

No. 8907

**INTERNATIONAL DEVELOPMENT ASSOCIATION
and
JORDAN**

Development Credit Agreement—*Second Agricultural Credit Project* (with annexed Development Credit Regulations No. 1, as amended, and Project Agreement between the Association and the Agricultural Credit Corporation). Signed at Washington, on 9 May 1967

Official text: English.

Registered by the International Development Association on 10 January 1968.

**ASSOCIATION INTERNATIONALE
DE DÉVELOPPEMENT
et
JORDANIE**

Contrat de crédit de développement — *Deuxième projet relatif au crédit agricole* (avec, en annexe, le Règlement n° 1 sur les crédits de développement, tel qu'il a été modifié, et le Contrat relatif au Projet entre l'Association et l'Agricultural Credit Corporation). Signé à Washington, le 9 mai 1967

Texte officiel anglais.

Enregistré par l'Association internationale de développement le 10 janvier 1968.

No. 8907. DEVELOPMENT CREDIT AGREEMENT¹ (*SECOND AGRICULTURAL CREDIT PROJECT*) BETWEEN THE HASHEMITE KINGDOM OF JORDAN AND THE INTERNATIONAL DEVELOPMENT ASSOCIATION. SIGNED AT WASHINGTON, ON 9 MAY 1967

AGREEMENT, dated May 9, 1967, between THE HASHEMITE KINGDOM OF JORDAN (hereinafter called the Borrower) and INTERNATIONAL DEVELOPMENT ASSOCIATION (hereinafter called the Association).

WHEREAS the Borrower and the Agricultural Credit Corporation, a statutory corporation of the Borrower (hereinafter called the Corporation), have requested the Association to assist in the financing of a lending program for agricultural development;

WHEREAS by a development credit agreement, dated December 12, 1963,² between the Borrower and the Association (hereinafter called the First Development Credit Agreement), the Association made a development credit to the Borrower in an aggregate principal amount in various currencies equivalent to \$3,000,000 to assist in the financing of the first part of such program; and

WHEREAS the Association is willing to make a development credit available on the terms and conditions provided herein and in a project agreement of even date herewith between the Association and the Corporation;

NOW THEREFORE the parties hereto hereby agree as follows :

Article I

CREDIT REGULATIONS; DEFINITIONS

Section 1.01. The parties to this Agreement accept all the provisions of Development Credit Regulations No. 1 of the Association dated June 1, 1961, as amended February 9, 1967,³ with the same force and effect as if they were fully set forth herein subject, however, to the following modifications thereof (said Development Credit Regulations No. 1 as so modified being hereinafter called the Regulations) :

¹ Came into force on 3 October 1967, upon notification by the Bank to the Government of Jordan.

² United Nations, *Treaty Series*, Vol. 492, p. 3.

³ See p. 60 of this volume.

(a) Sections 6.01, 6.02 and 6.03 are amended by inserting the words “ or the Project Agreement ” after the words “ the Development Credit Agreement ”; and the words “ or the Corporation ” after the word “ Borrower ”.

(b) For the purposes of this Agreement, the term “ goods ” as defined in paragraph 10 of Section 9.01, shall include any easements or rights of way for irrigation projects financed under the Credit.

Section 1.02. Unless the context otherwise requires, the following terms, wherever used in this Agreement or in the Regulations, shall have the following meanings :

1. “ Project Agreement ” means the project agreement of even date herewith between the Association and the Corporation and shall include any amendments thereof made by agreement among the Borrower, the Corporation and the Association.
2. “ Dinars ” means dinars in the currency of the Borrower.

Article II

THE CREDIT

Section 2.01. The Association agrees to make available to the Borrower, on the terms and conditions in this Agreement set forth or referred to, a development credit in an amount in various currencies equivalent to three million dollars (\$3,000,000).

Section 2.02. The Association shall open a Credit Account on its books in the name of the Borrower and shall credit to such Credit Account the amount of the Credit. The amount of the Credit may be withdrawn from the Credit Account as provided in, and subject to the rights of cancellation and suspension set forth in, this Agreement and the Regulations.

Section 2.03. Except as the Association shall otherwise agree, the Borrower shall be entitled, subject to the provisions of this Agreement and of the Regulations, to withdraw from the Credit Account :

- (a) such amounts as shall have been expended for the reasonable foreign currency cost of goods and services required for carrying out the Project;
- (b) the equivalent of a percentage or percentages to be established from time to time by agreement between the Borrower and the Association of such amounts as shall have been expended for the reasonable cost of goods and services required for carrying out the Project and not included in the foregoing; and
- (c) if the Association shall so agree, such amounts as shall be required by the Borrower to meet payments under each of the foregoing paragraphs;

provided, however, that no withdrawals shall be made on account of expenditures prior to the date of this Agreement.

Section 2.04. The Borrower shall pay to the Association a service charge at the rate of three-fourths of one per cent ($\frac{3}{4}$ of 1%) per annum on the principal amount of the Credit withdrawn and outstanding from time to time.

Section 2.05. Service charges shall be payable semi-annually on February 1 and August 1 in each year.

Section 2.06. The Borrower shall repay the principal amount of the Credit withdrawn in semi-annual installments payable on each February 1 and August 1 commencing August 1, 1977 and ending February 1, 2017, each installment to and including the installment payable on February 1, 1987 to be one-half of one per cent of such principal amount, and each installment thereafter to be one and one-half per cent of such principal amount.

Section 2.07. The currency of the United Kingdom of Great Britain and Northern Ireland in hereby specified for the purposes of paragraph (a) of Section 3.02 of the Regulations.

Article III

USE OF PROCEEDS OF THE CREDIT

Section 3.01. The Borrower shall cause the proceeds of the Credit to be applied exclusively to financing the cost of goods required to carry out the Project described in the Schedule to this Agreement. The specific allocation of the proceeds of the Credit and the methods and procedures for procurement of the goods to be financed out of such proceeds shall be determined by agreement between the Borrower and the Association, subject to modification by further agreement between them.

Article IV

PARTICULAR COVENANTS

Section 4.01. (a) The Borrower shall cause the Project to be carried out and shall cause the Corporation to conduct its operations and affairs in accordance with sound agricultural, engineering and financial practices and under capable and efficient management appointed in consultation with the Association.

(b) The Borrower shall take or cause to be taken all action which shall be necessary on its part to enable the Corporation to perform all its obligations under the Project Agreement and shall not take, or permit any agency of the Borrower to take, any action that would prevent or interfere with the performance of such obligations by the Corporation.

Section 4.02. (a) The Borrower shall re-lend the proceeds of the Credit or the equivalent thereof to the Corporation on terms and conditions satisfactory to the Association.

(b) The Borrower shall make or cause to be made available promptly as needed all funds, services, facilities and resources other than the proceeds of the Credit which shall be required for the carrying out of the Project and all other operations of the Corporation.

Section 4.03. (a) The Borrower and the Association shall cooperate fully to assure that the purposes of the Credit will be accomplished. To that end, each of them shall furnish to the other all such information as it shall reasonably request with regard to the general status of the Credit. On the part of the Borrower, such information shall include information with respect to financial and economic conditions in the territories of the Borrower and the international balance of payments positions of the Borrower.

(b) The Borrower and the Association shall from time to time exchange views through their representatives with regard to matters relating to the purposes of the Credit and the maintenance of the service thereof. The Borrower shall promptly inform the Association of any condition which interferes with, or threatens to interfere with, the accomplishment of the purposes of the Credit or the maintenance of the service thereof.

(c) The Borrower shall afford all reasonable opportunity for accredited representatives of the Association to visit any part of the territories of the Borrower for purposes related to the Credit.

Section 4.04. The principal of, and service charges on, the Credit shall be paid without deduction for, and free from, any taxes, and free from all restrictions, imposed under the laws of the Borrower or laws in effect in its territories.

Section 4.05. This Agreement and the Project Agreement shall be free from any taxes that shall be imposed under the laws of the Borrower or laws in effect in its territories on or in connection with the execution, delivery or registration thereof.

Article V

REMEDIES OF THE ASSOCIATION

Section 5.01. (i) If any event specified in paragraph (a) or paragraph (c) of Section 5.02 of the Regulations shall occur and shall continue for a period of thirty days, or (ii) if any event specified or referred to in paragraph (b) or paragraph (k) of Section 5.02 of the Regulations shall occur and shall continue for a period of sixty days after notice thereof shall have been given by the Association