

No. 5439

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

**Guarantee Agreement—OTRACO Project (with annexed Loan Regulations No. 4, Guarantee Agreement between the Bank and the Belgian Congo and Loan Agreement between the Bank and Office d'exploitation des transports coloniaux). Signed at Washington, on 30 March 1960**

*Official text : English.*

*Registered by the International Bank for Reconstruction and Development on 7 November 1960.*

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

**Contrat de garantie — Projet de l'OTRACO (avec, en annexe, le Règlement n° 4 sur les emprunts, le Contrat de garantie entre la Banque et le Congo belge et le Contrat d'emprunt entre la Banque et l'Office d'exploitation des transports coloniaux). Signé à Washington, le 30 mars 1960**

*Texte officiel anglais.*

*Enregistré par la Banque internationale pour la reconstruction et le développement le 7 novembre 1960.*

No. 5439. GUARANTEE AGREEMENT<sup>1</sup> (*OTRACO PROJECT*)  
BETWEEN THE KINGDOM OF BELGIUM AND THE  
INTERNATIONAL BANK FOR RECONSTRUCTION AND  
DEVELOPMENT. SIGNED AT WASHINGTON, ON  
30 MARCH 1960

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AGREEMENT, dated March 30, 1960, 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 Office d'Exploitation des Transports Coloniaux (hereinafter called the Borrower), which agreement and the schedules therein referred to are hereinafter called the Loan Agreement,<sup>2</sup> the Bank has agreed to make to the Borrower a loan in various currencies equivalent to five million dollars (\$5,000,000), 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 that The Belgian Congo agree to guarantee such loan as provided in the Belgian Congo Guarantee Agreement ;<sup>3</sup>

WHEREAS The Belgian Congo, in consideration of the Bank's entering into the Loan Agreement with the Borrower, has agreed to guarantee such loan as provided in the Belgian Congo Guarantee Agreement ; and

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

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,<sup>3</sup> subject, however, to the modifications thereof set forth in Schedule 3<sup>4</sup> 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.

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<sup>1</sup> Came into force on 10 June 1960, upon notification by the Bank to the Government of Belgium.

<sup>2</sup> See p. 176 of this volume.

<sup>3</sup> See p. 170 of this volume.

<sup>4</sup> See p. 188 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 Project, or that The Belgian Congo will not have sufficient funds to carry out its obligations in accordance with the Belgian Congo Guarantee Agreement, to make arrangements, satisfactory to the Bank, promptly to provide or cause to be provided to the Borrower or to The Belgian Congo (as the case may be) such funds as are needed for the purpose.

## 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 ; or (ii) any lien arising in the ordinary course of banking transactions and securing a debt maturing not more than one year after its date.

For the purposes of this Section, the term "external debt" means any debt payable in any medium other than currency of the Kingdom of Belgium, whether such debt is or may become payable absolutely or at the option of the creditor in such other medium.

*Section 3.02.* (a) The Guarantor 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 Guarantor, such infor-

mation 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 Belgian Congo Guarantee 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 (a) 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 Louis SCHEYVEN  
Authorized Representative

International Bank for Reconstruction and Development :

By Eugene R. BLACK  
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.*]

## GUARANTEE AGREEMENT (OTRACO PROJECT)

AGREEMENT, dated March 30, 1960, between THE BELGIAN CONGO (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 Office d'Exploitation des Transports Coloniaux (hereinafter called the Borrower), which agreement and the schedules therein referred to are hereinafter called the Loan Agreement,<sup>1</sup> the Bank has agreed to make to the Borrower a loan in various currencies equivalent to five million dollars (\$5,000,000), 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 that the Kingdom of Belgium agree to guarantee such loan as provided in the Kingdom of Belgium Guarantee Agreement ;<sup>2</sup>

WHEREAS the Kingdom of Belgium, in consideration of the Bank's entering into the Loan Agreement with the Borrower, has agreed to guarantee such loan as provided in the Kingdom of Belgium Guarantee Agreement ; and

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

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,<sup>3</sup> subject, however, to the modifications thereof set forth in Schedule 3<sup>4</sup> 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.

*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

<sup>1</sup> See p. 176 of this volume.

<sup>2</sup> See p. 162 of this volume.

<sup>3</sup> See p. 168 of this volume.

<sup>4</sup> See p. 188 of this volume.

estimated expenditures required for carrying out the Project, 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 Centrale du Congo Belge et du Ruanda-Urundi or of any other institution acting as central bank of the Guarantor, 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; or (ii) any lien arising in the ordinary course of banking transactions and securing a debt maturing not more than one year after its date.

For purposes of this Section, the term "external debt" means any debt payable in any medium other than currency of The Belgian Congo, whether such debt is or may become payable absolutely or at the option of the creditor in such other medium.

*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 Kingdom of Belgium Guarantee 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 for the Belgian Congo and Ruanda-Urundi 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 du Congo Belge et du Ruanda-Urundi  
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.

*Section 5.02.* The Minister for the Belgian Congo and Ruanda-Urundi is designated for the purposes of Section 8.03 (b) of the Loan Regulations.

*Section 5.03.* In this Agreement any reference to the Minister for the Belgian Congo and Ruanda-Urundi shall include a reference to any Minister of Belgium for the time being acting for or on behalf of the Minister for the Belgian Congo and Ruanda-Urundi.

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.

The Belgian Congo  
By Baron DHANIS  
Authorized Representative

International Bank for Reconstruction and Development :  
By Eugene R. BLACK  
President



## LOAN AGREEMENT (OTRACO PROJECT)

AGREEMENT, dated March 30, 1960, between INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (hereinafter called the Bank) and OFFICE D'EXPLOITATION DES TRANSPORTS COLONIAUX (hereinafter called the Borrower), an *établissement public* created and existing under the laws of the Kingdom of Belgium.

*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,<sup>1</sup> subject, however, to the modifications thereof set forth in Schedule 3<sup>2</sup> 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 five million dollars (\$5,000,000).

*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, 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 six per cent (6%) 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 April 1 and October 1 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 1<sup>3</sup> to this Agreement.

<sup>1</sup> See p. 168 of this volume.

<sup>2</sup> See p. 188 of this volume.

<sup>3</sup> See p. 186 of this volume.

*Article III*

## USE OF PROCEEDS OF THE LOAN

*Section 3.01.* The Borrower shall apply the proceeds of the Loan exclusively to financing the cost of goods required to carry out the Project described in Schedule 2<sup>1</sup> to this Agreement. The specific goods to be financed out of the proceeds of the Loan shall be determined by agreement between the Bank and the Borrower, subject to modification by further agreement between them, and the methods and procedures for procurement of such goods shall be satisfactory to the Bank.

*Section 3.02.* The Borrower shall cause all goods financed out of the proceeds of the Loan to be imported into the territories of The Belgian Congo and there to be used exclusively in the carrying out of the Project.

*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.* Any two *administrateurs* of the Borrower acting jointly and such person or persons as they shall jointly 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 carry out the Project with due diligence and efficiency and in conformity with sound engineering and financial practices.

(b) The Borrower shall furnish to the Bank, promptly upon their preparation, the plans and specifications for the Project and any material modifications subsequently made therein, in such detail as the Bank shall from time to time request.

(c) The Borrower shall maintain records adequate to identify the goods financed out of the proceeds of the Loan, to disclose the use thereof in the Project, to record the progress of the Project (including the cost thereof) and to reflect in accordance with consistently maintained sound accounting practices the operations and financial condition of the Borrower; shall enable the Bank's representatives to inspect the Project, the goods, all facilities operated by the Borrower in The Belgian Congo, 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, the Project, the goods, all facilities operated by the Borrower in The Belgian Congo, and the operations and financial condition of the Borrower.

<sup>1</sup> See p. 186 of this volume.

*Section 5.02.* (a) The Bank and the Borrower 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.

(b) The Bank and the Borrower 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.

*Section 5.03.* The Borrower undertakes that, except as the Bank shall otherwise agree : (a) if the Borrower shall create any lien on any of its assets as security for any debt, such lien will 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 ; and (b) if any lien shall be created, other than by the Borrower, on any assets of the Borrower as security for any debt, the Borrower shall forthwith grant to the Bank an equivalent lien satisfactory to the Bank. 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 ; or (ii) any lien arising in the ordinary course of banking transactions and securing a debt maturing not more than one year after its date.

*Section 5.04.* The Borrower shall pay or cause to be paid all taxes or fees, if any, imposed under the laws of either of the Guarantors or laws in effect in the territories of either of the Guarantors on or in connection with the execution, issue, delivery or registration of this Agreement, either of the Guarantee Agreements or the Bonds, or the payment of principal, interest or other charges thereunder ; provided, however, that the provisions of this Section shall not apply to taxation imposed (a) under the laws in effect in the Kingdom of Belgium, on or in connection with 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 Kingdom of Belgium or (b) under the laws in effect in The Belgian Congo, on or in connection with 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 Belgian Congo.

*Section 5.05.* The Borrower shall pay or cause to be paid all 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 on or in connection with the execution, issue, delivery or registration of this Agreement, either of the Guarantee Agreements<sup>1</sup> or the Bonds.

*Section 5.06.* The Borrower undertakes that all plant, equipment and other property owned or operated by it shall be operated and maintained, and that all necessary renewals and repairs thereof shall from time to time be made, all in accordance with sound engineering standards ; and that it will at all times carry on its operations and maintain its financial position in accordance with sound business, financial and public utility practices.

<sup>1</sup> See pp. 162 and 170 of this volume.

*Section 5.07.* Except as shall be otherwise agreed between the Bank and the Borrower, the Borrower shall insure or cause to be insured with responsible insurers all goods financed out of the proceeds of the Loan. Such insurance shall cover such marine, transit and other hazards incident to the purchase and importation of the goods into the territories of The Belgian Congo and to delivery thereof to the site of their use in the Project, and shall be for such amounts, as shall be consistent with sound commercial practice. Such insurance shall be payable in dollars or in the currency in which the cost of the goods insured thereunder shall be payable.

#### Article VI

##### REMEDIES OF THE BANK

*Section 6.01.* (i) If any event specified in paragraph (a), paragraph (b), paragraph (e) or paragraph (f) 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 events are specified as additional conditions to the effectiveness of this Agreement within the meaning of Section 9.01 (a) (ii) and Section 9.01 (b) (ii) of the Loan Regulations :

- (a) that all necessary action respecting the Loan shall have been taken under Article 15 of the law of 12th July 1952 of the Kingdom of Belgium (organic law of the Borrower), as amended, and the Borrower shall have notified the Bank to that effect ;
- (b) that the guarantee by The Belgian Congo of the Loan shall have been duly authorized by a law satisfying the requirements of Article 14 of the law of 18th October 1908 of the Kingdom of Belgium (relating to the government of The Belgian Congo), as amended, such law shall have come validly into effect, and The Belgian Congo shall have notified the Bank to that effect.

*Section 7.02.* The following are specified as additional matters, within the meaning of Section 9.02 (e) of the Loan Regulations, to be included in the opinion or opinions to be furnished to the Bank :

- (a) that the Borrower is a validly existing *établissement public* under the laws of the Kingdom of Belgium with full power and authority to carry out the Project and that all acts, consents, validations and approvals necessary therefor have been duly and validly performed or given ;
- (b) that all necessary action respecting the Loan has been duly and validly taken under Article 15 of the law of 12th July 1952 of the Kingdom of Belgium, as amended ;

- (c) that the guarantee by The Belgian Congo of the Loan has been duly authorized by a law satisfying the requirements of Article 14 of the law of 18th October 1908 of the Kingdom of Belgium, as amended, and such law has come validly into effect.

*Section 7.03.* 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 March 31, 1961.

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

For the Borrower :

Office d'Exploitation des Transports Coloniaux  
101 avenue Louise  
Bruxelles, Belgium

Alternative address for cablegrams and radiograms :

Otracobru  
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 Eugene R. BLACK  
President

Office d'Exploitation des Transports Coloniaux :

By W. VAN CAUWENBERG  
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>
April 1, 1962 . . . . .	\$ 230,000	October 1, 1966 . . . . .	\$ 300,000
October 1, 1962 . . . . .	237,000	April 1, 1967 . . . . .	309,000
April 1, 1963 . . . . .	244,000	October 1, 1967 . . . . .	318,000
October 1, 1963 . . . . .	251,000	April 1, 1968 . . . . .	328,000
April 1, 1964 . . . . .	259,000	October 1, 1968 . . . . .	337,000
October 1, 1964 . . . . .	266,000	April 1, 1969 . . . . .	347,000
April 1, 1965 . . . . .	274,000	October 1, 1969 . . . . .	358,000
October 1, 1965 . . . . .	282,000	April 1, 1970 . . . . .	369,000
April 1, 1966 . . . . .	291,000		

\* 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 2 years before maturity . . . . .	½ %
More than 2 years but not more than 4 years before maturity . . . . .	2 %
More than 4 years but not more than 6 years before maturity . . . . .	3 ½ %
More than 6 years but not more than 8 years before maturity . . . . .	5 %
More than 8 years before maturity . . . . .	6 %

## SCHEDULE 2

## DESCRIPTION OF PROJECT

The Project consists of the improvement and expansion of the transport and other facilities owned or operated by the Borrower, as provided for in its program of new investment for the years 1959 and 1960. The Project is estimated to cost the equivalent of about \$20 million and includes the following :

*Inland Waterways and River Ports*

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

Purchase of cranes, cargo handling, communications and other equipment for river ports, yards and workshops.

Construction, improvement and expansion of port areas, warehouses, sheds, yards, workshops, office buildings and housing and staff amenities at river ports.

*Matadi-Leopoldville Railroad*

Purchase of motive power and rolling stock, and of communications and other equipment for stations, yards and workshops.

Construction, improvement and expansion of track, yards, stations, workshops and housing and staff amenities.

*Port of Matadi*

Purchase of cranes, cargo handling and other equipment, and improvement and expansion of warehouses, yards and the port area.

*Mayumbe Services*

Construction, improvement and purchase of river craft and rolling stock, and purchase and improvement of equipment for ports, stations, yards and workshops.

Construction, improvement and expansion of track, workshops, stations, yards, port areas, office buildings and housing and staff amenities.

*Kivu Services*

Construction, assembly, improvement and purchase of barges.

Purchase of cargo handling and other equipment for workshops and yards.

Construction, improvement and expansion of port areas, yards, warehouses, sheds and housing and staff amenities.

## 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) By the deletion of the words "Guarantor" and "Guarantee Agreement" wherever the same occur and are not deleted under some other paragraph of this Schedule 3, and the substitution therefor respectively of the words "Guarantors" and "Guarantee Agreements". Wherever the context shall require there shall be made all such grammatical changes as shall be consequential upon the aforesaid deletions and substitutions.

(b) By the deletion of Section 2.02.

(c) By the deletion of the second sentence of Section 4.01 and the substitution therefor of the following :

"Except as shall be otherwise agreed between the Bank and the Borrower, no withdrawals shall be made on account of (a) expenditures prior to January 1, 1959 or (b) expenditures in the currency of The Belgian Congo or for goods produced in (including services supplied from) the territories of The Belgian Congo or (c) expenditures in the territories of any country (other than Switzerland) which is not a member of the Bank or for goods produced in (including services supplied from) such territories."

(d) By the deletion of subparagraphs (b), (c), (d), (e), (f), (g), (h) and (i) of Section 5.02 and the substitution therefor respectively of the following subparagraphs :

"(b) A default shall have occurred in the payment of principal or interest or any other payment required under any other loan agreement between the Bank and the Borrower or under any loan agreement or under any guarantee agreement between the Kingdom of Belgium and the Bank or under any loan agreement or under any guarantee agreement between the Bank and The Belgian Congo.

"(c) A default shall have occurred in the performance of any other covenant or agreement on the part of the Borrower or either of the Guarantors under the Loan Agreement, the Guarantee Agreements or the Bonds.

"(d) An extraordinary situation shall have arisen which shall make it improbable that the Borrower or either of the Guarantors will be able to perform its respective obligations under the Loan Agreement or the Guarantee Agreements, or there shall have occurred any such change in the nature and constitution of the Borrower or The Belgian Congo as shall make it improbable that the Borrower or The Belgian Congo will be able to carry out their respective obligations under the Loan Agreement or the Belgian Congo Guarantee Agreement.

"(e) There shall have been taken, without the prior consent of the Bank, any action or proceeding whereby any substantial part of the undertaking of the Borrower shall or may be assigned or in any manner transferred or delivered to any other person, or whereby any property of the Borrower shall or may be distributed among its creditors.

"(f) Any action for the dissolution or disestablishment of the Borrower or for the suspension of its operations, or a substantial part thereof, shall have been taken.

"(g) The Kingdom of Belgium shall have been suspended from membership in or ceased to be a member of the Bank.

"(h) The Kingdom of Belgium shall have ceased to be a member of the International Monetary Fund or shall have become ineligible to use the resources of said Fund under Section 6 of Article IV of the Articles of Agreement<sup>1</sup> of said Fund or shall have been declared ineligible to use said resources under Section 5 of Article V, Section 1 of Article VI or Section 2 (a) of Article XV of the Articles of Agreement of said Fund.

"(i) 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 or in either of the Guarantee Agreements relating to the creation of liens as security for debt if the Loan Agreement and Guarantee Agreements had been effective on the date such action was taken."

(e) By the deletion of the fifth sentence of Section 6.07 and the substitution therefor of the following :

"All Bonds shall have the separate guarantee of each of the Guarantors endorsed thereon substantially in the form set forth in Schedule 3 to these Regulations."

<sup>1</sup> United Nations, *Treaty Series*, Vol. 2, p. 40 ; Vol. 19, p. 280 ; Vol. 141, p. 355 ; Vol. 199, p. 308 ; Vol. 260, p. 432 ; Vol. 287, p. 260 ; Vol. 303, p. 284, and Vol. 316, p. 269.



(f) By the deletion of Section 6.12 (b) and the substitution therefor of the following :

“(b) The guarantees on the Bonds shall be signed in the name and on behalf of the Kingdom of Belgium and of The Belgian Congo, respectively, by their respective authorized representative or representatives designated in the Guarantee Agreements for the purposes of this Section. The signature of any such representative may be a facsimile signature if the relative guarantee is also countersigned manually by an authorized representative of the Guarantor concerned. If any authorized representative of either of the Guarantors whose manual or facsimile signature shall be affixed to any such guarantee shall cease to be such authorized representative, the Bond on which such guarantee is endorsed may nevertheless be delivered under the Loan Agreement and such guarantee shall be valid and binding on the Guarantor concerned as though the person whose manual or facsimile signature shall have been affixed to such guarantee had not ceased to be such authorized representative.”

(g) By the deletion of Section 7.02 and the substitution therefor of the following :

“SECTION 7.02. *Obligations of Guarantors.* The obligations of the Kingdom of Belgium under the Kingdom of Belgium Guarantee Agreement and of The Belgian Congo under the Belgian Congo Guarantee Agreement shall be independent of one another and shall not be discharged except by performance and then only to the extent of such performance. The obligations of each of the Guarantors shall not be subject to any prior notice to, demand upon or action against the Borrower or the other of the Guarantors or to any prior notice to or demand upon either of the Guarantors with regard to any default by the other Guarantor or by the Borrower, and shall not be impaired by any of the following : any extension of time, forbearance or concession given to the other of the Guarantors or to the Borrower ; any assertion of, or failure to assert, or delay in asserting, any right, power or remedy against the other of the Guarantors or the Borrower or in respect of any security for the Loan ; any modification or amplification of the provisions of the Loan Agreement or either of the Guarantee Agreements contemplated by the terms thereof respectively ; any failure of the Borrower to comply with any requirement of any law, regulation or order of the Kingdom of Belgium or of The Belgian Congo or of any political subdivision or agency of either of them.”

(h) By the deletion of the first sentence of subsection (c) of Section 7.04 and the substitution therefor of the following :

“The Arbitral Tribunal shall consist of three arbitrators appointed as follows : one arbitrator shall be appointed by the Bank ; a second arbitrator shall be appointed by the Borrower, The Belgian Congo and the Kingdom of Belgium or, if they shall not agree, by the Kingdom of Belgium ; and the third arbitrator (hereinafter sometimes called the Umpire) shall be appointed by agreement of the parties or, if they shall not agree, by the President of the International Court of Justice or, failing appointment by him, by the Secretary-General of the United Nations.”

(i) By the deletion of Section 8.03 and the substitution therefor of the following :

“SECTION 8.03. *Action on Behalf of Guarantors.* (a) Any action required or permitted to be taken, and any documents required or permitted to be executed, under the Kingdom of Belgium Guarantee Agreement on behalf of the Kingdom of Belgium may be taken or executed by the representative of the Kingdom of Belgium

designated in the Kingdom of Belgium Guarantee 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 Kingdom of Belgium Guarantee Agreement may be agreed to on behalf of the Kingdom of Belgium by written instrument executed on behalf of the Kingdom of Belgium 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 Kingdom of Belgium under the Kingdom of Belgium Guarantee 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 Kingdom of Belgium Guarantee Agreement effected by such instrument is reasonable in the circumstances and will not substantially increase the obligations of the Kingdom of Belgium thereunder.

“(b) Any action required or permitted to be taken, and any documents required or permitted to be executed, under the Belgian Congo Guarantee Agreement on behalf of The Belgian Congo may be taken or executed by the representative of The Belgian Congo designated in the Belgian Congo Guarantee 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 Belgian Congo Guarantee Agreement may be agreed to on behalf of The Belgian Congo by written instrument executed on behalf of The Belgian Congo 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 Belgian Congo under the Belgian Congo Guarantee 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 Belgian Congo Guarantee Agreement effected by such instrument is reasonable in the circumstances and will not substantially increase the obligations of The Belgian Congo thereunder.”

(j) By the deletion of subparagraph (d) of Section 9.02 and the substitution therefor of the following :

“(d) that the guarantees on the Bonds when executed and delivered in accordance with the Guarantee Agreements will constitute valid and binding obligations of the Guarantors respectively in accordance with the terms of the Guarantee Agreements and that, except as stated in such opinion, no signatures or formalities other than those provided for in the Guarantee Agreements are required for that purpose ; and”

(k) By the deletion of Section 9.03 and the substitution therefor of the following :

“SECTION 9.03. *Effective Date.* Notwithstanding the provisions of Section 8.01, except as shall be otherwise agreed by the Bank and the Borrower, the Loan Agreement and Guarantee Agreements shall come into force and effect on the date upon

which the Bank dispatches to the Borrower and the Guarantors notice of its acceptance of the evidence required by Section 9.01."

(l) By the deletion of paragraph 5 of Section 10.01 and the substitution therefor of the following :

"5. The term 'Kingdom of Belgium Guarantee Agreement' means the agreement between the Kingdom of Belgium and the Bank providing for the guarantee of the Loan.

"The term 'Belgian Congo Guarantee Agreement' means the agreement between The Belgian Congo and the Bank providing for the guarantee of the Loan.

"The term 'Guarantee Agreements' means the Kingdom of Belgium Guarantee Agreement and the Belgian Congo Guarantee Agreement and includes either or both of such agreements as the context may require and includes all agreements supplemental, and all schedules, thereto respectively."

(m) By the deletion of paragraph 6 of Section 10.01 and the substitution therefor of the following :

"6. The term 'Borrower' means the party to the Loan Agreement to which the Loan is made ; and the term 'Guarantors' means the Kingdom of Belgium and The Belgian Congo and includes either one or both of them as the context may require."

(n) By the deletion of the second sentence of paragraph 8, and paragraph 14, of Section 10.01.

(o) By the deletion of the word "Guarantor" in the second sentence of paragraph 13 of Section 10.01 and the substitution therefor of the words "The Belgian Congo".

(p) By the deletion of the first sentence of the second paragraph of each of the Forms of Bond set forth in Schedule 1 and Schedule 2 and the substitution therefor in each case of the following new sentence :

"This Bond is one of an authorized issue of bonds in various currencies equivalent to an aggregate principal amount of \$ \_\_\_\_\_, known as the Guaranteed Serial Bonds of [the Borrower] (hereinafter called the Bonds), issued or to be issued under a Loan Agreement dated \_\_\_\_\_ between [the Borrower] and International Bank for Reconstruction and Development (hereinafter called the Bank) and guaranteed (i) by the Kingdom of Belgium in accordance with the terms of a Guarantee Agreement dated \_\_\_\_\_ between the Kingdom of Belgium and the Bank, and (ii) by The Belgian Congo in accordance with the terms of a Guarantee Agreement dated \_\_\_\_\_ between The Belgian Congo and the Bank".

(q) By the deletion of the eighth paragraph of the Form of Bond set forth in Schedule 1 and the seventh paragraph of the Form of Bond set forth in Schedule 2 and the substitution therefor, in each such Schedule, of the following new paragraph :

"The principal of the Bonds, the interest accruing thereon and the premium, if any, on the redemption thereof shall be paid without deduction for and free from any taxes, imposts, levies or duties of any nature or any restrictions now or at any time hereafter imposed under the laws of the Kingdom of Belgium or of The Belgian Congo, or laws in effect in their respective territories ; *provided, however, that the*

*provisions of this paragraph shall not apply to taxation imposed (a) under the laws in effect in the Kingdom of Belgium, on or in connection with 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 Kingdom of Belgium or (b) under the laws in effect in The Belgian Congo, on or in connection with 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 Belgian Congo."*

(r) By the deletion of the Form of Guarantee set forth in Schedule 3 and the substitution therefor of the following Form of Guarantee :

"[Name of guarantor], for value received, as a primary obligor and not as surety merely, hereby absolutely, unconditionally and independently of any other guarantee on this Bond, guarantees, and pledges its full faith and credit for, the due and punctual payment of the principal and premium on redemption of the within Bond and the interest thereon, free from taxes and restrictions as therein provided, prior notice to, demand upon or action against the obligor on said Bond or any other guarantor on this Bond or the undersigned being waived.

[Name of guarantor]

By .....

*Authorized Representative*

"Dated ....."