

No. 9627

**INTERNATIONAL DEVELOPMENT ASSOCIATION
and
NIGER**

Development Credit Agreement—*Highway Maintenance Project* (with annexed Credit Regulations No. 1, as amended). Signed at Washington on 23 September 1968

Authentic text: English.

Registered by the International Development Association on 13 June 1969.

**ASSOCIATION INTERNATIONALE
DE DÉVELOPPEMENT**

et

NIGER

Contrat de crédit de développement — *Projet d'entretien routier* (avec, en annexe, le Règlement n° 1 sur les crédits de développement, tel qu'il a été modifié). Signé à Washington le 23 septembre 1968

Texte authentique: anglais.

Enregistré par l'Association internationale de développement le 13 juin 1969.

DEVELOPMENT CREDIT AGREEMENT¹

AGREEMENT, dated September 23, 1968, between the REPUBLIC OF NIGER (hereinafter called the Borrower) and INTERNATIONAL DEVELOPMENT ASSOCIATION (hereinafter called the Association).

WHEREAS by a development credit agreement dated June 24, 1964,² between the Borrower and the Association, the Association granted to the Borrower a development credit in various currencies equivalent to one million five hundred thousand dollars (\$1,500,000) to assist the Borrower in financing a project for the design, improvement and construction of certain roads in the Borrower's national highway system;

WHEREAS the Borrower has requested the Association to make available a development credit to assist in financing the capital expenditures of the Four-Year Niger Highway Maintenance Program and preinvestment studies, as described in Schedule 1 to this Development Credit Agreement, and hereinafter referred to as the Project; and

WHEREAS the Association is willing to make a development credit to the Borrower for the said purposes and for the related services referred to in the said Schedule 1, on the terms and conditions hereinafter set forth;

Now therefore the parties hereto hereby agree as follows :

Article I

CREDIT REGULATIONS

Section 1.01. The parties to this Development Credit Agreement accept all the provisions of Development Credit Regulations No. 1 of the Association dated June 1, 1961 as amended February 9, 1967³ (said Development Credit Regulations No. 1 being hereinafter called the Credit Regulations), with the same force and effect as if they were fully set forth herein.

¹ Came into force on 3 January 1969, upon notification by the Association to the Government of Niger.

² United Nations, *Treaty Series*, vol. 554, p. 93.

³ See p. 192 of this volume.

Article II

THE CREDIT

Section 2.01. The Association agrees to make available to the Borrower, on the terms and conditions in this Development Credit Agreement set forth or referred to, a development credit in an amount in various currencies equivalent to six million one hundred and twenty thousand dollars (\$6,120,000).

Section 2.02. (a) 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 of the Credit.

(b) 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 Development Credit Agreement and the Credit Regulations and in accordance with the allocation of the proceeds of the Credit set forth in Schedule 2 to this Development Credit Agreement, as such allocation shall be modified from time to time pursuant to the provisions of such Schedule or by further agreement between the Borrower and the Association.

Section 2.03. (a) The Borrower shall be entitled to withdraw from the Credit Account in respect of the reasonable cost of goods required for carrying out the Project and to be financed under this Development Credit Agreement :

- (i) such amounts as shall have been paid (or, if the Association shall so agree, such amounts as shall be required to meet payments to be made) for the c.i.f. (Niamey, Maradi or Zinder) price of goods produced, or services supplied from, outside the territories of the Borrower and included under Categories A (1), C (2) and D of the allocation of the proceeds of the Credit set forth in Schedule 2 to this Development Credit Agreement;
- (ii) the equivalent of such amount as shall have been paid (or, if the Association shall so agree, such amounts as shall be required to meet payments to be made) for expenditures under Category A (2) of said Schedule 2; and
- (iii) the equivalent of fifty per cent (50 %) of such amounts as shall have been paid (or, if the Association shall so agree, shall be required to meet payments to be made) for expenditures under Categories B and C (1) of said Schedule 2; provided, however, that if there shall be an increase in the estimate of expenditures under such Category B or C (1), the Association may by notice to the Borrower adjust the above percentage as required in order that withdrawal of the amount of the Credit then allocated to such Category B or C (1) and not withdrawn may continue

pro rata with expenditures remaining to be made under such Category B or C (1).

(b) Except as shall otherwise be agreed between the Borrower and the Association, no withdrawals shall be made on account of :

- (i) expenditures made prior to October 1, 1968; or
- (ii) any payment for any taxes or duties levied on the import of goods into the territories of the Borrower, such as customs duties, "*droit fiscal*", "*taxe de statistique*", "*taxe forfaitaire*", or any other similar taxes or duties which may be subsequently established; or
- (iii) expenditures made in the territories of any country which is not a member of the Bank (except Switzerland) or for goods produced in (including services supplied from) such territories.

Section 2.04. The currency of the Republic of France is hereby specified for the purposes of paragraph (a) of Section 3.02 of the Credit Regulations.

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.

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

Section 2.07. The Borrower shall repay the principal of the Credit withdrawn from the Credit Account in semi-annual installments payable on each January 15 and July 15 commencing January 15, 1979 and ending July 15, 2018, each installment to and including the installment payable on July 15, 1988 to be one-half of one per cent ($\frac{1}{2}$ of 1 %) of such principal amount, and each installment thereafter to be one and one-half 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 in accordance with the provisions of this Development Credit Agreement to expenditures required to carry out the Project described in Schedule 1 to this Development Credit Agreement.

Section 3.02. Except as the Association shall otherwise agree :

(a) the goods to be financed out of the proceeds of the Credit shall be procured on the basis of international competitive bidding as set forth in "Guidelines for Procurement under World Bank Loans and IDA Credits"

dated February 1968, and in accordance with such other procedures supplementary thereto as are set forth in Schedule 3 to this Development Credit Agreement, and as shall be agreed between the Borrower and the Association;

(b) the goods required for the extension and improvement of workshops and stores shall be procured on the basis of local competitive bidding in accordance with procedures acceptable to the Association, and in accordance with Schedule 3 of this Development Credit Agreement; and

(c) any contract for the procurement of any of the goods to be financed out of the proceeds of the Credit shall be subject to the approval of the Association, except that no contract approval shall be required for items or groups of items from Category C of Schedule 2 to this Development Credit Agreement expected to cost less than the equivalent of ten thousand dollars (\$10,000).

Section 3.03. 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 its Direction des Travaux Publics to carry out the Project with due diligence and efficiency and in conformity with sound highway maintenance, engineering, administrative and financial practices, and shall make available, promptly as needed, all funds, facilities, services, and other resources required for the purpose.

(b) To assist in carrying out the Project, the Borrower shall employ or cause to be employed competent and experienced consultants acceptable to the Association, to an extent, and upon such terms and conditions as shall have been approved by the Association.

(c) The Borrower shall cause Parts I (b) and I (c) (i) of the Project to be carried out by contractors acceptable to the Association, employed under contracts which shall have been approved by the Association.

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

(e) The Borrower shall take all measures reasonably required to ensure that the dimensions and axle-loads of vehicles using the roads in its national

highway system shall not exceed limits consistent with the design standards of such roads, as set forth in the legislation of the Borrower in force at the date of this Development Credit Agreement.

(f) To ensure the development of adequate statistics for future transport planning, the Borrower shall establish and maintain facilities to collect periodically and to record such data as are required to assess the technical, economic, and financial aspects of its national highway system.

Section 4.02. The Borrower shall maintain or cause to be maintained records adequate to identify the goods financed out of the proceeds of the Credit, to disclose the use thereof in the Project, to record the progress of the Project (including the cost thereof) and the operations and financial condition of its Direction des Travaux Publics with respect to the maintenance of the national highway system; 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 expenditures of the proceeds of the Credit, the Project, the goods to be financed out of the proceeds of the Credit, and the operations and administration with respect to the Project, of its Direction des Travaux Publics.

Section 4.03 The Borrower shall at all times adequately maintain or cause to be adequately maintained the roads in its national highway system, in accordance with sound engineering practices, and in particular shall cause all major periodic maintenance works to be carried out by contractors, and shall provide, promptly as needed, the funds, facilities, services and other resources required for the foregoing.

Section 4.04. (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, the maintenance of the service thereof, the Project, and the operations, administration, and financial condition of its Direction des Travaux Publics with respect to the maintenance of the national highway system.

(c) 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.

(d) 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 4.05. (a) The Borrower shall take out and maintain with responsible insurers, or make other provisions acceptable to the Association for, insurance of the goods required to carry out Part I (c) (ii) of the Project which shall be financed out of the proceeds of the Credit against such risks and in such amounts as shall be consistent with sound practice.

(b) Without limiting the generality of the foregoing, the Borrower undertakes to have the imported goods to be financed out of the proceeds of the Credit insured against marine, transit and other hazards incident to acquisition, transportation and delivery thereof to the place of use or installation.

Section 4.06. 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 4.07. This Development Credit 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 Credit 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 Credit 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 during the continuance thereof, 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 Development Credit 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 Credit Regulations, namely, that the consultants referred to in paragraph (b) of Section 4.01 of this Development Credit Agreement shall have been retained.

Section 6.02. The date December 31, 1968 is hereby specified for the purposes of Section 8.04 of the Credit Regulations.

Section 6.03. The obligations of the Borrower under Sections 4.01, 4.02 and 4.03 of this Development Credit Agreement shall terminate on the date on which this Development Credit Agreement shall terminate or on a date ten years after the date of this Development Credit Agreement, whichever shall be the earlier.

Article VII

MISCELLANEOUS

Section 7.01. The Closing Date shall be March 31, 1973 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 Credit Regulations :

For the Borrower :

Ministre des Travaux Publics
Niamey
Republic of Niger

Alternative address for cables :

Ministravo
Niamey

For the Association :

International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Alternative address for cables :

Indevas
Washington, D.C.

Section 7.03. The Minister of Public Works of the Borrower is designated for the purposes of Section 7.03 of the Credit 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 Niger :

By Joseph AMINA

Authorized Representative

International Development Association :

By J. Burke KNAPP

Vice President

SCHEDULE 1

DESCRIPTION OF PROJECT

The Project consists of the following :

I. The Four-Year Niger Highway Maintenance Program, including :

- (a) The improvement of the efficiency of maintenance operations and the training of maintenance personnel at all levels;
- (b) The elimination of the backlog of deferred maintenance;
- (c) (i) The extension and improvement of workshops and stores; and
(ii) the purchase of maintenance and shop equipment.

II. Preinvestment studies by consulting engineers, consisting of :

- (a) Feasibility studies for the following road sections, totalling to about 300 kilometers :
 - (i) the Niamey-Tillabery-Dessa road (about 160 km long), Northwest from Niamey;
 - (ii) the Tchadaoua-Mayahi-Dan Meiro feeder road project (about 78 km long), East of Maradi;
 - (iii) the Dungass-Dantayao-Magaria road (about 62 km long), East of Magaria; and
 - (iv) the Dungass-Maigatari road (about 30 km long), East of Magaria; and

- (b) Detailed engineering, and preparation of bidding documents, for about 150 kilometers of road sections identified by the feasibility studies to be of the highest priority, and acceptable to the Association.

The Project is expected to be completed by September 30, 1972.

SCHEDULE 2

ALLOCATION OF THE PROCEEDS OF THE CREDIT

<i>Category</i>	<i>Maximum Amounts Expressed in Dollar Equivalent</i>
A. Consultants' advisory services :	
(1) Salaries, air fares, transport, office furnishings, reports and bidding documents	870,000
(2) Subsistence allowances	210,000
B. Deferred maintenance works	1,700,000
C. (1) Extension and improvement of workshops and stores	80,000
(2) Procurement of maintenance and shop equip- ment	2,120,000
D. Preinvestment studies :	
(1) Feasibility studies	440,000
(2) Detailed engineering and bidding documents	190,000
E. Unallocated	510,000
TOTAL	<u>6,120,000</u>

REALLOCATION UPON CHANGE IN COST ESTIMATES

1. If the estimate of the cost of the items included in any of the Categories A through D shall decrease, the amount of the Credit then allocated to, and no longer required for, such Category will be reallocated by the Association to Category E.

2. If the estimate of the cost of the items included in any of the Categories A through D shall increase, an amount equal to the portion, if any, of such increase to be financed out of the proceeds of the Credit (or, in the case of Categories B or C (1), an amount equal to 50 % of such increase), will be allocated by the Association, at the request of the Borrower, to such Category from Category E, subject, however, to the requirements for contingencies, as determined by the Association, in respect of the cost of the items in the other Categories.

SCHEDULE 3

PROCUREMENT OF GOODS

1. With respect to goods in Categories B and C (2) as set out in Schedule 2 of this Development Credit Agreement, the time interval referred to in Section 3.1 of "Guidelines for Procurement under World Bank Loans and IDA Credits" dated February 1968 (hereinafter referred to as the Guidelines), between the invitations to bid and bid opening, shall be equal to at least sixty days.

2. Prior to inviting bids with respect to goods in Category B of said Schedule 2 and with respect to items or groups of items from Category C (2) of said Schedule 2 expected to cost the equivalent of \$10,000 or more, information concerning the advertising coverage, as well as the bidding documents and the draft contracts shall be submitted to the Association for its approval. Such bidding documents shall state that the bidder must submit separately one schedule of unit prices excluding duties and taxes levied on the import of goods into the territories of the Borrower, and another schedule of unit prices including duties and taxes levied on the import of such goods.

3. Before awards of contracts are made with respect to goods in Category B of said Schedule 2 and with respect to items or groups of items from Category C (2) of said Schedule 2 expected to cost the equivalent of \$10,000 or more, the Borrower shall send to the Association for its approval an evaluation of the bids received and the Borrower's proposals concerning the contract and the award. The evaluation of bids shall be made on the basis of the schedule of unit prices excluding duties and taxes levied on the import of goods. If it is proposed to award the contract to other than the bidder offering the lowest evaluated price, the reasons for such an exception to Section 3.9 of the Guidelines shall be stated. One conformed copy of the contract for such goods, items, or groups of items, shall promptly be sent to the Association.

4. Before placing orders for items or groups of items from Category C (2) of said Schedule 2 expected to cost less than the equivalent of \$10,000, the Borrower shall periodically send to the Association for its approval, lists of such items intended to be procured without resort to competitive bidding (*de gré à gré*), indicating the expected price of such goods and the intended suppliers thereof.

5. With respect to the goods covered by the provisions of paragraph (b) of Section 3.02 of this Development Credit Agreement, namely the goods in Category C (1) of said Schedule 2, the Borrower shall submit to the Association for its approval an outline of the bidding procedures proposed, which shall include a time interval at least equal to 30 days. The award of contracts for such goods as are expected to cost the equivalent of \$ 10,000 or more shall only be made after the Association shall have approved such award. Subsequent to the award of such contracts, the Borrower shall promptly send to the Association one conformed copy of such contracts.

6. Whenever a contract under the Project is awarded to a firm which is not registered in Niger, the registration of the said firm on the *Registre du Commerce*, if required, shall be facilitated by the Borrower.

INTERNATIONAL DEVELOPMENT ASSOCIATION

DEVELOPMENT CREDIT REGULATIONS No. 1, DATED 1 JUNE 1961,
AS AMENDED 9 FEBRUARY 1967

REGULATIONS APPLICABLE TO DEVELOPMENT CREDIT AGREEMENTS
WITH MEMBER GOVERNMENTS

[*Not published herein. See United Nations, Treaty Series, vol. 617, p. 60.*]
