

Public Disclosure Authorized

CONFORMED COPY

LOAN NUMBER 7378-MOR

Guarantee Agreement

(Second Rural Roads Project)

between

KINGDOM OF MOROCCO

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

Dated September 8, 2006



LOAN NUMBER 7378-MOR

GUARANTEE AGREEMENT

AGREEMENT dated September 8, 2006, between the KINGDOM OF MOROCCO (the Guarantor) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (the Bank).

WHEREAS (A) the Bank has received from the Guarantor, through its Ministry of Equipment and Transport, a strategic framework and implementation letter ("Lettre de choix stratégiques, cadrage et modalités d'exécution") ("the Framework Letter") dated March 28, 2006, describing a program of measures, objectives, actions and implementation procedures designed to promote road access by the majority of the population in rural areas during the first phase of the Guarantor's second national program of rural roads covering the period 2005-2010 aiming at increasing the level of accessibility of rural population to all-weather roads to 80% by the year 2015 ("the Program"), indicating said Ministry's will to execute said Program;

(B) the Guarantor and the Caisse de Financement Routier (the Borrower), having been satisfied as to the feasibility and priority of the Project described in Schedule 2 to the Loan Agreement, have requested the Bank to assist in the financing of the Project;

(C) by the Loan Agreement of even date herewith between the Bank and the Borrower, the Bank has agreed to extend to the Borrower a loan in the amount of fifty million Euro (€50,000,000), on the terms and conditions set forth in the Loan Agreement, but only on condition that the Guarantor agree to guarantee the obligations of the Borrower in respect of such loan as provided in this Agreement; and

WHEREAS the Guarantor, in consideration of the Bank's entering into the Loan Agreement with the Borrower, has agreed so to guarantee such obligations of the Borrower;

NOW THEREFORE the parties hereto hereby agree as follows:

ARTICLE I

General Conditions; Definitions

Section 1.01. The "General Conditions Applicable to Loan and Guarantee Agreements for Fixed-Spread Loans" of the Bank, dated September 1, 1999, (as amended through May 1, 2004) with the modifications set forth in Section 1.01 of the Loan Agreement (the General Conditions), constitute an integral part of this Agreement.

Section 1.02. Unless the context otherwise requires, the several terms defined in the General Conditions and in the Preamble to this Agreement and in the Preamble to and Section 1.02 of the Loan Agreement have the respective meanings therein set forth.

ARTICLE II

Guarantee

Section 2.01. Without limitation or restriction upon any of its other obligations under this Agreement, the Guarantor hereby unconditionally guarantees, as primary obligor and not as surety merely, the due and punctual payment of the principal of, and interest and other charges on the Loan, and the premium, if any, on the prepayment of the Loan, all as set forth in the Loan Agreement.

ARTICLE III

Representative of the Guarantor; Addresses

Section 3.01. The Minister of Finance and Privatization of the Guarantor is designated as representative of the Guarantor for the purposes of Section 11.03 of the General Conditions.

Section 3.02. The following addresses are specified for the purposes of Section 11.01 of the General Conditions:

For the Guarantor:

Ministère des Finances et de la Privatisation
Avenue Mohammed V
Rabat
Kingdom of Morocco

Cable address:

MINFIN

Facsimile:

212-37-67-75-30/31

For the Bank:

International Bank for
Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Cable address:	Telex:	Facsimile:
INTBAFRAD Washington, D.C.	248423 (MCI) or 64145 (MCI)	(202) 477-6391

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.

KINGDOM OF MOROCCO

By

/s/ Aziz Mekouar
Authorized Representative

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

By

/s/ Hasan A. Tuluy
Authorized Representative
Middle East and North Africa