No. 5980

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT and SUDAN

Loan Agreement—*Roseires Irrigation Project* (with annexed Loan Regulations No. 3). Signed at Washington, 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 et SOUDAN

Contrat d'emprunt — *Projet d'irrigation de Roseires* (avec, en annexe, le Règlement n° 3 sur les emprunts). Signé à Washington, le 14 juin 1961

Texte officiel anglais.

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

No. 5980. LOAN AGREEMENT[1] (*ROSEIRES IRRIGATION PROJECT*) BETWEEN THE REPUBLIC OF THE SUDAN AND THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT. SIGNED AT WASHINGTON, ON 14 JUNE 1961

AGREEMENT, dated June 14, 1961, between THE REPUBLIC OF THE SUDAN (hereinafter called the Borrower) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (hereinafter called the Bank).

WHEREAS (A) the Borrower has requested the Bank to make a loan to it in an aggregate principal amount equivalent to $19,500,000 to assist the Borrower in financing the construction of the Roseires Dam, forming a part of the Roseires Irrigation Project ;

(B) the Borrower has also requested the International Development Association (hereinafter called the Association) and Kreditanstalt für Wiederaufbau, a corporation under public law of the Federal Republic of Germany (hereinafter called Kreditanstalt), to provide additional assistance towards financing such construction ;

(C) by an agreement of even date[2] herewith between the Association and the Borrower, the Association is agreeing to provide such assistance in an aggregate principal amount equivalent to $13,000,000 ;

(D) Kreditanstalt and the Borrower intend to enter into an agreement providing for a loan by Kreditanstalt to the Borrower in an aggregate principal amount equivalent to $18,400,000 ;

(E) the Borrower, the Association, Kreditanstalt and the Bank intend to enter into an agreement making arrangements for the Bank to process applications for withdrawal of the proceeds of the financing to be provided severally by the Bank, the Association and Kreditanstalt and regulating certain other matters of common interest in connection with such financing ; and

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

NOW THEREFORE, it is hereby agreed as follows :

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

[2] See p. 49 of this volume.

Article I

LOAN REGULATIONS AND ADMINISTRATION AGREEMENT ; 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,[1] subject, however, to the modifications thereof set forth in Schedule 2[1] to this Agreement (said Loan Regulations No. 3 as so modified being hereinafter called the Loan Regulations), with the same force and effect as if they were fully set forth herein.

Section 1.02. To the extent that the provisions of the Administration Agreement govern the rights and obligations of the parties to this Loan Agreement, they shall be deemed to be incorporated herein.

Section 1.03. Except where the context otherwise requires, the following terms have the following meanings wherever used in this Loan Agreement :

The term "Administration Agreement"[2] means the agreement referred to in Section 7.01 (A) of this Agreement, as the same may from time to time be amended by the parties thereto.

The term "Association Agreement" means the agreement referred to in Recital (C) to this Agreement, as the same may from time to time be amended by the parties thereto.

The term "Kreditanstalt Agreement" means the agreement referred to in Section 7.01 (B) of this Agreement, as the same may from time to time be amended by the parties thereto.

The term "Project" means the project described in the Schedule to the Administration Agreement, as such description may from time to time be amended by agreement of the parties thereto.

The term "Gezira Act" means the Gezira Scheme Act 1960 (1960 Act No. 13) of the Borrower (including all schedules thereto) as from time to time in effect.

The term "Nile Pumps Control Ordinance and Regulations" means the Nile Pumps Control Ordinance of the Borrower and all Regulations thereunder, as from time to time in effect.

[1] See p. 46 of this volume.
[2] See p. 3 of this volume.

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 nineteen million five hundred thousand dollars ($19,500,000).

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 as of the date of this Agreement 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 Agreement, the Loan Regulations and the Administration Agreement.

Section 2.03. Except as the Borrower and the Bank shall otherwise agree, the Bank may, on or before each semi annual interest payment date, pay to itself from the Loan Account amounts required to pay interest and commitment charges on the Loan payable on such date ; provided that not more than an aggregate amount equivalent to $4,400,000 shall be so paid. All amounts so paid shall, for purposes of this Loan Agreement, constitute amounts withdrawn by the Borrower from the Loan Account. The provisions of this Section shall in no way impair or modify the obligation of the Borrower to pay in full, as in this Loan Agreement and in the Bonds provided, interest and commitment charges on the Loan and the Bonds.

Section 2.04. The Borrower shall pay to the Bank a commitment charge at the rate of three-fourths of one per cent (3/4 of 1%) per annum on the principal amount of the Loan not withdrawn from the Loan Account from time to time.

Section 2.05. The Borrower shall pay interest at the rate of five and three-fourths per cent (5 3/4%) per annum on the principal amount of the Loan withdrawn from the Loan Account and outstanding from time to time.

Section 2.06. Interest and other charges shall be payable semi-annually on January 15 and July 15 in each year.

Section 2.07. The Borrower shall repay the principal of the Loan in accordance with the amortization schedule set forth in Schedule 1[1] to this Agreement.

Article III

USE OF PROCEEDS OF THE LOAN ; CURRENCIES OF WITHDRAWAL

Section 3.01. The Borrower shall cause the proceeds of the Loan and of the financing provided for in the Association Agreement and the Kreditanstalt Agree-

[1] See p. 44 of this volume.

ment to be applied towards financing the cost of Part A of the Project described in the Schedule to the Administration Agreement. The proceeds of the Loan shall be withdrawn only as provided in this Loan Agreement and the Administration Agreement and, except as the Borrower and the Bank shall otherwise agree, withdrawals shall be made in such convertible currencies as the Bank shall reasonably select.

Section 3.02. The Borrower shall cause all goods financed out of the proceeds of the Loan to be used in the territories of the Borrower exclusively in the carrying out of Part A of the Project.

Article IV

BONDS

Section 4.01. The Borrower shall execute and deliver Bonds representing the principal amount of the Loan as provided in the Loan Regulations.

Section 4.02. The Minister of Finance and Economics of the Borrower and such person or persons as he shall appoint in writing are designated as authorized representatives of the Borrower for the purposes of Section 6.12 of the Loan Regulations.

Article V

PARTICULAR COVENANTS

Section 5.01. (*a*) The Borrower shall cause the Project to be carried out and operated with due diligence and efficiency and in accordance with sound engineering, financial, agricultural and business standards and practices.

(*b*) In the carrying out and initial operation of Part A of the Project the Borrower shall employ or cause to be employed engineering consultants acceptable to, and upon terms and conditions satisfactory to, the Borrower and the Bank.

(*c*) The Borrower shall cause the construction of the dam included in Part A of the Project to be carried out by a contractor, employed under a contract satisfactory to the Borrower and the Bank.

(*d*) The Borrower shall exercise every right and recourse available to it to ensure that the water impounded by the dam included in the Project will, to the maximum extent possible, be fully, effectively and promptly utilized and that no use, other than for potable purposes, will reduce the amounts of water available for irrigation purposes on the Project below the amounts needed therefor.

(*e*) The Borrower shall cause all works and facilities included in the Project to be adequately maintained and repaired in accordance with sound engineering and agri-