No. 8338

DENMARK
and
JORDAN

Agreement on a Danish Government loan to Jordan (with annex and exchange of letters). Signed at London, on 28 June 1966

Official text: English.

Registered by Denmark on 27 September 1966.

DANEMARK
et
JORDANIE

Accord relatif à l'octroi d'un prêt du Gouvernement danois à la Jordanie (avec annexe et échange de lettres). Signé à Londres, le 28 juin 1966

Texte officiel anglais.

Enregistré par le Danemark le 27 septembre 1966.

No. 8338. AGREEMENT[1] BETWEEN THE GOVERNMENT OF THE HASHEMITE KINGDOM OF JORDAN AND THE GOVERNMENT OF THE KINGDOM OF DENMARK ON A DANISH GOVERNMENT LOAN TO JORDAN. SIGNED AT LONDON, ON 28 JUNE 1966

The Government of Jordan and the Government of Denmark, desiring to strengthen the traditional co-operation and cordial relations between their countries, have agreed that, as a contribution to Jordan's Development Plan, a Danish Government Loan will be extended to Jordan in accordance with the following provisions:

Article I

The Loan

The Government of Denmark (hereinafter called the Lender) agrees to make available to the Government of Jordan (hereinafter called the Borrower) a development Loan in an amount of twelve million Danish kroner for the procurement of capital equipment and services as described in Article VI of this Agreement.

Article II

Loan Account

Section 1. An account designated "Government of Jordan Special Account" (hereinafter called "Special Account") will be opened with Danmarks Nationalbank (acting as agent for the Lender) in favour of the Central Bank of Jordan (acting as agent for the Borrower). The Lender will ensure that sufficient funds are always available in the Special Account to enable the Borrower to effect punctual payment for the goods and services procured under this Loan, provided that the amounts successively made available to the Borrower shall not, in the aggregate, exceed the loan amount specified in Article I.

Section 2. The Central Bank of Jordan (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 payment of equipment or services procured under the Loan Agreement.

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[1] Came into force on 28 June 1966, upon signature, in accordance with article XIV (1).

Article III

RATE OF INTEREST

The Loan will be free of interest.

Article IV

REPAYMENT

Section 1. The Borrower will repay to the Lender the principal of the credit withdrawn from the Special Account in thirty semi-annual instalments of 400,000 Danish kroner each, commencing on March 31, 1971, and ending on September 30, 1985.

Section 2. The Borrower has the right to repay in advance of maturity all or any part of the principal amount of one or more maturities of the Loan specified by the Borrower.

Article V

PLACE OF PAYMENT

The Borrower will repay the Loan in Danish kroner or any other convertible currency acceptable to Danmarks Nationalbank to the credit of the current account of the Ministry of Finance with Danmarks Nationalbank.

Article VI

USE OF THE LOAN BY JORDAN

Section 1. The Borrower will use the proceeds of the Loan to finance imports (including transport charges from Denmark to Jordan) of Danish capital equipment included in the annexed list which may be modified or enlarged by mutual consent, for the implementation of Jordan's Development Plan. The total disbursement shall not exceed the amount of twelve million Danish kroner referred to in Article I.

Section 2. The proceeds of the Loan may also be used to pay for Danish services required for the implementation of Jordan's Development Plan, including, in particular, pre-investment studies, preparation of projects, assembly of plant, consultant engineering, technical and administrative assistance for, e.g., the operation during the initial period of undertakings established by means of the Loan.

Section 3. The terms of payment stipulated in contracts or documentation to the effect that an order has been placed with a Danish exporter for supplies or services of the nature described above shall be considered as normal and proper whenever such contracts or other documentation contain no clauses involving special credit facilities from Danish exporters.

Section 4. The proceeds of the Loan may be used only for payment of supplies or services contracted for after the entry into force of the Agreement.

Section 5. The Borrower may draw on the account with Danmarks Nationalbank referred to in Article II for up to three years after the entry into force of the Agreement or such other date as may be agreed by the Lender and the Borrower.

Section 6. If the proceeds of the Loan have not been fully utilized within the time stipulated in section 5 above, the semi-annual repayments shall be reduced by a proportion equal to the rate between the unutilized amount of the Loan and the principal of the Loan.

Article VII

NON-DISCRIMINATION

Section 1. In regard to the repayment of the Loan the Borrower undertakes to give the Lender no less favourable treatment than that accorded to other foreign creditors.

Section 2. All shipments of equipment covered by this Agreement shall be in keeping with the principle of free circulation of ships in international trade in free and fair competition.

Article VIII

MISCELLANEOUS PROVISIONS

Section 1. Prior to the first drawing against the Special Account referred to in Article II the Borrower will satisfy the Lender that all constitutional requirements and other requirements laid down by statute in the Borrower's home country have been met so that this Loan Agreement will constitute a valid obligation binding on the Borrower in the terms of the Loan Agreement.

Section 2. The Borrower will furnish to the Lender evidence of the authority of the person or persons who will, on behalf of the Borrower, take any action or execute any documents under this Agreement, and authenticated specimen signatures of all such persons.

Section 3. Any notice or request under this Agreement and any agreement between the parties contemplated by this Agreement shall be in writing. Such