No. 8923

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT and TUNISIA

Loan Agreement—*Cooperative Farm Project* (with related letter and annexed Loan Regulations No. 3). Signed at Washington, on 21 February 1967

Official text: English.

Registered by the International Bank for Reconstruction and Development on 17 January 1968.

BANQUE INTERNATIONALE POUR LA RECONSTRUCTION ET LE DÉVELOPPEMENT et TUNISIE

Contrat d'emprunt — *Projet relatif aux coopératives agricoles* (avec lettre y relative et, en annexe, le Règlement n° 3 sur les emprunts). Signé à Washington, le 21 février 1967

Texte officiel anglais.

Enregistré par la Banque internationale pour la reconstruction et le développement le 17 janvier 1968.

No. 8923. LOAN AGREEMENT[1] (*COOPERATIVE FARM PROJECT*) BETWEEN THE REPUBLIC OF TUNISIA AND THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT. SIGNED AT WASHINGTON, ON 21 FEBRUARY 1967

AGREEMENT, dated February 21, 1967, between REPUBLIC OF TUNISIA (hereinafter called the Borrower) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (hereinafter called the Bank).

WHEREAS (A) the Borrower has requested the Bank to make a loan to it in an aggregate principal amount equivalent to twelve million dollars ($12,000,000) to assist the Borrower in financing a cooperative farm project;

(B) the Borrower has also requested the International Development Association (hereinafter called the Association) to provide additional assistance towards financing such project;

(C) by an agreement of even date herewith between the Borrower and the Association (hereinafter called the Development Credit Agreement[2]), the Association is agreeing to provide such assistance in an aggregate principal amount equivalent to six million dollars ($6,000,000);

(D) the Borrower, the Association and the Bank intend to enter into an arrangement enabling the Bank to process applications for withdrawal of part of the proceeds of the financing to be provided severally by the Association and the Bank; and

WHEREAS the Bank has agreed, upon the basis of the foregoing, to make a loan to the Borrower upon the terms and conditions hereinafter set forth;

NOW THEREFORE it is hereby agreed as follows:

Article I

LOAN REGULATIONS; SPECIAL 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,[3] with the same force and effect as if they were fully set forth herein, subject, however, to the

[1] Came into force on 3 July 1967 by notification by the Bank to the Government of Tunisia.
[2] See p. 70 of this volume.
[3] See p. 66 of this volume.

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 in respect of expenditures in currencies other than the currency of the Borrower.

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

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

Section 1.02. Wherever used in the Loan Agreement, unless the context otherwise requires, the following terms shall have the following meanings:

(*a*) " Commission " means Commission Nationale de la Coopération Agricole established by Decree No. 67-2 of January 2, 1967, of the Borrower;

(*b*) " Bureau " means Bureau de Contrôle des Unités de Production du Nord established by Circular of December 22, 1966, of the Borrower;

(*c*) " BNA " means the Banque Nationale Agricole, a Corporation established under the laws of the Borrower;

(*d*) " Cooperative " means Unité de Production du Nord formed under Law No. 63-19 of May 27, 1963, of the Borrower; and

(*e*) " OTD " means Office des Terres domaniales established by Decree No. 61-15 of September 30, 1961, of the Borrower.

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 twelve million dollars ($12,000,000).

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, the Loan Agreement.

Section 2.03. (*a*) 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:

(i) The equivalent of a percentage or percentages to be established from time to time by agreement between the Borrower and the Bank of such amounts as shall have been paid for the reasonable cost of goods to be financed under the Loan Agreement; and

(ii) if the Bank shall so agree, such amounts as shall be required to meet payments under (i) above;

provided, however, that no withdrawals shall be made on account of (i) expenditures prior to the date of this Agreement 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.

(*b*) Withdrawals from the Loan Account pursuant to subsection 2.03 (*a*) above shall be in such currency or currencies, other than the currency of the Borrower, as the Bank shall from time to time reasonably select.

Section 2.04. 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 2.05. 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 2.06. 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 ($^1/_2$ of 1%) per annum on the principal amount of any such special commitment outstanding from time to time.

Section 2.07. Interest and other charges shall be payable semi-annually on April 15 and October 15 in each year.

Section 2.08. The Borrower shall repay the principal of the Loan in accordance with the amortization schedule set forth in Schedule 1 to this Agreement.

Section 2.09. For the purposes of facilitating the sale of portions of the Loan and Bonds it is agreed that in connection with any such sale,notwithstanding the provisions of Section 3.03 of the Loan Regulations, the Borrower and the Bank may from time to time agree that any portion of the Loan repayable in one currency may be made repayable in one or more other currencies and from the date specified in such agreement such portion of the Loan shall be repayable in such other currency or currencies.

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 described in Schedule 2 to this Agreement. 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 Borrower and the Bank, subject to modification by further agreement between them.

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

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 Secretary of State for Plan and National Economy 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 with due diligence and efficiency and in conformity with sound agricultural, administrative and financial practices, and shall provide, promptly as needed, the lands, funds, facilities, services and other resources required for the purpose.

(*b*) The Borrower shall cause those of its agencies responsible for providing technical, administrative and agricultural services to cooperate with each other and with the Commission, the Bureau and other appropriate agencies of the Borrower in such manner and to such extent as shall be necessary for the diligent and efficient carrying out of the Project.

(*c*) The Borrower shall cause the Bureau to employ consultants and managerial and technical experts mutually acceptable to the Borrower and the Bank, whose authority and functions shall be determined by agreement between the Borrower and the Bank.

(*d*) The operating policies and procedures for the carrying out of the Project, including the terms and conditions of the loans made to the Cooperatives and to