No. 8262

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
and
GUINEA

Loan Agreement—*Boké Engineering Project* (with annexed Loan Regulations No. 3). Signed at Washington, on 30 March 1966

Official text: English.

Registered by the International Bank for Reconstruction and Development on 19 July 1966.

BANQUE INTERNATIONALE POUR LA RECONSTRUCTION ET LE DÉVELOPPEMENT
et
GUINÉE

Contrat d'emprunt — *Projet relatif à des travaux de génie civil à Boké* (avec, en annexe, le Règlement n° 3 sur les emprunts). Signé à Washington, le 30 mars 1966

Texte officiel anglais.

Enregistré par la Banque internationale pour la reconstruction et le développement le 19 juillet 1966.

No. 8262. LOAN AGREEMENT[1] (*BOKÉ ENGINEERING PROJECT*) BETWEEN THE REPUBLIC OF GUINEA AND THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT. SIGNED AT WASHINGTON, ON 30 MARCH 1966

AGREEMENT, dated March 30, 1966, between REPUBLIC OF GUINEA (hereinafter called the Borrower) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (hereinafter called the Bank).

WHEREAS the Borrower has requested the Bank to assist in financing engineering services required for the design and preparation of contract documents for the construction of a railroad line, a port and a townsite related to a project for the exploitation of bauxite deposits in the region of Boké; and

WHEREAS the Bank, on the basis of the foregoing, has agreed to make a loan to the Borrower upon the terms and 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 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, with the same force and effect as if they were fully set forth herein (said Loan Regulations No. 3 as so modified being hereinafter called the Loan Regulations):

(*a*) paragraph (*c*) of Section 2.05, paragraph (*b*) of Section 3.03, Section 4.01, Article VI, paragraph (*b*) of Section 9.02, Section 9.04, paragraph 8 of Section 10.01 and Schedules 1 and 2 are deleted;

(*b*) any reference to Bonds in Sections 2.05, 2.06, 3.03, paragraphs (*a*), (*c*) and (*d*) of Section 5.02, Sections 5.05, 7.01, 7.03, 8.02 and 9.05 is deleted; and

(*c*) any reference to premium in paragraph (*b*) of Section 2.05 is deleted.

[1] Came into force on 18 May 1966, upon notification by the Bank to the Government of Guinea.
[2] See p. 20 of this volume.

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

(*a*) the term " Office " means the Office d'Aménagement de Boké, an agency of the Borrower created by Decree No. 425 PRG of December 31, 1965; and

(*b*) the term " CBG " means the Compagnie des Bauxites de Guinée, a corporation organized and existing under the laws of the State of Delaware, USA, and registered in the Registry of Commerce of Conakry, Republic of Guinea, pursuant to the laws of the Borrower relating to *sociétés d'économie mixte.*

Article II

THE LOAN

Section 2.01. The Bank agrees to lend to the Borrower, on the terms and conditions in this Loan Agreement set forth or referred to, an amount in various currencies equivalent to one million seven hundred thousand dollars ($1,700,000).

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 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 Loan Agreement.

Section 2.03. Except as the Borrower and the Bank shall otherwise agree, the Borrower shall be entitled, subject to the provisions of this Loan Agreement, to withdraw from the Loan Account :

(*a*) such amounts as shall have been paid to the consultants under the contracts referred to in paragraph (*b*) (i) (2) of Section 3.02 of this Agreement but not exceeding in the aggregate such amounts as shall be agreed upon between the Borrower and the Bank; and

(*b*) if the Bank shall so agree, such amounts as shall be required to meet payments under the foregoing paragraph;

provided, however, that no withdrawals shall be made on account of (i) expenditures prior to May 27, 1965 or (ii) expenditures in the currency of the Borrower or for goods produced in (including services supplied from) the territories of the Borrower or (iii) expenditures in the territories of any country which is not a member of the Bank (other than Switzerland) or for goods produced in (including services supplied from) such territories.

Section 2.04. Notwithstanding anything to the contrary contained in this Loan Agreement, unless the Bank shall otherwise agree, the Borrower shall not be entitled to make withdrawals from the Loan Account after May 15, 1966 or in excess of an amount equivalent in the aggregate to $650,000 until the consultants referred to in paragraph (*b*) (i) (2) of Section 3.02 of this Agreement for Part B of the Project shall have been retained.

Section 2.05. 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 2.06. The Borrower shall pay interest at the rate of six per cent (6%) per annum on the principal amount of the Loan so 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 ($^1/_2$ of 1%) per annum on the principal amount of any such special commitments outstanding from time to time.

Section 2.08. Interest and other charges shall be payable semi-annually on March 15 and September 15 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 1 to this Agreement.

Article III

Particular Covenants

Section 3.01. The Borrower shall cause the Project described in Schedule 2 to this Agreement to be carried out with due diligence and efficiency and in conformity with sound engineering and financial practices.

Section 3.02. (*a*) The Borrower shall enter into an agreement (hereinafter called the " Office Agreement ") with the Office setting forth the terms and conditions under which the Office shall carry out the Project on behalf of the Borrower.

(*b*) The Office Agreement shall include provisions which will enable the Borrower to carry out its obligations under this Loan Agreement and shall include without limitation :

(i) on the part of the Office, the obligation : (1) to carry out the Project with due diligence and efficiency and in conformity with sound engineering and financial practices under the supervision of competent management; (2) to retain separate consultants acceptable to, and to an extent and upon terms and conditions of contracts satisfactory to, the Borrower and the Bank, to carry out respectively Part A and Part B of the Project; (3) to maintain or cause to be maintained records adequate to show the use of the proceeds of the Loan, 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 Office; (4) to ensure the right on the part of the Borrower and the Bank to inspect any goods, properties, equipment, operations, records and documents relevant to the carrying out of the Project; (5) to furnish or cause to be furnished to the Borrower and the Bank a description of the overall planning and the work schedules for the Project, and any material modifications subsequently made therein, in such detail as the Borrower and the Bank shall reasonably request; (6) to furnish or cause to be furnished to the Borrower and the Bank copies of the reports covering the surveys and investigations forming part of the Project and the plans, designs, specifications and other documents required for the construction of the proposed railroad line, port and townsite described in Schedule 2 to this Agreement; and (7) to ensure the right of the Borrower and the Bank to obtain all such information as they shall reasonably request relating to any of the foregoing and to the administration of the Office; and

(ii) on the part of the Borrower, an obligation to make payments on behalf of the Office for any amounts due under the contracts referred to in paragraph (*b*) (i) (2) of this Section or to make reimbursements for payments made under such contracts.

(*c*) The Borrower shall exercise its rights in relation to the Office in such manner as to protect the interests of the Borrower and the Bank and to cause the Office to carry out its obligations under the Office Agreement.

(*d*) The Borrower shall make arrangements with CBG, in form and substance satisfactory to the Bank, setting forth the terms and conditions under which CBG shall make available to the Office qualified and experienced personnel acceptable to the Borrower and the Bank and shall cooperate with the Office in the carrying out of the Project. The Borrower shall provide or cause the Office to be provided with additional qualified personnel in adequate number to enable it to carry out its obligations under the Office Agreement.

(*e*) The Borrower shall not amend, assign, waive, suspend or terminate the Office Agreement in any material respect without prior agreement of the Bank.

Section 3.03. The Borrower shall make arrangements, satisfactory to the Bank, to make available promptly as needed, all funds required for the prompt and diligent carrying out of the Project.