

No. 8272

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**INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT,  
COLONY OF SOUTHERN RHODESIA  
and  
UNITED KINGDOM OF GREAT BRITAIN  
AND NORTHERN IRELAND**

**Loan Assumption Agreement—*Southern Rhodesia African  
Agricultural Project*. Signed at Salisbury, on 30 De-  
cember 1963**

*Official text: English.*

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

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**BANQUE INTERNATIONALE POUR  
LA RECONSTRUCTION ET LE DÉVELOPPEMENT,  
COLONIE DE LA RHODÉSIE DU SUD  
et  
ROYAUME-UNI DE GRANDE-BRETAGNE  
ET D'IRLANDE DU NORD**

**Contrat de transfert d'emprunt—*Projet relatif à l'agriculture  
africaine en Rhodésie du Sud*. Signé à Salisbury, le  
30 décembre 1963**

*Texte officiel anglais.*

*Enregistré par la Banque internationale pour la reconstruction et le développement  
le 21 juillet 1966.*

No. 8272. LOAN ASSUMPTION AGREEMENT<sup>1</sup> (*SOUTHERN RHODESIA AFRICAN AGRICULTURAL PROJECT*) BETWEEN THE COLONY OF SOUTHERN RHODESIA, THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT AND THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND. SIGNED AT SALISBURY, ON 30 DECEMBER 1963

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AGREEMENT, dated December 30, 1963, between COLONY OF SOUTHERN RHODESIA (hereinafter called Southern Rhodesia) of the first part, INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (hereinafter called the Bank) of the second part, and the UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND (hereinafter called the United Kingdom) of the third part.

WHEREAS (A) Pursuant to a Loan Agreement dated April 1, 1960<sup>2</sup> between the Federation of Rhodesia and Nyasaland (hereinafter called the Federation) and the Bank, the Bank made to the Federation a loan (hereinafter called the Loan) in various currencies in an aggregate principal amount equivalent to five million six hundred thousand dollars (\$5,600,000) for the development of African agriculture in Southern Rhodesia (hereinafter called the Project), on the terms and conditions set forth in the Loan Agreement;

(B) By an Agreement (hereinafter called the Project Agreement) dated April 1, 1960<sup>2</sup> between Southern Rhodesia and the Bank Southern Rhodesia undertook certain obligations in respect of the Project;

(C) By an Agreement (hereinafter called the Guarantee Agreement) dated April 1, 1960<sup>2</sup> between the United Kingdom and the Bank the United Kingdom agreed to guarantee the Loan as therein provided;

(D) Pursuant to an Agreement (hereinafter called the Subsidiary Loan Agreement) dated May 25, 1960 between the Federation and Southern Rhodesia, the Federation re-lent to Southern Rhodesia in currency of the Federation the equivalent of the proceeds of the Loan, on the terms and conditions set forth in the Subsidiary Loan Agreement;

(E) The Federation has repaid pursuant to the Loan Agreement the equivalent of \$930,000 of the principal of the Loan and has made all interest payments due on the Loan to and including the payment due on December 1, 1963;

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<sup>1</sup> Came into force at the time of the dissolution of the Federation of Rhodesia and Nyasaland, which took place immediately before 1 January 1964, in accordance with article V.

<sup>2</sup> United Nations, *Treaty Series*, Vol. 379, p. 397.

(F) It is planned to dissolve the Federation;

(G) Southern Rhodesia has agreed to assume on the date of such dissolution the obligations of the Federation under the Loan Agreement and the United Kingdom concurs in the assumption of such obligations; and

(H) On the dissolution of the Federation, the obligations of Southern Rhodesia under the Subsidiary Loan Agreement will lapse;

NOW THEREFORE it is hereby agreed 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 " Loan Agreement " means the Loan Agreement dated April 1, 1960 between the Federation and the Bank; and such term includes all schedules to such Loan Agreement and Loan Regulations No. 4 of the Bank dated June 15, 1956,<sup>1</sup> as made applicable to such Loan Agreement.

The term " dollars " and the sign " \$ " mean dollars in currency of the United States of America.

### *Article II*

#### ASSUMPTION OF OBLIGATIONS UNDER LOAN AGREEMENT

*Section 2.01.* Southern Rhodesia hereby assumes, and agrees to carry out, all the obligations of the Federation under the Loan Agreement, and the Bank hereby recognizes the succession of Southern Rhodesia to the rights of the Federation under the Loan Agreement, with the same effect as though Southern Rhodesia were substituted for the Federation as a party to such Agreement and as though the words " Southern Rhodesia " were substituted for the the word " Borrower " wherever used therein, subject to the following modifications of the Loan Agreement :

(a) By the deletion of Section 1.01 and the substitution therefor of the following new Section, namely :

" 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 the Loan Agreement and to the further modifications thereof set forth in the Schedule<sup>3</sup> to the Loan Assumption Agreement dated December 30,

<sup>1</sup> United Nations, *Treaty Series*, Vol. 260, p. 376.

<sup>2</sup> United Nations, *Treaty Series*, Vol. 379, p. 420.

<sup>3</sup> See p. 252 of this volume.

1963 between Southern Rhodesia, the Bank and the United Kingdom of Great Britain and Northern Ireland (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.”

(b) By the deletion of Section 4.02 and the substitution therefor of the following new Section, namely :

“SECTION 4.02. The Secretary to the Treasury of Southern Rhodesia and such person or persons as he shall appoint in writing are designated as authorized representatives of Southern Rhodesia for the purposes of Section 6.12 (a) of the Loan Regulations.”

(c) By the deletion of subsections (a), (c) and (e) of Section 5.01.

(d) By the deletion in the second paragraph of Section 5.03 of the words “the Bank of Rhodesia and Nyasaland” and the substitution therefor of the words “its share of the assets of the Bank of Rhodesia and Nyasaland or of any other agency fulfilling similar functions in Southern Rhodesia.”

(e) By the deletion of Sections 5.07 and 5.08.

(f) By the deletion of Section 8.03 and the substitution therefor of the following new Section, namely :

“SECTION 8.03. The Secretary to the Treasury of Southern Rhodesia is designated for the purposes of Section 8.03 (A) of the Loan Regulations.”

### *Article III*

#### PROJECT AGREEMENT

*Section 3.01.* The Project Agreement shall remain in full force and effect.

### *Article IV*

#### PARTICULAR COVENANTS

*Section 4.01.* This Loan Assumption Agreement shall be free from any taxes or fees that shall be imposed under the laws of Southern Rhodesia or laws in effect in its territories on or in connection with the execution, issue, delivery or registration thereof and Southern Rhodesia shall pay or cause to be paid all such taxes and fees, if any, imposed under the laws of the country or countries in whose currency the Loan and any bonds representing the principal

amount thereof are payable or laws in effect in the territories of such country or countries.

### *Article V*

#### EFFECTIVE DATE; MISCELLANEOUS

*Section 5.01.* This Agreement shall become effective at the time of the dissolution of the Federation.

*Section 5.02.* The following address is designated to the Bank by Southern Rhodesia for the purposes of Section 8.01 of the Loan Regulations (as defined in the Loan Agreement) :

Secretary to the Southern Rhodesia Treasury  
P.O. Box 8123, Causeway  
Salisbury, Southern Rhodesia

Alternative Address for cablegrams and radiograms :

Treasury  
Salisbury, Southern Rhodesia

### *Article VI*

#### GUARANTEE AGREEMENT

*Section 6.01.* For the purposes of the Guarantee Agreement, the United Kingdom concurs in the entry by Southern Rhodesia into this Loan Assumption Agreement and in the assumption as herein set forth by Southern Rhodesia of the obligations of the Federation under the Loan Agreement and approves the further modifications of Loan Regulations No. 4 of the Bank, dated June 15, 1956, set forth in the Schedule to this Loan Assumption Agreement. The United Kingdom and the Bank hereby agree that, at the time this Loan Assumption Agreement becomes effective as provided in Section 5.01 hereof, such Loan Regulations as so modified by the Loan Agreement and by this Loan Assumption Agreement shall be applicable to the Guarantee Agreement and shall govern the rights and obligations under the Guarantee Agreement of the parties thereto with the same force and effect as if they were fully set forth therein.

*Section 6.02.* This Loan Assumption Agreement shall be free from any taxes or fees that shall be imposed under the laws of the United Kingdom on or in connection with the execution, issue, delivery or registration thereof.

IN WITNESS WHEREOF, the parties hereto, acting through their representatives thereunto duly authorized, have caused this Loan Assumption Agreement to be signed in their respective names and delivered as of the day and year first above written.

Colony of Southern Rhodesia :

By C. E. M. GREENFIELD  
Authorized Representative

International Bank for Reconstruction and Development :

By Hugh N. SCOTT  
Authorized Representative

United Kingdom of Great Britain and Northern Ireland :

By J. B. JOHNSTON  
Authorized Representative

#### SCHEDULE

##### MODIFICATION OF LOAN REGULATIONS No. 4

Loan Regulations No. 4 of the Bank, dated June 15, 1956, as modified by Schedule 3 to the Loan Agreement, shall be deemed to be modified further as follows :

(a) By the deletion of subparagraph (c) of Section 5.02 and the substitution thereof of the following new subparagraph :

“(c) A default shall have occurred in the performance of any other covenant or agreement on the part of Southern Rhodesia or the Guarantor under the Loan Agreement, the Loan Assumption Agreement, the Guarantee Agreement or the Bonds.”

(b) By the addition in Section 7.03 of the words “, the Loan Assumption Agreement” after the words “ Loan Agreement ”.

(c) By the addition of the following definition to paragraph 3 of Section 10.01 :

“The term ‘ Loan Assumption Agreement ’ means the agreement between Southern Rhodesia, the Bank and the United Kingdom of Great Britain and Northern Ireland providing for the assumption by Southern Rhodesia of the obligations of the Federation of Rhodesia and Nyasaland under the Loan Agreement, as such Loan Assumption Agreement shall be amended from time to time; and such term includes all agreements supplemental to the Loan Assumption Agreement and all schedules to the Loan Assumption Agreement.”

(d) By the deletion of paragraph 6 of Section 10.01 and the substitution thereof of the following new paragraph :

“ 6. The terms ‘ Borrower ’ and ‘ Southern Rhodesia ’ mean the Colony of Southern Rhodesia; and the term ‘ Guarantor ’ means the United Kingdom of Great Britain and Northern Ireland.”

(e) 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 such Schedule, of the following sentence :

“ This Bond is one of an authorized issue of bonds of the aggregate principal amount of ..... (or the equivalent thereof payable in other currencies), known as the Guaranteed Serial Bonds (hereinafter called the Bonds) of [the Borrower], issued or to be issued under a Loan Agreement dated April 1, 1960 between the Federation of Rhodesia and Nyasaland and International Bank for Reconstruction and Development (hereinafter called the Bank), the obligations under which were assumed by [the Borrower] in a Loan Assumption Agreement dated ..... between [the Borrower], the Bank and the United Kingdom of Great Britain and Northern Ireland (hereinafter called the United Kingdom), and guaranteed by the United Kingdom in accordance with the terms of a Guarantee Agreement dated April 1, 1960 between the United Kingdom and the Bank. ”

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