No. 9042

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT and ARGENTINA

Loan Agreement—*Balcarce Livestock Project* (with related letter, annexed Loan Regulations No. 3, as amended, and Project Agreement between the Bank and the Banco Central de la República Argentina). Signed at Washington, on 31 July 1967

Official text: English.

Registered by the International Bank for Reconstruction and Development on 19 March 1968.

BANQUE INTERNATIONALE POUR LA RECONSTRUCTION ET LE DÉVELOPPEMENT et ARGENTINE

Contrat d'emprunt — *Projet de Balcarce relatif à l'élevage* (avec lettre y relative et, en annexe, le Règlement n° 3 sur les emprunts, tel qu'il a été modifié, ainsi que le Contrat relatif au Projet entre la Banque et le Banco Central de la República Argentina). Signé à Washington, le 31 juillet 1967

Texte officiel anglais.

Enregistré par la Banque internationale pour la reconstruction et le développement le 19 mars 1968.

No. 9042. LOAN AGREEMENT[1] (*BALCARCE LIVESTOCK PROJECT*) BETWEEN THE ARGENTINE REPUBLIC AND THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT. SIGNED AT WASHINGTON, ON 31 JULY 1967

AGREEMENT, dated July 31, 1967, between THE ARGENTINE REPUBLIC (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 for the Balcarce livestock project;

WHEREAS the Banco Central de la República Argentina is willing to assist in the carrying out of such livestock project; and

WHEREAS the Bank is willing to make a loan to the Borrower, on 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 as amended February 9, 1967,[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 sub-paragraph (i) of paragraph (*a*) of Section 2.03 of the Loan Agreement.

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

(*c*) The words " and the Project Agreement "[3] are inserted after the words " the Loan Agreement " wherever they occur in Sections 5.06, 7.01, 7.02 and 7.03 of the Loan Regulations.

[1] Came into force on 30 October 1967, upon notification by the Bank to the Government of Argentina.
[2] See p. 316 of this volume.
[3] See p. 318 of this volume.

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

(*a*) The term " Banco Central " means Banco Central de la República Argentina, an agency of the Borrower and includes any successor thereto.

(*b*) The term " Banco Nación " means Banco de la Nación Argentina, a bank organized and existing under the laws of the Borrower, and includes any successor thereto.

(*c*) The term " INTA " means Instituto Nacional de Tecnologia Agropecuaria, an agency of the Borrower charged with research, extension and development services to farmers, and includes any successor thereto.

(*d*) The term " CONADE " means Consejo Nacional de Desarrollo, an agency of the Borrower charged with national economic development planning, and includes any successor thereto.

(*e*) The term " Project Director " means the technical livestock expert appointed by INTA for the purposes of the Project.

(*f*) The term " Project Agreement " means the agreement between the Bank and Banco Central of even date herewith and shall include any amendments thereof made by agreement between the Bank and Banco Central.

(*g*) The term " Instructions " means the instructions issued in respect of the Project by the Borrower to Banco Central and acceped by Banco Central and shall include any amendments or additions thereto approved by the Bank.

(*h*) The term " Subsidiary Loan Agreement " means the agreement between Banco Central and Banco Nación and shall include any amendments thereof made by agreement between Banco Central and Banco Nación with the approval of the Bank.

(*i*) The term " Participating Bank " means a bank, acceptable to the Bank, which shall have entered into an agreement with Banco Central on terms and conditions substantially in accordance with the terms and conditions of the subsidiary Loan Agreement.

(*j*) The term " pesos " means pesos in the currency of the Borrower.

(*k*) The term " Special Account " means the account and sub-accounts referred to in Section 5.12 of this Agreement.

(*l*) The term "Lending Program " means the part of the Project described in paragraph 1 of Schedule 2 to this Agreement.

Article II

THE LOAN

Section 2.01. The Bank agrees to lend to the Borrower, on the terms and conditions in the Loan Agreement set forth or referred to, an amount in various currencies equivalent to fifteen million three hundred thousand dollars ($15,300,000).

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*) The Borrower shall be entitled, subject to the provisions of the Loan Agreement, to withdraw from the Loan Account :

(i) such amounts as shall been paid, or, if the Bank shall so agree, as shall be required to meet payments to be made, for the reasonable foreign exchange cost of the services of the Project Director and of vehicles and special equipment referred to in paragraphs 2 and 3 of Schedule 2 to this Agreement and to be financed under the Loan Agreement; and

(ii) 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 other goods to be financed under the Loan Agreement;

Provided, however, that except as shall be otherwise agreed between the Borrower and the Bank no withdrawals shall be made on account of : (i) expenditures prior to the date of signature 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*) Unless the Bank shall otherwise agree, the term " foreign exchange cost ", for the purposes of this Section, shall exclude expenditures in pesos or for goods produced in (including services supplied from) the territories of the Borrower.

Section 2.04. Withdrawals from the Loan Account pursuant to subparagraph (ii) of paragraph (*a*) 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 ($^1/_2$ 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 February 1 and August 1 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 Borrower, acting through Banco Central, 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 in the territories of the Borrower 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 Minister of 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.