No. 8927

INTERNATIONAL DEVELOPMENT ASSOCIATION
and
BOLIVIA

Development Credit Agreement—*Beni Livestock Development Project* (with related letter, annexed Development Credit Regulations No. 1, as amended, Project Agreement between the Association and the Banco Agrícola de Bolivia). Signed at Washington, on 26 May 1967

Official text: English.

Registered by the International Development Association on 17 January 1968.

ASSOCIATION INTERNATIONALE DE DÉVELOPPEMENT
et
BOLIVIE

Contrat de crédit de développement — *Projet relatif au développement de l'élevage dans le Beni* (avec lettre y relative, et, en annexe, le Règlement n° 1 sur les crédits de développement, tel qu'il a été modifié, et le Contrat relatif au Projet entre l'Association et le Banco Agrícola de Bolivia). Signé à Washington, le 26 mai 1967

Texte officiel anglais.

Enregistré par l'Association internationale de développement le 17 janvier 1968.

No. 8927. DEVELOPMENT CREDIT AGREEMENT[1] (*BENI LIVESTOCK DEVELOPMENT PROJECT*) BETWEEN THE REPUBLIC OF BOLIVIA AND THE INTERNATIONAL DEVELOPMENT ASSOCIATION. SIGNED AT WASHINGTON, ON 26 MAY 1967

AGREEMENT, dated May 26, 1967, between REPUBLIC OF BOLIVIA (hereinafter called the Borrower) and INTERNATIONAL DEVELOPMENT ASSOCIATION (hereinafter called the Association).

Article I

CREDIT REGULATIONS; SPECIAL DEFINITIONS

Section 1.01. The parties to this Agreement accept all the provisions of Development Credit Regulations No. 1 of the Association dated June 1, 1961, as amended February 9, 1967[2] with the same force and effect as if they were fully set forth herein (said Development Credit Regulations No. 1 being hereinafter called the Regulations).

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 " Central Bank " means the Banco Central de Bolivia.

(*b*) The term " BAB " means the Banco Agrícola de Bolivia.

(*c*) The term " Project Agreement " means the agreement of even date herewith[3] between the Association and BAB, as the same may be amended or supplemented from time to time by agreement between the Association and BAB.

(*d*) The term " ranch development plan " means a proposal for investing in fencing, stock handling and watering facilities, essential ranch constructions, stock and pasture management equipment and tools, selected pasture establishment and limited numbers of breeding cattle or other related on-ranch items or any combination thereof, and for the provision of working capital and technical services in connection therewith.

[1] Came into force on 12 December 1967, upon notification by the Association to the Government of Bolivia.

[2] See p. 176 of this volume.

[3] See p. 178 of this volume.

(*e*) The term " Project Director " means the livestock expert referred to in Section 2.09 of the Project Agreement.

(*f*) The term " Subsidiary Loan Agreement " means the agreement to be entered into between the Borrower and BAB, on terms and conditions satisfactory to the Association.

(*g*) The term " Project Area " means the Provinces of Ballivián, Yacuma, Mamoré, Itenez, Cercado, Marbán and Moxos of the Departamento del Beni of the Borrower.

Article II

THE CREDIT

Section 2.01. The Association agrees to make available to the Borrower, on the terms and conditions in this Development Credit Agreement set forth or referred to, a development credit in an amount in various currencies equivalent to two million dollars ($2,000,000).

Section 2.02. The Association shall open a Credit Account 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, this Development Credit Agreement.

Section 2.03. Except as the Borrower and the Association shall otherwise agree :

(*a*) the Borrower shall be entitled, subject to the provisions of this Development Credit Agreement, to withdraw from the Credit Account : (i) the equivalent of a percentage to be established from time to time by agreement between the Borrower and the Association of such amounts as shall have been disbursed by BAB under the loans described in subparagraph (1) of the Schedule to this Development Credit Agreement; provided, however, that no withdrawals shall be made with respect to any such loan unless the Project Director approves the ranch development plan for which such loan is requested and, where the amount of any such loan is one hundred thousand dollars ($100,000) equivalent or more, unless the relevant plan shall also have been approved by the Association; and (ii) such amounts as shall have been paid by BAB or, if the Association shall so agree, as shall be required by BAB to meet payments to be made for the reasonable foreign exchange cost of the technical services described in subparagraph (2) of the Schedule to this Development Credit Agreement;

(*b*) no withdrawals from the Credit Account shall be made on account of expenditures incurred prior to the date of this Development Credit Agreement.

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. The Borrower shall also pay to the Association a service charge at the rate of one-half of one per cent ($^1/_2$ of 1%) per annum on the principal amount outstanding from time to time of any special commitment entered into by the Association pursuant to Section 4.02 of the Regulations.

Section 2.05. Service charges shall be paid semi-annually on May 15 and November 15 in each year.

Section 2.06. The Borrower shall repay the principal of the Credit withdrawn from the Credit Account in semi-annual installments payable on each May 15 and November 15 in each year commencing May 15, 1977 and ending November 15, 2016, each installment to and including the installment payable on November 15, 1986, to be one-half of one per cent ($^1/_2$ of 1%) of such principal amount, and each installment thereafter to be one and one-half per cent ($1^1/_2$%) 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 the goods required to carry out the Project. The specific allocation of the proceeds of the Credit, the specific goods to be financed therefrom and the methods and procedures for procurement of such goods shall be determined by agreement between the Association and BAB acting on behalf of the Borrower, subject to modification by further agreement between them.

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

Article IV

Particular Covenants

Section 4.01. (*a*) The Borrower shall cause the Project to be carried out by BAB with due diligence and efficiency and in conformity with sound agricultural, administrative, economic and financial practices and shall cause BAB to be provided, promptly as needed, with the funds, facilities, services and other resources required for the purpose.

(*b*) The Borrower shall enter into the Subsidiary Loan Agreement for the purpose of relending the equivalent of the proceeds of the Credit to BAB. 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 Association. Except as the Borrower and the Association 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 Borrower, the Association and BAB.

Section 4.02. (*a*) The Borrower shall establish or cause to be established at the Central Bank a Fund (hereinafter called the Project Revolving Fund) under terms and conditions satisfactory to the Association to be used exclusively to make and receive payments connected with the Project. The Borrower shall advance to the Project Revolving Fund, from time to time, promptly as needed, such amounts as shall be necessary to (i) carry out its obligations under the Subsidiary Loan Agreement and (ii) meet the expenditures incurred by BAB, during the first three years of the Project, for the purpose of carrying out the provisions of Section 2.13 of the Project Agreement.

(*b*) Payments by BAB of principal and interest under the Subsidiary Loan Agreement shall be made to the Project Revolving Fund and the Borrower shall cause all sums so paid to be used for the purpose of continuing the financing of livestock development in the territories of the Borrower, except for sums required to (i) service the Credit, (ii) meet the administrative expenses arising from the Project and (iii) recover, within six years from the date of this Development Credit Agreement, the sums advanced to the Project Revolving Fund pursuant to paragraph (*a*) (ii) above.

(*c*) The Borrower shall cause the accounts relating to the Project Revolving Fund to be audited annually by an accountant acceptable to the Association and shall promptly thereafter and not later than four months after the close of the Borrower's financial year transmit to the Association certified copies of such accounts and a signed copy of the accountant's report.

Section 4.03. The Borrower shall: (i) maintain or cause to be maintained records adequate to identify the goods financed out of the proceeds of the Credit, to disclose the use thereof in the Project, to record the progress of the Project (including the cost thereof) and to reflect in accordance with consistently maintained sound accounting practices the operations and financial condition of the Project Revolving Fund; (ii) enable the Association's representatives to inspect the Project, the goods and any relevant records and documents; and (iii) furnish or cause to be furnished to the Association all such information as the Association shall reasonably request concerning the expenditure of the proceeds