

CONFORMED COPY

CREDIT NUMBER 2303-1 IVC  
(Amendment)

Agreement Amending  
Development Credit Agreement

(Financial Sector Adjustment Credit)

between

REPUBLIC OF COTE D'IVOIRE

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated February 8, 1994

CREDIT NUMBER 2303-1 IVC  
(Amendment)

AGREEMENT AMENDING DEVELOPMENT CREDIT AGREEMENT

AGREEMENT, dated February 8, 1994, between REPUBLIC OF COTE D'IVOIRE (the Borrower) and INTERNATIONAL DEVELOPMENT ASSOCIATION (the Association).

WHEREAS (A) the Borrower and the Association have entered into a Development Credit Agreement (Financial Sector Adjustment Credit) dated October 4, 1991 (the Development Credit Agreement) for the purpose of assisting in the financing of urgently needed imports required during the execution of the Borrower's program to achieve structural adjustment in the financial sector (the Program);

(B) the Borrower has requested the Association to provide additional assistance towards the financing of the Program by increasing the amount made available under the Development Credit Agreement by an amount in various currencies equivalent to seventy-two million four hundred thousand Special Drawing Rights (SDR 72,400,000); and

WHEREAS the Association has agreed, on the basis, inter alia, of the foregoing, to provide such 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. A proviso is added at the end of Section 1.02 of the Development Credit Agreement reading as follows:

"and the term 'Amending Agreement' means the Agreement Amending the Development Credit Agreement (Financial Sector Adjustment Credit) between the Borrower and the Association."

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 hereinafter set forth, an amount in various currencies equivalent to one hundred ten million Special Drawing Rights (SDR 110,000,000) (the Credit), which includes: (a) an original amount in various currencies equivalent to thirty-seven million six hundred thousand Special Drawing Rights (SDR 37,600,000) (the Initial Financing); and (b) an additional amount in various currencies equivalent to seventy-two million four hundred thousand Special Drawing Rights (SDR 72,400,000) (the Additional Financing)."

Section 1.03. The first sentence of Section 2.03 of the Development Credit Agreement is amended to read as follows:

"The Closing Date shall be September 30, 1993 with respect to the Initial Financing and June 30, 1994 with respect to the Additional Financing, or such later date as the Association shall establish."

Section 1.04. A proviso is added at the end of paragraph (b)(i) of Section 2.04 of the Development Credit Agreement reading as follows:

"; provided, however, that commitment charges on the Additional Financing shall accrue from a date sixty days after the date of the Amending Agreement."

Section 1.05. Section 3.01 (a) of the Development Credit Agreement is amended to read in its entirety as follows:

"(a) The Borrower and the Association shall from time to time, at the request of either party, exchange views on the progress achieved in carrying out the Program and the actions specified in Schedule 3 to this Agreement."

Section 1.06. Schedule 1 to the Development Credit Agreement is amended to read in its entirety as set forth in Appendix 1 to this Amending Agreement."

Section 1.07. The Development Credit Agreement is amended by the addition of a Schedule 3 to read in its entirety as set forth in Appendix 2 to this Amending Agreement.

## ARTICLE II

### Effective Date; Termination

Section 2.01. This 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 Amending Agreement on behalf of the Borrower 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 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, that this Amending Agreement has been duly authorized or ratified by, and executed and delivered on behalf of, the Borrower and is legally binding upon the Borrower in accordance with its terms.

Section 2.03. This 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 Amending Agreement.

Section 2.04. If this Amending Agreement shall not have come into force and effect by a date ninety (90) days after the date of this Amending Agreement, this 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 Amending Agreement shall terminate under the provisions of this Section, the Development Credit Agreement shall continue in full force and effect, as if this Amending Agreement had not been executed.

IN WITNESS WHEREOF, the parties hereto, acting through their duly authorized representatives, have caused this 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 COTE D'IVOIRE

By /s/ Claude Bouah-Kamon

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ Edward V.K. Jaycox

Regional Vice President  
Africa

APPENDIX 1

"SCHEDULE 1

Withdrawal of the Proceeds of the Credit

1. Subject to the provisions set forth or referred to in this Schedule, the proceeds of the Credit may be withdrawn from the Credit Account for expenditures made (or, if the Association shall so agree, to be made) in respect of the reasonable cost of goods required during the execution of the Program and to be financed out of such proceeds.

2. Notwithstanding the provisions of paragraph 1 above, no withdrawals shall be made in respect of:

(a) expenditures for goods included in the following SITC groups or sub-groups, or any successor groups or sub-groups under future revisions to the SITC, as designated by the Association by notice to the Borrower:

Group	Sub-group	Description of Items
112	-	Alcoholic beverages
121	-	Tobacco, unmanufactured, tobacco refuse
122	-	Tobacco, manufactured (whether or not containing tobacco substitutes)
525	-	Radioactive and associated materials
667	-	Pearls, precious and semi-precious unworked or worked stones,
718	718.7	Nuclear reactors, and parts thereof, elements (cartridges), non-irradiated fuel

for			nuclear reactors
group	897	897.3	Jewelry of gold, silver or platinum metals (except watches and watch cases) and goldsmiths' or silversmiths' (including set gems)
wares	971	-	Gold, non-monetary (excluding gold ores and concentrates)

(b) expenditures in the currency of the Borrower or for goods supplied from the territory of the Borrower, excluding, if the currency of the Borrower is also that of another country, expenditures in such currency for goods supplied from the territory of such other country;

(c) payments made for expenditures prior to the date of this Agreement, except that withdrawals in an aggregate amount not exceeding the equivalent of SDR 7,500,000 may be made on account of payments made for such expenditures before that date but after the date falling four months prior to the date of this Agreement;

(d) expenditures for goods procured under contracts costing less than \$10,000 equivalent;

(e) expenditures for goods supplied under a contract which any national or international financing institution or agency other than the Association shall have financed or agreed to finance; and

(f) expenditures for goods intended for a military or para-military purpose or for luxury consumption.

3. Withdrawals for expenditures under contracts for the procurement of goods estimated to cost the equivalent of less than \$5,000,000 may be permitted by the Association upon the basis of statements of expenditure under such terms and conditions as the Association shall specify.

4. No withdrawal 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 Credit after the aggregate of the proceeds of the Credit withdrawn from the Credit Account and the total amount of such commitments shall have reached the equivalent of SDR 37,600,000, unless the Association shall be satisfied, after an exchange of views as described in Section 3.01 of this Agreement based on evidence satisfactory to the Association: (a) with the progress achieved by the Borrower in the carrying out of the Program; (b) that the actions described in Schedule 3 to this Agreement have been taken and are satisfactory to the Association; and (c) that the macroeconomic policy framework of the Borrower is consistent with the objectives of the Program.

5. If, after the exchange of views described in paragraph 4 above, the Association shall have given notice to the Borrower that the progress achieved and actions taken are not satisfactory and, within 90 days after such notice, the Borrower shall not have achieved progress and taken actions satisfactory to the Association, then the Association may, by notice to the Borrower, cancel the unwithdrawn amount of the Credit or any part thereof."

## APPENDIX 2

### "SCHEDULE 3

#### Conditions for the Release of the Second Tranche of the Credit

##### Actions Referred to in Paragraph 4 of Schedule 1 to this Agreement

1. A plan for the recapitalization and restructuring of SGBCI, BICICI, SIB and BIAOCI has been implemented, including: (a) settlement of the Borrower's arrears; (b) the Borrower's contribution to the write-off of their losses and recapitalization; (c) measures to improve bad debt recovery; and (d) implementation of additional measures to return to profitability.

2. BCEAO has: (a) consolidated all of its claims on BNDA; (b) extended a refinancing facility for the Treasury Bonds; and (c) guaranteed the Treasury Bonds.

3. (a) a liquidator has been appointed in BNDA; (b) a plan for repayment of BNDA's depositors has been made public and is being implemented in accordance with its calendar; and (c) BNDA's portfolio has been transferred to CRU.

4. The Borrower has implemented an action plan either to restructure or to terminate CAA's banking activities.

5. CRU has been established.

6. The Borrower's Law No. 89-1291 of December 18, 1989, on vehicle accident claims has been modified: (a) in its Article 4, so as to limit the statute of limitation on claims to ten years; and (b) in its Articles 7 and following, so as to ensure the possibility of out of court settlements of claims, and to allow arbitration of claims.

7. A restructuring plan of the Abidjan Stock Exchange and of the regulation of stock brokerage activities is being implemented.

8. The Borrower has: (a) modified the system of registration fees for judicial proceedings; and (b) reorganized the Office of the Clerk of the Court.

9. The Borrower has enacted legislation to simplify judicial credit recovery including: (a) introduction of arbitration proceedings; (b) amendments to Law No. 83-795 of August 2, 1983, on simplified recovery of credits; and (c) amendments to Law No. 72-833 of December 31, 1972, incorporating the Code of Civil, Commercial and Administrative Procedure."

