

No. 2716

**INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
and
UNITED KINGDOM OF GREAT BRITAIN AND
NORTHERN IRELAND, FEDERATION OF RHODESIA
AND NYASALAND and COLONY OF SOUTHERN
RHODESIA**

**Guarantee Agreement—*Electric Power Project*. Signed at
Washington, on 2 October 1954**

Official text: English.

*Registered by the International Bank for Reconstruction and Development on
8 November 1954.*

**BANQUE INTERNATIONALE POUR
LA RECONSTRUCTION ET LE DÉVELOPPEMENT
et
ROYAUME-UNI DE GRANDE-BRETAGNE ET D'IRLANDE
DU NORD, FÉDÉRATION DE LA RHODÉSIE ET DU
NYASSALAND et COLONIE DE LA RHODÉSIE DU SUD**

**Contrat de garantie — *Projet relatif à l'énergie électrique*.
Signé à Washington, le 2 octobre 1954**

Texte officiel anglais.

*Enregistré par la Banque internationale pour la reconstruction et le développement
le 8 novembre 1954.*

No. 2716. GUARANTEE AGREEMENT¹ (*ELECTRIC POWER PROJECT*) BETWEEN THE FEDERATION OF RHODESIA AND NYASALAND AND THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT AND THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE COLONY OF SOUTHERN RHODESIA. SIGNED AT WASHINGTON, ON 2 OCTOBER 1954

AGREEMENT dated October 2, 1954, between the FEDERATION OF RHODESIA AND NYASALAND (hereinafter called the Federation) acting by its Minister of Finance of the first part, INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (hereinafter called the Bank) of the second part, UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND (hereinafter called the United Kingdom) of the third part, and the COLONY OF SOUTHERN RHODESIA (hereinafter called the Colony) of the fourth part.

WHEREAS by a Loan Agreement (hereinafter called the Loan Agreement) dated February 27, 1952 between the Colony and the Bank,² the Bank agreed to make to the Colony a loan (hereinafter referred to as the Loan) in the aggregate principal amount of twenty-eight million dollars (\$28,000,000) or the equivalent thereof in other currencies to finance a plan for the capital development of the Colony, upon the terms and conditions set forth in such Loan Agreement, including provisions for the execution and delivery of bonds (hereinafter called the Bonds);

AND WHEREAS by an Agreement dated February 27, 1952 between the United Kingdom and the Bank³ the United Kingdom agreed to guarantee the Loan as therein provided;

AND WHEREAS by virtue of the Rhodesia and Nyasaland Federation Act, 1952, and the Federation of Rhodesia and Nyasaland (Constitution) Order in Council, 1953, both of the United Kingdom, the Colony, Northern Rhodesia and Nyasaland have become associated in a federation in accordance with the constitution set out in the Annex to the said Order in Council, which constitution, by virtue of the Federation of Rhodesia and Nyasaland (Commencement) Order

¹ Came into force on 2 October 1954, by signature.

² United Nations, *Treaty Series*, Vol. 159, p. 188.

³ United Nations, *Treaty Series*, Vol. 159, p. 182.

in Council, 1953, of the United Kingdom and of Federal Proclamation No. 2 of 1953 (published in the respective official gazettes of the Federation, the Colony, Northern Rhodesia and Nyasaland on October 16, 1953) came into full force and effect on October 23, 1953;

AND WHEREAS Section 6 of the Borrowing (Control and Guarantee) Act, 1954, of the Federation authorizes the Minister of Finance of the Federation to guarantee in such manner and on such conditions as he thinks fit the repayment of the principal of and the payment of the interest on and other charges in respect of any loan raised outside the Federation by the Colony, Northern Rhodesia or Nyasaland;

AND WHEREAS the provisions of Sub-section (2) of Section 6 of the said Borrowing (Control and Guarantee) Act, 1954, have been complied with to the satisfaction of the said Minister of Finance;

AND WHEREAS the Bank and the Federation consequent upon the establishment of the Federation have decided to enter into this Agreement;

AND WHEREAS the United Kingdom and the Colony concur in this Agreement;

NOW THEREFORE it is hereby agreed as follows :

1. The Federation hereby unconditionally guarantees, as a primary and several obligor and not as surety merely, the due and punctual payment of the principal of, and the interest and other charges on, the Loan, the principal of and interest on the Bonds, the premium, if any, on the prepayment of the Loan and the redemption of the Bonds, all as set forth in the Loan Agreement and the Bonds, and to endorse its guarantee on the Bonds in the form of endorsement set forth in the Schedule¹ hereto.

2 The Federation undertakes to carry out or cause to be carried out, within the limitation of its Constitutional powers, all the terms, conditions, provisions and obligations contained in the Loan Agreement and therein expressed to be performed by the Colony.

3. The United Kingdom and the Colony concur in the provisions of this Agreement.

IN WITNESS WHEREOF the parties hereto, acting through their representatives thereunto duly authorized, have caused this Agreement to be signed in their

¹ See p. 176 of this volume.

respective names, and delivered in the District of Columbia, United States of America, as of the day and year first above written.

The Federation of Rhodesia and Nyasaland

By D. MACINTYRE

Authorized Representative

United Kingdom of Great Britain and Northern Ireland

By Roger MAKINS

Authorized Representative

Colony of Southern Rhodesia

By A. H. STRACHAN

Authorized Representative

International Bank for Reconstruction and Development

By Eugene R. BLACK

President

SCHEDULE

FORM OF GUARANTEE

The Federation of Rhodesia and Nyasaland, for value received, as a primary and several obligor and not as surety merely, hereby absolutely and unconditionally guarantees, and pledges its full faith and credit for, the due and punctual payment of the principal and redemption price of said Bond and the interest thereon.

Federation of Rhodesia and Nyasaland

By

Authorized Representative