

Official Journal

of the European Communities

ISSN 0378 – 6978

L 22

Volume 31

27 January 1988

English edition

Legislation

Contents

I *Acts whose publication is obligatory*

.....

II *Acts whose publication is not obligatory*

Council

88/30/EEC:

- ★ Council Decision of 21 December 1987 on the conclusion of a Protocol on financial and technical cooperation between the European Economic Community and the People's Democratic Republic of Algeria 1

Protocol on financial and technical Cooperation between the European Economic Community and the People's Democratic Republic of Algeria 2

88/31/EEC:

- ★ Council Decision of 21 December 1987 on the conclusion of a Protocol on financial and technical cooperation between the European Economic Community and the Arab Republic of Egypt 9

Protocol on financial and technical Cooperation between the European Economic Community and the Arab Republic of Egypt 10

88/32/EEC:

- ★ Council Decision of 21 December 1987 on the conclusion of a Protocol on financial and technical cooperation between the European Economic Community and the Hashemite Kingdom of Jordan 17

Protocol on financial and technical Cooperation between the European Economic Community and the Hashemite Kingdom of Jordan 18

88/33/EEC:

★ Council Decision of 21 December 1987 on the conclusion of a Protocol on financial and technical cooperation between the European Economic Community and the Lebanese Republic 25

Protocol on financial and technical Cooperation between the European Economic Community and the Lebanese Republic 26

88/34/EEC:

★ Council Decision of 21 December 1987 on the conclusion of a Protocol on financial and technical cooperation between the European Economic Community and the Republic of Tunisia 33

Protocol on financial and technical Cooperation between the European Economic Community and the Republic of Tunisia 34

II

(Acts whose publication is not obligatory)

COUNCIL

COUNCIL DECISION

of 21 December 1987

on the conclusion of a Protocol on financial and technical cooperation between the European Economic Community and the People's Democratic Republic of Algeria

(88/30/EEC)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 238 thereof,

Having regard to the recommendation from the Commission,

Having regard to the assent of the European Parliament ⁽¹⁾,

Whereas the Protocol on financial and technical cooperation between the European Economic Community and the People's Democratic Republic of Algeria, should be approved,

HAS DECIDED AS FOLLOWS:

Article 1

The Protocol on financial and technical cooperation between the European Economic Community and the People's

Democratic Republic of Algeria is hereby approved on behalf of the Community.

The text of the Protocol is attached to this Decision.

Article 2

The President of the Council shall give the notification provided for in Article 21 of the Protocol ⁽²⁾.

Article 3

This Decision shall enter into force on the day following that of its publication in the *Official Journal of the European Communities*.

Done at Brussels, 21 December 1987.

For the Council

The President

B. HAARDER

⁽¹⁾ Assent delivered on 16 December 1987 (not yet published in the Official Journal).

⁽²⁾ The date of entry into force of the Protocol will be published in the *Official Journal of the European Communities* by the General Secretariat of the Council.

PROTOCOL

on financial and technical Cooperation between the European Economic Community and the People's Democratic Republic of Algeria

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

of the one part, and

THE PRESIDENT OF THE PEOPLE'S DEMOCRATIC REPUBLIC OF ALGERIA,

of the other part,

REAFFIRMING their resolve to implement, under the Mediterranean policy of the enlarged Community, cooperation which will contribute to the economic and social development of Algeria and promote the strengthening of relations between the Community and Algeria,

ANXIOUS to pursue to this end the financial and technical cooperation provided for in the Cooperation Agreement between the European Economic Community and the People's Democratic Republic of Algeria,

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

THE COUNCIL OF THE EUROPEAN COMMUNITIES:

Jakob Esper LARSEN,
Ambassador Extraordinary and Plenipotentiary,
Permanent Representative of Denmark,
Chairman of the Permanent Representatives Committee;

Jean DURIEUX,
Special Adviser in the Directorate-General for External Relations of the Commission of the European Communities;

PEOPLE'S DEMOCRATIC REPUBLIC OF ALGERIA:

Sidahmed GHOZALI,
Ambassador Extraordinary and Plenipotentiary;

WHO, having exchanged their full powers, found in good and due form,

HAVE AGREED AS FOLLOWS:

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 People's Democratic Republic of Algeria, 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 Algeria.

Article 2

1. For the purposes specified in Article 1 and for a period expiring on 31 October 1991, an aggregate amount of 239 million ECU may be committed as follows:

- (a) 183 million ECU in the form of loans from the European Investment Bank, hereinafter referred to as 'the Bank', made from its own resources;

- (b) 52 million ECU from the Community's budgetary resources, in the form of grants;

- (c) 4 million ECU from the Community's budgetary resources, in the form of contributions to risk capital formation.

2. The risk capital referred to in paragraph 1 (c) shall contribute to the cooperation objectives and operations defined in Article 3, in particular those indicated in the second indent of paragraph 2 of that Article.

It shall be used primarily to make equity capital or the like available to Algerian private undertakings, public undertakings and undertakings with State participation, in particular those with which natural or legal persons who are nationals of a Community Member State are associated. It may be used under the same conditions to finance specific

studies for the preparation and development of such undertakings' projects and to assist such undertakings in their starting-up period.

It shall be granted and administered by the Bank and may take the form of:

- (a) subordinated loans, where repayment and payment of any interest will not be made until other bank claims have been settled;
- (b) conditional loans, where repayment or duration will depend on the fulfilment of conditions specified at the time when the loan is granted;
- (c) acquisition of temporary minority holdings on behalf of the Community in the capital of undertakings established in Algeria;
- (d) finance for the acquisition of holdings, in the form of conditional loans granted to Algeria or, with the Algerian Government's agreement, to Algerian undertakings, either directly or through the intermediary of Algerian financial institutions.

Article 3

1. The total amount fixed in Article 2 shall be used primarily for the financing or part-financing of cooperation projects or operations aimed at:

- developing and diversifying agricultural production so as to reduce Algeria's food dependence, and efforts to diversify agricultural production and exports with a view to increasing the complementarity of the different Mediterranean regions,
- strengthening the economic links between the Community and Algeria in their mutual interest by developing cooperation in the fields of industry, training and research, technology, commerce and other services,
- regional and multilateral cooperation.

Economic infrastructure and industrial development which are complementary to the above cooperation operations may also be financed.

2. Of the projects and operations eligible for financing, priority shall be given to those having the following aims:

- in the agricultural sector, developing the production of agricultural products in short supply, particularly food crops, *inter alia* in the framework of multiannual programmes and operations in the context of the national food strategy. For maximum effectiveness, concentration of resources in specific sectors shall be sought,

- in the industrial and service sectors, promotion of joint ventures between firms from the Community Member States and Algerian firms, direct contacts, exchange of information, promotion of investment, contribution of private capital, and support for small and medium-sized enterprises, including craft businesses, in order to promote employment,
- in the field of science and technology, expansion of Algeria's training and research capability and establishment or development of links between Algerian and European private and public training and research institutions,
- in the trade sector, diversification and promotion of exports and organization of contacts between Algerian firms and firms from the Community Member States,
- in the priority areas referred to above, practical training schemes linked to projects or operations in firms and research institutions.

3. 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, or by risk capital, or by grants, or by a combination of these means.
2. Technical and economic cooperation shall normally be financed by grants.

Article 5

1. The amounts to be committed each year must 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 such cases, 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.

2. The terms and arrangements for contributions to risk capital formation shall be determined on a case-by-case basis.

3. Aid from the Community's budget resources, other than that intended for risk capital operations, shall be granted and administered by the Commission.

4. The funds referred to in Article 2 may be granted through the intermediary of the State or appropriate Algerian bodies, on condition that they allocate 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 and operations for which they are intended.

Article 7

Aid contributed by the Community for the execution of certain projects may, with the agreement of Algeria, take the form of co-financing in which, in particular, credit and development bodies and institutions of Algeria, 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 Algerian State;
- (b) with the agreement of the Algerian Government, for projects or operations approved by it:
 - official Algerian development agencies,
 - private agencies working in Algeria 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 Algeria and, exceptionally, where no such groups exist, the producers themselves,
 - scholarship holders and trainees sent by Algeria under the training schemes referred to in Article 3.

Article 9

1. With a view to making optimum use of the instruments and means provided for in this Protocol and achieving the objectives laid down in Article 3, the Community and Algeria shall, taking information provided by Algeria as a basis, examine:

- the priority development objectives adopted at national level,
- the sector or sectors on which the Community contribution will be focussed, taking account in particular of the contributions of other providers of funds on a bilateral or multilateral basis and other Community instruments, including food aid,
- the measures and schemes best suited to achieving the sectoral objectives referred to in the second indent or, where such schemes are not sufficiently well defined, the broad objectives of the programmes for supporting the policies defined by the country in respect of those sectors,
- the regional action programmes which could be financed by the Community.

2. On this basis, the Community and Algeria shall, by mutual agreement, draw up an indicative programme committing both parties and determining the specific objectives of financial and technical cooperation, the priority sectors for intervention and the action programmes envisaged.

3. The indicative programme may be reviewed by mutual agreement to take account of any changes in Algeria's economic situation or in the objectives and priorities laid down by its development plan.

4. The Community and Algeria shall continue their exchanges of views within the appropriate bodies and shall, at least once during the period of implementation of this Protocol and at the latest before the end of the third year following its entry into force, make an assessment of the implementation of the indicative programme.

Article 10

1. Within the framework laid down in accordance with Article 9, the Algerian 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 Algerian authorities and other beneficiaries, in accordance with the objectives referred to in Article 9, 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 Algeria or of the other beneficiaries referred to in Article 8.

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

2. The projects and action programmes shall be the subject of appropriate evaluation, the outcome of which shall be communicated to both parties, which shall take appropriate measures by mutual agreement.

3. Certain rules for administering the financial aid granted by the Community shall be the subject of an exchange of letters or a framework agreement between the Commission and Algeria upon conclusion of this Protocol.

Article 12

1. All natural and legal persons falling within the scope of the Treaty establishing the European Economic Community and all natural and legal persons of Algeria may participate on equal terms in tendering procedures and other procedures for the award of contracts likely to be financed. Any such legal person formed in accordance with the law of a Member State of the European Economic Community or of Algeria must have its registered office, its administrative head office or its principal establishment in the territories in which the EEC Treaty is applied or in Algeria; however, where only its registered office is in the said territories or in Algeria, the activities of such legal person must be effectively and continuously linked with the economy of those territories or of Algeria.

2. In agreement with Algeria and with the aim of encouraging regional cooperation, natural and legal persons who are nationals of developing countries associated with the Community through overall cooperation or association agreements may be authorized by the Community exceptionally, on a case-by-case basis, to participate in the operations referred to in paragraph 1 which are financed by the Community. The eligibility of the natural or legal persons shall be assessed on the terms set out in paragraph 1, *mutatis mutandis*.

Article 13

To promote participation by Algerian undertakings in the performance of contracts and to ensure the rapid and effective implementation of projects and operations financed from resources administered by the Commission:

1. an accelerated procedure for issuing invitations to tender, involving shorter time limits for the submission of tenders, may be used by Algeria in agreement with the

Commission where it is a question of works contracts which, because of their scale, are mainly of interest to Algerian undertakings.

The organization of this accelerated procedure shall not rule out the possibility of issuing an international invitation to tender where it appears that the nature of the works to be carried out or the usefulness of widening participation justifies recourse to international competition;

2. where urgency of the situation is established or where the nature, small scale or particular characteristics of certain works or supplies so warrant, Algeria may, in agreement with the Commission, authorize, as an exception, the placing of contracts after restricted invitations to tender, the conclusion of contracts by direct agreement and the performance of contracts through public works departments.

The procedures referred to in points 1 and 2 may be used for operations whose estimated cost is less than 3 million ECU.

Article 14

1. Algeria shall apply to contracts, awarded for the execution of projects or operations financed by the Community, fiscal and customs arrangements no less favourable than those applied *vis-à-vis* the most-favoured State or international development organization.

2. The content of the arrangements referred to in paragraph 1 shall be established by means of an exchange of letters between the Parties.

Article 15

Algeria shall take the necessary measures to ensure that interest and all other payments due to the Bank in respect of transactions concluded 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 Algerian State, the provision of a guarantee by the latter or of other adequate guarantees shall be required by the Bank as a condition of the grant of the loan.

Article 17

Throughout the duration of the loans and risk capital operations provided for in Article 2, Algeria shall undertake to:

(a) place at the disposal of the beneficiaries or their guarantors the currency necessary for the payment of

interest and commission and amortization of loans and risk capital aid granted for the implementation of aid measures on their territory;

- (b) make available to the Bank the foreign currency necessary for the transfer of all sums received by it in national currency which represent the net revenue and proceeds from transactions involving the acquisition by the Community of holdings in the capital of companies or firms.

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 for such cooperation.

Article 19

One year before the expiry of this Protocol, the Contracting Parties will 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 the People's Democratic Republic of Algeria.

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 shall be drawn up in two copies in the Danish, Dutch, English, French, German, Greek, Italian, Portuguese, Spanish and Arabic languages, each of these texts being equally authentic.

En fé de lo cual, los plenipotenciarios abajo firmantes suscriben el presente Protocolo.

Til bekræftelse heraf har undertegnede befuldmægtigede underskrevet denne protokol.

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

Εἰς πίστωσιν τῶν ἀνωτέρω, οἱ υπογεγραμμένοι πληρεξούσιοι ἔθεσαν τὶς υπογραφές τους στο παρὸν 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.

Em fé do que, os plenipotenciários abaixo assinados apuseram as suas assinaturas no final do presente Protocolo.

واشأتا لما تقدم ، وضع المندوبون المفوضون توقيعهم
افل هذا البروتوكول .

Hecho en Bruselas, el veintiséis de octubre de mil novecientos ochenta y siete.

Udfærdiget i Bruxelles, den seksogtyvende oktober nitten hundrede og syvogfirs.

Geschehen zu Brüssel am sechszwanzigsten Oktober neunzehnhundertsiebenundachtzig.

Έγινε στις Βρυξέλλες, στις είκοσι έξι Οκτωβρίου χίλια εννιακόσια ογδόντα επτά.

Done at Brussels on the twenty-sixth day of October in the year one thousand nine hundred and eighty-seven.

Fait à Bruxelles, le vingt-six octobre mil neuf cent quatre-vingt-sept.

Fatto a Bruxelles, addì ventisei ottobre millenovecentottantasette.

Gedaan te Brussel, de zesentwintigste oktober negentienhonderd zevenentachtig.

Feito em Bruxelas, em vinte e seis de Outubro de mil novecentos e oitenta e sete.

وقع في بروكسل في السادس والعشرين من شهر
اكتوبر عام الفوتعمائة وسعة وثمانون .

Por el Consejo de las Comunidades Europeas

For Rådet for De Europæiske Fællesskaber

Für den Rat der Europäischen Gemeinschaften

Για το Συμβούλιο των Ευρωπαϊκών Κοινοτήτων

For the Council of the European Communities

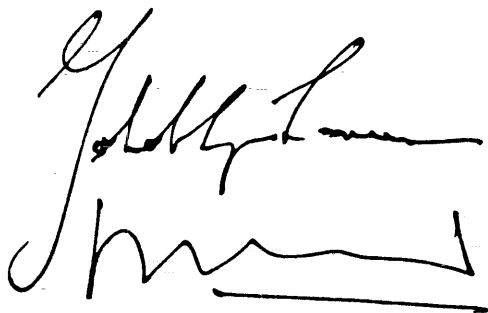
Pour le Conseil des Communautés européennes

Per il Consiglio delle Comunità europee

Voor de Raad van de Europese Gemeenschappen

Pelo Conselho das Comunidades Europeias

عن مجلس المجموعات الأوروبية



Por la República Argelina Democrática y Popular

For Den Demokratiske Folkerepublik Algeriet

Für die Demokratische Volksrepublik Algerien

Για τη Δημοκρατική και Λαϊκή Δημοκρατία της Αλγερίας

For the People's Democratic Republic of Algeria

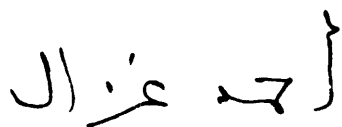
Pour la République algérienne démocratique et populaire

Per la Repubblica democratica popolare di Algeria

Voor de Democratische Volksrepubliek Algerije

Pela República Argelina Democrática e Popular

من الجمهورية الجزائرية الديمقراطية الشعبية



COUNCIL DECISION

of 21 December 1987

on the conclusion of a Protocol on financial and technical cooperation between the European Economic Community and the Arab Republic of Egypt

(88/31/EEC)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 238 thereof,

Having regard to the recommendation from the Commission,

Having regard to the assent of the European Parliament ⁽¹⁾,

Whereas the Protocol on financial and technical cooperation between the European Economic Community and the Arab Republic of Egypt, should be approved,

HAS DECIDED AS FOLLOWS:

Article 1

The Protocol on financial and technical cooperation between the European Economic Community and the Arab

Republic of Egypt is hereby approved on behalf of the Community.

The text of the Protocol is attached to this Decision.

Article 2

The President of the Council shall give the notification provided for in Article 21 of the Protocol ⁽²⁾.

Article 3

This Decision shall enter into force on the day following that of its publication in the *Official Journal of the European Communities*.

Done at Brussels, 21 December 1987.

For the Council
The President
B. HAARDER

⁽¹⁾ Assent delivered on 16 December 1987 (not yet published in the Official Journal).

⁽²⁾ The date of entry into force of the Protocol will be published in the *Official Journal of the European Communities* by the General Secretariat of the Council.

PROTOCOL

on financial and technical Cooperation between the European Economic Community and the Arab Republic of Egypt

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

of the one part, and

THE PRESIDENT OF THE ARAB REPUBLIC OF EGYPT,

of the other part,

REAFFIRMING their resolve to implement, under the Mediterranean policy of the enlarged Community, cooperation which will contribute to the economic and social development of Egypt and promote the strengthening of relations between the Community and Egypt,

ANXIOUS to pursue to this end the financial and technical cooperation provided for in the Cooperation Agreement between the European Economic Community and the Arab Republic of Egypt,

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

THE COUNCIL OF THE EUROPEAN COMMUNITIES:

Jakob Esper LARSEN,
Ambassador Extraordinary and Plenipotentiary,
Permanent Representative of Denmark,
Chairman of the Permanent Representatives Committee;

Jean DURIEUX,
Special Adviser in the Directorate-General for External Relations of the Commission of the European Communities;

THE ARAB REPUBLIC OF EGYPT:

Fawzi Mohamed EL IBRACHY,
Ambassador Extraordinary and Plenipotentiary;

WHO, having exchanged their full powers, found in good and due form,

HAVE AGREED AS FOLLOWS:

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 Arab Republic of Egypt, 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 Egypt.

Article 2

1. For the purposes specified in Article 1 and for a period expiring on 31 October 1991, an aggregate amount of 449 million ECU may be committed as follows:

- (a) 249 million ECU in the form of loans from the European Investment Bank, hereinafter referred to as 'the Bank', made from its own resources;

- (b) 189 million ECU from the Community's budgetary resources, in the form of grants;

- (c) 11 million ECU from the Community's budgetary resources, in the form of contributions to risk capital formation.

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

3. The risk capital referred to in paragraph 1 (c) shall contribute to the cooperation objectives and operations defined in Article 3, in particular those indicated in the second indent of paragraph 2 of that Article.

It shall be used primarily to make equity capital or the like available to Egyptian private undertakings, public

undertakings and undertakings with State participation, in particular those with which natural or legal persons who are nationals of a Community Member State are associated. It may be used under the same conditions to finance specific studies for the preparation and development of such undertakings' projects and to assist such undertakings in their starting-up period.

It shall be granted and administered by the Bank and may take the form of:

- (a) subordinated loans, where repayment and payment of any interest will not be made until other bank claims have been settled;
- (b) conditional loans, where repayment or duration will depend on the fulfilment of conditions specified at the time when the loan is granted;
- (c) acquisition of temporary minority holdings on behalf of the Community in the capital of undertakings established in Egypt;
- (d) finance for the acquisition of holdings, in the form of conditional loans granted to Egypt or, with the Egyptian Government's agreement, to Egyptian undertakings, either directly or through the intermediary of Egyptian financial institutions.

Article 3

1. The total amount fixed in Article 2 shall be used primarily for the financing or part-financing of cooperation projects or operations aimed at:

- developing and diversifying agricultural production so as to reduce Egypt's food dependence, and efforts to diversify agricultural production and exports with a view to increasing the complementarity of the different Mediterranean regions,
- strengthening the economic links between the Community and Egypt in their mutual interest by developing cooperation in the fields of industry, training and research, technology, commerce and other services,
- regional and multilateral cooperation.

Economic infrastructure and industrial development which are complementary to the above cooperation operations may also be financed.

2. Of the projects and operations eligible for financing, priority shall be given to those having the following aims:

- in the agricultural sector, developing the production of agricultural products in short supply, particularly food crops, *inter alia* in the framework of multiannual

programmes and operations in the context of the national food strategy. For maximum effectiveness, concentration of resources in specific sectors shall be sought,

- in the industrial and service sectors, promotion of joint ventures between firms from the Community Member States and Egyptian firms, direct contacts, exchange of information, promotion of investment, contribution of private capital, and support for small and medium-sized enterprises, including craft businesses, in order to promote employment,
- in the field of science and technology, expansion of Egypt's training and research capability and establishment or development of links between Egyptian and European private and public training and research institutions,
- in the trade sector, diversification and promotion of exports and organization of contacts between Egyptian firms and firms from the Community Member States,
- in the priority areas referred to above, practical training schemes linked to projects or operations in firms and research institutions.

3. 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 (2), or by risk capital, or by grants, or by a combination of these means.

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

Article 5

1. The amounts to be committed each year must 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 such cases, 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. The terms and arrangements for contributions to risk capital formation shall be determined on a case-by-case basis.

3. Aid from the Community's budget resources, other than that in the form of interest rate subsidies for loans from the Bank or that intended for risk capital operations, shall be granted and administered by the Commission.

4. The funds referred to in Article 2 may be granted through the intermediary of the State or appropriate Egyptian bodies, on condition that they allocate 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 and operations for which they are intended.

Article 7

Aid contributed by the Community for the execution of certain projects may, with the agreement of Egypt, take the form of co-financing in which, in particular, credit and development bodies and institutions of Egypt, 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 Egyptian State;
- (b) with the agreement of the Egyptian Government, for projects or operations approved by it:
 - official Egyptian development agencies,
 - private agencies working in Egypt 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 Egypt and, exceptionally, where no such groups exist, the producers themselves,
 - scholarship holders and trainees sent by Egypt under the training schemes referred to in Article 3.

Article 9

1. With a view to making optimum use of the instruments and means provided for in this Protocol and achieving the objectives laid down in Article 3, the Community and Egypt shall, taking information provided by Egypt as a basis, examine:

- the priority development objectives adopted at national level,
- the sector or sectors on which the Community contribution will be focussed, taking account in particular of the contributions of other providers of funds on a bilateral or multilateral basis and other Community instruments, including food aid,
- the measures and schemes best suited to achieving the sectoral objectives referred to in the second indent or, where such schemes are not sufficiently well defined, the broad objectives of the programmes for supporting the policies defined by the country in respect of those sectors,
- the regional action programmes which could be financed by the Community.

2. On this basis, the Community and Egypt shall, by mutual agreement, draw up an indicative programme committing both parties and determining the specific objectives of financial and technical cooperation, the priority sectors for intervention and the action programmes envisaged.

3. The indicative programme may be reviewed by mutual agreement to take account of any changes in Egypt's economic situation or in the objectives and priorities laid down by its development plan.

4. The Community and Egypt shall continue their exchanges of views within the appropriate bodies and shall, at least once during the period of implementation of this Protocol and at the latest before the end of the third year following its entry into force, make an assessment of the implementation of the indicative programme.

Article 10

1. Within the framework laid down in accordance with Article 9, the Egyptian 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 Egyptian authorities and other beneficiaries, in accordance with the objectives referred to in Article 9, 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 Egypt or of the other beneficiaries referred to in Article 8.

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

2. The projects and action programmes shall be the subject of appropriate evaluation, the outcome of which shall be communicated to both parties, which shall take appropriate measures by mutual agreement.

3. Certain rules for administering the financial aid granted by the Community shall be the subject of an exchange of letters or a framework agreement between the Commission and Egypt upon conclusion of this Protocol.

Article 12

1. All natural and legal persons falling within the scope of the Treaty establishing the European Economic Community and all natural and legal persons of Egypt may participate on equal terms in tendering procedures and other procedures for the award of contracts likely to be financed. Any such legal person formed in accordance with the law of a Member State of the European Economic Community or of Egypt must have its registered office, its administrative head office or its principal establishment in the territories in which the EEC Treaty is applied or in Egypt; however, where only its registered office is in the said territories or in Egypt, the activities of such legal person must be effectively and continuously linked with the economy of those territories or of Egypt.

2. In agreement with Egypt and with the aim of encouraging regional cooperation, natural and legal persons who are national of developing countries associated with the Community through overall cooperation or association agreements may be authorized by the Community exceptionally, on a case-by-case basis, to participate in the operations referred to in paragraph 1 which are financed by the Community. The eligibility of the natural or legal persons shall be assessed on the terms set out in paragraph 1, *mutatis mutandis*.

Article 13

To promote participation by Egyptian undertakings in the performance of contracts and to ensure the rapid and effective implementation of projects and operations financed from resources administered by the Commission:

1. an accelerated procedure for issuing invitations to tender, involving shorter time limits for the submission of tenders, may be used by Egypt in agreement with the

Commission where it is a question of works contracts which, because of their scale, are mainly of interest to Egyptian undertakings.

The organization of this accelerated procedure shall not rule out the possibility of issuing an international invitation to tender where it appears that the nature of the works to be carried out or the usefulness of widening participation justifies recourse to international competition;

2. where urgency of the situation is established or where the nature, small scale or particular characteristics of certain works or supplies so warrant, Egypt may, in agreement with the Commission, authorize, as an exception, the placing of contracts after restricted invitations to tender, the conclusion of contracts by direct agreement and the performance of contracts through public works departments.

The procedures referred to in points 1 and 2 may be used for operations whose estimated cost is less than 3 million ECU.

Article 14

1. Egypt shall apply to contracts awarded for the execution of projects or operations financed by the Community, fiscal and customs arrangements no less favourable than those applied *vis-à-vis* the most-favoured State or international development organization.

2. The content of the arrangements referred to in paragraph 1 shall be established by means of an exchange of letters between the Parties.

Article 15

Egypt shall take the necessary measures to ensure that interest and all other payments due to the Bank in respect of transactions concluded 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 Egyptian State, the provision of a guarantee by the latter or of other adequate guarantees shall be required by the Bank as a condition of the grant of the loan.

Article 17

Throughout the duration of the loans and risk capital operations provided for in Article 2, Egypt shall undertake to:

(a) place at the disposal of the beneficiaries or their guarantors the currency necessary for the payment of

interest and commission and amortization of loans and risk capital aid granted for the implementation of aid measures on their territory;

- (b) make available to the Bank the foreign currency necessary for the transfer of all sums received by it in national currency which represent the net revenue and proceeds from transactions involving the acquisition by the Community of holdings in the capital of companies or firms.

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 for such cooperation.

Article 19

One year before the expiry of this Protocol, the Contracting Parties will 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 the Arab Republic of Egypt.

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 shall be drawn up in two copies in the Danish, Dutch, English, French, German, Greek, Italian, Portuguese, Spanish and Arabic languages, each of these texts being equally authentic.

En fé de lo cual, los plenipotenciarios abajo firmantes suscriben el presente Protocolo.

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 υπογεγραμμένοι πληρεξούσιοι ἔθεσαν τῖς υπογραφές τους στο 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.

Em fé do que, os plenipotenciários abaixo assinados apuseram as suas assinaturas no final do presente Protocolo.

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

Hecho en Bruselas, el veintiséis de octubre de mil novecientos ochenta y siete.

Udfærdiget i Bruxelles, den seksogtyvende oktober nitten hundrede og syvogfirs.

Geschehen zu Brüssel am sechsundzwanzigsten Oktober neunzehnhundertsiebenundachtzig.

Έγινε στις Βρυξέλλες, στις είκοσι έξι Οκτωβρίου χίλια εννιακόσια ογδόντα επτά.

Done at Brussels on the twenty-sixth day of October in the year one thousand nine hundred and eighty-seven.

Fait à Bruxelles, le vingt-six octobre mil neuf cent quatre-vingt-sept.

Fatto a Bruxelles, addì ventisei ottobre millenovecentottantasette.

Gedaan te Brussel, de zesentwintigste oktober negentienhonderd zevenentachtig.

Feito em Bruxelas, em vinte e seis de Outubro de mil novecentos e oitenta e sete.

وقع في بروكسل في السادس والعشرين من شهر
اكتوبر عام الف وتسعمائة وسبعة وثمانون .

Por el Consejo de las Comunidades Europeas

For Rådet for De Europæiske Fællesskaber

Für den Rat der Europäischen Gemeinschaften

Για το Συμβούλιο των Ευρωπαϊκών 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

Pelo Conselho das Comunidades Europeias

من مجلس المجموعات الأوروبية

Por la República Árabe de Egipto

For Den Arabiske Republik Egypten

Für die Arabische Republik Ägypten

Για την Αραβική Δημοκρατία της Αιγύπτου

For the Arab Republic of Egypt

Pour la république arabe d'Égypte

Per la Repubblica araba d'Egitto

Voor de Arabische Republiek Egypte

Pelo República Árabe do Egipto

من جمهورية مصر العربية

سفير ج.م.ع. لدى المجلس
الجمهورية العربية السورية

COUNCIL DECISION

of 21 December 1987

on the conclusion of a Protocol on financial and technical cooperation between the European Economic Community and the Hashemite Kingdom of Jordan

(88/32/EEC)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 238 thereof,

Having regard to the recommendation from the Commission,

Having regard to the assent of the European Parliament ⁽¹⁾,

Whereas the Protocol on financial and technical cooperation between the European Economic Community and the Hashemite Kingdom of Jordan, should be approved,

HAS DECIDED AS FOLLOWS:

Article 1

The Protocol on financial and technical cooperation between the European Economic Community and the Hashemite

Kingdom of Jordan is hereby approved on behalf of the Community.

The text of the Protocol is attached to this Decision.

Article 2

The President of the Council shall give the notification provided for in Article 21 of the Protocol ⁽²⁾.

Article 3

This Decision shall enter into force on the day following that of its publication in the *Official Journal of the European Communities*.

Done at Brussels, 21 December 1987.

*For the Council**The President*

B. HAARDER

⁽¹⁾ Assent delivered on 16 December 1987 (not yet published in the Official Journal).

⁽²⁾ The date of entry into force of the Protocol will be published in the *Official Journal of the European Communities* by the General Secretariat of the Council.

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

THE PRESIDENT OF THE HASHEMITE KINGDOM OF JORDAN,

of the other part,

REAFFIRMING their resolve to implement, under the Mediterranean policy of the enlarged Community, 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 between the European Economic Community and the Hashemite Kingdom of Jordan,

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

THE COUNCIL OF THE EUROPEAN COMMUNITIES:

Jakob Esper LARSEN,

Ambassador Extraordinary and Plenipotentiary,
Permanent Representative of Denmark,
Chairman of the Permanent Representatives Committee;

Jean DURIEUX,

Special Adviser in the Directorate-General for External Relations of the Commission of the European Communities;

THE HASHEMITE KINGDOM OF JORDAN:

Hasan ABU NIMAH,

Ambassador Extraordinary and Plenipotentiary;

WHO, having exchanged their full powers, found in good and due form,

HAVE AGREED AS FOLLOWS:

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 1991, an aggregate amount of 100 million ECU may be committed as follows:

- (a) 63 million ECU in the form of loans from the European Investment Bank, hereinafter referred to as 'the Bank', made from its own resources;

- (b) 35 million ECU from the Community's budgetary resources, in the form of grants;

- (c) 2 million ECU from the Community's budgetary resources, in the form of contributions to risk capital formation.

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

3. The risk capital referred to in paragraph 1 (c) shall contribute to the cooperation objectives and operations defined in Article 3, in particular those indicated in the second indent of paragraph 2 of that Article.

It shall be used primarily to make equity capital or the like available to Jordanian private undertakings, public

undertakings and undertakings with State participation, in particular those with which natural or legal persons who are nationals of a Community Member State are associated. It may be used under the same conditions to finance specific studies for the preparation and development of such undertakings' projects and to assist such undertakings in their starting-up period.

It shall be granted and administered by the Bank and may take the form of:

- (a) subordinated loans, where repayment and payment of any interest will not be made until other bank claims have been settled;
- (b) conditional loans, where repayment or duration will depend on the fulfilment of conditions specified at the time when the loan is granted;
- (c) acquisition of temporary minority holdings on behalf of the Community in the capital of undertakings established in Jordan;
- (d) finance for the acquisition of holdings, in the form of conditional loans granted to Jordan or, with the Jordanian Government's agreement, to Jordanian undertakings, either directly or through the intermediary of Jordanian financial institutions.

Article 3

1. The total amount fixed in Article 2 shall be used primarily for the financing or part-financing of cooperation projects or operations aimed at:

- developing and diversifying agricultural production so as to reduce Jordan's food dependence, and efforts to diversify agricultural production and exports with a view to increasing the complementarity of the different Mediterranean regions,
- strengthening the economic links between the Community and Jordan in their mutual interest by developing cooperation in the fields of industry, training and research, technology, commerce and other services,
- regional and multilateral cooperation.

Economic infrastructure and industrial development which are complementary to the above cooperation operations may also be financed.

2. Of the projects and operations eligible for financing, priority shall be given to those having the following aims:

- in the agricultural sector, developing the production of agricultural products in short supply, particularly food crops, *inter alia* in the framework of multiannual

programmes and operations in the context of the national food strategy. For maximum effectiveness, concentration of resources in specific sectors shall be sought,

- in the industrial and service sectors, promotion of joint ventures between firms from the Community Member States and Jordanian firms, direct contacts, exchange of information, promotion of investment, contribution of private capital, and support for small and medium-sized enterprises, including craft businesses, in order to promote employment,
- in the field of science and technology, expansion of Jordan's training and research capability and establishment or development of links between Jordanian and European private and public training and research institutions,
- in the trade sector, diversification and promotion of exports and organization of contacts between Jordanian firms and firms from the Community Member States,
- in the priority areas referred to above, practical training schemes linked to projects or operations in firms and research institutions.

3. 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 (2), or by risk capital, or by grants, or by a combination of these means.

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

Article 5

1. The amounts to be committed each year must 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 such cases, 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. The terms and arrangements for contributions to risk capital formation shall be determined on a case-by-case basis.

3. Aid from the Community's budget resources, other than that in the form of interest rate subsidies for loans from the Bank or that intended for risk capital operations, shall be granted and administered by the Commission.

4. The funds referred to in Article 2 may be granted through the intermediary of the State or appropriate Jordanian bodies, on condition that they allocate 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 and operations 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 operations approved by it:
 - official Jordanian 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. With a view to making optimum use of the instruments and means provided for in this Protocol and achieving the objectives laid down in Article 3, the Community and Jordan shall, taking information provided by Jordan as a basis, examine:

- the priority development objectives adopted at national level,
- the sector or sectors on which the Community contribution will be focussed, taking account in particular of the contributions of other providers of funds on a bilateral or multilateral basis and other Community instruments, including food aid,
- the measures and schemes best suited to achieving the sectoral objectives referred to in the second indent or, where such schemes are not sufficiently well defined, the broad objectives of the programmes for supporting the policies defined by the country in respect of those sectors,
- the regional action programmes which could be financed by the Community.

2. On this basis, the Community and Jordan shall, by mutual agreement, draw up an indicative programme committing both parties and determining the specific objectives of financial and technical cooperation, the priority sectors for intervention and the action programmes envisaged.

3. The indicative programme may be reviewed by mutual agreement to take account of any changes in Jordan's economic situation or in the objectives and priorities laid down by its development plan.

4. The Community and Jordan shall continue their exchanges of views within the appropriate bodies and shall, at least once during the period of implementation of this Protocol and at the latest before the end of the third year following its entry into force, make an assessment of the implementation of the indicative programme.

Article 10

1. Within the framework laid down in accordance with Article 9, 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, 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 of the other beneficiaries referred to in Article 8.

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

2. The projects and action programmes shall be the subject of appropriate evaluation, the outcome of which shall be communicated to both parties, which shall take appropriate measures by mutual agreement.

3. Certain rules for administering the financial aid granted by the Community shall be the subject of an exchange of letters or a framework agreement between the Commission and Jordan upon conclusion of this Protocol.

Article 12

1. All natural and legal persons falling 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. Any such legal person formed in accordance with the law of a Member State of the European Economic Community or of Jordan must have its registered office, its administrative head office or its principal establishment in the territories in which the EEC Treaty is applied or in Jordan; however, where only its registered office is in the said territories or in Jordan, the activities of such legal person must be effectively and continuously linked with the economy of those territories or of Jordan.

2. In agreement with Jordan and with the aim of encouraging regional cooperation, natural and legal persons who are nationals of developing countries associated with the Community through overall cooperation or association agreements may be authorized by the Community exceptionally, on a case-by-case basis, to participate in the operations referred to in paragraph 1 which are financed by the Community. The eligibility of the natural or legal persons shall be assessed on the terms set out in paragraph 1, *mutatis mutandis*.

Article 13

To promote participation by Jordanian undertakings in the performance of contracts and to ensure the rapid and effective implementation of projects and operations financed from resources administered by the Commission:

1. an accelerated procedure for issuing invitations to tender, involving shorter time limits for the submission of tenders, may be used by Jordan in agreement with the

Commission where it is a question of works contracts which, because of their scale, are mainly of interest to Jordanian undertakings.

The organization of this accelerated procedure shall not rule out the possibility of issuing an international invitation to tender where it appears that the nature of the works to be carried out or the usefulness of widening participation justifies recourse to international competition;

2. where urgency of the situation is established or where the nature, small scale or particular characteristics of certain works or supplies so warrant, Jordan may, in agreement with the Commission, authorize, as an exception, the placing of contracts after restricted invitations to tender, the conclusion of contracts by direct agreement and the performance of contracts through public works departments.

The procedures referred to in points 1 and 2 may be used for operations whose estimated cost is less than 3 million ECU.

Article 14

1. Jordan shall apply to contracts, awarded for the execution of projects or operations financed by the Community, fiscal and customs arrangements no less favourable than those applied *vis-à-vis* the most-favoured State or international development organization.

2. The content of the arrangements referred to in paragraph 1 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 Bank in respect of transactions concluded 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 provision of a guarantee by the latter or of other adequate guarantees shall be required by the Bank as a condition of the grant of the loan.

Article 17

Throughout the duration of the loans and risk capital operations provided for in Article 2, Jordan shall undertake to:

(a) place at the disposal of the beneficiaries or their guarantors the currency necessary for the payment of

interest and commission and amortization of loans and risk capital aid granted for the implementation of aid measures on their territory;

- (b) make available to the Bank the foreign currency necessary for the transfer of all sums received by it in national currency which represent the net revenue and proceeds from transactions involving the acquisition by the Community of holdings in the capital of companies or firms.

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 for such cooperation.

Article 19

One year before the expiry of this Protocol, the Contracting Parties will 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 the Hashemite Kingdom of 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 shall be drawn up in two copies in the Danish, Dutch, English, French, German, Greek, Italian, Portuguese, Spanish and Arabic languages, each of these texts being equally authentic.

En fé de lo cual, los plenipotenciarios abajo firmantes suscriben el presente Protocolo.

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 τῖς ὑπογραφές τοὺς στο παρὸν 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.

Em fé do que, os plenipotenciários abaixo assinados apuseram as suas assinaturas no final do presente Protocolo.

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

Hecho en Bruselas, el veintiséis de octubre de mil novecientos ochenta y siete.

Udfærdiget i Bruxelles, den seksogtyvende oktober nitten hundrede og syvogfirs.

Geschehen zu Brüssel am sechszwanzigsten Oktober neunzehnhundertsiebenundachtzig.

Έγινε στις Βρυξέλλες, στις είκοσι έξι Οκτωβρίου χίλια εννιακόσια ογδόντα επτά.

Done at Brussels on the twenty-sixth day of October in the year one thousand nine hundred and eighty-seven.

Fait à Bruxelles, le vingt-six octobre mil neuf cent quatre-vingt-sept.

Fatto a Bruxelles, addì ventisei ottobre millenovecentottantasette.

Gedaan te Brussel, de zesentwintigste oktober negentienhonderd zevenentachtig.

Feito em Bruxelas, em vinte e seis de Outubro de mil novecentos e oitenta e sete.

حرر في بروكسل في السادس والعشرين من شهر تشرين الاول عام
الف وتسعمائة وسبعة وثمانون .

Por el Consejo de las Comunidades Europeas

For Rådet for De Europæiske Fællesskaber

Für den Rat der Europäischen Gemeinschaften

Για το Συμβούλιο των Ευρωπαϊκών Κοινοτήτων

For the Council of the European Communities

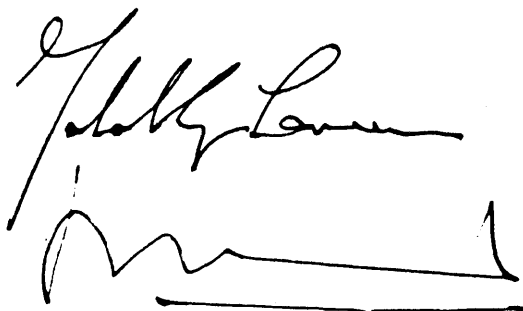
Pour le Conseil des Communautés européennes

Per il Consiglio delle Comunità europee

Voor de Raad van de Europese Gemeenschappen

Pelo Conselho das Comunidades Europeias

عن مجلس المجموعات الأوروبية



Por el Reino Hachemita de Jordania

For Det Hashemitiske Kongerige Jordan

Für das Haschemitische Königreich Jordanien

Για το Χασμιτικό Βασίλειο της Ιορδανίας

For the Hashemite Kingdom of Jordan

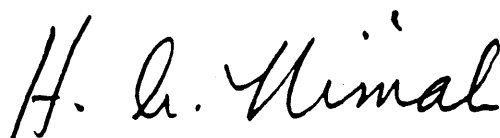
Pour le royaume hachémite de Jordanie

Per il Regno hascemita di Giordania

Voor het Hasjemitische Koninkrijk Jordanië

Pelo Reino Hachemita da Jordânia

عن المملكة الاردنية الهاشمية



COUNCIL DECISION

of 21 December 1987

on the conclusion of a Protocol on financial and technical cooperation between the European Economic Community and the Lebanese Republic

(88/33/EEC)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 238 thereof,

Having regard to the recommendation from the Commission,

Having regard to the assent of the European Parliament ⁽¹⁾,

Whereas the Protocol on financial and technical cooperation between the European Economic Community and the Lebanese Republic should be approved,

HAS DECIDED AS FOLLOWS:

Article 1

The Protocol on financial and technical cooperation between the European Economic Community and the Lebanese

Republic is hereby approved on behalf of the Community.

The text of the Protocol is attached to this Decision.

Article 2

The President of the Council shall give the notification provided for in Article 21 of the Protocol ⁽²⁾.

Article 3

This Decision shall enter into force on the day following that of its publication in the *Official Journal of the European Communities*.

Done at Brussels, 21 December 1987.

For the Council
The President
B. HAARDER

⁽¹⁾ Assent delivered on 16 December 1987 (not yet published in the Official Journal).

⁽²⁾ The date of entry into force of the Protocol will be published in the *Official Journal of the European Communities* by the General Secretariat of the Council.

PROTOCOL

on financial and technical Cooperation between the European Economic Community and the Lebanese Republic

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

of the one part, and

THE PRESIDENT OF THE LEBANESE REPUBLIC,

of the other part,

REAFFIRMING their resolve to implement, under the Mediterranean policy of the enlarged Community, cooperation which will contribute to the economic and social development of Lebanon and promote the strengthening of relations between the Community and Lebanon,

ANXIOUS to pursue to this end the financial and technical cooperation provided for in the Cooperation Agreement between the European Economic Community and the Lebanese Republic,

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

THE COUNCIL OF THE EUROPEAN COMMUNITIES:

Jakob Esper LARSEN,

Ambassador Extraordinary and Plenipotentiary,
Permanent Representative of Denmark,
Chairman of the Permanent Representatives Committee;

Jean DURIEUX,

Special Adviser in the Directorate-General for External Relations of the Commission of the European Communities;

THE LEBANESE REPUBLIC:

Said AL-ASSAD,

Ambassador Extraordinary and Plenipotentiary;

WHO, having exchanged their full powers, found in good and due form,

HAVE AGREED AS FOLLOWS:

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 Lebanese Republic, 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 Lebanon.

Article 2

1. For the purposes specified in Article 1 and for a period expiring on 31 October 1991, an aggregate amount of 73 million ECU may be committed as follows:

- (a) 53 million ECU in the form of loans from the European Investment Bank, hereinafter referred to as 'the Bank', made from its own resources;

- (b) 19 million ECU from the Community's budgetary resources, in the form of grants;

- (c) 1 million ECU from the Community's budgetary resources, in the form of contributions to risk capital formation.

2. The risk capital referred to in paragraph 1 (c) shall contribute to the cooperation objectives and operations defined in Article 3, in particular those indicated in the second indent of paragraph 2 of that Article.

It shall be used primarily to make equity capital or the like available to Lebanese private undertakings, public undertakings and undertakings with State participation, in particular those with which natural or legal persons who are nationals of a Community Member State are associated. It may be used under the same conditions to finance specific

studies for the preparation and development of such undertakings' projects and to assist such undertakings in their starting-up period.

It shall be granted and administered by the Bank and may take the form of:

- (a) subordinated loans, where repayment and payment of any interest will not be made until other bank claims have been settled;
- (b) conditional loans, where repayment or duration will depend on the fulfilment of conditions specified at the time when the loan is granted;
- (c) acquisition of temporary minority holdings on behalf of the Community in the capital of undertakings established in Lebanon;
- (d) finance for the acquisition of holdings, in the form of conditional loans granted to Lebanon or, with the Lebanese Government's agreement, to Lebanese undertakings, either directly or through the intermediary of Lebanese financial institutions.

Article 3

1. The total amount fixed in Article 2 shall be used primarily for the financing or part-financing of cooperation projects or operations aimed at:

- developing and diversifying agricultural production so as to reduce Lebanon's food dependence, and efforts to diversify agricultural production and exports with a view to increasing the complementarity of the different Mediterranean regions,
- strengthening the economic links between the Community and Lebanon in their mutual interest by developing cooperation in the fields of industry, training and research, technology, commerce and other services,
- regional and multilateral cooperation.

Economic infrastructure and industrial development which are complementary to the above cooperation operations may also be financed.

2. Of the projects and operations eligible for financing, priority shall be given to those having the following aims:

- in the agricultural sector, developing the production of agricultural products in short supply, particularly food crops, *inter alia* in the framework of multiannual programmes and operations in the context of the national food strategy. For maximum effectiveness, concentration of resources in specific sectors shall be sought,

- in the industrial and service sectors, promotion of joint ventures between firms from the Community Member States and Lebanese firms, direct contacts, exchange of information, promotion of investment, contribution of private capital, and support for small and medium-sized enterprises, including craft businesses, in order to promote employment,
- in the field of science and technology, expansion of Lebanon's training and research capability and establishment or development of links between Lebanese and European private and public training and research institutions,
- in the trade sector, diversification and promotion of exports and organization of contacts between Lebanese firms and firms from the Community Member States,
- in the priority areas referred to above, practical training schemes linked to projects or operations in firms and research institutions.

3. 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, or by risk capital, or by grants, or by a combination of these means.
- 2. Technical and economic cooperation shall normally be financed by grants.

Article 5

- 1. The amounts to be committed each year must 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 such cases, 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.

2. The terms and arrangements for contributions to risk capital formation shall be determined on a case-by-case basis.

3. Aid from the Community's budget resources, other than that intended for risk capital operations, shall be granted and administered by the Commission.

4. The funds referred to in Article 2 may be granted through the intermediary of the State or appropriate Lebanese bodies, on condition that they allocate 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 and operations for which they are intended.

Article 7

Aid contributed by the Community for the execution of certain projects may, with the agreement of Lebanon, take the form of co-financing in which, in particular, credit and development bodies and institutions of Lebanon, 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 Lebanese State;
- (b) with the agreement of the Lebanese Government, for projects or operations approved by it:
 - official Lebanese development agencies,
 - private agencies working in Lebanon 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 Lebanon and, exceptionally, where no such groups exist, the producers themselves,
 - scholarship holders and trainees sent by Lebanon under the training schemes referred to in Article 3.

Article 9

1. With a view to making optimum use of the instruments and means provided for in this Protocol and achieving the objectives laid down in Article 3, the Community and Lebanon shall, taking information provided by Lebanon as a basis, examine:

- the priority development objectives adopted at national level,
- the sector or sectors on which the Community contribution will be focussed, taking account in particular of the contributions of other providers of funds on a bilateral or multilateral basis and other Community instruments, including food aid,
- the measures and schemes best suited to achieving the sectoral objectives referred to in the second indent or, where such schemes are not sufficiently well defined, the broad objectives of the programmes for supporting the policies defined by the country in respect of those sectors,
- the regional action programmes which could be financed by the Community.

2. On this basis, the Community and Lebanon shall, by mutual agreement, draw up an indicative programme committing both parties and determining the specific objectives of financial and technical cooperation, the priority sectors for intervention and the action programmes envisaged.

3. The indicative programme may be reviewed by mutual agreement to take account of any changes in Lebanon's economic situation or in the objectives and priorities laid down by its development plan.

4. The Community and Lebanon shall continue their exchanges of views within the appropriate bodies and shall, at least once during the period of implementation of this Protocol and at the latest before the end of the third year following its entry into force, make an assessment of the implementation of the indicative programme.

Article 10

1. Within the framework laid down in accordance with Article 9, the Lebanese 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 Lebanese authorities and other beneficiaries, in accordance with the objectives referred to in Article 9, 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 Algeria or of the other beneficiaries referred to in Article 8.

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

2. The projects and action programmes shall be the subject of appropriate evaluation, the outcome of which shall be communicated to both parties, which shall take appropriate measures by mutual agreement.

3. Certain rules for administering the financial aid granted by the Community shall be the subject of an exchange of letters or a framework agreement between the Commission and Lebanon upon conclusion of this Protocol.

Article 12

1. All natural and legal persons falling within the scope of the Treaty establishing the European Economic Community and all natural and legal persons of Lebanon may participate on equal terms in tendering procedures and other procedures for the award of contracts likely to be financed. Any such legal person formed in accordance with the law of a Member State of the European Economic Community or of Lebanon must have its registered office, its administrative head office or its principal establishment in the territories in which the EEC Treaty is applied or in Lebanon; however, where only its registered office is in the said territories or in Lebanon, the activities of such legal person must be effectively and continuously linked with the economy of those territories or of Lebanon.

2. In agreement with Lebanon and with the aim of encouraging regional cooperation, natural and legal persons who are nationals of developing countries associated with the Community through overall cooperation or association agreements may be authorized by the Community exceptionally, on a case-by-case basis, to participate in the operations referred to in paragraph 1 which are financed by the Community. The eligibility of the natural or legal persons shall be assessed on the terms set out in paragraph 1, *mutatis mutandis*.

Article 13

To promote participation by Lebanese undertakings in the performance of contracts and to ensure the rapid and effective implementation of projects and operations financed from resources administered by the Commission:

1. an accelerated procedure for issuing invitations to tender, involving shorter time limits for the submission of tenders, may be used by Lebanon in agreement with

the Commission where it is a question of works contracts which, because of their scale, are mainly of interest to Lebanese undertakings.

The organization of this accelerated procedure shall not rule out the possibility of issuing an international invitation to tender where it appears that the nature of the works to be carried out or the usefulness of widening participation justifies recourse to international competition;

2. where urgency of the situation is established or where the nature, small scale or particular characteristics of certain works or supplies so warrant, Lebanon may, in agreement with the Commission, authorize, as an exception, the placing of contracts after restricted invitations to tender, the conclusion of contracts by direct agreement and the performance of contracts through public works departments.

The procedures referred to in points 1 and 2 may be used for operations whose estimated cost is less than 3 million ECU.

Article 14

1. Lebanon shall apply to contracts, awarded for the execution of projects or operations financed by the Community, fiscal and customs arrangements no less favourable than those applied *vis-à-vis* the most-favoured State or international development organization.

2. The content of the arrangements referred to in paragraph 1 shall be established by means of an exchange of letters between the Parties.

Article 15

Lebanon shall take the necessary measures to ensure that interest and all other payments due to the Bank in respect of transactions concluded 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 Lebanese State, the provision of a guarantee by the latter or of other adequate guarantees shall be required by the Bank as a condition of the grant of the loan.

Article 17

Throughout the duration of the loans and risk capital operations provided for in Article 2, Lebanon shall undertake to:

(a) place at the disposal of the beneficiaries or their guarantors the currency necessary for the payment of

interest and commission and amortization of loans and risk capital aid granted for the implementation of aid measures on their territory;

- (b) make available to the Bank the foreign currency necessary for the transfer of all sums received by it in national currency which represent the net revenue and proceeds from transactions involving the acquisition by the Community of holdings in the capital of companies or firms.

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 for such cooperation.

Article 19

One year before the expiry of this Protocol, the Contracting Parties will 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 the Lebanese Republic.

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 shall be drawn up in two copies in the Danish, Dutch, English, French, German, Greek, Italian, Portuguese, Spanish and Arabic languages, each of these texts being equally authentic.

En fé de lo cual, los plenipotenciarios abajo firmantes suscriben el presente Protocolo.

Til bekræftelse heraf har undertegnede befuldmægtigede underskrevet denne protokol.

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

Εἰς πίστωσιν τῶν ἀνωτέρω, οἱ υπογεγραμμένοι πληρεξούσιοι ἔθεσαν τῆς υπογραφῆς τοὺς στο παρὸν 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.

Em fé do que, os plenipotenciários abaixo assinados apuseram as suas assinaturas no final do presente Protocolo.

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

Hecho en Bruselas, el dos de diciembre de mil novecientos ochenta y siete.

Udfærdiget i Bruxelles, den anden december nitten hundrede og syvogfirs.

Geschehen zu Brüssel am zweiten Dezember neunzehnhundertsiebenundachtzig.

Έγινε στις Βρυξέλλες, στις δύο Δεκεμβρίου χίλια εννιακόσια ογδόντα επτά.

Done at Brussels on the second day of December in the year one thousand nine hundred and eighty-seven.

Fait à Bruxelles, le deux décembre mil neuf cent quatre-vingt-sept.

Fatto a Bruxelles, addì due dicembre millenovecentottantasette.

Gedaan te Brussel, de tweede december negentienhonderd zevenentachtig.

Feito em Bruxelas, em dois de Dezembro de mil novecentos e oitenta e sete.

حرر في بروكسل ، في الثاني من كانون الاول عام الف وتسعمائة
وسبعة وثمانون .

Por el Consejo de las Comunidades Europeas

For Rådet for De Europæiske Fællesskaber

Für den Rat der Europäischen Gemeinschaften

Για το Συμβούλιο των Ευρωπαϊκών Κοινοτήτων

For the Council of the European Communities

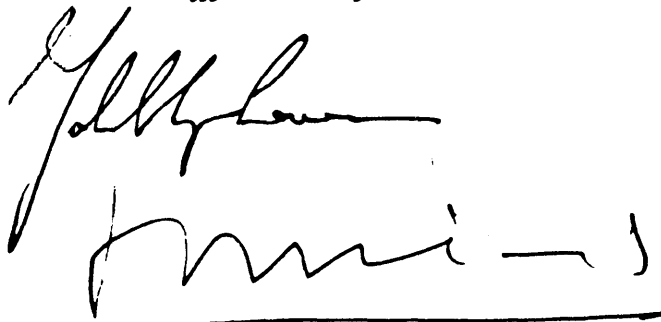
Pour le Conseil des Communautés européennes

Per il Consiglio delle Comunità europee

Voor de Raad van de Europese Gemeenschappen

Pelo Conselho das Comunidades Europeias

من مجلس المجموعات الأوروبية



Por el Presidente de la República Libanesa

For præsidenten for Republikken Libanon

Für den Präsidenten der Libanesischen Republik

Για τον Πρόεδρο της Δημοκρατίας του Λιβάνου

For the President of the Lebanese Republic

Pour le Président de la République libanaise

Per il Presidente della Repubblica libanese

Voor de President van de Libanese Republiek

Pelo Presidente da República Libanesa

من رئيس الجمهورية اللبنانية



COUNCIL DECISION

of 21 December 1987

on the conclusion of a Protocol on financial and technical cooperation between the European Economic Community and the Republic of Tunisia

(88/34/EEC)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 238 thereof,

Having regard to the recommendation from the Commission,

Having regard to the assent of the European Parliament ⁽¹⁾,

Whereas the Protocol on financial and technical cooperation between the European Economic Community and the Republic of Tunisia, should be approved,

HAS DECIDED AS FOLLOWS:

Article 1

The Protocol on financial and technical cooperation between the European Economic Community and the Republic

of Tunisia is hereby approved on behalf of the Community.

The text of the Protocol is attached to this Decision.

Article 2

The President of the Council shall give the notification provided for in Article 21 of the Protocol ⁽²⁾.

Article 3

This Decision shall enter into force on the day following that of its publication in the *Official Journal of the European Communities*.

Done at Brussels, 21 December 1987.

For the Council
The President
B. HAARDER

⁽¹⁾ Assent delivered on 16 December 1987 (not yet published in the Official Journal).

⁽²⁾ The date of entry into force of the Protocol will be published in the *Official Journal of the European Communities* by the General Secretariat of the Council.

PROTOCOL

on financial and technical Cooperation between the European Economic Community and the Republic of Tunisia

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

of the one part, and

THE PRESIDENT OF THE REPUBLIC OF TUNISIA,

of the other part,

REAFFIRMING their resolve to implement, under the Mediterranean policy of the enlarged Community, cooperation which will contribute to the economic and social development of Tunisia and promote the strengthening of relations between the Community and Tunisia,

ANXIOUS to pursue to this end the financial and technical cooperation provided for in the Cooperation Agreement between the European Economic Community and the Republic of Tunisia,

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

THE COUNCIL OF THE EUROPEAN COMMUNITIES:

Jakob Esper LARSEN,

Ambassador Extraordinary and Plenipotentiary,
Permanent Representative of Denmark,
Chairman of the Permanent Representatives Committee;

Jean DURIEUX,

Special Adviser in the Directorate-General for External Relations of the Commission of the European Communities;

REPUBLIC OF TUNISIA:

Mohamed MEGDICHE,

Ambassador Extraordinary and Plenipotentiary;

WHO, having exchanged their full powers, found in good and due form,

HAVE AGREED AS FOLLOWS:

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 Republic of Tunisia, 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 Tunisia.

Article 2

1. For the purposes specified in Article 1 and for a period expiring on 31 October 1991, an aggregate amount of 224 million ECU may be committed as follows:

- (a) 131 million ECU in the form of loans from the European Investment Bank, hereinafter referred to as 'the Bank', made from its own resources;

- (b) 87 million ECU from the Community's budgetary resources, in the form of grants;

- (c) 6 million ECU from the Community's budgetary resources, in the form of contributions to risk capital formation.

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

3. The risk capital referred to in paragraph 1 (c) shall contribute to the cooperation objectives and operations defined in Article 3, in particular those indicated in the second indent of paragraph 2 of that Article.

It shall be used primarily to make equity capital or the like available to Tunisian private undertakings, public

undertakings and undertakings with State participation, in particular those with which natural or legal persons who are nationals of a Community Member State are associated. It may be used under the same conditions to finance specific studies for the preparation and development of such undertakings' projects and to assist such undertakings in their starting-up period.

It shall be granted and administered by the Bank and may take the form of:

- (a) subordinated loans, where repayment and payment of any interest will not be made until other bank claims have been settled;
- (b) conditional loans, where repayment or duration will depend on the fulfilment of conditions specified at the time when the loan is granted;
- (c) acquisition of temporary minority holdings on behalf of the Community in the capital of undertakings established in Tunisia;
- (d) finance for the acquisition of holdings, in the form of conditional loans granted to Tunisia or, with the Tunisian Government's agreement, to Tunisian undertakings, either directly or through the intermediary of Tunisian financial institutions.

Article 3

1. The total amount fixed in Article 2 shall be used primarily for the financing or part-financing of cooperation projects or operations aimed at:

- developing and diversifying agricultural production so as to reduce Tunisia's food dependence, and efforts to diversify agricultural production and exports with a view to increasing the complementarity of the different Mediterranean regions,
- strengthening the economic links between the Community and Tunisia in their mutual interest by developing cooperation in the fields of industry, training and research, technology, commerce and other services,
- regional and multilateral cooperation.

Economic infrastructure and industrial development which are complementary to the above cooperation operations may also be financed.

2. Of the projects and operations eligible for financing, priority shall be given to those having the following aims:

- in the agricultural sector, developing the production of agricultural products in short supply, particularly food crops, *inter alia* in the framework of multiannual

programmes and operations in the context of the national food strategy. For maximum effectiveness, concentration of resources in specific sectors shall be sought,

- in the industrial and service sectors, promotion of joint ventures between firms from the Community Member States and Tunisian firms, direct contacts, exchange of information, promotion of investment, contribution of private capital, and support for small and medium-sized enterprises, including craft businesses, in order to promote employment,
- in the field of science and technology, expansion of Tunisia's training and research capability and establishment or development of links between Tunisian and European private and public training and research institutions,
- in the trade sector, diversification and promotion of exports and organization of contacts between Tunisian firms and firms from the Community Member States,
- in the priority areas referred to above, practical training schemes linked to projects or operations in firms and research institutions.

3. 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 (2), or by risk capital, or by grants, or by a combination of these means.

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

Article 5

1. The amounts to be committed each year must 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 such cases, 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. The terms and arrangements for contributions to risk capital formation shall be determined on a case-by-case basis.

3. Aid from the Community's budget resources, other than that in the form of interest rate subsidies for loans from the Bank or that intended for risk capital operations, shall be granted and administered by the Commission.

4. The funds referred to in Article 2 may be granted through the intermediary of the State or appropriate Tunisian bodies, on condition that they allocate 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 and operations for which they are intended.

Article 7

Aid contributed by the Community for the execution of certain projects may, with the agreement of Tunisia, take the form of co-financing in which, in particular, credit and development bodies and institutions of Tunisia, 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 Tunisian State;
- (b) with the agreement of the Tunisian Government, for projects or operations approved by it:
 - official Tunisian development agencies,
 - private agencies working in Tunisia 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 Tunisia and, exceptionally, where no such groups exist, the producers themselves,
 - scholarship holders and trainees sent by Tunisia under the training schemes referred to in Article 3.

Article 9

1. With a view to making optimum use of the instruments and means provided for in this Protocol and achieving the objectives laid down in Article 3, the Community and Tunisia shall, taking information provided by Tunisia as a basis, examine:

- the priority development objectives adopted at national level,
- the sector or sectors on which the Community contribution will be focussed, taking account in particular of the contributions of other providers of funds on a bilateral or multilateral basis and other Community instruments, including food aid,
- the measures and schemes best suited to achieving the sectoral objectives referred to in the second indent or, where such schemes are not sufficiently well defined, the broad objectives of the programmes for supporting the policies defined by the country in respect of those sectors,
- the regional action programmes which could be financed by the Community.

2. On this basis, the Community and Tunisia shall, by mutual agreement, draw up an indicative programme committing both parties and determining the specific objectives of financial and technical cooperation, the priority sectors for intervention and the action programmes envisaged.

3. The indicative programme may be reviewed by mutual agreement to take account of any changes in Tunisia's economic situation or in the objectives and priorities laid down by its development plan.

4. The Community and Tunisia shall continue their exchanges of views within the appropriate bodies and shall, at least once during the period of implementation of this Protocol and at the latest before the end of the third year following its entry into force, make an assessment of the implementation of the indicative programme.

Article 10

1. Within the framework laid down in accordance with Article 9, the Tunisian 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 Tunisian authorities and other beneficiaries, in accordance with the objectives referred to in Article 9, 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 Tunisia or of the other beneficiaries referred to in Article 8.

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

2. The projects and action programmes shall be the subject of appropriate evaluation, the outcome of which shall be communicated to both parties, which shall take appropriate measures by mutual agreement.

3. Certain rules for administering the financial aid granted by the Community shall be the subject of an exchange of letters or a framework agreement between the Commission and Tunisia upon conclusion of this Protocol.

Article 12

1. All natural and legal persons falling within the scope of the Treaty establishing the European Economic Community and all natural and legal persons of Tunisia may participate on equal terms in tendering procedures and other procedures for the award of contracts likely to be financed. Any such legal person formed in accordance with the law of a Member State of the European Economic Community or of Tunisia must have its registered office, its administrative head office or its principal establishment in the territories in which the EEC Treaty is applied or in Tunisia; however, where only its registered office is in the said territories or in Tunisia, the activities of such legal person must be effectively and continuously linked with the economy of those territories or of Tunisia.

2. In agreement with Tunisia and with the aim of encouraging regional cooperation, natural and legal persons who are nationals of developing countries associated with the Community through overall cooperation or association agreements may be authorized by the Community exceptionally, on a case-by-case basis, to participate in the operations referred to in paragraph 1 which are financed by the Community. The eligibility of the natural or legal persons shall be assessed on the terms set out in paragraph 1, *mutatis mutandis*.

Article 13

To promote participation by Tunisian undertakings in the performance of contracts and to ensure the rapid and effective implementation of projects and operations financed from resources administered by the Commission:

1. an accelerated procedure for issuing invitations to tender, involving shorter time limits for the submission of tenders, may be used by Tunisia in agreement with the

Commission where it is a question of works contracts which, because of their scale, are mainly of interest to Tunisian undertakings.

The organization of this accelerated procedure shall not rule out the possibility of issuing an international invitation to tender where it appears that the nature of the works to be carried out or the usefulness of widening participation justifies recourse to international competition;

2. where urgency of the situation is established or where the nature, small scale or particular characteristics of certain works or supplies so warrant, Tunisia may, in agreement with the Commission, authorize, as an exception, the placing of contracts after restricted invitations to tender, the conclusion of contracts by direct agreement and the performance of contracts through public works departments.

The procedures referred to in points 1 and 2 may be used for operations whose estimated cost is less than 3 million ECU.

Article 14

1. Tunisia shall apply to contracts, awarded for the execution of projects or operations financed by the Community, fiscal and customs arrangements no less favourable than those applied *vis-à-vis* the most-favoured State or international development organization.

2. The content of the arrangements referred to in paragraph 1 shall be established by means of an exchange of letters between the Parties.

Article 15

Tunisia shall take the necessary measures to ensure that interest and all other payments due to the Bank in respect of transactions concluded 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 Tunisian State, the provision of a guarantee by the latter or of other adequate guarantees shall be required by the Bank as a condition of the grant of the loan.

Article 17

Throughout the duration of the loans and risk capital operations provided for in Article 2, Tunisia shall undertake to:

(a) place at the disposal of the beneficiaries or their guarantors the currency necessary for the payment of

interest and commission and amortization of loans and risk capital aid granted for the implementation of aid measures on their territory;

- (b) make available to the Bank the foreign currency necessary for the transfer of all sums received by it in national currency which represent the net revenue and proceeds from transactions involving the acquisition by the Community of holdings in the capital of companies or firms.

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 for such cooperation.

Article 19

One year before the expiry of this Protocol, the Contracting Parties will 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 the Republic of Tunisia.

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 shall be drawn up in two copies in the Danish, Dutch, English, French, German, Greek, Italian, Portuguese, Spanish and Arabic languages, each of these texts being equally authentic.

En fé de lo cual, los plenipotenciarios abajo firmantes suscriben el presente Protocolo.

Til bekræftelse heraf har undertegnede befuldmægtigede underskrevet denne protokol.

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

Εἰς πίστῳσιν των ανωτέρω, οι υπογεγραμμένοι πληρεξούσιοι ἔθεσαν τις υπογραφές τους στο 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.

Em fé do que, os plenipotenciários abaixo assinados apuseram as suas assinaturas no final do presente Protocolo.

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

Hecho en Bruselas, el veintiséis de octubre de mil novecientos ochenta y siete.

Udfærdiget i Bruxelles, den seksogtyvende oktober nitten hundrede og syvogfirs.

Geschehen zu Brüssel am sechszwanzigsten Oktober neunzehnhundertsiebenundachtzig.

Έγινε στις Βρυξέλλες, στις είκοσι έξι Οκτωβρίου χίλια εννιακόσια ογδόντα επτά.

Done at Brussels on the twenty-sixth day of October in the year one thousand nine hundred and eighty-seven.

Fait à Bruxelles, le vingt-six octobre mil neuf cent quatre-vingt-sept.

Fatto a Bruxelles, addì ventisei ottobre millenovecentottantasette.

Gedaan te Brussel, de zesentwintigste oktober negentienhonderd zevenentachtig.

Feito em Bruxelas, em vinte e seis de Outubro de mil novecentos e oitenta e sete.

حرر في بروكسل في السادس والعشرين من شهر اكتوبر عام
الف وتسعمائة وسعة وثمانين .

Por el Consejo de las Comunidades Europeas

For Rådet for De Europæiske Fællesskaber

Für den Rat der Europäischen Gemeinschaften

Για το Συμβούλιο των Ευρωπαϊκών Κοινοτήτων

For the Council of the European Communities

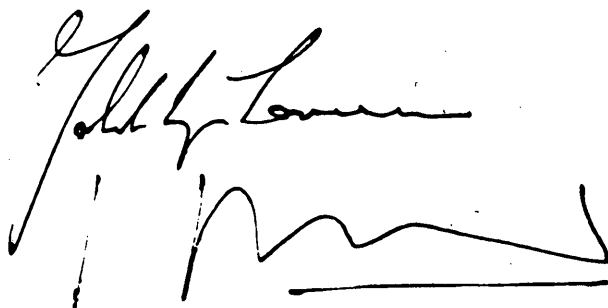
Pour le Conseil des Communautés européennes

Per il Consiglio delle Comunità europee

Voor de Raad van de Europese Gemeenschappen

Pelo Conselho das Comunidades Europeias

من مجلس المجموعات الأوروبية



Por la República de Túnez

For Den Tunesiske Republik

Für die Tunesische Republik

Για τη Δημοκρατία της Τυνησίας

For the Republic of Tunisia

Pour la République tunisienne

Per la Repubblica di Tunisia

Voor de Republiek Tunesië

Pelo República da Tunísia

من الجمهورية التونسية

