

No. 12612

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**INTERNATIONAL DEVELOPMENT ASSOCIATION  
and  
BOTSWANA**

**Development Credit Agreement — *Livestock Project* (with  
General Conditions Applicable to Development Credit  
Agreements). Signed at Washington on 30 June 1972**

*Authentic text: English.*

*Registered by the International Development Association on 14 June 1973.*

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**ASSOCIATION INTERNATIONALE  
DE DÉVELOPPEMENT  
et  
BOTSWANA**

**Contrat de crédit de développement — *Projet relatif à  
l'élevage* (avec Conditions générales applicables aux  
contrats de crédit de développement). Signé à Washing-  
ton le 30 juin 1972**

*Texte authentique: anglais.*

*Enregistré par l'Association internationale de développement le 14 juin  
1973.*

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

AGREEMENT, dated June 30, 1972, between the REPUBLIC OF BOTSWANA (hereinafter called the Borrower) and INTERNATIONAL DEVELOPMENT ASSOCIATION (hereinafter called the Association).

WHEREAS (A) The Borrower has requested the Association to assist in the financing of the Project described in Schedule 1 to the Joint Financing Agreement;<sup>2</sup>

(B) By an agreement of even date herewith<sup>3</sup> (hereinafter called the Swedish Credit Agreement), the Kingdom of Sweden (hereinafter called Sweden) has agreed to make available to the Borrower for the Project a credit in an aggregate principal amount of eight million Swedish kronor (SKr 8,000,000) equivalent to about one million six hundred and fifty thousand dollars (\$1,650,000) upon the terms and conditions therein set forth;

(C) By the Joint Financing Agreement of even date herewith the Borrower, Sweden and the Association have agreed on the allocation, withdrawal and use of the proceeds of the Swedish Credit and the Credit and the execution of the Project to be financed thereby, as well as other matters; and

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

NOW THEREFORE the parties hereto hereby agree as follows:

### 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>4</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) Paragraph 9 of Section 2.01 is amended to read as follows:

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

(b) The second sentence of Section 3.02 is amended to read as follows:

“A service charge at the rate of one-half of one per cent ( $\frac{1}{2}$  of 1%) per annum shall be payable on the portion to be paid out of the Credit Account of the principal amount of any special commitment entered into by the

<sup>1</sup> Came into force on 30 April 1973, upon notification by the Association to the Government of Botswana.

<sup>2</sup> See p. 17 of this volume.

<sup>3</sup> See p. 47 of this volume.

<sup>4</sup> See p. 10 of this volume.

Association pursuant to Section 2.06 of the Joint Financing Agreement and outstanding from time to time if, under such special commitment, the Association shall have agreed to pay such principal amount notwithstanding any subsequent suspension or cancellation of the Credit.”

(c) Article V is deleted.

(d) Section 6.01 is amended to read as follows:

“SECTION 6.01. *Cancellation by the Borrower.* The Borrower may by notice to the Association cancel any amount of the Credit which the Borrower shall not have withdrawn prior to the giving of such notice, except that the Borrower may not so cancel any amount of the Credit in respect of which the Association shall have entered into a special commitment pursuant to Section 2.06 of the Joint Financing Agreement.”

(e) Section 6.04 is amended to read as follows:

“SECTION 6.04. *Amounts Subject to Special Commitment Not Affected by Cancellation or Suspension by the Association.* No cancellation or suspension by the Association shall apply to amounts subject to any special commitment entered into by the Association pursuant to Section 2.06 of the Joint Financing Agreement.”

(f) Section 6.06 is amended by inserting the words”, the Joint Financing Agreement” after the words “the Development Credit Agreement”.

(g) Section 8.01 is amended by inserting the words “and the Joint Financing Agreement” after the words “the Development Credit Agreement” in the first sentence of Section 8.01 and by inserting the words “or the Joint Financing Agreement” after the words “the Development Credit Agreement” in the second sentence of Section 8.01.

(h) Section 8.02 is amended by inserting the words “or under the Joint Financing Agreement” after the words “the Development Credit Agreement”.

*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) “Joint Financing Agreement” means the agreement, referred to in Recital C to this Agreement, between the Borrower, Sweden and the Association, as the same may be amended from time to time by agreement of the parties hereto;

(b) “Swedish Credit” means the credit provided for in the Swedish Credit Agreement;

(c) “BLDC” means the Botswana Livestock Development Company, a subsidiary of Botswana Meat Commission; and

(d) “BLDC Loan Agreement” means the agreement to be entered into between the Borrower and BLDC pursuant to Section 3.03 (a) of the Joint Financing Agreement.

## 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

amount in various currencies equivalent to one million six hundred and fifty thousand dollars (\$1,650,000).

*Section 2.02.* The amount of the Credit may be withdrawn from the Credit Account in accordance with the provisions of Schedule 2 to the joint Financing 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.* The Closing Date shall be June 30, 1977 or such other date as shall be agreed between the Borrower and the Association.

*Section 2.04.* 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 2.05.* Service charges shall be payable semi-annually on March 15 and September 15 in each year.

*Section 2.06.* The Borrower shall repay the principal amount of the Credit withdrawn from the Credit Account in semi-annual installments payable on each March 15 and September 15 commencing September 15, 1982 and ending March 15, 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 2.07.* The currency of the United Kingdom of Great Britain and Northern Ireland is hereby specified for the purposes of Section 4.02 of the General Conditions.

### *Article III.* JOINT FINANCING AGREEMENT

*Section 3.01.* The Borrower shall duly perform all its obligations set forth in the Joint Financing Agreement.

### *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 administration and operations, in respect of the Project, of the departments or agencies of the Borrower responsible for carrying out the Project or any part thereof, 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 operations of the departments or agencies of the Borrower responsible for carrying out the Project or any part thereof.

(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, or the performance by either of them of its obligations under the Development Credit 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 Joint Financing 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.

#### 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) A default shall have occurred in the performance of any covenant or agreement on the part of the Borrower under the Joint Financing Agreement or a default shall have occurred in the performance of any covenant or agreement under the BLDC Loan Agreement on the part of the parties thereto;
- (b) The outstanding principal of the Credit provided for in the Swedish Credit Agreement, or any part thereof, shall have been declared, or shall become, due and payable in advance of the agreed maturity thereof in accordance with the terms of said Agreement;

- (c) The right of the Borrower to withdraw the proceeds of the Credit provided for in the Swedish Credit Agreement shall have been suspended, or the Borrower shall have been unable to withdraw such proceeds, in whole or in part; and
- (d) Any material change shall have been made in the Memorandum and Articles of Association of BLDC without the consent of the Association.

*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 Section 6.02 (a) or (d) of this Agreement shall occur and shall continue for a period of sixty days after notice thereof shall have been given by the Association to the Borrower;
- (b) the event specified in Section 6.02 (b) of this Agreement shall occur; and
- (c) the event specified in Section 6.02 (c) of this Agreement shall occur and the Borrower shall fail to obtain funds from other sources in substitution therefor, on terms and conditions satisfactory to the Association, within a period of one hundred and twenty days.

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

*Section 7.01.* The following events are specified as additional conditions to the effectiveness of this Development Credit Agreement within the meaning of Section 10.01 (b) of the General Conditions:

- (a) that the execution and delivery of the Swedish Credit Agreement and the Joint Financing Agreement on behalf of the parties thereto, respectively, other than the Association, have been duly authorized or ratified by all necessary governmental action, and all conditions precedent to the effectiveness of each such Agreement or the right to make withdrawals thereunder, except only the effectiveness of the other of such Agreements or of this Development Credit Agreement or the right to make withdrawals thereunder, shall have been fulfilled;
- (b) that BLDC has been duly incorporated in accordance with the laws of the Borrower under the Memorandum and Articles of Association satisfactory to the Association;
- (c) that the BLDC Loan Agreement has been executed, delivered, authorized or ratified by all necessary corporate and governmental action;
- (d) that the Livestock Project Management Unit has been established and the Project Manager thereof has been appointed in accordance with Section 3.02 (b) of the Joint Financing Agreement; and
- (e) that a General Manager of BLDC has been appointed in accordance with Section 3.02 (d) of the Joint Financing Agreement.

*Section 7.02.* 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) the Joint Financing Agreement has been duly authorized or ratified by, and executed and delivered on behalf of, the Borrower and constitutes a valid and binding obligation of the Borrower in accordance with its terms;

- (b) the Swedish Credit Agreement has been duly authorized, executed and delivered on behalf of the Borrower and constitutes a valid and binding obligation of the Borrower in accordance with its terms; and
- (c) The BLDC Loan Agreement has been duly authorized or ratified, and executed and delivered on behalf of the parties thereto and constitutes valid and binding obligations of the parties thereto in accordance with its terms.

*Section 7.03.* The date of December 31, 1972 is hereby specified for the purposes of Section 10.04 of the General Conditions.

*Section 7.04.* The obligations of the Borrower under Section 4.02 (a) 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 VIII.* REPRESENTATIVE OF THE BORROWER; ADDRESSES

*Section 8.01.* The Minister for the time being responsible for Finance and Development Planning of the Borrower is designated as representative of the Borrower for the purposes of Section 9.03 of the General Conditions.

*Section 8.02.* The following addresses are specified for the purposes of Section 9.01 of the General Conditions:

For the Borrower:

Ministry of Finance and Development Planning  
Private Bag No. 8  
Gaborone, Botswana

Cable address:

Finance  
Gaborone

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 Botswana:  
By AMOS M. DAMBE  
Authorized Representative

International Development Association:  
By J. BURKE KNAPP  
Vice President

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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