

No. 30571

**UNITED STATES OF AMERICA
and
SENEGAL**

Agreement regarding the consolidation and rescheduling of certain debts owed to or guaranteed by the United States Government and its agencies (with annexes and agreed minute of 13 October 1981). Signed at Dakar on 26 August 1982

Authentic texts: English and French.

Registered by the United States of America on 2 December 1993.

**ÉTATS-UNIS D'AMÉRIQUE
et
SÉNÉGAL**

Accord concernant la consolidation et le rééchelonnement de certaines dettes dues au Gouvernement des États-Unis et à ses institutions, ou garanties ou assurées par le Gouvernement des États-Unis et ses institutions (avec annexes et procès-verbal agréé du 13 octobre 1981). Signé à Dakar le 26 août 1982

Textes authentiques : anglais et français.

Enregistré par les États-Unis d'Amérique le 2 décembre 1993.

AGREEMENT¹ BETWEEN THE UNITED STATES OF AMERICA
AND THE REPUBLIC OF SENEGAL REGARDING THE CON-
SOLIDATION AND RESCHEDULING OF CERTAIN DEBTS
OWED TO OR GUARANTEED BY THE UNITED STATES GOV-
ERNMENT AND ITS AGENCIES

The United States of America (the “United States”) and the Republic of Senegal (“Senegal”) agree as follows:

ARTICLE I

Application of the Agreement

1. In accordance with the recommendations contained in the Agreed Minute on the Consolidation of Senegal's Debts, signed at Paris on October 13, 1981 by representatives of certain nations, including the United States, and agreed to by the representative of Senegal, hereinafter referred to as the “Minute”, and annexed hereto as Annex D, the United States and Senegal hereby agree to consolidate and reschedule certain Senegalese payments with respect to debts which are owed to, guaranteed by or insured by the United States Government or its agencies, as provided for in this Agreement.
2. This Agreement shall be implemented by three separate agreements (the “Implementing Agreements”), between Senegal and each of the following United States agencies: The Agency for International Development, the Export-Import Bank of the United States and the Department of Defense. The Department of Defense will include in its implementing Agreement amounts which it will pay the Federal Financing Bank pursuant to contracts of guaranty covering contracts between the Federal Financing Bank and Senegal.

ARTICLE II

Definitions

1. “Contracts” means those agreements or other financial arrangements, listed in Annex A, which have maturities originally falling due during the Consolidation Period and which relate to:
 - (a) Commercial credits extended to the Government of Senegal or covered by its guarantees, guaranteed by the United States or its Agencies, which credits had original

¹ Came into force on 25 October 1982, upon receipt by Senegal of written notification from the United States Government that all necessary domestic legal requirements had been fulfilled, in accordance with article V (1).

- maturities of more than one year and which were extended pursuant to an agreement concluded before July 1, 1981.
- (b) Loans from the United States or its Agencies to the Government of Senegal or covered by its guarantee, which loans had original maturities of more than one year and which were extended pursuant to an agreement concluded before July 1, 1981.
2. "Debt" means the sum of principal, interest and fees with respect to the Contracts falling due during the consolidation period and not yet paid.
 3. "Consolidated Debt" means eighty-five percent of the United States dollar amount of the Debt. "Non-consolidated Debt" means the remaining fifteen percent of the Debt.
 4. "Consolidation Period" means the period from July 1, 1981 through June 30, 1982.
 5. "Interest" means interest on Debt due and payable in accordance with the terms of this Agreement and on any due and unpaid installments of Interest accruing thereon. Interest shall begin to accrue at the rate set forth in this Agreement on the respective due dates specified in each of the Contracts for each scheduled payment of Debt and shall continue to accrue on the outstanding balance of the Debt, including any due but unpaid installments of Debt, until such outstanding balances are repaid in full. Interest shall also begin to accrue at the rate set forth in this Agreement on due but unpaid installments of Interest, on the respective due dates for such Interest installments, as established by this Agreement, and shall continue to accrue until such amounts are repaid in full.
 6. "Agency" means: the United States Agency for International Development, the Export-Import Bank of the United States and the United States Department of Defense.

ARTICLE III

Terms and Conditions of Payment

1. Senegal agrees to repay the Consolidated Debt in United States dollars in accordance with the following terms and conditions:
 - (a) The Consolidated Debt relating to Debt which amounts to approximately \$4.2 million shall be repaid in ten equal and consecutive semi-annual installments of approximately \$420,000 plus Interest. Principal payments are payable on each June 30 and December 31 commencing on June 30, 1986 with the final installment payable on December 31, 1990.

- (b) The rate of Interest on Consolidated Debt and on any due but unpaid Interest thereon shall be 7.25 percent per calendar year on the outstanding balance of such payments due to the Agency for International Development pursuant to loan number 685-HG-001, and 0.75 percent per calendar year on the outstanding balance of such payments due to the Agency for International Development pursuant to loan number 685-G-001, and 8.3 percent per calendar year on the outstanding balance of such payments due to or guaranteed by the Department of Defense. For the Export-Import Bank of the United States, the rate of Interest on Consolidated Debt and on any due but unpaid Interest thereon shall be determined on a semi-annual basis and will be related to the marginal cost of money to the Bank as determined by the Bank prior to the beginning of each six month period. For Interest accruing in 1981, the annual rate shall be 13.625 percent per annum. For Interest accruing in the first six months of 1982 and in each subsequent six month period, the Export-Import Bank of the United States shall notify Senegal of the appropriate rate prior to the beginning of such six month period. All interest payable with respect to the Consolidated Debt shall be payable semi-annually on June 30 and December 31 of each year commencing on June 30, 1982.
 - (c) A table summarizing the amounts of the Consolidated Debt owed to the United States and its Agencies is attached hereto as Annex B.
 2. Senegal agrees to pay the Non-consolidated Debt in United States dollars in accordance with the following terms and conditions:
 - (a) The Non-consolidated Debt which amounts to approximately \$740 thousand shall be repaid in three equal annual payments of approximately \$247 thousand, plus interest, the first payment to be made on June 30, 1983, and the following payments to be made respectively on June 30, 1984 and June 30, 1985.
 - (b) The rate of Interest on Non-consolidated Debt and on any due but unpaid Interest accruing thereon shall be 7.25 percent per calendar year on the outstanding balance of such payments due to the Agency for International Development pursuant to loan number 685-HG-001, and 0.75 percent per calendar year on the outstanding balance of such payments due to the Agency for International Development pursuant to loan number 685-G-001, and 8.3 percent per calendar year on the outstanding balance of such payments due to or guaranteed by the Department of Defense.

For the Export-Import Bank of the United States, the rate of Interest on Non-consolidated Debt and on any due but unpaid interest thereon shall be determined on a semi-annual basis and will be related to the marginal cost of money to the Bank as determined by the Bank prior to the beginning of each six month period. For Interest accruing in 1981, the annual rate shall be 13.625 percent per annum. For Interest accruing in the first six months of 1982 and in each subsequent six month period, the Export-Import Bank of the United States shall notify Senegal of the appropriate rate prior to the beginning of such six month period. All interest payable with respect to the Non-consolidated Debt shall be payable semi-annually on June 30 and December 31 of each year commencing on June 30, 1982.

- (c) A table summarizing the amounts of Non-consolidated Debt owed to the United States through Eximbank is attached hereto as Annex C.
3. It is understood that the adjustments may be made, as necessary, in the amounts of Consolidated and Non-consolidated Debt by the Implementing Agreements. In part, this may reflect disbursements on Debt during the Consolidation Period. Adjustments shall be made to the scheduled repayments commencing with the entry into force of this Agreement pursuant to this Agreement to reflect increased interest accrued and due during the Consolidation Period. It is further understood that the Government of Senegal will pay any "arrears" as of June 30, 1981 on Debt as soon as possible and in any case no later than June 30, 1982.

In addition, it is understood that the Export-Import Bank Credit 4914 is not to be included in the rescheduling and is deemed to be in arrears. Accordingly, the outstanding balance of this credit plus interest, amounting to a total of \$2,619,580.09, is due and payable as soon as possible and in any case no later than June 30, 1982.

It is further understood that payments falling due during the consolidation period pursuant to AID Loan 685-G-001 shall be converted to and repaid in U.S. dollars at the exchange rate in effect at the U.S. Embassy on August 26, 1982, that is to say, 341 CFA per U.S. dollar.

ARTICLE IV

General Provisions

1. Senegal agrees to grant the United States, and its Agencies, and to any other creditor which is party to a Contract, treatment

and terms no less favorable than that which may be accorded to any other creditor country or its agencies for the rescheduling or refinancing of debts covered by the Minute.

2. Except as they may be modified by this Agreement or the subsequent Implementing Agreements, all terms of the Contracts remain unchanged.

ARTICLE V

Entry Into Force

1. This Agreement shall enter into force for Debt upon receipt by Senegal of written notice from the United States Government that all necessary domestic legal requirements for entry into force of this Agreement have been fulfilled.

DONE at Dakar, Senegal in duplicate, this 26th day of August 1982, in the English and French languages, each text being equally authentic.

For the United States
of America:

C. W. BRAY

CHARLES W. BRAY, III
Ambassador

For the Republic
of Senegal:

M. SECK

Monsieur MOUSTAPHA SECK
Ministre d'Etat pour l'Economie
et des Finances

ANNEX A

CONTRACTS SUBJECT TO RESCHEDULING

AGENCY FOR INTERNATIONAL DEVELOPMENT

Loan Number

685-G-001

685-HG-001

Export-Import Bank

Loan Number:

G-10-319 6325

G-05-143

G-80-28

Department of Defense

Loan Agreements dated:

FFB # 1 (771) September 29, 1977

ANNEX B

SUMMARY OF CONSOLIDATED DEBT*

(millions of U.S. dollars)

	Payments Due 7/1/81—12/ 31/81	Payments Due 1/1/82—6/30/ 82
Agency for International Develop- ment.....	0.2	0.3
Export-Import Bank	1.5	1.0
Department of Defense	0.6	0.6
Total.....	2.3	1.9

*Data are rounded and subject to revision per Article III, Paragraph 3.

ANNEX C

SUMMARY OF NON-CONSOLIDATED DEBT*

(millions of U.S. dollars)

	Payments Due 7/1/81—12/31/ 81	Payments Due 1/1/82—6/30/ 82
Agency for International Develop- ment.....		
Export-Import Bank	0.2	0.2
Department of Defense	0.1	0.1
Total.....	0.3	0.3

*Data are rounded and subject to revision per Article III, Paragraph 3.

ANNEX D

AGREED MINUTE ON THE CONSOLIDATION OF THE DEBT
OF THE REPUBLIC OF SENEGAL*I. Preamble*

1. The Representatives of the Governments of Belgium, Canada, Denmark, France, the Federal Republic of Germany, Italy, the Netherlands, Norway, Spain, Sweden, Switzerland, the United Kingdom, the United States of America, hereinafter referred to as "Participating Creditor Countries" met in Paris on October 12 and 13, 1981 with representatives of the Government of Senegal in order to examine the request for alleviation of that country's external debt service obligation. Observers of the Government of Japan, as well as of the International Monetary Fund, the International Bank for Reconstruction and Development, the Secretariat of the U.N.C.T.A.D., the African Bank of Development, the Commission of the European Communities and the Organisation for Economic Co-operation and Development also attended the meeting.

2. The Delegation of Senegal outlined the serious difficulties faced by their country and the strong determination of their Government to reduce the economic and financial imbalances and to reach the targets of the program underlying the stand-by arrangement with the International Monetary Fund.

3. The representatives of the International Monetary Fund described the economic situation of Senegal and the major elements of the program of adjustment undertaken by the Government of Senegal and supported by the stand-by arrangement with the International Monetary Fund approved by the Executive Board of the Fund on September 11, 1981. This arrangement, applying to the period ending September 10, 1982, involves specific commitments in both the economic and financial fields.

4. The representatives of the Governments of the participating creditor countries took note of the measures of adjustment set forth in the economic and financial program undertaken by the Government of Senegal and stressed the importance they attach to the continuing and full implementation of this program, in particular the revitalization of the productive sector of the economy and the improvement of public finances and foreign exchange management.

II. Recommendations on terms

Mindful of the serious economic difficulties faced by the Government of Senegal, the representatives of the participating creditor countries agreed to recommend to their Governments or appropriate institutions that they provide, through rescheduling or refinancing, debt relief on the following terms:

1. *Debts concerned*

The debt service (the “debts”) to which this reorganization will apply is that resulting from:

a) commercial credits guaranteed or insured by the Governments of the participating creditor countries or their appropriate institutions having an original maturity of more than one year and which were extended to the Government of Senegal or covered by its guarantee, pursuant to a contract or other financial arrangement concluded before July 1, 1981.

b) loans from Governments or appropriate institutions of the participating creditor countries having an original maturity of more than one year pursuant to an agreement concluded before July 1, 1981 extended to the Government of Senegal or covered by its guarantee.

This reorganization will not apply to the debts contracted by Air Afrique and by the “Agence pour la Sécurité de la Navigation Aérienne”, which are guaranteed jointly by the Government of Senegal and other Governments.

2. *Terms of the consolidation*

The debt relief will apply as follows:

a) 85% of the amounts of principal and interest due from July 1, 1981 up to June 30, 1982 inclusive, and not paid on loans and credits mentioned in paragraph 1 above will be re-scheduled or refinanced.

b) Repayment by the Government of Senegal of the corresponding sums will be made in 10 equal and successive semi-annual payments, the first payment to be made on June 30, 1986 (end of the grace period) and the final payment to be made on December 31, 1990 (end of the repayment period).

c) The remaining 15% of principal and interest will be paid according to the following schedule:

5% on June 30, 1983

5% on June 30, 1984

5% on June 30, 1985.

3. *Rate of interest.*

The rate and the conditions of interest to be paid in respect of these financial arrangements will be determined bilaterally between the Government of Senegal and the Government or appropriate institutions of each participating creditor country.

Each creditor country is prepared to make its maximum effort to keep the rates of interest as low as possible taking into account the appropriate market rate and the legal and other modalities of each consolidation.

III. *General recommendations*

1. In order to secure comparable treatment of public and private external creditors on their debts, the representatives of the Government of Senegal stated that their Government will seek to secure from private external creditors, including banks, rescheduling, financing or refinancing arrangements on terms comparable to those set forth in this minute for credits of comparable maturity; making sure to avoid inequity between different categories of creditors.

2. The Government of Senegal will accord to each of the participating countries treatment no less favourable than that which it may accord to any other creditor country for the consolidation of debts of a comparable term.

3. The Government of Senegal undertakes to negotiate promptly rescheduling or refinancing arrangements with all other creditor countries on debts of a comparable term.

4. The provisions set forth in this minute do not apply to countries with respect to which debts falling due during the reorganization period are less than SDR 500,000. The payments owed to these countries should be made on the original due dates. Payments already due and not paid should be made not later than June 30, 1982.

5. The participating creditor countries, noting that any previous creditor country reservations on this issue would be respected, agree to make available, upon the request of another participating creditor country, a copy of its bilateral agreement with the Government of Senegal which implements this agreed minute. The Government of Senegal acknowledges this arrangement.

6. Each of the participating creditor countries agrees to indicate to the Chairman of this creditor group the date of the signature of its bilateral agreement, the interest rates and the amounts of debts involved. The Government of Senegal acknowledges this arrangement.

7. The Government of Senegal will keep the Chairman of this creditor group informed of the content of its bilateral agreements with all creditors mentioned in paragraphs 1, 2 and 3 above.

8. The Government of Senegal undertakes to pay all debt service not paid and owed to or guaranteed by the Governments of the participating creditor countries or their appropriate institutions, and not covered by this minute as soon as possible and in any case no later than June 30, 1982.

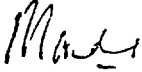
IV. *Implementation*

The detailed arrangements for the rescheduling or refinancing of the debts will be determined by bilateral agreements to be concluded by the Government of each participating creditor country with the Government of Senegal on the basis of the following principles:

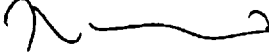
1. The Government of each participating creditor country will:
refinance debts by placing new funds at the disposal of the Government of Senegal at the same time and for the above mentioned percentage of payments on the debts due under existing payment schedules during the reorganization period, or reschedule the corresponding payments.
2. All other matters involving the rescheduling or the refinancing of the debts will be set forth in the bilateral agreements which the Government of Senegal and the Governments of the participating creditor countries will seek to conclude with the least delay and as far as possible before the end of February, 1982.
3. The provisions of the present agreement will apply under the condition that the Republic of Senegal continues to be authorized to make purchases under the arrangement from the Fund. For this purpose, the Government of Senegal agrees that the Fund informs the Chairman of this creditor group regarding the status of Senegal's relations with the Fund.
4. In response to the request of the representatives of the Government of the Republic of Senegal, the participating creditor countries agreed in principle to consider subsequently the matter of Senegal debt service payment falling due after June 30, 1982 provided:
 - that Senegal continues to have an arrangement with the International Monetary Fund involving use of the Fund's resources, subject to upper tranche conditionality.
 - and that Senegal has reached with banks and other creditors effective arrangements meeting the conditions described in the section III paragraph 1, 2 and 3 above.
5. The representatives of the Governments of each of the participating countries and of the Government of Senegal agreed to recommend to their respective Governments or appropriate institutions that they initiate bilateral negotiations at the earliest opportunity and conduct them on the basis of the principles set forth herein.

DONE in Paris, this 13th day of October 1981, in two versions,
English and French both texts equally authentic.

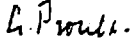
The Chairman of the
Paris Club



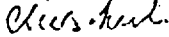
Delegation of Belgium



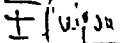
Delegation of Canada



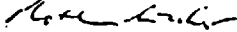
Delegation of Denmark



Delegation of France




Delegation of the Federal
Republic of Germany



Delegation of Italy

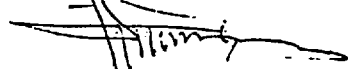



Delegation of the United
States of America

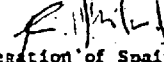
The Chairman of the Senegal
Delegation



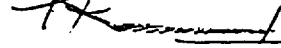
Delegation of the Netherlands



Delegation of Norway



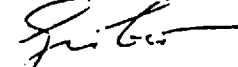
Delegation of Spain



Delegation of Sweden



Delegation of Switzerland



Delegation of the United
Kingdom

