

No. 10596

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

Loan Agreement—*Boke Project* (with annexed Loan Regulations No. 3, as amended). Signed at Washington on 18 September 1968

Authentic text: English.

Registered by the International Bank for Reconstruction and Development on 22 July 1970.

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

Contrat d'emprunt — *Projet Boké* (avec, en annexe, le Règlement n° 3 sur les emprunts, tel que modifié). Signé à Washington le 18 septembre 1968

Texte authentique: anglais.

Enregistré par la Banque internationale pour la reconstruction et le développement le 22 juillet 1970.

LOAN AGREEMENT¹

AGREEMENT, dated September 18, 1968, between REPUBLIC OF GUINEA (hereinafter called the Borrower) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (hereinafter called the Bank).

WHEREAS (A) The Borrower has requested the Bank to assist in the financing of the foreign exchange cost of a Project (which as described in Part A of Schedule 3 to this Agreement constitutes part of the Boke Bauxite Development) for the construction and operation of a railway, port and related facilities to be owned by the Office d'Aménagement de Boke (hereinafter called OFAB), an agency of the Borrower;

(B) By agreement of even date herewith (hereinafter called the Project Agreement) between the Bank and OFAB, OFAB has undertaken certain obligations regarding the carrying out of the Project, as provided in such Project Agreement;

(C) By a loan agreement dated March 30, 1966² (hereinafter called the First Loan Agreement) between the Borrower and the Bank, the Bank granted to the Borrower a loan (hereinafter called the First Loan) in various currencies equivalent to one million seven hundred thousand dollars (\$1,700,000) to assist in financing engineering services required for the design and preparation of contract documents for the construction of the Project referred to in (A) above;

(D) The Project will be used principally in connection with a bauxite mining operation in the Boke area (hereinafter called the Mining Project) to be constructed and operated by Compagnie des Bauxites de Guinée (hereinafter called CBG) a Delaware corporation registered in the Registry of Commerce of Conakry, Guinea, and owned by the Republic of Guinea (49 %) and by Halco (Mining) Inc. (51 %) (formerly named Harvey Aluminum Co. of Delaware, hereinafter called HALCO), a Delaware corporation;

(E) The shares of HALCO are owned in various amounts by Alcan Aluminium Limited, a Canadian corporation, Aluminum Company of America, a

¹ Came into force on 1 December 1969, upon notification by the Bank to the Government of Guinea.

² United Nations, *Treaty Series*, vol. 568, p. 3.

Pennsylvania corporation, Harvey Aluminum (Incorporated), a California corporation, P echiney Compagnie de Produits Chimiques et Electrom etallurgiques and Ugine Kuhlmann, French corporations, Vereinigte Aluminium Werke AG, a German corporation, and Montecatini Edison S.p.A., an Italian corporation (hereinafter collectively called the Stockholders and each individually a Stockholder);

(F) Arrangements have been made between the Borrower, OFAB, CBG, HALCO and the Stockholders for the construction and operation of the Project and the Mining Project, the purchase and sale of bauxite mined from the Boke region and certain related matters under agreements hereinafter defined;

(G) By agreement of even date herewith (hereinafter called the AID Loan Agreement), the Agency for International Development (hereinafter called AID) has agreed to make a loan (hereinafter called the AID Loan) to the Borrower in an aggregate principal amount not to exceed 5,200,045,000 Guinean francs;

(H) Pursuant to the Financial Assurances Agreement (as that term is defined in Section 1.02 (c) of this Agreement), CBG, HALCO and the Stockholders have agreed to lend to the Borrower any amounts (hereinafter called the Overage Loans) required to finance the foreign exchange cost of the Project in excess of the amount of the Loan.

WHEREAS the Bank, on the basis *inter alia* of the foregoing, has agreed to make a loan to the Borrower on the 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 Agreement accept all the provisions of Loan Regulations No. 3 of the Bank, dated February 15, 1961 as amended February 9, 1967,¹ with the same force and effect as if they were fully set forth herein, subject, however, to the following modifications thereof (said Loan Regulations No. 3, as so modified, being hereinafter called the Loan Regulations): the words "and the Project Agreement" are inserted immediately after the words "the Loan Agreement" wherever the latter occurs in Sections 5.06 and 7.02 of the Loan Regulations.

¹ See p. 64 of this volume.

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

(a) The term “Basic Agreement” means the agreement dated October 1, 1963, between the Borrower and HALCO relating to the establishment of CBG, the exploitation of the bauxite reserves in the Boke area, the financing and construction by the Borrower of the facilities included in the Project;

(b) The term “Statutes” means the statutes of OFAB as set forth in Decree No. 425/PRG of December 31, 1965, and the amendments thereto set forth in a decree (copy of which has been furnished to the Bank) to be enacted by the Borrower;

(c) The term “Financial Assurances Agreement” means the agreement (copy of which has been furnished to the Bank) containing among other things, certain obligations of CBG, HALCO and the Stockholders with respect to the Project and the Mining Project, to be entered into between the Borrower, OFAB, CBG, HALCO, the Stockholders and Bank of America National Trust and Savings Association (hereinafter called the Trustee);

(d) The term “Trust Agreement” means the agreement (copy of which has been furnished to the Bank) providing for the making of certain payments to, and certain disbursements by, the Trustee, to be entered into between the Borrower, OFAB, CBG, HALCO, the Stockholders, the Trustee, the Bank and the Agent (as that term is defined in such Trust Agreement);

(e) The term “Railway-Port Project Agreement” means the agreement (copy of which has been furnished to the Bank) providing, among other things, for the use of the facilities included in the Project by CBG and the operation thereof by OFAB, to be entered into between the Borrower, OFAB and CBG;

(f) The term “OFAB Technical Assistance Agreement” means the agreement (copy of which has been furnished to the Bank) providing for the furnishing of certain technical assistance by HALCO to OFAB, to be entered into between the Borrower, OFAB and HALCO;

(g) The term “OFAB Training Agreement” means the agreement (copy of which has been furnished to the Bank) providing for the training of OFAB employees, to be entered into between the Borrower, OFAB, CBG and HALCO;

(h) The term “CBG Technical Assistance and Training Agreement” means the agreement (copy of which has been furnished to the Bank) providing for the furnishing of technical assistance and training by HALCO to CBG and the Africanization of the operations of CBG, to be entered into between the Borrower, CBG and HALCO;

(i) The term "Participation Agreement" means the agreement (copy of which has been furnished to the Bank) providing, among other things, for the reorganization of HALCO, its financing, activities and management, to be entered into between HALCO and the Stockholders;

(j) The term "Bauxite Contracts" means the agreements defined in Section 1.01 of the Financial Assurances Agreement and relating to the purchase of bauxite mined from the Boke region (copies of which have been furnished to the Bank) to be entered into between the parties thereto;

(k) The term "Construction Coordination Committee" means the Committee set up pursuant to Section 4.03 of the Financial Assurances Agreement for the coordination of the carrying out of the Project and the Mining Project;

(l) The term "Terms of Reference of the Committee" means Exhibit D to the Financial Assurances Agreement setting forth the terms of reference of the Construction Coordination Committee;

(m) The term "Mining Project Financial Arrangements" means the arrangements to be made by CBG, HALCO and the Stockholders for the financing or refinancing of the costs of the Mining Project including without limitation the Credit Agreement (copy of which has been furnished to the Bank) to be entered into between HALCO and the Bank of America National Trust and Savings Association.

Whenever reference is made in this Agreement and the Project Agreement to any of the documents herein defined and to the AID Loan Agreement such reference includes all exhibits to any such document and any agreement supplemental thereto.

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 sixty-four million five hundred thousand dollars (\$64,500,000).

Section 2.02. (a) 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.

(b) 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 and the Loan Regulations and in accordance with the allocation of the proceeds of the Loan set forth in Schedule 1 to this Agreement, as such

allocation shall be modified from time to time pursuant to the provisions of such Schedule or by further agreement between the Borrower and the Bank.

Section 2.03. The Bank shall withdraw from the Loan Account and pay to itself, on behalf of the Borrower:

- (a) the amount required to refund the principal amount withdrawn and outstanding together with the accrued interest and other charges thereon of the First Loan on the Effective Date of this Agreement. Any amount remaining unwithdrawn in the Loan Account of the First Loan shall automatically be cancelled on the same date; and
- (b) amounts required from time to time to pay interest and other charges on the Loan during construction of the Project, provided, however, that such amounts in the aggregate shall not exceed the amount set forth in Category V of Schedule 1 to this Agreement.

Section 2.04. Withdrawals from the Loan Account may be made on account of expenditures made prior to the Effective Date but after the date of this Agreement for consultants and other professional services.

Section 2.05. 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 time to time.

Section 2.06. The Borrower shall pay interest at the rate of six and one-half per cent ($6\frac{1}{2}$ %) per annum on the principal amount of the Loan 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 commitment outstanding from time to time.

Section 2.08. Interest and other charges shall be payable semi-annually on April 1 and October 1 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 2 to this Agreement.

Article III

USE OF PROCEEDS OF THE LOAN

Section 3.01. The Borrower shall apply the proceeds of the Loan in accordance with the provisions of this Agreement to expenditures on the Project, described in Part A of Schedule 3 to this Agreement.

Section 3.02. Except as the Bank shall otherwise agree, (i) the goods to be financed out of the proceeds of the Loan shall be procured on the basis of international competitive bidding in accordance with the *Guidelines for Procurement under World Bank Loans and IDA Credits*, published by the Bank in February 1968, and in accordance with such other procedures supplementary thereto as set forth in Schedule 4 to this Agreement, and (ii) contracts for the procurement of such goods shall be subject to the approval of the Bank.

Section 3.03. Except as the Bank shall otherwise agree, the Borrower shall cause all goods financed out of the proceeds of the Loan to be used exclusively in carrying out the Project.

Article IV

BONDS

Section 4.01. If and as the Bank shall from time to time request, the Borrower shall execute and deliver Bonds representing the principal amount of the Loan as provided in Article VI of the Loan Regulations.

Section 4.02. The *Secrétaire d'État au Contrôle Financier* of the Borrower is designated as authorized representative of the Borrower for the purposes of Section 6.12 of the Loan Regulations. The *Secrétaire d'État au Contrôle Financier* of the Borrower may designate additional or other authorized representatives by appointment in writing notified to the Bank.

Article V

PARTICULAR COVENANTS

Section 5.01. (a) The Borrower shall cause the Project to be carried out with due diligence and efficiency and in conformity with sound engineering, financial and administrative practices and shall provide, promptly as needed, the funds, facilities, services and other resources required for the purpose.

(b) Except as the Borrower and the Bank shall otherwise agree, the Borrower shall, in the carrying out of the Project, cause to be employed engineering consultants and contractors acceptable to, and to the extent and upon terms and conditions satisfactory to, the Borrower and the Bank.

(c) Without limitation or restriction upon any of the other covenants on its part in this Agreement contained, the Borrower shall cause to be performed in accordance with the provisions of the Project Agreement all the covenants, agreements and obligations of OFAB therein set forth, shall take or cause to be

taken all action necessary or appropriate to enable OFAB to perform such covenants, agreements and obligations, and shall not take or permit to be taken any action which would prevent or interfere with the performance by OFAB of such covenants, agreements and obligations.

(d) Except as the Borrower and the Bank shall otherwise agree, the Borrower shall cause all financial statements (in addition to those referred to in Section 2.01 (e) of the Project Agreement) relating to matters pertinent to the Project to be certified annually by international independent public accountants acceptable to the Bank and shall promptly upon their preparation submit to the Bank certified copies of such statements and a signed copy of the accountants' report.

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 (i) shall furnish to the Bank all such information as the Bank shall reasonably request concerning the relations between the Borrower, CBG, HALCO and the Stockholders and the exercise of their respective rights and the carrying out of their respective obligations under the agreements specified in Section 5.08 (a) of this Agreement and any other agreements related thereto; and (ii) shall promptly inform the Bank of any failure by CBG, HALCO or any of the Stockholders to comply with their respective obligations under such agreements or any other condition which interferes with, or threatens to interfere with, the accomplishment of the purposes of the Loan and 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 its territories for purposes related to the Loan and the Mining Project.

Section 5.03. (a) The *Directeur Général* of OFAB shall at all times be a person whose professional qualifications and experience shall be mutually satisfactory to the Borrower and the Bank.

(b) The Borrower shall take any action necessary for the appointment of an independent engineer satisfactory to the Bank as Chairman of the Construction Coordination Committee pursuant to Section 4.03 of the Financial Assurances Agreement.

Section 5.04. Except as the Borrower and the Bank shall otherwise agree, the Borrower shall take any action necessary to permit CBG: (i) to construct the Mining Project and bring it to completion in accordance with the Schedule attached to Exhibit C of the Financial Assurances Agreement; (ii) to begin deliveries under the Bauxite Contracts by a date not later than 90 days after the Completion Dates (as that term is defined in the Financial Assurances Agreement) set forth in the Certificates referred to in Sections 4.05 and 4.06 of the Financial Assurances Agreement; and (iii) to maintain and operate the Mining Project in accordance with sound mining practices.

Section 5.05. Except as the Borrower and the Bank shall otherwise agree, the Borrower shall promptly upon completion of the construction of the Project transfer or cause to be transferred to OFAB all such assets included in the Project as shall be necessary or appropriate to enable OFAB to carry out its purposes as set forth in Articles 3 and 4 of the Statutes.

Section 5.06. Except in the normal course of business, the Borrower shall not sell or otherwise dispose of the goods purchased or paid for out of the proceeds of the Loan, or cause such goods to be sold or otherwise disposed of, without the prior consent of the Bank.

Section 5.07. (a) Whenever there is reason to believe that the funds available to OFAB will be inadequate to enable OFAB to perform any of its covenants, agreements and obligations under the Project Agreement, the Borrower shall make arrangements satisfactory to the Bank promptly to provide OFAB or cause OFAB to be provided with such funds as are needed for the purpose.

(b) The Borrower shall make arrangements satisfactory to the Bank to protect OFAB against any loss in connection with the operation of trains for non-bauxite traffic.

Section 5.08. (a) The Borrower shall duly perform its obligations under the Basic Agreement, the Financial Assurances Agreement, the Trust Agreement, the Railway-Port Project Agreement, the OFAB Technical Assistance Agreement, the OFAB Training Agreement and the CBG Technical Assistance and Training Agreement.

(b) Except as the Borrower and the Bank shall otherwise agree, the Borrower shall, to the extent that it has an interest therein and is obligated or entitled to do so, take all such reasonable action as may be necessary to maintain in full force

and effect and to secure the prompt and diligent performance by the parties thereto of any of the documents specified in paragraph (a) of this Section.

(c) The Borrower and the Bank shall exchange views as to any arbitration or any proceeding contemplated or undertaken pursuant to any of the documents specified in paragraph (a) of this Section. The Borrower shall promptly advise the Bank of any such arbitration or other proceedings contemplated or undertaken and shall give the Bank such information as the Bank shall reasonably request to enable the Bank, if it so desires, to make its views thereon known to the Borrower and in any such arbitration or other proceedings.

Section 5.09. Except as the Borrower and the Bank shall otherwise agree, if the Borrower shall repay in advance of maturity any part of its indebtedness under the AID Loan Agreement, the Borrower shall simultaneously repay a proportionate amount of the Loan then outstanding. 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 5.10. 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 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 Banque Centrale de la République de Guinée or any institution performing the functions of a central bank.

Section 5.11. 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, and free from all restrictions, 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 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 5.12. The Loan Agreement and the Bonds 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, issue, 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 and the Bonds are payable or laws in effect in the territories of such country or countries.

Section 5.13. The Borrower shall cause all goods imported by OFAB and contractors for the construction of the Project to be exempted from all import taxes and customs duties.

Article VI

REMEDIES OF THE BANK

Section 6.01. If any event as specified below shall occur and shall continue for the period, if any, specified below, 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:

- (i) any event specified in paragraphs (a) or (b) of Section 5.02 of the Loan Regulations or paragraph (d) of Section 6.02 of this Agreement, for a period of thirty days; or
- (ii) any event specified in paragraph (c) of Section 5.02 of the Loan Regulations or paragraphs (a), (b), (c), (e), (f) or (g) of Section 6.02 of this Agreement, for a period of sixty days after notice thereof shall have been given by the Bank to the Borrower; or
- (iii) any event specified in paragraph (h) of Section 6.02 of this Agreement.

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

- (a) A default shall have occurred in the performance by OFAB of any covenant or agreement on its part under the Project Agreement;
- (b) The Statutes shall have been amended, suspended, abrogated or terminated without the prior approval of the Bank;
- (c) The Basic Agreement, the Financial Assurances Agreement, the Trust Agreement, the Railway-Port Project Agreement, the OFAB Technical Assistance Agreement, the OFAB Training Agreement, the CBG Technical Assistance and Training Agreement, the Participation Agreement or the Mining Project Financial Arrangements shall have been amended, suspended, abrogated, terminated, waived or assigned without the prior approval of the Bank;
- (d) CBG, HALCO or any of the Stockholders shall have failed to make any payment required to be made by any of them under the Financial Assurances Agreement, the Trust Agreement or the Bauxite Contracts;
- (e) Any event shall have occurred which, if continued for the period, if any, specified in Section 7.03 of the Financial Assurances Agreement would be an event of suspension or termination of the obligations of CBG, HALCO and the Stockholders under the Financial Assurances Agreement;
- (f) A default (other than a default in payment referred to in paragraph (d) of this Section) shall have occurred in the performance of any covenant or agreement on the part of any of the parties to the Financial Assurances Agreement, the Trust Agreement, the Railway-Port Project Agreement, the OFAB Technical Assistance Agreement, the OFAB Training Agreement, the CBG Technical Assistance and Training Agreement or the Bauxite Contracts;
- (g) Subject to the provisions of paragraph (h) of this Section, the AID Loan or any Overage Loan shall have been amended, suspended, abrogated, terminated, waived or assigned without the prior approval of the Bank;
- (h) The AID Loan shall have become due and payable prior to the agreed maturity pursuant to the terms thereof;
- (i) Any event shall have occurred which shall have operated to suspend the right of the Borrower to withdraw amounts under the AID Loan Agreement.

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 (b) of the Loan Regulations:

- (a) that the execution and delivery of the Project Agreement on behalf of OFAB shall have been duly authorized or ratified by all necessary action of the Borrower and OFAB;
- (b) that all acts, consents and approvals of the Borrower, its political subdivisions or agencies or any agency of any such political subdivision in order to enable:
 - (i) OFAB to perform all of the covenants, agreements and obligations set forth or referred to in the Project Agreement, the Financial Assurances Agreement, the Trust Agreement, the Railway-Port Project Agreement, the OFAB Technical Assistance Agreement and the OFAB Training Agreement;
 - (ii) CBG to perform all the covenants, agreements and obligations set forth or referred to in the Financial Assurances Agreement, the Trust Agreement, the Railway-Port Project Agreement, the OFAB Training Agreement, the CBG Technical Assistance and Training Agreement and the Bauxite Contracts, with all necessary powers and rights in connection therewith, shall have been duly and validly performed or given;
- (c) that the Statutes shall have been duly authorized or ratified by all necessary action of the Borrower;
- (d) that the Financial Assurances Agreement, the Trust Agreement, the Railway-Port Project Agreement, the OFAB Technical Assistance Agreement, the OFAB Training Agreement, the CBG Technical Assistance and Training Agreement, the Participation Agreement and the Bauxite Contracts shall have become effective on terms and conditions satisfactory to the Bank;
- (e) that a Chairman of the Construction Coordination Committee acceptable to the Bank shall have been appointed upon terms and conditions satisfactory to the Bank;
- (f) that the terms and conditions of the AID Loan Agreement shall be satisfactory to the Bank and that the conditions precedent, if any, to initial disbursement under such Agreement shall have been fulfilled;
- (g) that CBG, HALCO and the Stockholders shall have entered into agreements or otherwise made arrangements, including the Mining Project Financial

Arrangements, satisfactory to the Bank with one or more financial institutions acceptable to the Bank for the financing of the Mining Project;

- (h) that all necessary acts, consents and approvals to be performed or given by any authority having jurisdiction to enable: (i) CBG, HALCO and the Stockholders to perform all of their respective obligations under the Financial Assurances Agreement, the Trust Agreement, the OFAB Technical Assistance Agreement, the OFAB Training Agreement, the CBG Technical Assistance and Training Agreement, the Participation Agreement and the arrangements referred to in paragraph (g) of this Section; and (ii) the Stockholders to perform all of their respective obligations under the Bauxite Contracts, shall have been performed or given.

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:

- (a) that the Project Agreement has been duly authorized or ratified by, and executed and delivered on behalf of OFAB, and constitutes a valid and binding obligation of OFAB in accordance with its terms;
- (b) that all acts, consents and approvals referred to in paragraph (b) of Section 7.01 together with all necessary powers and rights in connection therewith have been duly and validly performed or given;
- (c) that the Statutes of OFAB have been duly authorized or ratified by all necessary action of the Borrower;
- (d) that the Financial Assurances Agreement, the Trust Agreement, the Railway-Port Project Agreement, the OFAB Technical Assistance Agreement, the OFAB Training Agreement, the CBG Technical Assistance and Training Agreement, the Participation Agreement, the Bauxite Contracts and the Mining Project Financial Arrangements constitute a valid and binding obligation of each of the parties thereto in accordance with their terms.

Section 7.03. The date of December 15, 1968 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 December 31, 1972 or such other date as shall 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:

Ministère du Développement Économique
Conakry
Guinea

Alternative address for cables:

Minidevelop
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 cables:

Intbafrad
Washington, D.C.

Section 8.03. 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 ISMAEL TOURE
Authorized Representative

International Bank for Reconstruction and Development:

By J. BURKE KNAPP
Vice President

SCHEDULE 1

ALLOCATION OF PROCEEDS OF LOAN

<i>Category</i>	<i>Amounts Expressed in Dollar Equivalent</i>
I. Harbor works and equipment and provision of hydraulic sand fill	\$10,250,000
(a) Approach jetty and loading wharf	
(b) Dredging	
(c) Navigational aids	
(d) Floating and lifting equipment	
(e) Hydraulic sand fill	
II. Kamsar townsite and railway and port buildings	9,950,000
(a) Site preparation, landscaping	
(b) Kamsar buildings	
(c) Port buildings	
(d) Railway buildings	
(e) Roads, drains and sewers	
(f) Power grid, telecommunications, etc.	
(g) Water supply	
III. Railway	19,900,000
(a) Earthworks, access roads, etc.	
(b) Track	
(c) Bridges and culverts	
(d) Signalling	
(e) Locomotives	
(f) Rolling Stock	
IV. Engineering consultants and other professional services	5,000,000
V. Interest and other charges on the Loan	5,500,000
VI. Refunding—Loan S1-GUI	1,800,000
VII. Supervision during construction	1,000,000
VIII. Unallocated	11,100,000
	<u>\$64,500,000</u>

REALLOCATION UPON CHANGE IN COST ESTIMATES

1. If the estimate of the cost of the items included in any of the Categories I to VII shall decrease, the amount of the Loan then allocated to, and no longer required for, such Category will be reallocated by the Bank to Category VIII.

2. If the estimate of the cost of the items included in any of the Categories I to VII shall increase, an amount equal to the portion, if any, of such increase to be financed out of the proceeds of the Loan will be allocated by the Bank, at the request of the Borrower,

to such Category from Category VIII subject, however, to the requirements for contingencies, as determined by the Bank, in respect of the cost of the items in the other Categories.

3. The Bank shall promptly notify HALCO and CBG of any reallocation made pursuant to paragraph 1 or paragraph 2 above.

SCHEDULE 2

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>
October 1, 1973	\$845,000	October 1, 1983	\$1,600,000
April 1, 1974	870,000	April 1, 1984	1,655,000
October 1, 1974	900,000	October 1, 1984	1,710,000
April 1, 1975	930,000	April 1, 1985	1,765,000
October 1, 1975	960,000	October 1, 1985	1,820,000
April 1, 1976	990,000	April 1, 1986	1,880,000
October 1, 1976	1,025,000	October 1, 1986	1,940,000
April 1, 1977	1,055,000	April 1, 1987	2,005,000
October 1, 1977	1,090,000	October 1, 1987	2,070,000
April 1, 1978	1,125,000	April 1, 1988	2,135,000
October 1, 1978	1,165,000	October 1, 1988	2,205,000
April 1, 1979	1,200,000	April 1, 1989	2,275,000
October 1, 1979	1,240,000	October 1, 1989	2,350,000
April 1, 1980	1,280,000	April 1, 1990	2,430,000
October 1, 1980	1,320,000	October 1, 1990	2,505,000
April 1, 1981	1,365,000	April 1, 1991	2,590,000
October 1, 1981	1,410,000	October 1, 1991	2,670,000
April 1, 1982	1,455,000	April 1, 1992	2,760,000
October 1, 1982	1,505,000	October 1, 1992	2,855,000
April 1, 1983	1,550,000		

* 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	1/2%
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	2%
More than eleven years but not more than sixteen years before maturity	3%
More than sixteen years but not more than twenty years before maturity	4%
More than twenty years but not more than twenty-two years before maturity	5 1/4%
More than twenty-two years before maturity	6 1/2%

SCHEDULE 3

DESCRIPTION OF BOKE BAUXITE DEVELOPMENT

The Boke Bauxite Development is the bauxite mine at Sangaredi in the Boke administrative district of Guinea, the construction of a railway, a port at Kamsar, a deepwater channel giving access to the port for bulk-loading vessels, the installation of crushing, drying and calcining plant at the port and the construction of townships at Sangaredi and Kamsar for the accommodation of workers, together with the transport equipment, power supplies and other services required to make possible the exploitation of extensive deposits of high-grade bauxite and the export of the ore.

Construction and financing of the Boke Bauxite Development will be undertaken partly by the Borrower and partly by CBG. That part of the Boke Bauxite Development which, for the purposes of this Loan Agreement, constitutes the Project is described in Part A below. Part B describes the Mining Project to be undertaken and financed by CBG.

Part A. Description of the Project

The basic design service capacity of the Project is at least 6,000,000 metric tons of bauxite per year.

The Project consists of :

- (a) a standard-gauge, heavy-weight, single track railway from Sangaredi to the port of Kamsar, approximately 136 kilometers in length, complete with crossing stations, staff housing, other operating facilities and ancillary equipment; the locomotives and rolling stock largely necessary for construction of the line;
- (b) (i) a port at Kamsar, with an approach jetty, a loading wharf with fending dolphins and a mooring dolphin; (ii) a channel approximately 17 kilometers long terminating in a turning basin, both provided with necessary navigational aids and dredged to a depth sufficient to enable vessels with a loaded draft of 32 feet to navigate at half-tide, together with a loading basin dredged to sufficient depth to accommodate loaded vessels at all tide levels and (iii) a tugboat, pilot launches, motorized barges, cranes and other handling equipment, and office, warehouse and cold storage buildings; and
- (c) a township at Kamsar to accommodate workers to be employed in the administration, operation and maintenance of the Project and providing a site on which CBG will construct houses for its own staff. The township work will include preparation of the site, construction of approximately 225 housing units, a hospital, a school, an administrative center, a commercial center and all necessary roads, drains, sewers and electricity, water and telephone services.

Completion of the Project is expected to take 42 months including the time needed for bidding and the award of contracts.

Part B. Description of the Mining Project

The Mining Project is comprised substantially of the equipment and facilities described below and the basic design capacity is for the mining, processing and loading of 6,000,000 metric tons of metal grade bauxite per year.

At the Sangaredi mine site, mining will be accomplished by drilling and by use of explosives; loading into ore cars will be accomplished by shovels. The mine site will include mine shops, a power plant, a warehouse, an office building and a townsite (including approximately 225 units for employee housing), together with water supply and miscellaneous service facilities.

CBG will provide railway service tracks at Sangaredi and at the Kamsar port facilities connecting with the railway included in the Project and will be equipped with line and yard locomotives and ore cars for the carriage of bauxite contracted for sale at the Completion Date (as defined in the Financial Assurances Agreement). CBG will also have certain tank cars, flat cars and box cars.

At the Kamsar ore treatment plant, ore-car unloading will be accomplished by car dumper; after dumping, the ore will be crushed. Crude ore stockpiling and reclaiming will be accomplished by stacker and/or bucket wheels. Drying and calcining will be effected by rotary kilns. Covered storage will be provided for dry ore, reclaiming to be accomplished by bucket wheels. In addition, covered storage for calcined ore, a workshop for maintenance of CBG equipment (including railroad equipment), a power plant, an electrical distribution system, a CBG Kamsar laboratory and office building and a sampling plant will be included in the Mining Project.

The Mining Project will include conveyors for transporting bauxite on the approach jetty and on the wharf and a traveling ship loader.

Housing for employees (approximately 370 units) and a guest house will be located at Kamsar.

SCHEDULE 4

(1) With respect to all contracts any part of which is to be financed out of the proceeds of the Loan :

(a) Before bids are invited, the Borrower shall submit to the Bank for approval the invitations to bid, specifications, conditions of contract and all other tender documents.

(b) After bids have been received and analyzed, the bid analysis and the Borrower's proposals for contract award, together with the reasons for such proposals and the recommendations of the consulting engineer and the Chairman of the Construction Coordination Committee, will be submitted by the Borrower to the Bank for approval prior to awarding the contract.

(c) If the final contract is to differ substantially from the terms and conditions contained in the respective documents approved by the Bank under paragraphs (a) and (b) above, the text of the proposed changes will be submitted by the Borrower to the Bank for its review and approval prior to the signing of any such contract.

(2) As soon as a contract is signed the Borrower shall furnish to the Bank a certified copy of such contract.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

LOAN REGULATIONS No. 3. DATED 15 FEBRUARY 1961,
AS AMENDED 9 FEBRUARY 1967

REGULATIONS APPLICABLE TO LOANS MADE BY THE BANK TO MEMBER GOVERNMENTS

[*Not published herein. See United Nations, Treaty Series, vol. 615, p. 98.*]