

No. 12149

**DENMARK
and
SENEGAL**

**Agreement regarding a loan by the Kingdom of Denmark
to the Republic of Senegal (with annexes and exchange
of letters). Signed at Dakar on 10 June 1972**

Authentic text: French.

Registered by Denmark on 28 November 1972.

**DANEMARK
et
SÉNÉGAL**

**Accord relatif à un prêt du Royaume du Danemark à la
République du Sénégal (avec annexes et échange de
lettres). Signé à Dakar le 10 juin 1972**

Texte authentique : français.

Enregistré par le Danemark le 28 novembre 1972.

[TRANSLATION — TRADUCTION]

AGREEMENT¹ BETWEEN THE GOVERNMENTS OF THE KINGDOM OF DENMARK AND THE REPUBLIC OF SENEGAL REGARDING A LOAN BY THE KINGDOM OF DENMARK TO THE REPUBLIC OF SENEGAL

The Government of Denmark and the Government of Senegal, desiring to strengthen the traditional co-operation and cordial relations between their countries, have agreed that, with a view to the economic development of Senegal, a Danish Government loan will be granted to Senegal in accordance with the following provisions of this Agreement and of its annexes, which form an integral part thereof:

Article I. THE LOAN

The Government of Denmark (hereinafter called “the Lender”) shall extend to the Government of Senegal (hereinafter called “the Borrower”) a loan of 25 million Danish kroner for the purpose of achieving the aims described in article VI below.

Article II. LOAN ACCOUNT

1) An account designated “Senegalese Government Loan Account” (hereinafter called “loan account”) shall at the request of the Borrower be opened with the Danmarks Nationalbank (acting as agent for the Lender) in favour of the Minister of Finance (acting as agent for the Borrower). The Lender shall ensure that sufficient funds are always available in the loan account to enable the Borrower to effect punctual payments for the capital goods and services provided, under the loan.

2) The Borrower (or the Minister of Finance) shall be entitled, subject to the provisions of the Agreement, to withdraw from the loan account the amounts needed to pay for the capital goods or services provided under the loan.

Article III. RATE OF INTEREST

The loan shall be free of interest.

Article IV. REPAYMENT

1) The Borrower undertakes to repay the loan in 35 semi-annual instalments of 700,000 Danish kroner each, the first of which shall fall due on 1 October 1979 and the last on 1 October 1996, and a final payment of 500,000 Danish kroner, to be made on 1 April 1997.

¹ Came into force on 10 June 1972 by signature, in accordance with article X (1).

2) If the loan is not fully utilized pursuant to article VI, paragraph 8, the amount of the semi-annual instalment shall be redefined by mutual agreement between the Borrower and the Lender.

Article V. PLACE OF PAYMENT

The Borrower undertakes to repay the loan to the Danmarks Nationalbank in convertible Danish kroner by crediting the current account of the Danish Ministry of Economic and Budget Affairs with the Danmarks Nationalbank.

Article VI. USE OF THE LOAN BY THE GOVERNMENT OF SENEGAL

1) The Borrower shall use the loan to pay for imports from Denmark (including transport charges from Denmark to Senegal) of Danish capital goods intended for specific projects which are required for the achievement of the economic development of Senegal (as described in the annexed list, which may be amended or extended by mutual agreement between the Borrower and the Lender).

2) The loan shall also be used to pay for Danish services required for carrying out the development projects of Senegal, including, in particular, pre-investment studies, preparation of plans, services of experts engaged in carrying out the projects and fitting out or constructing plant or buildings, and technical and administrative assistance during the period of putting into operation undertakings established by means of the loan.

3) All contracts financed by means of the loan shall be approved by the Borrower and the Lender.

4) Approval by the Lender of a contract under the loan shall entail no responsibility on his part as regards the proper execution or implementation of the said contract.

The Lender shall likewise bear no responsibility for the remunerative use of the goods or services financed by means of the loan, nor for the correct use of the plans, etc., of which the said goods and services form part.

5) A contract concluded under the loan shall contain no provisions under which the Danish exporter grants special credit facilities.

6) The loan shall be used only to pay for the capital goods and services contracted for after the entry into force of the Agreement, unless the Borrower and the Lender decide otherwise.

7) The loan may not be used to pay customs duties, taxes or other government or public charges of any kind, such as import surtaxes, duties to offset national turnover taxes or charges or deposits relating to the issue of payment permits or import licences in the borrowing country.

8) The Borrower may draw on the account with the Danmarks Nationalbank referred to in article II in order to observe contracts approved by the Lender and the Borrower during a period of up to three years from the date of entry into force of the Agreement or any other date established by mutual agreement between the Lender and the Borrower.

Article VII. NON-DISCRIMINATION

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

2) All shipments of capital goods covered by this Agreement shall be effected in accordance with the principle that all ships have the right to engage in international trade in conditions of free and equal competition.

Article VIII. MISCELLANEOUS PROVISIONS

1) Prior to the first drawing against the 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 shall be legally binding on the Borrower.

2) The Borrower shall notify the Lender of the persons authorized to act as his agents and shall provide certified specimen signatures of each of them.

3) Any notice, request or arrangement pursuant to this Agreement shall be in writing.

Article IX. PARTICULAR PROVISIONS

The repayment of the loan shall be effected without deduction of and free from all taxes and charges and from all restrictions provided for under the domestic law of the Borrower. The Agreement shall be exempt from any charges under the current or future domestic law of the Borrower whether in respect of the establishment, conclusion, registration or entry into force of the Agreement, or in any other respect.

Article X. DURATION OF THE AGREEMENT

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

2) The Agreement shall terminate as soon as the entire principal has been repaid.

Article XI. ADDRESSES

The following addresses have been provided with respect to this Agreement:

The Borrower:

The Minister of Finance
Dakar

Telegraphic address:

Minifinance Senegal

The Lender, with respect to disbursements:

Ministry of Foreign Affairs
Division of International Development Co-operation
Copenhagen

Telegraphic address:

Etrangères Copenhagen

The Lender, with respect to payment of the semi-annual installments:

Ministry of Economic and Budget Affairs
Copenhagen

Telegraphic address:

Finans Copenhagen

IN WITNESS WHEREOF, the representatives, duly authorized by the Lender and the Borrower, have signed the Agreement in two copies in the French language at Dakar, on 10 June 1972.

For the Government of Denmark :
HANS BERTELSEN

For the Government of Senegal:
BABACAR BA
Minister
Ministry of Finance and Economic Affairs

ANNEX I

The following provisions shall apply to the rights and obligations arising from the Agreement concluded between the Government of the Kingdom of Denmark and the Republic of Senegal regarding a Danish State loan to Senegal (hereinafter called the Agreement). They are considered an integral part of the Agreement with the same validity and effect as if they were stipulated therein.

Article I. CANCELLATION AND SUSPENSION

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

2) In case of failure on the part of the Borrower to carry out any obligation or decision pursuant to the Agreement, the Lender shall have the right to suspend wholly or in part the right of the Borrower to draw on the loan account. Should the circumstance which entitled the Lender to suspend the drawing right of the Borrower continue to obtain for over 60 days after the Lender has given notice of the suspension to the Borrower, the Lender may, at any time thereafter, require immediate repayment of the sum withdrawn under the loan notwithstanding any provision to the contrary in the Agreement, unless the cause of suspension ceases to exist.

3) Notwithstanding any cancellation or suspension, all the provisions of this Agreement shall retain their validity and effect, except as otherwise expressly provided in this article.

Article II. SETTLEMENT OF DISPUTES

1) Any dispute between the Lender and the Borrower 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 president of the tribunal, who shall be a national of a third country, shall be elected by agreement between the Lender and the Borrower. Should the Parties fail to agree on the election of the President 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 president of the arbitral tribunal.

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

ANNEX II

This Agreement shall apply to deliveries by Denmark to Senegal of Danish machinery and equipment or to services rendered for:

- 1) The Cap-Skiring village for Tourists;
- 2) A refrigerating plant;
- 3) Light equipment for public works.

EXCHANGE OF LETTERS

I

ROYAL EMBASSY OF DENMARK AT DAKAR

10 June 1972

Sir,

With reference to the Agreement signed this day between the Governments of the Kingdom of Denmark and the Republic of Senegal regarding a development loan (hereinafter called "the Agreement"), I have the honour to propose that the following rules shall apply to the implementation of article VI of the Agreement.

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

1) The Danish exporter or expert and the Senegalese importer or investor shall conclude a contract which shall in the last instance be approved by the Senegalese and Danish authorities. No contract of a value less than 100,000 kroner, except in the case of utilization of a final balance less than the said amount, shall be financed under the Agreement.

2) The Government of Senegal shall submit to the Ministry of Foreign Affairs of Denmark copies of contracts drawn up under the Agreement. The Ministry of Foreign Affairs 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 concerned will be rendered by persons carrying on business in Denmark, and shall notify the Government of Senegal of its decision.

3) When the contracts have been approved, the Government of Senegal may draw on the account opened with the Danmarks Nationalbank in order to effect payment for the consignment of goods or the services referred to in the contract. Disbursements from this account to pay Danish exporters or experts shall be subject to the presentation of the necessary documents after the Danmarks Nationalbank has determined that all the conditions for making such disbursements have been fulfilled.

If the foregoing provisions are acceptable to the Government of Senegal, I have the honour to propose that this letter and your reply shall constitute an Agreement between our two Governments.

Accept, Sir, etc.

HANS BERTELSEN

Mr. Babacar Ba
Minister of Finance
of the Republic of Senegal

II

REPUBLIC OF SENEGAL
MINISTRY OF FINANCE

Dakar, 10 June 1972

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, Sir, etc.

BABACAR BA
Minister
Ministry of Finance and Economic Affairs

Mr. Hans Bertelsen
Ambassador of Denmark
