

No. 5981

**INTERNATIONAL DEVELOPMENT ASSOCIATION
and
SUDAN**

Development Credit Agreement—*Roseires Irrigation Project* (with related letter and annexed Development Credit Regulations No. 1). Signed at Washington, on 14 June 1961

Official text : English.

Registered by the International Development Association on 28 November 1961.

**ASSOCIATION
INTERNATIONALE DE DÉVELOPPEMENT
et
SOUDAN**

Contrat de crédit de développement — *Projet d'irrigation de Roseires* (avec lettre y relative et, en annexe, le Règlement n° 1 sur les crédits de développement). Signé à Washington, le 14 juin 1961

Texte officiel anglais.

Enregistré par l'Association internationale de développement le 28 novembre 1961.

No. 5981. DEVELOPMENT CREDIT AGREEMENT¹ (*ROSEIRES IRRIGATION PROJECT*) BETWEEN THE REPUBLIC OF THE SUDAN AND INTERNATIONAL DEVELOPMENT ASSOCIATION. SIGNED AT WASHINGTON, ON 14 JUNE 1961

AGREEMENT, dated June 14, 1961, between THE REPUBLIC OF THE SUDAN (hereinafter called the Borrower) and INTERNATIONAL DEVELOPMENT ASSOCIATION (hereinafter called the Association).

WHEREAS (A) the Borrower has requested the Association to provide a credit to it in an aggregate principal amount equivalent to \$13,000,000 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 Bank for Reconstruction and Development (hereinafter called the Bank) and Kreditanstalt für Wiederaufbau, a corporation under public law of the Federal Republic of Germany (hereinafter called Kreditanstalt), to make loans to it to provide additional assistance towards financing such construction ;

(C) by an agreement of even date² herewith between the Bank and the Borrower, the Bank is agreeing to make such a loan to the Borrower in an aggregate principal amount equivalent to \$19,500,000 ;

(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 Association, the Bank and Kreditanstalt and regulating certain other matters of common interest in connection with such financing ; and

WHEREAS the Association has agreed, upon the basis of the foregoing, to provide a credit 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 Association to the Government of the Sudan.

² See p. 25 of this volume.

Article I

DEVELOPMENT CREDIT REGULATIONS AND ADMINISTRATION AGREEMENT ; SPECIAL DEFINITIONS

Section 1.01. The parties to this Development Credit Agreement accept all the provisions of Development Credit Regulations No. 1 of the Association dated June 1, 1961,¹ subject, however, to the modifications thereof set forth in the Schedule² to this Agreement (said Development Credit Regulations No. 1 as so modified being hereinafter called the 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 Development Credit 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 Development Credit Agreement :

The term "Administration Agreement"³ means the agreement referred to in Section 6.01 (A) of this Agreement, as the same may from time to time be amended by the parties thereto.

The term "Bank 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 6.01 (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. 68 of this volume.

² See p. 64 of this volume.

³ See p. 3 of this volume.

Article II

THE CREDIT

Section 2.01. The Association agrees to make available to the Borrower, on the terms and conditions in this Agreement set forth or referred to, a development credit in an amount in various currencies equivalent to thirteen million dollars (\$13,000,000).

Section 2.02. The Association shall open a Credit 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 Credit. The amount of the Credit may be withdrawn from the Credit Account as provided in, and subject to the rights of cancellation and suspension set forth in, this Agreement, the Regulations and the Administration Agreement.

Section 2.03. The Borrower shall pay to the Association a service charge at the rate of three-fourths of one per cent ($\frac{3}{4}$ of 1%) per annum on the principal amount of the Credit so withdrawn and outstanding from time to time.

Section 2.04. Service charges shall be payable semi-annually on January 15 and July 15 in each year.

Section 2.05. The Borrower shall repay the principal amount of the Credit in semi-annual instalments payable on each January 15 and July 15 commencing July 15, 1971 and ending January 15, 2011, each instalment to and including the instalment payable on January 15, 1981 to be $\frac{1}{2}$ of 1% of such principal amount, and each instalment thereafter to be $1\frac{1}{2}$ % of such principal amount.

Article III

USE OF PROCEEDS OF THE CREDIT ; CURRENCIES OF WITHDRAWAL

Section 3.01. The Borrower shall cause the proceeds of the Credit and of the financing provided for in the Bank Agreement and the Kreditanstalt Agreement 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 Credit shall be withdrawn only as provided in this Development Credit Agreement and the Administration Agreement and, except as the Borrower and the Association shall otherwise agree, withdrawals shall be made in such convertible currencies as the Association shall reasonably select.

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

Article IV

PARTICULAR COVENANTS

Section 4.01. (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 Association.

(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 Association.

(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 agricultural practices and standards and shall cause all dams, canals, structures and other works and facilities not included in the Project but necessary to the proper and efficient operation thereof to be operated and adequately maintained and repaired in accordance with such practices and standards.

(f) The Borrower shall cause to be furnished to the Association, promptly upon their preparation, the plans, specifications and construction schedules for the Project and any material modifications subsequently made therein, in such detail as the Association shall from time to time request.

(g) The Borrower shall maintain or cause to be maintained records adequate to identify the goods financed out of the proceeds of the Credit, to disclose the use thereof in Part A of the Project, 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 agency or agencies of the Borrower responsible for the construction or operation of the Project or any part thereof; shall enable the Association's representatives to inspect the Project, the operation thereof, the goods and any relevant records and documents; and shall furnish or cause to be furnished to the Association all such information as the Association shall reasonably request concerning the expenditure of the proceeds of the Credit, the goods, the Project, and the operations and financial condition of the agency