

No. 9649

**INTERNATIONAL DEVELOPMENT ASSOCIATION
and
SUDAN**

**Development Credit Agreement—*Education Project* (with annexed
Credit Regulations No. 1, as amended). Signed at Washington
on 24 June 1968**

Authentic text: English.

Registered by the International Development Association on 23 June 1969.

**ASSOCIATION INTERNATIONALE
DE DÉVELOPPEMENT
et
SOUDAN**

**Contrat de crédit de développement — *Projet relatif à l'ensei-
gnement* (avec, en annexe, le Règlement n° 1 sur les crédits de
développement, tel qu'il a été modifié). Signé à Washington
le 24 juin 1968**

Texte authentique: anglais.

Enregistré par l'Association internationale de développement le 23 juin 1969.

DEVELOPMENT CREDIT AGREEMENT ¹

AGREEMENT, dated June 24, 1968, between THE REPUBLIC OF THE SUDAN (hereinafter called the Borrower) and INTERNATIONAL DEVELOPMENT ASSOCIATION (hereinafter called the Association).

Article I

CREDIT REGULATIONS

Section 1.01. The parties to this 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 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 Agreement set forth or referred to, a development credit in an amount in various currencies equivalent to eight million five hundred thousand dollars (\$8,500,000).

Section 2.02. The Association shall open a Credit Account 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 The amount of the Credit may be withdrawn from the Credit Account as provided in, and subject to the rights of cancellation and suspension set forth in this Agreement and the Regulations.

Section 2.03. Except as the Association shall otherwise agree, the Borrower shall be entitled, subject to the provisions of this Agreement and of the Regulations, to withdraw from the Credit Account:

¹ Came into force on 24 January 1969, upon notification by the Association to the Government of Sudan.

² See p. 296 of this volume.

- (a) such amounts as shall have been paid (other than local currency expenditures) for the reasonable cost of goods to be agreed between the Borrower and the Association;
- (b) the equivalent of a percentage or percentages to be established from time to time by agreement between the Borrower and the Association of such amounts as shall have been paid for the reasonable cost of all other goods to be financed out of the proceeds of the Credit and not included in the foregoing;
- (c) if the Association shall so agree, such amounts as shall be required by the Borrower to meet payments under each of the foregoing paragraphs;

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

As used in this Section, the term “local currency expenditures” means expenditures in the currency of the Borrower or for goods produced in (including services supplied from) the territories of the Borrower.

Section 2.04. The Borrower shall pay to the Association a service charge at the rate 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 2.05. Service charges shall be payable semi-annually on February 1 and August 1 in each year.

Section 2.06. The Borrower shall repay the principal of the Credit withdrawn from the Credit Account in semi-annual installments payable on each February 1 and August 1 commencing August 1, 1978 and ending February 1, 2018, each installment to and including the installment payable on February 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 cause the proceeds of the Credit to be applied exclusively to financing the cost of goods required to carry out the Project described in the Schedule to this Agreement. The specific allocation of the proceeds of the Credit 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 Association, subject to modification by further agreement between them.

Section 3.02. 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 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 building 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 two special units headed by Project Directors acceptable to the Association, to be responsible for the proper execution and supervision of the Project, and shall appoint an architect or an engineer, acceptable to the Association, to be a member of such a special unit.

(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 consultants acceptable to the Borrower and the Association, upon terms and condition satisfactory to the Borrower and the Association.

(f) Except as the Association shall otherwise agree, the Borrower shall cause 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 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 indentify 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 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 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 Agreement to the contrary notwithstanding.

Article VI

MISCELLANEOUS

Section 6.01. The Closing Date for withdrawals from the Credit Account in respect of Parts A, B, C and E of the Project shall be December 31, 1973, and in respect of Part D of the Project, shall be December 31, 1976 or such other respective dates as may from time to time be agreed between the Borrower and the Association.

Section 6.02. The date of October 15, 1968, is hereby specified for the purposes of Section 8.04 of the Regulations.

Section 6.03. The following addresses are specified for the purposes of Section 7.01 of the Regulations:

For the Borrower:

Ministry of Finance and Economics
Government of The Sudan
P.O.B. 298
Kartoum, Sudan

Alternative address for cables:

Malisudan
Khartoum

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 6.04. The Minister of Finance and Economics 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.

The Republic of The Sudan:

By A. M. NUR
Authorized Representative

International Development Association:

By J. Burke KNAPP
Vice President

SCHEDULE

DESCRIPTION OF THE PROJECT

The purpose of the Project is to improve and expand facilities in the Republic of the Sudan for agricultural technical training, teacher training and secondary education. The Project includes:

- A. Design and construction of two agricultural institutes at Abu Haraz and at Abu Hugar, an Intermediate Teacher Training College and the extension of a Higher Teacher Training Institute at Omdurman, and extensions to about thirteen secondary schools, all consisting of buildings and related site development;
- B. Procurement and installation of instructional equipment, books and furniture needed for the facilities listed above;
- C. Provision of teacher fellowships for the training abroad of selected agricultural and teacher training personnel;
- D. Provision of teachers for the agricultural institutes and the teacher training institute; and
- E. A survey of existing secondary schools.

It is expected that Parts A, B, C and E of the Project will be completed by December 31, 1972.

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.*]