

CONFORMED COPY

DUTCH GRANT RELATED TO CREDIT NUMBER 1945 CD

Dutch Grant Agreement

(Republic of Chad - Financial Rehabilitation Credit)

between

REPUBLIC OF CHAD

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

as Administrator of Dutch Funds
provided by the
MINISTER FOR DEVELOPMENT COOPERATION
OF THE NETHERLANDS

Dated August 31, 1990

DUTCH GRANT RELATED TO CREDIT NUMBER 1945 CD

DUTCH GRANT AGREEMENT

AGREEMENT, dated August 31, 1990, between REPUBLIC OF CHAD (the Recipient) and INTERNATIONAL DEVELOPMENT ASSOCIATION acting as Administrator (the Administrator) of the Dutch Grant (as hereinafter defined) provided by the Minister for Development Cooperation of the Netherlands (the Minister).

WHEREAS (A) the Recipient has requested the assistance of the International Development Association (the Association) and of the Minister in the financing of the Financial Rehabilitation Credit (the Program) described in the Development Credit Agreement No. 1945 CD, dated August 5, 1988, between the Recipient and the Association (the Development Credit Agreement);

WHEREAS (B) the Association has granted a Credit for this purpose on the terms and conditions set forth in the Development Credit Agreement;

WHEREAS (C) the Minister wishes to make available to the Recipient a grant in an amount of ten million Dutch guilders (f.10,000,000) (the Dutch Grant) to assist the Recipient in carrying out the Program on the terms and conditions hereinafter set forth;

WHEREAS (D) by arrangements, dated December 11, 1986, between the Minister, the International Bank for Reconstruction and Development and the Association (the Arrangements), the Minister has requested the Association, and the Association has accepted, to administer, the Dutch Grant in accordance with the provisions of the Arrangements; and

WHEREAS (E) the Recipient acknowledges that the financial assistance extended to the Recipient under this Dutch Grant Agreement shall be considered as part of the bilateral development aid extended by the Government of the Netherlands to the Recipient;

NOW THEREFORE the parties hereto hereby agree as follows:

ARTICLE I

General Conditions; Definitions

Section 1.01. The General Conditions Applicable to Development Credit Agreements of the Association, dated January 1, 1985 (the General Conditions) constitute an integral part of this Agreement, subject, however, to the following modifications thereof:

(a) the term "Association", wherever used in the General Conditions, means the International Development Association, acting as Administrator of the Dutch Grant pursuant to the Arrangements, except in the phrase "member of the Association" in Section 2.01 (5), 4.02 (b) and Section 6.02 (e);

(b) the term "Development Credit Agreement", wherever used in the General Conditions, means this Agreement;

(c) the term "Credit", wherever used in the General Conditions, means the Dutch Grant extended to the Recipient under this Agreement;

(d) the term "Credit Account", wherever used in the General Conditions, means the Dutch Grant Account, the account opened by the Administrator in its books in the name of the Recipient to which the amount of the Dutch Grant is credited;

(e) in Section 6.02 the term "Association" shall also include the International Development Association acting in its own capacity;

(f) Section 9.06 (c) shall be modified to read:

"(c) Not later than six months after the Closing Date or such later date as may be agreed for this purpose between the Recipient and the Administrator, the Recipient shall prepare and furnish to the Administrator a report, of such scope and in such detail, as the Administrator shall reasonably request, on the execution of the Program referred to in the Preamble to the Dutch Grant Agreement, the performance by the Recipient and the Administrator of their respective obligations under the Dutch Grant Agreement, and the accomplishment of the purposes of the Dutch Grant";

(g) Sections 3.02, 3.03, 3.04, 3.05, 4.01, 4.02, 4.03, 4.04, 4.06, 6.05, 7.01, 8.01 (a), 12.02 and 12.05 are deleted; and

(h) the term "Borrower", wherever used in the General Conditions, means the Recipient.

Section 1.02. Wherever used in this Agreement, unless the context otherwise requires, the several terms defined in the General Conditions, in the Preamble to this Agreement and in the Development Credit Agreement have the respective meanings therein set forth, and the terms "Dutch guilders" and "f." mean the currency of the Netherlands.

ARTICLE II

The Grant

Section 2.01. The Administrator agrees to extend to the Recipient, on the terms and conditions set forth or referred to, a grant in an amount of ten million Dutch guilders (f.10,000,000).

Section 2.02. (a) The proceeds of the Dutch Grant may be withdrawn from the Dutch Grant Account in accordance with the provisions of Schedule 1 to the Development Credit Agreement, said provisions being hereby incorporated into this Agreement with the same force and effect as if they were fully set forth herein with the exception of Paragraph 2 (c) of said Schedule, it being understood that the references in said Schedule to the "Association" shall be deemed to be references to the Association acting as Administrator of the Dutch Grant.

(b) The Recipient shall, for the purposes of the Project, open and maintain in CFAF a special account in BEAC on terms and conditions satisfactory to the Administrator. Deposits into, and payments out of, the Special Account shall be made in accordance with the provisions of Schedule 4 to the Development Credit Agreement, said provisions being hereby incorporated as if they were fully set forth herein; it being understood that the amount of the Authorized Allocation shall be deemed to be an amount equivalent to f.500,000 (five hundred thousand Dutch Guilders).

(c) If the Administrator shall have reasonably determined that the procurement of any item is inconsistent with the procedures set forth or referred to in paragraph (a) above, no expenditures for such item shall be financed out of the proceeds of the Dutch Grant, and the Administrator may, without in any way restricting or limiting any other right, power or remedy of the Administrator under this Agreement, by notice to the Recipient, cancel such amount of the Dutch Grant as, in the Administrator's reasonable opinion, represents the amount of such expenditures which would otherwise have been eligible for financing out of the proceeds of the Dutch Grant.

Section 2.04. The Closing Date shall be June 30, 1991, or such later date as the Administrator shall establish. The Administrator shall promptly notify the Recipient of such later date.

ARTICLE III

Execution of the Program

Section 3.01. Except as otherwise expressly provided herein, Articles III and IV of the Development Credit Agreement are hereby incorporated into this Agreement with the same force and effect as if they were fully set forth herein, it being understood that all references in said Articles III and IV to "the Association" shall be deemed to be references to the Administrator of the Dutch Grant under this Agreement and all references to the "Credit" and the "Credit Account" shall be deemed to be references to the Dutch Grant and the Dutch Grant Account, respectively.

ARTICLE IV

Representation; Transfer of Rights and Obligations

Section 4.01. The Minister of Planning and Cooperation of the Recipient shall be the representative of the Recipient for the purposes of Section 11.03 of the General Conditions.

Section 4.02. The following addresses are specified for the purposes of Section 11.01 of the General Conditions:

For the Recipient:

Ministry of Planning and Cooperation
B.P. 286
N'Djamena
Republic of Chad

Cable address:

Telex:

MINPLAN

5329 KD

For the Administrator:

International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Cable address:

INDEVAS
Washington, D.C.

Telex:

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

Section 4.03. In accordance with the Arrangements, the rights and obligations of the Administrator under this Agreement may be transferred to the Minister. The Recipient accepts and agrees that, upon notice by the Administrator to the Recipient to that effect, the Minister shall, ipso facto, from the date specified in such notice, be substituted in all rights and obligations of the Administrator under this Agreement as if the Minister had been an original party to this Agreement, without any further action or formality required on the part of any party, and from such date the Administrator shall cease to have any rights or obligations as a party under this Agreement.

ARTICLE V

Effectiveness

Section 5.01. This Agreement shall become effective as of the date first above written and shall continue in effect until the Dutch Grant has been fully disbursed and the parties to this Agreement have fulfilled their obligations under this Agreement.

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.

REPUBLIC OF CHAD

By /s/ Mahamat Ali Adoum

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION
as Administrator of the Dutch Grant

By /s/ Kevin M. Cleaver

Acting Regional Vice President
Africa

