

CONFORMED COPY

CREDIT NUMBER 1925 BO
(Second Amendment)

(Financial Sector Adjustment Credit)

between

REPUBLIC OF BOLIVIA
BANCO CENTRAL DE BOLIVIA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated December 21, 1989

CREDIT NUMBER 1925 BO
(Second Amendment)

SECOND AGREEMENT AMENDING
DEVELOPMENT CREDIT AGREEMENT

AGREEMENT, dated December 21, 1989, between REPUBLIC OF BOLIVIA (the Borrower), BANCO CENTRAL DE BOLIVIA (Banco Central) and INTERNATIONAL DEVELOPMENT ASSOCIATION (the Association).

WHEREAS (A) the Borrower, Banco Central and the Association have entered into a Development Credit Agreement (Financial Sector Adjustment Credit), dated June 24, 1988 (the Development Credit Agreement) for the purpose of assisting in the financing of the urgently needed imports and services referred to in Recital (A) of the Preamble to the Development Credit Agreement (such imports and services hereinafter referred to as the Program);

(B) the Borrower, Banco Central and the Association have entered into an Agreement Amending the Development Credit Agreement, dated March 22, 1989 (the Amending Agreement) for the purpose of providing the Borrower for additional financing of the Program;

(C) the Borrower has requested the Association to provide further additional assistance towards the financing of the Program by increasing the amount made available under the Development Credit Agreement as amended by the Amending Agreement;

and

WHEREAS the Association has agreed, on the basis, inter alia, of the foregoing, to provide such further additional assistance to the Borrower upon the terms and conditions set forth in this Agreement;

NOW THEREFORE the parties hereto hereby agree as follows:

ARTICLE I

Amendments of the Development Credit Agreement

Section 1.01. Section 1.02 of the Development Credit Agreement, as amended by the Amending Agreement, is amended by deleting the "and" at the end of Subsection (h), replacing "June 24, 1988, as amended." by "June 24, 1988, as amended on March 22, 1989;" at the end of Subsection (i), and adding a new Subsection (j) as follows:

"(j) 'Second Amending Agreement' means the Second Agreement Amending the Development Credit Agreement (Financial Sector Adjustment Credit) between the Borrower, Banco Central and the Association, dated June 24, 1989, as amended on March 22, 1989 and on today's date."

Section 1.02. Section 2.01 of the Development Credit Agreement is amended to read as follows:

"Section 2.01. The Association agrees to lend to the Borrower, on the terms and conditions set forth or referred to in the Development Credit Agreement, an amount in various currencies equivalent to sixty-seven million one hundred thousand Special Drawing Rights (SDR 67,100,000) (the Credit), which includes an original amount in various currencies equivalent to fifty million six hundred thousand Special Drawing Rights (SDR 50,600,000), an additional amount in various currencies equivalent to nine million two hundred thousand Special Drawing Rights (SDR 9,200,000) (the Additional Financing); and a second additional amount in various currencies equivalent to seven million three hundred thousand Special Drawing Rights (SDR 7,300,000) (the Second Additional Financing)."

Section 1.03. The date in Section 2.03 of the Development Credit Agreement is replaced by June 30, 1991.

Section 1.04. The proviso at the end of Section 2.04 (a) (b) of the Development Credit Agreement, as amended by the Amending Agreement, is amended to read as follows:

"; provided, however, that: (i) any commitment charge on the Additional Financing shall accrue from a date sixty (60) days after the date of the Amending Agreement and (ii) any commitment charge on the Second Additional Financing shall accrue from a date sixty (60) days after the date of the Second Amending Agreement."

Section 1.05. The following paragraph is added at the end of Schedule 1 to the Development Credit Agreement:

"6. After a date twelve (12) months from the date of the Second Amending Agreement, no withdrawals shall be made and no commitment shall be entered into to pay amounts to or on the order of the Borrower in respect of expenditures to be financed out of the proceeds of the Second Additional Financing. At any time after such date, the Association may, by notice to the Borrower, cancel the unwithdrawn amount of the Second Additional Financing from the Credit Account or any part thereof."

ARTICLE II

Effective Date; Termination

Section 2.01. This Second Amending Agreement shall not become effective until evidence satisfactory to the Association shall have been furnished to the Association that the execution and delivery of this Second Amending Agreement on behalf of the Borrower and Banco Central have been duly authorized or ratified by all necessary governmental action.

Section 2.02. As part of the evidence to be furnished pursuant to Section 2.01

of this Second Amending Agreement, there shall be furnished to the Association an opinion or opinions satisfactory to the Association of counsel acceptable to the Association showing, on behalf of the Borrower and Banco Central, that this Second Amending Agreement has been duly authorized or ratified by, and executed and delivered on behalf of, the Borrower and Banco Central is legally binding upon the Borrower and Banco Central in accordance with its terms.

Section 2.03. This Second Amending Agreement shall come into force and effect on the date upon which the Association dispatches to the Borrower notice of its acceptance of the evidence required by Section 2.01 of this Second Amending Agreement.

Section 2.04. If this Second Amending Agreement shall not have come into force and effect by a date ninety (90) days after the date of this Second Amending Agreement, this Second Amending Agreement and all obligations of the parties hereunder shall terminate, unless the Association establishes a later date for the purposes of this Section. If this Second Amending Agreement shall terminate under the provisions of this Section, the Development Credit Agreement, as amended by the Amending Agreement if the latter is then in full force and effect, shall continue in full force and effect, as if this Second Amending Agreement had not been executed.

IN WITNESS WHEREOF, the parties hereto, acting through their duly authorized representatives, have caused this Second Amending 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.

REPUBLIC OF BOLIVIA

By /s/ Jorge Crespo Velasco

Authorized Representative

BANCO CENTRAL DE BOLIVIA

By /s/ Jorge Crespo Velasco

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ Shahid Husain

Regional Vice-President
Latin America and the Caribbean

