agreement and all the rights and obligations deriving from it shall be governed by Danish Law.

Article XIII

SETTLEMENT OF DISPUTES

Any dispute between the two Governments arising out of the interpretation of the conditions governing the disbursement and servicing of the Danish Loan to be extended to the Government of Jordan in pursuance of this Agreement shall be settled in a manner to be mutually agreed between the two Governments.

Article XIV

DURATION OF THE AGREEMENT

Section 1. This Agreement shall come into force on the date of signature.

Section 2. When the entire principal amount of the Loan has been repaid, the Agreement shall terminate forthwith.

Article XV

SPECIFICATION OF ADDRESSES

The following addresses are specified for the purpose of this Agreement :

For the Borrower :

Central Bank of Jordan,
P. O. Box 37, Amman.

Alternative address for cablegrams and radiograms :

Bankmarkazi
Amman

For the Lender with respect to disbursement :

Ministry of Foreign Affairs,
Secretariat for Technical Co-operation with Developing Countries,
Copenhagen.

Alternative address for cablegrams and radiograms :

Dacomta
Copenhagen

For the Lender with respect to repayment of the credit :

Ministry of Finance,
Copenhagen.

Alternative address for cablegrams and radiograms :

Finans
Copenhagen

IN WITNESS WHEREOF, the parties hereto, acting through their representatives duly authorized for this purpose, have caused this Agreement to be signed in two copies in the English language in London this twenty-eighth day of June, 1966.

For the Government of Jordan :
Anwar NUSEIBEH

For the Government of Denmark :
Erling KRISTIANSEN

ANNEX

This Agreement is applicable to Danish supplies to Jordan of machinery and equipment for :

1. a slaughter-house,
2. dairies,
3. a compost plant,
4. fishing industry,
5. cold storage,
6. food processing.

EXCHANGE OF LETTERS

I

London, the 28th June 1966

Excellency,

With reference to the Development Loan Agreement of to-day's date between the Government of Denmark and the Government of Jordan (hereinafter called the Agreement) I have the honour to propose that the following provisions shall govern the implementation of Article VI of the Agreement.

Payments out of the Special Account shall be effected in the following manner :

- (1) The Danish exporter or consultant and the Jordanian importer or prospective investor shall negotiate a contract, subject to the final approval of the Jordanian and Danish authorities. No contract for any one Danish delivery below 200.000 Danish Kroner except for utilization of any final balance below that amount, shall be eligible for financing under the Loan Agreement.
- (2) The Government of Jordan will make available to the Danish Ministry of Foreign Affairs copies of the contracts to be concluded under this Agreement. The latter will ascertain, *inter alia* that
 - (a) the commodities or services contracted fall within the framework of the Loan Agreement ;
 - (b) the capital equipment involved has been manufactured in Denmark, or the services to be rendered will be performed by persons carrying on business in Denmark,and inform the Government of Jordan of its findings.
- (3) The Government of Jordan may then draw on the Special Account with Danmarks Nationalbank to effect payment of the consignment referred to in the contract. Payments out of that account to Danish exporters shall be subject to presentation of the necessary documents when Danmarks Nationalbank has ascertained that the conditions for effecting such payments have otherwise been complied with.

If the foregoing provisions are acceptable to the Government of Jordan, I have the honour to suggest that this letter and Your Excellency's reply to that effect constitute an agreement between our two Governments on this matter.

Please accept, Your Excellency, the assurance of my highest consideration.

For the Government of Denmark :

Erling KRISTIANSEN

His Excellency Mr. Anwar Nuseibeh
Ambassador of Jordan
London

II

London, the 28th June 1966

Excellency,

I have the honour to acknowledge receipt of your letter of to-day which reads as follows :

[*See letter I*]

I have the honour to inform you that my Government is in agreement with the foregoing.

Please, accept, Excellency, the assurance of my highest consideration.

For the Government of Jordan :

Anwar NUSEIBEH

His Excellency Mr. Erling Kristiansen
Ambassador of Denmark
London.