

No. 19296

**SWITZERLAND
and
SENEGAL**

**Agreement on the granting of a mixed credit (line of credit).
Signed at Dakar on 21 April 1980**

Authentic text: French.

Registered by Switzerland on 22 November 1980.

**SUISSE
et
SÉNÉGAL**

**Accord concernant l'ouverture d'un crédit mixte (ligne de
crédit). Signé à Dakar le 21 avril 1980**

Texte authentique: français.

Enregistré par la Suisse le 22 novembre 1980.

[TRANSLATION—TRADUCTION]

AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE SWISS CONFEDERATION AND THE GOVERNMENT OF THE REPUBLIC OF SENEGAL ON THE GRANTING OF A MIXED CREDIT (LINE OF CREDIT)

In an endeavour to facilitate the purchase of Swiss goods by and the supply of Swiss services to the Republic of Senegal for the economic development of the Republic of Senegal, the Government of the Swiss Confederation and the Government of the Republic of Senegal have agreed as follows:

Article 1. 1. This Agreement covers a mixed credit in the total amount of 24 million Swiss francs.

2. The said amount is divided into two parts:

- (i) A Swiss Government part of 12 million Swiss francs financed by the Swiss Confederation;
- (ii) A Commercial Banks part of 12 million Swiss francs financed by a consortium of Swiss banks.

Article 2. 1. The mixed credit shall be utilized for the purchase of capital goods and special category goods and for the supply of services of Swiss origin and of a civilian nature.

2. The total amount of the credit mentioned in article 2, paragraph 1, shall be divided into:

- (i) A credit tranche A: available for the financing of 85 per cent of the invoice value of Swiss supplies of capital goods; and
- (ii) A credit tranche B: available for the financing of 80 per cent of the contract value of Swiss supplies of services and special category goods.

3. The amounts allocated to tranche A and tranche B shall in principle be 80 per cent and 20 per cent of the total amount of the credit respectively. The aforementioned percentages may be modified by agreement between the competent authorities mentioned in article 5, paragraph 1, of this Agreement.

4. The range of capital goods, special category goods and services which may be financed under the credit shall be listed in a separate exchange of letters. The said goods and services may be used within the scope of development projects, an indicative list of which shall form the subject of a separate exchange of letters.

Article 3. In accordance with article 1, paragraph 2, all payments under the said credit, whether under tranche A (capital goods) or tranche B (special-category goods and services), shall be made in the proportions of 50 per cent out of the part financed by the Swiss Government and 50 per cent out of the part financed by the Commercial Banks.

Article 4. 1. The total amount of the said credit shall be used for the execution of Senegalese development projects and programmes consistent with

¹ Came into force on 21 April 1980 by signature, in accordance with article 16.

the objectives of the plan for Economic and Social Development of the Republic of Senegal.

2. The terms of the said credit shall be passed on to its final beneficiaries.

Article 5. 1. All purchases and supplies within the scope of this Agreement shall be subject to the prior approval of the Federal Office of Foreign Trade and the consortium of Swiss banks on the Swiss side and of the Ministry of Finance or any other competent authority on the Senegalese side.

2. Either governmental authority may propose to the other, through the Swiss Embassy at Dakar or the Senegalese Embassy at Berne, that a specific supply of capital goods, special-category goods or services should be financed under this Agreement.

Article 6. 1. All applications for the financing of contracts for the supply of goods and services under this Agreement shall be submitted, within 24 months after its entry into force, to the Federal Office of Foreign Trade. The aforementioned period may be extended by agreement between the competent authorities mentioned in article 5, paragraph 1, of this Agreement.

2. In principle, the value of each contract financed under this Agreement shall be not less than 50,000 Swiss francs. Payments for partial shipments in connection with supplies of goods or progress payments in connection with supplies of services may be made only for contracts with a value exceeding 100,000 Swiss francs. Such partial shipments or progress payments may be made only for individual invoice amounts of not less than 50,000 Swiss francs, except in the case of final shipment or the final progress payment under a particular contract.

Article 7. The following standard terms of payment shall apply to all contracts to be financed under this Agreement:

1. *Capital goods qualifying for tranche A of the credit*

(i) The Senegalese buyer shall:

- Pay in effective and free Swiss francs 5 per cent of the total invoice/contract value of the supply as down payment immediately after receiving confirmation that the supply contract has been approved by the competent Senegalese and Swiss authorities mentioned in article 5 of this Agreement;
- Open an irrevocable letter of credit through the Banque Nationale de Développement du Sénégal (Senegal National Development Bank), or any other commercial bank established in Senegal, with one of the six Swiss banks—designated by the Swiss exporter—in favour of the Swiss exporter for 10 per cent of the invoice value. The said letter of credit shall be utilized against remittance of the shipping documents specified in it and a receipt from the Swiss exporter covering the above-mentioned down payment of 5 per cent. The letter of credit shall be opened by the Senegalese buyer immediately after receiving confirmation that the supply contract has been approved by the competent Senegalese and Swiss authorities mentioned in article 5 above.

(ii) The Banque Nationale de Développement du Sénégal, as agent of the Government of the Republic of Senegal, shall authorize the Swiss bank

through which the letter of credit has been opened to pay to the Swiss exporter, for account of the Senegalese buyer and to the debit of tranche A of the mixed credit, 85 per cent of the invoice value of the respective shipment, together with the full or partial utilization of the above-mentioned letter of credit. Such payment authorization shall be automatically granted through the approval of the contracts by the competent Senegalese and Swiss authorities mentioned in article 5, paragraph 1, of this Agreement, subject, through the letter of credit, to a joint and several security or to a bank guarantee by one of the six Swiss banks in the amount of 20 per cent of the contract value, in order to ensure that the Swiss exporter complies with the clauses of the contract between the Senegalese importer and the Swiss exporter.

2. *Special-category goods and services qualifying for tranche B of the credit*

(i) The Senegalese buyer shall:

- Pay in effective and free Swiss francs 10 per cent of the total invoice/contract value as down payment, immediately after receiving confirmation that the contract has been approved by the competent Senegalese and Swiss authorities mentioned in article 5, paragraph 1, of the Agreement;
- Open an irrevocable letter of credit through the Banque Nationale de Développement du Sénégal, or any other commercial bank established in Senegal, with one of the six Swiss banks—designated by the Swiss supplier—in favour of the Swiss supplier for an amount equivalent to 10 per cent of the total invoice/contract value, to be utilized against remittance of
 - (a) The shipping documents specified in the letter of credit in the case of special category goods, or
 - (b) The documents specified in the letter of credit in the case of services.

The letter of credit shall be opened by the Senegalese buyer immediately after receiving confirmation that the contract has been approved by the competent Senegalese and Swiss authorities mentioned in article 5, paragraph 1, of this Agreement.

- (ii) The Banque Nationale de Développement du Sénégal, as agent of the Government of the Republic of Senegal, shall authorize the Swiss bank through which the letter of credit has been opened to pay, to the Swiss supplier for account of the Senegalese buyer and to the debit of tranche B of the mixed credit, 80 per cent of the total or partial invoice or contract value together with the full or partial utilization of the above-mentioned letter of credit. Such payment authorization shall be automatically granted through the approval of the contracts by the competent Senegalese and Swiss authorities mentioned in article 5, paragraph 1, of the Agreement, subject through the letter of credit to a joint and several security or to a bank guarantee by one of the six Swiss banks in the amount of 20 per cent of the contract value, in order to ensure that the Swiss exporter complies with the clauses of the contract between the Senegalese importer and the Swiss exporter.

All fees and commissions in connection with the opening of letters of credit shall be paid by the Senegalese buyer.

All supply contracts and letters of credit shall include a clause stating that the export shall be financed under the “Swiss mixed credit” granted to the Republic of Senegal, signed on 21 April 1980.

Article 8. Both Contracting Parties shall, insofar as their legal competence permits, facilitate the conclusion and implementation of contracts in accordance with this Agreement and shall, to that end, grant all necessary authorizations.

Article 9. The Swiss Government shall grant to the Government of the Republic of Senegal the credit mentioned in article 1, paragraph 2 (i), provided that a loan agreement between the Government of the Republic of Senegal and a consortium of Swiss banks has been concluded with regard to the granting of the transfer credit mentioned in article 1, paragraph 2 (ii).

Article 10. The part of the mixed credit financed by the Swiss Government shall bear no interest.

Article 11. 1. With regard to the financing of capital goods under tranche A of the credit, the Government of the Republic of Senegal undertakes:

- (i) To reimburse all amounts paid out of the Swiss Government part of tranche A of the credit in 20 equal and consecutive half-yearly instalments, the first instalment falling due 123 months and the last instalment 237 months after the end of the respective half-year drawdown period;
- (ii) To reimburse all amounts paid out of the Commercial Banks part of tranche A of the credit in 14 equal and consecutive half-yearly instalments, the first instalment falling due 39 months and the last instalment 117 months after the end of the respective half-year drawdown period.

2. With regard to the financing of the supplies of services under tranche B of the credit, the Government of the Republic of Senegal undertakes to reimburse all amounts paid out of the Swiss Government and Commercial Banks parts of the credit in six equal and consecutive half-yearly instalments, the first instalment falling due 30 months and the last instalment 60 months after the completion date stated in the respective contract. Contracts for supplies of services shall specify suitable time-limits for the last possible date on which the first payment may become due and payable. The said time-limit is to be calculated from the date of entry into force of the contract in question and must be approved by the Swiss authorities mentioned in article 5 of the Agreement between the two Governments.

3. With regard to the financing of special-category goods under tranche B of the credit, the Government of the Republic of Senegal undertakes to reimburse all amounts paid out of the Swiss Government and Commercial Banks parts of the credit in six equal and consecutive half-yearly instalments, the first instalment falling due 27 months and the last instalment 57 months after the end of the respective half-year drawdown period.

4. With regard to all financing under tranches A and B of the Swiss Government and Commercial Banks parts of the credit, the Government of the Republic of Senegal undertakes to pay on 31 March and 30 September the interest accrued on the amounts paid out of the mixed credit. Interest shall be charged as from the date of each drawing under the credit.

Article 12. Each consecutive 12-month period during which drawings under the mixed credit are made shall consist of two drawdown periods, each one being

a “respective half-year drawdown period”, as referred to in article 10, paragraphs 1 and 3, of this Agreement, i.e.:

- Drawdown period No. 1, for drawings made between 1 January and 30 June;
- Drawdown period No. 2, for drawings made between 1 July and 31 December.

Article 13. The payments of interest and all repayments of principal of both the Swiss Government and the Commercial Banks parts of the credit shall be made to the Société de Banque Suisse, acting on behalf of the Government of the Swiss Confederation and of the consortium of Swiss banks, in free and effective Swiss francs without any deduction whatsoever.

Article 14. All payments of interest and repayments of principal shall be exempted from any present or future fiscal levies, taxes, rights and restrictions whatsoever in force in the Republic of Senegal. Such exemption shall also apply to the movable property, vehicles and personal effects imported by Swiss experts in connection with the execution of contracts financed by the aforementioned credit.

Article 15. 1. The Société de Banque Suisse shall keep the accounts to be opened in the name of the Banque Nationale de Développement du Sénégal, as agent of the Republic of Senegal, for the execution of this Agreement and shall carry on all correspondence in connection with it.

2. All notifications by the Swiss lenders in connection with this Agreement shall be deemed to have been duly given if addressed to the Banque Nationale de Développement du Sénégal, 2, avenue Roume, Dakar.

3. All notifications and remittances by the Government of the Republic of Senegal shall be deemed to have been duly given if addressed to the Société de Banque Suisse, rue de la Confédération 2, 1211 Geneva.

Article 16. This Agreement shall enter into force on the date of its signature by the two Governments.

DONE at Dakar on 21 April 1980, in duplicate, in the French language.

For the Government
of the Swiss Confederation:

KLAUS JACOBI

For the Government
of the Republic of Senegal:

LOUIS ALEXANDRENNE