

No. 5979

**INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
SUDAN, KREDITANSTALT FÜR WIEDERAUFBAU and
INTERNATIONAL DEVELOPMENT ASSOCIATION**

**Administration Agreement—*Roseires Irrigation Project.*
Signed at Washington and at Frankfurt, 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,
SOUDAN, KREDITANSTALT FÜR WIEDERAUFBAU et
ASSOCIATION INTERNATIONALE DE
DÉVELOPPEMENT**

**Contrat administratif — *Projet d'irrigation de Roseires.*
Signé à Washington et à Francfort, le 14 juin 1961**

Texte officiel anglais.

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

No. 5979. ADMINISTRATION AGREEMENT¹ (*ROSEIRES IRRIGATION PROJECT*) BETWEEN THE REPUBLIC OF THE SUDAN, THE KREDITANSTALT FÜR WIEDERAUFBAU, THE INTERNATIONAL DEVELOPMENT ASSOCIATION AND THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT. SIGNED AT WASHINGTON AND AT FRANKFURT, ON 14 JUNE 1961

AGREEMENT, dated as of June 14, 1961, between THE REPUBLIC OF THE SUDAN (hereinafter called Sudan), KREDITANSTALT FÜR WIEDERAUFBAU (hereinafter called Kreditanstalt), INTERNATIONAL DEVELOPMENT ASSOCIATION (hereinafter called the Association) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (hereinafter called the Bank).

WHEREAS (A) by separate agreements with Sudan each dated June 14, 1961² the Association and the Bank have severally agreed to provide financing to Sudan in amounts equivalent, respectively, to \$13,000,000 and \$19,500,000 for the purpose of assisting Sudan in financing the construction of the Roseires Dam, forming a part of the Roseires Irrigation Project ;

(B) by an agreement dated July 5, 1961 between Kreditanstalt and Sudan, Kreditanstalt has agreed to make a loan to Sudan in an amount equivalent to \$18,400,000 for the purpose aforesaid ; and

WHEREAS the Parties hereto deem it to be in their mutual interest that withdrawals of certain of the proceeds of such financing and certain other matters of common interest be regulated as hereinafter provided ;

NOW THEREFORE, the Parties hereto agree as follows :

Article I

DEFINITIONS

Section 1.01. Except where the context otherwise requires, the following terms have the following meanings wherever used in this Agreement :

The term "the Lenders" means Kreditanstalt, the Association and the Bank, collectively, and the term "Lender" means each of them, severally.

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

² See p. 25 and p. 49 of this volume.

The terms "Bank Agreement"¹ and "Association Agreement"² mean the respective agreements between the Bank and Sudan and the Association and Sudan referred to in Recital (A) to this Agreement, as from time to time amended.

The term "Kreditanstalt Agreement" means the agreement referred to in Recital (B) to this Agreement, as from time to time amended.

The term "the Agreements" means the Bank Agreement, the Association Agreement and the Kreditanstalt Agreement, collectively.

The term "Project" means the project described in the Schedule³ to this Agreement, as such description may from time to time be amended by agreement of the Parties hereto.

The term "goods" means equipment, supplies and services which are required for Part A of the Project; and wherever reference is made to the cost of any goods, such cost shall be deemed to include the cost of importing such goods into the territories of Sudan.

The term "Loan Proceeds" means the proceeds of the financing provided for in the Agreements, other than the portion thereof to be applied to the payment of interest and commitment charge under the Bank Agreement and the Kreditanstalt Agreement as therein respectively provided.

Article II

USE OF LOAN PROCEEDS ; APPLICATIONS FOR WITHDRAWAL

Section 2.01. Except as the Parties hereto shall otherwise agree, (i) the Loan Proceeds shall be applied by Sudan in accordance with the provisions of the Agreements exclusively to financing the cost of goods required to carry out Part A of the Project, and (ii) withdrawals of Loan Proceeds shall be made and processed as in this Article provided.

Section 2.02. The specific goods to be financed out of the Loan Proceeds and the methods and procedures for procurement of such goods shall be determined by agreement between Sudan and the Bank, subject to modification by further agreement between them.

Section 2.03. Sudan shall be entitled, subject to the provisions of this Agreement and of the Agreements, to withdraw Loan Proceeds in amounts equal to such

¹ See p. 25 of this volume.

² See p. 49 of this volume.

³ See p. 18 of this volume.

amounts as shall have been paid for the reasonable cost of goods to be financed out of the Loan Proceeds. Except as shall be otherwise agreed between Sudan and the Bank, no withdrawals shall be made on account of (a) expenditures prior to July 1, 1961 or (b) expenditures in the currency of Sudan or for goods produced in (including services supplied from) the territories of Sudan or (c) expenditures in the territories of any country which is not a member of the Bank (other than Switzerland) or for goods produced in (including services supplied from) such territories.

Section 2.04. Before making any agreement pursuant to Section 2.02 or 2.03 hereof, the Bank shall obtain the concurrence of Kreditanstalt and the Association but Sudan shall be under no obligation to ascertain whether such concurrence has been obtained and may rely upon the Bank's agreement as conclusive evidence thereof.

Section 2.05. When Sudan shall desire to withdraw any of the Loan Proceeds it shall deliver to the Bank a written application in such form, and containing such statements and agreements, as the Bank shall reasonably request. Such applications, with the necessary documentation as hereinafter in this Article provided, shall, except as the Bank and Sudan shall otherwise agree, be made promptly in relation to expenditures for Part A of the Project.

Section 2.06. Each such application shall constitute a request to withdraw funds under each of the Agreements and the amount so requested under each Agreement shall be reasonably determined by the Bank by apportioning, as nearly as is practicable in the circumstances, the amount of Loan Proceeds requested in such application to the Bank Agreement, the Kreditanstalt Agreement and the Association Agreement in the respective proportions of 35:35:30 (or in such other respective proportions as may from time to time be agreed upon by the Lenders).

Section 2.07. Sudan shall furnish to the Bank such documents and other evidence in support of each withdrawal application as the Bank shall reasonably request, whether before or after withdrawal shall have been permitted of any of the Loan Proceeds requested in the application.

Section 2.08. Each withdrawal application and the accompanying documents and other evidence must be sufficient in form and substance to satisfy the Bank that Sudan is entitled to withdraw under the Bank Agreement the amount of the Loan Proceeds applied for which has been apportioned thereto in accordance with Section 2.06 hereof, and that the amount so to be withdrawn is to be used only for the purposes specified in this Article II.

Section 2.09 (a) When the Bank has approved disbursement of such amount under the Bank Agreement, it shall promptly notify each of the other Lenders that it has received an application by Sudan to withdraw Loan Proceeds, in an aggregate

amount to be set forth in such notice ; the amount thereof apportioned to each of the Agreements pursuant to Section 2.06 hereof ; and that the Bank has approved disbursement of its share of such Loan Proceeds. Such notice shall be in such form, and contain such other information, including the currency or currencies (if any) in which Sudan has indicated its desire that the respective disbursements be made and to whom, or on the order of whom, payment of the requested Loan Proceeds is to be made, as the Bank and the Lender concerned shall from time to time determine.

(b) Upon receipt of such notice, Kreditanstalt and the Association shall each, subject, respectively, to the provisions of the Kreditanstalt Agreement and the Association Agreement (including any rights of suspension or termination of withdrawals thereunder), promptly disburse the amount specified in such notice as having been apportioned to its agreement pursuant to Section 2.06 hereof.

(c) The currency or currencies of any such disbursement by a Lender, and the value thereof in terms of the currency in which the amount so apportioned to its agreement is expressed, shall be determined in accordance with such agreement.

Section 2.10. It is the intention of the Parties that disbursements of Loan Proceeds will be made only in reimbursement of expenditures for the cost of goods as hereinbefore provided. However, in special circumstances, upon the request of Sudan, and upon such terms and conditions (including special commitment charges or other special charges, if any) as shall be agreed upon by the Parties hereto, the Bank may enter into special commitments for the respective accounts of itself, Kreditanstalt and the Association, to pay amounts to Sudan or others in respect of the cost of goods notwithstanding any subsequent suspension or cancellation of any of the Agreements.

Article III

VALUATION OF CURRENCIES AND EXERCISE OF FUNCTIONS BY BANK

Section 3.01. Without prejudice to Section 2.09 (c) hereof, whenever it shall be necessary for the purposes of this Agreement to value one currency in terms of another currency, such value shall be as reasonably determined by the Bank in accordance with its usual procedures.

Section 3.02. The Bank shall exercise the same care in the discharge of its functions under this Agreement as it exercises in respect of the administration and management of its own affairs.

Article IV

EXCHANGE OF INFORMATION AND CONSULTATION

Section 4.01. The Parties to this Agreement shall cooperate fully to assure that the purposes thereof will be accomplished. To that end, the Parties shall from time to time exchange views through their representatives with regard to matters relating to the purposes of this Agreement and each of them shall furnish to any of the others such information as such other shall reasonably request with regard to the operation thereof.

Section 4.02. Sudan shall promptly inform each of the Lenders of any condition which interferes with, or threatens to interfere with, the accomplishment of the purposes of this Agreement and shall afford all reasonable opportunity for accredited representatives of the Lenders to visit any part of the territories of Sudan for purposes related to this Agreement.

Section 4.03. It is the intention of the Lenders that there be close collaboration among them on matters relating to the execution of the Project and on other matters of common interest to them in the administration of the Agreements. To that end, they propose, as hereinafter provided, to keep each other currently informed of the progress of the Project and to consult with each other before taking important actions bearing on it. The Lenders shall retain, however, their respective independent rights of decision and action under the Agreements.

Section 4.04. Each of the Lenders shall inform the others if any event comes to its knowledge which materially affects the progress of the Project or which threatens substantially to impede it, and the Lenders shall consult with each other concerning the action which each of them proposes to take in respect thereof.

Section 4.05. Each Lender shall promptly inform the other Lenders whenever it proposes (a) materially to modify its agreement with Sudan (b) to suspend or terminate, in whole or in part, withdrawals under such agreement or (c) to declare the indebtedness of Sudan under such agreement to be due and payable in advance of the agreed maturity thereof and shall, in each such case, afford the other Lenders all reasonable opportunity, in advance of taking the proposed action, to exchange views with respect thereto.

Section 4.06. Each of the Lenders shall keep the other Lenders informed of the progress of the Project, on the basis of the findings of any end-use inspections by its representatives.

Article V

MISCELLANEOUS PROVISIONS

Section 5.01. Any notice or request required or permitted to be given or made under this Agreement and any agreement contemplated by this Agreement shall be in writing. Such notice or request shall be deemed to have been duly given or made when it shall be delivered by hand or by mail, telegram, cable or radiogram to the party to which it is required or permitted to be given or made at such party's address specified below, or at such other address as such party shall have designated by notice to the party giving such notice or making such request.

For Sudan :

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

Alternative address for cablegrams and radiograms :

Malisudan
Khartoum, Sudan

For Kreditanstalt :

Kreditanstalt für Wiederaufbau
Lindenstrasse 27
Frankfurt am Main
Germany

Alternative address for cablegrams and radiograms :

Kreditanstalt
Frankfurt/Main
Germany

For the Association :

International Development Association
1818 H Street, N.W.
Washington 25, D.C.

Alternative address for cablegrams and radiograms :

Indevas
Washington, D.C.

For the Bank :

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

Alternative address for cablegrams and radiograms :

Intbafrad
Washington, D.C.

Section 5.02. Sudan shall furnish to the Bank sufficient evidence of the authority of the person or persons who will sign the applications provided for in Article II of this Agreement or who will, on behalf of Sudan, take any other action or execute any other documents required or permitted to be taken or executed by Sudan under this Agreement, and the authenticated specimen signature of each such person.

Section 5.03. Any action required or permitted to be taken, and any documents required or permitted to be executed, under this Agreement on behalf of Sudan may be taken or executed by the Minister of Finance and Economics of Sudan (who is hereby designated as the representative of Sudan for purposes of this Section) or by any person thereunto authorized in writing by him. Subject to any applicable constitutional requirements of Sudan, any modification or amplification of the provisions of this Agreement may be agreed to on behalf of Sudan by written instrument executed on behalf of Sudan 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 Sudan under this Agreement. The Lenders 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 this Agreement effected by such instrument is reasonable in the circumstances and will not substantially increase the obligations of Sudan thereunder.

Section 5.04. This Agreement may be executed in several counterparts, each of which shall be an original. All such counterparts shall collectively be but one instrument.

Section 5.05. Except as shall otherwise be agreed by the Parties hereto, this Agreement shall become effective on the earliest date upon which the Agreements shall all be in effect.

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

Kreditanstalt für Wiederaufbau :

By ROHDEWALD

VON ILBERG

International Development Association :

By Joseph RUCINSKI

Director, Department of Operations
South Asia and Middle East

International Bank for Reconstruction and Development :

By Joseph RUCINSKI

Director, Department of Operations
South Asia and Middle East

SCHEDULE

DESCRIPTION OF PROJECT

The Project consists of (a) the construction of a dam on the Blue Nile and (b) irrigation works and farm development to enable the water thereby stored to be effectively utilized. The Project includes the following :

Part A. *The Dam*

A dam with a buttress type concrete center section and earth embankments will be constructed at a site in the Damazin rapids, above the town of Roseires, to create a reservoir with a useful capacity of about 3000 million cubic meters. The concrete section will be about 1110 meters long with a maximum height of about 60 meters. The earthfill sections will have a total length of approximately 15 kilometers and a maximum height of about 30 meters.

The dam will be designed and constructed so as to permit future heightening by 10 meters without interference with normal reservoir operations and the center section

will be provided with intakes for the future addition of an irrigation canal and a powerhouse. The irrigation canal and powerhouse do not, however, form part of the Project.

The dam will be equipped with all necessary electrical and mechanical equipment for regulating releases of water and two 1000 kw generating units will be installed to supply electric power for the operation of the dam and for offices and living quarters of operating personnel.

It is expected that the construction of the dam will be completed by July 1, 1967.

Part B. *Irrigation Works and Farm Development*

This part of the Project includes the soil surveys, agricultural research, and detailed planning and execution of irrigation works and farm development, necessary to enable water impounded by the dam to be promptly and effectively utilized. It will accordingly be commenced during construction of the dam and so carried out as to permit the attainment of that objective. The works and development, and intended uses of the stored water, include the following :

1. *Pump Schemes*—Water will be released from the reservoir to permit unrestricted irrigation of approximately 341,000 feddans* which are presently irrigated on a restricted basis by pumps not permitted to be operated during the dry season.

An additional 670,000 feddans not presently irrigated will be brought under irrigation by pump. For this purpose, topographical and soil surveys will be completed by the end of 1964 in sufficient detail to determine the areas most suitable for development. All necessary canalization, drainage, clearing, levelling and ditching work, pump licensing, and farm allocation and settlement will be carried out on the areas selected, and the requisite pumps for irrigation will be installed.

2. *Gravity Schemes*—Water will be released from the reservoir and diverted downstream through the intakes of the existing canal network at Sennar Dam, to :

- (a) extend the existing Gezira-Managil irrigation scheme by bringing under irrigation approximately 200,000 additional feddans of adjoining land ; and
- (b) intensify the cropping pattern within the scheme area as thus extended.

The additional 200,000 feddans will be supplied from existing main canals through minor canals and field laterals to be constructed. All necessary drainage, clearing, levelling and ditching work, and farm allocation and settlement, will be carried out. The existing light railway will be extended to permit transportation to ginneries of the cotton to be produced.

The intensification of the cropping pattern will comprise the growing of about 290,000 feddans of crop additional to that grown under the rotation now practiced. For this purpose, agricultural and livestock extension officers will be recruited, trained

* 1 feddan = 1.038 acres = .42 hectares.

and employed in sufficient numbers to ensure adequate guidance of tenants in more intensified farm production.

3. *Development of Other Uses for Stored Water*—The balance of water available from the reservoir will be allocated to specific irrigation uses to be determined upon the basis of the findings of research which will be carried out for this purpose. The research will be directed primarily towards determining how the cropping pattern of the Gezira-Managil area can profitably be intensified to a greater extent than contemplated in paragraph 2 above through the growing of additional crops, and whether such crop intensification would result in greater economic benefits than the establishment of additional areas of new irrigation.
