

No. 5980

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

Loan Agreement—*Roseires Irrigation Project* (with annexed Loan Regulations No. 3). Signed at Washington, on 14 June 1961

Official text: English.

Registered by the International Bank for Reconstruction and Development on 28 November 1961.

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

Contrat d'emprunt — *Projet d'irrigation de Roseires* (avec, en annexe, le Règlement n° 3 sur les emprunts). Signé à Washington, le 14 juin 1961

Texte officiel anglais.

Enregistré par la Banque internationale pour la reconstruction et le développement le 28 novembre 1961.

No. 5980. LOAN AGREEMENT¹ (*ROSEIRES IRRIGATION PROJECT*) BETWEEN THE REPUBLIC OF THE SUDAN AND THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT. SIGNED AT WASHINGTON, ON 14 JUNE 1961

AGREEMENT, dated June 14, 1961, between THE REPUBLIC OF THE SUDAN (hereinafter called the Borrower) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (hereinafter called the Bank).

WHEREAS (A) the Borrower has requested the Bank to make a loan to it in an aggregate principal amount equivalent to \$19,500,000 to assist the Borrower in financing the construction of the Roseires Dam, forming a part of the Roseires Irrigation Project ;

(B) the Borrower has also requested the International Development Association (hereinafter called the Association) and Kreditanstalt für Wiederaufbau, a corporation under public law of the Federal Republic of Germany (hereinafter called Kreditanstalt), to provide additional assistance towards financing such construction ;

(C) by an agreement of even date² herewith between the Association and the Borrower, the Association is agreeing to provide such assistance in an aggregate principal amount equivalent to \$13,000,000 ;

(D) Kreditanstalt and the Borrower intend to enter into an agreement providing for a loan by Kreditanstalt to the Borrower in an aggregate principal amount equivalent to \$18,400,000 ;

(E) the Borrower, the Association, Kreditanstalt and the Bank intend to enter into an agreement making arrangements for the Bank to process applications for withdrawal of the proceeds of the financing to be provided severally by the Bank, the Association and Kreditanstalt and regulating certain other matters of common interest in connection with such financing ; and

WHEREAS the Bank has agreed, upon the basis of the foregoing, to make a loan to the Borrower upon the terms and conditions hereinafter set forth ;

NOW THEREFORE, it is hereby agreed as follows :

¹ Came into force on 19 October 1961, upon notification by the Bank to the Government of the Sudan.

² See p. 49 of this volume.

Article I

LOAN REGULATIONS AND ADMINISTRATION AGREEMENT ; SPECIAL DEFINITIONS

Section 1.01. The parties to this Loan Agreement accept all the provisions of Loan Regulations No. 3 of the Bank dated February 15, 1961,¹ subject, however, to the modifications thereof set forth in Schedule 2¹ 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. To the extent that the provisions of the Administration Agreement govern the rights and obligations of the parties to this Loan Agreement, they shall be deemed to be incorporated herein.

Section 1.03. Except where the context otherwise requires, the following terms have the following meanings wherever used in this Loan Agreement :

The term "Administration Agreement"² means the agreement referred to in Section 7.01 (A) of this Agreement, as the same may from time to time be amended by the parties thereto.

The term "Association Agreement" means the agreement referred to in Recital (C) to this Agreement, as the same may from time to time be amended by the parties thereto.

The term "Kreditanstalt Agreement" means the agreement referred to in Section 7.01 (B) of this Agreement, as the same may from time to time be amended by the parties thereto.

The term "Project" means the project described in the Schedule to the Administration Agreement, as such description may from time to time be amended by agreement of the parties thereto.

The term "Gezira Act" means the Gezira Scheme Act 1960 (1960 Act No. 13) of the Borrower (including all schedules thereto) as from time to time in effect.

The term "Nile Pumps Control Ordinance and Regulations" means the Nile Pumps Control Ordinance of the Borrower and all Regulations thereunder, as from time to time in effect.

¹ See p. 46 of this volume.

² See p. 3 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 nineteen million five hundred thousand dollars (\$19,500,000).

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 as of the date of this Agreement 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, this Agreement, the Loan Regulations and the Administration Agreement.

Section 2.03. Except as the Borrower and the Bank shall otherwise agree, the Bank may, on or before each semi annual interest payment date, pay to itself from the Loan Account amounts required to pay interest and commitment charges on the Loan payable on such date ; provided that not more than an aggregate amount equivalent to \$4,400,000 shall be so paid. All amounts so paid shall, for purposes of this Loan Agreement, constitute amounts withdrawn by the Borrower from the Loan Account. The provisions of this Section shall in no way impair or modify the obligation of the Borrower to pay in full, as in this Loan Agreement and in the Bonds provided, interest and commitment charges on the Loan and the Bonds.

Section 2.04. 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 withdrawn from the Loan Account from time to time.

Section 2.05. The Borrower shall pay interest at the rate of five and three-fourths per cent ($5\frac{3}{4}\%$) per annum on the principal amount of the Loan withdrawn from the Loan Account and outstanding from time to time.

Section 2.06. Interest and other charges shall be payable semi-annually on January 15 and July 15 in each year.

Section 2.07. The Borrower shall repay the principal of the Loan in accordance with the amortization schedule set forth in Schedule 1¹ to this Agreement.

Article III

USE OF PROCEEDS OF THE LOAN ; CURRENCIES OF WITHDRAWAL

Section 3.01. The Borrower shall cause the proceeds of the Loan and of the financing provided for in the Association Agreement and the Kreditanstalt Agree-

¹ See p. 44 of this volume.

ment to be applied towards financing the cost of Part A of the Project described in the Schedule to the Administration Agreement. The proceeds of the Loan shall be withdrawn only as provided in this Loan Agreement and the Administration Agreement and, except as the Borrower and the Bank shall otherwise agree, withdrawals shall be made in such convertible currencies as the Bank shall reasonably select.

Section 3.02. The Borrower shall cause all goods financed out of the proceeds of the Loan to be used in the territories of the Borrower exclusively in the carrying out of Part A 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. The Minister of Finance and Economics 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 V

PARTICULAR COVENANTS

Section 5.01. (a) The Borrower shall cause the Project to be carried out and operated with due diligence and efficiency and in accordance with sound engineering, financial, agricultural and business standards and practices.

(b) In the carrying out and initial operation of Part A of the Project the Borrower shall employ or cause to be employed engineering consultants acceptable to, and upon terms and conditions satisfactory to, the Borrower and the Bank.

(c) The Borrower shall cause the construction of the dam included in Part A of the Project to be carried out by a contractor, employed under a contract satisfactory to the Borrower and the Bank.

(d) The Borrower shall exercise every right and recourse available to it to ensure that the water impounded by the dam included in the Project will, to the maximum extent possible, be fully, effectively and promptly utilized and that no use, other than for potable purposes, will reduce the amounts of water available for irrigation purposes on the Project below the amounts needed therefor.

(e) The Borrower shall cause all works and facilities included in the Project to be adequately maintained and repaired in accordance with sound engineering and agri-

cultural practices and standards and shall cause all dams, canals, structures and other works and facilities not included in the Project but necessary to the proper and efficient operation thereof to be operated and adequately maintained and repaired in accordance with such practices and standards.

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

(g) The Borrower shall maintain or cause to be maintained records adequate to identify the goods financed out of the proceeds of the Loan, to disclose the use thereof in Part A of 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 agency or agencies of the Borrower responsible for the construction or operation of the Project or any part thereof; shall enable the Bank's representatives to inspect the Project, the operation thereof, the goods and any relevant records and documents; and shall furnish or cause to be furnished to the Bank all such information as the Bank shall reasonably request concerning the expenditure of the proceeds of the Loan, the goods, the Project, and the operations and financial condition of the agency or agencies of the Borrower responsible for the construction or operation of the Project or any part thereof.

(h) The Borrower shall duly and punctually perform all obligations provided to be performed by it pursuant to the Administration Agreement.

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 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 or to the Administration Agreement.

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 hereafter

created 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 the Bank of Sudan and any other institution acting as central bank for the Borrower.

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. This Agreement, the Administration 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.

Section 5.07. The Borrower shall satisfy the Bank that adequate arrangements have been made to insure the goods financed out of the proceeds of the Loan against risks incident to their purchase and transportation to the site of the Project.

Section 5.08. Except as shall be otherwise agreed between the Borrower and the Bank, if the Borrower shall (voluntarily or otherwise) repay in advance of maturity all or any part of its indebtedness under the Kreditanstalt Agreement, the Borrower shall simultaneously repay, in advance of maturity, all or an equivalent portion, as the case may be, of the Loan. All the provisions of the Loan Regulations relating to repayment in advance of maturity shall be applicable to any repayment by the Borrower in accordance with this Section.

Section 5.09. The Borrower shall inform the Bank of any proposed action which would materially amend, waive or abrogate any provision of the Gezira Act or of the Nile Pumps Control Ordinance and Regulations and shall afford the Bank all reasonable opportunity, in advance of the taking of such action, to exchange views with the Borrower with respect thereto.

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, or (iii) if any event specified in Section 6.02 (b) of this Loan Agreement shall occur, then at any subsequent time (but only during the continuance of such event, in the case of an event referred to in clauses (i) or (ii) of this Section) the Bank, at its option, may declare the principal of the Loan and of all the Bonds then outstanding to be due and payable immediately, and upon any such declaration such principal shall become due and payable immediately, anything in this Agreement or in the Bonds to the contrary notwithstanding.

Section 6.02. The following are specified as additional events for the purposes of Section 5.02 (h) of the Loan Regulations :

(a) The right of the Borrower to withdraw the proceeds of the financing provided for in either the Association Agreement or the Kreditanstalt Agreement shall have been suspended or terminated, in whole or in part.

(b) The outstanding principal amount of the financing under either the Association Agreement or the Kreditanstalt Agreement shall have been declared or become, due and payable in advance of the agreed maturity thereof.

(c) The Borrower shall have cancelled any part of the financing provided for in the Association Agreement or in the Kreditanstalt Agreement without a cancellation of a corresponding proportion of the Loan.

Article VII

EFFECTIVE DATE ; TERMINATION

Section 7.01. The following events are specified as additional conditions to the effectiveness of the Loan Agreement within the meaning of Section 9.01 (b) of the Loan Regulations :

(A) That the Borrower, the Association, Kreditanstalt and the Bank shall have entered into an agreement providing for the matters referred to in Recital (E) to this Agreement.

(B) That the Borrower and Kreditanstalt shall have entered into the proposed agreement between them, providing for a loan by Kreditanstalt to the Borrower in an aggregate principal amount equivalent to eighteen million four hundred thousand dollars (\$18 400,000).

(C) That, either concurrently with or prior to the Loan Agreement becoming effective, the Association Agreement, the Kreditanstalt Agreement and the Administration Agreement shall become, or shall have become, effective, and shall constitute valid and binding obligations of the respective parties thereto in accordance with their respective terms.

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

That the Association Agreement, the Kreditanstalt Agreement and the Administration Agreement have been duly authorized or ratified by, and executed and delivered on behalf of, the Borrower and that each such Agreement constitutes a valid and binding obligation of the Borrower in accordance with its terms.

Section 7.03. A date sixty days after the date of this Loan 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 June 30, 1968, or such other date as may from time to time be agreed between the Borrower and the Bank.

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

For the Borrower :

Ministry of Finance and Economics
Sudan Government
Khartoum, P.O.B. 298
Sudan

Alternative address for cablegrams and radiograms :

Malisudan
Khartoum, Sudan

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 8.03. The Minister of Finance and Economics of the Borrower is designated for the purposes of Section 8.03 of the Loan Regulations.

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.

The Republic of The Sudan :

By A. R. MIRGHANI
Authorized Representative

International Bank for Reconstruction and Development :

By J. Burke KNAPP
Vice-President

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, 1968	\$302,000	January 15, 1978	\$518,000
January 15, 1969	311,000	July 15, 1978	533,000
July 15, 1969	320,000	January 15, 1979	548,000
January 15, 1970	329,000	July 15, 1979	564,000
July 15, 1970	339,000	January 15, 1980	580,000
January 15, 1971	348,000	July 15, 1980	597,000
July 15, 1971	358,000	January 15, 1981	614,000
January 15, 1972	369,000	July 15, 1981	632,000
July 15, 1972	379,000	January 15, 1982	650,000
January 15, 1973	390,000	July 15, 1982	669,000
July 15, 1973	401,000	January 15, 1983	688,000
January 15, 1974	413,000	July 15, 1983	708,000
July 15, 1974	425,000	January 15, 1984	728,000
January 15, 1975	437,000	July 15, 1984	749,000
July 15, 1975	450,000	January 15, 1985	771,000
January 15, 1976	463,000	July 15, 1985	793,000
July 15, 1976	476,000	January 15, 1986	815,000
January 15, 1977	490,000	July 15, 1986	839,000
July 15, 1977	504,000		

* To the extent that any part of the Loan is repayable in a currency other than dollars (see Loan Regulations, Section 3.03), 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 three years before maturity	½ of 1 %
More than three years but not more than six years before maturity	1 %
More than six years but not more than eleven years before maturity	1 ¾ %
More than eleven years but not more than sixteen years before maturity	2 ½ %
More than sixteen years but not more than twenty-one years before maturity	3 ½ %
More than twenty-one years but not more than twenty-three years before maturity	4 ¾ %
More than twenty-three years before maturity	5 ¾ %

SCHEDULE 2

MODIFICATIONS OF LOAN REGULATIONS No. 3

For the purposes of this Agreement the provisions of Loan Regulations No. 3 of the Bank, dated February 15, 1961, shall be deemed to be modified as follows :

(a) By the deletion of the second sentence of Section 3.02.

(b) By the deletion of Sections 4.01, 4.02, 4.03, 4.04, and 4.05.

(c) By the deletion of Section 8.02 and the substitution therefor of the following :

“SECTION 8.02. *Evidence of Authority.* The Borrower shall furnish to the Bank sufficient evidence of the authority of the person or persons who will sign the Bonds or who will, on behalf of the Borrower, take any other action or execute any other documents required or permitted to be taken or executed by the Borrower under the Loan Agreement, and the authenticated specimen signature of each such person.”

(d) By the deletion of the second sentence of Section 8.03 and the substitution therefor of the following :

“Subject to any applicable constitutional requirements of the Borrower, 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.”

(e) By the deletion of paragraph 10 of Section 10.01.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

LOAN REGULATIONS No. 3, DATED 15 FEBRUARY 1961

REGULATIONS APPLICABLE TO LOANS MADE BY THE BANK TO MEMBER GOVERNMENTS

[*Not published herein. See United Nations, Treaty Series, Vol. 414.*]