

No. 27041

**UNITED KINGDOM OF GREAT BRITAIN
AND NORTHERN IRELAND
and
JORDAN**

**Exchange of notes constituting a loan agreement (with
annex). Amman, 1 October 1987**

Authentic text: English.

*Registered by the United Kingdom of Great Britain and Northern Ireland on
19 January 1990.*

**ROYAUME-UNI DE GRANDE-BRETAGNE
ET D'IRLANDE DU NORD
et
JORDANIE**

**Échange de notes constituant un accord relatif à un prêt (avec
annexe). Amman, 1^{er} octobre 1987**

Texte authentique : anglais.

*Enregistré par le Royaume-Uni de Grande-Bretagne et d'Irlande du Nord
le 19 janvier 1990.*

EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE GOVERNMENT OF THE HASHEMITE KINGDOM OF JORDAN CONCERNING A LOAN AGREEMENT (THE UNITED KINGDOM/JORDAN LOAN AGREEMENT 1987)

I

*The British Chargé d'affaires a.i. at Amman to the Minister of Planning
of the Hashemite Kingdom of Jordan*

BRITISH EMBASSY
AMMAN

1 October 1987

United Kingdom/Jordan Loan 1987

Your Excellency

I have the honour to inform you with reference to the recent discussions between our Governments concerning development assistance, that it is the intention of the Government of the United Kingdom of Great Britain and Northern Ireland to make available to the Government of the Hashemite Kingdom of Jordan by way of loan a sum not exceeding £10,000,000 (ten million pounds sterling) hereinafter referred to as 'the loan' to be allocated to specific projects to be mutually determined by our respective Governments.

2. Save to the extent to which my Government notifies your Government otherwise in writing, the loan allocations may be used either to make direct payments or to reimburse payments made for goods or services wholly produced in and supplied from the United Kingdom, or your country, as may be mutually determined by our two Governments at the time of each project approval. Allocations shall be made in accordance with the Procedures and Practices Applicable to the Expenditure of United Kingdom Capital Aid Resources.

3. The loan shall not be used to meet the cost of any taxes, fees, import or customs duties imposed directly by your Government on goods and services provided.

4. Each project allocation shall be determined when that project is approved by our two Governments.

5. Unless my Government otherwise accepts, the period for the disbursement of this loan shall expire on 31 March 1991.

6. A procurement Agent approved by the United Kingdom Government shall procure and arrange shipment of the goods purchased in the United Kingdom and funded from the loan. If an approved procurement agent is one other than the Crown

¹ Came into force on 1 October 1987, the date of the note in reply, in accordance with the provisions of the said notes.

Agents for Oversea Governments and Administrations your Government shall appoint the approved agent by sending an appointment letter in the form set out on Annex 1 to this note to the said agent.

7. Goods shall be shipped and insured in accordance with normal commercial competitive practice and not directed to ships or companies of any particular flag or country. This provision shall be stated explicitly in all contracts for the supply of goods and services to be paid for out of monies made available under the loan.

8. Your Government shall permit my Government's authorised personnel to visit any project in respect of which loan drawings are applied and shall furnish them with such information as regards the project, its progress and financing as they require.

9. My Government reserves the right to review procurement procedures and practices to ensure that value for money is being obtained. Your Government shall ensure that bodies or personnel used for the purposes of procuring goods or services paid for under this arrangement extend to my Government's personnel sufficient access to permit a proper examination and assessment of the efficiency of the procurement agencies, including written procurement procedures, evaluations of bids, contract award, tender board decisions, and other relevant documents, as well as their day-to-day working practices.

Your Government shall ensure that this right of access for the representatives of my Government is stated in the contracts between the procurement body and your Government's purchaser.

10. My Government has the right to make percentage checks on the cost of goods and services supplied, and the physical condition and origin of items supplied. The cost of such checks will be met from the loan.

11. Your Government shall provide such finance additional to the loan as may be required to complete the agreed projects and shall ensure it is provided during the same period as the loan and in accordance with any programme of disbursement mutually determined by our two Governments.

12. Unless otherwise accepted by our two Governments, your Government shall ensure that all goods and all services of a continuing nature for which payment has been financed from the loan shall be employed for the purposes for which and by the user of users for whom they were supplied, for as long as their being so employed remains feasible. In the event of such goods or services not being, or ceasing to be, so employed my Government shall have the right to recover forthwith from your Government the value of the goods and services concerned.

13. Your Government shall repay to the Government of the United Kingdom in pounds sterling in London the total sum borrowed under the loan. The repayments shall be made by instalments paid on the dates and in the amounts specified below; except that if, on the date when any such instalment is due to be paid, there is then outstanding less than the amount specified for that instalment only the amount then outstanding need be paid:

INSTALMENTS

<i>Date Due</i>	<i>Amount</i>
1st September 1992 and each succeeding March and September thereafter until September 2001 inclusive	£500,000
1st March 2002.....	£500,000

Notwithstanding these provisions, your Government shall be free to repay at any earlier time to my Government in pounds sterling in London any amount of the loan that is outstanding.

14. Your Government shall pay interest to the Government of the United Kingdom in pounds sterling in London, on drawings from the loan, in accordance with the following provisions:

(a) The rate of interest in respect of each drawing shall be (1 3/4%) (one and three quarter per cent) per annum commencing from the drawn-down date of the relevant drawing.

(b) Interest will be calculated on a day to day basis on the balance of the total drawings from the loan for the time being outstanding, after deduction of the total repayments made under the provisions of paragraph 13, drawings being reduced in chronological order by such repayments for the purposes of the calculation.

(c) The first payment of accrued interest shall be made on 1st March 1988 and subsequent payments will be made on 1st September and on 1st March in each year, save that if no drawing has been made by 1st March 1988 interest will only be payable from the 1st day of September or the 1st day of March next following the first drawing.

15. If the foregoing proposals are acceptable to the Government of the Hashemite Kingdom of Jordan I have the honour to propose that the present Note together with Your Excellency's reply in that sense shall constitute an agreement between the Government of the United Kingdom and the Government of the Hashemite Kingdom of Jordan which shall enter into force on the date of Your Excellency's reply, and which shall be known as the United Kingdom/Jordan Loan Agreement 1987.

I avail myself of this opportunity to renew to Your Excellency the assurance of my highest consideration.

H. N. H. SYNNOTT

ANNEX

Government of

Dear Sirs

United Kingdom/Jordan Loan 1987

ALLOCATION/PROJECT TITLE

1. I confirm your appointment as agents of the Government of the Hashemite Kingdom of Jordan (hereinafter referred to as 'the Government') to procure and arrange the shipment of goods required under the above mentioned aid allocation which is for a sum not exceeding
2. Procurement and the arrangement of shipment of goods will be handled according to the procedures laid down by the Government of the United Kingdom in its document 'Guidelines on Procurement Procedures for Goods Financed by British Capital Aid'.
3. Your fees for undertaking procurement and arranging shipping will be paid directly to you by the Crown Agents for Oversea Governments and Administrations acting on behalf of the Government on presentation of your companies invoice for the sum due.
4. This arrangement is made on the understanding that the United Kingdom Government representative may at any time have direct access to original documents and such information as it may require to satisfy itself regarding any fees and charges made.

Yours faithfully,

For the Government of

II

*The Secretary General of the Ministry of Planning of the Hashemite Kingdom
of Jordan to Her Majesty's Ambassador at Amman*

MINISTRY OF PLANNING
AMMAN

1 October 1987

Excellency,

I have the honour to acknowledge receipt of Your Excellency's Note of October 1, 1987 which reads as follows:

[See note I]

I have the honour to confirm that the foregoing proposals are acceptable to the Government of the Hashemite Kingdom of Jordan and that your Note and this reply constitute an Agreement between our two Governments in this matter which shall enter into force today and shall be known as the United Kingdom/Jordan Loan Agreement 1987.

I avail myself of this opportunity to renew to Your Excellency the assurances of my highest consideration.

ZIAD FARIZ

[Annex as under note I]
