

**AGREEMENT BETWEEN
THE UNITED STATES OF AMERICA
AND THE HASHEMITE KINGDOM OF JORDAN
REGARDING THE CONSOLIDATION AND RESCHEDULING OF
CERTAIN DEBTS OWED TO, GUARANTEED BY, OR INSURED BY
THE UNITED STATES GOVERNMENT AND ITS AGENCIES**

The United States of America (the "United States") and the Hashemite Kingdom of Jordan ("Jordan") agree as follows:

ARTICLE I

Application of the Agreement

1. In accordance with the recommendations contained in the Agreed Minute on the consolidation of Jordan's debts, signed at Paris on May 23, 1997, (hereinafter referred to as the "Minute") by representatives of certain nations, including the United States, and by the representative of Jordan, and in accordance with the applicable domestic laws of the United States and Jordan, the United States and Jordan agree to consolidate and reschedule certain payments of Jordan with respect to debts which are owed to, guaranteed by or insured by the United States Government or its Agencies, as provided for in this Agreement.
2. This Agreement shall be further implemented by separate agreements (the "Implementing Agreements") between Jordan the United States with respect to PL-480 agreements, which are administered by the United States Department of Agriculture, and between Jordan and the Agency for International Development. The Department of Defense will implement this Agreement with respect to amounts due to the Department of Defense by notification to Jordan of the amounts rescheduled hereunder, a principal repayment schedule of those amounts, and the appropriate interest rate.

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ARTICLE II

Definitions

1. "Contracts" means those agreements or other financial arrangements which have maturities under:
 - (a) Loans from the United States or its Agencies, other than those loans specified in Paragraph 1 (b) of this Article II, which had original maturities of more than one year and which were extended to the Government of Jordan or the Jordanian Public Sector, or covered by a guarantee of the Government of Jordan or the Jordanian Public Sector, pursuant to an agreement concluded before January 1, 1989.
 - (b) Concessional credits extended under PL-480 agreements ("PL-480 Credits") which had original maturities of more than one year and which were extended to the Government of Jordan pursuant to an agreement concluded before January 1, 1989.
 - (c) Commercial credits guaranteed or insured by the United States or its Agencies, having original maturities of more than one year and which were extended to the Government of Jordan or the Jordanian Public Sector, or covered by a guarantee of the Government of Jordan or the Jordanian Public Sector, pursuant to an agreement concluded before January 1, 1989.
 - (d) The bilateral debt rescheduling agreements ("Rescheduling Agreements") between the United States and Jordan signed on October 31, 1989 and May 10, 1992, excluding the sections applicable to PL-480 Credits rescheduled thereunder.
 - (e) The Rescheduling Agreements as they apply to the PL-480 Credits rescheduled thereunder.

A table listing the relevant contracts to be included under the rescheduling is attached hereto as Annex A.

Debt service due as a result of debts described above and effected through special payment mechanisms or other external accounts is covered by this Agreement.

Payments due under lease rentals are excluded from this Agreement.

2. "Agencies" means the Export-Import Bank of the United States ("Eximbank"), the Department of Defense ("DOD"), and the Agency for International Development with respect to the Housing Guaranty Program ("HG").
3. "Jordanian Public Sector" means those enterprises in which, as of July 19, 1989, Jordan was directly or indirectly a majority shareholder (more than 50 percent), including representative offices and branches of Jordanian banks abroad.
4. "Consolidation Period" means: (i) June 1, 1997 through February 28, 1998, inclusive; (ii) if the conditions set forth in Article IV Paragraph 1 of this Agreement are satisfied, the period from June 1, 1997 through February 28, 1999, inclusive.
5. "Consolidated Arrears" means 100 percent of the sum of unpaid principal and interest, including Late Interest Charges, which was due as of May 31, 1997 with respect to the Contracts specified in Paragraphs 1(a), 1(c), and 1(d) of this Article.
6. "Consolidated Debt" means 100 percent of the sum of unpaid principal and interest falling due during the Consolidation Period with respect to the Contracts specified in Paragraphs 1(a), 1(c), and 1(d) of this Article.
7. "Consolidated ODA Arrears" means 100 percent of the sum of unpaid principal and interest, including Late Interest Charges, which was due as of May 31, 1997, with respect to the Contracts specified in Paragraphs 1(b) and 1(e) of this Article.
8. "Consolidated ODA Debt" means 100 percent of the sum of unpaid principal and interest falling due during the Consolidation Period with respect to the Contracts specified in Paragraphs 1(b) and 1(e) of this Article.
9. "Late Interest Charges" means, with respect to the Consolidated Arrears and Consolidated ODA Arrears, interest charges payable on due but unpaid amounts of principal and interest, such charges having accrued through May 31, 1997, in accordance with the terms of the Contracts, notwithstanding the payment of such principal and interest subsequent to the original due dates.



10. "Interest" means interest payable on the outstanding balance of Consolidated Arrears, Consolidated Debt, Consolidated ODA Arrears and Consolidated ODA Debt in accordance with the terms of this Agreement. Interest shall accrue at the rates set forth in this Agreement beginning on the due dates specified in each of the Contracts for the payments of principal and interest comprising the Consolidated Debt and Consolidated ODA Debt, and on June 1, 1997, for payments of principal and interest comprising the Consolidated Arrears and Consolidated ODA Arrears.
11. "Additional Interest" means interest accruing at the rates set forth in this Agreement on due but unpaid installments of Consolidated Arrears, Consolidated Debt, Consolidated ODA Arrears and Consolidated ODA Debt, and Interest beginning on the respective due dates for such installments as established by this Agreement and continuing to accrue until such amounts are repaid in full.

ARTICLE III

Terms and Conditions of Payment

1. Jordan agrees to repay the Consolidated Arrears and Consolidated Debt in United States dollars in accordance with the following terms and conditions:

(a) The Consolidated Arrears and Consolidated Debt shall be repaid in thirty (30) consecutive semi-annual installments, payable on April 30 and October 31 of each year, commencing on October 31, 2001, and ending on April 30, 2016, in accordance with the following schedule:

	0.53% on October 31, 2001;
0.65% on April 30, 2002;	0.77% on October 31, 2002;
0.89% on April 30, 2003;	1.03% on October 31, 2003;
1.17% on April 30, 2004;	1.32% on October 31, 2004;
1.47% on April 30, 2005;	1.64% on October 31, 2005;
1.81% on April 30, 2006;	1.99% on October 31, 2006;
2.18% on April 30, 2007;	2.38% on October 31, 2007;
2.59% on April 30, 2008;	2.81% on October 31, 2008;
3.04% on April 30, 2009;	3.28% on October 31, 2009;
3.53% on April 30, 2010;	3.80% on October 31, 2010;
4.07% on April 30, 2011;	4.36% on October 31, 2011;
4.67% on April 30, 2012;	4.98% on October 31, 2012;
5.31% on April 30, 2013;	5.66% on October 31, 2013;
6.02% on April 30, 2014;	6.40% on October 31, 2014;
6.79% on April 30, 2015;	7.21% on October 31, 2015;
7.65% on April 30, 2016.	

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(b) The rate of Interest on Consolidated Arrears and Consolidated Debt shall be as follows for the United States and its Agencies:

(i) For Eximbank, the rate of Interest shall be the per annum rate for each Interest Period as defined in Annex E of this Agreement, and determined by Eximbank to be one-half of one percent ($1/2$ of 1%) over the interest rate applicable to U.S. Treasury short-term borrowings which is the rate in effect on the first day of such Interest Period. For the period June 1, 1997, through April 29, 1998, the annual rate shall be 6.25 percent. For each subsequent Interest Period, Eximbank shall notify Jordan of the appropriate rate for such period. Annex E provides further explanation of the Eximbank interest rate determination.

(ii) For the Department of Defense, the rate shall be approximately 6.622 percent per year.



(iii) For USAID with respect to the HG, the rate of Interest shall be approximately 7 percent per year.

(c) Interest with respect to the Consolidated Arrears shall be paid semi-annually on April 30 and October 31 of each year, commencing on April 30, 1998.

A table summarizing the amount of Consolidated Arrears and Consolidated Debt owed to the United States and its Agencies if the conditions in Article IV Paragraph 1 are not met is attached hereto as Annex B1. A table summarizing the amount of Consolidated Arrears and Consolidated Debt owed to the United States and its Agencies if the conditions in Article IV Paragraph 1 are met is attached hereto as Annex B2.



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2. Jordan agrees to repay the Consolidated ODA Arrears and Consolidated ODA Debt in United States dollars in accordance with the following terms and conditions:

- (a) The Consolidated ODA Arrears and Consolidated ODA Debt, shall be repaid in twenty (20) consecutive semi-annual installments, payable on April 30 and October 31 of each year, commencing on October 31, 2008, and ending on April 30, 2018.
- (b) The rate of Interest on Consolidated ODA Arrears and Consolidated ODA Debt shall be 3 percent per year.
- (c) Interest with respect to the Consolidated ODA Arrears and Consolidated ODA Debt shall be paid semi-annually on April 30 and October 31 of each year, commencing on April 30, 1998.

A table summarizing the amount of Consolidated ODA Arrears and Consolidated ODA Debt owed to the United States and its Agencies if the conditions in Article IV Paragraph 1 are not met is attached hereto as Annex C1. A table summarizing the amount of Consolidated ODA Arrears and Consolidated ODA Debt owed to the United States and its Agencies if the conditions in Article IV Paragraph 1 are met is attached hereto as Annex C2.



3. It is understood that adjustments may be made in writing and as mutually agreed in the amounts of Consolidated Arrears, Consolidated Debt, Consolidated ODA Arrears, and Consolidated ODA Debt.



ARTICLE IV

General Provisions

1. The Consolidation Period will be the period from June 1, 1997 through February 28, 1999, inclusive, provided that: (i) the Executive Board of the International Monetary Fund has completed before April 30, 1998, the review of the Extended Arrangement with Jordan, and (ii) Jordan has made all payments due under this Agreement; or (iii) the Participating Creditor Countries have informed Jordan that the above conditions have been met. If the foregoing conditions are not satisfied, then the Consolidation Period will be from June 1, 1997, through February 28, 1998, inclusive, and all other payments in the Contracts due after March 1, 1998, and consolidated or otherwise rescheduled under this Agreement will be due and payable according to the Contracts.
2. Jordan agrees to grant the United States and its Agencies treatment and terms no less favorable than that which it has accorded, or which it may accord, to any other creditor country or its agencies for the consolidation of debts of comparable maturities.

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3. Jordan agrees to secure from external creditors, including banks and suppliers, rescheduling or refinancing arrangements on terms comparable to those set forth in the Minute for credits of comparable maturities making sure to avoid inequity between different categories of creditors.
4. Jordan agrees to pay all Consolidated Arrears, Consolidated Debt, Consolidated ODA Arrears, Consolidated ODA Debt, Interest, and Additional Interest, if any, to the United States and its Agencies, in United States dollars, without any deductions for taxes, fees or other public charges or any other costs accruing inside or outside Jordan.
5. Jordan agrees to pay all debt service due and not paid, which is owed to, guaranteed by, or insured by, the United States or its Agencies, but which is not covered by this Agreement as soon as possible but no later than January 31, 1998. Late interest will be charged on these amounts in accordance with the Contracts.
6. All terms of the Contracts remain in full force and effect, except as they may be modified by this Agreement.
7. Jordan continues to guarantee the immediate and unrestricted transfer of the foreign exchange counterpart of all amounts paid in local currency by private debtors in Jordan for servicing their foreign debt owed to, guaranteed by, or insured by the United States and its Agencies.

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8. With respect to amounts owing to DOD under this Agreement, Jordan (referred to as the "Borrower" in Annex D hereto) and DOD agree to the additional terms and conditions set forth in Annex D.

9. With respect to amounts owing to Eximbank under this Agreement, Jordan (referred to as the "Government" in Annex E hereto) and Eximbank agree to the additional terms and conditions set forth in Annex E.

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