LOAN NUMBER 3214 AL

(Industrial Restructuring Demonstration Project - ENORI)

between

DEMOCRATIC AND POPULAR REPUBLIC OF ALGERIA

and

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Dated January 8, 1991

LOAN NUMBER 3214 AL

### GUARANTEE AGREEMENT

AGREEMENT, dated January 8, 1991, between DEMOCRATIC AND POPULAR REPUBLIC OF ALGERIA (the Guarantor) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (the Bank).

WHEREAS (A) the Guarantor and the Entreprise Nationale d'Organisation et d'Information (the Borrower), having been satisfied as to the feasibility and priority of the Project described in Schedule 2 to the Loan Agreement of even date herewith between the Bank and the Borrower (the Loan Agreement), have requested the Bank to assist in the financing of the Project;

(B) by the Loan Agreement, the Bank has agreed to extend to the Borrower a loan in various currencies equivalent to five million dollars (\$5,000,000), 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" of the Bank, dated January 1, 1985, with the last sentence of Section 3.02 deleted (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 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 the Guarantee Agreement, the Guarantor hereby unconditionally: (i) 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 (ii) undertakes not to take or permit to be taken any action which would interfere, directly or indirectly, with the Borrower's administration and management of its operations, and of its performance of its obligations as set forth in the Loan Agreement.

## ARTICLE III

# Representative of the Guarantor; Addresses

Section 3.01. The Minister of the Guarantor in charge of Economy 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:

Ministry of Economy Immeuble de Mauretania Place du Perou Algiers Democratic and Popular Republic of Algeria

Cable address:

Telex:

FINPLAN 67073 Alger

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:

INTBAFRAD Washington, D.C. 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 Algiers, Democratic and Popular Republic of Algeria, as of the day and year first above written.

By /s/ Ghazi Hidouci

Authorized Representative

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By /s/ Kemal Dervis

Acting Regional Vice President Europe, Middle East and North Africa