

CONFORMED COPY

LOAN NUMBER 1296 TO

LOAN AGREEMENT
(CIMA0 Regional Clinker Project)

between

REPUBLIC OF TOGO

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

Dated June 28, 1976

LOAN AGREEMENT

AGREEMENT, dated June 28, 1976, between REPUBLIC OF TOGO (hereinafter called the Borrower) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (hereinafter called the Bank).

WHEREAS (A) By a loan agreement of even date herewith between the Bank and Ciments de l'Afrique de l'Ouest (CIMAO) (hereinafter called CIMAO) (such loan agreement hereinafter called the CIMAO Loan Agreement), the Bank has agreed to make a loan to CIMAO in various currencies equivalent to forty-nine million five hundred thousand dollars (\$49,500,000) (hereinafter called the CIMAO Loan) to assist CIMAO in the financing of the Project described in Schedule 2 to the CIMAO Loan Agreement;

(B) The CIMAO Loan will be guaranteed by the Borrower, the Republic of the Ivory Coast (hereinafter called the Ivory Coast) and the Republic of Ghana (hereinafter called Ghana) upon terms and conditions set forth in a Guarantee Agreement of even date herewith between the Borrower and the Bank, a Guarantee Agreement of even date herewith between the Ivory Coast and the Bank and a Guarantee Agreement of even date herewith between Ghana and the Bank;

(C) Each of the Borrower, the Ivory Coast and Ghana has requested the Bank to provide additional assistance towards the financing of the Project by assisting it in financing its subscription of additional shares to be issued by CIMAO, and the Bank is agreeing to provide such additional assistance (1) by making the Loan hereinafter provided, (2) by making a loan in an aggregate

principal amount equivalent to three million five hundred thousand dollars (\$3,500,000) to the Ivory Coast (hereinafter called the Ivory Coast Loan) as provided by a loan agreement of even date herewith between the Ivory Coast and the Bank (hereinafter called the Ivory Coast Loan Agreement), and (3) by making a loan in an aggregate principal amount equivalent to three million five hundred thousand dollars (\$3,500,000) to Ghana (hereinafter called the Ghana Loan) as provided by a loan agreement of even date herewith between Ghana and the Bank (hereinafter called the Ghana Loan Agreement);

(D) The Borrower, the Ivory Coast, Ghana, the Bank and CIMAO intend that, to the extent practicable, the proceeds of the Loan, the proceeds of the Ivory Coast Loan and the proceeds of the Ghana Loan be disbursed on account of expenditures on the Project (1) pro rata on the basis of a 1:1:1 ratio and (2) before disbursements of the CIMAO Loan are made;

NOW THEREFORE the parties hereto hereby agree as follows:

ARTICLE I

General Conditions; Definitions

Section 1.01. The parties to this Agreement accept all the provisions of the General Conditions Applicable to Loan and Guarantee Agreements of the Bank, dated March 15, 1974, with the same force and effect as if they were fully set forth herein (said General Conditions Applicable to Loan and Guarantee Agreements of the Bank being hereinafter called the General Conditions).

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 CIMAO Loan Agreement (including the Preamble thereto) have the respective meanings therein set forth.

ARTICLE II

The Loan

Section 2.01. The Bank agrees to lend to the Borrower, on the terms and conditions in the Loan Agreement set forth or referred to, an amount in various currencies equivalent to three million five hundred thousand dollars (\$3,500,000).

Section 2.02. The amount of the Loan may be withdrawn from the Loan Account in accordance with the provisions of Schedule 1 to the CIMAO Loan Agreement, as such Schedule may be amended from time to time by agreement between the Bank and CIMAO, for expenditures made (or, if the Bank shall so agree, to be made) in respect of the reasonable cost of goods and services required for the Project and to be financed out of the proceeds of the Loan.

Section 2.03. Except as the Bank shall otherwise agree, contracts for the purchase of goods or for civil works to be financed out of the proceeds of the Loan, shall be procured in accordance with the provisions of Schedule 5 to the CIMAO Loan Agreement.

Section 2.04. The Closing Date shall be December 31, 1980 or such later date as the Bank shall establish. The Bank shall promptly notify the Borrowers of such later date.

Section 2.05. The Borrower shall pay to the Bank a commitment charge at the rate of three-fourths of one per cent ($3/4$ of 1%) per annum on the principal amount of the Loan not withdrawn from time to time.

Section 2.06. The Borrower shall pay interest at the rate of eight and eighty-five hundredths per cent (8.85%) per annum on the principal amount of the Loan withdrawn and outstanding from time to time.

Section 2.07. Interest and other charges shall be payable semi-annually on February 15 and August 15 in each year.

Section 2.08. The Borrower shall repay the principal amount of the Loan in accordance with the amortization schedule set forth in Schedule 1 to this Agreement.

Section 2.09. CIMAO is designated as representative of the Borrower for the purposes of taking any action required or permitted to be taken under the provisions of Section 2.02 of this Agreement and Article V of the General Conditions.

ARTICLE III

Execution of the Project

Section 3.01. (a) Without any limitation or restriction upon any of its other obligations under the Loan Agreement, the Borrower shall exercise its rights and powers as signatory to the Treaty and as shareholder of CIMAO and every other right, power or remedy available to it to cause CIMAO to perform in accordance with the provisions of the CIMAO Loan Agreement all the obligations therein set forth, shall take and cause to be taken all action, including the provision of funds, facilities, services and other resources, necessary or appropriate to enable CIMAO to perform such obligations, and shall not take or permit to be taken any action which would prevent or interfere with such performance.

(b) The Borrower shall make the proceeds of the Loan available to CIMAO under arrangements satisfactory to the Bank providing for the use of such proceeds to finance part of the Borrower's subscription of CIMAO's share capital. Such arrangements shall without limitation provide for CIMAO (i) to use such proceeds for the purposes, and in the manner, provided for the use of the CIMAO Loan in the CIMAO Loan Agreement, and (ii) to credit the equivalent in CFA Francs of any disbursement from the Loan Account against the Borrower's obligations to meet CIMAO's calls upon the Borrower to pay in the Borrower's subscriptions of CIMAO's share capital or any part thereof.

ARTICLE IV

Other Covenants

Section 4.01. (a) It is the policy of the Bank, in making loans to, or with the guarantee of, its members not to seek, in normal circumstances, special security from the member concerned but to ensure that no other external debt shall have priority over its loans in the allocation, realization or distribution of foreign exchange held under the control or for the benefit of such member. To that end, if any lien shall be created on any public assets (as hereinafter defined), as security for any external debt, which will or might result in a priority for the benefit of the creditor of such external debt in the allocation, realization or distribution of foreign exchange, such lien shall, unless the Bank shall otherwise agree, ipso facto and at no cost to the Bank, equally and ratably secure the principal of, and interest and other charges on, the Loan, and the Borrower, in creating or permitting the creation of such lien, shall make express provision to that effect; provided, however, that, if for any constitutional or other legal reason such provision cannot be made with respect to any lien created on assets of any of its political or administrative subdivisions, the Borrower shall promptly and at no cost to the Bank secure the principal of, and interest and other charges on, the Loan by an equivalent lien on other public assets satisfactory to the Bank.

(b) The foregoing undertaking shall not apply to: (i) any lien created on property, at the time of purchase thereof, solely as security for payment of the purchase price of such property;

and (ii) any lien arising in the ordinary course of banking transactions and securing a debt maturing not more than one year after its date.

(c) As used in this Section, the term "public assets" means assets of the Borrower, of any political or administrative subdivision thereof and of any entity owned or controlled by, or operating for the account or benefit of, the Borrower or any such subdivision, including gold and other foreign exchange assets held by any institution performing the functions of a central bank or exchange stabilization fund, or similar functions, for the Borrower.

ARTICLE V

Remedies of the Bank

Section 5.01. For the purposes of Section 6.02 of the General Conditions, the following additional event is specified pursuant to paragraph (k) thereof:

The right of CIMAO to withdraw the proceeds of the CIMAO Loan shall have been suspended, cancelled or terminated pursuant to the terms of the CIMAO Loan Agreement, or the CIMAO Loan shall have become due and payable prior to the agreed maturity thereof.

Section 5.02. For the purposes of Section 7.01 of the General Conditions, the following additional event is specified pursuant to paragraph (h) thereof:

The CIMAO Loan shall have become due and payable prior to the agreed maturity thereof.

ARTICLE VI

Effective Date; Termination

Section 6.01. The following event is specified as an additional condition to the effectiveness of the Loan Agreement within the meaning of Section 12.01 (c) of the General Conditions, namely, that all conditions precedent to the effectiveness of the CIMAO Loan Agreement shall have been fulfilled.

Section 6.02. The date December 31, 1976, is hereby specified for the purposes of Section 12.04 of the General Ccondtions.

ARTICLE VII

Representative of the Borrower; Addresses

Section 7.01. The Ministre des Finances et de l'Economie of the Borrower is designated as representative of the Borrower for the purposes of Section 11.03 of the General Conditions.

Section 7.02. The following addresses are specified for the purposes of Section 11.01 of the General Conditions:

For the Borrower:

Ministère des Finances et de l'Economie
Lomé
Republic of Togo

Cable address:

MINFINANCES
Lomé, Togo

For the Bank:

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

Cable address:

INTBAFRAD
Washington, D.C.

Telex:

440098 (ITT)
248423 (RCA) or
64145 (WUI)

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 Lomé, Republic of Togo, as of the day and year first above written.

REPUBLIC OF TOGO

By /s/ A. G. Mivédor
Authorized Representative

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

By /s/ R. Chaufournier
Regional Vice President
Western Africa

SCHEDULE 1

Amortization Schedule

<u>Date Payment Due</u>	<u>Payment of Principal (expressed in dollars)*</u>
August 15, 1981	110,000
February 15, 1982	115,000
August 15, 1982	125,000
February 15, 1983	130,000
August 15, 1983	130,000
February 15, 1984	140,000
August 15, 1984	145,000
February 15, 1985	155,000
August 15, 1985	155,000
February 15, 1986	170,000
August 15, 1986	170,000
February 15, 1987	180,000
August 15, 1987	190,000
February 15, 1988	200,000
August 15, 1988	205,000
February 15, 1989	215,000
August 15, 1989	225,000
February 15, 1990	235,000
August 15, 1990	245,000
February 15, 1991	260,000

* To the extent that any portion of the Loan is repayable in a currency other than dollars (see General Conditions, Section 4.02), the figures in this column represent dollar equivalents determined as for purposes of withdrawal.

Premiums on Prepayment

The following percentages are specified as the premiums payable on repayment in advance of maturity of any portion of the principal amount of the Loan pursuant to Section 3.05 (b) of the General Conditions:

<u>Time of Prepayment</u>	<u>Premium</u>
Not more than three years before maturity	1.75%
More than three years but not more than six years before maturity	3.55%
More than six years but not more than eleven years before maturity	6.50%
More than eleven years but not more than thirteen years before maturity	7.65%
More than thirteen years before maturity	8.85%