

January 25, 1993

H.E. Mr. Marcelino Nguema Onguene
Minister of State,
Economy and Commerce
Malabo, Equatorial Guinea

Credit No. 2181-EG
(Crop Diversification and Agricultural Services Project)
Amendment to the Development Credit Agreement

Excellency,

Please refer to the above-mentioned Development Credit Agreement between the Republic of Equatorial Guinea (Borrower) and the International Development Association (the Association) dated November 12, 1990 (the Development Credit Agreement).

Pursuant to discussions during the last supervision mission in November 1992 between the representatives of the Borrower and the Association, regarding complementary financing for credit activities of the Savings and Credit Services (SAC) to be financed under the Credit No. 2181-EG, we are pleased to inform you that the Association agrees with the Borrower's request and amends the Development Credit Agreement as follows:

The table in paragraph 1 of Schedule 1 concerning Withdrawal of the Proceeds of the Credit is modified, as per Annex 1 attached to this letter, to introduce a new sub-category 6 (d) "credit for agricultural inputs, equipment and services";

In Part B of Schedule 2, Description of the Project, a new paragraph 7 is added, reading:

Part B: Crop marketing, Credit and Input Supply

"(7) Credit for agricultural inputs, equipment and services"

Please indicate your agreement with this amendment by signing and dating the enclosed duplicate original of this letter in the space provided therefor and returning it to us. This amendment shall become effective upon receipt of the duly signed duplicate original by the Association.

Sincerely yours,

Luis E. Derbez
Acting Director
Occidental and Central
Africa Department

CONFIRMED:

REPUBLIC OF EQUATORIAL GUINEA

By:

Date:

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) Civil works: Rehabilitation of houses and con- struction of stores for Part A.2(a) and Part B.1 of the Project	100,000	100%
(2) Vehicles		
(3) Equipment: Office equip- ment for Part A.2(a), Part B.1 and Part C.2 of the Project	130,000	100%
(4) Technical Assistance	1,750,000	80%
(5) Training and studies: Inventory control for Part C.2	30,000	100%
(6) Credit for Imported agricultural inputs, equipment and services:		
(a) Poverty Alleviation Fund for Part B.5		
(b) Crop Diversification Fund for Part B.6	120,000	100%
(c) Farm Tools Revolving Fund for Part C.3 of the Project, and	20,000	100%
(d) Credit for agri- cultural inputs, equipment and services	320,000	100%
(7) Incremental operating costs	880,000	35%
(8) Salaries for incremental staff	380,000	35%
(9) Refunding of Project Preparation Advance	670,000	Amount due pursuant to Section 2.02(c) of this Agreement

(10)	Unallocated	300,000
TOTAL	4,700,000	

2. For the purposes of this Schedule, the term "incremental operating costs" means incremental expenditures for fuel, vehicle maintenance, travel, and office supplies related to the Project.

3. Notwithstanding the provisions of the paragraph 1 above, no withdrawals shall be made in respect of payments made for expenditures: (a) prior to the date of this Agreement; or (b) under Category (6) until CSMU has been established, SAC is operational, the contract referred to in Section 3.12 of this Agreement has been signed and the Subsidiary Loan Agreement referred to under Section 3.03 of this Agreement has been signed.

