

No. 9642

**INTERNATIONAL DEVELOPMENT ASSOCIATION
and
CHAD**

**Development Credit Agreement—*Education Project* (with annexed
Credit Regulations No. 1, as amended). Signed at Washington
on 29 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'enseigne-
ment* (avec, en annexe, le Règlement n° 1 sur les crédits de
développement, tel qu'il a été modifié). Signé à Washington
le 29 août 1968**

Texte authentique: anglais.

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

DEVELOPMENT CREDIT AGREEMENT¹

AGREEMENT, dated August 29, 1968, between the REPUBLIC OF CHAD (hereinafter called the Borrower) and INTERNATIONAL DEVELOPMENT ASSOCIATION (hereinafter called the Association).

WHEREAS the Borrower has requested the Association to assist in financing the costs of Parts I and II of the Project described in Schedule 1 to this Development Credit Agreement; and

WHEREAS the Borrower and the Fonds d'Aide et de Coopération, an instrumentality of the Government of France, have agreed on the terms and conditions upon which the Fonds d'Aide et de Coopération will finance Part III of the Project described in Schedule 1 to this Development Credit Agreement;

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, 1967² (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.

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 one million eight hundred thousand dollars (\$1,800,000).

¹ Came into force on 14 January 1969, upon notification by the Association to the Government of Chad.

² See p. 402 of this volume.

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 The amount of the Credit may be withdrawn from the Credit Account as provided in, and subject to the rights of cancellation and suspension set forth in this Development Credit Agreement and the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

Section 2.03. 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:

- (a) such amounts as shall have been paid (or, if the Association shall so agree, shall be required to meet payments to be made) in currencies other than the currency of the Borrower for the reasonable cost of imported equipment to be financed under this Development Credit Agreement;
- (b) such amounts as shall have been paid (or, if the Association shall so agree, shall be required to meet payments to be made) for the reasonable cost of services to be financed under this Development Credit Agreement;
- (c) the equivalent of eighty-four per cent (84%) of such amounts as shall have been paid for the reasonable cost of civil works and locally produced goods to be financed under this Development Credit Agreement, other than payments under paragraphs (a) and (b) above, provided, however, that if there shall be an increase in the estimates of such cost, the Association may by notice to the Borrower reduce the above percentage to such lower percentage as shall be required in order that withdrawal of the amount of the Credit allocated or reallocated in accordance with Schedule 2 to this Development Credit Agreement to such cost and not withdrawn may continue *pro rata* with the expenditures remaining to be made for such cost;

provided, however, that no withdrawal shall be made on account of expenditures prior to the date of this Development Credit Agreement.

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 agreement between the Borrower and the Association.

Section 3.02. Except as the Association shall otherwise agree, 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 the “*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 or as shall be agreed between the Association and the Borrower. 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.

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 carry out the Project or cause the Project to be carried out with due diligence and efficiency, in conformity with sound technical, administrative and financial 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 appoint, or cause its Ministry of Education to appoint, a Project Director acceptable to the Association and two Assistants acceptable to the Association. The Project Director shall be attached to the Ministry of Education and shall be given overall responsibility for the proper execution and supervision of Parts I and II of the Project.

(e) Except as the Association shall otherwise agree, in the carrying out of the Project the Borrower shall employ or cause to be employed qualified and experienced architectural consultants acceptable to the Borrower and the Association, upon terms and conditions satisfactory to the Association, to design the buildings included in the Project and to supervise their construction.

(f) Except as the Association shall otherwise agree, the Borrower shall cause the construction of the Teacher Training Center and the Center for Training Agricultural Technicians included in the Project to be carried out by contractors acceptable to the Borrower and the Association employed under contracts satisfactory to the Borrower and the Association.

(g) Upon request from time to time by the Association, the Borrower shall furnish or cause to be furnished to the Association for its approval promptly upon their preparation the plans, specifications, contracts and work schedules for the construction included in the Project and the master lists of instructional equipment and furniture included therein and any material modifications subsequently made therein, in such detail as the Association shall reasonably request.

Section 4.02. 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 and housing, 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 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, 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 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, 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 4.04. (a) The Borrower and the Association shall cooperate fully to ensure 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 4.05. (a) The Borrower shall take out and maintain with responsible insurers, or make other provision satisfactory to the Association for insurance 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, 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 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:

A Project Director shall have been appointed in accordance with the terms of paragraph (d) of Section 4.01 of this Development Credit Agreement.

Section 6.02. If this Development Credit Agreement shall not have come into force and effect by December 31, 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.

Article VII

MISCELLANEOUS

Section 7.01. The Closing Date for withdrawals from the Credit Account shall be March 1, 1972 or such other respective 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 PROJECT

The Project consists of:

Part I. The construction of (i) a teacher training center at Moundou with academic and general facilities for 400 full-time students, boarding accommodation for 300 students, provision for the supervision of in-service training and correspondence courses for 400 teachers and housing for 8 staff members; and (ii) a center for training agricultural technicians at Fort Lamy, with academic and general facilities for 120 students, boarding accommodation for 70 students and housing for 7 staff members.

Part II. The equipping and furnishing of the training centers referred to in Part I and provision for retaining the services of a firm of architectural consultants and of a Project Director and two Assistants.

Part III. The provision, over a period of 7 years, for the training centers referred to in Part I, of qualified staff from abroad for essential administrative and teaching posts to the extent that qualified Chadians are not available.

It is expected that Parts I and II of the Project will be completed by October 1971 and Part III of the Project by September 1976.

SCHEDULE 2

ALLOCATION OF PROCEEDS OF THE CREDIT

1. Civil Works and Locally Produced Goods

<i>Category</i>	<i>Maximum Amounts Expressed in U.S. Dollars Equivalent</i>
(a) Civil Works	1,180,000
(b) Locally Supplied Furniture	30,500
2. Imported Goods	
(a) Furniture	91,500
(b) Equipment	158,000
3. Services	
(a) Professional Fees	112,000
(b) Project Administration	70,000
4. Unallocated *	158,000
	<u>TOTAL</u> <u>1,800,000</u>

* 1. If the estimated cost of the items included in Categories 1, 2 or 3 shall increase, in the case of Categories 2 or 3 an amount equal to such increase or, in the case of Category 1, an

amount equal to the applicable percentage (as determined under Section 2.03 (c)) of such increase will be reallocated by the Association at the request of the Borrower to such item from the amount allocated to Category 4, subject, however, to the requirements for contingencies, as determined by the Association, in respect of the cost of the other items in Categories 1, 2 or 3.

2. If the estimated cost of the items included in Categories 1, 2 or 3 shall decrease, the amount of the Credit then allocated to, and no longer required for such items, will be reallocated by the Association to Category 4.

SCHEDULE 3

PROCUREMENT

Pursuant to Section 3.02 of the Development Credit Agreement, international competitive bidding shall be used in the award of construction contracts and in the procurement of instructional equipment and furniture required to carry out the Project. The procedures set forth in the "*Guidelines for Procurement under World Bank Loans and IDA Credits*," dated February 1968, shall be applied by the Borrower together with the following supplementary provisions:

1. *Contracts for Civil Works*

(a) Prior to inviting bids the Borrower shall:

- (i) submit for approval by the Association lists containing the types of works proposed to be let and the estimated costs thereof, together with a description of the method to be used for obtaining bids and the proposed advertising coverage;
- (ii) submit for the Association's approval the draft bidding documents, the list of prequalified firms proposed to be invited to bid, if any, and the draft contracts.

(b) After bids have been received and evaluated, the Borrower shall send to the Association a summary thereof, the analysis by the Project Unit and a brief justification of the Borrower's decision on the award; provided, however, that in the case of any contract, or group of contracts covered by a single award, involving an amount of U.S. \$100,000 equivalent or more, the Borrower shall request the Association's approval before making the award.

(c) As soon as a contract is signed, the Borrower shall send a certified copy thereof to the Association.

(d) The Borrower shall request the Association's approval for any proposed change in a contract involving a price increase of 5% or more or U.S. \$10,000 equivalent, whichever is less.

2. *Contracts for Instructional Equipment and Furniture*

(a) Lists for all items of instructional equipment and furniture required for the Project shall be prepared, showing the specifications and estimated unit and total price of each item. Items shall be grouped in such a manner as shall be consistent with sound technical and procurement practices.

(b) Prior to inviting bids the Borrower shall:

(i) submit for approval by the Association the lists mentioned in paragraph 2 (a) above, together with a description of the method to be used for obtaining bids and the proposed advertising coverage;

(ii) submit for the Association's approval the draft bidding documents, the list of prequalified firms proposed to be invited to bid, if any, and the draft contracts.

(c) After bids have been received and evaluated, the Borrower shall send the Association a summary thereof, together with the Project Unit's analysis and a brief justification of the Borrower's decision on the award; provided, however, that in the case of any contract, or group of contracts covered by a single award, involving an amount of U.S. \$25,000 equivalent or more, the Borrower shall request the Association's approval before making the award.

(d) As soon as a contract has been signed, the Borrower shall send a certified copy thereof to the Association.

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.*]
