

No. 10222

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

**Guarantee Agreement—*Pumped Storage Power Project* (with annexed Loan Regulations No. 4, as amended, and Loan Agreement between the Bank and the Electricity Supply Board). Signed at Washington on 24 March 1969**

*Authentic text: English.*

*Registered by the International Bank for Reconstruction and Development on 26 January 1970.*

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

**Contrat de garantie — *Projet hydro-électrique avec stockage par pompage* (avec, en annexe, le Règlement n° 4 sur les emprunts, tel qu'il a été modifié, et le Contrat d'emprunt entre la Banque et l'Electricity Supply Board). Signé à Washington le 24 mars 1969**

*Texte authentique: anglais.*

*Enregistré par la Banque internationale pour la reconstruction et le développement le 26 janvier 1970.*

## GUARANTEE AGREEMENT <sup>1</sup>

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AGREEMENT, dated March 24, 1969, between IRELAND acting through the Minister for Finance (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 Electricity Supply Board (hereinafter called the Borrower), which agreement and the schedules therein referred to are hereinafter called the Loan Agreement,<sup>2</sup> the Bank has agreed to make to the Borrower a loan in various currencies equivalent to fourteen million five hundred thousand dollars (\$14,500,000), on the terms and conditions set forth in the Loan Agreement, but only on condition that the Guarantor agree to guarantee the obligations of the Borrower in respect of such loan as hereinafter provided; 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 Agreement accept all the provisions of Loan Regulations No. 4 of the Bank dated February 15, 1961 as amended February 9, 1967,<sup>2</sup> subject, however, to the modification 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.

*Section 1.02.* Wherever used in this Agreement, the term defined in Section 1.02 of the Loan Agreement shall have the same meaning as therein set forth.

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<sup>1</sup> Came into force on 21 May 1969, upon notification by the Bank to the Government of Ireland.  
<sup>2</sup> See p. 354 of this volume.

## 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 unconditionally 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, 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.

*Section 2.02.* Without limitation or restriction upon any of the other covenants on its part in this Guarantee Agreement contained, upon representation by the Bank to the Guarantor that there is reasonable cause to believe that the Borrower is likely to fail to discharge or be unable to discharge any of its obligations or covenants under the Loan Agreement, the Guarantor shall take such appropriate action as may be required to ensure that satisfactory arrangements are made by the Borrower to enable it to discharge its obligations or covenants under the Loan Agreement.

*Section 2.03.* Without limitation or restriction upon the provisions of Section 2.01 of this Agreement, the Guarantor specifically undertakes, whenever there is reasonable cause to believe that the funds available to the Borrower will be inadequate to meet the estimated expenditures required for carrying out the Project, to make arrangements, satisfactory to the Bank, promptly to provide the Borrower or cause the Borrower to be provided with such funds as are needed to meet such expenditures.

## 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; 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; or (iii) 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 (iv) any lien upon real estate or other property in Ireland or revenues or receipts in currency of the Guarantor, if such lien is given by a political subdivision or by an agency of a political subdivision of the Guarantor under arrangements or circumstances which would not result in priority in the allocation or realization of foreign exchange.

If the Guarantor, because of constitutional or other legal provisions, shall be unable to make the foregoing effective with respect to any lien on any assets of a political subdivision or agency of a political subdivision, the Guarantor, except as the Bank shall otherwise agree, shall give to the Bank an equivalent lien or equivalent priority in the allocation or realization of foreign exchange, as the case may be, satisfactory to the Bank.

The term “ assets of the Guarantor ” as used in this Section includes assets or revenues of the Guarantor or of any political subdivision of the Guarantor or of any agency of the Guarantor or of any such political subdivision; and the term “ political subdivision ” includes county councils and county borough councils and any other such subdivisions as shall have power to raise revenues by taxation and to charge any such revenues or any of its assets as security for external debt.

*Section 3.02.* (a) The Guarantor 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 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 interferes with, or threatens 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 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 not take or permit to be taken any action which would prevent or interfere with the performance by the Borrower of any of the covenants, agreements and obligations of the Borrower in the Loan Agreement contained and shall take or cause to be taken all reasonable governmental action which shall be necessary in order to enable the Borrower to perform such covenants, agreements and obligations.

#### *Article IV*

*Section 4.01.* The Guarantor shall endorse, in accordance with the provisions of the Loan Regulations, its guarantee on the Bonds to be executed and delivered by the Borrower. The Minister for Finance of the Guarantor and such person or persons as he shall appoint 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:

The Secretary  
Department of Finance  
Upper Merrion Street  
Dublin 2, Ireland

Cable address:

Finance  
Dublin

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 5.02.* The Secretary, Department of Finance, of the Guarantor 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 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.

Ireland:

*By* William P. FAY  
Authorized Representative

International Bank for Reconstruction and Development:

*By* J. Burke KNAPP  
Vice President

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT  
LOAN REGULATIONS No. 4, DATED 15 FEBRUARY 1961,  
AS AMENDED 9 FEBRUARY 1967

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

[*Not published herein. See United Nations, Treaty Series, vol. 598, p. 270.*]

LOAN AGREEMENT

AGREEMENT, dated March 24, 1969 between INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (hereinafter called the Bank) and ELECTRICITY SUPPLY BOARD (hereinafter called the Borrower).

*Article I*

LOAN REGULATIONS; DEFINITION

*Section 1.01.* The parties to this Agreement accept all the provisions of Loan Regulations No. 4 of the Bank dated February 15, 1961 as amended February 9, 1967<sup>1</sup> 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. 4 as so modified being hereinafter called the Loan Regulations): Section 4.01 is deleted.

*Section 1.02.* Unless the context otherwise requires, the following term wherever used in the Loan Agreement shall have the following meaning:

The term "Act" means the Electricity (Supply) act, 1927 of the Guarantor and any other act or acts amending or extending the Act enacted up to the date of this Agreement.

*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 fourteen million five hundred thousand dollars (\$14,500,000).

<sup>1</sup> See above.

*Section 2.02.* (a) The Bank shall open a Loan Account on its books in the name of 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 Agreement and the Loan Regulations and in accordance with the Allocation of the Proceeds of the Loan set forth in Schedule 1 to this 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) the equivalent of 50% of such amounts as shall have been paid (or, if the Bank shall so agree, as shall be required to meet payments to be made) for civil works (Category I of such Allocation); and
- (ii) such amounts as shall have been paid (or, if the Bank shall so agree, as shall be required to meet payments to be made) for the foreign exchange cost of equipment items included in Category II and Category III of such Allocation and for interest and other charges during construction (Category IV of such Allocation);

provided, however, that if there shall be an increase in the estimate of expenditures for civil works (Category I of such Allocation) the Bank may, from time to time, by notice to the Borrower, adjust the percentage provided for in paragraph (i) above as required in order that withdrawals from the Loan Account of the amount of the Loan then allocated to such works, and not withdrawn, shall continue to be made *pro rata* with the expenditures then remaining to be made therefor.

(b) Except as shall be otherwise agreed between the Bank and the Borrower: (i) no withdrawals shall be made on account of expenditures prior to the date of this Agreement; or (ii) expenditures made in the territories of any country which is not a member of the Bank (except Switzerland) or for goods produced in (including services supplied from) such territories.

*Section 2.04.* Withdrawals from the Loan Account pursuant to Section 2.03 (a) (i) of this Agreement shall be in such currency or currencies as the Bank shall 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 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 commitment outstanding from time to time.

*Section 2.08.* Interest and other charges shall be payable semi-annually on June 15 and December 15 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 2 to this 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 the Loan Agreement to expenditures on the Project described in Schedule 3 to this Agreement.

*Section 3.02.* Except as the Bank shall otherwise agree: (a) the goods to be financed out of the proceeds of the Loan shall be procured on the basis of international competitive bidding in accordance with the *Guidelines for Procurement under World Bank Loans and IDA Credits* published by the Bank in February 1968, and in accordance with such other procedures supplementary thereto as are set forth in Schedule 4 to this Agreement; and (b) 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 Secretary or the Deputy Secretary and the Chief Financial Officer or the Deputy Chief Financial Officer of the Borrower 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.* The Borrower shall carry out the Project with due diligence and efficiency and in conformity with sound engineering, financial and public utility practices.

*Section 5.02.* (a) The Borrower shall at all times take all steps necessary to: (i) maintain its corporate existence and right to carry on its operations, and (ii) acquire, maintain and renew all rights, powers, privileges and franchises which are necessary or useful in the conduct of its business.

(b) The Borrower shall at all times operate and maintain its plants, equipment and property, and from time to time make all necessary renewals and repairs thereof, all in accordance with sound engineering and public utility practices.

(c) The Borrower shall at all times manage its affairs, plan its future investment, and maintain its financial position, all in accordance with sound business, financial and public utility principles and practices and under the supervision of experienced and competent management.

*Section 5.03.* Upon request from time to time by the Bank, the Borrower shall promptly furnish or cause to be furnished to the Bank the plans, specifications and work schedules for the Project and any material modifications subsequently made therein, in such detail as the Bank shall reasonably request.

*Section 5.04.* (a) 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.

(b) The Borrower shall enable the Bank's representatives to inspect the Project, the goods, all other plans, works, properties and equipment of the Borrower and any relevant records and documents.

(c) The Borrower 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.

(d) The Borrower shall have its financial statements (balance sheet and related statement of earnings and expenses) certified annually by an independent accountant

or accounting firm acceptable to the Bank and shall promptly after their preparation and not later than four months after the close of the Borrower's fiscal year transmit to the Bank certified copies of such statements and a signed copy of the accountant's or accounting firm's report.

*Section 5.05.* (a) The Bank and the Borrower shall cooperate fully to assure that the purposes of the Loan will be accomplished. To that end, the Bank and the Borrower 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, the administration, operations and financial condition of the Borrower and other matters relating to the purposes of the Loan.

(b) 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, the maintenance of the service thereof or the performance by the Borrower of its obligations under the Loan Agreement.

*Section 5.06.* 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 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 the date in which it is originally incurred.

*Section 5.07.* Except as the Bank shall otherwise agree, the Borrower shall not, without the consent of the Bank, sell or otherwise dispose of any of its property or assets which shall be required for the efficient carrying on of its business and undertaking, including the Project, unless the Borrower shall first pay or redeem, or make adequate provision satisfactory to the Bank for payment or redemption of, all of the Loan and the Bonds which shall then be outstanding and unpaid.

*Section 5.08.* (a) The Borrower shall take out and maintain with responsible insurers or make other provision satisfactory to the Bank for insurance against such risks and in such amounts as shall be consistent with sound practice.

(b) Without limiting the generality of the foregoing, the Borrower undertakes to insure or cause to be insured the imported goods to be financed out of the proceeds of the Loan against marine, transit and other hazards incident to acquisition, transpor-

tation 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 5.09.* Subject to such exemptions as shall be conferred by the provisions of Sections 3.03 and 3.04 of the Guarantee Agreement,<sup>1</sup> 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 its territories on or in connection with the execution, issue, delivery or registration of the Loan Agreement, the Guarantee Agreement 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 5.10.* 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 the Loan Agreement, the Guarantee Agreement or the Bonds.

*Section 5.11.* The Borrower shall from time to time take all steps which shall be necessary or desirable, as permitted under the Act, to charge rates for the sale of electricity or to make adjustments thereof as may be necessary to provide revenues sufficient to enable the Borrower to meet its obligations under the Act and the Loan Agreement.

*Section 5.12.* The Borrower shall, as permitted under Section 21 of the Act, charge to revenue account each year such sums (in addition to such other sums as the Borrower shall set aside in each year pursuant to the provisions of such Section) as shall be sufficient (together with such other sums) fully to repay, by their latest redemption dates, all of the issues of Stock of the Borrower created after 1958 which shall then be outstanding and unpaid.

## Article VI

### REMEDIES OF THE BANK

*Section 6.01.* (i) If any event specified in paragraph (a), paragraph (e) or paragraph (f) of Section 5.02 of the Loan Regulations shall occur and shall continue for a period of thirty days, or (ii) if a default shall occur in the payment of principal or interest or any other payment required under any other loan agreement between the

<sup>1</sup> See p. 344 of this volume.

Bank and the Borrower or under any bond delivered pursuant thereto or under any credit agreement between the Association and the Borrower and such default shall continue for a period of thirty days, or (iii) if a default shall occur in the payment of principal or interest or any other payment required under any loan agreement or under any guarantee agreement between the Guarantor and the Bank or under any bond delivered pursuant to any such agreement or under any credit agreement between the Association and the Guarantor under circumstances which would make it unlikely that the Guarantor would meet its obligations under the Guarantee Agreement and such default shall continue for a period of thirty days, or (iv) if any event specified in paragraph (c) of Section 5.02 of the Loan Regulations or in Section 6.02 of this 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 of any such event or default, 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 event is specified for the purposes of paragraph (l) of Section 5.02 of the Loan Regulations:

A change shall have been made in the Act without the Bank's consent which, in the Bank's judgment, shall adversely affect the carrying out of the Project or the financial condition of the Borrower.

#### *Article VII*

##### EFFECTIVE DATE; TERMINATION

*Section 7.01.* The following event is specified as an additional condition to the effectiveness of this Agreement within the meaning of Section 9.01 (c) of the Loan Regulations:

Except as the Bank shall otherwise agree, all necessary acts, consents and approvals to be performed or given by the Guarantor, its political subdivisions or agencies or by any agency of any political subdivision or otherwise to be performed or given in order to authorize the carrying out of the Project and to enable the Borrower to perform all of the covenants, agreements and obligations of the Borrower in the Loan Agreement contained, together with all necessary powers and rights in connection therewith, have been performed or given.

*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 all acts, consents and approvals referred to in Section 7.01 of this Agreement, together with all necessary powers and rights in connection therewith, have been duly and validly performed or given and that no other such acts, consents or approvals are required in order to authorize the carrying out of the Project and to enable the Borrower to perform all of the covenants, agreements and obligations of the Borrower in the Loan Agreement contained.

*Section 7.03.* If this Agreement shall not have come into force and effect by June 30, 1969, this 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 Agreement.

### *Article VIII*

#### MISCELLANEOUS

*Section 8.01.* The Closing Date shall be March 31, 1974 or such later date or dates as may be agreed by the Bank.

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

For the Borrower:

Electricity Supply Board  
Lower Fitzwilliam Street  
Dublin 2, Ireland

Cable address:

Elecsupply  
Dublin

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.

IN WITNESS WHEREOF, the parties hereto, acting through their representatives thereunto duly authorized, have caused this Agreement to be signed in their respective names and to be 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 J. Burke KNAPP  
Vice President

Electricity Supply Board:

By Thomas MURRAY  
Authorized Representative

SCHEDULE 1

ALLOCATION OF THE PROCEEDS OF THE LOAN

<i>Category</i>	<i>U.S. Dollar Equivalent</i>
I. Civil Works including reservoir lining . . . . .	5,600,000
II. Pump/Turbine Generators and auxiliary equipment . . . . .	4,300,000
III. Transformers, switchgear and equipment for transmission lines and substations, and control equipment . . . . .	1,700,000
IV. Interest and other charges during construction . . . . .	2,000,000
V. Unallocated . . . . .	900,000
TOTAL	<u>14,500,000</u>

REALLOCATION UPON CHANGE IN COST ESTIMATES

1. If the estimate of the cost of goods included in Categories I, II, III or IV shall decrease, the amount of the Loan then allocated to, and no longer required for, such goods will be reallocated by the Bank to Category V (Unallocated).

2. If the estimate of the cost of goods included in Categories I, II or III shall increase, an amount equal to the portion, if any, of such increase to be financed out of the proceeds of the Loan will be allocated by the Bank, at the request of the Borrower, to any such Category from Category V (Unallocated), subject, however, to the requirements for contingencies, as determined by the Bank, in respect of the cost of the goods in the other Categories.

## SCHEDULE 2

## 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>
June 15, 1974 . . . . .	175,000	December 15, 1984 . . . . .	340,000
December 15, 1974 . . . . .	180,000	June 15, 1985 . . . . .	350,000
June 15, 1975 . . . . .	185,000	December 15, 1985 . . . . .	365,000
December 15, 1975 . . . . .	190,000	June 15, 1986 . . . . .	375,000
June 15, 1976 . . . . .	200,000	December 15, 1986 . . . . .	385,000
December 15, 1976 . . . . .	205,000	June 15, 1987 . . . . .	400,000
June 15, 1977 . . . . .	210,000	December 15, 1987 . . . . .	410,000
December 15, 1977 . . . . .	215,000	June 15, 1988 . . . . .	425,000
June 15, 1978 . . . . .	225,000	December 15, 1988 . . . . .	440,000
December 15, 1978 . . . . .	230,000	June 15, 1989 . . . . .	455,000
June 15, 1979 . . . . .	240,000	December 15, 1989 . . . . .	470,000
December 15, 1979 . . . . .	245,000	June 15, 1990 . . . . .	485,000
June 15, 1980 . . . . .	255,000	December 15, 1990 . . . . .	500,000
December 15, 1980 . . . . .	265,000	June 15, 1991 . . . . .	515,000
June 15, 1981 . . . . .	270,000	December 15, 1991 . . . . .	530,000
December 15, 1981 . . . . .	280,000	June 15, 1992 . . . . .	550,000
June 15, 1982 . . . . .	290,000	December 15, 1992 . . . . .	570,000
December 15, 1982 . . . . .	300,000	June 15, 1993 . . . . .	585,000
June 15, 1983 . . . . .	310,000	December 15, 1993 . . . . .	605,000
December 15, 1983 . . . . .	320,000	June 15, 1994 . . . . .	625,000
June 15, 1984 . . . . .	330,000		

\* 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 three years before maturity . . . . .	1/2 of 1%
More than three years but not more than six years before maturity . . . . .	1 1/4%
More than six years but not more than eleven years before maturity . . . . .	2 1/4%
More than eleven years but not more than sixteen years before maturity . . . . .	3 3/4%
More than sixteen years but not more than twenty-one years before maturity . . . . .	5%
More than twenty-one years but not more than twenty-three years before maturity . . . . .	6%
More than twenty-three years before maturity . . . . .	6 1/2%



## SCHEDULE 3

## DESCRIPTION OF THE PROJECT

The Project consists of a pumped-storage power station, with four reversible pump/turbine-generator units each rated about 70 MW, including an artificial upper reservoir, improvements to an existing lake to be used as a lower reservoir, and associated substation and control equipment, and transmission lines.

The Project is expected to be completed by March 31, 1974.

## SCHEDULE 4

## SUPPLEMENTARY PROCEDURES FOR PROCUREMENT

1. With respect to all contracts for civil works involving expenditures exceeding the equivalent of \$100,000 and to all contracts for the purchase of machinery, equipment or materials involving expenditures exceeding the equivalent of \$50,000, the following procedures shall apply:

- (a) Invitations to bid, specifications, conditions of contract and all other tender documents together with a description of advertising procedures shall be submitted to the Bank for review and approval prior to the issuance of invitations to bid.
- (b) After bids have been received and analyzed, the analysis of the bids, the resulting recommendations and the proposals for awards, together with the reasons for such proposals shall be submitted to the Bank for review and approval prior to making any award of contract or issuing any letter of intent.
- (c) If the final contract is to differ substantially from the terms and conditions contained in the respective documents approved by the Bank under paragraphs (a) and (b) above, the text of the proposed changes shall be submitted for review and approval prior to the execution of such contract.
- (d) As soon as a letter of intent has been issued or a contract referred to above has been executed, a copy thereof shall be sent to the Bank.

2. With respect to any contract involving expenditures equivalent to \$100,000 or less in the case of civil works or \$50,000 or less in the case of purchases of machinery, equipment or materials, copies of all tender documents, including the evaluation reports, and of the executed contract shall be sent to the Bank promptly after the execution of any such contract and prior to the submission to the Bank of the first application for withdrawal of funds from the Loan Account in respect thereof.