

## PROTOCOL

## on financial and technical cooperation between the European Economic Community and the Hashemite Kingdom of Jordan

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

of the one part, and

HIS MAJESTY THE KING OF THE HASHEMITE KINGDOM OF JORDAN,

of the other part,

REAFFIRMING their resolve to implement cooperation which will contribute to the economic and social development of Jordan and promote the strengthening of relations between the Community and Jordan,

ANXIOUS to pursue to this end the financial and technical cooperation provided for in the Cooperation Agreement,

HAVE DECIDED to conclude this Protocol and to this end have designated as their plenipotentiaries:

THE COUNCIL OF THE EUROPEAN COMMUNITIES:

Paul NOTERDAEME,  
Ambassador Extraordinary and Plenipotentiary,  
Permanent Representative of Belgium,  
Chairman of the Permanent Representatives Committee;  
  
Dieter FRISCH,  
Director-General for Development,  
Commission of the European Communities;

HIS MAJESTY THE KING OF THE HASHEMITE KINGDOM OF JORDAN:

Hasan ABU NIMAH,  
Ambassador Extraordinary and Plenipotentiary,  
Head of the Mission of the Hashemite Kingdom of Jordan to the European Communities.

*Article 1*

Within the framework of the financial and technical cooperation provided for in the Cooperation Agreement concluded between the European Economic Community and the Hashemite Kingdom of Jordan, the Community shall participate, on the terms set out in this Protocol, in the financing of measures intended to contribute to the economic and social development of Jordan.

*Article 2*

1. For the purposes specified in Article 1 and for a period expiring on 31 October 1986, an aggregate amount of 63 million ECU may be committed as follows:

- (a) 37 million ECU in the form of loans from the European Investment Bank, hereinafter referred to as 'the Bank', made from its own resources;

(b) 26 million ECU from the Community's budgetary resources, composed of:

- 7 million ECU in the form of loans on special terms,
- 19 million ECU in the form of grants.

Provision may be made for contributions to risk capital formation, to be charged against the amount shown in the first indent of (b); these may take the form *inter alia* of subordinated loans, conditional loans or acquisitions of holdings.

2. The loans referred to in paragraph 1 (a) — with the exception of those intended for financing the oil sector — carry a 2 % interest rate subsidy financed by means of the funds shown in the second indent of paragraph 1 (b).

#### Article 3

1. The total amount fixed in Article 2 shall be used for the financing or part-financing of:

- capital projects in the fields of production and economic infrastructure, aimed in particular at diversifying the economic structure of Jordan and especially at promoting its industrialization and modernizing its agriculture,
- technical cooperation schemes that are a preliminary or a complement to capital projects drawn up by Jordan,
- technical cooperation in the field of training.

2. The Community's financial contributions shall be used to cover internal and external costs necessarily incurred in carrying out approved projects or schemes (including costs in respect of studies, consulting engineers and technical assistance). They may not be used to cover current administrative, maintenance or operational expenditure.

#### Article 4

1. Capital projects shall be eligible for financing either by loans from the Bank, combined with interest rate subsidies on the terms set out in Article 2, or by loans on special terms, or by grants, or by a combination of these three means.

2. Technical and economic cooperation shall normally be financed by grants.

#### Article 5

1. The amounts to be committed each year shall be distributed as evenly as possible throughout the period of application of this Protocol.

2. Any funds not committed at the end of the period referred to in Article 2(1) shall be used, until exhausted. In that case, the funds shall be used in accordance with the same arrangements as those laid down in this Protocol.

#### Article 6

1. Loans granted by the Bank from its own resources shall be made in accordance with the arrangements, conditions and procedures laid down in its statute. They shall, as regards their duration, be subject to terms established on the basis of the economic and financial characteristics of the projects for which these loans are intended, also taking into account the conditions obtaining on the capital markets on which the Bank procures its resources. The interest rate shall be determined in accordance with the Bank's practice at the time of signature of each loan contract, subject to the interest rate subsidy referred to in Article 2 (2).

2. Loans on special terms shall be granted for 40 years with 10 years' postponement of amortization and at an interest rate of 1 % per annum. The terms and arrangements for contributions to risk capital formation shall be determined on a case-by-case basis.

3. The loans may be granted through the intermediary of the State or appropriate Jordanian bodies, on condition that they onlend the amounts to the recipients on terms decided, by agreement with the Community, on the basis of the economic and financial characteristics of the projects for which they are intended.

#### Article 7

Aid contributed by the Community for the execution of certain projects may, with the agreement of Jordan, take the form of co-financing in which, in particular, credit and development bodies and institutions of Jordan, of Member States or of third States or international finance organizations would take part.

#### Article 8

The following shall be eligible for financial and technical cooperation:

(a) in general:

- the Jordanian State;

(b) with the agreement of the Jordanian Government, for projects or measures approved by it:

- Jordanian official development agencies,
- private agencies working in Jordan for economic and social development,
- undertakings carrying on their activities in accordance with industrial and business management methods and set up as legal persons within the meaning of Article 12,
- groups of producers who are nationals of Jordan, and exceptionally, where no such groups exist, the producers themselves,
- scholarship holders and trainees sent by Jordan under the training schemes referred to in Article 3.

#### Article 9

1. Upon the entry into force of this Protocol, the Community and Jordan shall establish by mutual agreement the specific objectives of financial and technical cooperation, by reference to the priorities set by Jordan's development plan.

These objectives may be reviewed by mutual agreement to take account of changes in Jordan's economic situation or in the objectives and priorities set by its development plan.

2. Within the framework established pursuant to paragraph 1, financial and technical cooperation shall apply to projects and schemes drawn up by Jordan or by other beneficiaries approved by that country.

#### Article 10

1. The Jordanian State or, with the agreement of its Government, the other possible beneficiaries referred to in Article 8, shall submit their requests for financial aid to the Community.

2. The Community shall appraise the requests for financing in collaboration with the competent Jordanian authorities and other beneficiaries, in accordance with the objectives referred to in Article 9 (1), and shall inform them of the decisions taken on such requests.

#### Article 11

1. The execution, management and maintenance of schemes that are the subject of financing under this Protocol shall be the responsibility of Jordan or the other beneficiaries referred to in Article 8 of this Protocol.

The Community shall make sure that this financial aid is expended in accordance with the agreed allocations and to the best economic advantage.

2. Certain rules for administering the financial aid granted by the Community will be the subject of an exchange of letters between the Commission and Jordan at the conclusion of this Protocol.

#### Article 12

All natural and legal persons which come within the scope of the Treaty establishing the European Economic Community and all natural and legal persons of Jordan may participate on equal terms in tendering procedures and other procedures for the award of contracts likely to be financed. Such legal persons formed in accordance with the law of a Member State of the EEC or of Jordan must have their registered offices, their administrative head offices or their principal establishments in the territories in which the Treaty establishing the EEC is applied or in Jordan; however, where only their registered offices are in those territories or in Jordan, the activities of such legal persons must be effectively and continuously linked with the economy of those territories or of Jordan.

#### Article 13

To promote participation by Jordanian undertakings in the performance of works contracts, an accelerated procedure for issuing invitations to tender involving shorter time limits for the submission of tenders may be used where the works in question, because of their scale, are mainly of interest to Jordanian undertakings.

This accelerated procedure may be used for invitations to tender the value of which is estimated at less than two million ECU.

#### Article 14

1. Jordan shall apply to contracts awarded for the execution of projects or schemes financed by the

Community fiscal and customs arrangements no less favourable than those applied *vis-à-vis* the most favoured international development organization.

2. The fiscal and customs arrangements shall be established by means of an exchange of letters between the Parties.

#### Article 15

Jordan shall take the necessary measures to ensure that interest and all other payments due to the Community in respect of loans granted under this Protocol are exempted from any national or local tax or levy.

#### Article 16

Where a loan is accorded to a beneficiary other than the Jordanian State, the provisions of a guarantee by the latter or of other adequate guarantees may be required by the Community as a condition of the grant of the loan.

#### Article 17

Throughout the duration of the loans accorded pursuant to this Protocol, Jordan shall undertake to make available to debtors enjoying such loans, or to the guarantors thereof, the foreign currency necessary for the payment of interest, commission and other charges and the repayment of principal.

#### Article 18

The results of financial and technical cooperation may be examined within the Cooperation Council. The

latter shall establish, where appropriate, the general guidelines of such cooperation.

#### Article 19

One year before the expiry of this Protocol, the Contracting Parties shall examine what arrangements could be made for financial and technical cooperation during a possible further period.

#### Article 20

This Protocol shall be annexed to the Cooperation Agreement concluded between the European Economic Community and Jordan.

#### Article 21

1. This Protocol shall be subject to approval in accordance with the Contracting Parties' own procedures; the Contracting Parties shall notify each other that the procedures necessary to this end have been completed.

2. This Protocol shall enter into force on the first day of the second month following the date on which the notifications provided for in paragraph 1 have been given.

#### Article 22

This Protocol is drawn up in two original copies in the Danish, Dutch, English, French, German, Greek, Italian and Arabic languages, each of these texts being equally authentic.

Til bekræftelse heraf har undertegnede befuldmægtigede underskrevet denne protokol.

Zu Urkund dessen haben die unterzeichneten Bevollmächtigten ihre Unterschriften unter dieses Protokoll gesetzt.

Εἰς πίστῳσιν τῶν ἀνωτέρῳ, οἱ ὑπογεγραμμένοι πληρεξούσιοι ἔθεσαν τίς ὑπογραφές τους στό παρόν πρωτόκολλο.

In witness whereof the undersigned plenipotentiaries have signed this Protocol.

En foi de quoi, les plénipotentiaires soussignés ont apposé leurs signatures au bas du présent protocole.

In fede di che, i plenipotenziari sottoscritti hanno apposto le loro firme in calce al presente protocollo.

Ten blijke waarvan de ondergetekende gevolmachtigden hun handtekening onder dit Protocol hebben gesteld.

واثباتا لما تقدم ، وضع المندوبون المفوضون توقيعهم اسفل هذا البروتوكول .

Udfærdiget i Bruxelles, den tiende juni nitten hundrede og toogfirs.

Geschehen zu Brüssel am zehnten Juni neunzehnhundertzweiundachtzig.

Έγινε στίς Βρυξέλλες, στίς δέκα 'Ιουνίου χίλια έννιακόσια όγδόντα δύο.

Done at Brussels on the tenth day of June in the year one thousand nine hundred and eighty-two.

Fait à Bruxelles, le dix juin mil neuf cent quatre-vingt-deux.

Fatto a Bruxelles, addì dieci giugno millenovecentottantadue.

Gedaan te Brussel, de tiende juni negentienhonderd tweeëntachtig.

حررني بروكسل ، في العاشر من حزيران سنة الف وتسعائة واثنان وثمانون .

For Rådet for De europæiske Fællesskaber

Für den Rat der Europäischen Gemeinschaften

Γιά τό Συμβούλιο τῶν Εὐρωπαϊκῶν Κοινοτήτων

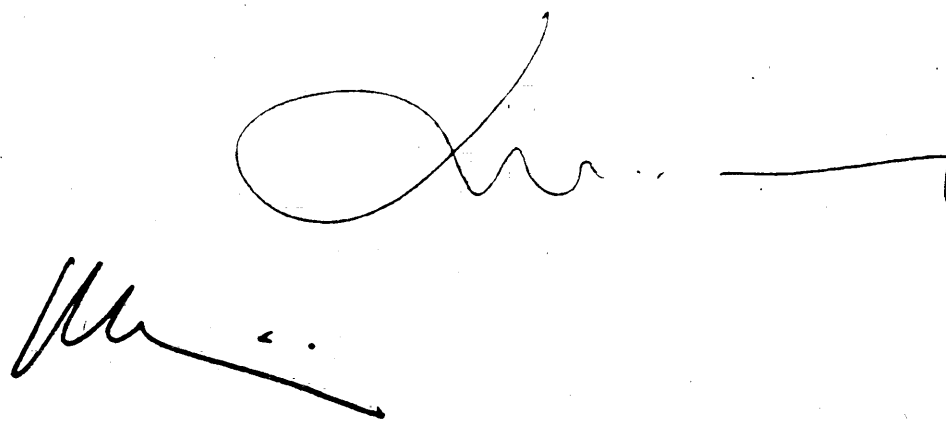
For the Council of the European Communities

Pour le Conseil des Communautés européennes

Per il Consiglio delle Comunità europee

Voor de Raad van de Europese Gemeenschappen

عن مجلس المجموعات الأوروبية



For Hans Majestæt kongen af Det hashemitiske kongerige Jordan

Für Seine Majestät den König des Haschemitischen Königreichs Jordanien

Γιά τήν Αὐτοῦ Μεγαλειότητα τόν Βασιλέα τοῦ Χάσεμιτικοῦ Βασιλείου τῆς Ἰορδανίας

For His Majesty the King of the Hashemite Kingdom of Jordan

Pour Sa Majesté le roi du royaume hachémite de Jordanie

Per Sua Maestà il Re del Regno hascemita di Giordania

Voor Zijne Majesteit de Koning van het Hasjemitische Koninkrijk Jordanië

عن صاحب الجلالة ملك المملكة الاردنية الهاشمية

