

No. 8946

**INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
and
THAILAND**

Loan Agreement—*Phasom Dam Project* (with annexed Loan Regulations No. 3, as amended). Signed at Washington, on 19 September 1967

Official text: English.

Registered by the International Bank for Reconstruction and Development on 29 January 1968.

**BANQUE INTERNATIONALE POUR
LA RECONSTRUCTION ET LE DÉVELOPPEMENT
et
THAÏLANDE**

Contrat d'emprunt — *Projet relatif au barrage de Phasom* (avec, en annexe, le Règlement n° 3 sur les emprunts, tel qu'il a été modifié). Signé à Washington, le 19 septembre 1967

Texte officiel anglais.

Enregistré par la Banque internationale pour la reconstruction et le développement le 29 janvier 1968.

No. 8946. LOAN AGREEMENT¹ (*PHASOM DAM PROJECT*)
BETWEEN THE KINGDOM OF THAILAND AND THE
INTERNATIONAL BANK FOR RECONSTRUCTION AND
DEVELOPMENT. SIGNED AT WASHINGTON, ON 19 SEP-
TEMBER 1967

AGREEMENT, dated September 19, 1967, between KINGDOM OF THAILAND (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, as amended February 9, 1967,² 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).

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 twenty-six million dollars (\$26,000,000).

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 The amount of the Loan may be withdrawn from the Loan Account as provided in, and subject to the rights of cancellation and suspension set forth in, the Loan Agreement.

Section 2.03. The Borrower shall pay to the Bank a commitment charge at the rate of three-eighths of one per cent ($\frac{3}{8}$ of 1 %) per annum on the principal amount of the Loan not so withdrawn from time to time.

¹ Came into force on 14 November 1967, upon notification by the Bank to the Government of Thailand.

² See p. 290 of this volume.

Section 2.04. 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 2.05. 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 ($\frac{1}{2}$ 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 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 or cause to be carried out the Project with due diligence and efficiency and in accordance with sound engineering and financial practices and shall make available, promptly as needed, the funds, facilities, services and other resources required for the purpose.

(b) In carrying out the Project the Borrower shall employ or cause to be employed consultants and experts acceptable to the Borrower and the Bank. The nature and scope of the responsibilities of such consultants and experts and the other terms and conditions of their employment shall be determined in respect of each part of the Project by agreement between the Borrower and the Bank.

(c) The general design standards to be used in the construction of the works and facilities included in the Project shall be satisfactory to the Borrower and the Bank.

(d) The Borrower shall employ, on terms and conditions satisfactory to the Borrower and the Bank, qualified and experienced contractors, acceptable to the Borrower and the Bank, to construct the main dam and related structures included in the Project.

(e) The Borrower: (i) shall maintain 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 expenditures and availability of funds in respect of the works and facilities included in the Project of the Royal Irrigation Department or any other department or agency of the Borrower responsible for the construction, operation and maintenance of such works and facilities of the Project or any part thereof; (ii) shall enable the Bank's representatives to inspect the Project, the operation of the works and facilities included therein, the goods and any relevant records and documents; and (iii) shall furnish to the Bank all such information as the Bank shall reasonably request concerning the expenditure of the proceeds of the Loan, the Project, the goods and the operations, administration and financial resources in respect of the works and facilities included in the Project of the Royal Irrigation Department or any other department or agency of the Borrower responsible for the construction, operation and maintenance of such works and facilities of the Project or any part thereof.

Section 5.02. The Borrower shall cause the works and facilities included in the Project to be operated and maintained in accordance with sound engineer-