

No. 2070

**INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
and
BELGIUM**

**Guarantee Agreement (with annexed Loan Regulations
No. 4 and Loan Agreement between the Bank and the
Belgian Congo). Signed at Washington, on 13 Sep-
tember 1951**

Official text: English.

*Registered by the International Bank for Reconstruction and Development on
28 January 1953.*

**BANQUE INTERNATIONALE POUR
LA RECONSTRUCTION ET LE DÉVELOPPEMENT
et
BELGIQUE**

**Contrat de garantie (avec, en annexe, le Règlement n° 4 sur
les emprunts et le Contrat d'emprunt entre la Banque
et le Congo belge). Signé à Washington, le 13 sep-
tembre 1951**

Texte officiel anglais.

*Enregistré par la Banque internationale pour la reconstruction et le développement
le 28 janvier 1953.*

No. 2070. GUARANTEE AGREEMENT¹ BETWEEN THE KINGDOM OF BELGIUM AND THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT. SIGNED AT WASHINGTON, ON 13 SEPTEMBER 1951

AGREEMENT, dated September 13, 1951, between KINGDOM OF BELGIUM (hereinafter called the Guarantor) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (hereinafter called the Bank).

WHEREAS by an agreement of even date herewith between the Bank and The Belgian Congo (hereinafter called the Borrower), which agreement and the Schedules therein referred to are hereinafter called the Loan Agreement,² the Bank has agreed to make to the Borrower a loan in the aggregate principal amount of Forty Million Dollars (\$40,000,000), or the equivalent in other currencies, on the terms and conditions set forth in the Loan Agreement, but only on condition that the Guarantor agrees to guarantee such Loan and the obligations of the Borrower in respect thereof; and

WHEREAS in the Loan Agreement the Bank and the Borrower have agreed to accept all the provisions of Loan Regulations No. 4,³ dated December 6, 1950, a copy of which has been furnished to the Guarantor, subject, however, to the modifications⁴ of said Loan Regulations set forth in Schedule 3 to the Loan Agreement, said Loan Regulations as so modified being hereinafter called the Loan Regulations; and

WHEREAS the Guarantor, in consideration of the Bank's entering into the Loan Agreement with the Borrower, has agreed to guarantee such Loan and the obligations of the Borrower in respect thereof;

NOW THEREFORE the parties hereto hereby agree as follows :

Article I

Section 1.01. The parties to this Guarantee Agreement accept all the provisions of the Loan Regulations with the same force and effect as if they were fully set forth herein.

Section 1.02. Wherever used in this Guarantee Agreement, unless the context shall otherwise require, the respective terms which are defined in Article I of the Loan Agreement shall have the respective meanings therein set forth,

¹ Came into force on 26 January 1952 upon notification by the Bank to the Government of Belgium.

² See p. 332 of this volume.

³ See p. 330 of this volume.

⁴ See p. 346 of this volume.

except that the term Agency means any instrumentality of the Guarantor or of a political subdivision of the Guarantor and shall include any institution or organization a majority interest in which at the time referred to is owned directly or indirectly by the Guarantor or a political subdivision of the Guarantor, or all or substantially all of whose obligations are guaranteed by the Guarantor or a political subdivision of the Guarantor, or the operations of which are conducted primarily in the interest of or for account of the Guarantor or a political subdivision of the Guarantor, as the case may be.

Article II

Section 2.01. Without limitation or restriction upon any of the other covenants on its part in this Guarantee Agreement contained, the Guarantor hereby unconditionally guarantees, as primary obligor and not as surety merely, the due and punctual payment of the principal of, and the interest, commitment charge and service charge, if any, on the Loan, the principal of and interest on the Bonds, the premium, if any, on the prepayment of the Loan or the redemption of the Bonds, and the punctual performance of all the covenants and agreements of the Borrower, all as set forth in the Loan Agreement and in the Bonds.

Section 2.02. Without limitation or restriction upon the provisions of Section 2.01 of this Guarantee Agreement, the Guarantor specifically undertakes, whenever there is reasonable cause to believe that the amount of currency of the Guarantor available to the Borrower will be inadequate to meet the estimated expenditures payable in such currency and required for carrying out and completing the Program and the Otraco Project as provided in Section 6.01 of the Loan Agreement, to make arrangements, satisfactory to the Bank, promptly to provide the Borrower or cause the Borrower to be provided with such amounts of currency of the Guarantor as are needed to meet such expenditures.

Article III

Section 3.01. It is the mutual intention of the Guarantor and the Bank that no other external debt shall enjoy any priority over the Loan by way of a lien on governmental assets. To that end the Guarantor undertakes that, except as the Bank shall otherwise agree, if any lien shall be created on any assets of the Guarantor or any of its political subdivisions or any Agency as security for any external debt, such lien shall equally and ratably secure the payment of the principal of and interest and other charges on the Loan and the Bonds and that in the creation of any such lien express provision shall be made to that effect; provided, however, that this Section shall not apply to any lien created on any property at

the time of purchase thereof solely as security for the payment of the purchase price of such property.

Section 3.02. (a) The Bank and the Guarantor shall cooperate fully to assure that the purposes of the Loan shall be accomplished. To that end, each of them shall furnish to the other all such information as it shall reasonably request with regard to the general status of the Loan. On the part of the Guarantor, such information will include information with respect to financial and economic conditions in the territories of the Guarantor and the international balance of payments position of the Guarantor.

(b) The Guarantor and the Bank shall from time to time exchange views through their representatives with regard to matters relating to the purposes of the Loan and the maintenance of the service thereof; and the Guarantor will promptly inform the Bank of any condition which shall arise that shall prevent, obstruct or interfere with the accomplishment of the purposes of the Loan or the maintenance of the service thereof, or threaten to do so.

(c) The Guarantor will afford to the Bank all reasonable opportunity for accredited representatives of the Bank to visit freely any part of the territories of the Guarantor for purposes consistent with the spirit and purposes of the Loan.

Section 3.03. The Guarantor covenants that the principal of and interest and other charges on the Loan and the Bonds will be paid without deduction for and free from any taxes imposed by the Guarantor or any taxing authority thereof or therein and will be paid free from all restrictions of the Guarantor, its political subdivisions or any Agency. The foregoing provisions of this Section shall not apply to taxation of payments under the provisions of any Bond to a holder thereof other than the Bank when such Bond is beneficially owned by an individual or corporate resident of the Guarantor.

Section 3.04. The Guarantor covenants that the Loan Agreement and the Bonds and the Guarantee Agreement will be free of any issue, stamp or other tax, imposed by the Guarantor or any taxing authority thereof or therein.

Article IV

Section 4.01. The Guarantor shall endorse, in accordance with the provisions of the Loan Regulations, its guarantee on the Bonds to be executed and delivered by the Borrower. The Minister of Finance of the Guarantor and such person or persons as he shall designate in writing are designated as the authorized representatives of the Guarantor for the purposes of Section 6.12 *(b)* of the Loan Regulations.

Article V

Section 5.01. The following addresses are specified for the purposes of Section 8.01 of the Loan Regulations :

For the Guarantor : Ministère des Finances, 12 rue de la Loi, Bruxelles, Belgium.

For the Bank : International Bank for Reconstruction and Development, 1818 H Street, N. W., Washington 25, D. C., United States of America.

Section 5.02. The Minister of Finance of the Guarantor in office at the time in question is designated for the purposes of Section 8.03 of the Loan Regulations.

Section 5.03. In this Guarantee Agreement any reference to the Minister of Finance of the Guarantor shall include a reference to any Minister for the time being acting for or on behalf of the Minister of Finance of the Guarantor.

IN WITNESS WHEREOF the parties hereto, acting through their representatives thereunto duly authorized, have caused this Guarantee Agreement to be signed in their respective names and delivered in the District of Columbia, United States of America, as of the day and year first above written.

Kingdom of Belgium :

By J. VAN HOUTTE
Minister of Finance

International Bank for Reconstruction and Development :

By Eugene R. BLACK
President

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

LOAN REGULATIONS No. 4, DATED 6 DECEMBER 1950

REGULATIONS APPLICABLE TO LOANS MADE BY THE BANK TO BORROWERS OTHER THAN
MEMBER GOVERNMENTS

[*Not published herein. See p. 222 of this volume.*]

LOAN AGREEMENT

AGREEMENT, dated September 13, 1951, between INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (hereinafter called the Bank) and THE BELGIAN CONGO (hereinafter called the Borrower).

Article I

SPECIAL DEFINITIONS

Section 1.01. Except where the context otherwise requires, the following terms have the following meanings wherever used in this Agreement or any Schedule hereto :

- (1) The term "Plan" means the Ten-Year Plan for the Social and Economic Development of The Belgian Congo.
- (2) The term "Program" means that part of the Plan described in Part I¹ of Schedule 2 to this Agreement, as such Schedule shall be amended from time to time by agreement between the Bank and the Borrower.
- (3) The term "Otraco" means Office d'Exploitation des Transports Coloniaux, an autonomous public institution of the Borrower.
- (4) The term "Otraco Project" means the project described in Part II² of Schedule 2 to this Agreement, as such Schedule shall be amended from time to time by agreement between the Bank and the Borrower.
- (5) The term "Loan Regulations" means Loan Regulations No. 4³ of the Bank dated December 6, 1950, subject, however, to the modifications⁴ thereof set forth in Schedule 3 to this Agreement.
- (6) The term "Agency" means any instrumentality of the Borrower or of a political subdivision of the Borrower and shall include any institution or organization a majority interest in which at the time referred to is owned directly or indirectly by the Borrower or a political subdivision of the Borrower, or all or substantially all of whose obligations are guaranteed by the Borrower or a political subdivision of the Borrower, or the operations of which are conducted primarily in the interest of or for account of the Borrower or a political subdivision of the Borrower, as the case may be.

Article II

THE LOAN

Section 2.01. The Bank agrees to lend to the Borrower, on the terms and conditions hereinafter in this Agreement set forth or referred to, the sum of forty million dollars (\$40,000,000) or the equivalent thereof in currencies other than dollars.

¹ See p. 342 of this volume.

² See p. 344 of this volume.

³ See p. 222 of this volume.

⁴ See p. 346 of this volume.

Section 2.02. The parties to this Agreement accept all the provisions of the Loan Regulations, a copy of which has been furnished to the Borrower, with the same force and effect as if they were fully set forth herein.

Section 2.03. The Borrower shall pay to the Bank a commitment charge as provided in Section 2.02 of the Loan Regulations at the rate of three fourths of one per cent ($\frac{3}{4}$ of 1%) per annum on the principal amount of the Loan not withdrawn from time to time.

Section 2.04. The Borrower shall pay interest at the rate of four and one-half per cent ($4\frac{1}{2}\%$) per annum on the principal amount of the Loan withdrawn and outstanding from time to time.

Section 2.05. Interest and commitment charge shall be payable semi-annually on March 15 and September 15 in each year.

Section 2.06. The Borrower shall repay the principal of the Loan in accordance with the amortization schedule set forth in Schedule 1¹ to this Agreement.

Article III

PURPOSE OF THE LOAN AND USE OF PROCEEDS

Section 3.01. The purpose of the Loan and of the loan of even date herewith to Kingdom of Belgium is to assist the Borrower and Kingdom of Belgium in meeting the foreign exchange needs resulting directly and indirectly from the carrying out of the Program. The Borrower shall cause the proceeds of the Loan or the equivalent thereof in Congolese or Belgian francs to be applied to the Otraco Project, which constitutes a substantial and integral part of the Program.

Article IV

WITHDRAWAL OF PROCEEDS OF LOAN

Section 4.01. The Bank shall open a Loan Account on its books in the name of the Borrower and shall credit to such Account the amount of the Loan. The amount of the Loan may be withdrawn from the Loan Account as hereinafter and in the Loan Regulations provided, and subject to the rights of cancellation and suspension set forth in the Loan Regulations. No part of the Loan shall be withdrawn until the loan agreement of even date herewith between the Bank and Kingdom of Belgium shall have become effective in accordance with its terms.

Section 4.02. The Borrower shall be entitled to withdraw from the Loan Account from time to time amounts equivalent to four-sevenths ($\frac{4}{7}$) of such amounts as shall have been expended since June 30, 1951, for the Otraco Project; provided, however, that the rate of such withdrawals shall be determined in such manner, mutually satis-

¹ See p. 342 of this volume.

factory to the Bank and the Borrower, as to ensure that the aggregate amount of the Loan withdrawn at any one time shall not bear a substantially greater proportion to the total amount of the Loan than the amount expended on the Program by that time bears to 11,000,000,000 Belgian or Congolese francs. Each withdrawal shall be made in dollars and Swiss francs in equal proportions except to the extent that the Bank shall elect to substitute dollars for all or any part of the Swiss franc portion of any such withdrawal.

Section 4.03. When the Borrower shall desire to withdraw any amount from the Loan Account, the Borrower shall deliver to the Bank a written application in such form, and containing such statements and agreements, as the Bank shall reasonably request. Since the rate at which Loan proceeds are withdrawn affects the cost to the Bank of holding funds at the Borrower's disposal, applications for withdrawal, with the necessary documentation as in the Loan Regulations provided, shall, except as the Bank and the Borrower shall otherwise agree, be made promptly in relation to expenditures for the Otraco Project.

Section 4.04. Notwithstanding the provisions of Section 5.01 of the Loan Regulations, no cancellation of the Loan by the Borrower shall, except as the Bank shall otherwise agree, be effective, unless the loan of even date herewith to Kingdom of Belgium (i) shall have been theretofore cancelled by Kingdom of Belgium or the Bank or (ii) is cancelled by Kingdom of Belgium simultaneously with such cancellation of the Loan by the Borrower.

Article V

BONDS

Section 5.01. The Borrower shall execute and deliver Bonds representing the principal amount of the Loan as provided in the Loan Regulations.

Section 5.02. The Minister of Colonies of Kingdom of Belgium and such person or persons as he shall appoint in writing are designated as authorized representatives of the Borrower for the purposes of Section 6.12 (a) of the Loan Regulations.

Article VI

PARTICULAR COVENANTS

Section 6.01. (a) The Borrower shall cause the Program and the Otraco Project to be carried out with due diligence and efficiency.

(b) The Borrower shall maintain, or cause to be maintained, records adequate to show the progress of the Otraco Project and the Program; shall enable the Bank's representatives to examine the Otraco Project and the Program and any relevant records and documents; and shall furnish to the Bank all such information as the Bank shall reasonably request concerning the Otraco Project and the Program.

Section 6.02. (a) The Borrower and the Bank shall co-operate fully to assure that the purposes of the Loan shall be accomplished. To that end, each of them shall furnish

to the other all such information as it shall reasonably request with regard to the general status of the Loan. On the part of the Borrower such information shall include information with respect to financial and economic conditions in the territories of the Borrower and the international balance of payments position of the Borrower, including its balance of payments position with Kingdom of Belgium.

(b) The Borrower and the Bank shall from time to time exchange views with regard to matters relating to the purposes of the Loan and the maintenance of the service thereof. The Borrower shall promptly inform the Bank of any condition which shall arise that shall prevent, obstruct or interfere with the accomplishment of the purposes of the Loan or the maintenance of the service thereof, or threaten to do so.

(c) The Borrower shall afford to the Bank all reasonable opportunity for accredited representatives of the Bank to visit freely any part of the territories of the Borrower for purposes consistent with the spirit and purposes of the Loan.

Section 6.03. It is the mutual intention of the Borrower and the Bank that no other external debt shall enjoy any priority over the Loan by way of a lien on governmental assets. To that end, the Borrower undertakes that, except as the Bank shall otherwise agree, if any lien shall be created on any assets of the Borrower or any of its political subdivisions or any Agency as security for any external debt, such lien shall equally and ratably secure the payment of the principal of, and interest and other charges on, the Loan and the Bonds, and that in the creation of any such lien express provision shall be made to that effect; provided, however, that this Section shall not apply to any lien created on any property at the time of purchase thereof solely as security for the payment of the purchase price of such property.

Section 6.04. The Borrower covenants that the principal of, and interest and other charges on, the Loan and the Bonds, will be paid without deduction for and free from any taxes imposed by the Borrower or any taxing authority thereof or therein and will be paid free from all restrictions of the Borrower, its political subdivisions or any Agency. The foregoing provisions of this Section shall not apply to taxation of payments under the provisions of any Bond to a holder thereof other than the Bank when such Bond is beneficially owned by an individual or corporate resident of the Borrower.

Section 6.05. The Borrower covenants that the Loan Agreement and the Bonds and the Guarantee Agreement will be free of any issue, stamp or other tax imposed by the Borrower or any taxing authority thereof or therein.

Article VII

REMEDIES OF THE BANK

Section 7.01. If any event specified in paragraphs (a) or (b) of Section 5.02 of the Loan Regulations shall occur and shall have continued for a period of thirty days or if an event specified in paragraph (c) of Section 5.02 of the Loan Regulations shall occur and shall have continued for a period of sixty days after notice thereof shall have been given by the Bank to the Borrower, then at any subsequent time during the continuance thereof, the Bank, at its option, may declare the principal of the Loan and of all the

Bonds then outstanding to be due and payable immediately, and upon any such declaration such principal shall become due and payable immediately, anything in this Agreement or in the Bonds to the contrary notwithstanding.

Section 7.02. The following is specified pursuant to Section 5.02 (*h*) of the Loan Regulations as an additional event giving the Bank the power to suspend the right of the Borrower to make withdrawals from the Loan Account: if the Bank shall have suspended the right of Kingdom of Belgium to make withdrawals from the loan account established under the loan agreement of even date herewith with Kingdom of Belgium.

Article VIII

MISCELLANEOUS

Section 8.01. The date specified for the purposes of Section 9.04 of the Loan Regulations is December 1, 1951.

Section 8.02. The Closing Date shall be September 30, 1953.

Section 8.03. The following addresses are specified for the purposes of Section 8.01 of the Loan Regulations:

For the Bank: International Bank for Reconstruction and Development, 1818 H Street, N. W., Washington 25, D. C., United States of America.

For the Borrower: Ministère des Colonies, 7 Place Royale, Bruxelles, Belgium.

Section 8.04. The Minister of Colonies of Kingdom of Belgium in office at the time in question is designated for the purposes of Section 8.03 (*a*) of the Loan Regulations, set forth in Schedule 3 to this Agreement.

Section 8.05. In this Agreement any reference to the Minister of Colonies of Kingdom of Belgium shall include a reference to any Minister of Kingdom of Belgium for the time being acting for or on behalf of the Minister of Colonies of Kingdom of Belgium.

IN WITNESS WHEREOF the parties hereto, acting through their representatives thereunto duly authorized, have caused this Agreement to be signed in their respective names and delivered in the District of Columbia, United States of America, as of the day and year first above written.

International Bank for Reconstruction and Development:

By Eugene R. BLACK
President

The Belgian Congo:

By VAN DEN ABEELE
Authorized Representative

SCHEDULE 1
AMORTIZATION SCHEDULE

<i>Date Payment Due</i>	<i>Payment of Principal</i>	<i>Principal Amount Outstanding After Each Payment</i>	<i>Date Payment Due</i>	<i>Payment of Principal</i>	<i>Principal Amount Outstanding After Each Payment</i>
Sept. 15, 1956 . . . \$	—	\$40,000,000	March 15, 1967 . . .	1,000,000	19,000,000
March 15, 1957 . . .	1,000,000	39,000,000	Sept. 15, 1967 . . .	1,000,000	18,000,000
Sept. 15, 1957 . . .	1,000,000	38,000,000	March 15, 1968 . . .	1,000,000	17,000,000
March 15, 1958 . . .	1,000,000	37,000,000	Sept. 15, 1968 . . .	1,000,000	16,000,000
Sept. 15, 1958 . . .	1,000,000	36,000,000	March 15, 1969 . . .	1,000,000	15,000,000
March 15, 1959 . . .	1,000,000	35,000,000	Sept. 15, 1969 . . .	1,000,000	14,000,000
Sept. 15, 1959 . . .	1,000,000	34,000,000	March 15, 1970 . . .	1,000,000	13,000,000
March 15, 1960 . . .	1,000,000	33,000,000	Sept. 15, 1970 . . .	1,000,000	12,000,000
Sept. 15, 1960 . . .	1,000,000	32,000,000	March 15, 1971 . . .	1,000,000	11,000,000
March 15, 1961 . . .	1,000,000	31,000,000	Sept. 15, 1971 . . .	1,000,000	10,000,000
Sept. 15, 1961 . . .	1,000,000	30,000,000	March 15, 1972 . . .	1,000,000	9,000,000
March 15, 1962 . . .	1,000,000	29,000,000	Sept. 15, 1972 . . .	1,000,000	8,000,000
Sept. 15, 1962 . . .	1,000,000	28,000,000	March 15, 1973 . . .	1,000,000	7,000,000
March 15, 1963 . . .	1,000,000	27,000,000	Sept. 15, 1973 . . .	1,000,000	6,000,000
Sept. 15, 1963 . . .	1,000,000	26,000,000	March 15, 1974 . . .	1,000,000	5,000,000
March 15, 1964 . . .	1,000,000	25,000,000	Sept. 15, 1974 . . .	1,000,000	4,000,000
Sept. 15, 1964 . . .	1,000,000	24,000,000	March 15, 1975 . . .	1,000,000	3,000,000
March 15, 1965 . . .	1,000,000	23,000,000	Sept. 15, 1975 . . .	1,000,000	2,000,000
Sept. 15, 1965 . . .	1,000,000	22,000,000	March 15, 1976 . . .	1,000,000	1,000,000
March 15, 1966 . . .	1,000,000	21,000,000	Sept. 15, 1976 . . .	1,000,000	—
Sept. 15, 1966 . . .	1,000,000	20,000,000			

PREMIUMS ON PREPAYMENT AND REDEMPTION

The following percentages are specified as the premiums payable on repayment in advance of maturity of any part of the principal amount of the Loan pursuant to Section 2.05 (b) of the Loan Regulations or on the redemption of any Bond prior to its maturity pursuant to Section 6.16 of the Loan Regulations:

<i>Time of Prepayment or Redemption</i>	<i>Premium</i>
Not more than 5 years before maturity	1/2%
More than 5 years but not more than 10 years before maturity	1%
More than 10 years but not more than 15 years before maturity	1 1/2%
More than 15 years but not more than 20 years before maturity	2%
More than 20 years before maturity	2 1/2%

SCHEDULE 2

PART I—DESCRIPTION OF PROGRAM

The Program is that part of the Plan which is to be carried out in the period from July 1, 1951, to June 30, 1953. Its cost is estimated at about 11,000,000,000 Belgian francs, or the equivalent in Congolese francs, as shown below:

	<i>Belgian francs</i>
Transport and communications	7,100,000,000
Electricity and water supply	700,000,000
Towns, housing and public health	2,100,000,000
Native education and development of native communities	800,000,000
Immigration and research and scientific equipment	300,000,000
	11,000,000,000

PART II—DESCRIPTION OF THE OTRACO PROJECT

The Otraco Project consists of the modernization, improvement, and expansion of the properties of Otraco and its agencies which (i) have already been authorized by the Belgian Congo extraordinary budgets for the years 1949, 1950, and 1951, or may hereafter be so authorized for the year 1952; and (ii) have been or will be paid for in the two years from July 1, 1951, through June 30, 1953. These payments are estimated at 3.5 billion Belgian or Congolese francs.

More particularly, the Otraco Project includes the following :

Inland Waterways—(Voies Fluviales)

Construction, assembly, and purchase of barges, tugs, and other river craft.

Construction, assembly, and purchase of shipyard and ship repair plant and equipment at Leopoldville and other river ports.

Purchase of cranes and other cargo-handling equipment for Leopoldville and other river ports.

Construction of warehouses and sheds for Leopoldville and other river ports, and the purchase of equipment therefor.

Purchase of harbor craft and lift trucks and other cargo-moving vehicles, for Leopoldville and other river ports.

Construction, modernization, and equipment of houses, dispensaries, schools and staff amenities for Otraco employees and their families.

Matadi-Leopoldville Railroad—(Chemin de Fer de Matadi à Léopoldville)

Purchase of diesel-electric locomotives, freight cars, and other rolling stock.

Construction of additional sidings and branches, double tracking, and expansion of yards and stations.

Construction, modernization, and equipment of repair shops for both locomotives and rolling stock.

Construction, modernization, and equipment of houses, dispensaries, schools, and staff amenities for Otraco employees and their families.

Port of Matadi

Purchase of cranes and other cargo-handling equipment to improve existing berths and to equip new berths.

Construction of warehouses and sheds.

Purchase of harbor craft and lift trucks and other cargo-moving vehicles.

Mayumbe Railroad—(Chemin de Fer du Mayumbe)

Provision of additional facilities to handle and store cargo at Boma.

Purchase of locomotives and rolling stock, and indispensable line works.

Construction, modernization, and equipment of houses, dispensaries, schools, and staff amenities for Otraco employees and their families.

Kivu Railroad—(Chemin de Fer du Kivu)

- Purchase of trucks and buses for road transport and of barges, tugs and other craft for lake transport and port work.
- Procurement of cargo-handling equipment, and construction of warehouses and sheds at ports on Lake Kivu.
- Provision of repair and service shops for motor vehicles, and for lake and harbor craft.
- Construction, modernization, and equipment of houses, dispensaries, schools, and staff amenities for Otraco employees and their families.

SCHEDULE 3

MODIFICATIONS OF THE LOAN REGULATIONS¹

For the purposes of this Agreement the provisions of the Loan Regulations shall be deemed to be modified as follows :

- (a) The first two sentences of Section 3.01 of the Loan Regulations shall be deemed to be deleted.
- (b) Sections 4.01, 4.02 and 4.03 of the Loan Regulations shall be deemed to be deleted.
- (c) Section 5.04 of the Loan Regulations shall be deemed to be deleted.
- (d) A new Section 8.03 (a) shall be deemed to be inserted :

“ *Action on behalf of Borrower.* Any action required or permitted to be taken, and any documents required or permitted to be executed, under the Loan Agreement on behalf of the Borrower may be taken or executed by the representative of the Borrower designated in the Loan Agreement for the purposes of this Section or any person thereunto authorized in writing by him. Any modification or amplification of the provisions of the Loan Agreement may be agreed to on behalf of the Borrower by written instrument executed on behalf of the Borrower by the representative so designated or any person thereunto authorized in writing by him; provided that, in the opinion of such representative, such modification or amplification is reasonable in the circumstances and will not substantially increase the obligations of the Borrower under the Loan Agreement. The Bank may accept the execution by such representative or other person of any such instrument as conclusive evidence that in the opinion of such representative any modification or amplification of the provisions of the Loan Agreement effected by such instrument is reasonable in the circumstances and will not substantially increase the obligations of the Borrower thereunder.”

- (e) Section 10.01, paragraphs 12 and 13, of the Loan Regulations shall be deemed to be deleted.

¹ See p. 330 of this volume.