

CONFORMED COPY

TF NUMBER 023231

Belgian Grant Agreement

(Private Sector Adjustment and Competitiveness Credit)

between

REPUBLIC OF SENEGAL

and

INTERNATIONAL BANK FOR RECONSTRUCTION  
AND DEVELOPMENT

and

INTERNATIONAL DEVELOPMENT ASSOCIATION  
(collectively the Bank)

as Administrator of the Belgian Funds

Dated March 28, 1996

TF NUMBER 023231

BELGIAN GRANT AGREEMENT

AGREEMENT, dated March 28, 1996, between REPUBLIC OF SENEGAL (the Recipient) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT and INTERNATIONAL DEVELOPMENT ASSOCIATION (collectively the Bank) acting as Administrator (the Administrator) of the Belgian funds.

WHEREAS (A) by an arrangement, dated November 2, 1995, (the Arrangement) between Belgium and the Bank, the Bank has agreed to administer the Belgian funds in accordance with the provisions of said Arrangement;

(B) the Recipient has requested Belgian funds from the Administrator to cofinance a program of reform under the Private Sector Adjustment and Competitiveness Credit (the Program) and the Administrator has determined that the provision of such funds (the Belgian Grant) would be in accordance with the provisions of the Arrangement;

(C) the Recipient has also received additional assistance towards the financing of the Program under an agreement (the Development Credit Agreement), dated February 23, 1995, between the Recipient and International Development Association (IDA), in an aggregate principal amount equivalent to twenty-seven million six hundred thousand Special Drawing Rights (SDR 27,600,000); and

(D) the Administrator has agreed on the basis, inter alia, of the foregoing to extend the Belgian Grant to the Recipient upon the terms and conditions set forth

in this Agreement.

NOW THEREFORE the parties hereto hereby agree as follows:

## ARTICLE I

### General Conditions; Definitions

Section 1.01. (a) The following provisions of the General Conditions Applicable to Development Credit Agreements of the Bank, dated January 1, 1985, with the modifications set forth below (the General Conditions) constitute an integral part of this Agreement:

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

(b) the terms "Development Credit Agreement", "Credit" and "Credit Account", when used in the General Conditions, are amended to read "Belgian Grant Agreement", "Belgian Grant" and "Belgian Grant Account" respectively;

(c) Sections 3.02, 3.03, 3.04, 3.05, 4.02, 4.03, 4.06, 6.05, 7.01 and 8.01 (a), the second sentence of Section 5.01 and Article XII are deleted;

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

(e) 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 Project, the performance by the Recipient and the Administrator of their respective obligations under the Belgian Grant Agreement and the accomplishment of the purposes of the Belgian Grant."; and

(f) the term "CFAF" means the currency of the Recipient.

## ARTICLE II

### The Belgian Grant

Section 2.01. The Administrator agrees to make available to the Recipient, on the terms and conditions set forth or referred to in this Agreement, an amount in various currencies equivalent to one hundred million Belgian Francs (BF 100,000,000).

Section 2.02. The amount of the Belgian Grant may be withdrawn from the Belgian Grant Account in accordance with the provisions of Schedule 1 to the Development Credit Agreement, as such Schedule may be amended from time to time by agreement between the Recipient and the Administrator.

Section 2.03. The Closing Date shall be June 30, 1996, or such later date as the Administrator shall establish. The Administrator shall promptly notify the Recipient of such later date.

## ARTICLE III

### Particulars Covenants

Section 3.01. (a) The Recipient and the Administrator shall, from time to time, at the request of either party, exchange views on the progress achieved in carrying out the Program and the Recipient's arrangements to monitor such progress.

(b) Prior to each such exchange of views, the Recipient shall furnish to the Administrator, for its review and comment, a report on the progress achieved in carrying out the Program, in such detail as the Administrator shall reasonably request.

Section 3.02. Except as the Administrator shall otherwise agree, procurement of the goods required under the Program and to be financed out of the proceeds of the

Belgian Grant shall be governed by the provisions of Schedule 2 to the Development Credit Agreement.

Section 3.03. (a) The Recipient shall maintain, or cause to be maintained, records and accounts adequate to reflect, in accordance with consistently maintained sound accounting practices, the expenditures financed out of the proceeds of the Belgian Grant:

- (i) have the records and accounts referred to in paragraph (a) of this Section audited for each fiscal year, in accordance with appropriate auditing principles consistently applied, by independent auditors acceptable to the Administrator;
- (ii) furnish to the Administrator as soon as available, but in any case not later than six months after the end of each such year, the report of such audit by said auditors, of such scope and in such detail as the Administrator shall have reasonably requested; and
- (iii) furnish to the Administrator such other information concerning said records and accounts and the audit thereof as the Administrator shall from time to time reasonably request.

(b) For all expenditures with respect to which withdrawals from the Grant Account were made on the basis of statements of expenditure, the Recipient shall:

- (i) maintain or cause to be maintained, in accordance with paragraph (a) of this Section, records and accounts reflecting such expenditures;
- (ii) retain, until at least one year after the Administrator has received the audit report for the fiscal year in which the last withdrawal from the Grant Account was made, all records (contracts, orders, invoices, bills, receipts and other documents) evidencing such expenditures;
- (iii) enable the Administrator's representatives to examine such records; and
- (iv) ensure that such records and accounts are included in the annual audit referred to in paragraph (b) of this Section and that the report of such audit contains a separate opinion by said auditors as to whether the statements of expenditure submitted during such fiscal year, together with the procedures and internal controls involved in their preparation, can be relied upon to support the related withdrawals.

#### ARTICLE IV

##### Effectiveness; Termination Designation of Administrator

Section 4.01. This Agreement shall become effective upon its execution and shall continue in effect until the Belgian Grant has been fully disbursed.

Section 4.02. In the event that Belgium or the Bank decide to terminate the functions of the Bank as Administrator pursuant to the Arrangement, the Administrator shall notify the Recipient promptly of the date on which Belgium shall assume the rights and obligations of the Administrator under this Agreement.

#### ARTICLE V

##### Representation

Section 5.01. The Minister, for the time being responsible for Finance of the Recipient, is designated as representative of the Recipient for the purposes of Section 11.03 of the General Conditions.

Section 5.02. The following addresses are specified for the purposes of Section 11.01 of the General Conditions:

For the Recipient:

Ministry of Finance  
Rue Charles Laine  
Dakar  
Senegal

For the Administrator:

Industry and Energy Division  
Western Africa Department  
International Bank for  
Reconstruction and Development and  
International Development Association  
1818 H Street, N.W.  
Washington, D.C. 20433  
United States of America

Cable address:

INTBAFRAD  
Washington, D.C.

Telex:

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

IN WITNESS WHEREOF, the parties hereto, acting through their duly authorized representatives, 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 SENEGAL

By /s/ Papa Ousmane Sakho

Authorized Representative

INTERNATIONAL BANK FOR RECONSTRUCTION  
AND DEVELOPMENT  
and  
INTERNATIONAL DEVELOPMENT ASSOCIATION  
as Administrator of the Belgian Grant

By /s/ Stephen M. Denning

Acting Regional Vice President  
Africa

