

No. 8200

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**INTERNATIONAL DEVELOPMENT ASSOCIATION  
and  
MOROCCO**

**Development Credit Agreement—*Education Project* (with related letter and annexed Development Credit Regulations No. 1). Signed at Washington, on 11 October 1965**

*Official text: English.*

*Registered by the International Development Association on 26 May 1966.*

**ASSOCIATION INTERNATIONALE  
DE DÉVELOPPEMENT  
et  
MAROC**

**Contrat de crédit de développement — *Projet relatif à l'enseignement* (avec lettre y relative et, en annexe, le Règlement n° 1 sur les crédits de développement). Signé à Washington, le 11 octobre 1965**

*Texte officiel anglais.*

*Enregistré par l'Association internationale de développement le 26 mai 1966.*

No. 8200. DEVELOPMENT CREDIT AGREEMENT<sup>1</sup> (*EDUCATION PROJECT*) BETWEEN THE KINGDOM OF MOROCCO AND THE INTERNATIONAL DEVELOPMENT ASSOCIATION. SIGNED AT WASHINGTON, ON 11 OCTOBER 1965

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AGREEMENT, dated October 11, 1965, between the KINGDOM OF MOROCCO (hereinafter called the Borrower) and INTERNATIONAL DEVELOPMENT ASSOCIATION (hereinafter called the Association).

*Article I*

CREDIT REGULATIONS

*Section 1.01.* The parties to this Agreement accept all the provisions of Development Credit Regulations No. 1 of the Association dated June 1, 1961,<sup>2</sup> with the same force and effect as if they were fully set forth herein subject, however, to the following modifications thereof (said Development Credit Regulations No. 1 as so modified being hereinafter called the Regulations):

(a) The second sentence of Section 2.02 is amended by deleting the words "at the same rate" and substituting therefor the words "at the rate of one-half of one per cent ( $\frac{1}{2}$  of 1%) per annum".

(b) Section 3.01 is deleted and the following new Section is substituted therefor:

"SECTION 3.01. *Currencies in which Cost of Goods is to be Paid and Proceeds of the Credit are to be Withdrawn.* (a) Except as the Borrower and the Association shall otherwise agree, the cost of goods financed out of the proceeds of the Credit shall be paid in the respective currencies of the countries from which such goods are acquired.

"(b) The proceeds of the Credit shall be withdrawn from the Credit Account:

"(i) on account of expenditures in currency of the Borrower or for goods produced in (including services supplied from) the territories of the Borrower, in such currency or currencies as the Association shall from time to time reasonably select;

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<sup>1</sup> Came into force on 28 December 1965, upon notification by the Association to the Government of Morocco.

<sup>2</sup> See p. 318 of this volume.

“ (ii) in all other cases, in the currency in which the cost of the goods financed out of such proceeds has been paid or is payable.

“ (c) The Borrower and the Association may from time to time agree on any other currency in which withdrawals shall be made. ”

(c) A new Section 3.04 is inserted after Section 3.03 as follows :

“ SECTION 3.04. *Purchase of Currency of Withdrawal with Other Currency.* If withdrawal shall be made in any currency which the Association shall have purchased with another currency for the purpose of such withdrawal, the portion of the Credit so withdrawn shall be deemed to have been withdrawn from the Credit Account in such other currency for the purposes of Section 3.03. ”

(d) Section 3.04 is renumbered as Section 3.05.

(e) Section 8.04 is deleted.

## Article II

### THE CREDIT

*Section 2.01.* The Association agrees to make available to the Borrower, on the terms and conditions in the Development Credit Agreement set forth or referred to, a development credit in an amount in various currencies equivalent to eleven million dollars (\$11,000,000).

*Section 2.02.* The Association shall open a Credit Account in the name of the Borrower and shall credit to such Credit Account the amount of the Credit. The amount of the Credit may be withdrawn from the Credit Account as provided in, and subject to the rights of cancellation and suspension set forth in, the Development Credit Agreement.

*Section 2.03.* Except as the Association shall otherwise agree, the Borrower shall be entitled, subject to the provisions of the Development Credit Agreement, to withdraw from the Credit Account :

- (a) such amounts as shall be the equivalent of 80 per cent (or such other percentage as may from time to time be established by agreement between the Borrower and the Association) of such amounts as shall have been expended for the reasonable cost of goods required for carrying out the Project; and
- (b) if the Association shall so agree, such amounts as shall be required to meet payments under (a) above;

provided, however, that no withdrawals shall be made on account of expenditures prior to September 1, 1965.

*Section 2.04.* The Borrower shall pay to the Association a service charge at the rate of three-fourths of one per cent ( $\frac{3}{4}$  of 1%) per annum on the principal amount of the Credit withdrawn and outstanding from time to time.

*Section 2.05.* Service charges shall be payable semi-annually on March 15 and September 15 in each year.

*Section 2.06.* The Borrower shall repay the principal of the Credit withdrawn from the Credit Account in semi-annual instalments payable on each March 15 and September 15 commencing March 15, 1976 and ending September 15, 2015, each instalment to and including the instalment payable on September 15, 1985, to be one-half of one per cent ( $\frac{1}{2}$  of 1%) of such principal amount, and each instalment thereafter to be one and one-half per cent ( $1\frac{1}{2}$ %) of such principal amount.

### *Article III*

#### USE OF THE PROCEEDS OF THE CREDIT

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

*Section 3.02.* Except as the Borrower and the Association shall otherwise agree, the Borrower shall cause all goods financed out of the proceeds of the Credit to be used in the territories of the Borrower exclusively in the carrying out of the Project.

### *Article IV*

#### PARTICULAR COVENANTS

*Section 4.01.* (a) The Borrower shall carry out or cause the Project to be carried out with due diligence and efficiency, in conformity with sound technical standards and with due regard to economy.

(b) The Borrower shall cause the schools included in the Project to be operated under sound and qualified administration and to be provided with qualified teachers in adequate numbers.

(c) The Borrower shall cause the buildings and equipment of the schools included in the Project to be maintained and shall cause all necessary renewals and repairs to be made thereto.

(d) Except as the Association shall otherwise agree, in the carrying out of the Project the Borrower shall employ or cause to be employed qualified and experienced architects, engineers and other consultants acceptable to the Bor-

rower and the Association, upon terms and conditions satisfactory to the Borrower and Association.

(e) Except as the Association shall otherwise agree, the Borrower shall cause the Project to be carried out by contractors acceptable to the Borrower and the Association employed under contracts satisfactory to the Borrower and the Association.

(f) Except as the Association shall otherwise agree, the Borrower shall furnish or cause to be furnished to the Association for its approval promptly upon their preparation the plans, specifications, contracts and work schedules for the construction included in the Project and any material modifications subsequently made therein, in such detail as the Association shall request.

*Section 4.02.* The Borrower shall at all times make or cause to be made available immediately as needed all funds and other resources, including land, required for the carrying out of the Project and for the operation and maintenance of the schools included in the Project.

*Section 4.03.* The Borrower shall maintain or cause to be maintained records adequate to identify the goods financed out of the proceeds of the Credit, 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 agency or agencies of the Borrower responsible for the carrying out of the Project or any part thereof; shall enable the Association's representatives to inspect the Project, the goods and any relevant records and documents; and shall furnish or cause to be furnished to the Association all such information as the Association shall reasonably request concerning the expenditure of the proceeds of the Credit, the Project, the goods and the administration, operations and financial condition of the agency or agencies of the Borrower responsible for the carrying out of the Project or any part thereof.

*Section 4.04.* (a) The Borrower and the Association shall cooperate fully to ensure that the purposes of the Credit 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 Credit. 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 to the international balance of payments position of the Borrower.

(b) The Borrower and the Association shall from time to time exchange views through their representatives with regard to matters relating to the purposes of the Credit and the maintenance of the service thereof. The Borrower

shall promptly inform the Association of any condition which interferes with, or threatens to interfere with, the accomplishment of the purposes of the Credit or the maintenance of the service thereof.

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

*Section 4.05.* Except as shall be otherwise agreed between the Borrower and the Association, the Borrower shall insure or cause to be insured with responsible insurers all goods financed out of the proceeds of the Credit. Such insurance shall cover such marine, transit and other risks incident to delivery of the goods into the territories of the Borrower and to the site of the Project, and shall be for such amounts, as are consistent with sound commercial practice. Indemnity under such insurance shall be payable in freely convertible currencies or in the currency in which the cost of the goods insured thereunder shall be payable.

*Section 4.06.* The principal of, and service charges on, the Credit shall be paid without deduction for, and free from, any taxes, and free from all restrictions, imposed under the laws of the Borrower or laws in effect in its territories.

*Section 4.07.* The Development Credit Agreement shall be free from any taxes that shall be imposed under the laws of the Borrower or laws in effect in its territories on or in connection with the execution, delivery or registration thereof.

## *Article V*

### REMEDIES OF THE ASSOCIATION

*Section 5.01.* (i) If any event specified in paragraph (a) or paragraph (c) of Section 5.02 of the Regulations shall occur and shall continue for a period of thirty days, or (ii) if any event specified in paragraph (b) of Section 5.02 of the Regulations shall occur and shall continue for a period of sixty days after notice thereof shall have been given by the Association to the Borrower, then at any subsequent time during the continuance thereof the Association, at its option, may declare the principal of the Credit 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 to the contrary notwithstanding.

*Article VI*

## EFFECTIVE DATE; TERMINATION

*Section 6.01.* If this Development Credit Agreement shall not have become effective by December 31, 1965, this Development Credit Agreement and all obligations of the parties hereunder shall terminate, unless the Association, after consideration of the reasons for the delay, establishes a later date for the purposes of this Section. The Association shall promptly notify the Borrower of such later date.

*Article VII*

## MISCELLANEOUS

*Section 7.01.* The Closing Date shall be June 30, 1971, or such other date as may from time to time be agreed between the Borrower and the Association.

*Section 7.02.* The following addresses are specified for the purposes of Section 7.01 of the Regulations :

For the Borrower :

Ministère des Finances  
Rabat, Morocco

Alternative address for cables and radiograms :

Ministère Finances  
Rabat, Morocco

For the Association :

International Development Association  
1818 H Street, N.W.  
Washington, D.C. 20433  
United States of America

Alternative address for cables and radiograms :

Indevas  
Washington, D.C.

*Section 7.03.* The Minister of Finance of the Borrower is designated for the purposes of Section 7.03 of the Regulations.

IN WITNESS WHEREOF, the parties hereto acting through their representatives thereunto duly authorized, have caused this Development Credit 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.

Kingdom of Morocco :

By Ahmed LARAKI  
Authorized Representative

International Development Association :

By George D. WOODS  
President

## SCHEDULE

### DESCRIPTION OF PROJECT

The Project consists of the construction and equipment of the following twenty-one multilateral secondary schools :

1. *Agadir-Lycée*: Buildings to include 30 classrooms, administration rooms, science laboratories, dormitories, dining and auxiliary facilities for 180 boarders (120 boys and 60 girls).

2. *Aouamra-Agricultural College—short course*: Buildings to include 10 classrooms, administration rooms, science laboratories, one workshop, dormitories, dining and auxiliary facilities for 180 boarders, all boys.

3. *Beni Mellal-Lycée*: Buildings to include 40 classrooms, administration rooms, science laboratories, dormitories, dining and auxiliary facilities for 180 boarders (120 boys and 60 girls).

4. *Casablanca-Lycée*: Buildings to include 40 classrooms, administration rooms and science laboratories.

5. *Fes-Lycée*: Buildings to include 30 classrooms, administration rooms, science laboratories, two workshops, dormitories, dining and auxiliary facilities for 180 boarders, all boys.

6. *Kenitra-Lycée*: Buildings to include 40 classrooms, administration rooms, dormitories, dining and auxiliary facilities for 180 boarders (120 boys and 60 girls).

7. *Khouribga-Lycée*: Buildings to include 30 classrooms, administration rooms, science laboratories, dormitories, dining and auxiliary facilities for 180 boarders (120 boys and 60 girls).

8. *Ksar-es-Souk-Lycée*: Buildings to include 30 classrooms, administration rooms, science laboratories, one workshop, dormitories, dining and auxiliary facilities for 180 boarders (120 boys and 60 girls).

9. *Marrakech-Lycée*: Buildings to include 40 classrooms, administration rooms, science laboratories, dormitories, dining and auxiliary facilities for 180 boarders, all girls.



10. *Meknes-Lycée*: Buildings to include 40 classrooms, administration rooms, science laboratories, dormitories, dining and auxiliary facilities for 180 boarders, all boys.

11. *Midelt-Technical College—short course—*: Buildings to include 10 classrooms, administration rooms, science laboratories, one workshop, dormitories, dining and auxiliary facilities for 180 boarders (120 boys and 60 girls).

12. *Nador-Lycée*: Buildings to include 30 classrooms, administration rooms and science laboratories.

13. *Oujda-Lycée*: Buildings to include 30 classrooms, administration rooms, science laboratories, dormitories, dining and auxiliary facilities for 180 boarders (120 boys and 60 girls).

14. *Quezzane-Lycée*: Buildings to include 30 classrooms, administration rooms, science laboratories, dormitories, dining and auxiliary facilities for 180 boarders (120 boys and 60 girls).

15. *Safi-Lycée*: Buildings to include 40 classrooms, administration rooms, science laboratories, dormitories, dining and auxiliary facilities for 180 boarders (120 boys and 60 girls).

16. *Sefron-Lycée*: Buildings to include 30 classrooms, administration rooms, science laboratories, dormitories, dining and auxiliary facilities for 180 boarders (120 boys and 60 girls).

17. *Settat-Agricultural College—short course—*: Buildings to include 20 classrooms, administration rooms, science laboratories, one workshop, dormitories, dining and auxiliary facilities for 180 boarders, all boys.

18. *Sidi-Slimane-Agricultural College—short course—*: Buildings to include 20 classrooms, administration rooms, science laboratories, one workshop, dormitories, dining and auxiliary facilities for 180 boarders, all boys.

19. *Taroudant-Agricultural College—short course—*: Buildings to include 20 classrooms, administration rooms, science laboratories, one workshop, dormitories, dining and auxiliary facilities for 180 boarders, all boys.

20. *Taza-Lycée*: Buildings to include 40 classrooms, administration rooms, science laboratories, dormitories, dining and auxiliary facilities for 180 boarders (90 boys and 90 girls).

21. *Tetouan-Lycée*: Buildings to include 30 classrooms, administration rooms, science laboratories, two workshops, dormitories, dining and auxiliary facilities for 180 boarders (120 boys and 60 girls).

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The Project is expected to be completed by the end of 1970.

## LETTER RELATING TO THE DEVELOPMENT CREDIT AGREEMENT

KINGDOM OF MOROCCO

October 11, 1965

International Development Association  
1818 H Street, N.W.  
Washington, D.C. 20433

Re : *Credit No. 79 MOR (Education Project)*  
*Currency of Repayment*

Dear Sirs :

We refer to the Development Credit Agreement (*Education Project*) of even date<sup>1</sup> between us and to Section 3.02 of the Regulations referred to therein. Pursuant to such Section, we hereby request your agreement as follows :

- (i) Except as hereinafter provided, the principal amount of, and service charges on, the Credit provided for in such Agreement shall be payable in the currency of the Republic of France.
- (ii) If at any time we shall desire that, commencing with a given future payment date, such principal and service charges shall be payable in an eligible currency other than that specified in (i) or than one theretofore designated pursuant to this clause (ii) or selected pursuant to clause (iv), we shall deliver to the Association, not less than three nor more than five months prior to such payment date, a notice in writing to that effect and designating such other eligible currency, whereupon the currency so designated shall, commencing with such payment date, be the currency in which such principal and service charges shall be payable.
- (iii) If at any time the Association shall determine that a currency payable pursuant to the provisions of this letter is not an eligible currency, the Association shall so notify us in writing and furnish us with a list of eligible currencies.
- (iv) Within thirty days from the date of such notice, we shall notify the Association in writing of our selection of a currency from such list in which payment shall be made, failing which the Association shall select a currency for such purpose from such list, whereupon, in either case, such principal and service charges shall, commencing with the payment date next succeeding such thirty-day period, be payable in the currency so selected.
- (v) For the purposes of this letter, "eligible currency" means any currency of a member of the Association which the Association at the relevant time determines to be freely convertible or freely exchangeable by it for currencies of other members of the Association for the purposes of its operations.

<sup>1</sup> See p. 300 of this volume.

Please indicate your agreement with the foregoing by signing the form of confirmation on the enclosed copy of this letter and returning it to us.

Very truly yours,

Kingdom of Morocco :

By Ahmed LARAKI  
Authorized Representative

*Confirmed:*

International Development Association :

By A. G. EL EMARY  
Director, Africa Department

INTERNATIONAL DEVELOPMENT ASSOCIATION

DEVELOPMENT CREDIT REGULATIONS No. 1, DATED 1 JUNE 1961

REGULATIONS APPLICABLE TO DEVELOPMENT CREDIT AGREEMENTS WITH  
MEMBER GOVERNMENTS

[*Not published herein. See United Nations, Treaty Series, Vol. 415, p. 68.*]