

No. 12273

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

**Guarantee Agreement—*Second Railway Project* (with  
General Conditions Applicable to Loan and Guarantee  
Agreements). Signed at Washington on 23 June 1972**

*Authentic text: English.*

*Registered by the International Bank for Reconstruction and Development  
on 22 January 1973.*

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

**Contrat de garantie — *Deuxième projet relatif aux chemins  
de fer* (avec Conditions générales applicables aux contrats  
d'emprunt et de garantie). Signé à Washington le  
23 juin 1972**

*Texte authentique: anglais.*

*Enregistré par la Banque internationale pour la reconstruction et le développe-  
ment le 22 janvier 1973.*

## GUARANTEE AGREEMENT<sup>1</sup>

AGREEMENT, dated June 23, 1972, between REPUBLIC OF SENEGAL (hereinafter called the Guarantor) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (hereinafter called the Bank).

WHEREAS (A) By the Development Credit Agreement of even date herewith<sup>2</sup> between the Guarantor and the International Development Association (hereinafter called the Association), the Association has agreed to make a credit to the Guarantor in various currencies equivalent to three million two hundred thousand dollars (\$ 3,200,000), on the terms and conditions set forth in the Development Credit Agreement;

(B) The Guarantor will relend the part of the proceeds of the Credit, which shall be required to carry out Parts A, B, C, D and E of the Project described in Schedule 2 to the Development Credit Agreement, to the Régie des Chemins de Fer du Sénégal, an agency of the Guarantor (hereinafter called the Borrower) in accordance with the terms and conditions set forth in a subsidiary loan agreement to be entered into between the Guarantor and the Borrower (hereinafter called the Subsidiary Loan Agreement);

(C) The Borrower has agreed to carry out Parts A, B, C, D and E of the Project with the assistance of the Guarantor and in accordance with the provisions set forth in the loan agreement<sup>3</sup> referred to hereunder and in a project agreement of even date herewith<sup>4</sup> between the Association and the Borrower (hereinafter called the Project Agreement);

(D) By the Loan Agreement of even date herewith between the Bank and the Borrower the Bank has agreed to make to the Borrower a loan in various currencies equivalent to six million four hundred thousand dollars (\$ 6,400,000), on the terms and conditions set forth in the Loan Agreement, but only on condition that the Guarantor agree to guarantee the obligations of the Borrower in respect of such loan as hereinafter provided; and

WHEREAS the Guarantor, in consideration of the Bank's entering into the Loan Agreement with the Borrower, has agreed so to guarantee such obligations of the Borrower;

NOW THEREFORE the parties hereto hereby agree as follows :

### *Article I. GENERAL CONDITIONS; DEFINITIONS*

*Section 1.01.* The parties to this Agreement accept all the provisions of the General Conditions Applicable to Loan and Guarantee Agreements of the Bank

<sup>1</sup> Came into force on 29 December 1972, upon notification by the Bank to the Government of Senegal.

<sup>2</sup> See p. 75 of this volume.

<sup>3</sup> The said Agreement entered into force on 29 December 1972. As it does not constitute an international agreement or a part of the present Agreement, it is not reproduced herein. However, it was published by the Bank as document LN 835 SE, a certified true copy of which was transmitted to the Secretariat together with the documentation submitted for registration of the present Guarantee Agreement.

<sup>4</sup> See foot-note 3 on page 76 of this volume.

dated January 31, 1969,<sup>1</sup> with the same force and effect as if they were fully set forth herein, subject, however, to the modifications thereof set forth in Section 1.01 of the Loan Agreement (said General Conditions Applicable to Loan and Guarantee Agreements, as so modified, being hereinafter called the General Conditions).

*Section 1.02.* Wherever used in this Agreement, unless the context otherwise requires, the several terms defined in the General Conditions and in Section 1.02 of the Loan Agreement have the respective meanings therein set forth.

*Article II.* GUARANTEE; BONDS; EXECUTION OF PROJECT; CONSULTATION AND INFORMATION

*Section 2.01.* Without limitation or restriction upon any of its other obligations under the Guarantee Agreement, the Guarantor hereby unconditionally guarantees, as primary obligor and not as surety merely, the due and punctual payment of the principal of, and interest and other charges on, the Loan and the Bonds, the premium, if any, on the prepayment of the Loan or the redemption of the Bonds prior to their maturity and the punctual performance of all the other obligations of the Borrower, all as set forth in the Loan Agreement and in the Bonds.

*Section 2.02.* The Guarantor shall endorse, in accordance with the provisions of the General Conditions, its guarantee on the Bonds to be executed and delivered by the Borrower. The minister of the Guarantor at the time responsible for finance and such other person or persons as he shall appoint in writing are designated as authorized representatives of the Guarantor for the purposes of Section 8.10 of the General Conditions.

*Section 2.03.* (a) The provisions of Articles III and IV of the Development Credit Agreement and related Schedules are hereby incorporated into this Agreement with the same force and effect as if they were fully set forth herein; provided, however, that, for the purposes of this Guarantee Agreement: (i) all references to the Borrower in such provisions or in any of them shall be deemed to be references to the Guarantor; (ii) all references to the Association in such provisions or in any of them shall be deemed to be references to the Bank; (iii) all references to the Régie in such provisions or in any of them shall be deemed to be references to the Borrower; (iv) all references to the Credit and the Credit Account in such provisions or in any of them shall be deemed to be references, respectively, to the Loan and the Loan Account; and (v) all references to the Development Credit Agreement and the Project Agreement in the provisions of Article IV or in any one of them shall be deemed to be references, respectively, to the Guarantee Agreement and the Loan Agreement.

(b) If and when the Development Credit Agreement shall terminate prior to the termination of this Agreement, the provisions thereof incorporated herein shall be deemed to remain in full force and effect for the purposes of the Guarantee Agreement.

<sup>1</sup> See p. 69 of this volume.

### Article III. NEGATIVE PLEDGE

*Section 3.01.* (a) It is the mutual intention of the Guarantor and the Bank that no other external debt shall enjoy any priority over the Loan or the Bonds by way of a lien on governmental assets.

(b) To that end the Guarantor (i) represents that at the date of this Agreement no lien exists on any governmental assets as security for any external debt, and (ii) undertakes that, except as the Bank shall otherwise agree, if any such lien shall be created, it will *ipso facto* equally and ratably, and at no cost to the Bank or the holders of the Bonds, secure the payment of the principal of, and interest and other charges on, the Loan and the Bonds and in the creation of any such lien express provision will be made to that effect. The Guarantor shall promptly inform the Bank of the creation of any such lien.

(c) The foregoing representation and undertaking shall not apply to: (i) any lien created on property, at the time of purchase thereof, solely as security for payment of the purchase price of such property; and (ii) any lien arising in the ordinary course of banking transactions and securing a debt maturing not more than one year after its date.

As used in this Section, the term “governmental assets” means assets of the Guarantor, of any of its political subdivisions, of any agency of the Guarantor or of any such political subdivision, and assets of any institution which may be established to perform the functions of a central bank exclusively for the Guarantor, and any participation, share, right or other financial interest which the Guarantor may have in any institution (other than an agency of the Guarantor) performing such functions for the Guarantor.

### Article IV. TAXES AND RESTRICTIONS

*Section 4.01.* 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 imposed under the laws of the Guarantor or laws in effect in its territories; provided, however, that the foregoing 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 Guarantor.

*Section 4.02.* The Guarantee Agreement, the Loan Agreement and the Bonds shall be free from any taxes that shall be imposed under the laws of the Guarantor or laws in effect in its territories on or in connection with the execution, issue, delivery or registration thereof.

*Section 4.03.* The payment of the principal of, and interest and other charges on, the Loan and the Bonds shall be free from all restrictions, regulations, controls or moratoria of any nature imposed under the laws of the Guarantor or laws in effect in its territories.

### Article V. REPRESENTATIVE OF THE GUARANTOR; ADDRESSES

*Section 5.01.* The minister of the Guarantor at the time responsible for finance is designated as representative of the Guarantor for the purposes of Section 10.03 of the General Conditions.

*Section 5.02.* The following addresses are specified for the purposes of Section 10.01 of the General Conditions :

For the Guarantor :

Ministère des Finances et des Affaires Economiques

Dakar

Sénégal

Cable address :

Minifinances

Dakar

For the Bank :

International Bank for Reconstruction and Development

1818 H Street, N.W.

Washington, D.C. 20433

United States of America

Cable address :

Intbafrad

Washington, D.C.

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.

Republic of Senegal :

*By* ANDRÉ COULBARY

Authorized Representative

International Bank for Reconstruction and Development :

*By* MOHAMED SHOAIB

Vice President

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT  
GENERAL CONDITIONS, DATED 31 JANUARY 1969  
GENERAL CONDITIONS APPLICABLE TO LOAN AND GUARANTEE AGREEMENTS

*[Not published herein. See United Nations, Treaty Series, vol. 691, p. 300.]*

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