

No. 22727

**SWEDEN
and
NORWAY**

**Agreement concerning economic co-operation, particularly
in the fields of industry and energy (with protocols).
Signed at Oslo on 25 March 1981**

Authentic texts: Swedish and Norwegian.

Registered by Sweden on 7 March 1984.

**SUÈDE
et
NORVÈGE**

**Accord de coopération économique, particulièrement dans
les domaines de l'industrie et de l'énergie (avec proto-
coles). Signé à Oslo le 25 mars 1981**

Textes authentiques : suédois et norvégien.

Enregistré par la Suède le 7 mars 1984.

[TRANSLATION — TRADUCTION]

AGREEMENT¹ BETWEEN THE GOVERNMENT OF SWEDEN AND
THE GOVERNMENT OF NORWAY CONCERNING ECONOMIC
CO-OPERATION, PARTICULARLY IN THE FIELDS OF IN-
DUSTRY AND ENERGY

The Government of Sweden and the Government of Norway,

- (i) Having regard to the Nordic Co-operation Agreement of 23 March 1962,²
- (ii) Wishing further to expand and develop Nordic co-operation,
- (iii) Considering that the close relations between the two countries provide favourable conditions for more extensive economic co-operation,
- (iv) Wishing to contribute to the strengthening of long-term economic co-operation between the two countries, particularly in the fields of industry and energy,
- (v) Noting that the achievement of this goal in present-day society requires contributions from both authorities, enterprises and organizations,

Have agreed as follows:

Article I. The Parties shall encourage, promote and facilitate the development and strengthening of economic co-operation and economic relations between the two countries, particularly in the fields of industry and energy.

The Parties consider it important to enable co-operation projects to be carried out both between the Parties and directly between enterprises and organizations of the two countries.

Article II. The Parties shall endeavour to ensure that co-operation between them contributes as far as possible to the effective utilization of the resources of the two countries, in such areas as raw materials, energy, capital, technology and manpower.

Co-operation shall be conducted in the light of the supply situation in the two countries and of the need for co-operation to be mutually advantageous.

Article III. The Parties shall endeavour in particular,

- (1) To remove obstacles to co-operation between enterprises and organizations of the two countries, to encourage the establishment of enterprises and institutions under joint Swedish-Norwegian ownership and to make it easier for enterprises and organizations of the two countries to co-operate and for enterprises to operate in the two countries;
- (2) To co-operate in the field of taxation and to apply foreign exchange rules and instruments and credit policy in such a way that no unnecessary obstacles are placed in the way of concrete co-operation projects, and thereby help to ensure suitable conditions for the effective utilization of the capital resources of the two countries;

¹ Came into force on 10 August 1981, the date of the exchange of the instruments of ratification, which took place at Stockholm, in accordance with article VII.

² United Nations, *Treaty Series*, vol. 434, p. 145.

- (3) To harmonize their legislation to the extent needed to promote co-operation between the two countries;
- (4) To ensure suitable conditions for exports from enterprises of one country to the other and for joint export efforts aimed at markets of third countries;
- (5) To develop co-operation in the matter of investments and technological research and development in the two countries;
- (6) To encourage co-operation projects that will ensure that the two countries are supplied with important raw materials and energy over the long term;
- (7) To encourage co-operation projects capable of improving the international competitiveness of the industry of the two countries;
- (8) To develop co-operation in the field of energy as regards, *inter alia*, the development and use of different forms of energy and the economical use of energy;
- (9) To co-ordinate public procurement where expedient for both Parties.

Article IV. Where the need for decisions concerning exemptions and permits arises in connection with co-operation projects, the Parties shall seek to provide the best possible conditions for the execution and development of such projects.

Article V. (1) In order to contribute to the effective implementation of this Agreement, the Parties shall establish a mixed commission.

(2) The Commission shall discuss the principles governing forms of co-operation and any problems that may arise in the implementation of this Agreement and execution of co-operation projects related thereto, with a view to arriving at solutions acceptable to both Parties.

(3) The Commission may also discuss the need to increase the involvement of the public sector described in this Agreement as well as existing and new specific co-operation projects between the Parties.

(4) The Commission shall be composed of representatives of the Governments of the two countries. It may invite representatives of interested enterprises, organizations and authorities to attend its meetings.

(5) The Commission shall meet upon agreement between the Parties but not less often than once a year. The meetings shall be held alternately in Sweden and Norway.

(6) The Commission shall establish its own rules of procedure.

Article VI. The implementation of this Agreement and of co-operation projects related thereto shall take place within the framework of the international obligations of the Parties.

Article VII. This Agreement shall be ratified. The instruments of ratification shall be exchanged at Stockholm. The Agreement shall enter into force on the date of the exchange of the instruments of ratification.

Article VIII. This Agreement shall remain in force for a period of 20 years from the date of its entry into force. Unless the Agreement is denounced by one of the Parties not later than three years before the expiry of that 20-year period, it shall continue in force. After the expiry of the 20-year period the Agreement may be denounced by either Party subject to three years' notice.

Notice of denunciation in accordance with this article shall be given through the diplomatic channel and in writing.

IN WITNESS WHEREOF the undersigned plenipotentiaries have signed this Agreement and thereto affixed their seals.

This Agreement is drawn up in duplicate in the Swedish and Norwegian languages. Both texts are equally authentic.

Oslo, 25 March 1981

For the Government
of Sweden:

[Signed]

THORBJÖRN FÄLLDIN

For the Government
of Norway:

[Signed]

GRO HARLEM BRUNDTLAND

PROTOCOL CONCERNING THE ESTABLISHMENT OF A FUND FOR SWEDISH-NORWEGIAN INDUSTRIAL CO-OPERATION

The Government of Sweden and the Government of Norway, desiring to strengthen co-operation between the two countries in the fields of industry and energy, wish as part of that co-operation to conclude an agreement concerning the establishment of a fund for Swedish-Norwegian industrial co-operation. The Governments of the two countries have agreed on the following protocol to the Agreement of 25 March 1981 concerning economic co-operation, particularly in the fields of industry and energy.

Article I. A Fund, to be known as "the Fund for Swedish-Norwegian Industrial Co-operation", shall be established. The Fund shall be a trust fund. The Governing Board of the Trust Fund shall have its headquarters at Stockholm.

Article II. The purpose of the Fund shall be to support, by means of loans, co-operation projects between Swedish and Norwegian enterprises to promote the technological or market development of such enterprises in the industrial field.

Article III. The Parties shall contribute a total of 250 million Swedish kronor or the equivalent thereof in Norwegian kroner. Of that amount, Sweden shall contribute 37.5 million Swedish kronor per year on 1 January 1982, 1983, 1984 and 1985. Fifty per cent of the remaining amount shall be contributed by Sweden and 50 per cent by Norway on dates subsequently agreed upon by the Parties. Increases in the capital of the Fund shall be determined by agreement and shall be apportioned on the basis of the economic strength of the two countries.

The Parties agree that the Trust Fund shall assume obligations in the form of loan commitments of up to 250 million Swedish kronor but not more than 30 million Swedish kronor over and above the amount contributed by the Parties.

If the Trust Fund is liquidated the assets shall be shared between the Parties in the same proportion as the contributions.

Article IV. Loans shall be governed by the conditions specified in annex 1.

Article V. Statutes, containing the provisions set forth in annex 2, shall be established as a basis for the activities of the Fund.

Article VI. The Fund shall be exempt from taxation. Such exemption shall not, however, apply to income from immovable property.

Article VII. If the assumptions on which this protocol is based should substantially change as a result of unforeseen circumstances, either Party may call for discussions. Discussions may also be requested if the implementation of this protocol leads to results which are clearly at variance with the purpose of the protocol.

Article VIII. The implementation of this protocol shall be regarded as a co-operation project pursuant to the Agreement of 25 March 1981 concerning economic co-operation, particularly in the fields of industry and energy.

Article IX. This protocol shall be ratified. The instruments of ratification shall be exchanged at Stockholm. The protocol shall enter into force on the date of the exchange of the instruments of ratification.

Article X. This protocol shall remain in force for a period of 20 years from the date of its entry into force. Unless the protocol is denounced by one of the Parties not later than three years before the expiry of the 20-year period, it shall continue in force. After the expiry of the 20-year period the protocol may be denounced by either Party subject to three years' notice.

Notice of denunciation in accordance with this article shall be given through the diplomatic channel and in writing.

IN WITNESS WHEREOF the undersigned plenipotentiaries have signed this protocol and thereto affixed their seals.

This protocol is drawn up in duplicate in the Swedish and Norwegian languages. Both texts are equally authentic.

Oslo, 25 March 1981

For the Government
of Sweden:

[Signed]

THORBJÖRN FÄLLDIN

For the Government
of Norway:

[Signed]

GRO HARLEM BRUNDTLAND

Annex I

CONDITIONS GOVERNING LOANS FROM THE FUND FOR SWEDISH-NORWEGIAN INDUSTRIAL CO-OPERATION

1. In order to promote industrial development co-operation between Swedish and Norwegian enterprises, support shall be provided from the Fund.

Support shall be provided in the form of loans for the financing of large-scale projects intended for technical or marketing development purposes.

2. Loans may be granted for projects which, from a technical or commercial point of view, entail high risks and are considered capable of proving economically profitable on a relatively short-term basis.

3. Loans may be granted for projects of joint Swedish-Norwegian industrial interest which are initiated by Swedish and Norwegian enterprises in co-operation. Loans may be apportioned among the enterprises.

4. Loans may not be granted if the nature of the project is such that it is considered that financing can be arranged more suitably on the general credit market on normal market terms.

Magnitude of loans

5. Loans may be granted for a maximum of 50 per cent of the cost of the development project for which the loan is intended. Account shall be taken of any other Swedish or Norwegian Government support provided for the same purpose. Where there are special reasons for so doing, a loan may be granted for a greater portion of the cost. A loan for a project may not, however, exceed 50 million Swedish kronor. A loan may not be granted in an amount greater than that necessary for achieving the purpose of the support.

Projects whose total cost is below three million Swedish kronor shall not be supported. Projects connected with the extraction of oil and gas shall not be supported.

Loan and repayment conditions

6. The scheduling of the loan, interest rates and repayment conditions shall be determined in the light of the risks and the anticipated economic results of the project.

7. Loans may be granted in Swedish kronor or Norwegian kroner. Preferably, a Swedish enterprise should be granted a loan in Swedish kronor, and a Norwegian enterprise a loan in Norwegian kroner.

8. Interest on the loan shall be computed from the date of payment. An extension may be granted for the interest payment, in which case the accrued interest shall be added to the amount of the loan. In determining the interest, account shall be taken of the currency in which the loan is granted and the interest rates of comparable financial institutions in the two countries.

9. If it is deemed appropriate, repayment of a loan may be wholly or partly replaced by royalties or other similar recurrent payments until the loan has been repaid with interest.

10. A loan shall, in other respects, be governed by the conditions and regulations considered necessary in the light of the purpose of the support. However, special security need not be provided.

11. The repayment obligation may be wholly or partly waived if the borrower shows that conditions for the profitable utilization of the results of the project are clearly lacking.

Cancellation of a loan

12. A loan may be called in for immediate repayment if

1. The borrower has caused the loan to be granted on the basis of incorrect or misleading information,
2. The borrower fails to fulfil his obligations in accordance with the terms and regulations applicable to the loan, or
3. Such circumstances have arisen that, having regard to the purpose of the loan, the borrower should clearly no longer be given the opportunity to keep the loan.

13. An application for a loan shall be submitted in writing to the Fund through the Swedish Industrial Development Fund or the Norwegian Industrial Fund, as appropriate. An application shall contain information regarding:

1. The enterprises to which the application applies, their activities and economic situation,
2. The purpose of the loan and other grounds substantiating the application, and
3. Any other Swedish or Norwegian Government support applied for or granted for the projects referred to in the application. The applicant shall also supply such background information as the Trust Fund deems necessary.

14. The Trust Fund shall follow the activities of parties receiving loans and verify that the loan conditions are complied with.

Annex 2

STATUTES FOR THE FUND FOR SWEDISH-NORWEGIAN INDUSTRIAL CO-OPERATION

Introductory provisions

1. The Trust Fund for Swedish-Norwegian Industrial Co-operation shall consist of resources contributed by the Swedish State and the Norwegian State or made available to the Trust Fund in any other manner and of resources resulting from the activities of the Trust Fund.

2. The Trust Fund has been established in accordance with the protocol of 25 March 1981 concerning the establishment of a Fund for Swedish-Norwegian Industrial Co-operation.

Objective

3. The objective of the Trust Fund is to support technical or market development co-operation which can lead on a relatively short-term basis to commercial development in the form of production and marketing.

Organization of the Trust Fund

4. The Trust Fund shall be directed by a Governing Board and a President.

5. The Governing Board shall be composed of six members and six alternates. The President shall not be a member of the Governing Board. The members and alternates shall be appointed for a term of not more than three years by the Swedish and the Norwegian Government respectively, each of which shall have three such members and alternates. The Chairman and Vice-Chairman shall be appointed from among the members by the Swedish and the Norwegian Government alternately for a term of not more than one year.

6. The headquarters of the Governing Board shall be at Stockholm.

7. The President, who shall be a Norwegian national, shall constitute the secretariat of the Trust Fund. In addition, the Trust Fund shall use the services of the Swedish Industrial Development Fund and the Norwegian Industrial Fund for work at the preparatory or drafting state, etc. The Trust Fund shall take advantage of the possibilities for co-operation with the two aforesaid bodies. Applications for support shall be submitted to the aforesaid bodies in the respective countries.

8. The Trust Fund may employ outside assistance for special tasks.

Authorized signatories

9. In addition to the Governing Board and the President, such person or persons as are appointed by the Governing Board may sign for the Trust Fund.

Conduct of business

10. The Governing Board shall decide questions concerning:

1. The planning of the activities of the Trust Fund;
2. The granting of loans;
3. Conditions governing interest, repayment and the currency in which loans are to be provided;
4. The appointment of the President, on the proposal of the Norwegian members of the Governing Board;
5. Other questions referred to the Governing Board by the President.

Decisions concerning the appointment of a President shall be submitted to the Swedish and the Norwegian Government for approval.

11. Other matters shall be decided by the President.

12. Meetings of the Governing Board shall be convened by the Chairman or by the President. The Governing Board shall be convened when at least two members so request.

13. The Governing Board shall be deemed to have a quorum when the Chairman or Vice-Chairman and at least three other members are present. A decision of the Governing Board shall be valid when at least four members vote in favour thereof.

14. Minutes of meetings of the Governing Board shall be kept. The minutes shall indicate who attended the meeting and specify the decisions taken. Where no agreement can be reached the fact shall be recorded in the minutes.

The minutes shall be endorsed by the Chairman and one other member. Of the persons responsible for endorsing the minutes, one shall be a member of the Governing Board appointed by the Swedish Government and one a member appointed by the Norwegian Government.

Administration, accounting and auditing

15. Any liquid assets of the Trust Fund that are not used for support pursuant to article 3 or needed to cover current expenses shall be deposited in an interest-bearing account with the Swedish National Debt Office (Riksgäldskontoret) or in the Swedish Investment Bank, Ltd. (Sveriges Investeringsbank AB) in the case of funds in Swedish kronor, and with the Bank of Norway (Norges Bank) in the case of funds in Norwegian kroner.

16. The accounts of the Trust Fund shall be kept in accordance with Swedish law.

The accounting year of the Trust Fund shall cover the period from 1 January to 31 December.

17. Each year before 15 March the Governing Board shall submit to the two Governments an annual report consisting of a statement of income and expenditure, a statement of assets and liabilities and a report on administration.

18. The administration of the Governing Board and the accounts of the Trust Fund shall be examined each year by two auditors. The auditors shall have personal alternate representatives. The auditors and their alternates shall be appointed by the Swedish and the Norwegian Governments for a period not exceeding three years each.

The auditors shall submit an audit report to the two Governments by 1 May each year, at the latest. The report shall contain statements discharging the Governing Board from liability.

Other provisions

19. The Trust Fund may submit applications for the provision of funds for activities to the Governments by 1 September of each year at the latest.

20. The Governing Board of the Fund shall submit to the Governments proposals for supplementary guidelines concerning conditions governing interest and repayments.

21. The two Governments shall determine the remuneration of the members of the Governing Board and their alternates.

22. A member or alternate member of the Governing Board may not participate in the conduct of business in cases where the outcome could be either beneficial or detrimental to him or to an enterprise connected with him or where there are any other particular circumstances that could diminish confidence in his impartiality in the matter.

23. A special Swedish law concerning decision-making powers for Trust Funds established for the furtherance of Swedish-Norwegian industrial co-operation contains provisions concerning the secrecy requirement for persons dealing with matters coming within the field of activities of the Trust Fund.

24. Amendments to the Statutes of the Trust Fund shall be adopted by the two Governments.

25. In the event that the activities of the Trust Fund are discontinued, the balance of its assets shall be transferred to the Swedish and the Norwegian State respectively. Before such transfer can take place, the Fund's obligations towards on claims on borrowers shall be finally settled or transferred to another financing institution.

26. The Trust Fund shall be exempt from control under Swedish Act. No. 116 of 1929 concerning the Control of Trusts.

PROTOCOL CONCERNING LONG-TERM DELIVERIES OF CRUDE OIL AND PETROLEUM PRODUCTS FROM NORWAY TO SWEDEN

The Governments of Norway and Sweden, desiring to strengthen co-operation between the two countries in the fields of industry and energy, wish as part of that co-operation to conclude an agreement on long-term deliveries of crude oil and petroleum products from Norway to Sweden. The Governments of the two countries have agreed on the following protocol to the Agreement of 25 March 1981 concerning economic co-operation, particularly in the fields of industry and energy.

Article I. The deliveries covered by this protocol shall be arranged on a business basis through agreements between enterprises of the two countries. All deliveries of crude oil and petroleum products from Norwegian enterprises shall be regarded as deliveries pursuant to this protocol.

Article II. Deliveries in accordance with article I shall comprise a minimum of 2 million tons of crude oil or petroleum products in 1983 and a minimum of 2.5 million tons in 1984.

Provided that the enterprises arrive at concrete agreements, Norway shall ensure that crude oil and petroleum products for deliveries of the above-mentioned minimum quantities are available for the Swedish market.

After 1984, deliveries beyond these amounts will depend on such factors as the supply of crude oil available for Norwegian enterprises, the development of co-operation in the fields of industry and energy between the two countries and market conditions. Such deliveries will be contingent upon agreements between enterprises of the two countries.

Article III. In the case of the deliveries provided for in article II, Norway shall have the option to deliver up to three quarters of the total consignment in the form of petroleum products. Within that framework, the apportionment between crude oil and petroleum products shall take place on the basis of agreements between enterprises of the two countries.

Article IV. The deliveries covered by this protocol shall be used for marketing in Sweden.

The Parties shall make arrangements to enable Norwegian enterprises with supplies of crude oil to engage, on a business basis, directly in the marketing of crude oil and petroleum products on the Swedish market, either on their own account or through various forms of co-operation with enterprises in Sweden.

Article V. In the case of crude oil and petroleum products delivered within the framework of this protocol, prices and other delivery terms shall be determined by agreement between enterprises of the two countries. The Parties assume that market prices will form the basis for long-term deliveries.

Article VI. If the assumptions on which this protocol is based should substantially change as a result of unforeseen circumstances, either Party may call for discussions. Discussions may also be requested if the implementation of this protocol leads to results which are clearly at variance with the purpose of the protocol.

Article VII. The implementation of this protocol shall be regarded as a co-operation project pursuant to the Agreement of 25 March 1981 concerning economic co-operation, particularly in the fields of industry and energy.

Article VIII. This protocol shall be ratified. The instruments of ratification shall be exchanged at Stockholm. The protocol shall enter into force on the date of the exchange of the instruments of ratification.

Article IX. This protocol shall remain in force for a period of 20 years from the date of its entry into force. Unless the protocol is denounced by one of the Parties not later than three years before the expiry of the 20-year period, it shall continue in force. After the expiry of the 20-year period the protocol may be denounced by either Party subject to three years' notice.

Notice of denunciation in accordance with this article shall be given through the diplomatic channel and in writing.

Article X. The validity of agreements concluded between enterprises shall not be affected if this protocol ceases to have effect.

IN WITNESS WHEREOF the undersigned plenipotentiaries have signed this protocol and thereto affixed their seals.

This protocol is drawn up in duplicate in the Swedish and Norwegian languages. Both texts are equally authentic.

Oslo, 25 March 1981

For the Government
of Sweden:

[Signed]

THORBJÖRN FÄLLDIN

For the Government
of Norway:

[Signed]

GRO HARLEM BRUNDTLAND

PROTOCOL CONCERNING THE RIGHT OF OPTION TO LONG-TERM DELIVERIES OF ELECTRIC POWER FROM SWEDEN TO NORWAY

The Government of Sweden and the Government of Norway, desiring to strengthen co-operation between the two countries in the fields of industry and energy, wish as part of that co-operation to conclude an agreement concerning the right of option to long-term deliveries of electric power from Sweden to Norway.

The Swedish State Power Administration (Statens vattenfallsverk) and the Norwegian Water Resources and Electricity Board (Norges Vassdrags- og elektrisitetsvesen, NVE) have, as officially requested, discussed the conditions for possible future deliveries of electric power from Sweden to Norway as from 1 January 1982. The Swedish State Power Administration and the Norwegian Water Resources and Electricity Board subsequently issued a joint written report concerning the conditions that might form the basis for such deliveries. The report indicates, *inter alia*, that the conditions specified shall take effect only if an agreement on deliveries is concluded by 31 December 1981 or, if the starting date for deliveries is set for 1 July 1982, if it is concluded by 30 June 1982. It is understood that the agreement on deliveries will cover a period of 15 years but may, upon denunciation, be terminated after a period of 10 years.

The Government of the two countries have accordingly agreed on the following protocol to the Agreement of 25 March 1981 concerning economic co-operation, particularly in the fields of industry and energy.

Article I. The right of option shall cover deliveries of electric power in accordance with the provisions of this protocol and shall be exercised at the discretion of Norway.

It is understood that an agreement between the Swedish State Power Administration and the Norwegian Water Resources and Electricity Board will be signed by 31 December 1981 if the party concerned wishes to exercise the right of option to deliveries as from 1 January 1982, and by 30 June 1982 if it wishes to exercise the right of option as from 1 July 1982.

Article II. The deliveries covered by the right of option shall comprise a quantity of energy not exceeding 2 TWh per year with a maximum power of 400 MW. If an agreement pursuant to article I is concluded for a quantity of energy below 2 TWh, the Norwegian Water Resources and Electricity Board shall be entitled to increase the quantity, in one or more stages, to 2 TWh. This right to conclude an agreement for increased deliveries may be exercised subject to three years' notice.

Article III. The delivery period shall not exceed 15 years reckoned from 1 January or 1 July 1982.

Article IV. In other respects the right of option shall be subject to the conditions specified in the annexed report.

Article V. If the assumptions on which this protocol is based should substantially change as a result of unforeseen circumstances, either Party may call for discussions. Discussions may also be requested if the implementation of this protocol leads to results which are clearly at variance with the purpose of the protocol.

Article VI. The implementation of this protocol shall be regarded as a co-operation project pursuant to the Agreement of 25 March 1981 concerning economic co-operation, particularly in the fields of industry and energy.

Article VII. This protocol shall be ratified. The instruments of ratification shall be exchanged at Stockholm. The protocol shall enter into force on the date of the exchange of the instruments of ratification.

Article VIII. This protocol shall cease to have effect if an agreement pursuant to article I is not concluded within the time-limit specified therein or, if such an agreement has been concluded, when it ceases to have effect.

Article IX. The validity of any agreements concluded between the Swedish State Power Administration and Norwegian Water Resources and Electricity Board outside the framework of this protocol shall not be affected if this protocol ceases to have effect.

IN WITNESS WHEREOF the undersigned plenipotentiaries have signed this protocol and thereto affixed their seals.

This protocol is drawn up in duplicate in the Swedish and Norwegian languages. Both texts are equally authentic.

Oslo, 25 March 1981

For the Government
of Sweden:

[Signed]

THORBJÖRN FÄLLDIN

For the Government
of Norway:

[Signed]

GRO HARLEM BRUNDTLAND