

No. 12274

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**INTERNATIONAL DEVELOPMENT ASSOCIATION  
and  
SENEGAL**

**Development Credit Agreement—*Second Railway Project*  
(with schedules and General Conditions Applicable to  
Development Credit Agreements). Signed at Washington  
on 23 June 1972**

*Authentic text : English.*

*Registered by the International Development Association on 22 January 1973.*

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**ASSOCIATION INTERNATIONALE  
DE DÉVELOPPEMENT  
et  
SÉNÉGAL**

**Contrat de crédit de développement — *Deuxième projet  
relatif aux chemins de fer* (avec annexes et Conditions  
générales applicables aux contrats de crédit de  
développement). Signé à Washington le 23 juin 1972**

*Texte authentique : anglais.*

*Enregistré par l'Association internationale de développement le 22 janvier 1973.*

## DEVELOPMENT CREDIT AGREEMENT<sup>1</sup>

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AGREEMENT, dated June 23, 1972, between REPUBLIC OF SENEGAL (hereinafter called the Borrower) and INTERNATIONAL DEVELOPMENT ASSOCIATION (hereinafter called the Association).

WHEREAS (A) The Borrower and the Régie des Chemins de Fer du Sénégal, an agency of the Borrower (hereinafter called the Régie), respectively, have requested the Association and the International Bank for Reconstruction and Development (hereinafter called the Bank) to assist in the financing of the Project described in Schedule 2 to this Agreement;

(B) By an agreement of even date herewith<sup>2</sup> between the Bank and the Régie (hereinafter called the Loan Agreement), the Bank has agreed to make a loan to the Régie in an amount in various currencies equivalent to six million four hundred thousand dollars (\$ 6,400,000), on the terms and conditions set forth in the Loan Agreement, but only on condition that the Borrower agree to guarantee the obligations of the Régie in respect of such loan;

(C) By an agreement of even date herewith<sup>3</sup> between the Borrower and the Bank (hereinafter called the Guarantee Agreement), the Borrower has agreed so to guarantee the obligations of the Régie;

(D) The Borrower is willing to make the part of the proceeds of the Credit provided for in this Agreement, which shall be required to carry out Parts A, B, C, D and E of the Project, available to the Régie upon the terms and conditions set forth hereinafter and in a subsidiary loan agreement to be entered into between the Borrower and the Régie (hereinafter called the Subsidiary Loan Agreement);

(E) The Régie will carry out Parts A, B, C, D and E of the Project with the assistance of the Guarantor and upon the terms and conditions set forth in a project agreement of even date herewith<sup>4</sup> between the Association and the Régie (hereinafter called the Project Agreement) and in the Loan Agreement; and

(F) The Association has agreed, on the basis *inter alia* of the foregoing, to extend the Credit to the Borrower upon the terms and conditions hereinafter set forth;

NOW THEREFORE the parties hereto hereby agree as follows :

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<sup>1</sup> Came into force on 29 December 1972, upon notification by the Association to the Government of Senegal.

<sup>2</sup> See foot-note 3 on page 66 of this volume.

<sup>3</sup> See p. 65 of this volume.

<sup>4</sup> The said Agreement entered into force on 29 December 1972. As it does not constitute an international agreement or a part of the present Agreement, it is not reproduced herein. However, it was published by the Association as document CN 314 SE, a certified true copy of which was transmitted to the Secretariat together with the documentation submitted for registration of the present Development Credit Agreement.

*Article I. GENERAL CONDITIONS; DEFINITIONS*

*Section 1.01.* The parties to this Agreement accept all the provisions of the General Conditions Applicable to Development Credit Agreements of the Association, dated January 31, 1969,<sup>1</sup> with the same force and effect as if they were fully set forth herein, subject, however, to the following modifications thereof (said General Conditions Applicable to Development Credit Agreements of the Association, as so modified, being hereinafter called the General Conditions):

(a) Section 2.01 (9) is deleted and the following is substituted therefor:

“9. The term ‘Project’ means the project or projects or program or programs for which the Credit is granted, as described in the Development Credit Agreement and as the description thereof shall be amended from time to time by agreement between the Borrower, the Association, the Bank and the Régie.”

(b) Section 5.01 is deleted;

(c) Section 6.02 (b) is deleted and the following is substituted therefor:

“(b) The Borrower or the Régie shall have failed to perform any other obligation under the Loan Agreement, the Guarantee Agreement, the Bonds (as such terms are defined in the Development Credit Agreement), or the Development Credit Agreement.”

(d) Section 6.02 (h) is deleted and Section 6.02 (i) becomes 6.02 (h);

(e) Section 7.01 (c) is amended to read as follows:

“(c) A default shall occur in the performance of any other obligation on the part of the Borrower or the Régie under the Loan Agreement, the Guarantee Agreement, or the Bonds (as such terms are defined in the Development Credit Agreement), or the Development Credit Agreement, or under any other development credit agreement between the Association and the Borrower for a railway project, or under any project agreement between the Association and the Régie, and such default shall continue for a period of 60 days after notice thereof shall have been given by the Bank or the Association, as the case may be, to the Borrower and the Régie.”

*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 following additional terms have the following meanings:

(a) “Loan Agreement” means the agreement of even date herewith between the Bank and the Régie, as such agreement may be amended from time to time; and such term includes the General Conditions Applicable to Loan and Guarantee Agreements of the Bank, dated January 31, 1969,<sup>2</sup> as made applicable to such agreement, all agreements supplemental to the Loan Agreement and all schedules to the Loan Agreement;

(b) “Guarantee Agreement” means the agreement of even date herewith between the Borrower and the Bank guaranteeing the obligations of the Régie to the Bank under the Loan Agreement, as such agreement may be amended from time to time;

<sup>1</sup> See p. 88 of this volume.

<sup>2</sup> United Nations, *Treaty Series*, vol. 691, p. 300.

(c) "Project Agreement" means the agreement of even date herewith between the Association and the Régie, as such agreement may be amended from time to time; and such term includes all agreements supplemental to the Project Agreement and all schedules to the Project Agreement;

(d) "Subsidiary Loan Agreement" means the agreement to be entered into between the Borrower and the Régie pursuant to Section 3.01 (c) of this Agreement, as such agreement may be amended from time to time; and such term includes all schedules to the Subsidiary Loan Agreement;

(e) "Loan" means the loan provided for in the Loan Agreement;

(f) "Loan Account" means the account referred to in Section 2.02 of the Loan Agreement;

(g) "Bonds" means the bonds provided for in the Loan Agreement;

(h) "Railways" means the railways owned, operated or administered by the Régie and includes all railway property, equipment and materials owned, operated or administered by the Régie;

(i) "International Traffic Agreement" means the agreement dated June 8, 1963, between the Borrower and the Republic of Mali relating to international railway traffic, as the same may from time to time be amended by agreement of the parties thereto;

(j) "Customs Agreement" means the *Accord douanier* dated June 8, 1963, between the Borrower and the Republic of Mali, as the same may from time to time be amended by agreement of the parties thereto;

(k) "Railway Convention" means the Convention dated June 8, 1963, between the Régie and the Régie du Chemin de Fer du Mali, as the same may from time to time be amended by agreement of the parties thereto;

(l) "Statutes" means the Decree No. 67-1103 of October 6, 1967, published in the *Journal Officiel* No. 3923 of October 21, 1967, of the Borrower, relating to the reorganization of the Régie, as the same may be amended from time to time;

(m) "1966 Development Credit Agreement" means the development credit agreement dated September 29, 1966<sup>1</sup> (*Railway Project*) between the Borrower and the Association, as the same may be amended from time to time;

(n) "1966 Project Agreement" means the project agreement dated September 29, 1966<sup>1</sup> (*Railway Project*) between the Association and the Régie, as the same may be amended from time to time;

(o) "CFAF" means the currency of the Borrower; and

(p) "Plan of Action" means the plan of action for the improvement of the operations and financial viability of the Régie, the specific measures of which are set forth in Schedule 2 to the Project Agreement, as the same may be amended from time to time with the agreement of the Bank and the Association.

## Article II. THE CREDIT

*Section 2.01.* The Association agrees to lend to the Borrower, on the terms and conditions in the Development Credit Agreement set forth or referred to, an

<sup>1</sup> United Nations, *Treaty Series*, vol. 594, p. 277.

amount in various currencies equivalent to three million two hundred thousand dollars (\$ 3,200,000).

*Section 2.02.* The amount of the Credit may be withdrawn from the Credit Account in accordance with the provisions of Schedule 1 to this Agreement, as such Schedule shall be amended from time to time, for expenditures made (or, if the Association shall so agree, to be made) in respect of the reasonable cost of goods and services required for the Project and to be financed under the Development Credit Agreement; provided, however, that, except as the Association shall otherwise agree, no withdrawal shall be made on account of expenditures in the territories of any country which is not a member of the Bank (other than Switzerland) or for goods produced in, or services supplied from, such territories.

*Section 2.03.* Except as the Association shall otherwise agree, the goods and services required for the Project and to be financed out of the proceeds of the Credit shall be procured pursuant to the provisions set forth or referred to in Section 2.04 of the Project Agreement.

*Section 2.04.* The Closing Date shall be June 30, 1976 or such other date as shall be agreed between the Borrower and the Association.

*Section 2.05.* The Borrower shall pay to the Association a service charge at the rate of three-fourths of one per cent ( $\frac{3}{4}$  of 1%) per annum on the principal amount of the Credit withdrawn and outstanding from time to time.

*Section 2.06.* Service charges shall be payable semi-annually on April 1 and October 1 in each year.

*Section 2.07.* The Borrower shall repay the principal amount of the Credit in semi-annual installments payable on each April 1 and October 1 commencing October 1, 1982 and ending April 1, 2022, each installment to and including the installment payable on April 1, 1992 to be one-half of one per cent ( $\frac{1}{2}$  of 1%) of such principal amount, and each installment thereafter to be one and one-half per cent ( $1\frac{1}{2}$ %) of such principal amount.

*Section 2.08.* The currency of the Republic of France is hereby specified for the purposes of Section 4.02 of the General Conditions.

*Section 2.09.* The Régie is designated as representative of the Borrower for the purposes of taking any action required or permitted to be taken under the provisions of Section 2.02 of this Agreement and Article V of the General Conditions.

### *Article III. EXECUTION OF THE PROJECT*

*Section 3.01. (a)* The Borrower shall carry out Part F of the Project and shall cause the Régie to carry out Parts A, B, C, D and E of the Project, with due diligence and efficiency and in conformity with sound administrative, financial, engineering, and railway practices, and shall provide or cause to be provided, promptly as needed, the funds, facilities, services and other resources required for the purpose.

*(b)* Without any limitation or restriction upon any of its other obligations under the Development Credit Agreement, the Borrower shall cause the Régie to perform in accordance with the provisions of the Project Agreement and the Subsidiary Loan Agreement all the obligations of the Régie therein set forth, shall

take and cause to be taken all action, including the provision of funds, facilities, services and other resources, necessary or appropriate to enable the Régie to perform such obligations, and shall not take or permit to be taken any action which would prevent or interfere with such performance.

(c) The Borrower shall relend the part of the proceeds of the Credit, which shall be required to carry out Parts A, B, C, D and E of the Project, to the Régie under a subsidiary loan agreement to be entered into between the Borrower and the Régie under terms and conditions which shall have been approved by the Association. The Subsidiary Loan Agreement shall provide, *inter alia*, for relending the proceeds of the Credit or the equivalent thereof for a term of twenty-five years, including five years of grace, at an annual rate of interest of seven and one-fourth of one per cent ( $7\frac{1}{4}\%$ ) per annum on the principal amount withdrawn and outstanding from time to time.

*Section 3.02.* (a) In carrying out Part F of the Project, the Borrower shall by a date not later than December 30, 1972 or such later date as shall be agreed to by the Association, employ transportation consultants acceptable to the Association upon terms and conditions (including terms of reference) satisfactory to the Association.

(b) Except as the Association shall otherwise agree, the Borrower shall take all necessary steps to provide its Direction des Transports, by a date not later than December 31, 1972, with adequate authority and resources to ensure transport coordination, including adequate authority and resources to study and make recommendations regarding the Borrower's investment, pricing and licensing policies in the transport sector, and to implement, jointly with other agencies of the Borrower having responsibility therefor, the decisions taken by the Borrower with regard to the foregoing.

(c) The Borrower shall, after study of the reports and recommendations of the consultants referred to in paragraph (a), consult with the Association regarding the decisions that it proposes to take in the light of such recommendations and the means of their implementation.

*Section 3.03.* (a) The Borrower shall take all necessary steps to ensure that groundnut traffic within the territories of the Borrower will be allocated between road transport and rail transport on the basis of the forecast production of groundnuts and the respective economic costs and service characteristics of these transport modes.

(b) In carrying out the provisions of paragraph (a), except as the Association shall otherwise agree, the allocation of groundnut traffic within the territories of the Borrower between road transport and rail transport will be determined annually in advance by the Borrower's Office National de Coopération et d'Assistance au Développement (ONCAD) and the Régie, taking account of the recommendations of the Comité Directeur des Transports du matériel et des produits agricoles.

*Section 3.04.* Without limitation or restriction upon the provisions of Section 3.01 of this Agreement, the Borrower shall make arrangements, satisfactory to the Association, promptly to provide the Régie or cause the Régie to be provided, at all times that the Régie's revenues shall be insufficient for the purpose, with funds sufficient to enable the Régie to meet its working expenses, debt interest and amortization, and to maintain an adequate working capital.

*Section 3.05.* The Borrower shall, promptly as required, take all necessary steps on its part to enable the Régie to set and maintain its tariffs at the levels required under Section 4.04 of the Project Agreement.

*Section 3.06.* The Borrower shall take all action as shall be necessary on its part to carry out or cause to be carried out the Plan of Action set forth in Schedule 2 to the Project Agreement.

*Section 3.07.* The Borrower shall take or cause the Régie to take such action as shall be reasonable in the circumstances to facilitate railway operations between its territories and the territories of the Republic of Mali, in accordance with the International Traffic Agreement, the Customs Agreement and the Railway Convention.

*Section 3.08.* (a) The Borrower shall :

- (i) take all necessary steps to ensure that by a date not later than July 1, 1973 or such later date as shall be agreed to by the Association :
  - (A) not less than fifty per cent (50%) of the indebtedness of the Régie to the Borrower (as defined below) shall be converted into equity; and
  - (B) the balance of the indebtedness of the Régie to the Borrower shall be converted into long term debt of the Régie repayable without interest or other charges of any kind over a term of not less than fifty years, including not less than ten years of grace; and
- (ii) furnish to the Association, by such date, such evidence of the foregoing (including copies of the *Journal Officiel* of the Borrower in which are published the applicable laws and decrees by which the provisions of paragraph (a) are carried out) as shall be satisfactory to the Association.

(b) For the purposes of subsection (a) of this Section and subsection (d) of Section 8.01 of this Agreement, "indebtedness of the Régie to the Borrower" means all indebtedness of the Régie to the Borrower as of December 31, 1971, exclusive of the indebtedness of the Régie under the subsidiary loan agreement between the Borrower and the Régie dated September 22, 1966.

#### *Article IV. CONSULTATION, INFORMATION AND INSPECTION*

*Section 4.01.* The Borrower and the Association shall cooperate fully to assure that the purposes of the Credit will be accomplished. To that end, the Borrower and the Association shall from time to time, at the request of either party :

- (a) exchange views through their representatives with regard to the performance of their respective obligations under the Development Credit Agreement, the performance by the Régie of its obligations under the Project Agreement, the administration, operations and financial condition of the Régie and, in respect of the Project, of the departments or agencies of the Borrower responsible for carrying out any part of the Project, and other matters relating to the purposes of the Credit; and
- (b) furnish to the other all such information as it shall reasonably request with regard to the general status of the Credit. On the part of the Borrower, such information shall include information with respect to financial and economic conditions in the territories of the Borrower, including its balance of payments, and the external debt of the Borrower, of any of its political

subdivisions and of any agency of the Borrower or of any such political subdivision.

*Section 4.02.* (a) The Borrower shall furnish or cause to be furnished to the Association all such information as the Association shall reasonably request concerning the administration, operations and financial condition of the Régie and, in respect of the Project, of the departments or agencies of the Borrower responsible for carrying out any part of the Project.

(b) The Borrower and the Association shall promptly inform each other of any condition which interferes with, or threatens to interfere with, the accomplishment of the purposes of the Credit, the maintenance of the service thereof, the performance by either of them of its obligations under the Development Credit Agreement or the performance by the Régie of its obligations under the Project Agreement and the Subsidiary Loan Agreement.

*Section 4.03.* The Borrower shall afford all reasonable opportunity for accredited representatives of the Association to visit any part of the territories of the Borrower for purposes related to the Credit.

#### *Article V. TAXES AND RESTRICTIONS*

*Section 5.01.* The principal of, and service charges on, the Credit 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.

*Section 5.02.* The Development Credit Agreement and the Project Agreement shall be free from any taxes on or in connection with the execution, delivery or registration thereof, imposed under the laws of the Borrower or laws in effect in its territories.

*Section 5.03.* The payment of the principal of, and service charges on, the Credit shall be free from all restrictions, regulations, controls and moratoria of any nature imposed under the laws of the Borrower or laws in effect in its territories.

#### *Article VI. REMEDIES OF THE ASSOCIATION*

*Section 6.01.* If any event specified in Section 7.01 of the General Conditions or in Section 6.03 of this Agreement shall occur and shall continue for the period, if any, therein set forth, then at any subsequent time during the continuance thereof, the Association, at its option, may by notice to the Borrower declare the principal of the Credit then outstanding to be due and payable immediately together with the service charges thereon and upon any such declaration such principal and service charges shall become due and payable immediately, anything to the contrary in the Development Credit Agreement notwithstanding.

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

(a) The Régie shall have failed to perform any covenant, agreement or obligation of the Régie under the Loan Agreement, the Project Agreement, the 1966 Project Agreement or the Subsidiary Loan Agreement.

(b) The Statutes shall have been amended, suspended, abrogated, repealed or waived, without the approval of the Association, in such a way as to



materially and adversely affect the conduct of the Régie's operations or its financial condition, or the ability of the Borrower or the Régie to carry out the covenants or agreement set forth in this Agreement, the 1966 Development Credit Agreement, the Loan Agreement, the Guarantee Agreement, the Project Agreement, the 1966 Project Agreement or the Subsidiary Loan Agreement.

(c) Railway traffic between the territories of the Borrower and the territories of the Republic of Mali shall have been substantially interrupted for other than technical reasons, unless such reasons shall be manifestly beyond the Borrower's control, or such interruption is the result of necessary measures taken by the Borrower to safeguard its national independence or the integrity of its territory.

(d) Any part of the principal amount of any loan to the Régie having an original maturity of one year or more shall, in accordance with its terms, have become due and payable in advance of maturity as provided in the relative contractual instruments, or any security for any such loan shall have become enforceable.

(e) The Borrower or any other authority having jurisdiction shall have taken any action for the dissolution or disestablishment of the Régie or for the suspension of its operations.

(f) An extraordinary situation shall have arisen which shall make it improbable that the Régie will be able to perform its obligations under the Project Agreement or the Subsidiary Loan Agreement.

*Section 6.03.* For the purposes of Section 7.01 of the General Conditions, the following additional events are specified :

(a) The event specified in paragraph (a) of Section 6.02 of this Agreement shall occur and shall continue for a period of 60 days after notice thereof shall have been given by the Association to the Borrower and the Régie.

(b) Any event specified in paragraph (b), (c), (d), or (e) of Section 6.02 of this Agreement shall occur.

#### *Article VII. MODIFICATION OF 1966 DEVELOPMENT CREDIT AGREEMENT*

*Section 7.01.* For the purposes of the 1966 Development Credit Agreement :

(a) Section 5.02 (b) of the Regulations (as so defined in the 1966 Development Credit Agreement) is amended to read as follows :

“(b) A default shall have occurred in the performance of any other covenant or agreement on the part of the Borrower or the Régie under the Development Credit Agreement or the Project Agreement, or under any loan agreement between the Bank and the Régie or any guarantee agreement between the Borrower and the Bank guaranteeing a loan to the Régie, or under any other development credit agreement between the Association and the Borrower for a railway project, or under any other project agreement between the Association and the Régie, whether now or hereafter enter into.”

(b) Sections 5.02 (b) and 5.02 (c) of said Agreement are amended to read as follows :

“(b) The Statutes shall have been amended, suspended, abrogated, repealed, or waived without the approval of the Association, in such a way as to materially and adversely affect the conduct of the Régie's operations or its financial condition, or the ability of the Borrower or the Régie to carry out the covenants or agreements set forth in this Agreement, the Project

Agreement, the Subsidiary Loan Agreement, any loan agreement between the Bank and the Régie, any guarantee agreement between the Borrower and the Bank guaranteeing a loan to the Régie, any other development credit agreement between the Association and the Borrower for a railway project, or any other project agreement between the Association and the Régie, whether now or hereafter entered into.”

“(c) Railway traffic between the territories of the Borrower and the territories of the Republic of Mali shall have been substantially interrupted for other than technical reasons, unless such reasons shall be manifestly beyond the Borrower’s control, or such interruption is the result of necessary measures taken by the Borrower to safeguard its national independence or the integrity of its territory.”

#### *Article VIII. EFFECTIVE DATE; TERMINATION*

*Section 8.01.* The following events are specified as additional conditions to the effectiveness of the Development Credit Agreement within the meaning of Section 10.01 (b) of the General Conditions.

(a) The execution and delivery of the Project Agreement on behalf of the Régie have been duly authorized or ratified by all necessary corporate and governmental action.

(b) The execution and delivery of the Subsidiary Loan Agreement on behalf of the Borrower and the Régie, respectively, have been duly authorized or ratified by all necessary corporate and governmental action.

(c) The Loan Agreement and the Guarantee Agreement have become effective in accordance with their terms.

(d) The Borrower, through its Ministry of Finance, shall have delivered to the Régie a letter, signed by its Minister of Finance, and with a copy to the Association, by which the Borrower undertakes :

- (i) effective on a date not later than July 1, 1972, to extend the maturity of that part of the indebtedness of the Régie to the Borrower (as defined in Section 3.08 of this Agreement) which is due before July 1, 1973, to July 1, 1973 or a date thereafter; and
- (ii) effective on a date not later than July 1, 1973, (A) to convert not less than fifty per cent (50%) of the indebtedness of the Régie to the Borrower (as so defined) into equity, and (B) to convert the balance of such indebtedness into long term debt of the Régie repayable without interest or other charges of any kind over a term of not less than fifty years, including not less than ten years of grace.

(e) The Association has received an audit certificate by an independent auditor acceptable to the Association with regard to the Régie’s accounts for its fiscal years 1968/69, 1969/70 and 1970/71.

*Section 8.02.* The following are specified as additional matters, within the meaning of Section 10.02 (b) of the General Conditions, to be included in the opinion or opinions to be furnished to the Association :

(a) That the Project Agreement has been duly authorized or ratified by, and executed and delivered on behalf of, the Régie, and constitutes a valid and binding obligation of the Régie in accordance with its terms.

(b) That the Subsidiary Loan Agreement has been duly authorized or ratified by, and executed and delivered on behalf of, the Borrower and the Régie, respectively, and constitutes a valid and binding obligation of the Borrower and the Régie in accordance with its terms.

*Section 8.03.* The date November 1, 1972 is hereby specified for the purposes of Section 10.04 of the General Conditions.

*Section 8.04.* The obligations of the Borrower under Sections 3.02 (b), 3.03, 3.04, 3.05, 3.06, 3.07, 4.01 (a) and 4.02 (a) of this Agreement and the provisions of paragraphs (b), (c), (d) and (e) of Section 6.02 and those of paragraph (b) of Section 6.03 of this Agreement shall cease and determine on the date on which the Development Credit Agreement shall terminate or on a date twenty-five years after the date of this Agreement, whichever shall be the earlier.

*Article IX. REPRESENTATIVE OF THE BORROWER; ADDRESSES*

*Section 9.01.* Subject to Section 2.09 of this Agreement, the Minister of the Borrower at the time responsible for finance is designated as representative of the Borrower for the purposes of Section 9.03 of the General Conditions.

*Section 9.02.* The following addresses are specified for the purposes of Section 9.01 of the General Conditions :

For the Borrower :

Ministère des Finances et des Affaires Economiques  
Dakar, Senegal

Cable address :

Minifinances, Dakar

For the Association :

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

Cable address :

Indevas  
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.

Republic of Senegal :

*By* ANDRÉ COULBARY  
Authorized Representative

International Development Association :

*By* MOHAMED SHOAIB  
Vice President

## SCHEDULE 1

## WITHDRAWAL OF THE PROCEEDS OF THE CREDIT AND OF THE LOAN

1. The table below sets forth the Categories of items to be financed out of the proceeds of the Credit and of the Loan, the allocation of amounts of such proceeds to each Category and the percentage of eligible expenditures so to be financed in each Category :

<i>Category</i>	<i>Amount of the Credit and of the Loan Allocated (Expressed in Dollar Equivalent)</i>	<i>% of Expenditures to be Financed</i>
I. Track renewal . . . . .	6,840,000	100% of foreign expenditures and 74% of local expenditures
II. Workshops rehabilitation and equip- ment . . . . .	1,400,000	100% of foreign expenditures and 74% of local expenditures
III. Modernization of freight cars (about 1,400 roller bearings) . . . . .	190,000	100% of foreign expenditures and 74% of local expenditures
IV. Consultant Services and training under Part E of the Project . . .	290,000	100% of foreign expenditures
V. Consultant Services for Part F of the Project . . . . .	240,000	100% of foreign expenditures
VI. Unallocated . . . . .	640,000	
TOTAL	<u>9,600,000</u>	

2. For the purposes of this Schedule :

(a) The term "foreign expenditures" means expenditures for goods procured in, or services supplied from, the territories, and in the currency, of any country other than the Borrower; provided, however, that if the currency of the Borrower is also that of another country in the territories of which goods are produced or from the territories of which services are supplied, expenditures in such currency for such goods or services shall be deemed to be "foreign expenditures";

(b) The term "local expenditures" means expenditures for goods produced in, or services supplied from, the territories of the Borrower; and

(c) The term "total expenditures" means the aggregate of foreign and local expenditures.

3. Notwithstanding the provisions of paragraph 1 above, no withdrawals shall be made in respect of :

(a) expenditures prior to the date of this Agreement;

(b) payments for taxes imposed under the laws of the Borrower or laws in effect in its territories on goods or services, or on the importation, manufacture, procurement or supply thereof. To the extent that the amount represented by the percentage set forth in the third column of the table in paragraph 1 above in respect of any Category would exceed the amount payable net of all such taxes, such percentage shall be reduced to ensure that no proceeds of the Credit or of the Loan will be withdrawn on account of payments for such taxes; and

(c) in addition, except as the Borrower, the Association and the Bank shall otherwise agree, and until all amounts of the Credit shall have been withdrawn or committed, no withdrawals shall be made from the Loan Account except under commitments entered into by the Bank pursuant to Section 5.02 of the General Conditions referred to in Section 1.01 of the Loan Agreement.

4. Notwithstanding the allocation of an amount of the proceeds of the Credit and of the Loan set forth in the second column of the table in paragraph 1 above :

- (a) if the estimate of the expenditures under any Category shall decrease, the amount of the proceeds of the Credit and of the Loan then allocated to such Category and no longer required therefor will be reallocated by the Association and by the Bank or, after full withdrawal of all amounts of the Credit, by the Bank, by increasing correspondingly the unallocated amount of the proceeds of the Credit and of the Loan;
- (b) if the estimate of the expenditures under any Category shall increase, the percentage set forth in the third column of the table in paragraph 1 above in respect of such expenditures shall be applied to the amount of such increase, and a corresponding amount will be allocated by the Association and by the Bank or, after full withdrawal of all amounts of the Credit, by the Bank, at the request of the Borrower, to such Category from the unallocated amount of the proceeds of the Credit and of the Loan, subject, however, to the requirements for contingencies, as determined by the Association and by the Bank or, after full withdrawal of all amounts of the Credit, by the Bank, in respect of any other expenditures; and
- (c) if the Association or the Bank shall have reasonably determined that the procurement of any item in any Category is inconsistent with the procedures set forth or referred to in Section 2.04 of the Project Agreement, no expenditures for such item shall be financed out of the proceeds of the Credit or of the Loan and the Association or the Bank may, without in any way restricting or limiting any other right, power or remedy of the Association under the Development Credit Agreement or of the Bank under the Loan Agreement, by notice to the Borrower or to the Régie, as the case may be, cancel such amount of the Credit or of the Loan as in the Association's or the Bank's reasonable opinion, represents the amount of such expenditures which would otherwise have been eligible for financing out of the proceeds of the Credit or of the Loan.

5. Notwithstanding the percentages set forth in the third column of the table set out in paragraph 1 above, if the estimate of local expenditures under Category I, II or III shall increase and no proceeds of the Credit and of the Loan are available for reallocation to such Category, the Association and the Bank or, after full withdrawal of all amounts of the Credit, the Bank, may, by notice to the Borrower, adjust the percentage then applicable to such expenditures in order that further withdrawals under any such Category may continue until all expenditures thereunder shall have been made.

## SCHEDULE 2

### DESCRIPTION OF THE PROJECT

The Project consists of the completion of certain investments under the Régie's Third Four-Year Investment Plan (1969/70-1972/73), and the provision of technical assistance and training. The purposes of the Project are to carry on the physical rehabilitation of the Régie's equipment, to improve its management, operations and finances, and to improve coordination of the Borrower's policies in the transport sector. The Project (other than Part F) is to be incorporated in the Régie's Fourth Four-Year Investment Plan, and consists of the following Parts :

#### *Part A. Track Renewal.*

The relaying of about 175 kilometers of track on the main line from Dakar to Kidira.

#### *Part B. Workshops Rehabilitation and Equipment.*

The rehabilitation and modernization of the rolling stock and motive power workshops at Thies, including the acquisition and installation of suitable equipment.

*Part C. Motive Power.*

The acquisition and placing into service of six diesel locomotives.

*Part D. Rolling Stock.*

The modernization of about 350 bogie freight cars by replacing plain bearing axle-boxes with roller bearing axle-boxes.

*Part E. Technical Assistance and Training (the Régie).*

1. The employment of consultants for the following purposes :

- (a) To review and study all aspects of the Régie's train operations, and to make recommendations for the improvement of such operations.
- (b) To assist the Régie in the physical rehabilitation, reorganization and management of the Thies workshops and the training of staff, with a view toward improving rolling stock maintenance and repairs.
- (c) To assist the Régie in the training of staff in regard to the application of tariffs, and to study and make recommendations in regard to (i) the organization of the Commercial Division of the Régie's Traffic and Commerce Department, (ii) a detailed revaluation of the Régie's fixed assets, and (iii) the Régie's accounting procedures.

2. The provision of training abroad for selected staff of the Régie regarding specific problems in the operations and management of the Régie.

*Part F. Technical Assistance and Training (Transport Coordination and Planning).*

The employment of consultants to assist the Borrower's Direction des Transports to study and implement the Borrower's transport coordination and planning, including the training of planning staff, the improvement of data collection and investment planning, and a review of the regulatory system and other relevant systems bearing on the transportation industry.

The Project is expected to be completed by June 30, 1975.

INTERNATIONAL DEVELOPMENT ASSOCIATION

GENERAL CONDITIONS, DATED 31 JANUARY 1969

GENERAL CONDITIONS APPLICABLE TO DEVELOPMENT CREDIT AGREEMENTS

[*Not published herein. See United Nations, Treaty Series, vol. 703, p. 244.*]

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