No. 8607

INTERNATIONAL DEVELOPMENT ASSOCIATION
and
SENEGAL

Development Credit Agreement — *Railway Project* (with related letters, annexed Development Credit Regulations No. 1 and Project Agreement between the Association and the Régie des chemins de fer du Sénégal). Signed at Washington, on 29 September 1966

Official text: English.

Registered by the International Development Association on 10 April 1967.

ASSOCIATION INTERNATIONALE DE DÉVELOPPEMENT
et
SÉNÉGAL

Contrat de crédit de développement — *Projet relatif aux chemins de fer* (avec lettres y relatives et, en annexe, le Règlement n° 1 sur les crédits de développement et le Contrat relatif au Projet entre l'Association et la Régie des chemins de fer du Sénégal). Signé à Washington, le 29 septembre 1966

Texte officiel anglais.

Enregistré par l'Association internationale de développement le 10 avril 1967.

No. 8607. DEVELOPMENT CREDIT AGREEMENT[1] *(RAILWAY PROJECT)* BETWEEN THE REPUBLIC OF SENEGAL AND THE INTERNATIONAL DEVELOPMENT ASSOCIATION. SIGNED AT WASHINGTON, ON 29 SEPTEMBER 1966

AGREEMENT, dated September 29, 1966, between REPUBLIC OF SENEGAL (hereinafter called the Borrower) and the INTERNATIONAL DEVELOPMENT ASSOCIATION (hereinafter called the Association).

WHEREAS the Borrower and the Régie des Chemins de Fer du Sénégal (hereinafter called the Régie), an agency of the Borrower, have requested the Association to assist in financing part of the Régie's Second Four-Year Investment Plan, 1965/1966-1968/1969 (hereinafter called the Investment Plan) ;

WHEREAS the Régie will, with the Borrower's assistance, carry out such Investment Plan and the Borrower will as part of such assistance make available to the Régie the proceeds of the development credit provided for herein ;

WHEREAS by an agreement of even date herewith (hereinafter called the Mali Development Credit Agreement[2]), between the Republic of Mali and the Association, the Association has agreed to make a development credit to the Republic of Mali to assist in financing part of a program for the rehabilitation and modernization of the railways of the Republic of Mali (hereinafter called the Rehabilitation Program) ;

WHEREAS the Investment Plan and the Rehabilitation Program will be carried out simultaneously in view of the complementary nature of the Senegal and Mali railway systems ;

WHEREAS the Association is willing on the basis of the foregoing, to make a development credit available on the terms and conditions provided herein, and in a project agreement of even date herewith[3] between the Régie and the Association ;

NOW THEREFORE the parties hereto hereby agree as follows :

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[1] Came into force on 25 January 1967, upon notification by the Association to the Government of Senegal.
[2] See p 187 of this volume.
[3] See p. 300 of this volume

Article I

CREDIT REGULATIONS ; SPECIAL DEFINITIONS

Section 1.01. The parties to the Development Credit Agreement accept all the provisions of Development Credit Regulations No. 1 of the Association dated June 1, 1961, [1] with the same force and effect as if they were fully set forth herein, subject, however, to the following modifications thereof (said Development Credit Regulations No. 1 as so modified being hereinafter called the Regulations) ·

(*a*) The second sentence of Section 2.02 is amended by deleting the words "at the same rate" and substituting therefor the words "at the rate of one-half of one percent (½ of 1%) per annum".

(*b*) Section 3.01 is deleted and the following new Section is substituted therefor :

"SECTION 3.01. *Currencies in which Cost of Goods is to be Paid and Proceeds of the Credit are to be Withdrawn.* (*a*) Except as the Borrower and the Association shall otherwise agree, the cost of goods financed out of the proceeds of the Credit shall be paid in the respective currencies of the countries from which such goods are acquired.

"(*b*) The proceeds of the Credit shall be withdrawn from the Credit Account :

"(i) on account of expenditures for goods produced in (including services supplied from) the territories of the Borrower, in such currency or currencies as the Association shall from time to time reasonably select ;

"(ii) in all other cases, in the currency in which the cost of the goods financed out of such proceeds has been paid or is payable.

"(*c*) The Borrower and the Association may from time to time agree on any other currency in which withdrawals shall be made."

(*c*) A new Section 3.04 is inserted after Section 3.03 as follows :

"SECTION 3.04. *Purchase of Currency of Withdrawal with Other Currency.* If withdrawal shall be made in any currency which the Association shall have purchased with another currency for the purposes of such withdrawal, the portion of the Credit so withdrawn shall be deemed to have been withdrawn from the Credit Account in such other currency for the purposes of Section 3.03."

(*d*) Section 3.04 is re-numbered Section 3.05.

[1] See p 298 of this volume

(*e*) The first sentence of Section 4.01 is deleted.

(*f*) The words "or the Project Agreement" are inserted in Section 6.02 after the words "the Development Credit Agreement".

(*g*) Section 8.04 is deleted.

Section 1.02. Unless the context otherwise requires, the following terms wherever used in this Development Credit Agreement have the following meanings :

(*a*) the term "Project Agreement" means the agreement of even date herewith between the Association and the Régie ;

(*b*) the term "Subsidiary Loan Agreement" means the loan agreement between the Borrower and the Régie referred to in Section 4.02 of this Agreement ;

(*c*) the term "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 ;

(*d*) the term "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 ;

(*e*) the term "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 ;

(*f*) the term "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 ; and

(*g*) the term "Statutes" means the Decree No. 64.835 of December 17, 1964, published in the *Journal Officiel* No. 3720 of January 9, 1965, of the Borrower, relating to the reorganization of the Régie.

Article II

The Credit

Section 2.01. The Association agrees to make available to the Borrower, on the terms and conditions in the Development Credit Agreement set forth or referred to, a development credit in an amount in various currencies equivalent to nine million dollars ($9,000,000).

Section 2.02. The Association shall open a Credit Account on its books in the name of the Borrower and shall credit to such Credit Account the amount of the Credit. The amount of the Credit may be withdrawn from the Credit Account as provided in, and subject to the rights of cancellation and suspension set forth in, the Development Credit Agreement.

Section 2.03. Except as the Association shall otherwise agree, the Borrower shall be entitled, subject to the provisions of the Development Credit Agreement, to withdraw from the Credit Account : (*a*) such amounts as shall have been expended for the reasonable cost of goods to be financed out of the proceeds of the Credit , and (*b*) if the Association shall so agree, such amounts as shall be required by the Borrower to meet payments under the foregoing ; provided, however, that no withdrawals shall be made on account of expenditures prior to January 1, 1965.

Section 2 04. The Borrower shall pay to the Association a service charge at the rate of three-fourths of one per cent ($^3/_4$ 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 February 1 and August 1 in each year.

Section 2.06. The Borrower shall repay the principal of the Credit withdrawn from the Credit Account in semi-annual instalments payable on each February 1 and August 1 commencing February 1, 1977 and ending August 1, 2016, each instalment to and including the instalment payable on August 1, 1986 to be one-half of one per cent (½ of 1%) of such principal amount, and each instalment thereafter to be one and one–half per cent (1½%) of such principal amount.

Article III

Use of Proceeds of the Credit

Section 3.01. The Borrower shall cause the proceeds of the Credit to be applied exclusively to financing the cost of goods required to carry out the Project. The specific goods to be financed out of the proceeds of the Credit and the methods and procedures for procurement of such goods, shall be determined by agreement between the Borrower, the Association and the Régie, subject to modification by further agreement between them.

Section 3.02. Except as the Borrower and the Association shall otherwise agree, the Borrower shall cause all goods financed out of the proceeds of the Credit to be used exclusively in the carrying out of the Project.