

**General Conditions for Loan Agreements and for the  
Provision and Administration of Interest Subsidy  
under the Mixed Credit Programme for Developing  
Countries**

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Secretariat for Mixed Credits, Danida

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## Introduction

This document contains the general conditions for loan agreements and for provision and administration of interest subsidy under the Danish mixed credit programme for developing countries. The specific conditions for the provision of mixed credit support under the Programme will appear from the preliminary and the final approval of mixed credit support from the Ministry of Foreign Affairs of Denmark (Danida) concerning the project in question.

The general conditions for loan agreements and mixed credit support as herein set out shall form an integral part of Danida's approval of mixed credit support unless it is specified by Danida in the special conditions governing a specific approval that the general conditions or any part thereof shall not apply.

The "General Conditions for the Approval of Commercial Contracts financed under the Mixed Credit Programme, August 2007" are generally referred to.

### 1. Definitions

Bank margin	An administration margin paid by Danida to the Lender.
Borrower's interest rate	The portion of the interest rate that is not covered by the support from Danida, and that Borrower therefore shall pay under the loan.
Cash grant	A grant paid by Danida that is deducted from the principal of the loan, thus lowering the loan amount.
Commercial contract	The contract between Buyer and Supplier regarding delivery of the project being financed.
Commitment fee	A fee Lender charges Borrower for the unutilized part of the loan amount.
Cost of Funds	The Lender's cost of obtaining funding for the loan amount.
Danida	Ministry of Foreign Affairs, Denmark
'Day to day' account	An account where payments from Danida are credited before such payments are to be included in the funding of a specific loan. The account bears a day to day interest minus 0.25 %.
Draw-down period	Same as utilisation period

EKF	Eksport Kredit Fonden - the Danish Export Credit Fund.
Grace instalment	An instalment or part of an instalment paid by the support from Danida on behalf of the Borrower.
Interest subsidy account	An account containing the interest subsidy designated for the loan, such account bearing an interest rate equal to the Lender's interest rate on the loan less the risk margin. The amount in this account will be used as part funding of the loan.
Interest subsidy rate	The difference between Lender's interest rate and Borrower's interest rate.
Lender's interest rate	The interest rate, that Lender charges on the loan. The Lender's interest rate consists of the underlying interest rate, cost of funds and a risk margin.
Management fee	A fee Lender charges Borrower for the establishment of the loan agreement.
OECD	Organisation for Economic Cooperation and Development
Risk margin	A margin reflecting the borrowing country's risk categorisation as determined by the OECD and the size of the loan amount. Risk margins are determined by Danida and a matrix of risk margins applicable can be obtained from Danida.
Starting Point	The date when the repayment period begins, and from which the first six month period until first instalment is counted.
Underlying interest rate	The base rate as determined in the market for the relevant currency and term.
Utilisation	The use of funds under the loan including any amount transferred from the loan to an escrow account at Starting Point.
Utilisation period	The period from and including the effective date of the Loan Agreement till and including the last date of possible utilisation of the loan amount including any amount in the escrow account as so agreed between the Borrower and the Lender and accepted by Danida.

## 2. The Loan Agreement

It is presupposed that the Loan Agreement complies with generally accepted international principles governing export credit agreements.

It is further presupposed, unless otherwise specifically agreed in writing between the Lender and Danida:

- That the currency of the loan is EUR;
- That a copy of the signed Loan Agreement shall be forwarded to Danida with the application for a final approval of mixed credit support;
- That any material alterations to the Loan Agreement shall be communicated to Danida immediately;
- That if any such alterations have consequences with regard to the subsidy, such alterations are subject to the approval of Danida;
- That the reimbursable costs incidental to the formation of the Loan Agreement payable by the Borrower in pursuance of the Loan Agreement (“expenses”) shall not exceed EUR 20,000;
- That the commitment fee payable by the Borrower shall not exceed 0.25% p.a. unless otherwise agreed with Danida;
- That the management fee payable by the Borrower shall not exceed 0.375% flat unless otherwise agreed with Danida;
- That for the purpose of the Loan Agreement interest shall be calculated as for the underlying funding. Normally the calculation basis is 30 days month and a 360-day year. Danida shall in the application for approval be given notice if the calculation basis applied differs from this;
- That default interest shall not exceed Lender's interest rate plus 2% p.a.;
- That any event of default shall be administered in such a way that a waiting period of not less than 8 banking days shall elapse between default of payment and submission of a notice requiring payment from the Borrower, and then a further 8 banking days between the date on which the said notice is deemed to have reached the Borrower and termination of the Loan Agreement for default;
- That the Loan Agreement is subject to Danish law;

- That any dispute shall be brought before the City Court of Copenhagen; and
- That the Buyer/End User's Declaration and Borrower's Declaration shall form part of the Loan Agreement as appendices thereto and shall be obtained by the Lender prior to any disbursement under the loan.

The final approval by Danida shall be granted prior to the effective date of the Loan Agreement, provided always that the first disbursement under the loan be subject to submission to Danida of the two aforesaid declarations duly signed.

Any submission to Danida of a copy of a Loan Agreement or notice of any amendment thereto shall be effected for the sole purpose of improving communications with the Lender, and shall not imply any assumption by Danida of the risk in respect of the validity of the Loan Agreement or the effective imposition of obligations on the parties under the terms thereof, nor in respect of the compliance of the Loan Agreement and any amendment thereto with the approval, the conditions and the declarations.

## **2.1 Articles governing the support from Danida**

It is presupposed that the Loan Agreement shall contain articles governing the support from Danida in the form set out below or of similar wording:

- X.1 DANIDA will soften the terms of the loan via support in accordance with the rules and procedures set out in the Arrangement on Officially Supported Export Credits (OECD).
- X.2 The support mentioned in Article X.1 above will be paid by DANIDA to the LENDER. The support covers interest subsidy for the full lifetime of the loan, export credit premium and bank margin to the LENDER (and, if and as approved by DANIDA, a cash grant and/or grace instalments).
- X.3 When the loan has been fully drawn, DANIDA will issue a final financial statement to the LENDER (with a copy to the BORROWER) showing the amount of support.
- X.3.1 If the final financial statement shows that the support paid to the LENDER is larger than the support actually required to cover interest subsidy, export credit premium, bank margin to the LENDER (and a cash grant and/or grace instalment(s) if approved by DANIDA), DANIDA will evaluate whether the required subsidy level as calculated in accordance with the OECD rules has been reached.
- X.3.1.1. If the subsidy level has been reached, DANIDA may ask for the

excessive amount to be repaid to DANIDA.

- X.3.1.2. If the subsidy level has not been reached the whole or part of the difference will be applied to the loan as payment in order to reduce the first coming instalment(s) after the final financial statement.
- X.3.2 If the final financial statement shows that the support paid to the LENDER is smaller than the support actually required, or if additional support is required to fulfil the subsidy level as calculated in accordance with the OECD rules, DANIDA will pay the difference to the LENDER.

## **2.2 Articles governing utilisation**

The utilisation period may, if not otherwise agreed with Danida, automatically only exceed Starting Point by a maximum of 90 days.

Further, it is presupposed that the Loan Agreement shall contain articles in the form set out below or of similar wording:

- Z.1 If at Starting Point any part of the loan amount is unutilised and the LENDER has not received verified acceptance certificate, such unutilised amount will be drawn and the amount will be credited to an escrow account with the LENDER in the name of Danida. During the remaining part of the utilisation period, LENDER can effect payments to the SUPPLIER from the escrow account in accordance with and as set out for effectuation of payments under the loan.
- Z.2 If there is a positive balance on the escrow account (except for interest accrued) and the LENDER has not received verified acceptance certificate at the end of the utilisation period one of the following clauses Z.3 or Z.4 will apply:
- Z.3 If the balance on the escrow account is less than twenty (20) percent of the loan and the SUPPLIER and the BUYER within three (3) months confirm in the form of an amendment to the commercial contract accepted by DANIDA that the contract will be fulfilled within a specified period, the utilisation period will after notice from the LENDER be extended in order to cover the specified period.
- Z.4 If the balance on the escrow account is twenty (20) percent or more, the LENDER and BORROWER shall jointly ask the SUPPLIER and the BUYER to solve the problems and make up a plan acceptable to DANIDA, the BORROWER and the LENDER

for completion of the commercial contract. Based on this the LENDER, BORROWER and DANIDA will then consider extending the utilisation period. If no plan can be produced or if the plan produced is unacceptable to DANIDA and/or LENDER and/or BORROWER, the utilisation period will not be extended.

- Z.5 When the utilisation period has expired and it has been established that no extension will be made any balance on the escrow account, whether any unutilised portion of the loan and/or accrued interest, will be used towards the instalment(s) first maturing.

### **2.3 Article governing right of stoppage**

It is presupposed that the Loan Agreement, as a consequence of the right of stoppage provisions of the General Conditions for Approval of Commercial Contracts financed under the Mixed Credit Programme, the Exporter's Declaration and the Buyer/End User's Declaration respectively, contains an article in the form set out below or of similar wording:

- Y If DANIDA after issuing final approval of mixed credit support effectuates their right of stoppage and afterwards gives notice of withdrawal of the unutilised part of the support due to non-compliance under the Buyer/End User's Declaration (cf. Appendix A to this Loan Agreement) and/or incorrect information received from the BUYER, the LENDER and the BORROWER will discuss the situation that has arisen. If the LENDER and the BORROWER have not agreed on a new basis for continuation of the loan under changed conditions (i.e. no interest support and an export credit guarantee on commercial terms) within three (3) months after DANIDA's notice, and unless otherwise agreed with DANIDA, the loan is regarded to be due for full, immediate payment.

Where Danida gives notice to the Lender under the above Article Y, the interest subsidy granted by Danida will continue during the negotiation period. Where the Lender repays any unutilised interest subsidy after the end of the negotiation period, the Lender may if approved by Danida deduct documented negotiation costs.

## **3. Interest subsidy**

A mixed credit subsidy shall be calculated on the basis of the current OECD rules, in pursuance of Public Document No. 141 of 4 February 1998, Public Document No 137 of 2 May 2002, and Public Document No. 88 of 13 April 2005, and according to the rules as set out in this document.

Danida shall pay interest subsidy, export credit premium and the bank margin. In order to qualify for the minimum subsidy required by OECD an additional amount of cash support may be granted for the purpose of reducing the loan amount and/or payment of instalments. If, on the other hand, the sum of interest, export credit premium and bank margin exceeds the minimum subsidy required by the OECD, part of the interest may be charged to the Borrower as a Borrower's interest. The calculation form of the interest subsidy etc. is set out below.

### **3.1 Application**

The Lender applies for both preliminary and final approval of mixed credit support. Application for preliminary approval may be filed early in the process, after an award of contract has been made to a supplier. Application for a final approval shall be filed when the Loan Agreement has been signed by both the Lender and the Borrower. Furthermore, the application for a final approval should contain a signed Exporter's Declaration and a copy of the export credit guarantee. Application shall be filed in accordance with the guidelines concerning mixed credits. An application form can be obtained from Danida.

### **3.2 Interest subsidy rate**

The interest subsidy rate is calculated as the difference between the Lender's interest rate and the Borrower's interest rate. The rate is calculated according to the interest day principles applying to the underlying funding.

The Lender's interest rate consists of:

1. underlying interest rate
2. cost of funds
3. risk margin

#### **3.2.1 Underlying interest rate during draw down**

During the draw down period until Starting Point the underlying interest rate will vary according to the applicable EURIBOR<sup>1</sup> rate. From time of disbursement until the first coming interest due date as set out in the Loan Agreement, the EURIBOR rate applicable for such period will be used. From interest due date till interest due date the 6 months EURIBOR will be used.

#### **3.2.2 Underlying interest rate for the repayment period**

The underlying interest rate for the repayment period will be fixed no later than 2 banking days prior to Starting Point by way of an interest rate swap. The underlying

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<sup>1</sup> If another currency than EUR is used for the loan, then the applicable interbank rate for such currency shall be applied. This applies to all the following mentioning of EURIBOR.

interest rate will be based on EURIBOR fixed for a period equal to the repayment period of the loan.

For the purpose stated in 3.7.4. the Lender will approximately 30 days before Starting Point recalculate the subsidy amount needed for the payment of interest subsidy and the bank margin throughout the repayment period of the loan. The calculation will be based on the actual underlying interest rates applied during the draw-down period, the relevant swap interest rate at the day of calculation, actual draw-downs made on the loan, and a fictive drawdown of the remaining loan amount. No later than 2 banking days before Starting Point, the Lender will, based on the calculation, fix the interest rate for the repayment period by way of interest swap. As soon as the Lender has made the swap, the Lender will inform Danida in writing of the actual interest rate for the repayment of the loan. In informing Danida about the rate, the Lender automatically undertakes that the interest rate for the swap is based on the publicly available interbank rate, and that the rate is not higher than that interbank rate plus 3 basis points.

### **3.2.3 Cost of funds**

As a part of establishing the Lender's interest rate, the Lender may add cost of funds. The cost of funds may only cover actual cost of funds incurred by the Lender. The cost of funds will be fixed throughout the duration of the loan.

The cost of funds shall be stated by the Lender in his applications for preliminary and final approval. In stating such cost of funds, the Lender automatically undertakes towards Danida that the stated cost of funds is real and does not exceed the actual cost of funds of the Lender.

### **3.2.4 Risk margin**

As the final part in establishing the Lender's interest rate, the Lender may add a risk margin. This margin will be fixed throughout the duration of the loan and will be stated in the approval from Danida. The risk margin will be fixed based on the borrowing country's risk classification as determined by the OECD, the Borrower's or Guarantor's risk classification as determined by EKF and the loan amount. Applicable risk margins are fixed by Danida. For loans with 100% guarantee coverage, there will still be a small risk margin mainly covering administration related to the guarantee.

## **3.3 Calculation of the interest subsidy**

The calculation basis for the interest subsidy will be the loan amount outstanding from time to time, and it is presupposed that interest is payable in arrears on a semi-annual basis.

In the preliminary and final approval from Danida, the interest subsidy is calculated based on a fictive interest rate stated in the approvals. The fictive rate will be calculated based on historical interest rates. The fictive rate is used for calculation purposes only.

The interest subsidy is calculated as net present value at the date of payment from Danida to the Lender, discounting at the Lender's interest rate less the risk margin.

If the Lender cannot accept the calculation by Danida and requires it to be changed, it is for the Lender to prove to Danida that the calculation or the basis thereof is faulty and the nature of any such fault.

The interest subsidy will be recalculated by the Lender at the time of fixing the interest rate for the repayment period taking into account the actual underlying interest rates applied (cf. paragraph 3.2.2 above). The Lender shall forward the calculation along with the final statement (cf. paragraph 3.8 below) to Danida as soon as the calculation has been made.

### **3.4 Export credit premium**

Danida will pay the full export credit premium in respect of the loan as fixed by EKF.

If another guarantee is applied as guarantee for the loan, Danida will not pay any premium related to such guarantee.

### **3.5 Bank margin**

The bank margin is an administration margin to the Lender in the magnitude of 0.2 % p.a. As for the interest subsidy the basis of calculation is the loan amount outstanding from time to time. Also in the preliminary and final approval from Danida, the bank margin is calculated as net present value at the date of payment from Danida, discounting at the Lender's interest rate less the risk margin. Danida will pay the net present value of the margin to the Lender with the payment of interest subsidy. Payment of bank margin is final in relation to the bank, but Danida does not thereby waive the right to demand a reimbursement of the bank margin by the commercial parties. The bank margin will be recalculated at time of fixing the interest rate for the repayment period (cf. paragraph 3.2.2 above).

### **3.6 Additional grant - Cash grant or grace instalment(s)**

An additional grant will be payable if the total of interest subsidy, export credit premium and bank margin does not meet the required OECD minimum subsidy level.

As a general rule, any such additional grant will be paid as a *cash grant* applied towards disbursements under the loan, thus reducing the loan by a similar amount. The cash grant will be fixed at the time of preliminary approval in order to make it possible for the Lender to incorporate it in the Loan Agreement. However, if the preliminary approval expires before signing of the Loan Agreement, the cash grant may be recalculated.

Alternatively, in the case of minor amounts not exceeding the value of an instalment on the loan, the amount of such additional grant may be included in the funding and be

applied to reduce the first instalment. Further, if the nature and requirements of the project are deemed to justify the payment of the first instalment(s), any additional grant may be applied towards the first instalment(s) on the loan, subject to agreement by Danida. Such amount will be designated as *grace instalment(s)* in the preliminary and final approval from Danida.

If there has been no grace instalment(s) in the preliminary approval, but such an amount later is introduced in the final approval, it is to be interpreted as an adjustment of the subsidy amount in order to fulfil the minimum subsidy as required by the OECD (this will be specifically stated in the final approval).

At the time of fixing the interest swap rate for the repayment period of the loan, any amount designated for grace instalment(s) is to be released from the funding and placed in the 'day to day' account from where it can be released when payment of instalment(s) is due.

### **3.7 Payment of subsidy**

#### **3.7.1 Payment of export credit premium**

The export credit premium will be paid upon request by the Lender, such request to be submitted to Danida no later than 14 days prior to the date of expected payment.

#### **3.7.2 Payment of cash grant**

Any cash grant will be payable in connection with one or more disbursements under the loan. Danida may at its own discretion decide when to pay a cash grant. However, the timing of payment shall be indicated in the preliminary and final approval of subsidy, so that the Lender is duly advised as when to expect payment of the cash grant. The cash grant will be paid at the Lender's request, to be submitted to Danida no later than 14 days before the Lender expects the related disbursement(s) under the loan. A cash grant must be applied towards a reduction of the principal of the loan.

#### **3.7.3 Payment of interest subsidy, bank margin and grace instalment(s)**

The interest subsidy, bank margin and any additional grant by way of grace instalment(s) will be payable on account upon request by the Lender in accordance with the draw down plan stated to the Lender by the Supplier (and included in the loan agreement) for the funding of disbursements of the loan. Normally, payment will be in connection with the first disbursements of the loan. However, Danida may decide to pay the subsidy in a different way as described in 3.7.7 Alternative options for payment of subsidy below. Request for payment must be sent to Danida no later than 14 days before the next draw down expected under the loan.

#### **3.7.4 Payment of regulation of subsidy amount**

If the calculation 30 days prior to Starting Point shows that the amount in the interest subsidy account is smaller than the amount of necessary interest subsidy and bank margin throughout the repayment period including the last payment of interest and bank margin in the draw-down period, the Lender will request additional subsidy from Danida. Request for payment must be sent to Danida immediately when the calculation has been done.

If the final calculation based on the interest swap rate shows that the amount in the interest subsidy account is larger than the amount of necessary interest and bank margin throughout the repayment period including the last payment of interest and bank margin in the draw-down period, the Lender shall transfer the excess amount from the interest subsidy account to the day-to-day account.

#### **3.7.5 Payment of day to day interest**

Danida will on a semi-annual basis, or in connection with the final statement and against documentation, pay any amount of interest or other related funding costs incurred if Danida's support is received late (i.e. after actual disbursements under the loan). The interest rate applied in this connection is the bank's day-to-day interest plus 0.25% p.a. Any payment of interest and other costs by Danida shall be subject to the Lender having submitted a request for payment in due time, i.e. not later than 14 days before any anticipated draw down under the loan.

Amounts of interest credited to premature payment of support shall be payable to Danida when the loan has been fully drawn. Settlement of interest on premature payments will be effected at the bank's day-to-day interest less 0.25% p.a.

In this connection the bank undertakes to file a specification of the interest rate applied if so requested by Danida.

#### **3.7.6 Other payment terms**

If a material delay in the draw down plan is anticipated, Danida must be given notice thereof as soon as it has been detected.

To reduce the number of disbursements from Danida, interest and bank margin during the draw down period shall, where possible, be collected together with the request for payment from Danida in connection with the draw down immediately forthcoming.

The Lender's account number, bank and any reference text for the payment by Danida of interest subsidy etc. shall appear clearly from the request for payment.

#### **3.7.7 Alternative options for payment of subsidy**

Danida may for budgetary reasons choose one of the following two alternative options

for payment of subsidy:

### **Delayed payments**

Danida may choose to delay payments so that the entire subsidy is not paid out in connection with the first disbursements under the loan. Instead payments may be spread out over a number of years. If Danida decides to use this option, it will be clearly stated in the final approval, and a payment plan for the subsidy will be included in the final approval. The payment plan will be based on the draw-down plan for the loan, and therefore, the payment plan is only indicative and payment of subsidy will be done in connection with actual draw-downs under the loan.

### **Payment on actual interest due dates**

Danida may choose to pay interest and bank margin on actual due dates. This implies that the interest subsidy will not be paid out upfront, resulting in the interest subsidy not being used for funding, and hence the Lender is to fund the entire loan. This option will only be used on an exceptional basis, and will be discussed with the Lender as early as possible. If Danida decides to use this option, it will be clearly stated in the preliminary and final approvals.

## **3.8 Final statement to Danida**

A final statement of the interest subsidy etc. shall be filed by the Lender with Danida, including the calculation basis, within 14 days from Starting Point, following the Lender's final recalculation based on the interest swap rate.

The final statement shall be signed by an employee in the Lender's loan administration authorized to sign for the Lender. The statement shall confirm the following:

“It is hereby confirmed that we have reviewed the statement of mixed credit to (Danida ref. no.), and have verified that:

- The statement represents the actual disbursements and the payment of the remaining part of the loan to be effectuated at Starting Point under the mixed credit;
- The statement represents the actual dates of such disbursements;
- The statement represents the actual dates and amounts of interest subsidy etc. received;
- The statement represents the actual interest rates applied during the drawdown period and the actual swap interest rate for the repayment period of the loan;
- The underlying interest rates in the drawdown period have been based on the applicable EURIBOR rate;

- The underlying interest rate for the repayment period have been based on the publicly available interbank rate, and the rate is not higher than that interbank rate plus 3 basis points;
- The cost of funds applied for this loan is real and represents actual cost of funds incurred by the Lender;
- The disbursements, interest subsidies and interest rates are in accordance with the Loan Agreement, Danida's final approval of mixed credit support and any subsequent addenda to such final approval."

Danida reserves the right to obtain further documentation with regard to the final statement of specific projects.

After receiving the final statement and the fixed swap rate for the repayment period of the loan, Danida will calculate whether the required subsidy level as calculated in accordance with the OECD rules has been reached. This calculation along with the final statement will then be forwarded to Danida's auditors. After the audit, Danida will issue a Final Financial Statement showing the exact amount of subsidy needed to fulfil the OECD requirements. The statement will also contain a statement of regulation if such a regulation is needed in order to fulfil the OECD requirements. This will be done within 60 days upon receipt of the final statement from the Lender.

If the audit reveals that the Lender has miscalculated the subsidy amount, and that the amount in the interest subsidy account is larger than what is actually needed, Danida accepts that it is not possible to reclaim such amount during the term of the loan, as this will break the associated funding. Lender must in this situation repay the excessive subsidy amount including accrued interest when the loan has been fully repaid. If the amount of the interest subsidy account is smaller than what is actually needed, Lender will request payment of such amount when the interest subsidy already paid has been fully used and the associated payment of interest becomes due.

#### **4. Reporting**

It is presupposed that the Lender will open a separate account for the loan, and that disbursements, accrued interest etc., are being allocated when due on a continuing basis.

It is further presupposed that separate accounts are kept of interest subsidy used for funding and any prepaid support in respect of each individual mixed credit.

Upon final repayment of the loan and application of the interest subsidy for the agreed purpose, the Lender shall give Danida notice thereof in writing.

Finally, during the utilisation period the Lender will issue quarterly statements of the loan account to Danida to facilitate follow-up on specific projects.

## 5. Other terms governing receipt of mixed credit support

The approval of mixed credit support and the right to receive such support is subject to the Loan Agreement being effective and generally subject to the following conditions:

- That prior to the final approval from Danida, a duly signed Exporter's Declaration has been filed with Danida;
- That before the date of the first disbursement under the loan a duly signed Borrower's Declaration and Buyer/End User's Declaration have been filed with Danida;
- That the financing is in compliance with the final approval and any other information supplied in connection with the application, including application for export credit guarantee;
- That the Lender shall not misrepresent or have misrepresented any fact of material importance to the grant of interest subsidy etc. or fail to disclose any matters which the Lender knew or had reason to believe to be material to the grant of such subsidy etc.;
- That Danida is entitled to demand at any time, to the extent permitted by the banking legislation, to be given access to any documentation pertaining to the matter, including Loan Agreement and draw down documents. It is further a condition that any inquiries by Danida in respect of the matter be duly answered;
- That the Lender immediately submits copies to Danida of reports to EKF in the event of default of payment;
- That the Lender lets Danida know of any information received to the effect that the project is not being implemented in conformity with the commercial contract;
- That where the Borrower redeems the loan prematurely, in whole or in part, Danida must be given prior notice thereof. In such a situation any unutilised interest subsidy shall be applied towards the reduction of the principal of the loan;
- That if the total financing is not utilised in full, the interest subsidy etc. shall be adjusted in relation to the actual financing. However, this applies only if verified acceptance has been performed prior to the Starting Point of the loan;
- That if the subsidy from Danida is discontinued due to breach of the Buyer/End User's Declaration the export credit guarantee will become invalid after three (3) months after Danida giving notice of withdrawal of the unutilised part of the support.

## **6. Non-compliance with terms governing mixed credit support**

Non-compliance of the above general conditions and declarations may cause the approval of mixed credit support to terminate and a right to claim repayment of any support already disbursed.

## **7. Law and jurisdiction**

The issuance of mixed credit support by Danida and the administration thereof by the Lender shall be governed by Danish law, and any dispute shall be brought before the City Court of Copenhagen.