No. 8266

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
and
FINLAND

Loan Agreement—*Second Road Project* (with annexed Loan Regulations No. 3). Signed at Washington, on 27 April 1966

Official text: English.

Registered by the International Bank for Reconstruction and Development on 21 July 1966.

BANQUE INTERNATIONALE POUR LA RECONSTRUCTION ET LE DÉVELOPPEMENT
et
FINLANDE

Contrat d'emprunt — *Deuxième projet relatif aux routes* (avec, en annexe, le Règlement n° 3 sur les emprunts). Signé à Washington, le 27 avril 1966

Texte officiel anglais.

Enregistré par la Banque internationale pour la reconstruction et le développement le 21 juillet 1966.

No. 8266. LOAN AGREEMENT[1] (*SECOND ROAD PROJECT*) BETWEEN THE REPUBLIC OF FINLAND AND THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT. SIGNED AT WASHINGTON, ON 27 APRIL 1966

AGREEMENT, dated April 27, 1966 between REPUBLIC OF FINLAND (hereinafter called the Borrower) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (hereinafter called the Bank).

Article I

LOAN REGULATIONS

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] with the same force and effect as if they were fully set forth herein, subject, however, to the following modifications thereof:

(*a*) Section 4.01 is deleted;
(*b*) Section 4.02 is deleted;
(*c*) Section 9.04 is deleted.

Loan Regulations No. 3, as so modified, are hereinafter called the Loan Regulations.

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 twenty million dollars ($20,000,000).

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 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 The amount of the Loan may be withdrawn from the Loan Account as provided in, and subject to the rights of cancellation and suspension set forth in, the Loan Agreement.

[1] Came into force on 16 June 1966, upon notification by the Bank to the Government of Finland.

[2] See p. 122 of this volume.

Section 2.03. (*a*) Except as the Borrower and the Bank shall otherwise agree, the Borrower shall be entitled, subject to the provisions of the Loan Agreement, to withdraw from the Loan Account the equivalent of a percentage or percentages to be established from time to time by agreement between the Borrower and the Bank of : (i) such amounts as shall have been paid for the reasonable cost of goods to be financed under this Loan Agreement; and (ii) if the Bank shall so agree, such amounts as shall be required to meet payments to be made for the reasonable cost of such goods.

(*b*) Except as shall be otherwise agreed between the Borrower and the Bank, no withdrawals shall be made on account of : (i) expenditures prior to January 1, 1966, or (ii) expenditures made 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. 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 2.05. 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 2.06. Interest and other charges shall be payable semi-annually on February 1 and August 1 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,

Section 2.08. Pursuant to the second sentence of Section 3.02 of the Loan Regulations, the Borrower and the Bank agree that withdrawals shall be made in such currency or currencies as the Bank shall reasonably select.

Article III

Use of Proceeds of Loan

Section 3.01. The Borrower shall apply the proceeds of the Loan exclusively to financing the cost of goods required to carry out the Project. 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. Except as the Borrower and the Bank shall otherwise agree, the Borrower shall cause all goods financed out of the proceeds of the Loan to be used 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 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 carry out the Project with due diligence and efficiency and in accordance with sound engineering, administrative and financial practices, and shall provide, promptly as needed, the funds, facilities, services and other resources required for the purpose.

(*b*) The Borrower shall operate, maintain and repair all roads and the bridge included in the Project in accordance with sound engineering and highway practices.

(*c*) Except as the Borrower and the Bank shall otherwise agree, the Borrower shall, in carrying out Parts I, II and IV of the Project, employ engineering consultants acceptable to, and upon terms and conditions satisfactory to, the Borrower and the Bank.

(*d*) The general design standards to be used for the roads and the bridge included in the Project shall be satisfactory to the Borrower and the Bank.

(*e*) Except as the Bank shall otherwise agree, the works referred to in Parts I, II and III of the Project shall be carried out by contractors satisfactory to the Borrower and the Bank, employed under contracts satisfactory to the Borrower and the Bank.

(*f*) The lists of roads included in Parts III and IV of the Project shall be determined by agreement between the Borrower and the Bank, subject to modification by further agreement between them.