

No. 9407

DENMARK
and
TUNISIA

Agreement regarding a Danish Government Loan to Tunisia (with addendum and exchange of letters). Signed at Tunis on 7 June 1968

Amending Agreement No. 1 to the above-mentioned Agreement. Signed at Tunis on 2 August 1968

Authentic texts : French.

Registered by Denmark on 14 February 1969.

DANEMARK
et
TUNISIE

Accord relatif à un prêt de l'État danois à la Tunisie (avec additif et échange de lettres). Signé à Tunis le 7 juin 1968

Avenant n° 1 à l'Accord susmentionné. Signé à Tunis le 2 août 1968

Textes authentiques : français.

Enregistrés par le Danemark le 14 février 1969.

[TRANSLATION — TRADUCTION]

AGREEMENT¹ BETWEEN THE GOVERNMENTS OF THE
KINGDOM OF DENMARK AND THE REPUBLIC OF
TUNISIA REGARDING A DANISH GOVERNMENT LOAN
TO TUNISIA

The Danish Government and the Tunisian Government, desiring to strengthen the traditional co-operation and cordial relations between their countries, have agreed that, with a view to the economic development of Tunisia, a Danish Government loan shall be granted to the Republic of Tunisia, in accordance with the following provisions :

Article I

THE LOAN

The Danish Government (hereinafter called the Lender) undertakes to extend to the Tunisian Government (hereinafter called the Borrower), with a view to economic development, a loan of fourteen million Danish Kroner for the purpose of purchasing capital goods and paying for services as described in article VI of this Agreement.

Article II

LOAN ACCOUNT

(1) An account designated "Tunisian Government Special Account" (hereinafter called "Special Account") shall be opened with Danmarks Nationalbank (acting as agent for the Lender) in favour of the Banque Centrale de Tunisie (acting as agent for the Borrower). The Lender shall ensure that sufficient funds are always available in the Special Account to enable the Borrower to effect punctual payment for the goods and services for which contracts have been concluded under the loan, provided, however, that the amounts successively made available to the Borrower shall not, in the aggregate, exceed the amount specified in article I.

(2) The Banque Centrale de Tunisie (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 purchase of goods or the payment of services for which contracts have been concluded under the loan.

¹ Came into force on 7 June 1968 by signature, in accordance with article XIII (1).

Article III

RATE OF INTEREST

The loan shall be free of interest.

Article IV

REPAYMENT

(1) The Borrower undertakes to repay to the Lender the principal paid into the Special Account in twenty-eight semi-annual instalments of 500,000 Danish Kroner each, the first of which shall fall due on 1 April 1972 and the last on 1 October 1986.

(2) The Borrower shall have the right to repay in advance of maturity all or part of one or more payments specified by him.

Article V

PLACE OF PAYMENT

The Borrower undertakes to repay the loan to Danmarks Nationalbank, in Danish Kroner or in any other convertible currency acceptable to that Bank, by crediting the current account of the Danish Ministry of Finance with Danmarks Nationalbank.

Article VI

USE OF THE LOAN (BY TUNISIA)

(1) The Borrower shall use the loan to pay for imports from Denmark of capital goods or for services rendered by Denmark relating to the implementation of the project for the construction of three hotels, in accordance with the contract concluded on 22 April 1968 between the firms Société Carthago and Danish Turnkey Hotels.

(2) The Borrower shall ensure that the loan is used exclusively to pay for goods and services needed to fulfil contracts approved by both Parties. The procedures for the payment of such goods and services, other than the procedures described in article II, shall be determined by agreement between the Borrower and the Lender.

(3) The Lender shall approve contracts concluded under the loan but such approval shall not cause him to be held responsible for the due and proper execution of such contracts or of subsequent instruments relating thereto.

(4) The terms of payment laid down in a contract or other document establishing that an order has been placed with a Danish exporter for goods or

services of the type mentioned above shall be deemed to be normal and reasonable when the said contract or document contains no clauses under which the Danish exporter grants special credit facilities.

(5) The loan shall be used only to pay for goods or services contracted for after the entry into force of this Agreement.

(6) The Borrower may draw on the account with Danmarks Nationalbank referred to in article II for up to three years from the date of the entry into force of the Agreement or such other date as shall be fixed by agreement between the Lender and the Borrower.

(7) If the proceeds of the loan have not been fully utilized within the period specified in paragraph (5) above, the semi-annual payments shall be reduced in the same proportion as the amount not utilized bears to the principal of the loan.

Article VII

NON-DISCRIMINATION

(1) The Borrower undertakes not to accord the Danish creditor less favourable treatment with regard to the repayment of the loan than that accorded to other foreign creditors.

(2) All shipments of capital goods under the loan shall be effected in accordance with the principle that all ships have the right to engage in international trade in conditions of free competition.

Article VIII

MISCELLANEOUS PROVISIONS

(1) Prior to the first drawing against the Special Account referred to in article II, the Borrower shall satisfy the Lender that all the constitutional or other legislative requirements of the country of the Borrower have been met, so that this Agreement, under the conditions laid down therein, shall be legally binding on the Borrower.

(2) The Borrower shall furnish to the Lender evidence that the person or persons who will take any action or execute any documents under this Agreement are duly authorized thereto and shall provide a specimen signature of each of them.

(3) Any notice or request concerning this Agreement and any arrangement under the Agreement made by the Contracting Parties shall be in writing. Such notice or request shall be deemed to have been validly given or made

when it has been delivered by hand or transmitted by letter, telegram or radiogram to the Party concerned at the address specified in this Agreement or at any other address communicated in writing by the said Party to the Party giving such notice or making such request.

Article IX

PARTICULAR COVENANTS

The repayment of the loan shall be effected without deduction of and free from all taxes and charges and from all restrictions applied under the domestic law of the Borrower. This Agreement shall be exempt from any charges which may be levied now or in the future under the domestic law of the Borrower on its entry into force, conclusion, delivery or registration.

Article X

CANCELLATION AND SUSPENSION

(1) The Borrower may, by a notice to the Lender, cancel any amount of the loan which he has not utilized.

If either of the following contingencies should arise and continue to obtain, the Lender may, by a notice to the Borrower, suspend, wholly or in part, the Borrower's right to draw on the Special Account :

- (a) Failure to repay the principal in accordance with the terms of this Agreement or of any other payment undertaking assumed by the Borrower in relation to the Lender ;
- (b) Failure on the part of the Borrower to fulfil any other obligation pursuant to this Agreement.

(2) The right of the Borrower to draw on the Special Account shall continue to be suspended wholly or in part, as the case may be, until such time as the circumstance or circumstances which caused such suspension cease to exist or the Lender notifies the Borrower that the right to make withdrawals has been restored, provided, however, that where the right is restored by means of a notice to that effect, it shall be restored only to the extent and subject to the conditions specified in the said notice and that the notice shall in no way affect or impair any right, power or remedy of the Lender in respect of any contingency other than or subsequent to that which caused the suspension referred to in this article.

Should the Borrower's right to draw on the Special Account be suspended with respect to any amount of the loan for a period of sixty consecutive days, the Lender may, by a notice to the Borrower, suspend his right to withdraw such amount. The said amount shall be cancelled by such notice.

(3) Notwithstanding any cancellation or suspension, all the provisions of this Agreement shall remain in force, except as otherwise expressly provided in this article.

Article XI

REMEDIES OF THE LENDER

Should either of the contingencies referred to in article X (a) and (b) arise and continue to obtain for sixty days after the Lender has given notice thereof to the Borrower, the Lender may, at any time thereafter, declare that the outstanding balance of the principal has fallen due and become payable immediately. Upon such declaration being made, the outstanding balance of the principal shall become due and shall be paid immediately, notwithstanding any provision to the contrary in the Agreement.

Article XII

SETTLEMENT OF DISPUTES

(1) Any dispute between the Contracting Parties concerning the interpretation or application of this Agreement which has not been settled within six months through the diplomatic channel shall, at the request of one of the Parties, be submitted to an arbitral tribunal of three members. The chairman of the tribunal, who shall be a national of a third country, shall be selected by agreement between the Contracting Parties. Should the Parties fail to agree on the election of the chairman of the tribunal, each of them may request the President of the International Court of Justice to make the appointment. Each of the Parties shall appoint its own arbitrator. Should one Party fail to appoint its arbitrator, the latter may be appointed by the chairman of the arbitral tribunal.

(2) Each of the Contracting Parties shall observe and carry out the awards rendered by the arbitral tribunal.

Article XIII

VALIDITY OF THE AGREEMENT

(1) This Agreement shall enter into force on the date of signature.

(2) This Agreement shall terminate when the entire principal has been repaid.

Article XIV

ADDRESSES

The addresses to be used by the two Parties are :

The Borrower :

Secretariat of State for Foreign Affairs
Department of International Co-operation.

Telegraphic address :

Minetran
Tunis

The Lender :

With respect to disbursements under the loan :

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

Telegraphic address :

Dacomta
Copenhagen

With respect to repayments of the loan :

Ministry of Finance
Copenhagen

Telegraphic address :

Finans
Copenhagen

IN WITNESS WHEREOF the undersigned, duly authorized by their respective Governments, have signed this Agreement.

DONE at Tunis, on 7 June 1968, in two copies in the French language.

For the Danish Government :

A. ROSENSTAND HANSEN
Ambassador of Denmark

For the Tunisian Government :

Béchir ENNAJI
Ambassador, Director for International Co-operation

ADDENDUM

This Agreement shall apply to deliveries in Tunisia of Danish capital goods and the performance therein of Danish services relating to the construction of three hotels on the island of Djerba. The projects shall be implemented by the Tunisian firm Société Carthago in co-operation with Danish Turnkey Ltd., in accordance with the contract concluded between the two firms on 22 April 1968. The two firms have provisionally agreed that the Danish firm shall furnish the following capital goods and services (approximate amounts) :

	<i>Danish Kroner</i>
1. Project studies	1,820,000
2. Site management (over a period of three years) . . .	3,330,000
3.1. Electricity supply	740,000
3.2. Heating	1,580,000
3.3. Water supply and sanitation	1,220,000
3.4. Air conditioning	2,000,000
3.5. Refrigeration plant	407,000
3.6. Telephone and sound equipment	110,000
3.7. Kitchen and restaurant equipment	1,996,000
3.8. Furniture	1,400,000
	<u>14,603,000</u>

If the total amount of the above-mentioned deliveries of Danish capital goods, etc., exceeds the amount of the loan established in the Agreement (14 million Danish Kroner), the difference shall be financed outside the framework of this Agreement.

EXCHANGE OF LETTERS

I

Tunis, 7 June 1968

Sir,

With reference to the Agreement signed this day between the Danish Government and the Tunisian Government concerning a development loan (hereinafter called the Agreement), I have the honour to propose that the following rules shall apply with respect to the implementation of article VI of the said Agreement.

Disbursements from the loan account shall be effected in the following manner :

(1) The Danish exporter or expert and the Tunisian importer or investor shall negotiate a contract. No contract for Danish goods or services of a value of less than 100,000 Kroner, save where a final balance of a lesser amount is to be used, shall be financed under the Agreement.

(2) The contract shall be submitted to the Danish authorities, which shall decide whether it satisfies the requirements for financing under the Agreement. They shall ascertain, *inter alia*, whether :

- (a) The goods or services covered by the contract fall within the scope of the Agreement ;
- (b) The capital goods in question were manufactured in Denmark or the services required will be rendered by persons carrying on business in Denmark.

(3) The Tunisian authorities shall be notified when the contract has been approved by the Danish authorities ; they may then draw on the loan account with Danmarks Nationalbank in order to effect payment for the goods of services referred to in the contract. Disbursements from this account to Danish exporters shall be subject to presentation of the necessary documents, after Danmarks Nationalbank has determined that the conditions for such disbursements have been fulfilled.

If the foregoing provisions are acceptable to the Tunisian Government, I have the honour to propose that this letter and your reply shall constitute an agreement between our two Governments on this matter.

Accept, etc.

For the Danish Government :

A. ROSENSTAND HANSEN

H. E. The Ambassador
Director for International Co-operation
Tunis

II

Tunis, 7 June 1968

Sir,

I have the honour to acknowledge receipt of your letter of today's date, which reads as follows :

[See letter I]

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

Accept, etc.

For the Tunisian Government :

Béchir ENNAJI

H. E. The Ambassador of Denmark
Tunis

ADDITIONAL AGREEMENT No. 1¹ TO THE AGREEMENT
DATED 7 JUNE 1968 REGARDING A DANISH GOVERN-
MENT LOAN TO TUNISIA

Article I

The Danish Government and the Tunisian Government have agreed to amend article IV, paragraph 1, of the Agreement of 7 June 1968 regarding a Danish State loan to Tunisia, as follows :

[*New Article IV*]

REPAYMENT

(1) The Borrower undertakes to repay to the Lender the principal paid into the Special Account in thirty-five semi-annual instalments of four hundred thousand Danish Kroner each, the first of which shall fall due on 1 May 1976 and the last on 1 May 1993.

(2) No change.

IN WITNESS WHEREOF the undersigned, duly authorized by their respective Governments, have signed this Additional Agreement.

DONE at Tunis, on 2 August 1968, in duplicate, in the French language.

For the Danish Government :

A. ROSENSTAND HANSEN
Ambassador of Denmark

For the Tunisian Government :

Béchir ENNAJI
Ambassador, Director for International
Co-operation

¹ Came into force on 2 August 1968 by signature, with retroactive effect from 7 June 1968.