

No. 16293

**UNITED STATES OF AMERICA
and
MOROCCO**

**Loan Agreement—*Triffa High Service Irrigation Loan*
(with annex). Signed at Rabat on 7 November 1975**

Authentic texts: English and French.

Registered by the United States of America on 27 January 1978.

**ÉTATS-UNIS D'AMÉRIQUE
et
MAROC**

**Accord de prêt — *Prêt pour le projet d'irrigation du haut
service des Triffas* (avec annexe). Signé à Rabat le
7 novembre 1975**

Textes authentiques : anglais et français.

Enregistré par les États-Unis d'Amérique le 27 janvier 1978.

LOAN AGREEMENT¹ BETWEEN THE UNITED STATES OF AMERICA AND THE KINGDOM OF MOROCCO (*TRIFFA HIGH SERVICE IRRIGATION LOAN*)

Dated: November 7, 1975

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¹ Came into force on 7 November 1975 by signature.

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LOAN AGREEMENT dated the 7th day of November, 1975, between the KINGDOM OF MOROCCO ("Borrower") and the UNITED STATES OF AMERICA, acting through the Agency for International Development ("A.I.D.").

Article I. THE LOAN

Section 1.01. THE LOAN. Upon the terms and conditions stated herein, A.I.D. agrees to lend to the Borrower, pursuant to the Foreign Assistance Act of 1961, as amended, an amount not to exceed Eight Million United States dollars (\$8,000,000) ("Loan") to assist the Borrower in financing local currency costs of goods and services required in carrying out the Triffa High Service Irrigation Project referred to in Section 1.02 ("Project"). Goods and services authorized to be financed hereunder are hereinafter referred to as "Eligible Items". The aggregate amount of disbursements under the Loan is hereinafter referred to as "Principal".

Section 1.02. THE PROJECT. The Project shall consist of the construction of an irrigation system to provide water to two land areas totaling approximately 6,300 net hectares and the preparation of the land for irrigated farming in the Oujda Province of Northeastern Morocco. The Project is more fully described in Annex 1, attached hereto, which Annex may be modified by written agreement between the Borrower and A.I.D.

Article II. LOAN TERMS

Section 2.01. INTEREST. The Borrower shall pay to A.I.D. interest, which shall accrue at the rate of two percent (2%) per annum for ten years following the date of the first disbursement hereunder and at the rate of three percent (3%) per annum thereafter, on the outstanding balance of Principal and on any due and unpaid interest. Interest on the outstanding balance shall accrue from the date of each respective disbursement (as such date is defined in Section 7.03) and shall be computed on the basis of a 365-day year. Interest shall be payable semi-annually. The first payment of interest shall be due and payable no later than six (6) months after the first disbursement hereunder, on a date to be specified by A.I.D.

Section 2.02. REPAYMENT. The Borrower shall repay the Principal to A.I.D. within forty (40) years from the date of the first disbursement hereunder in sixty-one (61) approximately equal semi-annual installments of Principal and interest. The first installment of Principal shall be due and payable nine and one-half (9½) years after the date on which the first interest payment is due in accordance with Section 2.01. A.I.D. shall provide the Borrower with an amortization schedule in accordance with this Section after the final disbursement under the Loan.

Section 2.03. APPLICATION, CURRENCY, AND PLACE OF PAYMENT. All payments of interest and Principal hereunder shall be made in United States dollars and shall be applied first to the payment of interest due and then to the repayment of Principal. Except as A.I.D. may otherwise specify in writing, all such payments shall be made to the order of the Agency for International Development and shall be deemed paid when received by the Office of the Controller, Agency for International Development, Washington, D.C., USA 20523.

Section 2.04. PREPAYMENT. Upon payment of all interest and refunds then due, the Borrower may prepay, without penalty, all or any part of the Principal. Any such prepayment shall be applied to the installments of Principal in the inverse order of their maturity.

Section 2.05. RENEGOTIATION OF THE TERMS OF THE LOAN. The Borrower agrees to negotiate with A.I.D., at such time or times as A.I.D. may request, acceleration of the repayment of the outstanding Principal of the Loan in the event that there is any significant improvement in the internal and external economic and financial position and prospects of Morocco.

Article III. CONDITIONS PRECEDENT TO DISBURSEMENT

Section 3.01. CONDITIONS PRECEDENT TO INITIAL DISBURSEMENT. Prior to the first disbursement or to the issuance of the first authorization of disbursement, the Borrower shall, except as A.I.D. may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D.:

- (a) an opinion of the Minister of Justice of the Kingdom of Morocco or of other counsel acceptable to A.I.D. that this Agreement has been duly authorized or ratified by, and executed on behalf of, the Borrower, and that it constitutes a valid and legally binding obligation of the Borrower in accordance with all of its terms and that the person signing the Agreement on behalf of the Borrower has the authority to act as the representative of the Borrower in all matters pertaining to this Loan and Agreement, including the authority to designate other representatives pursuant to Section 9.02;
- (b) a statement of the names of the persons holding or acting in the office of the Borrower specified in Section 9.02, and a specimen signature of each person specified in such statement certified as to its authenticity by either the person rendering the legal opinion required by sub-section (a) above or the person who has executed this Agreement for the Borrower.

Section 3.02. TERMINAL DATES FOR MEETING CONDITIONS PRECEDENT TO DISBURSEMENT. If all the conditions specified in Section 3.01 shall not have been met within three months from the date of this Agreement, or by such dates as A.I.D. may agree to in writing, A.I.D. may, at its option, at any time terminate this Agreement by giving notice to the Borrower. This Agreement and all obligations of the parties hereunder shall terminate upon the giving of such notice of termination.

Section 3.03. NOTIFICATION OF MEETING OF CONDITIONS PRECEDENT TO DISBURSEMENT. A.I.D. shall notify the Borrower upon determination by A.I.D. that the conditions precedent to disbursement have been met.

Article IV. GENERAL COVENANTS AND WARRANTIES

Section 4.01. EXECUTION OF THE PROJECT. (a) The Borrower shall carry out the Project with due diligence and efficiency, and in conformity with sound engineering, construction, financial, administrative, economic and accounting practices.

(b) The Borrower shall cause the Project to be carried out in conformity with all of the plans, specifications, contracts, schedules, and other major arrangements, and with all modifications therein, approved by A.I.D. pursuant to this Agreement. The Borrower shall at all times employ suitably qualified and experienced engineering personnel to be professionally responsible for the certification and inspection of work, and whenever necessary, suitably qualified and competent construction contractors to carry out the Project.

Section 4.02. FUNDS AND RESOURCES TO BE PROVIDED BY THE BORROWER. The Borrower shall provide promptly as needed all funds, in addition to the Loan, and all other resources required for the punctual and effective execution, maintenance and repair of the Project.

Section 4.03. CONTINUING CONSULTATION. The Borrower and A.I.D. shall cooperate fully to assure that the purposes of this Agreement will be accomplished. To this end, the Borrower and A.I.D. shall from time to time, at the request of either party, exchange views through their representatives with regard to the progress of the Project, the performance by the Borrower of its obligations under this Agreement, the performance of contractors and suppliers engaged on the Project and other matters relating to the Loan and the Project.

Section 4.04. MANAGEMENT. The Borrower shall provide qualified and experienced management for the Project, and it shall train such staff as may be appropriate for the maintenance and operation of the Project.

Section 4.05. OPERATION AND MAINTENANCE. The Borrower shall operate and maintain the Project in conformity with sound engineering, financial and administrative practices and in such manner as to insure the continuing and successful achievement of the purposes of the Project.

Section 4.06. TAXATION. This Agreement, the Loan and any evidence of indebtedness issued in connection herewith shall be free from, and the Principal and interest shall be paid without deduction for and be free from, any taxation or fees imposed under the laws in effect within Morocco. To the extent that (a) any contractor, including any consulting firm, any personnel of such contractor financed hereunder, and any property or transactions relating to such contracts, and (b) any commodity procurement transaction financed hereunder, are not exempt from identifiable taxes, tariffs, duties, and other levies imposed under laws in effect in Morocco, the Borrower shall, as and to the extent prescribed in and pursuant to Implementation Letters, pay or reimburse the same under Section 4.02 of this Agreement with funds other than those provided under the Loan; provided, however, that this Section 4.06 shall not apply to taxes levied upon the income of citizens and companies of Morocco.

Section 4.07. UTILIZATION OF GOODS AND SERVICES. (a) Goods and services financed under the Loan shall be used exclusively for the Project, except as A.I.D. may otherwise agree in writing. Upon completion of the Project, or at such

other time as goods financed under the Loan can no longer usefully be employed for the Project, the Borrower may use or dispose of such goods in such manner as A.I.D. may agree to in writing prior to such use or disposition.

(b) Except as A.I.D. may otherwise agree in writing, no goods or services financed under the Loan shall be used to promote or assist any foreign aid project or activity associated with or financed by any country not included in Code 935 of the *A.I.D. Geographic Code Book* as in effect at the time of such use.

Section 4.08. DISCLOSURE OF MATERIAL FACTS AND CIRCUMSTANCES. The Borrower represents and warrants that all facts and circumstances that it has disclosed or caused to be disclosed to A.I.D. in the course of obtaining the Loan are accurate and complete, and that it has disclosed to A.I.D., accurately and completely, all facts and circumstances that might materially affect the Project and the discharge of its obligations under this Agreement. The Borrower shall promptly inform A.I.D. of any facts and circumstances that may hereafter arise that might materially affect, or that it is reasonable to believe might materially affect, the Project or the discharge of the Borrower's obligations under this Agreement.

Section 4.09. COMMISSIONS, FEES, AND OTHER PAYMENTS. (a) The Borrower warrants and covenants that in connection with obtaining the Loan, or taking any action under or with respect to this Agreement, it has not paid, and will not pay or agree to pay, nor to the best of its knowledge has there been paid nor will there be paid or agreed to be paid by any other person or entity, commissions, fees, or other payments of any kind, except as regular compensation to the Borrower's full-time officers and employees or as compensation for bona fide professional, technical, or comparable services. The Borrower shall promptly report to A.I.D. any payment or agreement to pay for such bona fide professional, technical, or comparable services to which it is a party or of which it has knowledge (indicating whether such payment has been made or is to be made on a contingent basis), and if the amount of any such payment is deemed unreasonable by A.I.D., the same shall be adjusted in a manner satisfactory to A.I.D.

(b) The Borrower warrants and covenants that no payments have been or will be received by the Borrower, or any official of the Borrower, in connection with the procurement of goods and services financed hereunder, except fees, taxes, or similar payments legally established in Morocco.

Section 4.10. MAINTENANCE AND AUDIT OF RECORDS. The Borrower shall maintain, or cause to be maintained, in accordance with sound accounting principles and practices consistently applied, books and records relating both to the Project and to this Agreement. Such books and records shall, without limitation, be adequate to show:

- (a) the receipt and use made of goods and services acquired with funds disbursed pursuant to this Agreement;
- (b) the nature and extent of solicitations of prospective suppliers of goods and services acquired;
- (c) the basis of the award of contracts and orders to successful bidders; and
- (d) the progress of the Project.

Such books and records shall be regularly audited, in accordance with sound auditing standards, for such period and at such intervals as A.I.D. may require, and

shall be maintained for five years after the date of the last disbursement by A.I.D. or until all sums due [to] A.I.D. under this Agreement have been paid, whichever date shall first occur.

Section 4.11. REPORTS. The Borrower shall furnish to A.I.D. such information and reports relating to the Loan and to the Project as A.I.D. may reasonably request.

Section 4.12. INSPECTION. The authorized representatives of A.I.D. shall have the right at all reasonable times to inspect the Project, the utilization of all goods and services financed under the Loan, and the Borrower's books, records, and other documents relating to the Project and the Loan. The Borrower shall cooperate with A.I.D. to facilitate such inspections and shall permit representatives of A.I.D. to visit any such places in Morocco as may be necessary in relation to the Loan.

Article V. SPECIAL COVENANTS

Section 5.01. WATER USAGE AND DRAINAGE. Borrower shall continue to monitor drainage in the area and covenants to take appropriate measures to control water usage and drainage in order to prevent the development of salt accumulation.

Section 5.02. ENVIRONMENTAL MONITORING. (a) The Borrower shall continue to monitor the effect on the operation of the irrigation system of the aquatic weed growth in the Mechra Homadi Reservoir.

(b) The Borrower shall closely monitor the spread of schistosomiasis and shall promptly initiate appropriate control action if this problem is discovered in the project area.

Section 5.03. LAND DISTRIBUTION. The Borrower covenants and warrants that it shall make arrangements on a timely basis for the proposed distribution of Government-owned land to private ownership in accordance with the Land Reform Law of the Government of Morocco.

Section 5.04. IRRIGATION DEVELOPMENT. (a) The Borrower shall evaluate present irrigation practices and determine optimum water requirements for optimum agricultural production.

(b) The Borrower shall from time to time review the benefits derived from irrigation development in relation to charges levied for capital and operating costs and adjust these charges as appropriate.

Article VI. PROCUREMENT

Section 6.01. PROCUREMENT FROM MOROCCO. Except as A.I.D. may otherwise agree in writing, disbursements made pursuant to Section 7.01 shall be used exclusively to finance the procurement for the Project of goods and services having their source and origin in the Kingdom of Morocco as further provided for in Implementation Letters.

Section 6.02. ELIGIBILITY DATE. Except as A.I.D. may otherwise agree in writing, no payments made by Borrower prior to May 1, 1975, may be financed under the Loan.

Section 6.03. GOODS AND SERVICES NOT FINANCED UNDER LOAN. Unless A.I.D. may otherwise agree in writing, goods and services procured for the Project,

but not financed under the Loan, shall have their source and origin in countries included in Code 935 of the *A.I.D. Geographic Code Book* as in effect at the time orders are placed for such goods and services.

Section 6.04. IMPLEMENTATION OF PROCUREMENT REQUIREMENTS. The definitions applicable to the eligibility requirements of Sections 6.01 and 6.03 will be set forth in detail in Implementation Letters.

Section 6.05. PLANS, SPECIFICATIONS, AND CONTRACTS. Except as A.I.D. may otherwise agree in writing:

- (a) the Borrower shall furnish to A.I.D. promptly upon preparation all plans, specifications, construction schedules, bid documents, and major contracts relating to the Project, and any modifications therein whether or not the goods and services to which they relate are financed under the Loan.
- (b) all bid documents and documents relating to the solicitation of proposals for goods and services financed under the Loan shall be approved by A.I.D. in writing prior to their issuance;
- (c) all contracts of \$100,000 or more entered into after the date of this Loan Agreement and to be financed under this Loan shall be approved by A.I.D. in writing prior to their execution. A.I.D. shall also approve in writing the selection of the contractor. Material modifications in any of such contracts shall also be approved by A.I.D. in writing prior to their becoming effective.

Section 6.06. REASONABLE PRICE. No more than reasonable prices shall be paid for any goods or services financed, in whole or in part, under the Loan, as more fully described in Implementation Letters. Such items shall be procured on a fair and, except for professional services, on a competitive basis in accordance with procedures therefor prescribed in Implementation Letters.

Section 6.07. EMPLOYMENT OF FOREIGN NATIONALS UNDER CONSTRUCTION CONTRACTS. The employment of personnel to perform services under any construction contract financed under the Loan shall be subject to certain requirements with respect to nationals of countries other than Morocco and countries included in Code 941 of the *A.I.D. Geographic Code Book* as in effect at the time the construction contract is entered into. These requirements shall be prescribed in Implementation Letters.

Section 6.08. INFORMATION AND MARKING. Borrower shall give publicity to the Loan and the Project as a program of the United States aid, identify the Project site, and mark goods financed under the Loan, as prescribed in Implementation Letters.

Article VII. DISBURSEMENTS

Section 7.01. REIMBURSEMENT FOR LOCAL CURRENCY COSTS — SPECIAL LETTERS OF CREDIT. (a) Reimbursement for local currency costs. Upon satisfaction of conditions precedent, A.I.D. will reimburse the Borrower for eligible local currency costs incurred in the construction of, and related procurement of commodities for, the Project. Procedures for establishing eligible local cost expenditures under this provision will be set forth in Implementation Letters.

(b) Requests for Commitment Documents. To obtain reimbursement for local cost expenditures Borrower may submit requests to A.I.D. for the issuance of

commitment documents to one or more banks in the United States designated by Borrower and satisfactory to A.I.D., committing A.I.D. to reimburse such bank or banks for payments made through irrevocable Special Letters of Credit ("SLC") to Borrower or any designees of Borrower, tied to purchases from the United States, pursuant to such documentation requirements as A.I.D. may prescribe in Implementation Letters. Banking charges incurred pursuant to this Section in connection with commitment documents and disbursements shall be for the account of Borrower and may be financed hereunder. The SLC shall be used to reimburse local currency costs mutually agreed upon between Borrower and A.I.D.

(c) **Exchange Rate:** The rate of exchange used in determining the amount of dollars to be made available is the highest rate of exchange (i.e., that yielding the greatest) at which dollars are sold in Morocco on the date of receipt by USAID of the Borrower's request for reimbursement. Taxes, fees, commissions, and similar charges, if any, are not included in determining the appropriate exchange rate.

Section 7.02. OTHER FORMS OF DISBURSEMENT. Disbursement of the Loan may also be made through such other means as the Borrower and A.I.D. may agree to in writing.

Section 7.03. DATE OF DISBURSEMENT. Disbursements by A.I.D. shall be deemed to occur, in the case of disbursements pursuant to Section 7.01, on the date the U.S. bank as instructed by A.I.D. issues an SLC in favor of the Borrower or his designee.

Section 7.04. TERMINAL DATE FOR DISBURSEMENT. Except as A.I.D. may otherwise agree in writing, no establishment or increase of an SLC shall be made in response to a request received by A.I.D. after April 30, 1978. The terminal date for drawing down of the SLC shall be June 30, 1981. A.I.D., at its option, may at any time or times after April 30, 1978, reduce the Loan by all or any part thereof for which documentation was not received by such date. Except as A.I.D. may otherwise agree in writing, no commitment documents which may be called for by another form of disbursement under Section 7.02, or amendment thereto, shall be issued in response to requests received by A.I.D. after January 1, 1978, and no disbursement shall be made under the Loan after April 30, 1978.

Article VIII. CANCELLATION AND SUSPENSION

Section 8.01. CANCELLATION BY THE BORROWER. The Borrower may, with the prior written consent of A.I.D., by written notice to A.I.D., cancel any part of the Loan (i) which, prior to the giving of such notice, A.I.D. has not disbursed or committed itself to disburse, or (ii) which has not then been utilized through the issuance of irrevocable Letters of Credit or through bank payments made other than under irrevocable Letters of Credit.

Section 8.02. EVENTS OF DEFAULT; ACCELERATION. If any one or more of the following events ("Events of Default") shall occur:

- (a) the Borrower shall have failed to pay when due any interest or installment of Principal required under this Agreement;
- (b) the Borrower shall have failed to comply with any other provisions of this Agreement, including, but without limitation, the obligation to carry out the Project with due diligence and efficiency; unless such failure is due to the

occurrence and continuation of an event directly due to *force majeure* (i.e., unforeseeable causes beyond Borrower's control and not due to its fault or negligence, such as acts of God, war, floods, fires, unusually severe weather);

- (c) the Borrower shall have failed to pay when due any interest or any installment of Principal or any other payment required under any other loan agreement, any guaranty agreement, or any other agreement between the Borrower or any of its agencies and A.I.D., or any of its predecessor agencies,

then A.I.D. may give to the Borrower notice that all or any part of the unrepaid Principal shall be due and payable sixty (60) days thereafter, and, unless the Event of Default is cured within such sixty (60) days:

- (i) such unrepaid Principal and any accrued interest hereunder *shall be due* and payable immediately; and
- (ii) the amount of any further disbursements made under then outstanding irrevocable Letters of Credit or otherwise shall become due and payable as soon as made.

Section 8.03. SUSPENSION OF DISBURSEMENT. In the event that at any time:

- (a) an Event of Default has occurred;
- (b) either party determines that the purposes of the Loan cannot be attained; or
- (c) any disbursement by A.I.D. would be in violation of the legislation governing A.I.D.; or
- (d) the Borrower shall have failed to pay when due any interest or any installment of Principal or any other payment required under any other loan agreement, any guaranty agreement, any other agreement between the Borrower or any of its agencies and the Government of the United States or any of its agencies,

then A.I.D. may, at its option:

- (i) suspend or cancel outstanding commitment documents to the extent that they have not been utilized through the issuance of irrevocable Letters of Credit or through bank payments made other than under irrevocable Letters of Credit, in which event A.I.D. shall give notice to the Borrower promptly thereafter;
- (ii) decline to make disbursements other than under outstanding commitment documents;
- (iii) decline to issue additional commitment documents;
- (iv) at A.I.D.'s expense, direct that title to goods financed under the Loan shall be transferred to A.I.D. if the goods are from a source outside the country of the Borrower, are in a deliverable state and have not been off loaded in ports of entry of the country of the Borrower, in which event A.I.D. shall give notification to the Borrower promptly thereafter. Any disbursement made or to be made under the Loan with respect to such transferred goods shall be deducted from Principal.

Section 8.04. CANCELLATION BY A.I.D. Following any suspension of disbursements pursuant to Section 8.03, if the cause or causes for such suspension of disbursements shall not have been eliminated or corrected within sixty (60) days from the date of such suspension, A.I.D. may, at its option, at any time or times thereafter, cancel all or any part of the Loan that is not either disbursed or subject to irrevocable Letters of Credit.

Section 8.05. CONTINUED EFFECTIVENESS OF AGREEMENT. Notwithstanding any cancellation, suspension of disbursement, or acceleration of repayment, the provisions of this Agreement shall continue in full force and effect until the payment in full of all Principal and any accrued interest hereunder.

Section 8.06. REFUNDS. (a) In the case of any disbursement not supported by valid documentation in accordance with the terms of this Agreement, or of any disbursement not made or used in accordance with the terms of this Agreement, A.I.D., notwithstanding the availability or exercise of any of the other remedies provided for under this Agreement, may require the Borrower to refund such amount in United States dollars to A.I.D. within thirty days after receipt of a request therefor. Such amount shall be made available first for the cost of goods and services procured for the Project hereunder, to the extent justified; the remainder, if any, shall be applied to the installments of Principal in the inverse order of their maturity and the amount of the Loan shall be reduced by the amount of such remainder. Notwithstanding any other provision in this Agreement, A.I.D.'s right to require a refund with respect to any disbursement under the Loan shall continue for five years following the date of such disbursement.

(b) In the event that A.I.D. receives a refund from any contractor, supplier, or banking institution, or from any other third party connected with the Loan, with respect to goods or services financed under the Loan, and such refund relates to an unreasonable price for goods or services, or to goods that did not conform to specifications, or to services that were inadequate, A.I.D. shall first make such refund available for the cost of goods and services procured for the Project hereunder, to the extent justified, the remainder to be applied to the installments of Principal in the inverse order of their maturity and the amount of the Loan shall be reduced by the amount of such remainder.

Section 8.07. EXPENSES OF COLLECTION. All reasonable costs incurred by A.I.D., other than salaries of its staff, in connection with the collection of any refund or in connection with amounts due A.I.D. by reason of the occurrence of any of the events specified in Section 8.02, may be charged to the Borrower and reimbursed to A.I.D. in such manner as A.I.D. may specify.

Section 8.08. NONWAIVER OF REMEDIES. No delay in exercising or omission to exercise any right, power, or remedy accruing to A.I.D. under this Agreement shall be construed as a waiver of any such rights, powers, or remedies.

Article IX. MISCELLANEOUS

Section 9.01. COMMUNICATIONS. Any notice, request, document, or other communication given, made, or sent by the Borrower, or A.I.D. pursuant to this Agreement shall be in writing or by telegram, cable, or radiogram and shall be deemed to have been duly given, made, or sent to the party to which it is addressed when it shall be delivered to such party by hand or by mail, telegram, cable, or radiogram at the following address:

To Morocco:

Address: Minister of Finance
Rabat, Morocco
Telex — 31936 M

To A.I.D.:

Address: USAID/Rabat, c/o American Embassy, P.O.B. 120
Rabat, Morocco
Telex — 31005 M

Other addresses may be substituted for the above upon the giving of notice. All notices, requests, communications, and documents submitted to A.I.D. hereunder shall be in the English language, except as A.I.D. may otherwise agree in writing.

Section 9.02. REPRESENTATIVES. For all purposes relative to this Agreement, the Borrower will be represented by the Moroccan Government Official holding or acting in the office of the Minister of Finance. A.I.D. will be represented by the individual holding or acting in the office of Mission Director, USAID/Rabat, Morocco. Such individuals shall have the authority to designate additional representatives by written notice. In the event of any replacement or other designation of a representative hereunder, Borrower shall submit a statement of the representative's name and specimen signature satisfactory to A.I.D. Until receipt by A.I.D. of written notice of revocation of the authority of any of the duly authorized representatives of the Borrower designated pursuant to this Section, it may accept the signature of any such representative or representatives on any instrument as conclusive evidence that any action effected by such instrument is duly authorized.

Section 9.03. IMPLEMENTATION LETTERS. A.I.D. shall from time to time issue Implementation Letters that will prescribe the procedures applicable hereunder in connection with the implementation of this Agreement.

Section 9.04. TERMINATION UPON FULL PAYMENTS. Upon payment in full of the Principal and of any accrued interest, this Agreement and all obligations of the Borrower and A.I.D. under this Loan Agreement shall terminate.

Section 9.05. INTERPRETATION. This Agreement has been executed in both the English and French languages. In the event a question of interpretation of this Agreement arises due to any inconsistency between the two versions, the English version shall prevail.

IN WITNESS WHEREOF, Borrower and the United States of America, each acting through its respective duly authorized representatives, have caused this Agreement to be signed in their names and delivered as of the day and year first above written.

The Kingdom of Morocco:

By: [Signed]¹

Title: Minister of Finance

The United States of America:

By: [Signed]²

Title: Ambassador

¹ Signed by A. Benslimane.

² Signed by R. G. Neumann.

ANNEX I

DESCRIPTION OF THE PROJECT

The Project consists of the construction of an irrigation system to provide water to two land areas totaling approximately 6,300 net hectares and the preparation of the land for irrigated farming. This land consists of approximately 5,750 hectares contiguous area lying above the existing Triffa Main canal and downstream of the town of Berkane and a separate second area of approximately 550 hectares lying above the Triffa Main Canal and upstream of Berkane.

The water source for the Project is the catchment basin of the Moulouya River above the existing Mechra Homadi Diversion Dam and the Mohammed V Storage Dam. Water is carried to the Project site by gravity from the Mechra Homadi Diversion Dam via existing tunnels and an open canal — the Triffa Main Canal.

For the larger of the two land areas (approximately 5,750 hectares) water from the existing canal is to be lifted by five pumping stations through penstocks to supply five main canals at different elevations which in turn will feed by gravity into secondary and lateral canals and then into farmer-prepared ditches.

For the smaller of the two land areas (approximately 550 hectares) water from the existing canal will be lifted by one pumping station to a main canal at a higher elevation which in turn will feed by gravity into secondary and lateral canals and then into farmer-prepared ditches.

The entire project area will be prepared for irrigated farming by removal of stones and leveling of the land so that water can be properly distributed by gravity.

A system of primary and secondary drains will be provided to protect the main canals from inflow of surface water and to collect excess rainfall or irrigation water.

Access roads for the operation and maintenance of the irrigation system and to provide the farmer access to his land will also be constructed.
