

LOAN NUMBER 3136-0 MOR

Guarantee Agreement

(Industrial Finance Project)

between

KINGDOM OF MOROCCO

and

INTERNATIONAL BANK FOR RECONSTRUCTION  
AND DEVELOPMENT

Dated February 7, 1990

LOAN NUMBER 3136-0 MOR

GUARANTEE AGREEMENT

AGREEMENT, dated February 7, 1990, between KINGDOM OF MOROCCO (the Guarantor) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (the Bank).

WHEREAS (A) the Guarantor and National Bank for Economic Development (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; and

(B) 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 various currencies equivalent to fifty million dollars (\$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 and to undertake such other obligations, all 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 and to undertake such other obligations;

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 Agreement" of the Bank, dated January 1, 1985, with the modifications set forth in Schedule 4 to 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 Section 1.02 of the Loan Agreement have the respective meanings therein set forth.

## ARTICLE II

### Guarantee

Section 2.01. The Guarantor declares its commitment to the objectives of the Project as set forth in Schedule 2 to the Loan Agreement, and, to this end, without limitation or restriction upon any of its other obligations under the Guarantee Agreement, 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

### Other Covenants

Section 3.01. (a) The Guarantor shall at all times maintain the Foreign Exchange Risk Coverage Schemes.

(b) Further to, and without limitation on, the provisions of paragraph (a) of this Section, the Guarantor shall take all measures necessary to ensure that any foreign exchange loss payable by the Guarantor to the Borrower pursuant to the Foreign Exchange Risk Coverage Scheme shall be paid to the Borrower not later than three (3) months after the end of the semester during which such loss is incurred.

(c) For purposes of this Section: (i) the term "foreign exchange loss" means any loss incurred by the Borrower resulting from changes in the rates of exchange between currencies (including Dirhams) used in the Borrower's lending and borrowing operations; and (ii) the term "semester" means the first six months or the second six months of a calendar year.

Section 3.02. The Guarantor shall take measures satisfactory to the Bank designed to strengthen the Guarantor's institutional capabilities in relation to export promotion activities.

## ARTICLE IV

### Representative of the Guarantor; Addresses

Section 4.01. The Minister of Finance of the Guarantor is designated as representative of the Guarantor 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 Guarantor:

Ministere des Finances  
Rabat  
Kingdom of Morocco

