

No. 9361

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

**Loan Agreement—*Education Project* (with annexed Loan Regulations No. 3, as amended). Signed at Washington, on 7 June 1968**

*Official text: English.*

*Registered by the International Bank for Reconstruction and Development on 18 December 1968.*

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

**Contrat d'emprunt — *Projet relatif à l'enseignement* (avec, en annexe, le Règlement n° 3 sur les emprunts, tel qu'il a été modifié). Signé à Washington, le 7 juin 1968**

*Texte officiel anglais.*

*Enregistré par la Banque internationale pour la reconstruction et le développement le 18 décembre 1968.*

No. 9361. LOAN AGREEMENT<sup>1</sup> (*EDUCATION PROJECT*)  
BETWEEN THE REPUBLIC OF GABON AND THE  
INTERNATIONAL BANK FOR RECONSTRUCTION AND  
DEVELOPMENT. SIGNED AT WASHINGTON, ON  
7 JUNE 1968

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AGREEMENT, dated June 7, 1968, between REPUBLIC OF GABON (hereinafter called the Borrower) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (hereinafter called the Bank).

WHEREAS the Borrower has requested the Bank to assist in the financing of an education project which comprises construction and equipping of a primary teacher-training college and a lycée, the expansion of three lycées and minor extensions to two accelerated vocational training centers; and

WHEREAS the Republic of France has agreed to extend the technical assistance required for the efficient operation of such project;

NOW THEREFORE the parties hereto hereby agree as follows :

*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,<sup>2</sup> with the same force and effect as if they were fully set forth herein, subject, however, to the following modification thereof (said Loan Regulations No. 3 as so modified being hereinafter called the Loan Regulations): The first sentence of 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 one million eight hundred thousand dollars (\$1,800,000).

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<sup>1</sup> Came into force on 20 September 1968, upon notification by the Bank to the Government of Gabon.

<sup>2</sup> See p. 220 of this volume.

*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 be entitled to withdraw from the Loan Account (a) such amounts as shall have been paid, or, if the Bank shall so agree, as shall be required to meet payments to be made, for the reasonable cost of goods to be agreed between the Borrower and the Bank; and (b) the equivalent of a percentage or percentages as may be established from time to time by agreement between the Bank and the Borrower of such amounts as shall have been paid or, if the Bank shall so agree as shall be required to meet payments to be made for the reasonable cost of other goods to be agreed between the Borrower and the Bank, and for the purposes of this subsection (b) clause (b) of section 4.01 of the Loan Regulations shall not apply.

*Section 2.04.* Withdrawals from the Loan Account pursuant to paragraph (b) of section 2.03 of this Agreement shall be in such currency or currencies, other than the currency of the Borrower, 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-fourths of one per cent ( $\frac{3}{4}$  of 1%) per annum on the principal amount of the Loan not withdrawn from time to time.

*Section 2.06.* The Borrower shall pay interest at the rate of six and one-fourth per cent ( $6\frac{1}{4}$ %) 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 semi-annually on February 15 and August 15 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 1 to this Agreement.

### Article III

#### USE OF PROCEEDS OF 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 Part A of

the Project described in Schedule 2 to this Agreement. The specific allocation of the proceeds of the Loan and the methods and procedures for procurement of the goods to be financed out of such proceeds 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.* If and as the Bank shall from time to time request, the Borrower shall execute and deliver Bonds representing the principal amount of the Loan as provided in Article VI of the Loan Regulations.

*Section 4.02.* The Minister of Finance of the Borrower is designated as authorized representative of the Borrower for the purposes of Section 6.12 of the Loan Regulations. The Minister of Finance of the Borrower may designate additional or other authorized representatives by appointment in writing notified to the Bank.

#### *Article V*

##### PARTICULAR COVENANTS

*Section 5.01.* (a) The Borrower shall carry out the Project with due diligence and efficiency, in conformity with sound technical and administrative standards and with due regard to economy.

(b) The Borrower shall cause the educational institutions included in the Project to be operated so as to promote the educational objectives of the Borrower and to be provided with qualified teachers and administrators in adequate numbers.

(c) The Borrower shall cause the buildings and equipment of the educational institutions included in the Project to be adequately maintained and shall cause all necessary renewals and repairs to be made thereto.

(d) To assist in the carrying out of the Project, the Borrower shall establish and maintain within its Ministry of Planning a special unit headed by a Project Director acceptable to the Bank, to be responsible for the proper execution and supervision of the Project, and shall appoint an architect or an engineer, acceptable to the Bank, to be a member of such special unit.

(e) In the carrying out of the Project the Borrower shall employ or cause to be employed qualified and experienced architectural consultants, engineers and other consultants acceptable to the Borrower and the Bank, upon terms and conditions satisfactory to the Borrower and the Bank.

(f) Except as the Bank shall otherwise agree, the Borrower shall cause the Project to be carried out by contractors satisfactory to the Borrower and the Bank employed under contracts satisfactory to the Borrower and the Bank.

(g) Upon request from time to time by the Bank, the Borrower shall promptly furnish to the Bank for its approval the plans, specifications, contracts and work schedules for the construction included in the Project and the master lists of instructional equipment and furnishings included therein, and any subsequent material modifications thereof, in such detail as the Bank shall reasonably request.

*Section 5.02.* The Borrower shall at all times make or cause to be made available promptly as needed all funds, facilities, services and other resources, including land, required for the carrying out of the Project and for the effective utilization, staffing, equipping, operation and maintenance of the educational institutions included in the Project, and shall make such budgetary allocations or other appropriate arrangements as shall be necessary for the purpose.

*Section 5.03.* 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, in respect of the Project, of the 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 or cause to be furnished 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, the educational system of the Borrower and programs for educational development in its territories and the administration, operations and financial condition, in respect of the Project, of the agencies of the Borrower responsible for the carrying out of the Project or any part thereof.

*Section 5.04.* (a) The Borrower and the Bank shall cooperate fully to ensure 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 and the maintenance of the service thereof. 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 or the service thereof.

(c) 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 5.05.* 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 5.06.* (a) The Borrower shall take out and maintain with responsible insurers or make other provisions satisfactory to the Bank for insurance of the buildings and facilities included in the Project against such risks and in such amount as shall be consistent with sound practice.

(b) Without limiting the generality of the foregoing, the Borrower undertakes to insure the imported goods to be financed out of the proceeds of the Loan against marine, transit and other hazards incident to the acquisition, transportation and delivery thereof to the place of use or installation, and for such insur-

ance any indemnity shall be payable in a currency freely usable by the Borrower to replace or repair such goods.

*Section 5.07.* 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, and free from all restrictions, 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 5.08.* 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.

#### *Article VI*

##### REMEDIES OF THE 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*

##### TERMINATION; MISCELLANEOUS

*Section 7.01.* The date of September 9, 1968 is hereby specified for the purposes of Section 9.04 of the Loan Regulations.

*Section 7.02.* The Closing Date shall be December 31, 1972 or such other date as may from time to time be agreed between the Borrower and the Bank.

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

For the Borrower :

Ministre des Affaires Économiques, du Développement, du Plan et des Mines  
Boîte Postale 548  
Libreville  
Gabon

Cable address :

Mineco  
Libreville

For the Bank :

International Bank for Reconstruction and Development  
1818 H Street, N.W.  
Washington, D.C. 20433  
United States of America

Cable address :

Intbafrad  
Washington, D.C.

*Section 7.04.* The Ministre des Affaires Économiques, du Développement, 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 Leonard A. BADINGA  
Authorized Representative

International Bank for Reconstruction and Development :

By J. Burke KNAPP  
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>
August 15, 1978 . . . . .	\$35,000	August 15, 1986 . . . . .	\$60,000
February 15, 1979 . . . . .	35,000	February 15, 1987 . . . . .	60,000
August 15, 1979 . . . . .	35,000	August 15, 1987 . . . . .	60,000
February 15, 1980 . . . . .	40,000	February 15, 1988 . . . . .	65,000
August 15, 1980 . . . . .	40,000	August 15, 1988 . . . . .	65,000
February 15, 1981 . . . . .	40,000	February 15, 1989 . . . . .	65,000
August 15, 1981 . . . . .	40,000	August 15, 1989 . . . . .	70,000
February 15, 1982 . . . . .	45,000	February 15, 1990 . . . . .	70,000
August 15, 1982 . . . . .	45,000	August 15, 1990 . . . . .	75,000
February 15, 1983 . . . . .	45,000	February 15, 1991 . . . . .	75,000
August 15, 1983 . . . . .	50,000	August 15, 1991 . . . . .	80,000
February 15, 1984 . . . . .	50,000	February 15, 1992 . . . . .	80,000
August 15, 1984 . . . . .	50,000	August 15, 1992 . . . . .	85,000
February 15, 1985 . . . . .	55,000	February 15, 1993 . . . . .	85,000
August 15, 1985 . . . . .	55,000	August 15, 1993 . . . . .	90,000
February 15, 1986 . . . . .	55,000		

\* 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>Premiums</i>
Not more than three years before maturity . . . . .	1/2%
More than three years but not more than six years before maturity . . . . .	1%
More than six years but not more than eleven years before maturity . . . . .	2%
More than eleven years but not more than sixteen years before maturity . . . . .	3%
More than sixteen years but not more than twenty-one years before maturity . . . . .	4%
More than twenty-one years but not more than twenty-three years before maturity . . . . .	5%
More than twenty-three years before maturity . . . . .	6 1/4%

## SCHEDULE 2

## DESCRIPTION OF THE PROJECT

The Project consists of :

## PART A

## 1. Construction and equipping of :

- (a) a primary teacher-training college at Libreville including boarding facilities and staff housing and with an annexed application primary school;
- (b) a lycée at Port Gentil and staff housing;
- (c) conversion and extension to three lycées at Franceville, N'Dende and Oyem and staff housing;
- (d) extensions to two accelerated vocational training centers at Libreville and Port Gentil.

## 2. Fellowships for the training of Gabonese secondary school teachers.

## PART B

Technical assistance required for the efficient operation of the Project schools under Part A above.

The Project is expected to be completed by August 31, 1972.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

LOAN REGULATIONS No 3, DATED 15 FEBRUARY 1961,  
AS AMENDED 9 FEBRUARY 1967

REGULATIONS APPLICABLE TO LOANS MADE BY THE BANK TO MEMBER GOVERNMENTS

[*Not published herein. See United Nations, Treaty Series, Vol. 615. p. 98.*]