

AMENDMENTS TO THE ADF III
LENDING POLICY IN RESPECT OF THE TAA
(AS ADOPTED BY THE BOARD ON OCTOBER 20, 1983)

<u>SECTION</u>	<u>PROPOSED AMENDMENT</u>
3.1 (Allocation of Resources)	For the third general Replenishment period, five percent (5%) of the resources mobilized under the Third General Replenishment will go into a Technical Assistance Account which shall be used for providing such technical assistance as may be needed for the identification, preparation and implementation of development projects or programmes in Category A and B countries or in the case of multinational projects or programmes, a group of countries of which at least one is in Category A or B.
4. (Lending Programme)	During the period of the Third General Replenishment no country shall receive in total more than 5% of the TAA resources, unless the Board of Directors decides otherwise.
7. (Lending Terms and Conditions)	Loans granted by the Fund, except as provided under paragraph 8 will be lent (the rest of the section unchanged).
8. (Use of the Technical Assistance Account)	Countries in Categories A and B, or in case of multinational projects or programmes, a group of countries of which at least one is in Category A or B, can receive loans from the "Technical Assistance Account" resources under the following terms and conditions: (a) Except as provided in (b) and (c) below, all loans granted out of the Technical Assistance Account will be repaid in 50 years including a 10 year grace period and will not carry a service charge.

- (b) Where the loan is granted for the preparation of a pre-investment study and the study proves that the project or programme is not feasible, the grace period will be extended to 45 years.
- (c) Where the loan is granted for strengthening regional member countries' planning or functional institutions and is not related to specific projects or programmes, the grace period will be 45 years.

- 9. (Financing of Local Costs)
and
- 10. (Contribution by Recipient
countries)

There shall be no limit to the amount of foreign exchange made available to finance local costs in a technical assistance activity including training provided, however, that the contribution of the borrower shall not be less than 5% of the total cost of that activity.