

No. 7797

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

Loan Agreement—*Road Project* (with annexed Loan Regulations No. 3). Signed at Washington, on 10 July 1964

Official text: English.

*Registered by the International Bank for Reconstruction and Development on
2 June 1965.*

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

Contrat d'emprunt — *Projet relatif au réseau routier* (avec, en annexe, le Règlement n° 3 sur les emprunts). Signé à Washington, le 10 juillet 1964

Texte officiel anglais.

*Enregistré par la Banque internationale pour la reconstruction et le développement le
2 juin 1965.*

NO. 7797. LOAN AGREEMENT¹ (*ROAD PROJECT*) BETWEEN
THE REPUBLIC OF GABON AND THE INTERNATIONAL
BANK FOR RECONSTRUCTION AND DEVELOPMENT.
SIGNED AT WASHINGTON, ON 10 JULY 1964

AGREEMENT, dated July 10, 1964, between REPUBLIC OF GABON (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, 1961,² subject, however, to the modifications thereof set forth in Section 1.02 of this Agreement (said Loan Regulations No. 3 as so modified being hereinafter called the Loan Regulations), with the same force and effect as if they were fully set forth herein.

Section 1.02. For the purposes of this Agreement the provisions of the Loan Regulations shall be deemed to be modified as follows :

(a) The second sentence of Section 3.02 shall apply only to withdrawals pursuant to Section 2.03 (b) of this Agreement.

(b) Section 4.01 is deleted.

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 twelve million dollars (\$12,000,000).

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.

¹ Came into force on 9 February 1965 upon notification by the Bank to the Government of Gabon.

² See p. 78 of this volume.

The amount of the Loan may be withdrawn from the Loan Account as provided in, and subject to the rights of cancellation and suspension set forth in, the Loan Agreement.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. Except as the Bank shall otherwise agree, the Borrower shall be entitled, subject to the provisions of the Loan Agreement, to withdraw from the Loan Account :

(a) such amounts as shall be the equivalent of eighty-five per cent (or such other percentage as may from time to time be established by agreement between the Borrower and the Bank) of such amounts as shall have been expended for the reasonable cost of goods required to carry out parts A, B, C and D of the Project;

(b) such amounts as shall have been expended for the reasonable foreign currency cost of goods required for carrying out part E of the Project; and

(c) if the Bank shall so agree, such amounts as shall be required by the Borrower to meet payments under (a) and (b) hereof;

provided, however, that no withdrawals shall be made on account of : (i) expenditures prior to June 1, 1964; or (ii) expenditures made in the territories of any country (except Switzerland) which is not a member of the Bank or for goods produced in (including services supplied from) such territories.

Section 2.04. Withdrawals from the Loan Account pursuant to Section 2.03 (a) of this Agreement shall be in such currency or currencies as the Bank shall from time to time reasonably select.

Section 2.05. 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.

Section 2.06. The Borrower shall pay interest at the rate of five and one half per cent ($5\frac{1}{2}\%$) per annum on the principal amount of the Loan so withdrawn and outstanding from time to time.

Section 2.07. 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 commitments outstanding from time to time.

Section 2.08. Interest and other charges shall be payable semiannually on May 1 and November 1 in each year.

Section 2.09. The Borrower shall repay the principal of the Loan in accordance with the amortization schedule set forth in Schedule 1¹ to this Agreement.

Article III

USE OF PROCEEDS OF LOAN

Section 3.01. The Borrower shall apply the proceeds of the Loan exclusively to financing the cost of goods required to carry out the Project described in Schedule 2² 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. Except as the Borrower and the Bank shall otherwise agree, 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 the Project to be carried out with due diligence and efficiency and in accordance with sound engineering, administrative and financial practices.

(b) The Borrower shall cause all roads included in the Project to be adequately maintained and repaired in accordance with sound engineering and highway practices and shall cause the equipment included in the Project to be operated and maintained in accordance with sound engineering and administrative practices.

¹ See p. 76 of this volume.

² See p. 78 of this volume.

(c) In furtherance of the purposes of (a) and (b) of this Section, the Borrower shall, *inter alia*, make available, or cause to be made available, promptly as needed all funds and other resources which shall be required therefor.

Section 5.02. (a) The Borrower shall furnish or cause to be furnished to the Bank, promptly upon their preparation, the plans, specifications and construction schedules for the Project and any material modifications subsequently made therein, in such detail as the Bank shall from time to time request.

(b) The Borrower shall maintain, or cause to be maintained, 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 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 Bank's representatives to inspect the Project, the goods and any relevant records and documents; and 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 condition of the agency or agencies of the Borrower responsible for the carrying out of the Project or any part thereof.

(c) Except as the Bank shall otherwise agree, the Borrower shall, in carrying out the Project, employ engineering consultants acceptable to and upon the terms and conditions satisfactory to the Borrower and the Bank.

(d) The general design standards to be used for the roads included in the Project shall be satisfactory to the Borrower and the Bank.

(e) Except as the Bank shall otherwise agree, the roads included in the Project shall be constructed by contractors satisfactory to the Borrower and the Bank, employed under contracts satisfactory to the Borrower and the Bank.

Section 5.03. (a) The Borrower 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 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 Bank shall from time to time exchange views through their representatives with regard to matters relating to the purposes of

the Loan, the maintenance of the service thereof and the operations, administration and financial condition of the agency or agencies of the Borrower responsible for the carrying out of the Project or any part thereof.

(c) The Borrower 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.

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

Section 5.04. It is the mutual intention of the Borrower 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 Borrower undertakes, that except as the Bank shall otherwise agree, if any lien shall be created on any assets of the Borrower 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; (ii) any lien on commercial goods to secure a debt maturing not more than one year after the date on which it is originally incurred and to be paid out of the proceeds of sale of such commercial goods; or (iii) 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 Borrower ” as used in this Section includes assets of the Borrower or of any of its political subdivisions or of any agency of the Borrower or of any such political subdivision.

Section 5.05. 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 imposed under the laws of the Borrower 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 Borrower.

Section 5.06. The Loan Agreement and the Bonds 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, issue, delivery or registration thereof, and the Borrower shall pay all such taxes, if any, imposed under the laws of the country or countries in whose currency the Loan and the Bonds are payable or laws in effect in the territories of such country or countries.

Section 5.07. The principal of, and interest and other charges on, the Loan and the Bonds shall be paid free from all restrictions imposed under the laws of the Borrower or laws in effect in its territories.

Section 5.08. The Borrower shall satisfy the Bank that adequate arrangements have been made to insure the goods financed out of the proceeds of the Loan against risks incident to their purchase and importation into the territories of the Borrower.

Section 5.09. As soon as practicable, the Borrower shall undertake a training program satisfactory to the Bank with the object of improving the skill of Gabonese personnel for road works.

Article VI

REMEDIES OF BANK

Section 6.01. (i) If any event specified in paragraph (a) or paragraph (b) of Section 5.02 of the Loan Regulations shall occur and shall continue for a period of thirty days, or (ii) if any event specified in paragraph (c) of Section 5.02 of the Loan Regulations shall occur and shall continue for a period of sixty days after notice thereof shall have been given by the Bank to the Borrower, then at any subsequent time during the continuance thereof, the Bank, at its option may declare the principal of the Loan and of all the Bonds 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 or in the Bonds to the contrary notwithstanding.

Article VII

MISCELLANEOUS

Section 7.01. The Closing Date shall be December 31, 1967 or such other date as may from time to time be agreed between the Borrower and the Bank.

Section 7.02. A date 90 days after the date of this Agreement is hereby specified for the purposes of Section 9.04 of the Loan Regulations.

Section 7.03. The following addresses are specified for the purposes of Section 8.01 of the Loan Regulations :

For the Borrower :

Ministre de l'Économie Nationale, du Plan et des Mines
Boîte Postale 548
Libreville, Gabon

Alternative address for cables and radiograms :

Mineco
Libreville

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 cables and radiograms :

Intbafrad

Washington, D. C.

Section 7.04. The *Ministre de l'Économie Nationale, du Plan et des Mines* of the Borrower 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 Loan 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 Gabon :

By A. ISSEMBE

Authorized Representative

International Bank for Reconstruction and Development :

By G. M. WILSON

Vice President

SCHEDULE 1

AMORTIZATION SCHEDULE

<i>Date Payment Due</i>	<i>Payment of Principal (expressed in dollars) *</i>	<i>Date Payment Due</i>	<i>Payment of Principal (expressed in dollars) *</i>
November 1, 1968	\$230,000	May 1, 1977	\$360,000
May 1, 1969	235,000	November 1, 1977	370,000
November 1, 1969	240,000	May 1, 1978	380,000
May 1, 1970	245,000	November 1, 1978	390,000
November 1, 1970	255,000	May 1, 1979	405,000
May 1, 1971	260,000	November 1, 1979	415,000
November 1, 1971	270,000	May 1, 1980	425,000
May 1, 1972	275,000	November 1, 1980	435,000
November 1, 1972	285,000	May 1, 1981	450,000
May 1, 1973	290,000	November 1, 1981	460,000
November 1, 1973	300,000	May 1, 1982	475,000
May 1, 1974	305,000	November 1, 1982	485,000
November 1, 1974	315,000	May 1, 1983	500,000
May 1, 1975	325,000	November 1, 1983	515,000
November 1, 1975	335,000	May 1, 1984	530,000
May 1, 1976	340,000	November 1, 1984	550,000
November 1, 1976	350,000		

* To the extent that any part of the Loan is repayable in a currency other than dollars (see Loan Regulations, Section 3.03), the figures in this column represent dollar equivalents determined as for purposes of withdrawal.

PREMIUMS ON PREPAYMENT AND REDEMPTION

The following percentages are specified as the premiums payable on repayment in advance of maturity of any part of the principal amount of the Loan pursuant to Section 2.05 (b) of the Loan Regulations or on the redemption of any Bond prior to its maturity pursuant to Section 6.16 of the Loan Regulations :

<i>Time of Prepayment or Redemption</i>	<i>Premium</i>
Not more than three years before maturity	½ %
More than three years but not more than six years before maturity	1 ½ %
More than six years but not more than eleven years before maturity	2 ½ %
More than eleven years but not more than sixteen years before maturity	3 ½ %
More than sixteen years but not more than eighteen years before maturity	4 ½ %
More than eighteen years before maturity	5 ½ %

SCHEDULE 2

DESCRIPTION OF PROJECT

The Project consists of :

A. The construction or improvement of the following all-weather roads :

- (i) from N'Djole to Alembe (approximately 40 kilometers);
- (ii) from Alembe to Lalara (approximately 80 kilometers); and
- (iii) from Alembe to Ayem (approximately 65 kilometers).

Such roads will be laterite or gravel surfaced.

B. Preparation of final design, specifications, bidding and contract documents, and analysis of bids and supervision of construction, by a consulting firm, for the road works mentioned under A above;

C. The employment by the Directorate of Public Works of the Borrower during the completion period of the Project of three expatriate engineers and not more than three additional expatriate persons, to assist in the administrative, technical and financial preparation and carrying out of the Project, including the setting up of a pilot maintenance division;

D. Feasibility studies and preliminary engineering, by a consulting firm, of (i) approximately 280 kilometers of additional roads to be selected by the Borrower in agreement with the Bank, and (ii) river loading facilities in N'Djole;

E. The procurement of road maintenance equipment with spare parts and repair shop facilities.

The Project is expected to be completed within three years.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

LOAN REGULATIONS No. 3, DATED 15 FEBRUARY 1961

REGULATIONS APPLICABLE TO LOANS MADE BY THE BANK TO MEMBER GOVERNMENTS

[Not published herein. See *United Nations, Treaty Series, Vol. 414, p. 268.*]