
LOAN NUMBER 1195 BR

Project Agreement

(Rio Grande do Norte Rural Development Project)

BETWEEN

STATE OF RIO GRANDE DO NORTE

AND

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

DATED MARCH 1, 1976

CONFORMED COPY

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(Rio Grande do Norte Rural Development Project)

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STATE OF RIO GRANDE DO NORTE

AND

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DATED MARCH 1, 1976

PROJECT AGREEMENT

AGREEMENT, dated March 1, 1976, between STATE OF RIO GRANDE DO NORTE (hereinafter called the State) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (hereinafter called the Bank).

WHEREAS by the Loan Agreement of even date herewith between Federative Republic of Brazil (hereinafter called the Borrower) and the Bank, the Bank has agreed to make available to the Borrower an amount in various currencies equivalent to twelve million dollars (\$12,000,000), on the terms and conditions set forth in the Loan Agreement, but only on condition that the State agree to undertake certain obligations toward the Bank as hereinafter set forth;

WHEREAS the State warrants and represents that it is authorized to undertake the obligations in this Agreement contained under the laws of the State; and

WHEREAS the State, in consideration of the Bank's entering into the Loan Agreement with the Borrower, has agreed to undertake the obligations hereinafter set forth:

NOW THEREFORE the parties hereto hereby agree as follows:

Section 1. Wherever used in this Agreement, unless the context shall otherwise require, the several terms defined in the Loan Agreement and the General Conditions (as so defined) have the respective meanings therein set forth.

Section 2. The State covenants and warrants that the Project is of paramount importance to rural development plans of the State and that it shall fully support the Project by cooperating with the Borrower in the execution of the Project and by providing, promptly as needed, the funds, facilities, services and other resources on its part required for the Project.

Section 3. The State specifically undertakes (i) to take all steps on its part necessary for the establishment and maintenance of the Project Unit; (ii) to enforce the State cotton grading regulations in the Project area; and (iii) to cause Companhia Integrada do Desenvolvimento Agrícola of the State to ensure adequate supplies of improved seeds and other inputs in the Project area.

Section 4. (a) The State shall, at the request of the Bank, exchange views with the Bank with regard to the performance of its obligations under this Agreement and other matters relating to the purposes of the Loan.

(b) The State shall promptly inform the Bank of any condition which interferes, or threatens to interfere with, the progress of the Project, the accomplishment of the purposes of the Loan, or the performance by the State of its obligations under this Agreement.

Section 5. The State shall not take, cause or permit to be taken, any action which would prevent or interfere with the execution of the Project or with the performance of the Borrower's obligations under the Loan Agreement.

Section 6. This Agreement shall come into force and effect on the date upon which the Loan Agreement becomes effective.

Section 7. This Agreement and all obligations of the Bank and of the State thereunder shall terminate when the Loan Agreement shall terminate in accordance with its terms and the Bank shall notify the State thereof.

Section 8. Any notice or request required or permitted to be given or made under this Agreement and any agreement between the parties contemplated by this Agreement shall be in writing. Such notice or request shall be deemed to have been duly given or made when it shall be delivered by hand or by mail, telegram, cable, telex or radiogram to the party to which it is required or permitted to be given or made at such party's address hereinafter specified or at such other address as such party shall have designated by notice to the party giving such notice or making such request. The addresses so specified are:

For the 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 No.

440098 (ITT),
248423 (RCA) or
64145 (WUI)

For the State:

Secretaria de Estado da Agricultura
 Palácio Potengi
 Praça Sete de Setembro
 59000 Natal, Rio Grande do Norte
 Brazil

Cable address:

Secretaria de Agricultura
 Palácio Potengi
 Natal, Brazil

Section 9. Any action required or permitted to be taken, and any documents required or permitted to be executed, under this Agreement on behalf of the State may be taken or executed by the *Secretário de Estado da Agricultura* or such other person or persons as he shall designate in writing.

Section 10. The State shall furnish to the Bank sufficient evidence of the authority and the authenticated specimen signature of the person or persons who will, on behalf of the State, take any action or execute any documents required or permitted to be taken or executed by the State pursuant to any of the provisions of this Agreement.

Section 11. This Agreement may be executed in several counterparts, each of which shall be an original, and all collectively but one instrument.

IN WITNESS WHEREOF, the parties hereto, acting through their representatives thereunto duly authorized, have caused this Agreement to be signed in their respective names in the District of Columbia, United States of America, as of the day and year first above written.

STATE OF RIO GRANDE DO NORTE

By /s/ João Paulo dos Reis Velloso
Authorized Representative

INTERNATIONAL BANK FOR
 RECONSTRUCTION AND DEVELOPMENT

By /s/ Adalbert Krieger
*Regional Vice President
 Latin America and the Caribbean*