No. 8250

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT and SUDAN

Loan Agreement—*Second Railways Project* (with annexed Loan Regulations No. 3). Signed at Washington, on 27 December 1965

Official text : English.

Registered by the International Bank for Reconstruction and Development on 12 July 1966.

BANQUE INTERNATIONALE POUR LA RECONSTRUCTION ET LE DÉVELOPPEMENT et SOUDAN

Contrat d'emprunt — *Deuxième projet relatif aux chemins de fer* (avec, en annexe, le Règlement n° 3 sur les emprunts). Signé à Washington, le 27 décembre 1965

Texte officiel anglais.

Enregistré par la Banque internationale pour la reconstruction et le développement le 12 juillet 1966.

No. 8250. LOAN AGREEMENT[1] (*SECOND RAILWAYS PROJECT*) BETWEEN THE REPUBLIC OF THE SUDAN AND THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT. SIGNED AT WASHINGTON, ON 27 DECEMBER 1965

AGREEMENT, dated December 27, 1965, between THE REPUBLIC OF THE SUDAN (hereinafter called the Borrower) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (hereinafter called the Bank).

Article I

LOAN REGULATIONS ; SPECIAL DEFINITION

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,[2] subject, however, to the following modifications thereof (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 :

(*a*) The second sentence of Section 8.03 is deleted and the following is substituted therefor :

"Subject to any applicable constitutional requirements of the Borrower, any modifica'ion or amplification of the provisions of the Loan Agreement may be agreed to on behalf of the Borrower by written instrument executed on behalf of the Borrower by the representative so designated or any person thereunto authorized in writing by him ; provided that, in the opinion of such representative, such modification or amplification is reasonable in the circumstances and will not substantially increase the obligations of the Borrower under the Loan Agreement."

(*b*) Section 9.04 is deleted.

Section 1.02. Except where the context otherwise requires, the following term has the following meaning wherever used in the Loan Agreement :

The term "Railways" means that part of the Ministry of Communications of the Borrower responsible for the operation of the railway, river-transport and harbor

[1] Came into force on 10 March 1966, upon notification by the Bank to the Government of the Sudan.
[2] See p. 42 of this volume.

facilities of the Borrower and shall include any other agency or organization which may be charged with responsibility for the administration, operation or maintenance of any of such facilities.

Article II

The Loan

Section 2.01. The Bank agrees to lend to the Borrower, on the terms and conditions in the Loan Agreement set forth or referred to, an amount in various currencies equivalent to thirty-one million dollars ($31,000,000).

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 and the Loan Regulations.

Section 2.03. The Borrower shall pay to the Bank a commitment charge at the rate of three-eighths of one per cent ($^3/_8$ of 1%) per annum on the principal amount of the Loan not so withdrawn from time to time.

Section 2.04. The Borrower shall pay interest at the rate of five and one-half per cent ($5\frac{1}{2}$%) per annum on the principal amount of the Loan so withdrawn and outstanding from time to time.

Section 2.05. Except as the Bank and the Borrower 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 2.06. Interest and other charges shall be payable semi-annually on February 15 and August 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 to this Agreement.

Article III

Use of Proceeds of the Loan

Section 3.01. The Borrower shall cause the proceeds of the Loan to be applied exclusively to financing the cost of goods required to carry out the Project described in Schedule 2 to this Agreement. The specific goods to be financed out of the proceeds of the Loan and the methods and procedures for procurement of such goods shall be determined by agreement between the Borrower and the Bank, subject to modification by further agreement between them.

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 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 make the proceeds of the Loan available to the Railways on terms and conditions satisfactory to the Bank and shall cause the Project to be carried out with due diligence and efficiency and in conformity with sound engineering and financial practices.

(*b*) The Borrower undertakes, whenever there is reasonable cause to believe that the funds available to the Railways will be inadequate to meet the estimated expenditures required for carrying out the Project, to make arrangements satisfactory to the Bank promptly to provide the Railways or cause the Railways to be provided with such funds as are needed to meet such expenditures.

(*c*) The Borrower shall cause to be maintained its railway, river transport and harbor facilities, including all such facilities now or hereafter operated by the Railways, and shall cause to be made all necessary renewals and repairs thereof, all in accordance with sound engineering practices, and shall at all times cause such facilities to be operated in accordance with sound transportation and business practices.

(*d*) The Borrower shall cause to be furnished to the Bank, 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 Bank shall from time to time request.

(*e*) The Borrower shall maintain or cause to be maintained records adequate to identify the goods financed out of the proceeds of the Loan, to disclose the use thereof in 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 Railways ; shall enable the Bank's