

No. 2837

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

**Loan Agreement—*Port and Waterways Projects*— (with  
annexed Loan Regulations No. 3). Signed at New  
York, on 14 December 1954**

*Official text: English.*

*Registered by the International Bank for Reconstruction and Development on  
18 May 1955.*

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

**Contrat d'emprunt — *Projets relatifs à des installations  
portuaires et à des voies navigables* — (avec, en annexe,  
le Règlement n° 3 sur les emprunts). Signé à New-York,  
le 14 décembre 1954**

*Texte officiel anglais.*

*Enregistré par la Banque internationale pour la reconstruction et le développement  
le 18 mai 1955.*

No. 2837. LOAN AGREEMENT<sup>1</sup> (*PORT AND WATERWAYS PROJECTS*) BETWEEN THE KINGDOM OF BELGIUM AND THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT. SIGNED AT NEW YORK, ON 14 DECEMBER 1954

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AGREEMENT, dated December 14, 1954, between KINGDOM OF BELGIUM (hereinafter called the Borrower) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (hereinafter called the Bank).

WHEREAS the Borrower is engaged in the carrying out of certain projects to develop and modernize the ports and waterways of Belgium;

WHEREAS the Borrower intends to finance a portion of the cost of such projects by selling an issue of its bonds in the aggregate principal amount of \$30,000,000 in the markets of the United States of America, and

WHEREAS the Bank has agreed to supply an additional amount of the funds required by the Borrower for the projects by making the Loan provided for herein :

NOW THEREFORE it is hereby agreed as follows :

*Article I*

LOAN REGULATIONS; SPECIAL DEFINITIONS

*Section 1.01.* The parties to this Loan Agreement accept all the provisions of Loan Regulations No. 3 of the Bank dated October 15, 1952<sup>2</sup> subject, however, to the modifications set forth in Schedule 3<sup>3</sup> to this Agreement (said Loan Regulations No. 3 as so modified being hereinafter called the Loan Regulations) with the same force and effect as if they were fully set forth herein.

*Section 1.02.* Except where the context otherwise requires, the following term shall have the following meaning wherever used in this Agreement or any Schedule to this Agreement :

The term "public bond issue" means the issue intended to be sold by the Borrower of its bonds in the aggregate principal amount of \$30,000,000 in the markets of the United States of America.

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<sup>1</sup> Came into force on 4 January 1955, upon notification by the Bank to the Government of the Kingdom of Belgium.

<sup>2</sup> See p. 128 of this volume.

<sup>3</sup> See p. 126 of this volume.

*Article II*

## THE LOAN

*Section 2.01.* The Bank agrees to lend to the Borrower, on the terms and conditions in this Agreement set forth or referred to, an amount in various currencies equivalent to twenty million dollars (\$20,000,000).

*Section 2.02.* 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 provided in the Loan Regulations and subject to the rights of cancellation and suspension set forth in the Loan Regulations.

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

The date specified for the purposes of Section 2.02 of the Loan Regulations is 60 days after the date of this Agreement or the Effective Date, whichever shall be the earlier.

*Section 2.04.* The Borrower shall pay interest at the rate of four and five-eighths per cent ( $4\frac{5}{8}$  %) per annum on the principal amount of the Loan so withdrawn and outstanding from time to time.

*Article III*

## BONDS

*Section 3.01.* The Borrower shall execute and deliver Bonds representing the principal amount of the Loan as provided in the Loan Regulations.

*Section 3.02.* The Minister of Finance of the Borrower 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 of the Loan Regulations.

*Article IV*

## PARTICULAR COVENANTS

*Section 4.01.(a).* The Borrower shall cause the Projects to be carried out with due diligence and efficiency and in conformity with sound engineering practices.

(b) The Borrower shall cause to be furnished to the Bank, promptly upon their preparation, the plans and specifications for the Projects and any material modifications subsequently made therein.

(c) The Borrower shall maintain or cause to be maintained records adequate to record the progress of the Projects (including the cost thereof); shall enable the Bank's representatives to inspect the Projects and any relevant records and documents; and shall furnish to the Bank all such information as the Bank shall reasonably request concerning the expenditure of the proceeds of the Loan and the progress of the Projects and their subsequent operation.

*Section 4.02.* The Borrower shall cause the equivalent of the proceeds of the Loan and of the net proceeds of the public bond issue to be applied to expenditures on the Projects after the date of this Agreement; provided, however, that the Borrower may reimburse itself out of the net proceeds of the public bond issue for expenditures on the Projects prior to the date of this Agreement and on or after January 1, 1954.

*Section 4.03 (a)* The Borrower and the Bank shall co-operate fully to assure that the purposes of the Loan will 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.

(b) The Borrower 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. The Borrower shall promptly inform the Bank of any condition which interferes with, or threatens to interfere with, the accomplishment of the purposes of the Loan or the maintenance of the service thereof.

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

*Section 4.04.* 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 of any of its political subdivisions or of any agency of the Borrower or of any such political subdivision, or of the Banque Nationale de Belgique, as security for any external debt, such lien will *ipso facto* 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 will be made to that effect, provided, however, that the foregoing provisions of this Section shall not apply to: (i) any lien created on property, at the time of purchase thereof, solely as security for the payment of the purchase price of

such property; (ii) any lien on commercial goods to secure a debt maturing not more than one year after the date on which it is originally incurred and to be paid out of the proceeds of sale of such commercial goods; or (iii) any lien arising in the ordinary course of banking transactions and securing a debt maturing not more than one year after its date.

*Section 4.05.* The principal of, and interest and other charges on, the Loan and the Bonds shall be paid without deduction for, and free from, any taxes or fees imposed under the laws of the Borrower or laws in effect in its territories; provided, however, that the provisions of this Section shall not apply to taxation of, or fees upon, payments under 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 4.06.* The Loan Agreement and the Bonds shall be free from any taxes or fees that shall be imposed under the laws of the Borrower or laws in effect in its territories on or in connection with the execution, issue, delivery or registration thereof and the Borrower shall pay all such taxes and fees, if any, imposed under the laws of the country or countries in whose currency the Loan and the Bonds are payable or laws in effect in the territories of such country or countries.

*Section 4.07.* The principal of, and interest and other charges on, the Loan and the Bonds shall be paid free from all restrictions imposed under the laws of the Borrower or laws in effect in its territories.

## *Article V*

### EFFECTIVE DATE; TERMINATION

*Section 5.01.* The following event is specified as an additional condition to the effectiveness of this Agreement within the meaning of Section 9.01 (a) (ii) of the Loan Regulations: The Borrower shall have duly delivered and received payment for the \$30,000,000 aggregate principal amount of bonds of the public bond issue.

*Section 5.02.* A date 60 days after the date of this Agreement is hereby specified for the purposes of Section 9.04 of the Loan Regulations.

## Article VI

## MISCELLANEOUS

*Section 6.01.* The Closing Date shall be December 31, 1956.

*Section 6.02.* The following addresses are specified for the purposes of Section 8.01 of the Loan Regulations :

For the Borrower : 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 6.03.* The Minister of Finance of the Borrower in office at the time in question is designated for the purposes of Section 8.03 of the Loan Regulations.

*Section 6.04.* In this Agreement any reference to the Minister of Finance of the Borrower shall include a reference to any Minister for the time being acting for or on behalf of the Minister of Finance of the Borrower.

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

Kingdom of Belgium :

By [s] SILVERCRUYS

Authorized Representative

International Bank for Reconstruction and Development :

By [s] Eugene R. BLACK

President

## SCHEDULE 1

## AMORTIZATION SCHEDULE

<i>Date Payment Due</i>	<i>Payment of Principal (expressed in dollars) *</i>	<i>Principal Amount Outstanding After Each Payment (expressed in dollars) *</i>	<i>Date Payment Due</i>	<i>Payment of Principal (expressed in dollars) *</i>	<i>Principal Amount Outstanding After Each Payment (expressed in dollars) *</i>
	—	\$20,000,000	Aug. 15, 1967	.. \$2,000,000	\$8,000,000
Feb. 15, 1965	.. \$2,000,000	18,000,000	Feb. 15, 1968	.. 2,000,000	6,000,000
Aug. 15, 1965	.. 2,000,000	16,000,000	Aug. 15, 1968	.. 2,000,000	4,000,000
Feb. 15, 1966	.. 2,000,000	14,000,000	Feb. 15, 1969	.. 2,000,000	2,000,000
Aug. 15, 1966	.. 2,000,000	12,000,000	Aug. 15, 1969	.. 2,000,000	—
Feb. 15, 1967	.. 2,000,000	10,000,000			

\* To the extent that any part of the Loan is repayable in a currency other than dollars (see Loan Regulations, Section 3.02), the figures in these columns represent dollar equivalents determined as for purposes of withdrawal.

## 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 . . . . .	½%
More than 5 years but not more than 10 years before maturity . . . . .	1%
More than 10 years before maturity . . . . .	2%

## SCHEDULE 2

## DESCRIPTION OF THE PROJECTS

*PROJECT A**Baudouin Lock*

The Project consists of the completion of this lock and necessary appurtenant works by the end of 1955 to provide a second large connection between the Antwerp dock basin and the River Schelde. When completed the lock will be managed and maintained by the City of Antwerp. It will be 360 meters long between the gates, 45 meters wide and 10.50 meters deep at the sill, enabling it to handle four 10,000 ton vessels simultaneously.

*PROJECT B**Ghent Ring Canal*

The Project consists of the completion by the end of 1958 of the southern and western sections (lying between the Maritime Schelde and the canal from Ghent to Bruges) of a canal by-passing Ghent and of necessary appurtenant works. When completed, these sections will be approximately 16 kilometers long and will be able to accommodate barges up to 2,000 tons. The Project includes the construction of two locks, two dams and 23 road and railroad bridges.

*PROJECT C**Nimy-Blaton-Peronnes Canal*

The Project consists of the completion by the end of 1956 of a new section of this canal from Baudour to Blaton and across the Mont des Groseilliers. When completed, this section will be approximately 14.5 kilometers long, and will be able to accommodate barges up to 1,350 tons. The Project also involves the construction of 17 road and railroad bridges over the canal.

*PROJECT D**Brussels-Charleroi Canal*

The Project consists of the completion by the end of 1957 of the improvement of the section of the canal between Charleroi and Seneffe and necessary appurtenant works.

When this improvement is finished, this section will be approximately 27 kilometers long and will be able to accommodate barges up to 1,350 tons. The Project includes the replacement of a tunnel at Godarville by a deeply excavated open canal, the construction of three locks and of 22 road and railroad bridges.

### PROJECT E

#### *Dam and Lock at Neuville-sous-Huy*

The Project consists of the construction on the Meuse River at Neuville-sous-Huy of a regulating dam and two parallel locks and necessary appurtenant works to be completed by the end of 1957. When completed, the dam will have five gates each about 24 meters wide, and the larger lock will be 136 meters long and 16 meters wide, accommodating barges of at least 1,350 tons.

### SCHEDULE 3

#### MODIFICATIONS OF LOAN REGULATIONS NO. 3<sup>1</sup>

For the purposes of this Agreement the provisions of Loan Regulations No. 3 of the Bank, dated October 15, 1952, shall be deemed to be modified as follows :

(a) *Subparagraph (c) of Section 2.05 shall read as follows:*

“(c) It is the policy of the Bank to encourage the repayment of its loans prior to maturity. Accordingly the Bank will sympathetically consider, in the light of all circumstances then existing, any request of the Borrower to waive the payment of any premium payable under paragraph (b) of this Section on repayment of the Loan (and likewise the payment of any premium payable under Section 6.16 on redemption of Bonds held by the Bank).”

(b) *The first two sentences of Section 3.01 of the Loan Regulations shall be deleted.*

(c) *Section 4.01 shall read as follows:*

“*Withdrawal from the Loan Account.* The Borrower shall be entitled, subject to the provisions of these Regulations, to withdraw from the Loan Account in dollars and such other currencies as shall be agreed upon between the Borrower and the Bank amounts equivalent to 60% of such amounts as shall have been expended by it on the Projects since the date of this Agreement.”

(d) *Sections 4.02, 5.04, and 10.01 (paragraph 12) shall be deleted.*

(e) *Section 4.03 shall read as follows:*

“*Applications for Withdrawal.* 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,

<sup>1</sup> See p. 128 of this volume.



with the necessary documentation as hereinafter in this Article provided, shall, except as the Bank and the Borrower shall otherwise agree, be made promptly in relation to expenditures for the Projects.”

(f) *Subparagraph (g) of Section 5.02 shall read as follows:*

“(g) After the date of the Loan Agreement and prior to the Effective Date any action shall have been taken which would have constituted a violation of any covenant contained in the Loan Agreement relating to the creation of liens as security for debt if the Loan Agreement had been effective on the date such action was taken.”

(g) *The third and fourth sentences of paragraph (i) of Section 7.03 shall be deleted and the following shall be substituted:*

“Each party shall defray its own expenses in the arbitration proceedings. The costs of the Arbitral Tribunal shall be divided and borne equally by the parties. Any question concerning the division of the costs of the Arbitral Tribunal or the procedure for payment of such costs shall be determined by the Arbitral Tribunal.”

(h) *Section 9.01 shall read as follows:*

“The Loan Agreement shall not become effective until :

(a) the Borrower has notified the Bank that (i) the execution and delivery of the Loan Agreement on behalf of the Borrower have been duly authorized or ratified by all necessary governmental action, and (ii) all other events specified in the Loan Agreement as conditions to its effectiveness have occurred;

(b) the Borrower has furnished to the Bank evidence thereof satisfactory to the Bank; and

(c) the Bank has given the notification provided for in Section 9.03 of these Regulations.”

(i) *The term “Project” as defined in Section 10.01 (11) shall refer to the Projects described in Schedule 2 to the Loan Agreement, or to any of them, as the context may require.*

(j) *The following paragraph in Schedule 1 and Schedule 2, respectively, shall be deleted:*

“In certain events provided in said Loan Agreement, the Bank, at its option, may declare the principal of all the Bonds then outstanding (if not already due) to be due and payable immediately, and upon any such declaration such principal shall be due and payable immediately.”

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

LOAN REGULATIONS No. 3, DATED 15 OCTOBER 1952

REGULATIONS APPLICABLE TO LOANS MADE BY THE BANK TO MEMBER GOVERNMENTS.

[Not published herein. See *United Nations, Treaty Series, Vol. 165, p. 252.*]