

No. 4661

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

Guarantee Agreement—*Highway and Port Projects* (with annexed Loan Regulations No. 4 and Loan Agreement between the Bank and the Trust Territory of Ruanda-Urundi). Signed at Washington, on 26 June 1957

Official text: English.

Registered by the International Bank for Reconstruction and Development on 6 February 1959.

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

Contrat de garantie — *Projets de construction d'une route et d'un port* (avec, en annexe, le Règlement n° 4 sur les emprunts et le Contrat d'emprunt entre la Banque et le Territoire sous tutelle du Ruanda-Urundi). Signé à Washington, le 26 juin 1957

Texte officiel anglais.

Enregistré par la Banque internationale pour la reconstruction et le développement le 6 février 1959.

No. 4661. GUARANTEE AGREEMENT¹ (*HIGHWAY AND PORT PROJECTS*) BETWEEN THE KINGDOM OF BELGIUM AND THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT. SIGNED AT WASHINGTON, ON 26 JUNE 1957

AGREEMENT, dated June 26, 1957, 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 Trust Territory of Ruanda-Urundi (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 various currencies equivalent to four million eight hundred thousand dollars (\$4,800,000), on the terms and conditions set forth in the Loan Agreement, but only on condition that the Guarantor agree to guarantee the obligations of the Borrower in respect of such loan as hereinafter provided; and

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

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 Loan Regulations No. 4 of the Bank dated June 15, 1956,³ subject, however, to the modifications thereof set forth in Schedule 3⁴ to the Loan Agreement (said Loan Regulations No. 4 as so modified being hereinafter called the Loan Regulations), with the same force and effect as if they were fully set forth herein.

¹ Came into force on 13 June 1958, upon notification by the Bank to the Government of the Kingdom of Belgium.

² See p. 310 of this volume.

³ See p. 308 of this volume.

⁴ See p. 322 of this volume.

Article II

Section 2.01. Without limitation or restriction upon any of the other covenants on its part in this 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 and other charges 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 Agreement, the Guarantor specifically undertakes, whenever there is reasonable cause to believe that the funds available to the Borrower will be inadequate to meet the estimated expenditures required for carrying out the Projects, to make arrangements, satisfactory to the Bank, promptly to provide the Borrower or cause the Borrower to be provided with such funds 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 of any of its political subdivisions or of any agency of the Guarantor 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 3.02. (a) The Guarantor and the Bank shall cooperate 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 Guarantor, such information shall 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. The Guarantor 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 Guarantor shall afford all reasonable opportunity for accredited representatives of the Bank to visit any part of the territories of the Guarantor for purposes related to the Loan.

Section 3.03. 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 Guarantor 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 Guarantor.

Section 3.04. This Agreement, the Loan Agreement and the Bonds shall be free from any taxes or fees that shall be imposed under the laws of the Guarantor or laws in effect in its territories on or in connection with the execution, issue, delivery or registration thereof.

Section 3.05. 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 Guarantor or laws in effect in its territories.

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

Alternative address for cablegrams and radiograms :

Ministère Finances
Brussels

For the Bank :

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

Alternative address for cablegrams and radiograms :

Intbafrad
Washington, D. C.

Section 5.02. The Minister of Finance of the Guarantor is designated for the purposes of Section 8.03 (*b*) of the Loan Regulations.

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 SILVERCRUYS
Authorized Representative

International Bank for Reconstruction and Development :
By J. Burke KNAPP
Vice President

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

LOAN REGULATIONS No. 4, DATED 15 JUNE 1956

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

[*Not published herein. See United Nations, Treaty Series, Vol. 260, p. 376.*]

LOAN AGREEMENT (*HIGHWAY AND PORT PROJECTS*)

AGREEMENT, dated June 26, 1957, between INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (hereinafter called the Bank) and THE TRUST TERRITORY OF RUANDA-URUNDI (hereinafter called the Borrower).

Article I

LOAN REGULATIONS

Section 1.01. The parties to this Loan Agreement accept all the provisions of Loan Regulations No. 4 of the Bank dated June 15, 1956,¹ subject, however, to the modifications thereof set forth in Schedule 3² to this Agreement (said Loan Regulations No. 4 as so modified being hereinafter called the Loan Regulations), with the same force and effect as if they were fully set forth herein.

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 four million eight hundred thousand dollars (\$4,800,000).

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, 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-fourths 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. Such commitment charge shall accrue from a date sixty days after the date of this Agreement to the respective dates on which amounts shall be withdrawn by the Borrower from the Loan Account as provided in Article IV of the Loan Regulations or shall be cancelled pursuant to Article V of the Loan Regulations.

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

Section 2.05. Interest and other charges shall be payable semi-annually on January 15 and July 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 1³ to this Agreement.

¹ See p. 308 of this volume.

² See p. 322 of this volume.

³ See p. 318 of this volume.

Article III

USE OF PROCEEDS OF THE LOAN

Section 3.01. The Borrower shall cause the equivalent of the proceeds of the Loan to be applied to expenditures on the Projects after the date of this Agreement.

Article IV

BONDS

Section 4.01. The Borrower shall execute and deliver Bonds representing the principal amount of the Loan as provided in the Loan Regulations.

Section 4.02. 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 V

PARTICULAR COVENANTS

Section 5.01. (a) The Borrower shall cause the Projects to be carried out with due diligence and efficiency and in conformity with sound engineering and financial 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, in such detail as the Bank shall from time to time request.

(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.

Section 5.02. (a) The Borrower and the Bank shall cooperate 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 the financial and economic 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 5.03. 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 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.

The term "assets of the Borrower" as used in this Section includes assets of the Borrower or of any of its political subdivisions or of any agency of the Borrower or of any such political subdivision, including assets of a separate central bank if hereafter created.

Section 5.04. 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 5.05. 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 5.06. 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 VI

REMEDIES OF THE BANK

Section 6.01. (i) If any event specified in paragraph (a) or paragraph (b) of Section 5.02 of the Loan Regulations shall occur and shall continue for a period of thirty days, or (ii) if any event specified in paragraph (c) of Section 5.02 of the Loan Regulations

shall occur and shall continue 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.

Article VII

EFFECTIVE DATE; TERMINATION

Section 7.01. 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 : that the General Council of Ruanda-Urundi shall have passed a resolution expressing its approval of the Loan.

Section 7.02. 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 VIII

MISCELLANEOUS

Section 8.01. The Closing Date shall be December 31, 1960.

Section 8.02. The following addresses are specified for the purposes of Section 8.01 of the Loan Regulations :

For the Borrower :

Ministère des Colonies
7 Place Royale
Bruxelles, Belgium

Alternative address for cablegrams and radiograms :

Afrique
Brussels

For the Bank :

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

Alternative address for cablegrams and radiograms :

Intbafrad
Washington, D. C.

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

International Bank for Reconstruction and Development :

By J. Burke KNAPP
Vice President

The Trust Territory of Ruanda-Urundi :

By Baron DHANIS
Authorized Representative

SCHEDULE 1

AMORTIZATION SCHEDULE

<i>Date Payment Due</i>	<i>Payment of Principal (expressed in dollars)*</i>	<i>Date Payment Due</i>	<i>Payment of Principal (expressed in dollars)*</i>
July 15, 1960	—	July 15, 1969	\$138,000
January 15, 1961	\$ 86,000	January 15, 1970	142,000
July 15, 1961	89,000	July 15, 1970	146,000
January 15, 1962	91,000	January 15, 1971	150,000
July 15, 1962	93,000	July 15, 1971	154,000
January 15, 1963	96,000	January 15, 1972	159,000
July 15, 1963	99,000	July 15, 1972	163,000
January 15, 1964	102,000	January 15, 1973	167,000
July 15, 1964	105,000	July 15, 1973	172,000
January 15, 1965	107,000	January 15, 1974	177,000
July 15, 1965	111,000	July 15, 1974	182,000
January 15, 1966	114,000	January 15, 1975	187,000
July 15, 1966	117,000	July 15, 1975	193,000
January 15, 1967	120,000	January 15, 1976	198,000
July 15, 1967	123,000	July 15, 1976	203,000
January 15, 1968	127,000	January 15, 1977	209,000
July 15, 1968	131,000	July 15, 1977	215,000
January 15, 1969	134,000		
			TOTAL \$4,800,000

* 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 this column 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 3 years before maturity	1½%
More than 3 years but not more than 6 years before maturity	1½%
More than 6 years but not more than 11 years before maturity	2½%
More than 11 years but not more than 16 years before maturity	3½%
More than 16 years but not more than 18 years before maturity	4½%
More than 18 years before maturity	5 ⁵ / ₈ %

SCHEDULE 2

DESCRIPTION OF PROJECTS

The Projects are :

- A. The construction of a new port at Usumbura; and
- B. The construction of a new highway from Usumbura to the central plateau.

A. *The Port Project*

About 450 meters of quay walls will be constructed in two sections around an interior basin, the entrance to which will be protected by breakwaters.

The quay walls will be a retaining wall construction, and the minimum depth in the basin will be about 18 feet.

Two breakwaters will be constructed at the entrance to the port : the northern breakwater will be about 265 meters long; the southern breakwater will be about 255 meters long, including the existing concrete pier which will be incorporated in a fill structure.

Berthing facilities for tankers will be provided in the entrance basin.

The completion of the Project will take about 30 months.

B. *The Highway Project*

The project consists of the construction of a two-lane, all weather highway, from Usumbura to the central plateau where it will join the existing Usumbura-Kigali road. The highway will be about 40 km. long. Wherever possible, the minimum width of the asphalt pavement will be 6 meters and the minimum width of the embankment will be 9 meters, with the exception of those stretches where the application of these minimum standards would be disproportionate to the overall cost of the road, in which case the width of the pavement might be reduced to 5.50 meters and the width of the embankment to 8.50 meters.

The completion of the Project will take about 30 months.

SCHEDULE 3

MODIFICATIONS OF LOAN REGULATIONS No. 4

For the purposes of this Agreement the provisions of Loan Regulations No. 4 of the Bank, dated June 15, 1956, shall be deemed to be modified as follows :

(a) Section 2.02 shall be deleted.

(b) 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 between the Bank and the Borrower amounts equivalent to 80% of such amounts as shall have been expended by it on the Projects since the date of this Agreement.”

(c) Sections 4.02 and 5.04 shall be deleted.

(d) 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, 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.”

(e) Subparagraphs (e) and (f) of Section 5.02 shall be deleted.

(f) A new Section 8.03 (a) shall 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.”

Section 8.03 is renumbered Section 8.03 (b).

(g) The term "Project" as defined in Section 10.01 (12) shall refer to the Projects described in Schedule 2 to the Loan Agreement, or to any of them, as the context may require.

(h) Section 10.01 (13) shall be deleted.

(i) Section 10.01 (14) shall read as follows :

"The term 'external debt' means any debt payable in any medium other than currency of the Borrower, whether such debt is payable absolutely or at the option of the creditor in such other medium."

LETTERS RELATING TO THE LOAN AGREEMENT

MINISTÈRE DES COLONIES¹
BELGIAN CONGO

N° DT51/C.117/9.011.

Bruxelles, le 1^{er} juin 1957²

International Bank for Reconstruction
and Development
1818 H Street, N.W.
Washington 25, D. C.
U.S.A.

Gentlemen,

In connection with the Loan Agreement of even date herewith between the International Bank for Reconstruction and Development and the Trust Territory of Ruanda-Urundi (*Highway and Port Projects*), I am writing on behalf of the Belgian Congo to summarize and reaffirm the following.

There is in existence a Convention of March 21, 1932 between ourselves and the Compagnie des Chemins de Fer du Congo Supérieur aux Grands Lacs Africains (the Company). Pursuant to that Convention, the Company has agreed to be responsible for the maintenance of the infrastructure of the Port of Usumbura and for the provision and maintenance of the superstructure needed for the operation and expansion of the same.

We hereby undertake to cause the Company to provide and maintain the superstructure of the Port of Usumbura and to maintain its infrastructure with due diligence and efficiency and in conformity with sound engineering practices.

Very truly yours,

The Belgian Congo :
By The Minister,
A. BUISSERET

¹ Ministry of the Colonies.

² Brussels, 1 June 1957.

MINISTÈRE DES COLONIES¹
TRUST TERRITORY OF RUANDA-URUNDI

N° DT51/C.117/9.012

Bruxelles, le 1^{er} juin 1957²

International Bank for Reconstruction
and Development
1818 H Street, N.W.
Washington 25, D. C.
U.S.A.

Gentlemen,

In connection with the Loan Agreement of even date herewith between the International Bank for Reconstruction and Development and the Trust Territory of Ruanda-Urundi (*Highway and Port Projects*), I am writing on behalf of the Trust Territory of Ruanda-Urundi to summarize and reaffirm the following.

There is in existence a Convention of March 21, 1932 between ourselves and the Compagnie des Chemins de Fer du Congo Supérieur aux Grands Lacs Africains (the Company). Pursuant to that Convention, the Company has agreed to be responsible for the maintenance of the infrastructure of the Port of Usumbura and for the provision and maintenance of the superstructure needed for the operation and expansion of the same.

We hereby undertake to cause the Company to provide and maintain the superstructure of the Port of Usumbura and to maintain its infrastructure with due diligence and efficiency and in conformity with sound engineering practices.

Very truly yours,

The Trust Territory of Ruanda-Urundi .

By The Minister,
A. BUISSERET

¹ Ministry of the Colonies.

² Brussels, 1 June 1957.