

No. 4997

**INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
and
IRAN**

Loan Agreement — *Road Project* (with annexed Loan Regulations No. 3). Signed at Washington, on 29 May 1959

Official text: English.

Registered by the International Bank for Reconstruction and Development on 7 January 1960.

**BANQUE INTERNATIONALE POUR
LA RECONSTRUCTION ET LE DÉVELOPPEMENT
et
IRAN**

Contrat d'emprunt — *Projet routier* (avec, en annexe, le Règlement n° 3 sur les emprunts.) Signé à Washington, le 29 mai 1959

Texte officiel anglais.

Enregistré par la Banque internationale pour la reconstruction et le développement le 7 janvier 1960.

No. 4997. LOAN AGREEMENT¹ (*ROAD PROJECT*) BETWEEN IRAN AND THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT. SIGNED AT WASHINGTON, ON 29 MAY 1959

AGREEMENT, dated May 29, 1959, between IRAN (hereinafter sometimes called the Borrower) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (hereinafter called the Bank).

Article I

LOAN REGULATIONS; SPECIAL DEFINITIONS

Section 1.01. The parties to this Loan Agreement accept all the provisions of Loan Regulations No. 3 of the Bank dated June 15, 1956,² subject, however, to the modifications thereof set forth in Schedule 3² to this Agreement (said Loan Regulations No. 3 as so modified being hereinafter called the Loan Regulations), with the same force and effect as if they were fully set forth herein.

Section 1.02. Except where the context otherwise requires, the following terms have the following meanings wherever used in this Agreement or any Schedule hereto :

(1) The term "Plan Law" means the Law of Iran of 8 Esfand 1334 (February 27, 1956), providing for the Second Seven Year Development Plan of the Borrower, together with any amendment or amendments thereof.

(2) The term "Plan" means the Second Seven Year Development Plan of the Borrower provided for in the Plan Law.

(3) The term "Plan Organization" means the Plan Organization charged by the Plan Law with the execution of the Plan or any other organization or organizations which may be charged by law with development functions of similar scope and character, and shall include any successor or successors thereto.

(4) The term "Oil Agreement" means the Agreement dated October 29, 1954, between Iran and the National Iranian Oil Company as parties of the first

¹ Came into force on 22 September 1959, upon notification by the Bank to the Government of Iran.

² See p. 128 of this volume.

part and various oil companies as parties of the second and third parts, and shall include all amendments and supplements thereto.

(5) The term "oil" as used herein shall include petroleum and petroleum products.

(6) The term "Oil Revenues" means the total revenues which Iran or any of its political subdivisions, or any agency or instrumentality of any of them, shall receive or is or shall be or become entitled to receive for or on account of the production, refining or sale of oil, or on account of the income derived from any of the foregoing, and includes without limitation all revenues (including payments to the National Iranian Oil Company under the Oil Agreement and income tax) which shall be paid to or for the benefit of the Borrower or any agency or instrumentality of the Borrower (including those credited or to be credited by law to the Plan Organization and the National Iranian Oil Company) as a result of or in respect of the production, refining or sale of oil produced pursuant to the Oil Agreement.

(7) The term "debt service period" means each of the six-month periods commencing on May 2 and November 2 in each year beginning with 1959, and shall also include the period from the date of this Agreement to November 1, 1959.

(8) The term "Ministry" means the Ministry of Roads of the Borrower and shall include any successor thereto.

(9) The term "this Agreement" shall include the Loan Regulations.

(10) The term "First Loan Agreement" means the Loan Agreement dated January 22, 1957¹ between the Borrower and the Bank.

(11) The term "Project" means the project for which the Loan is granted, as described in Schedule 2² to this Agreement and as the description thereof shall be amended from time to time by agreement between the Borrower and the Bank.

Article II

THE LOAN

Section 2.01. The Bank agrees to lend to the Borrower, on the terms and conditions in this Agreement set forth or referred to, an amount in various currencies equivalent to seventy-two million dollars (\$72,000,000).

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

¹ United Nations, *Treaty Series*, Vol. 317, p. 129.

² See p. 126 of this volume.

Section 2.03. Except as the Borrower and the Bank shall otherwise agree :

(a) The Borrower shall be entitled, subject to the provisions of this Agreement, to withdraw from the Loan Account (i) the equivalent of 35% (or such other percentage as shall be established from time to time upon a basis to be agreed upon between the Borrower and the Bank) of amounts paid to contractors under the contracts referred to in Section 5.01 (c) (hereinafter in this Section called Contractors Payments); (ii) such amounts as shall have been otherwise expended (other than for local currency expenditures as defined in paragraph (e) of this Section) for the reasonable cost of goods to be financed under this Loan Agreement; and (iii) if the Bank shall so agree, such amounts as shall be required to meet expenditures eligible under clause (ii).

(b) In addition to withdrawals permitted under paragraph (a) of this Section, the Borrower shall be entitled, subject to the provisions of this Agreement, to make withdrawals from the Loan Account on account of Contractors Payments in excess of amounts permitted to be withdrawn under (i) of paragraph (a) of this Section; provided that the aggregate of amounts withdrawn under this paragraph shall not exceed the equivalent of two million four hundred thousand dollars (\$2,400,000).

(c) Withdrawals under clause (i) of paragraph (a) of this Section and under paragraph (b) of this Section shall be in dollars or such other currencies which are freely convertible into dollars (other than currency of the Borrower) as the Bank may reasonably determine in consultation with the Borrower.

(d) Notwithstanding the foregoing provisions of this Section, no withdrawals shall be made on account of expenditures prior to April 21, 1958 or expenditures in the territories of any country (except Switzerland) which is not a member of the Bank or for goods produced in (including services supplied from) such territories.

(e) As used in this Section, the term " local currency expenditures " means expenditures in the currency of the Borrower or for goods produced in (including services supplied from) the territories of the Borrower.

Section 2.04. The Borrower shall pay to the Bank a commitment charge at the rate of three-fourths of one per cent ($\frac{3}{4}$ of 1%) per annum on the principal amount of the Loan not so withdrawn from time to time. Such commitment charge shall accrue from a date sixty days after the date of this Agreement to the respective dates on which amounts shall be withdrawn by the Borrower from the Loan Account as provided in this Agreement or shall be cancelled pursuant thereto.

Section 2.05. The Borrower shall pay interest at the rate of six per cent

(6%) per annum on the principal amount of the Loan so withdrawn and outstanding from time to time.

Section 2.06. Except as the Borrower and the Bank shall otherwise agree, the charge payable for special commitments entered into by the Bank at the request of the Borrower pursuant to Section 4.02 of the Loan Regulations shall be at the rate of one-half of one per cent ($\frac{1}{2}$ of 1%) per annum on the principal amount of any such special commitments outstanding from time to time.

Section 2.07. Interest and other charges shall be payable semi-annually on May 1 and November 1 in each year.

Section 2.08. The Borrower shall repay the principal of the Loan in accordance with the amortization schedule set forth in Schedule 1¹ to this Agreement.

Section 2.09. The obligation of the Borrower to pay the principal of, and interest and other charges on, the Loan and the Bonds shall be general and not limited or restricted in any way to any particular fund or funds, or source or sources of payment by any other provisions of this Agreement or otherwise.

Article III

USE OF PROCEEDS OF THE LOAN

Section 3.01. The Borrower shall cause the proceeds of the Loan to be applied exclusively to financing the cost of goods required to carry out the Project described in Schedule 2 to this Agreement. The specific goods to be financed out of the proceeds of the Loan and the methods and procedures for procurement of such goods shall be determined by agreement between the Borrower and the Bank, subject to modification by further agreement between them.

Section 3.02. The Borrower shall cause all goods financed out of the proceeds of the Loan to be used in the territories of the Borrower exclusively in the carrying out of the Project.

Article IV

BONDS

Section 4.01. The Borrower shall execute and deliver Bonds representing the principal amount of the Loan as provided in the Loan Regulations.

¹ See p. 124 of this volume.

Section 4.02. The Minister of Finance of the Borrower and such person or persons as he shall appoint in writing are designated as authorized representatives of the Borrower for the purposes of Section 6.12 of the Loan Regulations.

Article V

PARTICULAR COVENANTS

Section 5.01. (a) The Borrower shall cause the Project to be carried out with due diligence and efficiency and in conformity with sound engineering and financial practices.

(b) In the carrying out of the Project the Borrower shall employ or cause to be employed engineering consultants and other experts acceptable to, and to an extent and upon terms and conditions satisfactory to, the Borrower and the Bank.

(c) Except as the Bank shall otherwise agree, all roads included in Part A of the Project shall be constructed or reconstructed by contractors satisfactory to the Borrower and the Bank, employed under contracts satisfactory to the Borrower and the Bank.

(d) The general design standards and the types of surfacing (including pavement) to be used for the roads included in the Project and for the roads to be included in the road programs referred to in Part C of the Project shall be as determined by agreement between the Borrower and the Bank, subject to modification by further agreement between them.

(e) The Borrower shall cause to be furnished to the Bank, promptly upon their preparation, the plans and specifications and the work schedules for the Project and any material modifications subsequently made therein, in such detail as the Bank shall from time to time reasonably request.

(f) The Borrower shall maintain or cause to be maintained records adequate to identify the goods financed out of the proceeds of the Loan, to disclose the use thereof in the Project, to record the progress of the Project (including the cost thereof) and to reflect in accordance with consistently maintained sound accounting practices the operations and financial condition of the Ministry insofar as they relate to the Project and the operations and financial condition of the Plan Organization; shall enable the Bank's representatives to inspect the Project, the goods and any relevant records and documents; and shall furnish to the Bank all such information as the Bank shall reasonably request concerning the expenditure of the proceeds of the Loan, the Project, the goods, the operations and financial condition of the Plan Organization, and the operations and financial condition of the Ministry insofar as they relate to the Project. The Borrower shall also furnish to the Bank all such general information as the Bank shall reasonably request concerning the operations and financial condition of the Ministry insofar as they relate to the road system of the Borrower.

Section 5.02. Without restriction or limitation upon any other provision of this Agreement and without prejudice to the provisions of the First Loan Agreement or the arrangements therein in Section 6.04 provided for, the Borrower shall at all times make available for disbursement promptly as needed all sums which shall be required for the carrying out of the Project.

Section 5.03. The Borrower shall cause all machinery and equipment purchased by it and financed out of the proceeds of the Loan to be adequately maintained and repaired and shall cause suitable workshops to be maintained in suitable places for that purpose.

Section 5.04. (a) The Borrower shall at all times cause all roads included in the Project to be adequately maintained during and after construction in accordance with sound engineering practices.

(b) The Borrower further undertakes that it will cause the Ministry diligently to take all steps necessary, including the employment of technical experts, to develop and strengthen the maintenance organization and facilities of the Ministry so that they will be adequate to maintain, in accordance with sound engineering practices, all roads in Iran.

Section 5.05. The Borrower shall take all such action as shall be necessary to ensure that the dimensions and weights of vehicles using the roads of the Borrower shall be kept within limits substantially in accordance with the standards agreed upon at the United Nations Conference on Road and Motor Transport held at Geneva, Switzerland in 1949 previously adopted by the Borrower.

Section 5.06. (a) The Borrower and the Bank shall cooperate fully to assure that the purposes of the Loan will be accomplished. To that end, each of them shall furnish to the other all such information as it shall reasonably request with regard to the general status of the Loan. On the part of the Borrower, such information shall include information with respect to financial and economic conditions in the territories of the Borrower and the international balance of payments position of the Borrower.

(b) The Borrower and the Bank shall from time to time exchange views through their representatives with regard to matters relating to the purposes of the Loan and the maintenance of the service thereof. The Borrower shall promptly inform the Bank of any condition which interferes with, or threatens to interfere with, the accomplishment of the purposes of the Loan or the maintenance of the service thereof or the implementation of the arrangements provided for in Section 5.08 *(a)*.

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

Section 5.07. The Borrower undertakes that, if the Borrower or any

political subdivision of the Borrower or any agency of any of them (including, without limitation, the Plan Organization and the Bank Melli Iran) shall propose to incur, assume or guarantee any external debt or substantially to modify the terms of payment of any such external debt from time to time outstanding, the Borrower shall inform the Bank of such proposal and, before the proposed action is taken, shall afford the Bank all opportunity which is reasonably practicable in the circumstances to exchange views with the Borrower with respect thereto. The foregoing provisions of this Section shall not apply to: (i) the incurring of additional external debt through utilization, in accordance with the terms of any credit established prior to the date of this Agreement, of any unused amounts available under such credit; (ii) the entering into international payments or similar agreements the term of which is not more than one year and under which the transactions on each side are expected to balance over the period of the agreement; or (iii) the incurring by the Bank Melli Iran in the ordinary course of its business of any indebtedness maturing not more than one year after its date. For the purposes of this Section debt shall be deemed to include, without limitation, suppliers' credits, other than normal commercial current accounts.

Section 5.08. Except as the Borrower and the Bank shall otherwise agree :

(a) The Borrower shall make arrangements, satisfactory to the Bank, for setting aside part or all of the Oil Revenues, as received or credited to or for the benefit of the Borrower or the Plan Organization or otherwise, for the payment of the principal of, and interest and other charges on, the Loan and the Bonds. Such arrangements shall be in addition to and without prejudice to the provisions of Section 6.04 of the First Loan Agreement and arrangements thereunder approved by the Bank and, when approved by the Bank, shall not be changed without the prior approval of the Bank.

(b) The Borrower agrees that it will not, without the consent of the Bank, take, or permit or consent to be taken, any action which could or might prevent or interfere with the implementation of the arrangements from time to time in effect and approved by the Bank pursuant to paragraph (a) of this Section or the payment in full from the Oil Revenues of the principal of, and interest and other charges on, the Loan and the Bonds, as they become due, including without limitation any action which would result in the revenues subject to such arrangements (exclusive of any part thereof which is subject to the arrangements approved by the Bank pursuant to Section 6.04 (a) of the First Loan Agreement) being insufficient during any debt service period to pay the principal of, and interest and other charges on, the Loan and the Bonds.

(c) The Borrower shall make appropriate modifications, satisfactory to the Bank, in the arrangements from time to time in effect and approved by the Bank pursuant to paragraph (a) of this Section promptly as and if required to

ensure that in each debt service period there will continue to be subject to such arrangements Oil Revenues (exclusive of any part thereof which is subject to the arrangements approved by the Bank pursuant to Section 6.04 (a) of the First Loan Agreement) in sufficient amounts to pay the principal, interest and other charges coming due on the Loan and the Bonds at the end of that period.

Section 5.09. The principal of, and interest and other charges on, the Loan and the Bonds shall be paid without deduction for, and free from, any taxes or fees imposed under the laws of the Borrower or laws in effect in its territories; provided, however, that the provisions of this Section shall not apply to taxation of, or fees upon, payments under any Bond to a holder thereof other than the Bank when such Bond is beneficially owned by an individual or corporate resident of the Borrower.

Section 5.10. The Loan Agreement and the Bonds shall be free from any taxes or fees that shall be imposed under the laws of the Borrower or laws in effect in its territories on or in connection with the execution, issue, delivery or registration thereof and the Borrower shall pay all such taxes and fees, if any, imposed under the laws of the country or countries in whose currency the Loan and the Bonds are payable or laws in effect in the territories of such country or countries.

Section 5.11. The principal of, and interest and other charges on, the Loan and the Bonds shall be paid free from all restrictions imposed under the laws of the Borrower or laws in effect in its territories.

Section 5.12. The Borrower shall satisfy the Bank that adequate arrangements have been made to insure the goods financed out of the proceeds of the Loan against risks incident to their purchase and importation into the territories of the Borrower.

Section 5.13. The Borrower shall cause the road from Saghez to Tabriz which connects with the road referred to in item (4) of Part A of the Project, and the road from Teheran to Rudehen which connects with the road referred to in item (6) of Part A of the Project, to be rehabilitated, except for surfacing, to at least the standards established for the construction of second class roads in Iran, and shall cause the rehabilitation of each such road to be completed by the time work on the relative connecting road is completed.

Article VI

REMEDIES OF THE BANK

Section 6.01. (i) If any event specified in paragraph (a) or paragraph (b) of Section 5.02 of the Loan Regulations shall occur and shall continue for a

period of thirty days, or (ii) if any event specified in paragraph (c) of Section 5.02 of the Loan Regulations shall occur and shall continue for a period of sixty days after notice thereof shall have been given by the Bank to the Borrower, then at any subsequent time during the continuance thereof, the Bank, at its option, may declare the principal of the Loan and of all the Bonds then outstanding to be due and payable immediately, and upon any such declaration such principal shall become due and payable immediately, anything in this Agreement or in the Bonds to the contrary notwithstanding.

Section 6.02. For the purposes of Section 5.02 (h) of the Loan Regulations, the following additional event is specified : a default shall have occurred in the performance of any other covenant or agreement of the Borrower under the First Loan Agreement.

Article VII

EFFECTIVE DATE; TERMINATION

Section 7.01. The following events are specified as additional conditions to the effectiveness of this Agreement within the meaning of Section 9.01 (b) of the Loan Regulations :

The Borrower shall have made, or caused to be made, and the Bank shall have approved, the arrangements provided for in Section 5.08 (a) of the Loan Agreement.

Section 7.02. The following is specified as an additional matter, within the meaning of Section 9.02 (c) of the Loan Regulations, to be included in the opinion or opinions to be furnished to the Bank :

That the arrangements approved by the Bank pursuant to Section 5.08 (a) of the Loan Agreement are valid.

Section 7.03. A date 60 days after the date of this Agreement is hereby specified for the purposes of Section 9.04 of the Loan Regulations.

Article VIII

MISCELLANEOUS

Section 8.01. The Closing Date shall be May 31, 1963.

Section 8.02. The following addresses are specified for the purposes of Section 8.01 of the Loan Regulations :

For the Borrower :

Plan Organization
Teheran
Iran

Alternative cable address :

Barnameh
Teheran, Iran

For the Bank :

International Bank for Reconstruction and Development
1818 H Street, N. W.
Washington 25, D. C.
United States of America

Alternative cable address :

Intbafrad
Washington, D. C.

Section 8.03. (a) Except as the Bank shall be otherwise notified by the Borrower any notice or request required or permitted to be given or made by the Bank to the Borrower pursuant to the provisions of this Agreement or of the Bonds shall be deemed to have been duly given or made if it is given or made to the Plan Organization at the address specified in Section 8.02 of this Agreement.

(b) The Prime Minister of the Borrower and such person or persons as he shall nominate for the purpose are and each of them severally is hereby designated by the Borrower to sign the applications and requests and furnish the supporting documentation provided for in Article IV of the Loan Regulations with respect to expenditures on Parts A and C of the Project, and the Minister of Roads and such person or persons as he shall nominate for the purpose are and each of them severally is hereby designated by the Borrower to sign the applications and requests and furnish the supporting documentation provided for in said Article, with respect to expenditures on Part B of the Project.

Section 8.04. Without prejudice to the provisions of Section 8.03 hereof the Prime Minister and the Minister of Finance of the Borrower are, and each of them separately is, designated for the purposes of Section 8.03 of the Loan Regulations.

IN WITNESS WHEREOF, the parties hereto, acting through their representatives thereunto duly authorized, have caused this Loan Agreement to be signed in their respective names and delivered in the District of Columbia, United States of America, as of the day and year first above written.

Iran :

By K. HEDAYAT
Authorized Representative

International Bank for Reconstruction and Development :

By J. Burke KNAPP
Vice President

SCHEDULE 1
AMORTIZATION SCHEDULE

<i>Date Payment Due</i>	<i>Payment of Principal (expressed in dollars)*</i>	<i>Date Payment Due</i>	<i>Payment of Principal (expressed in dollars)*</i>
May 1, 1961	\$1,500,000	May 1, 1969	\$2,212,000
Nov. 1, 1961	1,500,000	Nov. 1, 1969	2,278,000
May 1, 1962	1,500,000	May 1, 1970	2,346,000
Nov. 1, 1962	1,500,000	Nov. 1, 1970	2,417,000
May 1, 1963	2,500,000	May 1, 1971	2,489,000
Nov. 1, 1963	2,500,000	Nov. 1, 1971	2,564,000
May 1, 1964	2,646,000	May 1, 1972	2,641,000
Nov. 1, 1964	1,695,000	Nov. 1, 1972	2,720,000
May 1, 1965	1,746,000	May 1, 1973	2,802,000
Nov. 1, 1965	1,798,000	Nov. 1, 1973	2,886,000
May 1, 1966	1,852,000	May 1, 1974	2,972,000
Nov. 1, 1966	1,908,000	Nov. 1, 1974	3,061,000
May 1, 1967	1,965,000	May 1, 1975	3,153,000
Nov. 1, 1967	2,024,000	Nov. 1, 1975	3,248,000
May 1, 1968	2,085,000	May 1, 1976	3,345,000
Nov. 1, 1968	2,147,000		

* To the extent that any part of the Loan is repayable in a currency other than dollars (see Loan Regulations, Section 3.02), the figures in this column represent dollar equivalents determined as for purposes of withdrawal.

PREMIUMS ON PREPAYMENT AND REDEMPTION

The following percentages are specified as the premiums payable on repayment in advance of maturity of any part of the principal amount of the Loan pursuant to Section 2.05 (b) of the Loan Regulations or on the redemption of any Bond prior to its maturity pursuant to Section 6.16 of the Loan Regulations :

<i>Time of Prepayment or Redemption</i>	<i>Premium</i>
Not more than 3 years before maturity	½ of 1%
More than 3 years but not more than 6 years before maturity	1½%
More than 6 years but not more than 11 years before maturity	2½%
More than 11 years but not more than 14 years before maturity	3½%
More than 14 years but not more than 16 years before maturity	5%
More than 16 years before maturity	6%

SCHEDULE 2

DESCRIPTION OF THE PROJECT

I. The Project consists of :

A. Road Construction and Reconstruction

The construction and reconstruction of about 2470 kilometers of the following main roads in western and southern Iran :

- (1) Khorramshahr–Bandar Pahlavi (via Ahwaz, Andimeshk, Khorramabad, Hamedan, Ghazvin and Rasht)
- (2) Hamedan–Khosrovi (via Kermanshah and Shahabad)
- (3) Shahabad–Malavi
- (4) Kermanshah–Saghez (via Divandarreh)
- (5) Bijar–Divandarreh
- (6) Rudehen–Babol (via Abegarm and Amol)
- (7) Ahwaz–Sar Bandar (via Khalafabad)

This part of the Project will be carried out by the Plan Organization, using local and foreign contractors who will be under the supervision of engineering consultants, and includes the assignment to such engineering consultants, for training in modern road construction methods, of personnel from the technical staff of the Ministry.

B. Road Rehabilitation and Improvement

The rehabilitation and improvement of the existing road of about 440 kilometers between Khalafabad and Shiraz to the extent necessary to permit year-round use thereof.

This part of the Project will be carried out under the direct administration of the Ministry, with the aid of experts.

C. Road Planning and Preliminary Engineering

The planning and preliminary engineering of a second main road program and a feeder road program. The general scope of such programs and the arrangements for the surveying and planning of such programs will be determined by agreement between the Borrower and the Bank. This part of the Project includes the carrying out of the necessary economic and engineering surveys and the preparation of the preliminary plans, designs and cost estimates necessary to establish a reasonable estimate of the overall cost of such programs so that at a later stage detailed plans and tender documents therefor can be prepared. The term "second main road program" as used herein means the program of construction, reconstruction and rehabilitation of those main roads for which the Borrower has established a priority and which it intends to construct, reconstruct or rehabilitate simultaneously with, or after the completion of, the execution of the Project.

II. The Project is scheduled to be completed before June 30, 1962.

SCHEDULE 3

MODIFICATIONS OF LOAN REGULATIONS No. 3

For the purposes of this Agreement the provisions of Loan Regulations No. 3 of the Bank, dated June 15, 1956, shall be deemed to be modified as follows :

(a) Section 2.02 is deleted.

(b) The second sentence of Section 3.01 is amended to read as follows :

“ Subject to the provisions of the Loan Agreement, the proceeds of the Loan shall, to the extent that the Bank shall so elect, be withdrawn from the Loan Account in the several currencies in which goods are paid for. ”

(c) Section 3.05 is amended to read as follows :

“ SECTION 3.05. *Valuation of Currencies.* Whenever it shall be necessary for the purposes of this Agreement to value one currency in terms of another currency, such value shall be as reasonably determined by the Bank. ”

(d) Section 4.01 is deleted.

(e) Section 9.03 is amended to read as follows :

“ SECTION 9.03. *Effective Date.* Notwithstanding the provisions of Section 8.01, except as shall be otherwise agreed by the Borrower and the Bank, the Loan Agreement shall come into force and effect on the date upon which the Bank dispatches to the Borrower notice of its acceptance of the evidence required by Section 9.01. ”

(f) Paragraph 13 of Section 10.01 is amended to read as follows :

“ The term ‘ external debt ’ means any debt payable in any medium other than currency of the Borrower, whether such debt is or may become payable absolutely or at the option of the creditor in such other medium. ”

(g) Paragraph 11 of Section 10.01 is deleted.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

LOAN REGULATIONS No. 3, DATED 15 JUNE 1956

REGULATIONS APPLICABLE TO LOANS MADE BY THE BANK TO MEMBER GOVERNMENTS

[Not published herein. See *United Nations, Treaty Series, Vol. 280, p. 302.*]