No. 8819

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT and COLOMBIA

Loan Agreement—*Livestock Development Project* (with annexed Loan Regulations No. 3 and Project Agreement between the Bank and the Caja de Crédito Agrario, Industrial y Minero). Signed at Washington, on 16 May 1966

Official text: English.

Registered by the International Bank for Reconstruction and Development on 1 November 1967.

BANQUE INTERNATIONALE POUR LA RECONSTRUCTION ET LE DÉVELOPPEMENT et COLOMBIE

Contrat d'emprunt—*Projet relatif au développement de l'élevage* (avec, en annexe, le Règlement n° 3 sur les emprunts et le Contrat d'emprunt entre la Banque et la Caja de Crédito Agrario, Industrial y Minero). Signé à Washington, le 16 mai 1966

Texte officiel anglais.

Enregistré par la Banque internationale pour la reconstruction et le développement le 1er novembre 1967.

No. 8819. LOAN AGREEMENT[1] *(LIVESTOCK DEVELOPMENT PROJECT)* BETWEEN THE REPUBLIC OF COLOMBIA AND THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT. SIGNED AT WASHINGTON, ON 16 MAY 1966

AGREEMENT, dated May 16, 1966, between REPUBLIC OF COLOMBIA (hereinafter called the Borrower) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (hereinafter called the Bank).

WHEREAS the Borrower has requested the Bank to provide financial assistance to the first stage of the Borrower's livestock development program ;

WHEREAS the Caja de Crédito Agrario, Industrial y Minero is willing to assist in the carrying out of such livestock development program ; and

WHEREAS the Bank is willing at this time to make a loan to the Borrower, upon the terms and conditions hereinafter set forth ;

NOW THEREFORE the parties hereto hereby agree as follows :

Article I

LOAN REGULATIONS ; DEFINITIONS

Section 1.01. The parties to this Loan Agreement accept all the provisions of Loan Regulations No. 3 of the Bank dated February 15, 1961,[2] with the same force and effect as if they were fully set forth herein, subject, however, to the following modifications thereof (said Loan Regulations No. 3 as so modified being hereinafter called the Loan Regulations) :

(*a*) The second sentence of Section 3.02 of the Loan Regulations shall apply only to withdrawals pursuant to paragraph (*a*) of Section 2.03 of the Loan Agreement.

(*b*) Section 4.01 of the Loan Regulations is deleted.

(*c*) The words ", the Project Agreement " are inserted after the words

[1] Came into force on 16 November 1966, upon notification by the Bank to the Government of Colombia.
[2] See p. 268 of this volume.

" the Loan Agreement " wherever they occur in Sections 5.06, 7.01, 7.02 and 7.03 of the Loan Regulations.

(*d*) Section 9.04 of the Loan Regulations is deleted.

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

(*a*) The term " Caja " means Caja de Crédito Agrario, Industrial y Minero, a bank organized and existing under the laws of the Borrower.

(*b*) The term " Project Agreement " means the agreement between the Bank and the Caja of even date herewith [1], and shall include any amendments thereof made by agreement between the Bank and the Caja.

(*c*) The term " Subsidiary Loan Agreement " means the loan agreement between the Borrower and the Caja of even date herewith, and shall include any amendments thereof made by agreement between the Borrower and the Caja with the approval of the Bank.

Article II

THE LOAN

Section 2.01. The Bank agrees to lend to the Borrower, on the terms and conditions in this Agreement set forth or referred to, an amount in various currencies equivalent to sixteen million seven hundred thousand dollars ($ 16,700,000).

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

Section 2.03. Except as the Bank shall otherwise agree, the Borrower shall be entitled, subject to the provisions of the Loan Agreement, to withdraw from the Loan Account :

(*a*) such amounts as shall have been expended for the reasonable foreign exchange cost of goods to be financed under the Loan Agreement and, if the Bank shall so agree, such amounts as shall be required by the Caja to meet payments for such goods ; and

(*b*) the equivalent of a percentage or percentages to be established from time to time by agreement between the Caja and the Bank of the amounts actually disbursed by the Caja to beneficiaries under loans included in the Project and not covered in (*a*) above ;

[1] See p. 268 of this volume.

provided, however, that no withdrawals shall be made on account of : (i) expenditures prior to the Effective Date, or (ii) expenditures made in the territories of any country (except Switzerland) which is not a member of the Bank or for goods produced in (including services supplied from) such territories.

Section 2.04. Withdrawals from the Loan Account pursuant to paragraph (*b*) of Section 2.03 of this Agreement shall be in dollars or such other currency or currencies as the Bank shall from time to time reasonably select.

Section 2.05. The Borrower shall pay to the Bank a commitment charge at the rate of three-eighths of one per cent ($^3/_8$ of 1 %) per annum on the principal amount of the Loan not so withdrawn from time to time.

Section 2.06. The Borrower shall pay interest at the rate of six per cent (6 %) per annum on the principal amount of the Loan so withdrawn and outstanding from time to time.

Section 2.07. Except as the Borrower and the Bank shall otherwise agree, the charge payable for special commitments entered into by the Bank at the request of the Borrower pursuant to Section 4.02 of the Loan Regulations shall be at the rate of one-half of one per cent ($\frac{1}{2}$ of 1 %) per annum on the principal amount of any such special commitments outstanding from time to time.

Section 2.08. Interest and other charges shall be payable semi-annually on March 15 and September 15 in each year.

Section 2.09. The Borrower shall repay the principal of the Loan in accordance with the amortization schedule set forth in Schedule 1 to this Agreement.

Article III

Use of Proceeds of the Loan

Section 3.01. The Borrower shall cause the proceeds of the Loan 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 Loan and the methods and procedures for procurement of such goods shall be determined by agreement between the Bank and the Caja acting on behalf of the Borrower, subject to modification by further agreement between them.

Article IV

Bonds

Section 4.01. The Borrower shall execute and deliver Bonds representing the principal amount of the Loan as provided in the Loan Regulations.

Section 4.02. The Minister of Finance and Public Credit of the Borrower and such person or persons as he shall appoint in writing are designated as authorized representatives of the Borrower for the purposes of Section 6.12 of the Loan Regulations.

Article V

Particular Covenants

Section 5.01. (*a*) The Borrower shall cause the Project to be carried out by the Caja with due diligence and efficiency and in conformity with sound agricultural, economic and financial practices, and shall provide, promptly as needed, the funds, facilities, services and other resources required for the purpose.

(*b*) [1] The Borrower shall relend the proceeds of the Loan to the Caja. To that effect, the Borrower shall enter into a Subsidiary Loan Agreement, satisfactory to the Bank, with the Caja. The Borrower shall exercise its rights in relation to the Subsidiary Loan Agreement in such manner as to protect the interests of the Borrower and the Bank. Except as the Borrower and the Bank shall otherwise agree, the Borrower shall not take or concur in any action which would have the effect of amending, abrogating, assigning or waiving any provision of the Subsidiary Loan Agreement.

(*c*) The operating policies and procedures for the carrying out of the Project shall be agreed upon from time to time between the Bank and the Caja.

(*d*) The Borrower shall submit to the Bank, forthwith upon receipt of requests of the Caja and as provided in the Subsidiary Loan Agreement, applications for withdrawals from the Loan Account pursuant to the provisions of Section 2.03 of this Agreement.

Section 5.02. (*a*) The Borrower and the Bank shall cooperate fully to assure that the purposes of the Loan will be accomplished. To that end, each of them shall furnish to the other all such information as it shall reasonably request with regard to the general status of the Loan. On the part of the Borrower, such information shall include information with respect to financial and economic conditions in the territories of the Borrower and the international balance of payments position of the Borrower.

(*b*) The Borrower and the Bank shall from time to time exchange views through their representatives with regard to matters relating to the purposes of the Loan and the maintenance of the service thereof. The Borrower shall

[1] Under the terms of this Section, the Republic of Colombia entered into a subsidiary loan agreement with the Caja de Credito Agrario, Industrial y Minero which was signed at Washington on 16 May 1966 and came into force on 22 December 1966.