

No. 6774

**INTERNATIONAL DEVELOPMENT ASSOCIATION
and
HAITI**

**Development Credit Agreement—*Interim Highway Project*
(with related letter and annexed Development Credit
Regulations No. 1). Signed at Washington, on 2 No-
vember 1962**

Official text: English.

Registered by the International Development Association on 11 June 1963.

**ASSOCIATION INTERNATIONALE
DE DÉVELOPPEMENT
et
HAÏTI**

**Contrat de crédit de développement — *Projet intérimaire
relatif au réseau routier* (avec lettre y relative et, en
annexe, le Règlement n° 1 sur les crédits de développe-
ment). Signé à Washington, le 2 novembre 1962**

Texte officiel anglais.

Enregistré par l'Association internationale de développement le 11 juin 1963.

No. 6774. DEVELOPMENT CREDIT AGREEMENT¹
(*INTERIM HIGHWAY PROJECT*) BETWEEN THE
REPUBLIC OF HAITI AND THE INTERNATIONAL
DEVELOPMENT ASSOCIATION. SIGNED AT WASH-
INGTON, ON 2 NOVEMBER 1962

AGREEMENT, dated November 2, 1962, between REPUBLIC OF HAITI (hereinafter called the Borrower) and INTERNATIONAL DEVELOPMENT ASSOCIATION (hereinafter called the Association).

Article I

CREDIT REGULATIONS; SPECIAL DEFINITIONS

Section 1.01. The parties hereto accept all the provisions of Development Credit Regulations No. 1 of the Association dated June 1, 1961² (said Development Credit Regulations No. 1 being hereinafter called the Regulations), with the same force and effect as if they were fully set forth herein.

Section 1.02. Wherever used in this Agreement or the Schedule thereto the term "the Service" means the Service Spécial d'Entretien et d'Amélioration des Routes charged by the *Décret* of the Borrower of January 15, 1959, together with any amendment or amendments thereof, with the maintenance and rehabilitation of highways in the Republic of Haiti and any other organization or organizations which may be charged by law with functions of similar scope and character, and shall include any successor or successors thereto.

Article II

THE CREDIT

Section 2.01. The Association agrees to make available to the Borrower, on the terms and conditions in this Agreement set forth or referred to, a development credit in an amount in various currencies equivalent to three hundred and fifty thousand United States dollars (\$350,000).

Section 2.02. The Association shall open a Credit Account on its books in the name of the Borrower and shall credit to such Credit Account the amount

¹ Came into force on 17 January 1963, upon notification by the Association to the Government of Haiti.

² See p. 220 of this volume.

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

Section 2.03. Except as the Borrower and the Association shall otherwise agree, the Borrower shall be entitled, subject to the provisions of this Agreement, to withdraw from the Credit Account (i) such amounts as shall have been expended for the reasonable foreign exchange cost of the Project and (ii) if the Association shall so agree, such amounts as shall be required to meet payments to be made for the reasonable cost of the foregoing; provided, however, that no withdrawals shall be made on account of expenditures prior to January 1, 1962.

Section 2.04. Withdrawals from the Credit Account shall be in such freely convertible currency or currencies as the Association shall from time to time reasonably select.

Section 2.05. The Borrower shall pay to the Association a service charge at the rate of three-fourths of one per cent ($\frac{3}{4}$ of 1%) per annum on the principal amount of the Credit withdrawn and outstanding from time to time. The Borrower shall also pay to the Association a service charge at the same rate on the principal amount outstanding from time to time of any special commitment entered into by the Association pursuant to Section 4.02 of the Regulations.

Section 2.06. Service charges shall be payable semi-annually on February 15 and August 15 in each year.

Section 2.07. The Borrower shall repay the principal amount of the Credit in semi-annual instalments payable on each February 15 and August 15 commencing August 15, 1972 and ending February 15, 2012, each instalment to and including the instalment payable on February 15, 1982 to be one-half of one per cent ($\frac{1}{2}$ of 1%) of such principal amount, and each instalment thereafter to be one and one-half of one per cent ($1\frac{1}{2}$ %) of such principal amount.

Article III

USE OF PROCEEDS OF THE CREDIT

Section 3.01. The Borrower shall cause the proceeds of the Credit to be applied exclusively to financing the cost of goods required to carry out the Project described in the Schedule¹ to this Agreement. The specific goods to be financed out of the proceeds of the Credit and the methods and procedures for procurement of such goods shall be determined by agreement between the Borrower and the Association, subject to modification by further agreement between them.

¹ See p. 218 of this volume.

Section 3.02. Except as the Borrower and the Association shall otherwise agree, the Borrower shall cause all goods financed out of the proceeds of the Credit to be used in the territories of the Borrower exclusively in the carrying out of the Project.

Article IV

PARTICULAR COVENANTS

Section 4.01. (a) The Borrower shall cause the Project to be carried out with due diligence and efficiency and in conformity with sound engineering and financial practices.

(b) In the carrying out of the Project the Borrower shall employ or cause to be employed engineering consultants acceptable to, and upon terms and conditions satisfactory to, the Borrower and the Association.

(c) The Borrower shall furnish or cause to be furnished to the Association, promptly upon their preparation, the plans, specifications and work schedules for the Project and any material modifications subsequently made therein, in such detail as the Association shall request.

(d) The list of roads to be included in the Project shall be determined by agreement between the Borrower and the Association, subject to modification by further agreement between them.

(e) The Borrower shall at all times make or cause to be made available promptly as needed all sums and other resources which shall be required for the carrying out of the Project and the proper maintenance of its highway system.

(f) The Borrower shall maintain or cause to be maintained records adequate to identify the goods financed out of the proceeds of the Credit, do 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 operations and financial condition of the agency or agencies of the Borrower responsible for the carrying out of the Project or any part thereof; shall enable the Association's representatives to inspect the Project, the goods and any relevant records and documents; and shall furnish or cause to be furnished to the Association all such information as the Association shall reasonably request concerning the expenditure of the proceeds of the Credit, the Project, the goods and the operations and financial condition of the agency or agencies of the Borrower responsible for the carrying out of the Project or any part thereof.

Section 4.02. (a) The Borrower and the Association shall cooperate fully to assure that the purposes of the Credit 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 Credit. On the part of the Borrower, such information shall include information with respect to financial and economic conditions in the territories of the Borrower and the international balance of payments position of the Borrower.

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

(c) The Borrower shall afford all reasonable opportunity for accredited representatives of the Association to visit any part of the territories of the Borrower for purposes related to the Credit.

Section 4.03. The Borrower shall satisfy the Association that adequate arrangements have been made to insure the goods financed out of the proceeds of the Credit against risks incident to their purchase and importation into the territories of the Borrower and to the delivery thereof to the site of the Project. Such insurance shall be consistent with sound commercial practice and shall be payable in dollars or in the currency in which the cost of the goods insured thereunder shall be payable.

Section 4.04. (a) The Borrower shall cause all maintenance and rehabilitation equipment and materials, and all spare parts, financed out of the proceeds of the Credit, to be used exclusively for the purposes of road maintenance and rehabilitation.

(b) The Borrower shall cause all its machinery and equipment for highway rehabilitation and maintenance to be adequately maintained and repaired and shall cause suitable workshops to be maintained in suitable places for that purpose.

Section 4.05. The Borrower shall continue to develop and strengthen the Service as a step towards its eventual assumption of responsibility for all roads in the Republic of Haiti.

Section 4.06. The Borrower shall cause the roads improved with the proceeds of the Credit to be adequately maintained and shall cause all necessary repairs thereof to be made, all in accordance with sound engineering practices.

Section 4.07. The Borrower shall take all such action as shall be necessary to assure that the dimensions and axle loads of vehicles using its national road system shall be kept within limits substantially in accordance with standards mutually satisfactory to the Association and the Borrower.

Section 4.08. The principal of, and service charges on, the Credit shall be paid without deduction for, and free from, any taxes imposed under the laws of the Borrower or laws in effect in its territories and free from all restrictions imposed under the laws of the Borrower or laws in effect in its territories.

Section 4.09. This Agreement shall be free from any taxes that shall be imposed under the laws of the Borrower or laws in effect in its territories on or in connection with the execution, delivery or registration thereof.

Article V

REMEDIES OF THE ASSOCIATION

Section 5.01. (i) If any event specified in paragraph (a) or paragraph (c) of Section 5.02 of the Regulations shall occur and shall continue for a period of thirty days, or (ii) if any event specified in paragraph (b) of Section 5.02 of the Regulations shall occur and shall continue for a period of sixty days after notice thereof shall have been given by the Association to the Borrower, then at any subsequent time the Association, at its option, may declare the principal of the Credit then outstanding to be due and payable immediately, and upon any such declaration such principal shall become due and payable immediately, anything in this Agreement to the contrary notwithstanding.

Article VI

EFFECTIVE DATE; TERMINATION

Section 6.01. The following event is specified as an additional condition to the effectiveness of this Development Credit Agreement within the meaning of Section 8.01 (b) of the Regulations : namely that any action necessary to enable the Borrower to employ the engineering consultants referred to in Section 4.01 (b) of this Agreement shall have been taken, and such consultants shall have been employed.

Section 6.02. The following is specified as an additional matter, within the meaning of Section 8.02 (b) of the Regulations, to be included in the opinion or opinions to be furnished to the Association : namely that all action necessary to enable the Borrower to employ the engineering consultants referred to in Section 4.01 (b) of this Agreement has been taken.

Section 6.03. A date ninety days after the date of this Agreement is hereby specified for the purposes of Section 8.04 of the Regulations.

Article VII

MISCELLANEOUS

Section 7.01. The Closing Date shall be September 30, 1963, or such other date as may from time to time be agreed between the Borrower and the Association.

Section 7.02. The following addresses are specified for the purposes of Section 7.01 of the Regulations :

For the Borrower :

Secrétaire d'État des Finances
Palais des Finances
Port-au-Prince, Haïti

For the Association :

International Development Association
1818 H Street, N.W.
Washington 25, D.C.
United States of America

Alternative address for cablegrams and radiograms :

Indevas
Washington, D.C.

Section 7.03. The Secretary of State for Finance of the Borrower is designated for the purposes of Section 7.03 of the Regulations.

IN WITNESS WHEREOF, the parties hereto acting through their representatives thereunto duly authorized, have caused this Development Credit 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.

Republic of Haiti :

By Dr. L. MARS
Authorized Representative

International Development Association :

By J. Burke KNAPP
Vice President

SCHEDULE

DESCRIPTION OF PROJECT

The Project consists of the continuation for a period of approximately one year of the highway maintenance and rehabilitation program and the engineering services therefor, started under the Loan Agreement between the Borrower and the Bank dated May 7, 1956¹ (Highway Maintenance Project). The Project will include :

- (a) the continued development and expansion of the Service including organizing, staffing, equipping and training of personnel so that the Service will be capable of carrying out efficiently its responsibility to maintain the National Highway system of Haiti and as may be necessary to supervise construction of new road works;
- (b) further rehabilitation and improved maintenance of about 550 km of roads which have already been partly rehabilitated.

LETTER RELATING TO THE DEVELOPMENT CREDIT AGREEMENT

REPUBLIC OF HAITI

November 2, 1962

International Development Association
1818 H Street, N.W.
Washington 25, D.C.

Gentlemen :

Credit No. 32 HA (Interim Highway Project)
Currency of Repayment

We refer to the Development Credit Agreement (Interim Highway Project) of even date² between us and to Section 3.02 of the Regulations referred to therein. Pursuant to such Section, we hereby request your agreement as follows :

- (i) Except as hereinafter provided, the principal amount of, and service charges on, the Credit provided for in such Agreement shall be payable in the currency of the United States of America.
- (ii) If at any time we shall desire that, commencing with a given future payment date, such principal and service charges shall be payable in an eligible currency other than that specified in (i) (or other than one designated under this clause (ii)) we shall deliver to the Association, not less than 3 nor more than 5 months prior to such payment date, a notice in writing to that effect and designating such other eligible currency, whereupon the currency so designated shall, commencing with such payment date, be the currency in which such principal and service charges shall be payable.

¹ United Nations, *Treaty Series*, Vol. 252, p. 279.

² See p. 206 of this volume.

- (iii) If at any time the Association shall determine that a currency payable pursuant to the provisions of this letter is not an eligible currency, the Association shall so notify us in writing and furnish us with a list of eligible currencies.
- (iv) Within thirty days from the date of such notice we shall notify the Association in writing of our selection of a currency from such list in which payment shall be made, failing which the Association shall select a currency for such purpose from such list, whereupon, in either case, such principal and service charges shall, commencing with the payment date next succeeding such thirty day period, be payable in the currency so selected.
- (v) Any designation or selection of a currency pursuant to the foregoing provisions shall be subject, in turn, to the provisions of this letter.
- (vi) For purposes of this letter, "eligible currency" means any currency of a member of the Association which the Association at the relevant time determines to be freely convertible or freely exchangeable by it for currencies of other members of the Association for the purposes of its operations.

Please indicate your agreement with the foregoing by signing the form of confirmation on the enclosed copy of this letter and returning it to us.

Very truly yours,

Republic of Haiti :
Dr. L. MARS
Authorized Representative

Confirmed:

International Development
Association :

By Orvis A. SCHMIDT

INTERNATIONAL DEVELOPMENT ASSOCIATION

DEVELOPMENT CREDIT REGULATIONS No. 1, DATED 1 JUNE 1961

REGULATIONS APPLICABLE TO DEVELOPMENT CREDIT AGREEMENTS WITH MEMBER
GOVERNMENTS

[*Not published herein. See United Nations, Treaty Series, Vol. 415, p. 68.*]