

CONFORMED COPY

RELATED TO LOAN NUMBER 3627-IN

Co-Lenders' Agreement

Relating to the cofinancing of the
Loan for External Sector and Investment Liberalization Program
to India

between

THE EXPORT-IMPORT BANK OF JAPAN

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

Dated as of September 22, 1993
(As amended on December 1, 1993)

RELATED TO LOAN NUMBER 3627-IN

CO-LENDERS' AGREEMENT

This Agreement, made and entered into as of the 22nd day of September, 1993, between the INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (hereinafter referred to as the "World Bank") and the EXPORT-IMPORT BANK OF JAPAN (hereinafter referred to as the "EXIMBANK").

WITNESSETH

WHEREAS:

(A) India (hereinafter referred to as the "Borrower") has requested the World Bank to assist in the financing of urgently needed imports required during the execution of a program described in the letter dated May 31, 1993, from the Borrower to the World Bank (said program being hereinafter referred to as the "Program");

(B) The World Bank has entered into a Loan Agreement (Loan Number 3627-IN) with the Borrower, dated June 24, 1993 (hereinafter referred to as the "World Bank Loan Agreement"), under which the World Bank has agreed to lend to the Borrower, on the terms and conditions therein set forth or referred to, an amount in various currencies equivalent to three hundred million United States dollars (US\$300,000,000) (hereinafter referred to as the "World Bank Loan") to finance part of the imports required during the execution of the Program;

(C) The Borrower has also requested the EXIMBANK to assist in financing urgently needed imports required during the execution of the Program;

(D) In response to the request made by the Borrower, the EXIMBANK has entered

into a Loan Agreement with the Borrower, dated September 22, 1993 (hereinafter referred to as the "EXIMBANK Loan Agreement"), under which the EXIMBANK has agreed to lend on an untied basis to the Borrower, on the terms and conditions therein set forth or referred to, an amount in Yen equivalent to two hundred and fifty million United States Dollars (US\$250,000,000) (hereinafter referred to as the "EXIMBANK Loan") (the World Bank Loan Agreement and the EXIMBANK Loan Agreement being hereinafter referred to collectively as the "Loan Agreements" and individually as a "Loan Agreement"); and

(E) The World Bank and the EXIMBANK (hereinafter referred to collectively as the "Co-lenders" and individually as a "Co-lender") consider it desirable to coordinate the administration of the Loan Agreements and advise each other of matters concerning the Program, the Borrower and other matters of common interest.

NOW THEREFORE the Co-lenders hereby agree as follows:

Article I

Coordination, Exchange of Information, Consultation

Section 1.01. Each Co-lender shall, in conformity with and subject to its practices with respect to the treatment of information of a confidential nature, at the request of the other Co-lender, exchange views and provide pertinent information with respect to the following matters:

- (a) the economy of the Borrower's country;
- (b) the progress achieved by the Borrower in the implementation of the Program; and
- (c) procurement and disbursement administration relating to the Loan Agreements.

Section 1.02. Each Co-lender shall promptly inform the other Co-lender of any of the following events:

- (a) any event of which such Co-lender becomes aware which, in the opinion of such Co-lender, is likely to materially interfere with, or seriously hinder or impair, the implementation of the Program, or to adversely and materially interfere with the performance by the Borrower of its obligations under the Loan Agreement to which such Co-lender is a party;
- (b) a determination by such Co-lender that any disbursement of the loan provided pursuant to such Co-lender's Loan Agreement: (i) was made in respect of any expenditure or in any amount not eligible for financing under such Loan Agreement, or (ii) was not justified by the evidence furnished pursuant to such Loan Agreement; and/or
- (c) any notice given by the Borrower to prepay the whole or any part of the loan disbursed pursuant to the Loan Agreement to which such Co-lender is a party and any amount thereof actually prepaid.

Section 1.03. Each Co-lender shall inform the other Co-lender of any supervision mission related to its respective Loan Agreement undertaken by itself and provide to such other Co-lender a report setting out the main findings or results of such mission.

Section 1.04. Without prejudice to the independent right of decision and action of each Co-lender under its respective Loan Agreement, each Co-lender shall give notice to, and to the extent reasonably practicable consult with, the other Co-lender whenever it proposes to:

- (a) suspend, terminate, cancel or accelerate, in whole or in part, the loan provided under its Loan Agreement;
- (b) agree to any substantial amendment to its Loan Agreement, or take any action which might result in the termination of its Loan Agreement; or
- (c) agree to extend the Closing Date (as defined in the World Bank Loan Agreement) or the Final Disbursement Date (as defined in the EXIMBANK Loan Agreement), as the case may be.

Section 1.05. The EXIMBANK agrees that: (a) it shall provide the World Bank with a copy of each Table of Disbursements (as defined in the EXIMBANK Loan Agreement) that it sends to the Borrower; and (b) it shall not agree to any amendment to the EXIMBANK Loan Agreement that affects the rights or responsibilities of the World Bank under this Agreement without obtaining the prior written consent of the World Bank.

Section 1.06. Subject to the agreement of the Borrower, the World Bank shall provide the EXIMBANK with a monthly disbursement summary with respect to the World Bank Loan prepared in accordance with its standard practice.

Section 1.07. In addition to the matters referred to in the foregoing Sections of this Article I, each Co-lender may consult with the other Co-lender on any matter of common interest arising out of this Agreement.

Section 1.08. Except as otherwise provided in this Agreement, each Co-lender agrees that all its decisions, including decisions to take or refrain from taking action, concerning the Program or the Loan Agreement to which it is a party, will be based exclusively on its own judgment, independently of the information provided by, or expected from, the other Co-lender or the views expressed by such other Co-lender.

Section 1.09. Without limiting in any way the ability of the EXIMBANK to exercise any of its rights under any other paragraph under Article IX of the EXIMBANK Loan Agreement, it is understood that the EXIMBANK will not exercise any of its rights under Article IX of the EXIMBANK Loan Agreement upon the occurrence of an Event of Default under Paragraph (d) or (e)(ii) of that Article resulting solely from a default in the performance of any obligation of the Borrower (other than a payment obligation) under any loan or guarantee agreement with the World Bank other than the World Bank Loan Agreement unless the World Bank has declared the relevant indebtedness to be due and payable.

ARTICLE II

Method of Financing

Section 2.01. Subject to the provisions of the Loan Agreements and except as the Co-lenders shall otherwise agree, it is the intention of each Co-lender that the items to be cofinanced out of the proceeds of the EXIMBANK Loan and the World Bank Loan shall be financed on a parallel basis.

Section 2.02. Supervision of the procurement process and disbursement notification with respect to the EXIMBANK Loan shall be carried out by the World Bank in accordance with Article III of this Agreement.

ARTICLE III

Procurement and Administration

Section 3.01. Procurement of the goods to be financed in accordance with the Loan Agreements shall be governed by the provisions of the World Bank Loan Agreement. Supervision of the procurement process shall be carried out by the World Bank in accordance with its standard procedures and practices in such matters. The World Bank shall provide the EXIMBANK with a copy of any communication to the Borrower that the World Bank makes in the discharge of its functions under this Section 3.01.

Section 3.02. Upon receipt by the World Bank of a Request for Disbursement substantially in the form set forth in the EXIMBANK Loan Agreement, the World Bank shall promptly deliver to the EXIMBANK either a Notice substantially in the form of the Annex hereto (or such other form as the EXIMBANK and the World Bank may from time to time agree) or a telex containing summary information to the same effect, with such telex being promptly confirmed by a corresponding Notice.

Section 3.03. In accordance with the provisions of the Agreement on Cofinancing dated March 25, 1987, between the Co-lenders, the EXIMBANK shall pay to the World Bank a fee of one hundred and twenty-five thousand United States Dollars (US\$125,000,000) for the administrative services to be performed by the World Bank pursuant to this Agreement. Such fee shall be paid within ninety (90) days after the first disbursement by the EXIMBANK in accordance with the terms of the EXIMBANK Loan Agreement.

ARTICLE IV

Adjustment for Cofinancing

Section 4.01. Subject to the agreement of the Borrower, each Co-lender shall take all necessary actions to incorporate relevant clauses in, and/or make such amendments as may be required to, the Loan Agreement to which such Co-lender is a party in order to reflect the cofinancing arrangements envisaged herein and to incorporate a cross default clause in respect of the other Co-lender's loan to the Borrower.

ARTICLE V

Effectiveness of this Agreement

Section 5.01. Subject to Section 5.02 of this Agreement, this Agreement, which shall take effect upon its signature by both parties, shall remain in full force and effect until the date on which the EXIMBANK Loan Agreement shall have terminated or the date on which the World Bank Loan Agreement shall have terminated, whichever is earlier.

Section 5.02. This Agreement may be modified from time to time by further agreement in writing between the Co-lenders. This Agreement may be terminated at any time upon thirty (30) days' advance notice given in writing by either party to the other party.

ARTICLE VI

Miscellaneous

Section 6.01. The World Bank shall furnish to the EXIMBANK a certificate of the Director of the Loan Department of the World Bank designating the person or persons authorized to deliver the notices referred to in Section 3.02.

Section 6.02. Any notice required under this Agreement and any agreement or other document contemplated by this Agreement shall be in writing. Any such notice shall be deemed to have been duly given either on the date of dispatch, if delivered by hand or sent by telex or cable, or five (5) days after the date of posting, if sent by registered airmail, and in each case addressed as specified below, or to such other address as either party shall have designated by notice to the other.

For the World Bank:

International Bank for
Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Cable Address:

INTBAFRAD
Washington, D.C.

Telex:

248423 (RCA)
64145 (WUI)
82987 (FTCC)
197688 (TRT)

Attention:

Director, Country Department II
South Asia Regional Office

cc: Director, Loan and Trust Funds Department

For the EXIMBANK:

The Export-Import Bank of Japan
4-1, Ohtemachi 1-chome
Chiyoda-ku, Tokyo 100
Japan

Cable Address:

EXPORTBANK TOKYO

Telex:

2223728 YUGIN J

Attention:

Director, Division 4
Loan Department I
(Asia and Oceania)

IN WITNESS WHEREOF, the duly authorized representatives of the parties have executed this Agreement in duplicate in the English language.

THE EXPORT-IMPORT BANK OF JAPAN

By /s/ M. Shimizu

Authorized Representative

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

By /s/ K. Kashiwaya

Authorized Representative

ANNEX

World Bank Notice

We hereby acknowledge receipt of the following Request for Disbursement:

Date:

Serial No:

Amount:

In accordance with the Co-lenders' Agreement dated _____, 1993, between the Export-Import Bank of Japan (EXIMBANK) and the International Bank for Reconstruction and Development ("World Bank"), we have examined the said Request for Disbursement and find it in order and eligible for financing under the Loan Agreement dated _____, 1993, between EXIMBANK and India.

On the basis of the foregoing we hereby notify you as follows:

U.S. Dollar equivalent of the amount of disbursement to be made by the EXIMBANK:

NOTE:

1. The non-eligible items included in said application and the reason for non-eligibility are as follows:

(non-eligible items)	(reason)
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(a)	
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(b)	
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(c)	
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2. The aggregate disbursed amount of the World Bank's Loan Account to date is as follows:

Amount: _____

3. Special instructions:
