

December 1, 1992

His Excellency  
M. Belaid Abdesselam  
Prime Minister and  
Minister of Economy  
32 Avenue Soudani Boudjema  
El-Mouradia  
Algiers  
Democratic and Popular Republic of Algeria

Re: Loan 3176 - AL  
(Technical Assistance Project)  
Amendment to the Loan Agreement

Excellency:

We refer to the Loan Agreement (Technical Assistance Project) between the Democratic and Popular Republic of Algeria (the "Borrower") and the International Bank for Reconstruction and Development (the "Bank"), dated September 26, 1990. We also refer to the Borrower's request contained in a letter from the Directeur General des Relations Economiques Exterieures, Ministry of Economy, to the Bank dated July 28, 1992, for reallocation of the proceeds of the Loan.

We are pleased to inform you that the Bank, after due consideration, has acceded to the above request. Accordingly, the Loan Agreement is hereby amended as follows:

1. Paragraph (f) of Section 1.02 is amended to read as follows:

"(f) "CIEF" means the Engineering and Financial Expertise Center (Centre d'Ingenierie et d'Expertise Financiere) established pursuant to Decree No. 90-07 of the Borrower, dated January 1, 1990;"

2. All references to CRD in the Loan Agreement shall be deemed to refer to CIEF.

3. The word "and" appearing at the end of paragraph (h) is deleted, the existing paragraph (i) is re-lettered as "(j)" and a new paragraph (i) is inserted to read as follows:

"(i) "IGF" means the General Inspectorate of Finance (Inspection Generale des Finances) within the MOE".

4. The word "and" is added at the end of the new paragraph (i).

5. In Schedule 1, the table of paragraph 1 is replaced to read as follows:

| Category   | Amount of the<br>Loan Allocated<br>(Expressed in<br>Dollar Equivalent) | % of<br>Expenditures<br>to be Financed                              |
|--|--|---|
| (1) For Part A of the<br>Project:                        |  |   |
| (a) equipment and mate-<br>rials (including<br>vehicles) | 6,974,000  | 100% of foreign<br>expenditures and<br>55% of local<br>expenditures |
| (b) training and<br>consultants' services                | 1,363,000  | 100%  |
| (2) For Part B of the<br>Project:                        |  |   |
| (a) equipment and mate-<br>rials (including              | 7,367,000  | 100% of foreign<br>expenditures and                                 |

|     |   |            |   |
|-----|---|------------|---|
|     | vehicles) for (1),<br>(2), (3) and (4) thereof                                |            | 55% of local<br>expenditures  |
| (b) | training and<br>consultants' services<br>for (1), (2), (3)<br>and (4) thereof | 3,493,000  | 100%  |
| (c) | equipment and mate-<br>rials (including<br>vehicles) for (5)<br>thereof       | 150,000    | 100% of foreign<br>expenditures and<br>55% of local<br>expenditures |
| (d) | training and<br>consultants' services<br>for (5) thereof                      | 5,798,000  | 100%  |
| (3) | Refunding of Project<br>Preparation Advance                                   | 184,000    | Amount due pursuant<br>to Section 2.02 (c)<br>of this Agreement     |
| (4) | Studies under Part C<br>of the Project  | 670,000    | 100%  |
|     | TOTAL   | 26,000,000 |   |

6. In Schedule 1, paragraph 3 is amended to read as follows:

"3. Notwithstanding the provisions of paragraph 1 above, no withdrawals shall be made in respect of: (a) payments made for expenditures prior to the date of this Agreement; and (b) expenditures under Category 2 (c) of the table in paragraph 1 above, unless the Borrower shall have complied with its obligations under Section 3.06 of this Agreement."

7. In Schedule 2, Part A (1) is amended to read as follows:

"(1) (i) Preparing and carrying out a training program for selected MOE personnel to strengthen their capabilities in, inter alia, the following areas: public finance, accounting and administrative, civil and commercial law and related procedures; (ii) auditing and accounting in support of IGF audits of Bank projects and public enterprises; and (iii) acquiring and installing technical equipment in connection with said training program."

8. In Schedule 2, Part B (1) is amended to read as follows:

"(1) Providing technical assistance to the Central Bank for inter alia: (i) designing jointly a Central Bank computerization program and a financial sector information system; (ii) acquiring and installing computer equipment and related material; (iii) acquiring and installing money handling and control equipment, and acquiring money transport vehicles; and (iv) developing a debt management training program."

9. In Schedule 2, Part C (1) is amended to read as follows:

"(1) Preparing the following studies and statistical survey: (i) a study on the use of funds of insurance companies operating in the Borrower's territory; (ii) a study on the incidence of consumer subsidies in the Borrower's territory; (iii) a statistical survey measuring living standards in the Borrower's territory."

10. In Schedule 2, Part C (2) is deleted in its entirety.

11. In Schedule 5, paragraph 1 (a) is amended to read as follows:

"(a) the term "Eligible Categories" means Categories (1), (2) and (4) set forth in the table in paragraph 1 of Schedule 1 to this Agreement."

All the terms and conditions of the Loan Agreement, as amended hereby, shall remain in full force and effect.

Please confirm your agreement with the foregoing amendments by signing and dating the confirmation on the enclosed copy of this letter and returning it to us.

Sincerely,

INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT

Mahmood A. Ayub  
Acting Director  
Maghreb Department  
Middle East and North Africa Region

AGREED AND CONFIRMED:

DEMOCRATIC AND POPULAR REPUBLIC OF ALGERIA

By:           Authorized Representative

Date: December 16, 1992

