

No. 9643

**INTERNATIONAL DEVELOPMENT ASSOCIATION
and
TOGO**

**Development Credit Agreement—*Highway Maintenance Project*
(with annexed Credit Regulations No. 1, as amended). Signed
at Washington on 10 October 1968**

Authentic text: English.

Registered by the International Development Association on 19 June 1969.

**ASSOCIATION INTERNATIONALE
DE DÉVELOPPEMENT
et
TOGO**

**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 10 octobre 1968**

Texte authentique: anglais.

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

DEVELOPMENT CREDIT AGREEMENT ¹

AGREEMENT, dated October 10, 1968, between the REPUBLIC OF TOGO (hereinafter called the Borrower) and INTERNATIONAL DEVELOPMENT ASSOCIATION (hereinafter called the Association).

WHEREAS the Borrower has requested the Association to make available a development credit to assist in financing the capital expenditures of the Four-Year Togo 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, 1967² (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.

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 three million seven hundred thousand dollars (\$3,700,000).

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

² See p. 426 of this volume.

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. (Lomé) price of goods produced, or for services supplied from, outside the territories of the Borrower and included under Categories A(1), B, and C of the allocation of the proceeds of the Credit set forth in Schedule 2 to this Development Credit Agreement; and
- (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.

(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 the date of this Development Credit Agreement; or
- (ii) any payment for any taxes or duties levied on the import of goods into the territory 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 territory of any country which is not a member of the Bank (except Switzerland) or for goods produced in (including services supplied from) such territory.

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 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 apply the proceeds of the Credit 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 in accordance with *Guidelines for Procurement under World Bank Loans and IDA Credits* published in 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; and
- (b) 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 such approval shall be required for items or groups of items from Category B 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 territory 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 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.

(d) The Borrower shall take all steps necessary to institute and to enforce right-of-way standards satisfactory to the Association for its national highway system.

(e) The Borrower shall take all measures reasonably required to ensure at all times 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 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 shall provide, promptly as needed, the funds, facilities, services and other resources required for the foregoing.

Section 4.04. (a) The Borrower shall cause the railway branches of the *Réseau des Chemins de Fer du Togo* from Lomé to Palimé and from Lomé to Anecho to be phased out over a period of 10 years after the completion of the Lomé-Palimé and Lomé-Anecho roads; and

(b) The Borrower shall not extend the Lomé-Blitta railway line of the *Réseau des Chemins de Fer du Togo* northward from Blitta;

provided, however, that the obligations of the Borrower under paragraph (a) or (b) shall not apply if a feasibility study, carried out by competent and experienced consultants, establishes to the satisfaction of the Association that the continued operation of the railway branches referred to in paragraph (a) or the extension of the railway line referred to in paragraph (b), as the case may be, is economically justified.

Section 4.05. (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 territory 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 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 territory of the Borrower for purposes related to the Credit.

Section 4.06. (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 (b) 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 4.07. 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 territory and free from all restrictions imposed under the laws of the Borrower or laws in effect in its territory.

Section 4.08. 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 territory 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 15, 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 June 30, 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 Finances et de l'Economie
Lomé
Republic of Togo

Alternative address for cables:

Minfinances
Lomé, Togo

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 Finance and Economy 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 Togo:

By Alexandre J. OHIN
Authorized Representative

International Development Association:

By J. Burke KNAPP
Vice President

SCHEDULE 1

DESCRIPTION OF PROJECT

The Project consists of the following:

I. A four-year highway maintenance program providing for:

(a) The improvement of the efficiency of maintenance operations and the training of maintenance personnel at all levels; and

(b) 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 450 kilometers:

- (i) the Natchamba-Kabou-Awandjelo road (about 78 km long), North of Bassari;
- (ii) the Lamakara-Ketao-Dahomey border road (about 35 km long), East of Lamakara;
- (iii) the Sokodé-Kambolé-Sotouboua road (about 156 km long), East of the Blitta-Sokodé highway;
- (iv) the Yégué-Pagala-Langabou road (about 47 km long), South of Blitta;
- (v) the Elavagnon-Kouniohou road (about 55 km long), West of Atakpamé;
- (vi) the Palimé-Ghana road (about 13 km long), West of Palimé; and
- (vii) the Agou-Nuatja road (about 70 km long), West of Nuatja; and

(b) Detailed engineering, and preparation of bidding documents, for about 300 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 December 31, 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	500,000
(2) Subsistence allowances	80,000
B. Procurement of maintenance equipment and spare parts . .	1,700,000
C. Preinvestment studies:	
(1) Feasibility studies	700,000
(2) Detailed engineering and bidding documents	300,000
D. Unallocated	420,000
	TOTAL
	\$3,700,000

REALLOCATION UPON CHANGE IN COST ESTIMATES

1. If the estimate of the cost of the items included in any of the Categories A through C 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 D.

2. If the estimate of the cost of the items included in any of the Categories A through C shall increase, an amount equal to the portion, if any, of such increase to be financed out of the proceeds of the Credit will be allocated by the Association, at the request of the Borrower, to such Category from Category D, 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 all goods to be financed out of the proceeds of this Development Credit Agreement, in accordance with the allocation of proceeds of the Credit set out in Schedule 2 thereof, 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 items or groups of items 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 territory 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 items or groups of items 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 the Borrower proposes to award the contract to other than the bidder offering the lowest evaluated bid, 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 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, indicating the expected price of such goods and the intended suppliers thereof.

5. Whenever a contract under the Project is awarded to a supplier not registered in Togo, the Borrower shall facilitate the accomplishment by such supplier of all regulatory formalities which may be required to enable it to carry out such contract.

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.*]