

II

Treaties and international agreements

filed and recorded

from 22 January 1968 to 30 January 1968

No. 635

Traités et accords internationaux

classés et inscrits au répertoire

du 22 janvier 1968 au 30 janvier 1968

N° 635

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**INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
and
EUROPEAN INVESTMENT BANK**

Memorandum of understanding concerning financing by the International Bank for Reconstruction and Development and the European Investment Bank of the project of the Compagnie des Potasses du Congo. Signed at Brussels, on 13 December 1966, and at Washington, on 3 February 1967

Official text: French.

Filed and recorded at the request of the International Bank for Reconstruction and Development on 23 January 1968.

**BANQUE INTERNATIONALE POUR
LA RECONSTRUCTION ET LE DÉVELOPPEMENT
et
BANQUE EUROPÉENNE D'INVESTISSEMENT**

Protocole d'accord relatif au financement par la Banque internationale pour la reconstruction et le développement et la Banque Européenne d'Investissement du projet de la Compagnie des Potasses du Congo. Signé à Bruxelles, le 13 décembre 1966, et à Washington, le 3 février 1967

Texte officiel français.

Classé et inscrit au répertoire à la demande de la Banque internationale pour la reconstruction et le développement le 23 janvier 1968.

[TRANSLATION¹ — TRADUCTION²]

No. 635. MEMORANDUM OF UNDERSTANDING³ BETWEEN THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT AND THE EUROPEAN INVESTMENT BANK CONCERNING FINANCING BY THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT AND BY THE EUROPEAN INVESTMENT BANK OF THE PROJECT OF THE COMPAGNIE DES POTASSES DU CONGO. SIGNED AT BRUSSELS, ON 13 DECEMBER 1966, AND AT WASHINGTON, ON 3 FEBRUARY 1967

With the object of carrying out the above-mentioned project, our Institutions have agreed to assist the Compagnie des Potasses du Congo (hereinafter called the Borrower) by means of loans amounting respectively to US \$ 30 million and 9 million units of account which have been made pursuant, on the one hand, to a loan agreement between the International Bank for Reconstruction and Development and the Borrower and, on the other hand, to a financing agreement between the European Investment Bank and the Borrower.

In order to enable our two Institutions to operate more effectively in connection with this project, it has been considered that each of them would be appointed agent for the other in respect of the supervision, administration and inspection of a specific portion of the overall project.

To that end, and following the conversations that have taken place between us regarding the powers that might thus be granted by one Institution to the other, our Institutions have drawn up, by mutual agreement, a technical description of the project and have then defined the respective spheres within which they would have to exercise their respective jurisdictions. Thus the EIB would have jurisdiction over the port and transport investments, while the IBRD would exercise its jurisdiction over the mining investments, both underground and on the surface, and any other investments not included in the EIB's jurisdiction.

On the basis of the foregoing, our Institutions have agreed upon the following :

A. COORDINATION, EXCHANGE OF INFORMATION

Each Institution shall :

1. exercise supervision over the various phases of the procedure relating to the placing of contracts and orders for works, materials and supplies. For this

¹ Translation by the International Bank for Reconstruction and Development.

² Traduction de la Banque internationale pour la reconstruction et le développement.

³ Came into force on 3 February 1967 by signature.

purpose each Institution, acting both for its own account and on behalf of the other Institution, shall conform to the arrangements specified for the implementation of the Loan and financing agreements mentioned above. Each Institution shall supply the other with all relevant information;

2. receive and check applications for disbursement and forward to the other Institution all information concerning them and shall inform the other Institution of any event which would prevent it from making such disbursements within the agreed periods;

3. supervise construction and check that the works carried out and the materials purchased are covered both by insurance and by manufacturers' guaranties and will be properly maintained, informing the other Institution accordingly;

4. inform the other Institution of the result of visits to the sites, installations and works;

5. with a view to achieving the closest possible degree of cooperation in the carrying out of the project, shall exchange views concerning the latter, communicate to each other any information that each may be reasonably expecting from the other, and shall coordinate their requests for information from the Borrower, whether these relate to the Borrower or to the project;

6. shall inform each other of any event liable to interfere with the carrying out of the project, or hinder its operation or such as to justify the prematuring of the loan.

B. CONSULTATIONS BETWEEN THE INSTITUTIONS

The Institutions shall consult one another :

1. as soon as possible when they propose to make amendments to the loan and financing agreements;

2. in the case of important changes in the specifications, cost and nature of the construction work, or in the work schedules for the project as compared with the original forecasts, with the object of finding jointly a suitable solution;

3. before taking any steps toward the suspension of disbursements, or the cancellation or termination of the credit opened, or before declaring the loan payable in advance of maturity; likewise they shall inform each other of any repayment made by the Borrower in advance of maturity;

4. in the case of a sale or transfer of shares of the Borrower, as provided for by Section 3.03 of the Shareholders Guarantee Agreement concluded between the IBRD and the Guarantors, before relieving any Guarantor of his obligations under such Section.

In addition, the Institutions may, at any time, consult one another on any matter of common interest.

C. EXCHANGE OF CONSENTS

The Institutions shall first reach agreement before giving their consent to any request of the Borrower under Sections 5.06, 5.08, 5.10 and 5.11(b) of the Loan Agreement between IBRD and the Borrower and under paragraphs 6.08, 6.12 and 6.13 of Article 6 and paragraph 8.01 (a) of Article 8 of the Financing Agreement between EIB and the Borrower and under the Supplemental Letters respectively addressed by each of the Institutions to the existing Guarantor Shareholders in connection with their joint and several obligations.

The provisions hereinabove set forth shall remain in force between IBRD and EIB until the Borrower shall have complied in full with his obligations toward each of those Institutions.

Washington, February 3, 1967

Brussels, December 13, 1966

International Bank for
Reconstruction and Development :

European Investment Bank :

A. G. EL EMARY

G. TRANCART

K. H. DRECHSLER