II

Treaties and international agreements

filed and recorded

from 12 June 1966 to 21 July 1966

No. 623

Traités et accords internationaux

classés et inscrits au répertoire

du 12 juin 1966 au 21 juillet 1966

N° 623

No. 623

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT and EAST AFRICAN COMMON SERVICES ORGANIZATION

Loan Agreement—*Second East African Railways and Harbours Project* (with related letters and annexed Loan Regulations No. 4). Signed at Washington, on 29 September 1965

Official text: English.

Filed and recorded at the request of the International Bank for Reconstruction and Development on 21 July 1966.

BANQUE INTERNATIONALE POUR LA RECONSTRUCTION ET LE DÉVELOPPEMENT et ORGANISATION DES SERVICES COMMUNS DE L'EST AFRICAIN

Contrat d'emprunt — *Deuxième projet relatif aux chemins de fer et aux ports de l'Est africain* (avec lettres y relatives et, en annexe, le Règlement n° 4 sur les emprunts). Signé à Washington, le 29 septembre 1965

Texte officiel anglais.

Classé et inscrit au répertoire à la demande de la Banque internationale pour la reconstruction et le développement le 21 juillet 1966.

No. 623. LOAN AGREEMENT[1] (*SECOND EAST AFRICAN RAILWAYS AND HARBOURS PROJECT*) BETWEEN THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT AND THE EAST AFRICAN COMMON SERVICES AUTHORITY. SIGNED AT WASHINGTON, ON 29 SEPTEMBER 1965

AGREEMENT, dated September 29, 1965, between INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (hereinafter called the Bank) and EAST AFRICAN COMMON SERVICES AUTHORITY (hereinafter called the Borrower).

WHEREAS (A) The Borrower is the principal executive authority of the East African Common Services Organization (hereinafter called the Organization) which was established by an Agreement dated December 9, 1961[2] between the Governments of Tanganyika, Kenya and Uganda for the purpose, *inter alia*, of administering certain services of common interest to the inhabitants of such countries;

(B) The East African Railways and Harbours Administration (hereinafter called the Administration, which expression shall when the text so permits include the General Manager of the Administration) was established by the East African Railways and Harbours Act of 1950 of the East Africa High Commission (hereinafter called the High Commission) as a self-contained service of the High Commission for operating, in accordance with the provisions of that Act, a coordinated and integrated system of transport and harbor facilities in East Africa and was taken over from the High Commission by the Organization;

(C) By a loan agreement dated March 15, 1955[3] between the Bank and the High Commission, the Bank granted a loan (hereinafter called the First Loan) to the High Commission for the purposes of the Administration;

(D) By a guarantee agreement dated March 15, 1955[3] between the United Kingdom of Great Britain and Northern Ireland and the Bank, the United Kingdom agreed to guarantee the First Loan as therein provided; by a letter of guarantee dated May 16, 1955[4] between the Governor of the Colony and

[1] Came into force on 20 April 1966, upon notification by the Bank to the East African Common Services Authority.
[2] United Nations, *Treaty Series*, Vol. 437, p. 47.
[3] United Nations, *Treaty Series*, Vol. 265, p. 85.
[4] United Nations, *Treaty Series*, Vol. 265, p. 122.

Protectorate of Kenya and the Bank, the Colony and Protectorate of Kenya agreed to guarantee the First Loan as therein provided; by a letter of guarantee dated May 13, 1955[1] between the Governor of the Trust Territory of Tanganyika and the Bank, the Trust Territory of Tanganyika agreed to guarantee the First Loan as therein provided; and by a letter of guarantee dated June 1, 1955[2] between the Acting Governor of the Protectorate of Uganda and the Bank, the Protectorate of Uganda agreed to guarantee the First Loan as therein provided;

(E) The Borrower has become liable for the performance of the obligations of the High Commission under said loan agreement dated March 15, 1955; the Republic of Kenya has become liable for the performance of the obligations of the Colony and Protectorate of Kenya under said letter of guarantee dated May 16, 1955; the United Republic of Tanzania has become liable for the performance of the obligations of the Trust Territory of Tanganyika under said letter of guarantee dated May 13, 1955; and the State of Uganda has become liable for the performance of the obligations of the Protectorate of Uganda under said letter of guarantee dated June 1, 1955;

(F) The Borrower has requested the Bank to make a new loan to it for the purposes of the Administration;

(G) The said loan is guaranteed jointly and severally as to payment of principal, interest and other charges by the Republic of Kenya, the United Republic of Tanzania and the State of Uganda upon the terms of separate Guarantee Agreements of even date herewith;[3] and

(H) The Bank has, on the basis of the foregoing, agreed to make a loan to the Borrower upon the terms and conditions hereinafter set forth;

NOW THEREFORE, the parties hereto hereby agree as follows :

Article I

LOAN REGULATIONS; SPECIAL DEFINITION

Section 1.01. The parties to this Loan Agreement accept all the provisions of Loan Regulations No. 4 of the Bank dated February 15, 1961,[4] subject, however, to the qualifications and modifications thereof set forth in Schedule 3 to this Agreement (said Loan Regulations No. 4 as so qualified and modified

[1] United Nations, *Treaty Series*, Vol. 265, p. 118.
[2] United Nations, *Treaty Series*, Vol. 265, p. 122.
[3] See pp. 290, 310 and 318 of this volume.
[4] See p. 358 of this volume.

being hereinafter called the Loan Regulations), with the same force and effect as if they were fully set forth herein.

Section 1.02. Except where the context otherwise requires, the following term has the following meaning wherever used in this Agreement or any schedule thereto : the term " the Agreed Plan 1965-67 " means the plan of estimated capital and renewals expenditures of the Administration dated June 28, 1965 included as Schedules 2 and 3 of Appendix E of the " Application for I.B.R.D. Loan " submitted to the Bank by the Borrower, with such changes as shall be agreed from time to time between the Bank and the Administration.

Article II

THE LOAN

Section 2.01. The Bank agrees to lend to the Borrower, on the terms and conditions in this Agreement set forth or referred to, an amount in various currencies equivalent to thirty-eight million dollars ($38,000,000).

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 Regulations.

Section 2.03. 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 2.04. The Borrower shall pay interest at the rate of five and one-half per cent ($5^1/_2$%) per annum on the principal amount of the Loan so withdrawn and outstanding from time to time.

Section 2.05. Except as the Bank and the Borrower 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 2.06. 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.