

**INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
and
CONGO (REPUBLIC OF)**

Guarantee Agreement—*Potash Project* (with related letter, annexed Loan Regulations No. 4 and Loan Agreement between the Bank and the Compagnie des potasses du Congo). Signed at Washington, on 9 January 1967

Official text of the Guarantee Agreement and annexes: English (with the exception of the letter relating to the Guarantee Agreement which was done in French).

Registered by the International Bank for Reconstruction and Development on 23 June 1967.

**BANQUE INTERNATIONALE POUR
LA RECONSTRUCTION ET LE DÉVELOPPEMENT
et
CONGO (RÉPUBLIQUE DU)**

Contrat de garantie — *Projet relatif à la potasse* (avec lettre y relative et, en annexe, le Règlement n° 4 sur les emprunts et le Contrat d'emprunt entre la Banque et la Compagnie des potasses du Congo). Signé à Washington, le 9 janvier 1967

Texte officiel du Contrat de garantie et des annexes. anglais (à l'exception de la lettre relative au Contrat de garantie, rédigée en français).

Enregistré par la Banque internationale pour la reconstruction et le développement le 23 juin 1967.

No. 8659. GUARANTEE AGREEMENT¹ (*POTASH PROJECT*)
BETWEEN THE RÉPUBLIQUE DU CONGO (BRAZZA-
VILLE) AND THE INTERNATIONAL BANK FOR RECON-
STRUCTION AND DEVELOPMENT. SIGNED AT WASH-
INGTON, ON 9 JANUARY 1967

AGREEMENT, dated January 9, 1967, between RÉPUBLIQUE DU CONGO (BRAZZAVILLE) (hereinafter called the Guarantor) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (hereinafter called the Bank).

WHEREAS by an agreement of even date herewith between the Bank and Compagnie des Potasses du Congo, "CPC" (hereinafter called the Borrower), which agreement and the schedules therein referred to are hereinafter called the Loan Agreement,² the Bank has agreed to make to the Borrower a loan in various currencies equivalent to thirty million dollars (\$30,000,000), on the terms and conditions set forth in the Loan Agreement, but only on condition that the Guarantor agree to guarantee the obligations of the Borrower in respect of such loan as hereinafter provided ; and

WHEREAS the Guarantor, in consideration of the Bank's entering into the Loan Agreement with the Borrower, has agreed so to guarantee such obligations of the Borrower ;

NOW THEREFORE the parties hereto hereby agree as follows :

Article I

Section 1.01. The parties to this Guarantee Agreement accept all the provisions of Loan Regulations No. 4 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 modifications thereof set forth in Schedule 3 to the Loan Agreement (said Loan Regulations No. 4 as so modified being hereinafter called the Loan Regulations).

Section 1.02 Whenever used in this Agreement, unless the context shall otherwise require, the several terms defined in the Loan Agreement shall have the respective meanings therein set forth.

¹ Came into force on 7 March 1967, upon notification by the Bank to the Government of the Congo.

² See p 172 of this volume

Article II

Section 2.01. Without limitation or restriction upon any of the other covenants on its part in this Agreement contained, the Guarantor hereby unconditionally guarantees, as primary obligor and not as surety merely, the due and punctual payment of the principal of, and the interest and other charges on, the Loan, the principal of and interest on the Bonds, and the premium, if any, on the prepayment of the Loan or the redemption of the Bonds, all as set forth in the Loan Agreement and in the Bonds.

Article III

Section 3.01. It is the mutual intention of the Guarantor and the Bank that no other external debt shall enjoy any priority over the Loan by way of a lien on governmental assets. To that end, the Guarantor undertakes that, except as the Bank shall otherwise agree, if any lien shall be created on any assets of the Guarantor as security for any external debt, such lien will *ipso facto* equally and ratably secure the payment of the principal of, and interest and other charges on, the Loan and the Bonds, and that in the creation of any such lien express provision will be made to that effect; provided, however, that the foregoing provisions of this Section shall not apply to . (i) any lien created on property, at the time of purchase thereof, solely as security for the payment of the purchase price of such property; or (ii) any lien arising in the ordinary course of banking transactions and securing a debt maturing not more than one year after its date.

The term "assets of the Guarantor" as used in this Section includes assets of the Guarantor or of any of its political subdivisions or of any agency of the Guarantor or of any such political subdivision.

Section 3.02 (a) The Guarantor and the Bank shall cooperate fully to assure that the purposes of the Loan will be accomplished. To that end, each of them shall furnish to the other all such information as it shall reasonably request with regard to the general status of the Loan. On the part of the Guarantor, such information shall include information with respect to financial and economic conditions in the territories of the Guarantor and the international balance of payments position of the Guarantor.

(b) The Guarantor and the Bank shall from time to time exchange views through their representatives with regard to matters relating to the purposes of the Loan and the maintenance of the service thereof. The Guarantor shall promptly inform the Bank of any condition which interferes with, or threatens to interfere with, the accomplishment of the purposes of the Loan or the maintenance of the service thereof.

(c) The Guarantor shall afford all reasonable opportunity for accredited representatives of the Bank to visit any part of the territories of the Guarantor for purposes related to the Loan.

Section 3.03. The principal of, and interest and other charges on, the Loan and the Bonds shall be paid without deduction for, and free from, any taxes, and free from all restrictions, imposed under the laws of the Guarantor or laws in effect in its territories, provided, however, that the provisions of this Section shall not apply to taxation of payments under any Bond to a holder thereof other than the Bank when such Bond is beneficially owned by an individual or corporate resident of the Guarantor.

Section 3.04. The Guarantee Agreements, the Loan Agreement and the Bonds shall be free from any taxes that shall be imposed under the laws of the Guarantor or laws in effect in its territories on or in connection with the execution, issue, delivery or registration thereof.

Section 3.05. The Guarantor covenants that it will not take, cause or permit to be taken, any action which would prevent, or materially interfere with, the successful construction and operation of the Project or with the performance by the Borrower of its obligations contained in the Loan Agreement.

Section 3.06. If at any time the Guarantor shall, pursuant to the provisions of this Agreement, make any of the payments due under the Loan or the Bonds, the Guarantor shall, to the extent of any such payment, be subrogated to the rights of the Bank or any Bondholder with respect thereto.

Article IV

Section 4.01. The Guarantor shall endorse, in accordance with the provisions of the Loan Regulations, its guarantee on the Bonds to be executed and delivered by the Borrower. The *Ministre des Finances* of the Guarantor and such person or persons as he shall designate in writing are designated as the authorized representatives of the Guarantor for the purposes of Section 6.12 (b) of the Loan Regulations.

Article V

Section 5.01. The following addresses are specified for the purposes of Section 8.01 of the Loan Regulations.

For the Guarantor :

Ministre des Finances
Ministère des Finances
Brazzaville, Republic of Congo

Alternative address for cablegrams and radiograms :

Minifinance
Brazzaville, Congo

For the Bank :

International Bank for Reconstruction and Development
1818 H Street, N.W
Washington, D.C. 20433
United States of America

Alternative address for cablegrams and radiograms :
Intbafrad
Washington, D.C.

Section 5.02. The *Ministre des Finances* of the Guarantor is designated for the purposes of Section 8.03 of the Loan Regulations

IN WITNESS WHEREOF, the parties hereto, acting through their representatives thereunto duly authorized, have caused this Guarantee Agreement to be signed in their respective names and delivered in the District of Columbia, United States of America, as of the day and year first above written.

République du Congo (Brazzaville) :

By Jonas MOUANZA
Authorized Representative

International Bank for Reconstruction and Development :

By George D. WOODS
President