

No. 9641

**INTERNATIONAL DEVELOPMENT ASSOCIATION
and
CHAD**

**Development Credit Agreement—*Highway Maintenance Project*
(with annexed Credit Regulations No. 1, as amended). Signed
at Washington on 14 August 1968**

Authentic text: English.

Registered by the International Development Association on 19 June 1969.

**ASSOCIATION INTERNATIONALE
DE DÉVELOPPEMENT
et
TCHAD**

**Contrat de crédit de développement — *Projet relatif à l'entretien
du réseau routier* (avec, en annexe, le Règlement n° 1 sur
les crédits de développement, tel qu'il a été modifié). Signé à
Washington le 14 août 1968**

Texte authentique: anglais.

Enregistré par l'Association internationale de développement le 19 juin 1969.

DEVELOPMENT CREDIT AGREEMENT ¹

AGREEMENT, dated August 14, 1968, between the REPUBLIC OF CHAD (hereinafter called the Borrower) and INTERNATIONAL DEVELOPMENT ASSOCIATION (hereinafter called the Association).

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, 1967 ² (said Development Credit Regulations No. 1 as so modified being hereinafter called the Regulations), with the same force and effect as if they were fully set forth herein.

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 four million one hundred thousand dollars (\$4,100,000).

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 The amount of the Credit may be withdrawn from the Credit Account as provided in, and subject to the rights of cancellation and suspension set forth in, this Development Credit Agreement.

Section 2.03. (a) The Borrower shall be entitled to withdraw from the Credit Account in accordance with the allocation of the proceeds of the Credit set forth in Schedule 2 to this Development Credit Agreement such amounts as

¹ Came into force on 11 February 1969, upon notification by the Association to the Government of Chad.

² See p. 380 of this volume.

shall have been paid for the reasonable foreign currency cost of goods and services required for carrying out Parts 1, 2 and 3 of the Project, or if the Association shall so agree, such amounts as shall be required by the Borrower to meet payments to be made for the reasonable foreign currency cost of such goods and services.

(b) No withdrawals shall be made: (i) on account of expenditures prior to the date of this Development Credit Agreement; and (ii) from the amount allocated in accordance with Schedule 2 to this Development Credit Agreement to the cost of Part 3 of the Project until the economic justification of Part 3 of the Project has been established to the satisfaction of the Borrower and the Association.

Section 2.04. The currency of the United States of America is hereby specified for the purposes of paragraph (a) of Section 3.02 of the 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 June 1 and December 1 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 June 1 and December 1 commencing December 1, 1978 and ending June 1, 2018, each installment to and including the installment payable on June 1, 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 apply the proceeds of the Credit in accordance with the provisions of this Development Credit Agreement exclusively to expenditures on the Project described in Schedule 1 to this Development Credit Agreement. The specific allocation of the proceeds of the Credit is set forth in Schedule 2 to this Development Credit Agreement and shall be subject to modification by further agreement between the Borrower and the Association.

Section 3.02. Except as the Association shall otherwise agree (i) the goods to be financed out of the proceeds of the Credit shall be financed on the basis of international competitive bidding as set forth in the “*Guidelines for Procurement under World Bank Loans and IDA Credits*” published by the Bank in February 1968 and in accordance with such other procedures supplementary thereto as shall be agreed between the Borrower and the Association, and (ii) any contract for the procurement of such goods shall be subject to the approval of the Association.

Section 3.03. Except as the Association shall otherwise agree, the Borrower shall cause all goods financed out of the proceeds of the Credit to be used exclusively in carrying out the Project.

Article IV

PARTICULAR COVENANTS

Section 4.01. (a) The Borrower shall carry out or cause its Directorate of Public Works to carry out the Project with due diligence and efficiency and in conformity with sound highway maintenance, engineering, administrative and financial practices.

(b) To assist in carrying out Parts 2 and 3 of the Project, the Borrower shall employ or cause to be employed competent and experienced consultants acceptable to the Association, to an extent, and upon terms and conditions satisfactory to the Association.

(c) 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.

Section 4.02. The Borrower shall furnish promptly as needed all funds and other resources which shall be required for the carrying out of the Project, for the adequate maintenance of its highway system on a continuing basis and for the maintenance, repair and replacement of the Directorate of Public Works' highway maintenance machinery, equipment and workshop facilities, all such funds and resources to be made available on terms and conditions satisfactory to the Association.

Section 4.03. 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 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 expenditures of the proceeds of the Credit, the Project, the goods to be financed out of the proceeds of the Credit, the operations and administration with respect to the Project, and the financial condition of the agency or agencies of the Borrower responsible for carrying out the Project or any part thereof.

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 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 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 provision satisfactory to the Association for

insurance of the goods financed out of the proceeds of the Credit 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 Credit against marine, transit and other hazards incident to acquisition, transportation, and delivery thereof to the place of use or installation, and for such insurance any indemnity shall be payable in a currency freely usable by the Borrower to replace or repair such goods.

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, issue, delivery or registration thereof.

Section 4.08. The Borrower shall operate, maintain and repair all highways in its national highway system under the jurisdiction of the Directorate of Public Works in accordance with sound engineering and highway practices and to that end shall:

- (a) cause the Directorate of Public Works to take appropriate measures to ensure adequate maintenance of highway maintenance equipment and replacement of such equipment which has become worn-out or obsolete, to provide a prompt supply of spare parts and materials and to maintain suitable workshops and other repair facilities for the highway maintenance equipment;
- (b) cause the Directorate of Public Works to employ such qualified senior technical staff as shall be necessary for the purposes of this Section and to make arrangements for the training of operating and maintenance personnel at the Regional Training Center at Lomé, or to make other training arrangements satisfactory to the Association;

- (c) cause the dimensions and weight limits of the vehicles using the public roads of the Borrower to be kept within the limits consistent with the design standards of its roads;
- (d) ensure permanent and consistent enforcement of the traffic regulations of the Borrower; and
- (e) establish and maintain facilities to collect and record in accordance with appropriate statistical methods and procedures such technical, economic and financial information as shall be reasonably required for proper planning of maintenance, improvements and extensions of the highway system.

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 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 Regulations: namely, the consultants referred to in paragraph (b) of Section 4.01 of this Development Credit Agreement shall have been retained on terms and conditions satisfactory to the Association.

Section 6.02. If this Development Credit Agreement shall not have come into force and effect by December 16, 1968, this Development Credit Agreement and all the obligations of the parties hereunder shall terminate, unless the

Association, after consideration of the reasons for the delay, establishes a later date for the purposes of this Section. The Association shall promptly notify the Borrower of such later date.

Section 6.03. The obligations of the Borrower under Sections 4.02 and 4.08 of this Development Credit Agreement shall terminate on the date on which this Development Credit Agreement shall terminate or on a date fifteen 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 December 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 Regulations:

For the Borrower:

Ministère du Plan et de la Coopération
Fort Lamy
Republic of Chad

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 Ministre du Plan et de la Coopération 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 Chad:

By Michel NGARDOUM
Authorized Representative

International Development Association:

By J. Burke KNAPP
Vice President

SCHEDULE 1

DESCRIPTION OF THE PROJECT

The Project consists of:

(1) A five-year highway maintenance program to be carried out by the Directorate of Public Works for the main roads of the Borrower listed in the Annex to this Schedule, in which is included provisions for maintenance equipment and spare parts, materials, extension and improvement of repair shops, and the training of operators and mechanics;

(2) A feasibility study including preliminary engineering by consultants of the 82 km long Djermaya-Djimtilo Road and lakeside facilities in Djimtilo and Bol together with other consultants' services to establish a system of collecting traffic data for the main roads of the Borrower; and

(3) Detailed engineering and preparation of bidding documents for the construction of the 82 km long Djermaya-Djimtilo Road and lakeside facilities in Djimtilo and Bol provided that the economic justification of the road referred to in paragraph (2) above is confirmed to the satisfaction of the Borrower and the Association.

The Project is expected to be completed by December 31, 1973.

ANNEX

ROADS TO BE MAINTAINED DURING THE FIVE-YEAR MAINTENANCE PROGRAM 1968-1972

<i>Roads</i>	<i>Length (km)</i>
Fort Lamy-Massaguet	78
Massaguet-Bir Garat	103
Fort Lamy-Massanya	160
Massaguet-Ngoura	125
Ngoura-Bitkine	244
Djermaya-Djimtilo	82
Guelendeng-Bongor	83
Bongor-Lai	148
Abeche-Biltine	92
Abeche-Adre	167
Abeche-Mangalme-Abou Deia	355
Bitkine-Mongo-Mangalme	177
Abou-Deia-Attaway	223
Attaway-Fort Archambault	112
Hellibongo-Kyabe	84
Guidari-Koumra	86
Ngueré-Doba	164
Moundou-Kelo	104
Kelo-Pala	107
Pala-Lere-Cameroon Border	122
Lai-Doba	108
Doba-Gore	95
Lai-Guidari	74
Doba-Moundou	99
Maïkoro-Gore-CAR Border	110
Moundou-Baibokoum-CAR Border	167
Lai-Kelo	60
Pala-Fianga-Cameroon Border	83
Koumra-Moïssala	74
TOTAL	3686

SCHEDULE 2

ALLOCATION OF THE PROCEEDS OF THE CREDIT

<i>Category</i>	<i>Maximum Amounts Expressed in U.S. Dollar Equivalent</i>
I. Equipment and spare parts	\$2,740,000
II. Materials	100,000
III. Extension of shops	60,000
IV. Operators and mechanics training	200,000
V. Feasibility study and preliminary engineering of the Djermaya-Djimtilo Road and lakeside facilities and other consultants' services to establish a system for traffic data collection (Part 2 of the Project)	230,000
VI. Detailed engineering of the Djermaya-Djimtilo Road and lakeside facilities (Part 3 of the Project)	70,000
VII. Unallocated *	700,000
TOTAL	\$4,100,000

- * 1. If the estimated cost of the items included in any of the Categories I to VI shall increase, an amount equal to such increase will be reallocated by the Association, at the request of the Borrower, to such Category from Category VII, subject, however, to the requirements for contingencies, as determined by the Association, in respect of the cost of the items in the other Categories.
2. If the estimated cost of the items included in any of the Categories I to VI 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 VII.

INTERNATIONAL DEVELOPMENT ASSOCIATION

DEVELOPMENT CREDIT REGULATIONS No. 1, DATED 1 JUNE 1961,
AS AMENDED 9 FEBRUARY 1967REGULATIONS APPLICABLE TO DEVELOPMENT CREDIT AGREEMENTS WITH MEMBER
GOVERNMENTS

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