

No. 10120

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

**Loan Agreement—*Agricultural Credit Project* (with
annexed Loan Regulations No. 3, as amended). Signed
at Dakar on 10 February 1969**

Authentic text: English.

*Registered by the International Bank for Reconstruction and Development
on 31 December 1969.*

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

**Contrat d'emprunt — *Projet relatif au crédit agricole*
(avec, en annexe, le Règlement n° 3 sur les emprunts,
tel qu'il a été modifié). Signé à Dakar le 10 février 1969**

Texte authentique: anglais.

*Enregistré par la Banque internationale pour la reconstruction et le développe-
ment le 31 décembre 1969.*

LOAN AGREEMENT ¹

AGREEMENT, dated February 10, 1969, between REPUBLIC OF SENEGAL (hereinafter called the Borrower) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (hereinafter called the Bank).

WHEREAS the Borrower has requested the Bank to make a loan to it in an aggregate principal amount equivalent to three million five hundred thousand dollars (\$ 3,500,000) to assist the Borrower in financing the Project described in Schedule 1 to this Loan Agreement;

WHEREAS the Borrower has also requested the International Development Association (hereinafter called the Association) to provide additional assistance towards financing the said Project;

WHEREAS by an agreement of even date herewith between the Association and the Borrower (hereinafter referred to as the Development Credit Agreement ²), the Association has agreed to make a Credit in an aggregate principal amount equivalent to six million dollars (\$ 6,000,000);

WHEREAS the Bank has agreed, on the basis of the foregoing, to make a loan to the Borrower upon the terms and conditions hereinafter set forth;

NOW THEREFORE the parties hereto hereby agree as follows:

Article I

LOAN REGULATIONS; DEFINITIONS

Section 1.01. The parties of this Loan Agreement accept all the provisions of Loan Regulations No. 3 of the Bank, dated February 15, 1961 as amended February 9, 1967 ³, with the same force and effect as if they were fully set forth herein, subject however, to the following modification thereof (said Loan Regulations No. 3, as so modified, being hereinafter called the Loan Regulations): Section 4.01 is deleted.

¹ Came into force on 25 June 1969, upon notification by the Bank to the Government of Senegal.

² See p. 265 of this volume.

³ See p. 262 of this volume.

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

(a) “BNDS” means the Banque Nationale de Développement du Sénégal established under Law No. 64-33 of the Borrower dated May, 26, 1964.

(b) “ONCAD” means the Office National de Coopération et d’Assistance pour le Développement established under Law No. 66-60 of the Borrower, dated June 30, 1966, as amended by Law No. 67-46 of the Borrower, dated October 12, 1967.

(c) “SODEVA” means the Société de Développement et de Vulgarisation Agricole, a *société anonyme* established and operating under the laws of the Borrower.

(d) “SATEC” means the Société d’Aide Technique et de Coopération, an instrumentality of the Government of the Republic of France established in 1956 under the laws of the Republic of France which has been engaged in providing agricultural extension services in the territories of the Borrower pursuant to an agreement dated September 1964 between the Borrower and the Société.

(e) “Project area” means the area within the Regions of Thiès, Diourbel and Sine Saloum within which SODEVA is providing extension services.

(f) “Project period” means the period during which the proceeds of the Loan will be disbursed.

(g) “Subsidiary Loan Agreement” means the loan agreement to be entered into between the Borrower and BNDS referred to in Section 5.02 (b) of this Loan Agreement.

Article II

THE LOAN

Section 2.01. The Bank agrees to lend to the Borrower, on the terms and conditions in this Loan Agreement set forth or referred to, an amount in various currencies equivalent to three million five hundred thousand dollars (\$ 3,500,000).

Section 2.02. (a) 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.

(b) 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 Loan Agreement and the Loan Regulations and in accordance with the allocation of the proceeds of the Credit and the Loan set forth in

Schedule 2 to this Loan Agreement, as such allocation shall be modified from time to time pursuant to the provisions of such Schedule or by further agreement between the Borrower and the Bank.

Section 2.03. (a) The Borrower shall be entitled to withdraw from the Loan Account in respect of the reasonable cost of goods required for the Project and to be financed under the Loan Agreement:

- (i) such amounts as shall have been paid (or, if the Bank shall so agree, shall be required to meet payments to be made) for expenditures incurred outside the territories of the Borrower for services and fellowships under Category 1 of the allocation of the proceeds of the Credit and the Loan set forth in Schedule 2 to this Loan Agreement;
- (ii) the equivalent of thirty per cent (30 %) of such amounts as shall have been paid (or, if the Bank shall so agree, shall be required to meet payments to be made) for expenditures incurred outside the territories of the Borrower for services under Category 2 of said Schedule 2; and
- (iii) the equivalent of seventy-five per cent (75 %) of such amounts as shall have been disbursed by BNDS for expenditures under Category 3 of said Schedule 2;

provided, however, that if there shall be an increase in the estimate of expenditures for Categories 2 or 3 of said Schedule 2, the Bank may, by notice to the Borrower, adjust the above percentages as required in order that withdrawals of the amount of the Loan then allocated to such Categories, and not withdrawn, may continue *pro rata* with the expenditures then remaining to be made under such Categories.

(b) Except as shall be otherwise agreed between the Borrower and the Bank, no withdrawals shall be made from the Loan Account on account of: (i) expenditures made prior to October 1, 1968; or (ii) expenditures made 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; or (iii) any expenditures unless and until all amounts under the Development Credit Agreement shall have been withdrawn or committed.

Section 2.04. Withdrawals from the Loan Account pursuant to Section 2.03 (a) (iii) of this Loan Agreement shall be in such 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-fourths of one per cent ($\frac{3}{4}$ of 1 %) per annum on the principal amount of the Loan not withdrawn from time to time.

Section 2.06. The Borrower shall pay interest at the rate of six and one-half per cent ($6\frac{1}{2}$ %) per annum on the principal amount of the Loan withdrawn and outstanding from time to time.

Section 2.07. 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 commitment outstanding from time to time.

Section 2.08. Interest and other charges shall be payable semi-annually on January 1 and July 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 3 to this Loan Agreement.

Article III

USE OF PROCEEDS OF THE LOAN

Section 3.01. The Borrower shall apply the proceeds of the Loan in accordance with the provisions of this Loan Agreement to expenditures on the Project described in Schedule 1 to this Loan Agreement.

Section 3.02. Except as the Bank shall otherwise agree (i) the goods under Category 3 of Schedule 2 to this Loan Agreement to be financed out of the proceeds of the Loan shall be procured on the basis of competitive bidding in accordance with the procedures set forth in Schedule 4 to this Loan Agreement or as shall be agreed between the Borrower and the Bank, and (ii) contracts for the procurement of such goods shall be subject to the approval of the Bank.

Section 3.03. Except as the Bank shall otherwise agree, the Borrower shall cause all goods financed out of the proceeds of the Loan to be used exclusively in carrying out the Project.

Article IV

BONDS

Section 4.01. If and as the Bank shall from time to time request, the Borrower shall execute and deliver Bonds representing the principal amount of the Loan as provided in Article VI of the Loan Regulations.

Section 4.02. The Minister of Finance of the Borrower is designated as authorized representative of the Borrower for the purposes of Section 6.12 of the Loan Regulations. The Minister of Finance of the Borrower may designate additional or other authorized representatives by appointment in writing notified to the Bank.

Article V

PARTICULAR COVENANTS

Section 5.01. (a) The Borrower shall carry out the Project, or cause the Project to be carried out, with due diligence and efficiency and in conformity with sound administrative, agricultural, engineering and financial practices, and shall make available, promptly as needed, all funds, facilities, services and other resources required for the purpose.

(b) The Borrower shall, in carrying out the Project, establish and maintain a Project Coordinating Committee to ensure close coordination and cooperation between the Ministries, organs and agencies of the Borrower on all matters affecting the Project and to review and determine the credit requirements of the cooperatives operating in the Project area, and the members of such Committee shall include but shall not necessarily be limited to the Director-Generals of BNDS, ONCAD and SODEVA, representatives of the Ministries of Finance and Planning and a senior official designated by the Minister of Rural Development.

(c) The Borrower shall, in the carrying out of the Project, employ or shall cause to be employed by ONCAD, BNDS and SODEVA qualified and experienced staff on terms and conditions satisfactory to the Bank.

(d) The Borrower shall employ or cause ONCAD to employ management consultants acceptable to the Bank on terms and conditions satisfactory to the Bank, to study ONCAD's structure and operations, to prepare a plan for the reorganization of ONCAD and to assist ONCAD in the implementation of the reorganization plan.

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

Section 5.02. (a) In addition to providing BNDS with funds as required under Section 5.01 (a) of this Loan Agreement, the Borrower shall provide or cause BNDS to be provided with adequate resources in amounts and on terms and conditions satisfactory to the Bank for BNDS's operations and for any additional operations as may be administered by BNDS on behalf of the Borrower.

(b) The Borrower shall relend a part of the proceeds of the Loan, or the equivalent of such proceeds, to BNDS on terms and conditions satisfactory to the Bank pursuant to a Subsidiary Loan Agreement satisfactory to the Bank.

(c) The Borrower shall exercise its rights under the Subsidiary Loan Agreement referred to in the foregoing sub-section (b) in such manner as to protect the interests of the Borrower and the Bank, and except as the Bank shall otherwise agree, the Borrower shall not amend, assign, abrogate or waive any provision of such Subsidiary Loan Agreement.

Section 5.03. 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 BNDS, ONCAD and SODEVA and also of the administrative agencies of the Borrower to the extent that they are responsible for carrying out and operating the Project or any part thereof; and shall enable the Bank's representatives to inspect the Project, the goods, and any relevant records and documents.

Section 5.04. (a) The Borrower and the Bank shall cooperate fully to assure that the purposes of the Loan will be accomplished. To that end, the Borrower and the Bank shall from time to time, at the request of either party, exchange views through their representatives with regard to the performance by the Borrower of its obligations under the Loan Agreement by the Borrower of its obligations under the Loan Agreement, the administration, operations and financial condition with respect to the Project of BNDS, ONCAD and SODEVA and the administrative agencies of the Borrower responsible for carrying out and operating the Project or any part thereof, and other matters relating to the purposes of the Loan.

(b) The Borrower shall furnish or cause to be furnished to the Bank all such information as the Bank shall reasonably request concerning the expenditure of the proceeds of the Loan, the goods financed out of such proceeds, the Project, and the administration, operations and financial condition of BNDS, ONCAD and SODEVA and of the administrative agencies of the Borrower responsible for carrying out and operating the Project or any part

thereof. 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.

(c) 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 (including any proposed amendment, suspension, termination or repeal of the Borrower's Laws No. 64-33 of May 26, 1964, No. 66-60 of June 30, 1966 as amended by Law No. 67-46 of October 12, 1967 or Decree No. 68-1253/PR/MPI dated December 6, 1968) which interferes with, or threatens to interfere with, the accomplishment of the purposes of the Loan, the maintenance of the service thereof or the performance by the Borrower of its obligations under the Loan Agreement.

(d) 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 of the Loan.

Section 5.05. (a) The Borrower shall cause BNDS's accounts to be audited at least once a year by an independent auditor acceptable to the Bank and, unless the Bank shall otherwise agree, shall cause BNDS to transmit to the Bank certified copies of such accounts and a signed copy of such auditor's report, not later than four months after the end of BNDS's fiscal year.

(b) The Borrower shall ensure or shall cause ONCAD to ensure that the agricultural cooperatives in the Project area establish uniform accounting procedures acceptable to the Bank not later than December 31, 1973.

Section 5.06. It is the mutual intention of the Borrower 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 Borrower undertakes that, except as the Bank shall otherwise agree, if any lien shall be created on any assets of the Borrower 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; or (ii) 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 Borrower ” as used in this Section includes assets of the Borrower or of any of its political subdivisions or of any agency of the Borrower or of any such political subdivision, or of any institution which may be established to perform the functions of a central bank exclusively for the Borrower, and any participation, share, right or other financial interest which the Borrower may have in any institution (other than an agency of the Borrower) performing such functions for the Borrower.

Section 5.07. 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 Borrower or laws in effect in its territories, and free from all restrictions imposed under the laws of the Borrower or laws in effect in its territories; provided, however, that the provision 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 Borrower.

Section 5.08. The Loan Agreement and the Bonds 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, issue, delivery or registration thereof and the Borrower shall pay all such 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.

Section 5.09. Except as the Bank and the Borrower shall otherwise agree, the Borrower undertakes to insure or cause to be insured the goods to be financed out of the proceeds of the Loan against marine, transit and other hazards incident to acquisition, transportation and delivery thereof to the place of use or installation and for such insurance any indemnity shall be payable in a currency freely usable by the Borrower to replace or repair such goods.

Section 5.10. The Borrower shall at all times provide or cause to be provided such agricultural extension, marketing and other technical services (including research services) as shall be required in the area of the Project, and shall cause such services to be made available to farmers in such area through an adequate staff of officers trained in the techniques appropriate to the Project.

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 or in Section 6.02 of this Loan Agreement 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 payable immediately, and upon any such declaration such principal shall become due and payable immediately, anything in the Loan Agreement or in the Bonds to the contrary notwithstanding.

Section 6.02. The following are specified as additional events for the purposes of Section 5.02 (i) of the Loan Regulations:

(a) A default shall have occurred in the performance of any covenant or agreement under the Development Credit Agreement other than in respect of the payment of the principal or service charge or any other payment required thereunder.

(b) The right of the Borrower to withdraw the proceeds of the Credit shall have been suspended in whole or in part.

(c) The outstanding principal of the Credit provided for in the Development Credit Agreement shall have been declared or become due and payable in advance of the agreed maturity thereof.

(d) The Borrower or any authority having jurisdiction shall have taken any action for the dissolution or disestablishment of BNDS, ONCAD or SODEVA or for the suspension of their operations without the prior approval of the Bank.

(e) Any provision of the Borrower's Law No. 64-33 of May 26, 1964 (Loi autorisant la création de la BNDS) or Law No. 66-60 of June 30, 1966 (Loi portant création de l'ONCAD) as amended by Law No. 67-46 of October 12, 1967 or of Decree No. 68-1253/PR/MPI of December 6, 1968, shall have been amended, suspended, terminated or repealed so as to affect adversely the performance by the Borrower of its obligations under the Loan Agreement.

(f) The Agreement between SODEVA and SATEC dated December 12, 1968, shall have been amended, modified or terminated without the prior approval of the Bank.

Article VII

EFFECTIVE DATE; TERMINATION

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

(a) the conditions precedent to the effectiveness of the Development Credit Agreement shall have been fulfilled, subject only to the effectiveness of this Loan Agreement;

(b) the Subsidiary Loan Agreement to in Section 5.02 (b) of this Loan Agreement shall have been duly executed in form satisfactory to the Bank and shall have become fully effective and binding on the parties thereto in accordance with its terms;

(c) the management consultants referred to in Section 5.01 (d) of this Loan Agreement shall have been employed.

Section 7.02. The following are specified as additional matters 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:

(a) that the Subsidiary Loan Agreement referred to in Section 5.02 (b) of this Loan Agreement has been duly authorized or ratified by, and executed and delivered on behalf of, the Borrower and BNDS respectively and constitutes a valid and binding obligation of the Borrower and BNDS in accordance with its terms.

Section 7.03. If this Loan Agreement shall not have come into force and effect by May 12, 1969 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 of such later date.

Article VIII

MISCELLANEOUS

Section 8.01. The Closing Date shall be December 31, 1972, or such later date as may be agreed by the Borrower and the Bank.

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

For the Borrower:

Ministère des Finances
Rue Charles Lainé
B. P. 4017
Dakar, Senegal

Cable address:

Ministère des Finances
Dakar, Senegal

For the Bank:

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

Cable address:

Intbafrad
Washington, D.C.

Section 8.03. The Minister of Finance of the Borrower 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 to be delivered in Dakar, Republic of Senegal, as of the day and year first above written.

Republic of Senegal:

By Leopold Sedar SENGHOR
Authorized Representative

International Bank for Reconstruction and Development:

By Robert S. McNAMARA
President

SCHEDULE 1

DESCRIPTION OF THE PROJECT

The Project is the implementation over three years of an integrated series of measures to increase the production of groundnuts and millet in the Project area, and consists of the following:

Part I. The provision of agricultural inputs of fertilizer, draft oxen and animal-drawn agricultural implements and carts to agricultural cooperatives in the Project area for use by farmers, to be procured by ONCAD on the basis of applications by farmers prepared with the assistance of SODEVA and approved by the Project Coordinating Committee and to be financed through credits extended by BNDS to such cooperatives, repayable by the cooperatives from the proceeds of the sale through ONCAD of the crops of the cooperatives.

Part II. (a) Improvements to ONCAD, through the assistance of qualified management consultants, of the organization and management, finance and accounting methods, transportation and administering of the groundnut seed stockpile including a review by such consultants of the present services available to the cooperatives.

(b) Provision of overseas fellowships for selected members of the staff of ONCAD.

Part III. The provision of adequate technical services to the cooperatives by ensuring their continuation through the extension services provided by SATEC/SODEVA. This includes:

- (a)* the preparation of annual individual cooperative requirements for farm inputs;
- (b)* help with the weighing-in of the harvest, payment for crops and the semi-annual meetings of cooperatives.

The Project is expected to be completed by June 30, 1972.

SCHEDULE 2

ALLOCATION OF PROCEEDS OF THE LOAN AND OF THE CREDIT

<i>Category</i>	<i>Amounts Expressed in U.S. \$ Equivalent</i>
1. <i>(a)</i> ONCAD: Management Services	1,500,000
<i>(b)</i> ONCAD: Counterpart Training	250,000
2. SATEC/SODEVA Cooperative Services	700,000
3. Animal drawn agricultural implements and carts	6,920,000
4. Unallocated	130,000
	TOTAL: 9,500,000

ALLOCATION OF PROCEEDS OF THE CREDIT

1. The amount of the Credit shall be withdrawn from the Credit Account as provided under Article II of the Development Credit Agreement and shall be applied to expenditures under any of the Categories of this Schedule, until the total of withdrawals and commitments in respect of such expenditures shall have reached the equivalent of \$ 6,000,000.

ALLOCATION OF PROCEEDS OF THE LOAN

2. The amount of the Loan may be withdrawn from the Loan Account as provided under Article II of this Loan Agreement and shall be applied to expenditures under any of the Categories of this Schedule incurred after the amount of the Credit shall have been exhausted.

REALLOCATION UPON CHANGE IN COST ESTIMATES

3. If the estimates of the cost of the items included in Categories 1, 2 or 3 shall decrease, the amount of the Loan then allocated to, and no longer required for, such Category will be reallocated to Category 4 by the Bank and the Association.

4. If the estimate of the cost of the items included in Categories 1, 2 or 3 shall increase, an amount equal to the portion, if any, of such increase to be financed out of the proceeds of the Loan (or in the case of Category 3, an amount equal to 75 % of such increase and in the case of Category 2, an amount equal to 30 % of the foreign exchange component of such increase) will be allocated by the Bank or by the Association, as the case may be, at the request of the Borrower, to such Category from Category 4, subject, however, to the requirements for contingencies, as determined by the Bank and by the Association, in respect of the cost of the items in the other Categories.

SCHEDULE 3

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>
January 1, 1979	45,000	January 1, 1989	85,000
July 1, 1979	45,000	July 1, 1989	85,000
January 1, 1980	45,000	January 1, 1990	90,000
July 1, 1980	50,000	July 1, 1990	90,000
January 1, 1981	50,000	January 1, 1991	95,000
July 1, 1981	50,000	July 1, 1991	100,000
January 1, 1982	55,000	January 1, 1992	100,000
July 1, 1982	55,000	July 1, 1992	105,000
January 1, 1983	55,000	January 1, 1993	105,000
July 1, 1983	60,000	July 1, 1993	110,000
January 1, 1984	60,000	January 1, 1994	115,000
July 1, 1984	60,000	July 1, 1994	120,000
January 1, 1985	65,000	January 1, 1995	120,000
July 1, 1985	65,000	July 1, 1995	125,000
January 1, 1986	70,000	January 1, 1996	130,000
July 1, 1986	70,000	July 1, 1996	135,000
January 1, 1987	75,000	January 1, 1997	140,000
July 1, 1987	75,000	July 1, 1997	145,000
January 1, 1988	80,000	January 1, 1998	145,000
July 1, 1988	80,000	July 1, 1998	150,000

* 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>Premiums</i>
Not more than four years before maturity.....	1/2 %
More than four years but not more than eight years before maturity.....	1 1/4 %
More than eight years but not more than fourteen years before maturity.....	2 1/4 %
More than fourteen years but not more than twenty years before maturity....	3 3/4 %
More than twenty years but not more than twenty-six years before maturity..	5 %
More than twenty-six years but not more than twenty-eight years before maturity	6 %
More than twenty-eight years before maturity.....	6 1/2 %

SCHEDULE 4

PROCUREMENT

The following procedures will apply to contracts to be financed under Category 3 of the allocation of the proceeds of the Loan as set out in Schedule 2 to this Loan Agreement other than contracts entered into prior to October 1, 1968 (in an amount equivalent to approximately \$ 760,000):

1. All contracts for animal-drawn agricultural implements, including carts, will be awarded on the basis of local competitive bidding in accordance with the general principles and procedures set forth in the Guidelines for Procurement under World Bank Loans and IDA Credits, dated February 1968, as modified by paragraph 2 of this Schedule.

2. (a) "Local competitive bidding" in paragraph 1 above means inviting the local factory (SISCOMA) and all interested agents of overseas firms producing suitable implements with similar specifications, represented in the territories of the Borrower, to make bids. This will be accomplished by publication of suitable advertisements in the local press and government publications. The time interval between advertising and the opening of bids will be a minimum of thirty (30) days and the time interval for delivery of goods will be not less than sixty (60) days from the effective date of contract award.

(b) Before inviting tenders, copies of proposed standard bid invitation documents and description of tendering procedures will be submitted to the Bank for its approval. Procurement of these items will be grouped so that each consignment is large enough to obtain favorable shipping rates from the port of loading in case the contract is awarded to a local agent of an overseas supplier.

(c) A summary of the bids received, an analysis report and recommendations, and a justification of the proposal for awarding the contract, together with a copy of the *procès-verbal* of the public opening of the tenders will be submitted to the Bank for approval.

(d) If any contract is awarded to the local agent of an overseas supplier, the necessary import licenses and foreign exchange authorizations shall be granted promptly upon application.

(e) When evaluating bids, the following factors shall be considered for the purposes of comparing the prices of imported goods with those of goods produced or assembled in the territories of the Borrower as follows: (i) the price of imported goods shall consist exclusively of (A) the C.I.F. cost of such goods, (B) a margin of up to 15 per cent of such C.I.F. cost, (C) the cost of transportation and handling from the point of entry into the territories of the Borrower to the area where the goods are to be delivered, and (D) the dealer's commission; and (ii) the price of goods produced or assembled in the territories of the Borrower shall consist exclusively of (A) the ex-factory price of such goods after deduction of the taxes and duties, if any, levied on the importation into the territories of the Borrower of the compo-

ment parts of such goods, (B) the cost of transportation and handling from the factory to the area where the goods are to be delivered, and (C) the dealer's commission.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

LOAN REGULATIONS No. 3, DATED 15 FEBRUARY 1961,
AS AMENDED 9 FEBRUARY 1967

REGULATIONS APPLICABLE TO LOANS MADE BY THE BANK TO MEMBER GOVERNMENTS

[Not published herein. See United Nations, Treaty Series, vol. 615, p. 98.]