

No. 8247

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

Guarantee Agreement—*Agricultural Credit Project* (with annexed Loan Regulations No. 4 and Loan Agreement between the Bank and the Caisse nationale de crédit agricole). Signed at Washington, on 8 November 1965

Official text: English.

Registered by the International Bank for Reconstruction and Development on 12 July 1966.

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

Contrat de garantie — *Projet relatif au crédit agricole* (avec, en annexe, le Règlement n° 4 sur les emprunts et le Contrat d'emprunt entre la Banque et la Caisse nationale de crédit agricole). Signé à Washington, le 8 novembre 1965

Texte officiel anglais.

Enregistré par la Banque internationale pour la reconstruction et le développement le 12 juillet 1966.

No. 8247. GUARANTEE AGREEMENT¹ (*AGRICULTURAL CREDIT PROJECT*) BETWEEN THE KINGDOM OF MOROCCO AND THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT. SIGNED AT WASHINGTON, ON 8 NOVEMBER 1965

AGREEMENT, dated November 8, 1965, between the KINGDOM OF MOROCCO (hereinafter called the Guarantor) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (hereinafter called the Bank).

WHEREAS by an agreement of even date herewith between the Bank and Caisse Nationale de Crédit Agricole (hereinafter called the Borrower), which agreement and the schedules therein referred to are hereinafter called the Loan Agreement,² the Bank has agreed to make to the Borrower a loan in various currencies equivalent to ten million dollars (\$10,000,000), on the terms and conditions set forth in the Loan Agreement, but only on condition that the Guarantor agree to guarantee the payment of the principal of and interest and other charges on such loan; and

WHEREAS the Guarantor, in consideration of the Bank's entering into the Loan Agreement with the Borrower, has agreed so to guarantee such obligations of the Borrower;

NOW THEREFORE the parties hereto hereby agree as follows :

Article I

Section 1.01. The parties to this Guarantee Agreement accept all the provisions of Loan Regulations No. 4 of the Bank dated February 15, 1961,² subject, however, to the modifications thereof set forth in Section 1.01 of the Loan Agreement (said Loan Regulations No. 4 as so modified being hereinafter called the Loan Regulations), with the same force and effect as if they were fully set forth herein. The terms defined in Section 1.02 of said Loan Agreement shall have the same meaning herein as if such Section were fully set forth herein.

Article II

Section 2.01. Without limitation or restriction upon any of the other covenants on its part in this Agreement contained, the Guarantor hereby uncon-

¹ Came into force on 17 February 1966, upon notification by the Bank to the Government of Morocco.

² See p. 288 of this volume.

ditionally guarantees, as primary obligor and not as surety merely, the due and punctual payment of the principal of, and the interest and other charges on, the Loan, the principal of and interest on the Bonds, and the premium, if any, on the prepayment of the Loan or the redemption of the Bonds, all as set forth in the Loan Agreement and in the Bonds.

Article III

Section 3.01. It is the mutual intention of the Guarantor and the Bank that no other external debt shall enjoy any priority over the Loan by way of a lien on governmental assets. To that end, the Guarantor undertakes that, except as the Bank shall otherwise agree, if any lien shall be created on any assets of the Guarantor as security for any external debt, such lien will *ipso facto* equally and ratably secure the payment of the principal of, and interest and other charges on, the Loan and the Bonds, and that in the creation of any such lien express provision will be made to that effect; provided, however, that the foregoing provisions of this Section shall not apply to : (i) any lien created on property, at the time of purchase thereof, solely as security for the payment of the purchase price of such property; (ii) any lien created in the ordinary course of business on commercial goods to secure a debt maturing not more than one year after the date on which it is originally incurred and to be paid out of the proceeds of sale of such commercial goods; or (iii) any lien arising in the ordinary course of banking transactions and securing a debt maturing not more than one year after its date.

The term “ assets of the Guarantor ” as used in this Section includes assets of the Guarantor or of any of its political subdivisions or of any agency of the Guarantor or of any such political subdivision, including the Banque du Maroc or any other institution performing the functions of a central bank.

Section 3.02. (a) The Guarantor and the Bank shall cooperate fully to assure that the purposes of the Loan shall 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 Guarantor, such information shall include information with respect to financial and economic conditions in the territories of the Guarantor and the international balance of payments position of the Guarantor.

(b) The Guarantor 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 Guarantor shall promptly inform the Bank of any condition which shall arise that shall interfere with, or threaten to interfere with, the accomplishment of the purposes of the Loan or the maintenance of the service thereof.

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

Section 3.03. 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 imposed under the laws of the Guarantor or laws in effect in its territories; provided, however, that the provisions of this Section shall not apply to taxation of 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 Guarantor.

Section 3.04. This Guarantee Agreement, the Loan Agreement and the Bonds shall be free from any taxes that shall be imposed under the laws of the Guarantor or laws in effect in its territories on or in connection with the execution, issue, delivery or registration thereof.

Section 3.05. 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 Guarantor or laws in effect in its territories.

Section 3.06. The Guarantor shall make arrangements, satisfactory to the Bank, to provide or cause the Borrower to be provided with adequate resources, in amounts and on terms satisfactory to the Bank, for the Borrower's own credit operations and for other credit schemes, if any, administered by the Borrower on behalf of the Guarantor.

Section 3.07. (a) The Guarantor shall cause OMVA, CGEA and its other agencies to continue to cooperate with the Borrower to the extent necessary for a diligent and efficient carrying out of the Project.

(b) The Guarantor shall take all measures necessary to ensure that all obligations of OMVA under the Subsidiary Loan Agreements, including OMVA's obligations with respect to the operations of CGEA shall be punctually performed.

Section 3.08. The Guarantor covenants that it will not take, cause or permit to be taken, any action which would prevent or materially interfere with the carrying on by the Borrower of its operations and affairs in accordance with sound agricultural, engineering, economic and financial practices, or with the performance by the Borrower of its obligations under the Loan Agreement.

Section 3.09. The Guarantor shall make arrangements to protect the Borrower against any loss in connection with the payment of interest or other charges on, or the repayment of principal of, the Loan or the Bonds as a result

of a change in the rate of exchange between dirhams and the currency or currencies in which such payments are to be made.

Article IV

Section 4.01. The Guarantor shall endorse, in accordance with the provisions of the Loan Agreement and of the Loan Regulations, its guarantee on the Bonds to be executed and delivered by the Borrower. The Minister of Finance of the Guarantor and such person or persons as he shall designate in writing are designated as the authorized representatives of the Guarantor for the purposes of Section 6.12 (b) of the Loan Regulations.

Article V

Section 5.01. The following addresses are specified for the purposes of Section 8.01 of the Loan Regulations :

For the Guarantor :

Ministère des Finances
Rabat, Morocco

Alternative address for cablegrams and radiograms :

Ministère Finances
Rabat, Morocco

For the Bank :

International Bank for Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Alternative address for cablegrams and radiograms :

Intbafrad
Washington, D.C.

Section 5.02. The Minister of Finance of the Guarantor is designated for the purposes of Section 8.03 of the Loan Regulations.

Section 5.03. If the Loan Agreement terminates pursuant to Section 7.02 thereof, this Guarantee Agreement and all obligations of the parties hereunder shall terminate.

IN WITNESS WHEREOF the parties hereto, acting through their representatives thereunto duly authorized, have caused this Guarantee 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 Bank for Reconstruction and Development :
By George D. WOODS
President

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

LOAN REGULATIONS No. 4, DATED 15 FEBRUARY 1961

REGULATIONS APPLICABLE TO LOANS MADE BY THE BANK TO BORROWERS OTHER THAN
MEMBER GOVERNMENTS

[*Not published herein. See United Nations, Treaty Series, Vol. 400, p. 212.*]

LOAN AGREEMENT
(*AGRICULTURAL CREDIT PROJECT*)

AGREEMENT, dated November 8, 1965, between the INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (hereinafter called the Bank) and CAISSE NATIONALE DE CRÉDIT AGRICOLE, an autonomous agency of the Kingdom of Morocco established under Dahir No. 1-60-106 of 25 jomada II 1381 (December 4, 1961) (hereinafter called the Borrower).

Article I

LOAN REGULATIONS; SPECIAL DEFINITIONS

Section 1.01. The parties to this Loan Agreement accept all the provisions of Loan Regulations No. 4 of the Bank dated February 15, 1961,¹ subject, however, to the following modifications thereof (said Loan Regulations No. 4 as so modified being hereinafter called the Loan Regulations), with the same force and effect as if they were fully set forth herein :

- (a) The second sentence of Section 3.02 is deleted;
- (b) Section 4.01 is deleted;

¹ See above.

(c) Section 9.04 is deleted; and

(d) The following paragraph is added after the sixth paragraph of Schedule 1 and after the fifth paragraph of Schedule 2 to the Loan Regulations :

“ Notwithstanding the provisions of the foregoing paragraph, in certain circumstances provided for in the Loan Agreement, outstanding Bonds of all maturities may be redeemed *pro rata* ”.

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

(a) The term “ OMVA ” means the Office de Mise en Valeur Agricole, an autonomous agency of the Guarantor organized under Decree No. 2-65-190 of 6 moharrem 1385 (May 7, 1965) and any successor thereto.

(b) The term “ CGEA ” means the Centrale de Gestion des Exploitations Agricoles, an agency organized by *Note de Service* dated September 9, 1964 of the Minister of Agriculture of the Guarantor and administered within OMVA, and any successor thereto.

(c) The term “ Subsidiary Loan Agreements ” means the agreement or agreements between the Borrower and OMVA providing for the lending by the Borrower to OMVA for the benefit of CGEA of that portion of the Loan allocated for part B of the Project.

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 ten million dollars (\$10,000,000).

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 and the Loan Regulations.

Section 2.03. Except as the Bank shall otherwise agree, the Borrower shall be entitled, subject to the provisions of this Agreement and of the Loan Regulations, to withdraw from the Loan Account :

(a) the equivalent of a percentage or percentages to be established from time to time by agreement between the Borrower and the Bank of such amounts as shall have been expended for the reasonable cost of goods required for carrying out part A of the Project;

(b) such amounts as shall have been expended for the reasonable foreign currency cost of goods required for carrying out part B of the Project; and

(c) if the Bank shall so agree, such amounts as shall be required by the Borrower to meet payments under each of the foregoing paragraphs;

provided, however, that no withdrawals shall be made on account of (i) expenditures prior to July 1, 1965; or (ii) expenditures in the territories of any country which is not

a member of the Bank (other than Switzerland) or for goods produced in (including services supplied from) such territories.

Section 2.04. Except as the Bank shall otherwise agree, withdrawals from the Loan Account shall be made either in the respective currencies in which the cost of goods has been paid or is payable or in such other freely convertible currency or currencies as the Bank shall from time to time reasonably select.

Section 2.05. The Borrower shall pay to the Bank a commitment charge at the rate of three-eighths of one per cent ($\frac{3}{8}$ of 1%) per annum on the principal amount of the Loan not so withdrawn from time to time.

Section 2.06. The Borrower shall pay interest at the rate of five and one-half per cent ($5\frac{1}{2}$ %) per annum on the principal amount of the Loan so withdrawn and outstanding from time to time.

Section 2.07. Except as the Bank and the Borrower 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 2.08. Interest and other charges shall be payable semi-annually on March 1 and September 1 in each year.

Section 2.09. The Borrower shall repay the principal of the Loan in accordance with the amortization schedule set forth in Schedule 1 to this Agreement.

Article III

USE OF PROCEEDS OF THE LOAN

Section 3.01. The Borrower shall apply the proceeds of the Loan exclusively to financing the cost of goods required to carry out the Project. 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 Bank and the Borrower, subject to modification by further agreement between them.

Section 3.02. Except as the Bank shall otherwise agree, the Borrower shall cause all goods financed out of the proceeds of the Loan to be used in the territories of the Guarantor 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.

Section 4.02. The *Directeur Général* of the Borrower, or such other person or persons as he shall appoint in writing, are designated as authorized representatives of the Borrower for the purposes of Section 6.12 (a) of the Loan Regulations.

Article V

PARTICULAR COVENANTS

Section 5.01. (a) The Borrower shall carry out the Project with due diligence and efficiency and in conformity with sound agricultural, engineering, economic and financial practices.

(b) The operating policies and procedures for the carrying out of the Project, including the terms and conditions of the loans to farmers participating in the Project, shall be agreed upon from time to time between the Bank and the Borrower.

Section 5.02. (a) Except as the Bank and the Borrower shall otherwise agree, the Subsidiary Loan Agreements and any amendment thereof shall be subject to the approval of the Bank and shall contain provisions adequate to protect the rights and interests of the Borrower and the Bank in respect of the use of the proceeds of the Loan by OMVA.

(b) Each of the Subsidiary Loan Agreements shall include provisions which will enable the Borrower and the Guarantor to carry out their respective obligations under this Agreement and the Guarantee Agreement and shall include without limitation, an obligation on the part of OMVA: (i) to cause CGEA to carry on its operations and conduct its affairs in accordance with sound business, economic, financial and accounting practices, under the supervision of experienced and competent management, and to employ qualified personnel in adequate numbers; (ii) to cause the proceeds of the Loan made available to it to be used effectively and efficiently for the carrying out of part B of the Project; (iii) to ensure the right of the Borrower and the Bank to inspect the Project, the operation thereof and the operations and financial conditions of OMVA and any relevant records and documents; (iv) to ensure the right of the Borrower or the Bank to obtain all such information as they shall reasonably request relating to any of the foregoing and to the operations, administration and financial condition of OMVA; (v) to take out or cause to be taken out, and maintain or cause to be maintained, such insurance against such risks and in such amounts as shall be consistent with sound agricultural and commercial practices; (vi) to cause CGEA's farm machinery and equipment to be adequately maintained in accordance with sound engineering and agricultural practices; and (vii) not to sell, transfer or otherwise dispose of the equipment financed out of the proceeds of the Loan without prior approval of the Borrower and the Bank.

(c) The Subsidiary Loan Agreements shall also include adequate provisions whereby, upon failure by OMVA to carry out its obligations under any of the Subsidiary Loan Agreements, the Borrower may suspend or cancel further access by OMVA to the proceeds of the Loan, and, if such failure shall continue for a period of 60 days, declare the principal amount of the loan or loans provided for under the Subsidiary Loan Agreements at the time outstanding to be due and payable immediately.

(d) The Borrower shall exercise its rights in relation to OMVA in such manner as to protect the interests of the Borrower and the Bank and to cause OMVA to carry out its obligations under the Subsidiary Loan Agreements.

(e) Except as the Bank shall otherwise agree, if OMVA shall repay in advance of maturity all or part of the principal amount of the loan or loans at the time outstanding under the Subsidiary Loan Agreements, the Borrower shall apply the amounts so received to the repayment in advance of maturity of the principal amount (including premium, if any) of the Loan and the Bonds at the time outstanding and unpaid. Except as the Bank and the Borrower shall otherwise agree, any repayment made under this paragraph shall be applied *pro rata* to the several maturities of the principal amount of the Loan and the Bonds.

Section 5.03. The Borrower shall maintain 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 Borrower; 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, and the administration, operations and financial condition of the Borrower.

Section 5.04. (a) The Bank and the Borrower 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.

(b) The Bank and the Borrower 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.

Section 5.05. The Borrower undertakes that, except as the Bank shall otherwise agree : (a) if the Borrower shall create any lien on any of its assets as security for any debt, such lien will equally and ratably secure the payment of the principal of, and interest and other charges on, the Loan and the Bonds, and that in the creation of any such lien express provision will be made to that effect; and (b) if any lien shall be created on any assets of the Borrower, other than under (a) above, as security for any debt, the Borrower shall grant to the Bank an equivalent lien satisfactory to the Bank; provided, however, that the foregoing provisions of this Section shall not apply to : (i) any lien created on property, at the time of purchase thereof, solely as security for the payment of the purchase price of such property; (ii) any lien on commercial goods to secure a debt maturing not more than one year after the date on which it is originally incurred and to be paid out of the proceeds of sale of such commercial goods; or (iii) any lien arising in the ordinary course of banking transactions and securing a debt maturing not more than one year after its date.

Section 5.06. The Borrower shall pay or cause to be paid all taxes, if any, imposed under the laws of the Guarantor or laws in effect in the territories of the Guarantor on

or in connection with the execution, issue, delivery or registration of this Agreement, the Guarantee Agreement¹ or the Bonds, or the payment of principal, interest or other charges thereunder; provided, however, that the provisions of this Section shall not apply to taxation of 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 Guarantor.

Section 5.07. The Borrower shall pay or cause to be paid all taxes, 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 on or in connection with the execution, issue, delivery or registration of this Agreement, the Guarantee Agreement or the Bonds.

Section 5.08. (a) Except as shall be otherwise agreed between the Borrower and the Bank, the Borrower shall insure or cause to be insured with responsible insurers all goods financed out of the proceeds of the Loan. Such insurance shall cover such marine, transit and other risks incident to delivery of the goods into the territories of the Guarantor and into the area where the goods are to be used, 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.

(b) The provisions of the foregoing paragraph shall not apply if the suppliers of the goods financed out of the proceeds of the Loan shall bear all risks until delivery into the area where the goods are to be used.

Section 5.09. The Borrower shall cause all farm machinery and equipment financed out of the proceeds of the Loan to be adequately maintained and all necessary repairs and renewals thereof to be promptly carried out, all in accordance with sound engineering and agricultural practices.

Section 5.10. The Borrower shall carry on its operations and conduct its affairs in accordance with sound business, economic and financial practices, under the supervision of experienced and competent management. The Borrower shall employ qualified personnel in adequate numbers.

Section 5.11. The Borrower shall at all times charge interest rates on all its loans such as to enable it :

- (a) to cover all its operating expenditures and charges, including taxes, if any, and interest payments on borrowings;
- (b) to set up a provision for bad or doubtful loans; and
- (c) to accumulate adequate general reserves.

Section 5.12. To the extent necessary for a diligent and efficient carrying out of the Project, the Borrower shall cooperate with OMVA, CGEA and other agencies of the Guarantor.

¹ See p. 280 of this volume.

Section 5.13. The Borrower shall promptly inform the Bank of any substantial modification of the scope of its operations or of any substantial increase in the program as presently estimated in Schedule 2 to this Agreement.

Article VI

REMEDIES OF THE BANK

Section 6.01. (i) If any event specified in paragraph (a), paragraph (b), paragraph (e), paragraph (f) or paragraph (j) 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. The following are hereby specified as additional events for the purposes of Section 5.02 (j) of the Loan Regulations :

(a) the Dahir No. 1-60-106 of 25 jourmada II 1381 (December 4, 1961), the Decrees No. 2-61-607 of 25 jourmada II 1381 (December 4, 1961) and No. 2-65-190 of 6 moharrem 1385 (May 7, 1965), and the *Note de Service* referred to in paragraph (b) of Section 1.02 of this Agreement, shall have been amended, suspended, terminated or repealed so as to adversely affect the ability of the Borrower to carry out the covenants and agreements set forth in this Agreement.

(b) a default shall have occurred in the payment of principal, interest, service charges or any other payment required under any development credit agreement between the Guarantor and the International Development Association.

Section 6.03. Without prejudice to any other right of the Bank under this Loan Agreement, if (i) by June 30, 1967 or such other date as the Bank may specify for the purposes of this Section, or (ii) after the Borrower shall have withdrawn from the Loan Account amounts equivalent in the aggregate to \$5,000,000 on account of expenditures relating to part A of the Project, the Bank, after having examined in Morocco the actual operations of the Borrower, shall have determined that the Borrower is not carrying out its obligations under this Loan Agreement to the satisfaction of the Bank, the Bank shall so inform the Borrower and may, at any time thereafter, terminate the right of the Borrower to make withdrawals with respect to the amounts of the Loan allocated to part A of the Project and remaining unwithdrawn, or any part thereof. Upon the giving of such notice, such amount or part thereof, as the case may be, shall be cancelled and any future obligations of the Borrower and of the Guarantor in respect of that part of the Project to be financed thereby shall forthwith terminate.

Article VII

MISCELLANEOUS

Section 7.01. The Closing Date shall be March 31, 1969, or such other date as shall be agreed by the Bank and the Borrower.

Section 7.02. If this Loan Agreement shall not have come into force and effect by January 31, 1966, this Loan Agreement and all obligations of the parties hereunder shall terminate, unless the Bank, after consideration of the reasons for the delay, establishes a later date for purposes of this Section. The Bank shall promptly notify the Borrower and the Guarantor of such later date.

Section 7.03. The following addresses are specified for the purposes of Section 8.01 of the Loan Regulations :

For the Borrower :

Caisse Nationale de Crédit Agricole
12, Rue Patrice Lumumba
Rabat, Morocco

For the Bank :

International Bank for Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Alternative address for cablegrams and radiograms :

Intbafrad
Washington, D.C.

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.

International Bank for Reconstruction and Development :

By George D. WOODS
President

Caisse Nationale de Crédit Agricole :

By Abdeslam TADLAOUI
Authorized Representative

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>
March 1, 1970	\$285,000	September 1, 1976	\$405,000
September 1, 1970	290,000	March 1, 1977	415,000
March 1, 1971	300,000	September 1, 1977	425,000
September 1, 1971	305,000	March 1, 1978	435,000
March 1, 1972	315,000	September 1, 1978	450,000
September 1, 1972	325,000	March 1, 1979	460,000
March 1, 1973	335,000	September 1, 1979	475,000
September 1, 1973	345,000	March 1, 1980	490,000
March 1, 1974	350,000	September 1, 1980	500,000
September 1, 1974	360,000	March 1, 1981	515,000
March 1, 1975	370,000	September 1, 1981	530,000
September 1, 1975	380,000	March 1, 1982	550,000
March 1, 1976	390,000		

* To the extent that any part of the Loan is repayable in a currency other than dollars (see Loan Regulations, Section 3.03), 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 three years before maturity	1/8%
More than three years but not more than six years before maturity	2%
More than six years but not more than eleven years before maturity	3 1/2%
More than eleven years but not more than fourteen years before maturity	4 1/2%
More than fourteen years before maturity	5 1/2%

SCHEDULE 2

DESCRIPTION OF PROJECT

The Project is the Borrower's program to finance agricultural development in Morocco (excluding the administration of credit schemes on behalf of the Guarantor) over a period presently estimated to be from July 1, 1965 to June 30, 1968 and to require approximately 260,000,000 dirhams. The Project includes the following parts :

- A. Medium and long-term loans amounting to approximately 60 million dirhams to be made by the Borrower to agricultural producers and institutions for on-farm equipment (excluding livestock and farm acquisition), processing and storage facilities; and

B. Medium and long-term loans from the Borrower to OMVA for the benefit of CGEA in an aggregate amount presently estimated at approximately 40 million dirhams to be disbursed during the period July 1, 1965 to June 30, 1966. Such loans shall be used to finance the purchase of farm machinery and equipment for use on land administered by CGEA during such period.

LETTER RELATING TO THE LOAN AGREEMENT

CAISSE NATIONALE DE CRÉDIT AGRICOLE

November 8, 1965

International Bank for
Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433

Re : *Loan No. 433 MOR (Agricultural Credit Project)*
List of Goods and Percentage

Dear Sirs :

1. Referring to Section 3.01 of the Loan Agreement (*Agricultural Credit Project*) of even date herewith between us, we attach hereto a List of Goods to be financed out of the proceeds of the Loan, to which we request your agreement.

2. With reference to Section 2.03 (a) of the Loan Agreement, we hereby request your agreement that we shall be entitled to withdraw from the Loan Account the equivalent of 67% of the amounts actually disbursed by us on account of part A of the Project.

3. With respect to Section 2.03 (b) of the Loan Agreement, it is our understanding that we shall be entitled to make withdrawals from the Loan Account for the foreign cost of the goods financed under Category B of the List of Goods. We hereby request your agreement that, on the basis of present estimates, the following percentages be established as representing the foreign exchange components of such goods :

<i>List of Goods Items</i>	<i>Percentage</i>
1. Tractors	80%
2. Harvesters	66%
3. Other equipment	44%

Said percentages will be subject to change by further agreement between us to reflect such alterations in the present estimates as experience may indicate.

4. 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,

Caisse Nationale de Crédit Agricole :

By Abdeslam TADLAOUI
Authorized Representative

Confirmed:

International Bank for
Reconstruction and Development :

By A. G. EL EMARY
Director, Africa Department

ANNEX

List of Goods

Morocco

(Agricultural Credit Project)

<i>Category</i>	<i>U.S. Dollar Equivalent</i>
A. Development loans to agricultural producers and institutions . .	\$8,000,000
B. CGEA—Purchase of Equipment	\$2,000,000
1. Tractors	
2. Harvesters	
3. Other equipment	