No. 8270

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT, TERRITORY OF NORTHERN RHODESIA, RHODESIA RAILWAYS and UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND

Loan Assumption Agreement—*Rhodesia Railways Project.* Signed at Salisbury, on 30 December 1963

Official text: English.

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

BANQUE INTERNATIONALE POUR LA RECONSTRUCTION ET LE DÉVELOPPEMENT, TERRITOIRE DE LA RHODÉSIE DU NORD, CHEMINS DE FER RHODÉSIENS et ROYAUME-UNI DE GRANDE-BRETAGNE ET D'IRLANDE DU NORD

Contrat de transfert d'emprunt — *Projet relatif aux chemins de fer rhodésiens.* Signé à Salisbury, le 30 décembre 1963

Texte officiel anglais.

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

No. 8270. LOAN ASSUMPTION AGREEMENT[1] (*RHODESIA RAILWAYS PROJECT*) BETWEEN THE TERRITORY OF NORTHERN RHODESIA, THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT, THE RHODESIA RAILWAYS AND THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND. SIGNED AT SALISBURY, ON 30 DECEMBER 1963

AGREEMENT, dated December 30, 1963, between the TERRITORY OF NORTHERN RHODESIA (hereinafter called Northern Rhodesia) of the first part, INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (hereinafter called the Bank) of the second part, the RHODESIA RAILWAYS (hereinafter called the Railways), a corporation established by the Rhodesia Railways Act, 1949, as amended, of the Colony of Southern Rhodesia (hereinafter called Southern Rhodesia), of the third part and the UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND (hereinafter called the United Kingdom) of the fourth part.

WHEREAS (A) Pursuant to a Loan Agreement dated June 16, 1958[2] between the Federation of Rhodesia and Nyasaland (hereinafter called the Federation) and the Bank, the Bank made to the Federation a loan (hereinafter called the Loan) in various currencies in an aggregate principal amount equivalent to nineteen million dollars ($19,000,000) to be used for the development of the facilities of the Railways, on the terms and conditions set forth in the Loan Agreement;

(B) By an Agreement (hereinafter called the Guarantee Agreement) dated June 16, 1958[2] between the United Kingdom and the Bank the United Kingdom agreed to guarantee the Loan as therein provided;

(C) The Federation has repaid pursuant to the Loan Agreement the equivalent of $2,216,000 of the principal of the Loan and has made all interest payments due on the Loan to and including the payment due on November 1, 1963;

(D) It is planned to dissolve the Federation;

(E) On the dissolution of the Federation Northern Rhodesia and Southern Rhodesia will own the Railways in equal shares and each of Northern Rhodesia and Southern Rhodesia has agreed to assume one-half of the financial obligations

[1] Came into force as of the time of the dissolution of the Federation of Rhodesia and Nyasaland, which took place immediately before 1 January 1964, in accordance with article V.
[2] United Nations, *Treaty Series*, Vol. 309, p. 35.

of the Federation under the Loan Agreement and to assume the other obligations of the Federation under the Loan Agreement and the United Kingdom concurs in this assumption; and

(F) The Railways have agreed to enter into certain direct obligations with the Bank;

NOW THEREFORE it is hereby agreed as follows:

Article I

DEFINITIONS

Section 1.01. Except where the context otherwise requires, the following terms have the following meanings wherever used in this Agreement:

The term " Loan Agreement " means the Loan Agreement dated June 16, 1958 between the Federation and the Bank; and such term includes all schedules to such Loan Agreement and Loan Regulations No. 4 of the Bank dated June 15, 1956,[1] as made applicable to such Loan Agreement.

The term " dollars " and the sign " $ " mean dollars in currency of the United States of America.

Article II

ASSUMPTION OF PART OF OBLIGATIONS UNDER LOAN AGREEMENT

Section 2.01. Northern Rhodesia hereby assumes, and agrees to carry out, (i) the obligation of the Federation to repay principal and pay interest and other charges and premium, if any, in respect of one-half of the Loan and (ii) all the other obligations of the Federation under the Loan Agreement, and the Bank hereby recognizes the succession of Northern Rhodesia to the rights of the Federation under the Loan Agreement, with the same effect as though Northern Rhodesia were substituted for the Federation as a party to such Agreement and as though the words " Northern Rhodesia " were substituted for the word " Borrower " and the words " the part of the Loan Northern Rhodesia has agreed to repay " were substituted for the phrase " the Loan " wherever used therein, subject to the following modifications of the Loan Agreement:

(*a*) By the deletion of Section 1.01 and the substitution therefor of the following new Section, namely:

> " SECTION 1.01. The parties to this Loan Agreement accept all the provisions of Loan Regulations No. 4 of the Bank dated June 15, 1956,[1] subject, however, to the modifications thereof set forth in Schedule 3[2] to the Loan Agreement and to the further modifications thereof set forth

[1] United Nations, *Treaty Series*, Vol. 260, p. 376.
[2] United Nations, *Treaty Series*, Vol. 309, p. 58.

in the Schedule[1] to the Loan Assumption Agreement dated December 30, 1963 between Northern Rhodesia, the Bank, the Rhodesia Railways and the United Kingdom of Great Britain and Northern Ireland (said Loan Regulations No. 4 as so modified being hereinafter called the Loan Regulations), with the same force and effect as if they were fully set forth herein. "

(*b*) By the deletion of Section 4.02 and the substitution therefor of the following new Section, namely :

" SECTION 4.02. The Permanent Secretary to the Ministry of Finance of Northern Rhodesia and such person or persons as he shall appoint in writing are designated as authorized representatives of Northern Rhodesia for the purposes of Section 6.12 (*a*) of the Loan Regulations. "

(*c*) By the deletion in subsection (*e*) of Section 5.01 of the words " shall enable the Bank's representatives to inspect the Project and all facilities operated by the Rhodesia Railways, the goods and any relevant records and documents " and the substitution therefor of the words " shall enable the Bank's representatives to inspect the part of the Project and all facilities operated by the Rhodesia Railways within its territories, the goods in its territories and any relevant records and documents in its territories ".

(*d*) By the deletion in the second paragraph of Section 5.03 of the words " the Bank of Rhodesia and Nyasaland " and the substitution therefor of the words " its share of the assets of the Bank of Rhodesia and Nyasaland or of any other agency fulfilling similar functions in Northern Rhodesia ".

(*e*) By the deletion of Section 8.03 and the substitution therefor of the following new Section, namely :

" SECTION 8.03. The Permanent Secretary to the Ministry of Finance of Northern Rhodesia is designated for the purposes of Section 8.03 (A) of the Loan Regulations. "

(*f*) By the deletion of the Amortization Schedule in Schedule 1 and the substitution therefor of the following new Amortization Schedule :

[1] See p. 228 of this volume.