

**No. 10755**

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**DENMARK, FINLAND, ICELAND,  
NORWAY and SWEDEN**

**Agreement concerning a Nordic Industrialization Fund for  
Iceland. Signed at Reykjavik on 12 December 1969**

*Authentic texts: Danish, Finnish, Icelandic, Norwegian and Swedish.*

*Registered by Denmark on 17 September 1970.*

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**DANEMARK, FINLANDE, ISLANDE,  
NORVÈGE et SUÈDE**

**Accord relatif à un Fonds scandinave pour l'industrialisation  
de l'Islande. Signé à Reykjavik le 12 décembre 1969**

*Textes authentiques: danois, finnois, islandais, norvégien et suédois.*

*Enregistré par le Danemark le 17 septembre 1970.*

## [TRANSLATION — TRADUCTION]

AGREEMENT<sup>1</sup> BETWEEN DENMARK, FINLAND, ICELAND,  
NORWAY AND SWEDEN CONCERNING A NORDIC  
INDUSTRIALIZATION FUND FOR ICELAND

The Governments of Denmark, Finland, Iceland, Norway and Sweden have decided, in connexion with Iceland's entry into the European Free Trade Association (EFTA), to establish a Nordic Industrialization Fund for Iceland and have agreed as follows :

*Article 1*

## PURPOSE

The purpose of the Fund shall be to promote the technological and industrial development of Iceland in connexion with Iceland's entry into EFTA and to facilitate the adaptation of industry to that end. The Fund shall promote the development of Iceland's export industry and place emphasis on increased industrial and commercial co-operation between Iceland and the other Nordic countries. It shall also be used to increase the competitiveness of Iceland's home-market industry.

*Article 2*

## CAPITAL STOCK

The capital stock of the Fund shall be the equivalent of \$US14 million. The Nordic countries shall contribute the following portions of the capital stock :

	<i>\$US (million)</i>
Denmark . . . . .	2.7
Finland . . . . .	2.7
Iceland . . . . .	0.5
Norway . . . . .	2.7
Sweden . . . . .	5.4

The capital shall be provided free of interest in equal annual amounts over a four-year period beginning on the date of the entry into force of the Agreement.

<sup>1</sup> Came into force on 9 March 1970, the date when the last of the instruments of ratification by the Nordic countries had been deposited with the Government of Iceland, and after Iceland had become a member of the European Free Trade Association (1 March 1970), in accordance with article 7.

The Fund shall call for the contributions from the Nordic States, as necessitated by its activities, in accordance with the apportionment scheme indicated above.

Upon the expiry of ten years and over the period of the following fifteen years, the Fund shall, in a manner to be determined by its Executive Board, repay to Denmark, Finland, Norway and Sweden without interest, in accordance with the apportionment scheme indicated above, an amount equivalent to their contributions. The contributions shall be fully repaid upon the expiry of twenty-five years from the date of the establishment of the Fund.

The liability of Denmark, Finland, Norway and Sweden for commitments assumed by the Fund shall be limited to the share they hold in the capital stock at any given time. Iceland shall similarly be liable for the Fund's commitments to the extent of its share in the capital stock and shall also be fully liable for any commitments over and above the capital stock that may arise in connexion with guarantees under article 4.

When, as a result of the repayment referred to above, Denmark, Finland, Norway and Sweden no longer have a share in the capital stock of the Fund, the Agreement shall lapse and the Fund shall be owned and administered by the Icelandic State.

### *Article 3*

#### UNIT OF ACCOUNT

The unit of account of the Fund shall be the equivalent of \$US1. All loans from the Fund shall be based on that unit.

### *Article 4*

#### ACTIVITIES

The Fund shall pursue its objectives by :

- (a) Granting loans for specific projects, either alone or in association with other lenders;
- (b) Guaranteeing loans granted by other lenders.

Lending by the Fund shall be financed out of the capital stock and the Fund's receipts and shall be based on recognized banking and economic principles. The Fund shall aim at ensuring a reasonable return on the capital stock and avoiding unnecessary risks.

In special cases, loans may be granted on advantageous terms and grants may be made for such purposes as technical assistance, research or market surveys.

Such loans and grants may not amount in the aggregate to more than 10 per cent of the capital stock.

Loans, grants or guarantees may be provided to enterprises under private or public ownership and to financial institutions having the same objectives as the Fund.

The Fund shall work in close co-operation with Icelandic lending institutions which grant loans to industry.

### *Article 5*

#### EXECUTIVE BOARD

The Fund shall have an Executive Board, an Executive Director and an Administration. The Executive Board of the Fund shall have five members, each representing one of the participating countries. Each member of the Executive Board shall have an alternate. The Executive Board shall elect its Chairman for a one-year term. Each member of the Executive Board shall have one vote. Decisions shall be taken by majority vote, the vote of the Icelandic member being included.

The Executive Board shall take decisions concerning the business of the Fund. The Executive Board may, to the extent it deems appropriate, authorize the Administration to take decisions concerning the activities of the Fund.

The Administration shall consist of the Executive Director of the Fund and five representatives of the Icelandic banking system.

The Executive Director shall be responsible for hiring staff and for the day-to-day operation of the Fund.

The headquarters of the Fund shall be at Reykjavik. Sejlbanki Íslands shall provide the Fund with the necessary office and administrative facilities.

### *Article 6*

#### LIQUIDATION

If circumstances arise which substantially alter the assumptions on which this Agreement is based, the Governments of the Nordic countries shall consult one another concerning the continued operation of the Fund. In the event of a decision to liquidate the Fund, the Governments shall, on the proposal of the Executive Board, take a decision concerning the settlement of the financial obligations arising out of the Agreement.

### *Article 7*

#### ENTRY INTO FORCE

The Agreement shall enter into force simultaneously with Iceland's entry into the European Free Trade Association (EFTA) but not before the Nordic

countries have deposited their respective instruments of ratification with the Government of Iceland.

IN WITNESS WHEREOF the undersigned plenipotentiaries have signed this Agreement at Reykjavik, on 12 December 1969, in a single copy in the Danish language. The parties shall agree as soon as possible, by an exchange of notes, on Finnish, Icelandic, Norwegian and Swedish texts, which shall have the same authenticity as the Danish text.

For the Government of Denmark :  
Birger KRONMANN

For the Government of Finland :  
Pentti SUOMELA

For the Government of Iceland :  
Gylfi Th. GÍSLASON

For the Government of Norway :  
Christian MOHR

For the Government of Sweden :  
Gunnar GRANBERG