

No. 9415

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**DENMARK  
and  
MOROCCO**

**Agreement regarding a Danish Government loan to  
Morocco (with annex and exchange of notes). Signed  
at Rabat on 5 November 1968**

*Authentic text : French.*

*Registered by Denmark on 19 February 1969.*

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**DANEMARK  
et  
MAROC**

**Accord relatif à un prêt de l'Etat danois au Maroc (avec  
annexe et échange de notes). Signé à Rabat le  
5 novembre 1968**

*Texte authentique : français.*

*Enregistré par le Danemark le 19 février 1969.*

[TRANSLATION — TRADUCTION]

AGREEMENT<sup>1</sup> BETWEEN THE GOVERNMENTS OF THE  
KINGDOM OF DENMARK AND THE KINGDOM OF  
MOROCCO REGARDING A DANISH GOVERNMENT  
LOAN TO MOROCCO

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The Danish Government and the Moroccan 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 Morocco, a Danish Government loan shall be granted to Morocco, in accordance with the following provisions

*Article I*

THE LOAN

The Danish Government (hereinafter called the Lender) undertakes to extend to the Moroccan Government (hereinafter called the Borrower), with a view to economic development, a loan of twenty-five 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 "Moroccan Government Special Account" (hereinafter called "Special Account") shall be opened with Danmarks Nationalbank (acting as agent for the Lender) in favour of the Banque du Maroc (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 du Maroc (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.

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<sup>1</sup> Came into force on 5 November 1968 by signature, in accordance with article XIV.

*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 thirty-five semi-annual instalments of 700,000 Danish Kroner each, the first of which shall fall due on 1 April 1976 and the last on 1 April 1993, and a final payment of 500,000 Danish Kroner, to be made on 1 October 1993.

(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 MOROCCO)

(1) The Borrower shall use the loan to pay for imports from Denmark (including transport charges from Denmark to Morocco) of capital goods, which shall be used for identifiable projects, required for carrying out Morocco's economic development plan (and included in the annexed list, which may be amended or extended with the mutual consent of the Contracting Parties). Under the Agreement the total disbursement shall not exceed the amount of twenty-five million Kroner specified in article I.

(2) The loan may also be used to pay for services rendered by Denmark and required for carrying out Morocco's economic development plan, including, in particular, pre-investment studies, preparation of projects, installation costs, services of engineering consultants, and technical and administrative assistance during, for example, the putting into operation of undertakings established by means of the loan.

(3) The Borrower shall take steps to ensure that the loan is used exclusively to pay for goods and services needed in order to fulfil contracts approved

by both the Parties. The particulars of the method of payment of such goods and services, other than the particulars given in article II, shall be determined by agreement between the Borrower and the Lender.

(4) The Lender shall approve contracts concluded under the loan but such approval shall not cause him to be held responsible for the proper execution or subsequent implementation of such contracts.

(5) 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.

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

(7) The Borrower may draw on the account with Danmarks Nationalbank referred to in article II in order to fulfil the contracts approved by both Parties, 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.

(8) If the proceeds of the loan have not been fully utilized within the period specified in paragraph (7) 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 other 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*

#### APPLICABLE LAW

Unless otherwise provided for in the Agreement, the Agreement and all rights and obligations deriving therefrom shall be governed by Danish law.

### *Article XIII*

#### 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 XIV*

##### 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 XV*

##### ADDRESSES

The addresses to be used by the two Parties are :

##### *The Borrower :*

Ministry of Finance  
Rabat, Morocco

Telegraphic address :  
Ministère finances, Morocco

##### *The Lender :*

With respect to disbursements under the loan :

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

Telegraphic address :  
Etrangères, 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 Rabat, on 5 November 1968, in duplicate, in the French language.

For the Danish Government :

K. Helveg PETERSEN  
Minister for Cultural Affairs  
and Technical Co-operation

For the Moroccan Government :

Mamoun TAHIRI  
Minister of Finance

### ANNEX

This Agreement shall apply to deliveries by Denmark to Morocco of capital goods in accordance with the following list :

1. Equipment and accessories for the metal processing industry ;
2. Equipment and accessories for the power and electricity industry ;
3. Equipment and accessories for cleaning and maintenance ;
4. Equipment and accessories for the food industry ;
5. Equipment and accessories for the textile industry ;
6. Equipment and accessories for the building industry ;
7. Equipment and accessories for the wood processing industry ;
8. Equipment and accessories for the chemical industry ;
9. Equipment and accessories for public works ;
10. Equipment and accessories for railway transport ;
11. Equipment and accessories for medicine and surgery ;
12. Equipment and accessories for the hotel industry ;
13. Other equipment and appliances, instruments, bearings and spare parts ;
14. Studies and services relating to the delivery of the above-mentioned equipment.

### EXCHANGE OF NOTES

#### I

Rabat, 5 November 1968

Sir,

With reference to the Agreement signed this day between the Government of Denmark and the Government of Morocco 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 Moroccan importer or investor shall negotiate a contract. No contract for Danish goods or services of a value of less than 200,000 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 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 Moroccan 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 or 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 Moroccan 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 :

K. Helveg PETERSEN  
Minister for Cultural Affairs  
and Technical Co-operation

H. E. Mr. Mamoun Tahiri  
Minister of Finance

## II

Rabat, 5 November 1968

Sir,

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

[See note I]

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

Accept, etc.

For the Moroccan Government :

Mamoun TAHIRI  
Minister of Finance

H. E. Mr. K. Helveg Petersen  
Minister for Cultural Affairs  
and Technical Co-operation

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