

CONFORMED COPY

CREDIT NUMBER 2089 WAF

Development Credit Agreement
(Third Regional Development Project)

between

INTERNATIONAL DEVELOPMENT ASSOCIATION

and

BANQUE OUEST AFRICAINE DE DEVELOPPEMENT

Dated March 30, 1990

CREDIT NUMBER 2089 WAF

DEVELOPMENT CREDIT AGREEMENT

AGREEMENT, dated March 30, 1990, between INTERNATIONAL DEVELOPMENT ASSOCIATION (the Association) and BANQUE OUEST AFRICAINE DE DEVELOPPEMENT (the Borrower).

WHEREAS (A) the Borrower, having satisfied itself as to the feasibility and priority of the Project described in Schedule 2 to this Agreement, has requested the Association to assist in the financing of the Project;

(B) by a letter, dated December 22, 1989, addressed to the Association, the Borrower has stated its development strategy for the three-year period 1989-1992, outlining specific development objectives aimed at adapting its operations to the evolving economic environment and improving their economic impact, particularly in the area of regional economic cooperation;

(C) the Borrower has also requested the International Bank for Reconstruction and Development (the Bank) to provide additional assistance towards the financing of the Project and, by an agreement of even date herewith between the Bank and the Borrower (the Loan Agreement), the Bank is agreeing to provide such assistance in an aggregate principal amount equivalent to fifteen million dollars (\$15,000,000) (the Loan);

(D) the Borrower intends to contract from external commercial lender(s) an amount equivalent to about twenty million dollars (\$20,000,000) to assist in the financing of its operations; and

WHEREAS the Association has agreed on the basis, inter alia, of the foregoing to extend the Credit to the Borrower 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. The "General Conditions Applicable to Development Credit Agreements" of the Association, dated January 1, 1985, with the modifications set forth in Schedule 4 to this 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 have the respective meanings therein set forth and the following additional terms have the following meanings:

(a) "Sub-loan" means a loan made or proposed to be made by the Borrower out of the proceeds of the Credit to an Investment Enterprise for the financing of an Investment Project; and "freelimit Sub-loan" means a Sub-loan which qualifies as a free-limit Sub-loan pursuant to the provisions of paragraph 3 (b) of Schedule 3 to this Agreement;

(b) "Investment Enterprise" means the recipient of a Subloan;

(c) "Investment Project" means a specific development project to be carried out by an Investment Enterprise utilizing the proceeds of a Sub-loan;

(d) "Eligible Member State" means any one of the following member states of the Union Monetaire Ouest Africaine: the People's Republic of Benin, Burkina Faso, the Republic of Mali, the Republic of Niger, the Republic of Senegal and the Republic of Togo;

(e) "Member States" means the Eligible Member States and the Republic of Cote d'Ivoire;

(f) "Statutes" means the Statutes of the Borrower approved on December 4, 1973, as amended to the date of this Agreement;

(g) "Statement of Policy" means the Statement of Lending and Investment Policy approved on September 24, 1974, by the Ministerial Committee responsible for the reform of the Union Monetaire Ouest Africaine, as amended to the date of this Agreement; and

(h) "Subsidiary" means any company of which a majority of the outstanding voting stock or other proprietary interest is owned or effectively controlled by the Borrower or by any one or more subsidiaries of the Borrower or by the Borrower and one or more of its subsidiaries.

ARTICLE II

The Credit

Section 2.01. The Association agrees to lend to the Borrower, on the terms and conditions set forth or referred to in the Development Credit Agreement, an amount in various currencies equivalent to thirty-two million Special Drawing Rights (SDR 32,000,000).

Section 2.02. The amount of the Credit may be withdrawn from the Credit Account in accordance with the provisions of Schedule 1 to this Agreement for: (i) amounts paid (or, if the Association shall so agree, amounts to be paid) by the Borrower on account of withdrawals made by an Investment Enterprise under a Sub-loan to meet the reasonable cost of goods and services required for the Investment Project in respect of which the withdrawal from the Credit Account is requested; and (ii) expenditures made (or, if the Association shall so agree, to be made) in respect of the reasonable cost of goods and services required for Part B of the Project and to be financed out of the proceeds of the Credit.

Section 2.03. The Closing Date shall be December 31, 1996, or such later date as

the Association shall establish. The Association shall promptly notify the Borrower of such later date.

Section 2.04. (a) The Borrower shall pay to the Association a commitment charge on the principal amount of the Credit not withdrawn from time to time at a rate to be set by the Association as of June 30 of each year, but not to exceed the rate of one-half of one percent (1/2 of 1%) per annum.

(b) The commitment charge shall accrue: (i) from the date sixty days after the date of this Agreement (the accrual date) to the respective dates on which amounts shall be withdrawn by the Borrower from the Credit Account or cancelled; and (ii) at the rate set as of the June 30 immediately preceding the accrual date and at such other rates as may be set from time to time thereafter pursuant to paragraph (a) above. The rate set as of June 30 in each year shall be applied from the next date in that year specified in Section 2.06 of this Agreement.

(c) The commitment charge shall be paid: (i) at such places as the Association shall reasonably request; (ii) without restrictions of any kind imposed by, or in the territory of, the Borrower; and (iii) in the currency specified in this Agreement for the purposes of Section 4.02 of the General Conditions or in such other eligible currency or currencies as may from time to time be designated or selected pursuant to the provisions of that Section.

Section 2.05. The Borrower shall pay to the Association a service charge at the rate of three-fourths of one percent (3/4 of 1%) per annum on the principal amount of the Credit withdrawn and outstanding from time to time.

Section 2.06. Commitment charges and service charges shall be payable semiannually on June 1 and December 1 in each year.

Section 2.07. (a) Subject to paragraphs (b) and (c) below, the Borrower shall repay the principal amount of the Credit in semiannual installments payable on each June 1 and December 1 commencing June 1, 2000 and ending December 1, 2029. Each installment to and including the installment payable on December 1, 2009 shall be one percent (1%) of such principal amount, and each installment thereafter shall be two percent (2%) of such principal amount.

(b) Whenever: (i) any Eligible Member State gross national product per capita, as determined by the Association, shall have exceeded \$790 in constant 1985 dollars for five consecutive years; and (ii) the Bank shall consider any such Eligible Member State creditworthy for Bank lending, the Association may, subsequent to the review and approval thereof by the Executive Directors of the Association and after due consideration by them of the development of the Eligible Member State's economy, modify the terms of repayment of installments under paragraph (a) above in respect of the portion of such installments attributable to the amount of the Credit made available to the Eligible Member State concerned, by requiring the Borrower to repay twice the amount of each such installment not yet due until the principal amount of the Credit shall have been repaid. If so requested by the Borrower, the Association may revise such modification to include, in lieu of some or all of the increase in the amounts of such installments, the payment of interest at an annual rate agreed with the Association on the principal amount of the Credit withdrawn and outstanding from time to time, provided that, in the judgment of the Association, such revision shall not change the grant element obtained under the above-mentioned repayment modification.

(c) If, at any time after a modification of terms pursuant to paragraph (b) above, the Association determines that the economic condition of the Eligible Member State concerned has deteriorated significantly, the Association may, if so requested by the Borrower, further modify the terms of repayment to conform to the schedule of installments as provided in paragraph (a) above.

Section 2.08. The currency of the French Republic is hereby specified for the purposes of Section 4.02 of the General Conditions.

Section 2.09. (a) The Borrower shall maintain a special account to which shall be debited: (i) all payments made by the Borrower to the Association pursuant to Section 2.05 of this Agreement; (ii) all proceeds received by the Borrower in accordance with the provisions of Section 4.03 of this Agreement in respect of Sub-loans; and (iii) a spread not exceeding three and one-fourth percent (3-1/4%) per annum on the principal amount of the Sub-loans outstanding from time to time, and to which shall be credited all payments of interest in respect of Sub-loans.

(b) The Borrower shall use any credit balances on said account exclusively for the purpose of financing, on a grant basis, specific measures of development assistance in the Eligible Member States.

ARTICLE III

Execution of the Project; Management and Operations of the Borrower

Section 3.01. (a) The Borrower declares its commitment to the objectives of the Project as set forth in Schedule 2 to this Agreement and, to this end, shall carry out the Project and conduct its operations and affairs in accordance with sound financial, ecological and environmental standards and practices, with qualified management and personnel, and in accordance with the Statutes and Statement of Policy.

(b) In order to assist the Borrower with the preparation, appraisal and supervision of projects, and the carrying out of the studies included in Part B (b) of the Project, the Borrower shall employ consultants to be financed under Category (2) of the table set forth in paragraph 1 of Schedule 1 to this Agreement and whose qualifications, experience and terms and conditions of employment shall be satisfactory to the Association. Such consultants shall be selected in accordance with principles and procedures satisfactory to the Association on the basis of the "Guidelines for the Use of Consultants by World Bank Borrowers and by the World Bank as Executing Agency" published by the Bank in August 1981, provided, however, that no prior consultation with, or review or approval by, the Association shall be required with respect to any step in the selection process for consulting assignments costing less than US\$50,000 each and, provided further, that the aggregate cost of such assignments shall not exceed US\$500,000. Furthermore, the Borrower shall ensure that the studies included in Part B (b) (i), (ii) and (iii) shall have started not later than June 30, 1990.

(c) For purposes of carrying out the Project and conducting its operations in accordance with sound ecological and environmental standards and practices, the Borrower shall: (i) take all necessary measures to strengthen the capacity of its staff in assessing the ecological and environmental aspects of projects; and (ii) formulate and apply policy guidelines, satisfactory to the Association, covering the ecological and environmental assessment of projects.

Section 3.02. (a) The Borrower undertakes that, unless the Association shall otherwise agree, Sub-loans will be made in accordance with the procedures and on the terms and conditions set forth or referred to in Schedule 3 to this Agreement.

(b) The Borrower shall exercise its rights in relation to each Investment Project in such manner as to: (i) protect the interests of the Association and of the Borrower; (ii) comply with its obligations under this Agreement; and (iii) achieve the purposes of the Project.

Section 3.03. The Borrower shall furnish to the Association at regular intervals all such information as the Association shall reasonably request concerning the expenditure of the proceeds of the Credit, the Project, the Investment Enterprises, and the Investment Projects, including semiannual reports on the status of projects under preparation, the Sub-loans and, where appropriate, the benefits to be derived from the foregoing.

Section 3.04. The Borrower shall duly perform all its obligations in agreements which funds have been lent or otherwise put at the disposal of the Borrower by any of the Member States or others for relending, investment or management. The Borrower shall promptly inform the Association of any action which would have the effect of assigning, or of amending, abrogating or waiving any material provision of any such agreement.

Section 3.05. If the Borrower establishes or acquires any Subsidiary, the Borrower shall cause such Subsidiary to observe and perform the obligations of the Borrower hereunder to the extent to which such obligations shall or may be applicable thereto, as though such obligations were binding upon such Subsidiary.

ARTICLE IV

Financial Covenants

Section 4.01. (a) The Borrower shall maintain procedures and records adequate to monitor and record the progress of the Project and of each Investment Project

(including its cost and the benefits to be derived from it) and to reflect in accordance with consistently maintained sound accounting practices the operations and financial condition of the Borrower.

(b) The Borrower shall:

(i) have the records, accounts and financial statements (balance sheets, statements of income and expenses and related statements), including the records and accounts for the special account referred to in Section 2.09 of this Agreement, for each fiscal year audited, in accordance with appropriate auditing principles consistently applied, by independent auditors acceptable to the Association;

(ii) furnish to the Association, as soon as available, but in any case not later than six months after the end of each such year: (A) certified copies of its financial statements for such year as so audited; and (B) the report of such audit by said auditors, of such scope and in such detail as the Association shall have reasonably requested; and

(iii) furnish to the Association such other information concerning said records, accounts and financial statements as well as the audit thereof as the Association shall from time to time reasonably request.

(c) For all expenditures with respect to which withdrawals from the Credit Account were made on the basis of statements of expenditure, the Borrower shall:

(i) maintain, in accordance with paragraph (a) of this Section, records and accounts reflecting such expenditures;

(ii) retain, until at least one year after the Association has received the audit for the fiscal year in which the last withdrawal from the Credit Account was made, all records (contracts, orders, invoices, bills, receipts and other documents) evidencing such expenditures;

(iii) enable the Association'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.

Section 4.02. The Borrower shall not make any repayment in advance of maturity in respect of any outstanding debt of the Borrower which, in the judgment of the Association, would materially affect the Borrower's ability to meet its financial obligations.

Section 4.03. In order to protect itself against risk of loss resulting from changes in the rates of exchange between the currencies (including the CFA Franc) used in its lending and borrowing operations, the Borrower shall charge a foreign exchange risk fee of two and two-fifths percent (2-2/5%) per annum on the principal amount of its loans outstanding from time to time. The adequacy of this mechanism shall be reviewed annually by the Borrower and the Association and, if the Association shall not deem it to be satisfactory, the Borrower shall take such steps satisfactory to the Association as shall be necessary to improve its protection against such risk.

Section 4.04. (a) The Association and the Borrower shall from time to time, at the request of either party, but not less than annually, exchange views through their representatives with regard to the administration, operations and financial condition of the Borrower and its Subsidiaries, including its interest rate structure and the rationale therefor, and the Borrower shall furnish to the Association all such information as the Association shall reasonably request concerning any of these matters.

(b) The Borrower shall: (i) carry out a comprehensive review of its portfolio

to determine the appropriate level of provisions to cover loan losses with respect to the fiscal year ending September 30, 1990; and (ii) annually update such review. The Borrower shall, in consultation with the Association, make appropriate provisions to cover such losses as may be prudent on the basis of the findings of such reviews.

ARTICLE V

Remedies of the Association

Section 5.01. Pursuant to Section 6.02 (h) of the General Conditions, the following additional events are specified:

(a) any part of the principal amount of any loan to the Borrower having an original maturity of one year or more shall, in accordance with its terms, have become due and payable in advance of maturity as provided in the relative contractual instruments, or any security for any such loan shall have become enforceable;

(b) a change shall have been made in the Statutes or the Statement of Policy which would materially and adversely affect the operations or the financial condition of the Borrower;

(c) a resolution shall have been passed for the dissolution or liquidation of the Borrower; and

(d) a Subsidiary or any other entity shall have been created or acquired or taken over by the Borrower, if such creation, acquisition or taking over would adversely affect the conduct of the Borrower's business or the Borrower's financial condition or the efficiency of the Borrower's management and personnel or the carrying out of the Project.

Section 5.02. Pursuant to Section 7.01 (d) of the General Conditions, the following additional events are specified:

(a) the event specified in paragraph (a) or paragraph (b) or paragraph (c) of Section 5.01 of this Agreement shall occur; and

(b) the event specified in paragraph (d) of Section 5.01 of this Agreement shall occur and shall continue for a period of sixty days after notice thereof shall have been given by the Association to the Borrower.

ARTICLE VI

Termination

Section 6.01. The date ninety (90) days after the date of this Agreement is hereby specified for the purposes of Section 12.04 of the General Conditions.

ARTICLE VII

Representative of the Borrower; Addresses

Section 7.01. The President 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 Association:

International Development Association
1818 H Street, N.W.
Washington, D.C. 2033
United States of America

Cable address:

INDEVAS
Washington, D.C.

Telex:

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

For the Borrower:

Banque Ouest Africaine de Developpement
Boite Postale 1172
Lome
Togo

Cable address:

BOAD
Lome

Telex:

5289
5336

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.

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ Edward V. K. Jaycox

Regional Vice President
Africa

BANQUE OUEST AFRICAINE DE DEVELOPPEMENT

By /s/ Abou Bakar Baba Moussa

Authorized Representative

SCHEDULE 1

Withdrawal of the Proceeds of the Credit

1. The table below sets forth the Categories of items to be financed out of the proceeds of the Credit, the allocation of the amounts of the Credit to each Category and the percentage of expenditures for items so to be financed in each Category:

Category	Amount of the Credit Allocated (Expressed in SDR Equivalent)	% of Expenditures to be Financed
(1) Sub-loans	31,100,000	100% up to 80% of the cost of the Investment Project
(2) Consultants' services for Part B of the Project	900,000	90%
TOTAL	32,000,000	

2. Notwithstanding the provisions of paragraph 1 above, no withdrawals shall be made in respect of:

(a) payments made for expenditures prior to the date of this Agreement; or

(b) a Sub-loan unless the Sub-loan has been made in accordance with the procedures and on the terms and conditions set forth or referred to in Schedule 3 to this Agreement.

SCHEDULE 2

Description of the Project

The objectives of the Project are to assist the Borrower in financing such

productive facilities and resources in the Eligible Member States as will contribute to their economic and social development.

The Project consists of the following parts, subject to such modifications thereof as the Borrower and the Association may agree upon from time to time to achieve such objectives:

Part A: Financing of Investment Projects

Financing of Investment Projects through loans to Investment Enterprises in the territories of the Eligible Member States in furtherance of such corporate purposes of the Borrower as are provided in the Borrower's Statutes and Statement of Policy.

Part B: Technical Assistance

(a) Strengthening of the Borrower's capabilities in project preparation, appraisal and supervision.

(b) Carrying out of economic, sectoral and project feasibility studies, including inter alia: (i) a study relating to the establishment and operation of new banking institutions of a cooperative and mutualist type; (ii) a study on the prospects and modalities for developing the leasing business in the territories of the Member States; and (iii) a study to determine the feasibility of the establishment of a consulting firm by the Borrower.

* * *

Part B of the Project is expected to be completed by December 31, 1993.

SCHEDULE 3

Terms and Conditions of Sub-loans

1. The appraisal report for each Investment Project shall include:

(a) the technical feasibility, financial viability, economic justification, an assessment of impact in terms of environmental, health and safety considerations and, where applicable, commercial soundness and availability of markets; and

(b) a calculation of the internal financial rate of return and of the economic rate of return, such calculations to be in accordance with guidelines satisfactory to the Association. Only Investment Projects with economic and financial rates of return of at least twelve percent (12%) shall be approved.

2. The amount of each Sub-loan shall not exceed the equivalent of four million dollars (\$4,000,000).

3. No expenditures for goods or services required for an Investment Project shall be eligible for financing out of the proceeds of the Credit unless:

(a) the Sub-loan for such Investment Project shall have been approved by the Association and such expenditures shall have been made not earlier than one hundred twenty days prior to the date on which the Association shall have received the application and information required under paragraph 4 (a) of this Schedule in respect of such Sub-loan; or

(b) the Sub-loan for such Investment Project shall have been a free-limit Sub-loan for which the Association has authorized withdrawals from the Credit Account and such expenditures shall have been made not earlier than one hundred twenty days prior to the date on which the Association shall have received the request and information required under paragraph 4 (b) of this Schedule in respect of such free-limit Sub-loan. For the purposes of this Agreement, a free-limit Sub-loan shall be a Sub-loan for an Investment Project in an amount to be financed out of the proceeds of the Credit which shall not exceed the sum of: (i) \$2,000,000 equivalent, when added to any other outstanding amounts financed or proposed to be financed out of the proceeds of the Credit or of any other credit, provided for in any outstanding development credit agreement between the Borrower and the Association entered into before the date of this Agreement, the proceeds of which have been or are being used for financing goods and services directly and materially related to such Investment Project; or (ii) \$27,000,000 equivalent, when added to all other free-limit Sub-loans financed or proposed to be financed out of the proceeds of the Credit and of the Loan, the foregoing amounts being subject to change from time to time as determined by the

Association.

4. (a) When presenting a Sub-loan (other than a free-limit Subloan) to the Association for approval, the Borrower shall furnish to the Association an application, in form satisfactory to the Association, together with: (i) a description of the Investment Enterprise and an appraisal of the Investment Project, including a description of the expenditures proposed to be financed out of the proceeds of the Credit; (ii) the proposed terms and conditions of the Sub-loan, including the pro-forma schedule of amortization of the Sub-loan or of repayment of the amount of the Credit to be used for the Investment; and (iii) such other information as the Association shall reasonably request.

(b) Each request by the Borrower for authorization to make withdrawals from the Credit Account in respect of a free-limit Sub-loan shall contain: (i) a summary description of the Investment Enterprise and the Investment Project, including a description of the expenditures proposed to be financed out of the proceeds of the Credit; and (ii) the terms and conditions of the Sub-loan, including the schedule of amortization therefor.

(c) Applications and requests made pursuant to the provisions of sub-paragraphs (a) and (b) of this paragraph shall be presented to the Association on or before December 31, 1993.

5. Sub-loans shall be made on terms whereby the Borrower shall obtain, by written contract with the Investment Enterprise or by other appropriate legal means, rights adequate to protect the interests of the Association and the Borrower, including the right to:

(a) require the Investment Enterprise to carry out and operate the Investment Project with due diligence and efficiency and in accordance with sound technical, financial, managerial, ecological and environmental standards and practices and to maintain adequate records;

(b) require that: (i) the goods and services to be financed out of the proceeds of the Credit shall be purchased at a reasonable price, from suppliers or contractors eligible under "the Guidelines for Procurement under IBRD Loans and IDA Credits" published by the Bank in May 1985, account being taken also of other relevant factors such as time of delivery and efficiency and reliability of the goods and availability of maintenance facilities and spare parts therefor and, in the case of services, of their quality and the competence of the parties rendering them; and (ii) such goods and services shall be used exclusively in the carrying out of the Investment Project;

(c) inspect, by itself or jointly with representatives of the Association, if the Association shall so request, such goods, works, plants and construction included in the Investment Project, the operation thereof, and any relevant records and documents;

(d) require that: (i) the Investment Enterprise shall take out and maintain with responsible insurers such insurance, against such risks and in such amounts, as shall be consistent with sound business practices; and (ii) without any limitation upon the foregoing, such insurance shall cover hazards incident to the acquisition, transportation and delivery of goods financed out of the proceeds of the Credit to the place of use or installation, any indemnity thereunder to be made payable in a currency freely usable by the Investment Enterprise to replace or repair such goods;

(e) obtain all such information as the Association or the Borrower shall reasonably request relating to the foregoing and to the administration, operations and financial condition of the Investment Enterprise and to the benefits to be derived from the Investment Project; and

(f) suspend or terminate the right of the Investment Enterprise to the use of the proceeds of the Credit upon failure by such Investment Enterprise to perform its obligations under its contract with the Borrower.

SCHEDULE 4

Modification of the General Conditions

For the purpose of this Development Credit Agreement, the provisions of the General Conditions are modified as follows:

(1) The words "to its members" in the first sentence of Section 1.01 are deleted.

(2) Paragraph 5 of Section 2.01 is deleted and replaced by the following new paragraph:

"5. The term 'Borrower' means the party to the Development Credit Agreement to which the Credit is granted."

(3) A new paragraph 15 is added to Section 2. 01 to read as follows:

"15. The term 'Member States' means the People's Republic of Benin, Burkina Faso, the Republic of Cote d'Ivoire, the Republic of Mali, the Republic of Niger, the Republic of Senegal and the Republic of Togo."

(4) The last sentence of Section 3.02 is deleted.

(5) The words "in the currency of the Borrower" in Section 4.01 are deleted and replaced by the words "in the currency of the Member States".

(6) The words "the Borrower" in Section 4.06 (b) are deleted and replaced by the words "the Member States".

(7) The following new paragraph (b) is added to Section 6.02:

"(b) A Member State shall have failed to make payment of principal, interest, service charges or any other amount due to the Association or the Bank: (i) under a development credit agreement between such Member State and the Association, or (ii) under any loan or guarantee agreement between such Member State and the Bank."

(8) Paragraph (e) of Section 6.02 is deleted and replaced by the following new paragraph:

"(e) Any one or more of the Member States: (i) shall have been suspended from membership in or ceased to be a member of the Association; or (ii) shall have ceased to be a member of the International Monetary Fund".

(9) The words "the Association may, by notice to the Borrower, terminate the right of the Borrower to make withdrawals with respect to such amount. Upon the giving of such notice, such amount of the Credit shall be cancelled" set forth at the end of Section 6.03 are deleted and the following is substituted therefor:

" or (e) by the date specified in sub-paragraph 4 (c) of Schedule 3 to the Development Credit Agreement, the Association shall, in respect of any portion of the Credit: (i) have received no applications or requests permitted under sub-paragraph (a) or (b) of said paragraph; or (ii) have denied any such applications or requests, the Association may, by notice to the Borrower, terminate the right to submit such applications or approvals or to make withdrawals from the Credit Account, as the case may be, with respect to such amount or portion of the Credit. Upon the giving of such notice, such amount or portion of the Credit shall be cancelled."

(10) Section 8.01 is deleted and replaced by the following Section:

"Section 8.01. Taxes. (a) The principal of, and other charges on, the Credit shall be paid without deduction for, and free from, any taxes levied by, or in the territories of, the Member States.

(b) The Development Credit Agreement, and any other agreement to which these General Conditions apply, shall be free from any taxes levied by, or in the territory of, the Member States or in connection with the execution, delivery or registration thereof."

(11) Paragraph (b) of Section 9.01 is deleted and replaced by the following paragraph:

"(b) The Borrower shall take all action necessary or useful to ensure that the Member States afford all reasonable opportunity for representatives of the Association to visit any part of their territories for purposes related to the Credit."

(12) Section 9.02 is deleted and replaced by the following Section:

"Section 9.02. Financial and Economic Data. The Borrower shall furnish to the Association all such information as the Association shall reasonably request with respect to the financial and economic conditions of the Member States as well as with respect to its own financial condition and that of any entity owned or controlled, or operating for the account or benefit of the Borrower."

(13) The word governmental in paragraph (a) of Section 12.01 is deleted and replaced by the word "corporate".

