

No. 8262

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

**Loan Agreement—*Boké Engineering Project* (with annexed
Loan Regulations No. 3). Signed at Washington, on
30 March 1966**

Official text: English.

*Registered by the International Bank for Reconstruction and Development on
19 July 1966.*

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

**Contrat d'emprunt — *Projet relatif à des travaux de génie
civil à Boké* (avec, en annexe, le Règlement n° 3 sur les
emprunts). Signé à Washington, le 30 mars 1966**

Texte officiel anglais.

*Enregistré par la Banque internationale pour la reconstruction et le développement
le 19 juillet 1966.*

No. 8262. LOAN AGREEMENT¹ (*BOKÉ ENGINEERING PROJECT*) BETWEEN THE REPUBLIC OF GUINEA AND THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT. SIGNED AT WASHINGTON, ON 30 MARCH 1966

AGREEMENT, dated March 30, 1966, between REPUBLIC OF GUINEA (hereinafter called the Borrower) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (hereinafter called the Bank).

WHEREAS the Borrower has requested the Bank to assist in financing engineering services required for the design and preparation of contract documents for the construction of a railroad line, a port and a townsite related to a project for the exploitation of bauxite deposits in the region of Boké; and

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

NOW THEREFORE, it is hereby agreed as follows :

Article I

LOAN REGULATIONS; SPECIAL DEFINITIONS

Section 1.01. The parties to this Loan Agreement accept all the provisions of Loan Regulations No. 3 of the Bank dated February 15, 1961,² subject, however, to the following modifications thereof, with the same force and effect as if they were fully set forth herein (said Loan Regulations No. 3 as so modified being hereinafter called the Loan Regulations) :

(a) paragraph (c) of Section 2.05, paragraph (b) of Section 3.03, Section 4.01, Article VI, paragraph (b) of Section 9.02, Section 9.04, paragraph 8 of Section 10.01 and Schedules 1 and 2 are deleted;

(b) any reference to Bonds in Sections 2.05, 2.06, 3.03, paragraphs (a), (c) and (d) of Section 5.02, Sections 5.05, 7.01, 7.03, 8.02 and 9.05 is deleted; and

(c) any reference to premium in paragraph (b) of Section 2.05 is deleted.

¹ Came into force on 18 May 1966, upon notification by the Bank to the Government of Guinea.

² See p. 20 of this volume.

Section 1.02. Unless the context otherwise requires, the following terms wherever used in this Loan Agreement have the following meanings :

(a) the term " Office " means the Office d'Aménagement de Boké, an agency of the Borrower created by Decree No. 425 PRG of December 31, 1965; and

(b) the term " CBG " means the Compagnie des Bauxites de Guinée, a corporation organized and existing under the laws of the State of Delaware, USA, and registered in the Registry of Commerce of Conakry, Republic of Guinea, pursuant to the laws of the Borrower relating to *sociétés d'économie mixte*.

Article II

THE LOAN

Section 2.01. The Bank agrees to lend to the Borrower, on the terms and conditions in this Loan Agreement set forth or referred to, an amount in various currencies equivalent to one million seven hundred thousand dollars (\$1,700,000).

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, this Loan Agreement.

Section 2.03. Except as the Borrower and the Bank shall otherwise agree, the Borrower shall be entitled, subject to the provisions of this Loan Agreement, to withdraw from the Loan Account :

- (a) such amounts as shall have been paid to the consultants under the contracts referred to in paragraph (b) (i) (2) of Section 3.02 of this Agreement but not exceeding in the aggregate such amounts as shall be agreed upon between the Borrower and the Bank; and
- (b) if the Bank shall so agree, such amounts as shall be required to meet payments under the foregoing paragraph;

provided, however, that no withdrawals shall be made on account of (i) expenditures prior to May 27, 1965 or (ii) expenditures in the currency of the Borrower or for goods produced in (including services supplied from) the territories of the Borrower or (iii) 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. Notwithstanding anything to the contrary contained in this Loan Agreement, unless the Bank shall otherwise agree, the Borrower shall not be entitled to make withdrawals from the Loan Account after May 15,

1966 or in excess of an amount equivalent in the aggregate to \$650,000 until the consultants referred to in paragraph (b) (i) (2) of Section 3.02 of this Agreement for Part B of the Project shall have been retained.

Section 2.05. The Borrower shall pay to the Bank a commitment charge at the rate of three-eighths of one per cent ($\frac{3}{8}$ of 1%) per annum on the principal amount of the Loan not so withdrawn from time to time.

Section 2.06. 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 2.07. Except as the Borrower and the Bank shall otherwise agree, the charge payable for special commitments entered into by the Bank at the request of the Borrower pursuant to Section 4.02 of the Loan Regulations shall be at the rate of one-half of one per cent ($\frac{1}{2}$ of 1%) per annum on the principal amount of any such special commitments outstanding from time to time.

Section 2.08. Interest and other charges shall be payable semi-annually on March 15 and September 15 in each year.

Section 2.09. The Borrower shall repay the principal of the Loan in accordance with the amortization schedule set forth in Schedule 1 to this Agreement.

Article III

PARTICULAR COVENANTS

Section 3.01. The Borrower shall cause the Project described in Schedule 2 to this Agreement to be carried out with due diligence and efficiency and in conformity with sound engineering and financial practices.

Section 3.02. (a) The Borrower shall enter into an agreement (hereinafter called the "Office Agreement") with the Office setting forth the terms and conditions under which the Office shall carry out the Project on behalf of the Borrower.

(b) The Office Agreement shall include provisions which will enable the Borrower to carry out its obligations under this Loan Agreement and shall include without limitation :

- (i) on the part of the Office, the obligation : (1) to carry out the Project with due diligence and efficiency and in conformity with sound engineering and financial practices under the supervision of competent management; (2) to retain separate consultants acceptable to, and to an extent and upon terms and conditions of contracts satisfactory to, the Borrower and the Bank, to

carry out respectively Part A and Part B of the Project; (3) to maintain or cause to be maintained records adequate to show the use of the proceeds of the Loan, 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 Office; (4) to ensure the right on the part of the Borrower and the Bank to inspect any goods, properties, equipment, operations, records and documents relevant to the carrying out of the Project; (5) to furnish or cause to be furnished to the Borrower and the Bank a description of the overall planning and the work schedules for the Project, and any material modifications subsequently made therein, in such detail as the Borrower and the Bank shall reasonably request; (6) to furnish or cause to be furnished to the Borrower and the Bank copies of the reports covering the surveys and investigations forming part of the Project and the plans, designs, specifications and other documents required for the construction of the proposed railroad line, port and townsite described in Schedule 2 to this Agreement; and (7) to ensure the right of the Borrower and the Bank to obtain all such information as they shall reasonably request relating to any of the foregoing and to the administration of the Office; and

- (ii) on the part of the Borrower, an obligation to make payments on behalf of the Office for any amounts due under the contracts referred to in paragraph (b) (i) (2) of this Section or to make reimbursements for payments made under such contracts.

(c) The Borrower shall exercise its rights in relation to the Office in such manner as to protect the interests of the Borrower and the Bank and to cause the Office to carry out its obligations under the Office Agreement.

(d) The Borrower shall make arrangements with CBG, in form and substance satisfactory to the Bank, setting forth the terms and conditions under which CBG shall make available to the Office qualified and experienced personnel acceptable to the Borrower and the Bank and shall cooperate with the Office in the carrying out of the Project. The Borrower shall provide or cause the Office to be provided with additional qualified personnel in adequate number to enable it to carry out its obligations under the Office Agreement.

(e) The Borrower shall not amend, assign, waive, suspend or terminate the Office Agreement in any material respect without prior agreement of the Bank.

Section 3.03. The Borrower shall make arrangements, satisfactory to the Bank, to make available promptly as needed, all funds required for the prompt and diligent carrying out of the Project.

Section 3.04. (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.

Section 3.05. It is the mutual intention of the Borrower and the Bank that no other external debt shall enjoy any priority over the Loan by way of a lien on governmental assets. To that end, the Borrower undertakes that, except as the Bank shall otherwise agree, if any lien shall be created on any assets of the Borrower as security for any external debt, such lien will *ipso facto* equally and ratably secure the payment of the principal of, and interest and other charges on, the Loan, and 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 Banque Centrale de la République de Guinée or any institution performing the functions of a central bank.

Section 3.06. The principal of, and interest and other charges on, the Loan, shall be paid without deduction for, and free from, any taxes imposed under the laws of the Borrower or laws in effect in its territories.

Section 3.07. The Loan Agreement shall be free from any taxes that shall be imposed under the laws of the Borrower or laws in effect in its territories on or in connection with the execution, delivery or registration thereof, and the Borrower shall pay all such taxes, if any, imposed under the laws of the country or countries in whose currency the Loan is payable or laws in effect in the territories of such country or countries.

Section 3.08. The principal of, and interest and other charges on, the Loan, shall be paid free from all restrictions imposed under the laws of the Borrower or laws in effect in its territories.

Article IV

REMEDIES OF BANK

Section 4.01. (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 or in Section 4.02 of this Agreement 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 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 to the contrary notwithstanding.

Section 4.02. The following additional events are specified for the purposes of Section 5.02 (h) of the Loan Regulations :

(a) The Borrower or the Office shall have failed to perform any of their respective covenants or agreements under the Office Agreement;

(b) The Borrower, the Office or CBG shall have failed to perform any of their respective covenants or agreements under the arrangements referred to in paragraph (d) of Section 3.02 of this Agreement; and

(c) The provisions of Decree No. 425 PRG of December 31, 1965 shall have been amended, suspended or terminated without prior approval of the Bank.

Article V

EFFECTIVE DATE; TERMINATION

Section 5.01. The following events are specified as additional conditions to the effectiveness of this Agreement within the meaning of Section 9.01 (b) of the Loan Regulations :

(a) The Office Agreement shall have been entered into on terms and conditions satisfactory to the Bank and shall have become effective in accordance with its terms;

(b) The consultants referred to in paragraph (b) (i) (2) of Section 3.02 of this Agreement for Part A of the Project shall have been retained; and

(c) The arrangements provided for in paragraph (d) of Section 3.02 of this Agreement shall have been duly and validly executed and shall have become valid and binding obligations of the parties thereto in accordance with their terms.

Section 5.02. 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 :

(a) That the Office Agreement shall have been duly and validly executed, that all acts, consents and approvals necessary therefor have been duly and validly performed or given and that such Office Agreement constitutes a valid and binding obligation of the parties thereto in accordance with its terms; and

(b) That the arrangements provided for in paragraph (d) of Section 3.02 of this Agreement shall have been duly and validly executed, that all acts, consents and approvals necessary therefor have been duly and validly performed or given and that such arrangements constitute valid and binding obligations of the parties thereto in accordance with their terms.

Section 5.03. If this Loan Agreement shall not have come into force and effect by May 31, 1966, this Loan Agreement and all obligations of the parties hereunder shall terminate, unless the Bank, after consideration of the reasons for the delay, establishes a later date for purposes of this Section. The Bank shall promptly notify the Borrower of such later date.

Article VI

MISCELLANEOUS

Section 6.01. The Closing Date shall be August 31, 1967 or such other date as shall be agreed between the Borrower and the Bank.

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

For the Borrower :

Ministère du Développement Économique
Conakry, Guinea

For the Bank :

International Bank for Reconstruction and Development
1818 H Street, N. W.
Washington, D. C. 20433
United States of America

Alternative address for cablegrams and radiograms :

Intbafrad
Washington, D. C.

Section 6.03. The *Ministre du Développement Économique* 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.

Republic of Guinea :

By Bangoura KARIM
Authorized Representative

International Bank for Reconstruction and Development :

By George D. WOODS
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>
March 15, 1969	\$ 90,000	March 15, 1973	\$115,000
September 15, 1969	95,000	September 15, 1973	120,000
March 15, 1970	95,000	March 15, 1974	125,000
September 15, 1970	100,000	September 15, 1974	125,000
March 15, 1971	105,000	March 15, 1975	130,000
September 15, 1971	105,000	September 15, 1975	135,000
March 15, 1972	110,000	March 15, 1976	140,000
September 15, 1972	110,000		

*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.

SCHEDULE 2

DESCRIPTION OF PROJECT

The Project consists of engineering services required for the design of, and preparation of contract documents for the construction of, (a) a single track, standard gauge railroad line, approximately 137 km. long, from the proposed bauxite mine at Sangaredi to a port to be located near Dougoufissa, (b) a port near Dogoufissa consisting of an ore pier with ship-loading equipment having a capacity of 2,000 tons of bauxite per hour, and ancillary port facilities, (c) an access channel, approximately 18 km. long, to be dredged in the Rio Nunez for ocean vessels, and a turning basin at the site of the ore pier, and (d) a townsite with housing, roadways and ancillary facilities for an estimated population of approximately 1600 persons, and with community facilities and connecting services (water, power and sewerage) designed for a total population of approximately 4,000 persons, (hereinafter collectively called the Boké infrastructure).

The Project is divided in two parts as follows :

(A) Engineering services including :

- (i) Field surveys for the Boké infrastructure comprising (1) detailed inspection of all existing construction, (2) topographic surveys and test borings at bridge locations for approximately 82 km. of railroad line from km. 55 to the proposed mine at Sangaredi, (3) soundings and measurement of currents and wave action in the estuary of the Rio Nunez, (4) observation of tidal variations, (5) studies of siltation and of littoral drift and (6) sub-surface investigations in the areas of the proposed access channel, ore loading pier and townsite;
- (ii) Preparation of and other services connected with plans, specifications, construction drawings, and all documents required for international competitive bidding for contracts for the construction of the Boké infrastructure;
- (iii) Preparation of cost estimates and schedules of construction of the Boké infrastructure; and
- (iv) Prequalification of contractors for the construction of the Boké infrastructure.

(B) Inspection and review of the services under Part A above.

The Project is expected to be completed by May 31, 1967.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

LOAN REGULATIONS No. 3, DATED 15 FEBRUARY 1961

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

[Not published herein. See *United Nations, Treaty Series, Vol. 414, p. 268.*]