

No. 10219

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

Guarantee Agreement—*Finchaa Hydroelectric Project* (with annexed General Conditions Applicable to Loan and Guarantee Agreements and Loan Agreement between the Bank and the Ethiopian Electric Light and Power Authority). Signed at Washington on 9 May 1969

Authentic text: English.

Registered by the International Bank for Reconstruction and Development on 20 January 1970.

**BANQUE INTERNATIONALE POUR
LA RECONSTRUCTION ET LE DÉVELOPPEMENT
et
ÉTHIOPIE.**

Contrat de garantie — *Projet hydroélectrique de Finchaa* (avec, en annexe, les Conditions générales applicables aux contrats d'emprunt et de garantie et le Contrat d'emprunt entre la Banque et l'Office éthiopien de l'énergie électrique). Signé à Washington le 9 mai 1969

Texte authentique: anglais.

Enregistré par la Banque internationale pour la reconstruction et le développement le 20 janvier 1970.

GUARANTEE AGREEMENT ¹

AGREEMENT, dated May 9, 1969, between the EMPIRE OF ETHIOPIA (hereinafter called the Guarantor) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (hereinafter called the Bank).

WHEREAS by the Loan Agreement ² of even date herewith between the Bank and the Ethiopian Electric Light and Power Authority (hereinafter called the Borrower), the Bank has agreed to make to the Borrower a loan in various currencies equivalent to twenty-three million one hundred thousand dollars (\$23,100,000), 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 the General Conditions Applicable to Loan and Guarantee Agreements of the Bank dated January 31, 1969² with the same force and effect as if they were fully set forth herein (said General Conditions Applicable to Loan and Guarantee Agreements being hereinafter called the General Conditions).

Section 1.02. Wherever used in this Agreement, unless the context otherwise requires, the several terms defined in the General Conditions and in Section 1.02 of the Loan Agreement have the respective meanings therein set forth.

¹ Came into force on 8 August 1969, upon notification by the Bank to the Government of Ethiopia.

² See p. 256 of this volume.

Article II

Section 2.01. Without limitation or restriction upon any of its other covenants in the Guarantee 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 interest and other charges on, the Loan and the Bonds, the premium, if any, on the prepayment of the Loan or the redemption of the Bonds prior to their maturity and the punctual performance of all the obligations of the Borrower, all as set forth in the Loan Agreement and in the Bonds.

Section 2.02. 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 the carrying out of 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 to secure a debt maturing not more than one year after the date on which it is originally incurred.

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 National Bank of Ethiopia or any other institution at any time performing the functions of a central bank of the Guarantor.

Section 3.02. (a) The Guarantor and the Bank shall co-operate 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 positions 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, and free from all restrictions imposed under such laws; 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. The 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 Guarantor shall cause the Charter of the Borrower (Imperial Charter promulgated as General Notice No. 213 of 1948 (1956) in the *Negarit Gazeta* of the Empire of Ethiopia) to be at all times in a form and substance such as will, in the opinion of the Bank, be required to enable the Borrower to properly carry out the Project and operate its facilities.

Section 3.06. The Guarantor shall inform the Bank of any proposed change in or new appointment to the post of General Manager of the Borrower

prior to any such change or new appointment, and shall afford the Bank a reasonable opportunity to express its views thereon.

Article IV

Section 4.01. The Guarantor shall endorse, in accordance with the provisions of the General Conditions, 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 appoint in writing are designated as authorized representatives of the Guarantor for the purposes of Section 8.10 of the General Conditions.

Article V

Section 5.01. The Minister of Finance of the Guarantor is designated as representative of the Guarantor for the purposes of Section 10.03 of the General Conditions.

Section 5.02. The following addresses are specified for the purposes of Section 10.01 of the General Conditions:

For the Guarantor:

Ministry of Finance
Post Office Box 1905
Addis Ababa, Ethiopia

Cable address:

Ministry of Finance
Addis Ababa

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 the 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.

Empire of Ethiopia:

By Minasse HAILE
Authorized Representative

International Bank for Reconstruction and Development:

By J. Burke KNAPP
Vice President

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
GENERAL CONDITIONS, DATED 31 JANUARY 1969
GENERAL CONDITIONS APPLICABLE TO LOAN AND GUARANTEE AGREEMENTS

[Not published herein. See *United Nations, Treaty Series, Vol. 691, p. 300.*]

LOAN AGREEMENT

AGREEMENT, dated May 9, 1969, between INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (hereinafter called the Bank) and ETHIOPIAN ELECTRIC LIGHT AND POWER AUTHORITY (hereinafter called the Borrower), a corporation established under the laws of the Empire of Ethiopia pursuant to Imperial Charter promulgated as General Notice No. 213 of 1948 (1956) in the *Negarit Gazeta* of the Empire of Ethiopia.

Article I

GENERAL CONDITIONS; DEFINITIONS

Section 1.01. The parties to this Agreement accept all the provisions of the General Conditions Applicable to Loan and Guarantee Agreements of the Bank dated January 31, 1969¹ with the same force and effect as if they were fully set forth herein (said General Conditions Applicable to Loan and Guarantee Agreements of the Bank being hereinafter called the General Conditions).

¹ See above.

Section 1.02. Wherever used in this Agreement, unless the context otherwise requires, the several terms defined in the General Conditions have the respective meanings therein set forth and the term "First Bank Loan Agreement" means the loan agreement (*Electric Power Project*) between the Bank and the Borrower dated May 8, 1964¹ and includes all agreements and arrangements, if any, incidental thereto between the Guarantor, the Bank and the Borrower.

Article II

THE LOAN

Section 2.01. The Bank agrees to lend to the Borrower, on the terms and conditions in the Loan Agreement set forth or referred to, an amount in various currencies equivalent to twenty-three million one hundred thousand dollars (\$23,100,000).

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, the Loan Agreement 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 Bank and the Borrower.

Section 2.03. The Borrower shall be entitled to withdraw from the Loan Account:

- (i) in respect of the reasonable cost of goods or services required for the Project and to be financed under the Loan Agreement, 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 expenditures under Categories 1-4 of the allocation of the proceeds of the Loan set forth in Schedule 1 to this Agreement; and
- (ii) such amounts as shall be required to meet payments to be made to the Bank for interest and other charges on the Loan accrued on or before June 15, 1973, or such other date as may be agreed between the Bank and the Borrower.

Section 2.04. The Borrower shall pay to the Bank a commitment charge at the rate of three-fourths of one per cent ($\frac{3}{4}$ of 1%) per annum on the principal amount of the Loan not withdrawn from time to time.

Section 2.05. 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.

¹ United Nations, *Treaty Series*, vol. 505, p. 51.

Section 2.06. Interest and other charges shall be payable semi-annually on June 15 and December 15 in each year.

Section 2.07. 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 (i) the goods and services 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 (ii) contracts for the procurement of such goods and services shall be subject to the prior approval of the Bank.

Section 3.03. Except as the Bank shall otherwise agree, until the completion of the Project the Borrower shall cause all goods and services 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 VIII of the General Conditions.

Section 4.02. The General Manager of the Borrower and such other person or persons as he shall appoint in writing are designated as authorized representatives of the Borrower for the purposes of Section 8.10 of the General Conditions.

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 administrative, financial, engineering and public utility practices.

(b) In carrying out the Project, the Borrower shall employ competent and experienced engineering consultants and contractors acceptable to the Bank to an extent and upon such terms and conditions as shall have been approved by the Bank.

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

Section 5.02. (a) The Borrower shall at all times manage its affairs, maintain its financial position, plan its future expansion and carry on its operations, in accordance with sound business, financial and public utility practices and under the supervision of experienced and competent management.

(b) The Borrower shall have its accounts audited and its financial statements (balance sheet and related statements of earnings and expenses) certified annually by qualified independent accountants acceptable to the Bank and shall promptly after their preparation and not later than five 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 auditors' report.

Section 5.03. (a) Except as the Bank shall otherwise agree, the Borrower shall at all times maintain its existence and right to carry on operations and shall take all steps necessary to 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 plant, equipment, machinery and other property, and promptly make all necessary repairs and renewals thereof, in accordance with sound engineering and public utility practices.

(c) The Borrower shall not, without the prior approval of the Bank, lease, transfer or otherwise dispose of any of its property or assets which shall be required for the efficient operation of its business and undertaking.

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, 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 any other matters relating to the purposes of the Loan and the maintenance of the service thereof.

(b) 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.

(c) 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.

(d) The Borrower shall: (i) maintain or cause to be maintained records adequate to identify the goods and services 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; and (ii) shall enable the Bank's representatives to inspect the Project, the goods, all other plants, sites, works, properties and equipment of the Borrower and any relevant records and documents.

Section 5.05. (a) The Borrower shall take out and maintain with responsible insurers, or make other provisions satisfactory to the Bank for, insurance against such risks and in such amounts as shall be consistent with sound public utility practices.

(b) Without limiting the generality of the foregoing, the Borrower undertakes to insure the imported goods financed out of the proceeds of the Loan against marine, transit and other hazards incident to the 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 5.06. The Borrower undertakes that, except as the Bank shall otherwise agree, if any lien shall be created on any of the 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 on which it is originally incurred.

Section 5.07. (a) The Borrower shall adjust its rates from time to time as necessary to provide revenue sufficient to produce, unless the Bank shall otherwise agree, an annual rate of return of not less than 7% on the value of the average net fixed assets in operation.

(b) For the purposes of this Section:

- (i) the annual rate of return shall be expressed as a percentage of the operating income for each fiscal year of the average of the value of the net fixed assets in operation at the beginning and at the end of the same fiscal year;

- (ii) the term “ operating income ” shall mean the difference between operating revenue and operating expenses including adequate maintenance and provision for depreciation on a straight-line basis and all taxes, if any, including taxes on income, but excluding interest and other charges on debt;
- (iii) the term “ value of the net fixed assets in operation ” shall mean the gross value of fixed assets in operation less reasonable accumulated depreciation based on methods of valuation (including revaluation) approved by the Bank.

Section 5.08. The First Bank Loan Agreement is amended by deleting the provisions of Section 5.08 thereof and substituting therefor the provisions of Section 5.07 of this Agreement.

Section 5.09. Except as the Bank shall otherwise agree, the Borrower shall not incur any debt, other than for money borrowed for financing the Project, unless its net revenues for the fiscal year next preceding the date of such incurrence or for any later twelve-month period ended prior to the date of such incurrence, shall be not less than 1.4 times the maximum debt service requirement in any succeeding fiscal year (including the fiscal year in which such debt is to be incurred) on all debt including the debt to be incurred. For the purposes of this Section:

(a) The term “ debt ” shall mean all indebtedness of the Borrower, including debt incurred by others on behalf of the Borrower but for the service of which the Borrower is responsible, maturing by its terms more than one year after the date on which it is originally incurred.

(b) Debt shall be deemed to be incurred on the date of execution and delivery of a contract, loan agreement or other instrument providing for such debt.

(c) The term “ net revenues ” shall mean gross revenues from all sources, adjusted to take account of the Borrower’s rates in effect at the time of the incurrence of debt even though they were not in effect during all or a part of the fiscal year or twelve-month period to which such revenues relate, less all operating and administrative expenses and provision for taxes, if any, but before provision covering depreciation and debt service requirements.

(d) The term “ debt service requirement ” shall mean the aggregate amount of amortization (including sinking fund payments, if any), interest and other charges on debt.

(e) Whenever for the purposes of this Section it shall be necessary to value, in terms of the currency of the Guarantor, debt payable in another currency, such valuation shall be made on the basis of the prevailing lawful rate of exchange at which such other currency is, at the time of such valuation, obtainable for the purposes of servicing such debt or, if such other currency is not so obtainable, at the rate of exchange that will be reasonably determined by the Bank.

Section 5.10. The First Bank Loan Agreement is amended by deleting the provisions of Section 5.09 thereof and substituting therefor the provisions of Section 5.09 of this Agreement.

Section 5.11. 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 the Loan 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 5.12. 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.

Article VI

REMEDIES OF THE BANK

Section 6.01. If any event specified in Section 7.01 of the General Conditions or in Section 6.02 of this Loan Agreement shall occur and shall continue for the period, if any, therein set forth, 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, together with the interest and other charges thereon, and upon any such declaration such principal, interest and charges shall become due and payable immediately, anything to the contrary in the Loan Agreement or in the Bonds notwithstanding.

Section 6.02. For the purposes of Section 7.01 of the General Conditions, the following additional events are specified:

- (a) any creditor of the Borrower shall, in accordance with the terms of any loan having an original maturity of one year or more, have demanded payment from the Borrower or any part or all of such loan prior to the agreed maturity thereof;
- (b) any legislation or regulation of the Guarantor governing the establishment, organization, powers and operations of the Borrower shall have been materially amended, suspended or abrogated without the agreement of the Bank, so as to

¹ See p. 248 of this volume.

affect adversely the operations or financial condition of the Borrower or the performance by the Borrower of its obligations under the Loan Agreement, and such a default shall have continued for a period of sixty days;

- (c) a default shall have occurred in the performance of any other covenant or agreement on the part of the Borrower or the Guarantor under the First Bank Loan Agreement or the Guarantee Agreement (*Electric Power Project*)¹ between the Guarantor and the Bank, both dated May 8, 1964, and such a default shall have continued for a period of sixty days.

Article VII

EFFECTIVE DATE; TERMINATION

Section 7.01. The following event is specified as an additional condition to the effectiveness of the Loan Agreement within the meaning of Section 11.01 (c) of the General Conditions, namely that the Borrower shall have certified in writing to the Bank that, as of a date to be agreed between the Bank and the Borrower (which shall be prior to the date set forth in Section 7.03 of this Agreement) there has been no material adverse change in its condition since the date of the Loan Agreement.

Section 7.02. The following is specified as an additional matter, within the meaning of Section 11.02 (c) of the General Conditions, to be included in the opinion or opinions to be furnished to the Bank, namely that the Borrower has full power and authority to construct and operate the Project and that all corporate and governmental acts, consents and approvals necessary therefor have been duly and validly performed or granted.

Section 7.03. The date of August 8, 1969 is hereby specified for the purposes of Section 11.04 of the General Conditions.

Article VIII

MISCELLANEOUS

Section 8.01. The Closing Date shall be December 31, 1973, or such later date as shall be agreed between the Bank and the Borrower.

Section 8.02. The General Manager of the Borrower is designated as representative of the Borrower for the purposes of Section 10.03 of the General Conditions.

Section 8.03. The following addresses are specified for the purposes of Section 10.01 of the General Conditions:

¹ United Nations, *Treaty Series*, vol. 505, p. 51.

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.

For the Borrower:

Ethiopian Electric Light and Power Authority
 Post Office Box 1233
 Addis Ababa, Ethiopia

Cable address:

Electric
 Addis Ababa

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

Ethiopian Electric Light and Power Authority:

By Ato ASFAW DAMTE
 Authorized Representative

SCHEDULE I

ALLOCATION OF PROCEEDS OF LOAN

<i>Category</i>	<i>Amounts Expressed in Dollar Equivalent</i>
1. Electrical and mechanical equipment	\$ 3,500,000
2. Transmission	4,000,000
3. Engineering and other services	1,500,000
4. Civil Works	8,500,000
5. Interest and other charges on the Loan	3,500,000
6. Unallocated	2,100,000
TOTAL	<u>\$23,100,000</u>

REALLOCATION UPON CHANGE IN COST ESTIMATES

1. If the estimate of the cost of the items included in any of the Categories 1 to 5 shall decrease, the amount of the Loan then allocated to, and no longer required for, such Category will be reallocated by the Bank to Category 6.

2. If the estimate of the cost of the items included in any of the Categories 1 to 5 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 such Category from Category 6, subject, however, to the requirements for contingencies, as determined by the Bank, in respect of the cost of the items 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	275,000	December 15, 1984	540,000
December 15, 1974	285,000	June 15, 1985	560,000
June 15, 1975	295,000	December 15, 1985	580,000
December 15, 1975	305,000	June 15, 1986	595,000
June 15, 1976	315,000	December 15, 1986	615,000
December 15, 1976	325,000	June 15, 1987	635,000
June 15, 1977	335,000	December 15, 1987	655,000
December 15, 1977	345,000	June 15, 1988	680,000
June 15, 1978	360,000	December 15, 1988	700,000
December 15, 1978	370,000	June 15, 1989	725,000
June 15, 1979	380,000	December 15, 1989	745,000
December 15, 1979	395,000	June 15, 1990	770,000
June 15, 1980	405,000	December 15, 1990	795,000
December 15, 1980	420,000	June 15, 1991	820,000
June 15, 1981	435,000	December 15, 1991	850,000
December 15, 1981	445,000	June 15, 1992	875,000
June 15, 1982	460,000	December 15, 1992	905,000
December 15, 1982	475,000	June 15, 1993	935,000
June 15, 1983	490,000	December 15, 1993	965,000
December 15, 1983	510,000	June 15, 1994	1,005,000
June 15, 1984	525,000		

* To the extent that any portion of the Loan is repayable in a currency other than dollars (see General Conditions, Section 4.02), the figures in this column represent dollar equivalents determined as for purposes of withdrawal.

PREMIUMS ON PREPAYMENT AND REDEMPTION

The following percentages are specified as the premiums payable on repayment in advance of maturity of any portion of the principal amount of the Loan pursuant to Section 3.05 (b) of the General Conditions or on the redemption of any Bond prior to its maturity pursuant to Section 8.15 of the General Conditions:

<i>Time of Prepayment or Redemption</i>	<i>Premium</i>
Not more than three years before maturity	1/2%
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 the Finchaa Generating Station on the Finchaa River and transmission facilities, as follows:

1. A powerhouse and associated civil and ancillary works with hydroelectric units aggregating approximately 100 mw; and
2. Associated 230 kv transmission facilities.

The Project also includes technical and management consulting services and training for the staff of the Borrower.

The Project is expected to be completed by June 30, 1973.

SCHEDULE 4

PROCUREMENT

1. With respect to goods and services in Categories 1-4 of the allocation of the proceeds of the Loan, set forth in Schedule 1 to the Loan Agreement, and required to be procured on the basis of international competitive bidding under Section 3.02 of the Loan Agreement, identical or similar items to be procured shall be grouped together wherever practicable for the purposes of bidding and procurement, and such grouping of items shall be subject to the approval of the Bank.

2. In respect of (i) civil works contracts expected to cost more than the equivalent of U.S. \$100,000, and (ii) contracts for supply of equipment expected to cost more than the equivalent of U.S. \$50,000:

- (a) If prequalification of bidders is used, notices of prequalification and a description of the prequalification and advertising procedures to be followed will be submitted to the Bank for review and approval prior to the issuance of notices of prequalification.
- (b) Invitations to bid, specifications, the text of proposed bid advertisements to be published and all other tender documents will be submitted to the Bank for review and approval prior to the issuance of invitations to bid, together with a description of the advertising procedures to be followed.
- (c) After bids have been received and analyzed, the analysis of bids, recommendations of the consultants where applicable and the Borrower's proposals for awards, together with the reasons for such proposals, will be submitted to the Bank for review and approval prior to any award of contract or issuance of any letter of intent.
- (d) If the proposed final contract differs materially from the terms and conditions contained in the respective documents approved by the Bank under sub-paragraphs (a) and (b) above, then the text of the proposed changes will be submitted to the Bank for its review and approval prior to the execution of such contract or issuance of any letter of intent.
- (e) One conformed copy of any letter of intent issued and of any contract executed under this paragraph 2 will be sent to the Bank promptly after its issuance or execution.

3. In respect of (i) civil works contracts expected to cost not more than the equivalent of U.S. \$100,000, and (ii) contracts for the supply of equipment expected to cost not more than the equivalent of U.S. \$50,000, the Borrower shall submit to the Bank, at the time the award is made, a summary of bids or quotations, the bid analysis reports and the recommendations together with a copy of the record of the public opening of the tenders. The Borrower will also send a copy of any such contract to the Bank promptly after its execution and prior to the submission to the Bank of the first application for withdrawals in respect thereof.
