

No. 9412

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
and
IVORY COAST

Loan Agreement—*Highway Project* (with annexed Loan
Regulations No. 3, as amended, and related letter).
Signed at Washington on 21 June 1968

Authentic text : English.

*Registered by the International Bank for Reconstruction and Development
on 17 February 1969.*

BANQUE INTERNATIONALE POUR
LA RECONSTRUCTION ET LE DÉVELOPPEMENT
et
CÔTE D'IVOIRE

Contrat d'emprunt — *Projet de route* (avec, en annexe,
le Règlement n° 3 sur les emprunts, tel qu'il a été
modifié, et lettre connexe). Signé à Washington le
21 juin 1968

Texte authentique : anglais.

*Enregistré par la Banque internationale pour la reconstruction et le développe-
ment le 17 février 1969.*

LOAN AGREEMENT ¹

AGREEMENT, dated June 21, 1968, between REPUBLIC OF THE IVORY COAST (hereinafter called the Borrower) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (hereinafter called the Bank).

Article I

LOAN REGULATIONS

Section 1.01. The parties to this Agreement accept all the provisions of Loan Regulations No. 3 of the Bank, dated February 15, 1961 as amended February 9, 1967, ² with the same force and effect as if they were fully set forth herein, subject, however, to the following modification thereof (said Loan Regulations No. 3, as so modified, being hereinafter called the Loan Regulations) : The first sentence of Section 4.01 is deleted.

Article II

THE LOAN

Section 2.01. The Bank agrees to lend to the Borrower an amount in various currencies equivalent to five million eight hundred thousand dollars (\$ 5,800,000).

Section 2.02. The Bank shall open a Loan Account on its books in the name of the Borrower and shall credit to such Account the amount of the Loan. The amount of the Loan may be withdrawn from the Loan Account as provided in, and subject to the rights of cancellation and suspension set forth in, this Agreement and the Loan Regulations.

Section 2.03. Except as the Borrower and the Bank shall otherwise agree, the Borrower shall be entitled to withdraw from the Loan Account :

- (a) such amounts as shall have been paid or, if the Bank shall so agree, as shall be required to meet payments to be made, for the reasonable foreign currency cost of goods for Parts II and III of the Project ; and

¹ Came into force on 2 December 1968, upon notification by the Bank to the Government of the Ivory Coast.

² See page 154 of this volume.

- (b) the equivalent of a percentage or percentages as may be established from time to time by agreement between the Borrower and the Bank of such amounts as shall have been paid or, if the Bank shall so agree, as shall be required to meet payments to be made for the reasonable cost of goods for Part I of the Project, and for the purposes of this paragraph (b), clause (b) of Section 4.01 of the Loan Regulations shall not apply.

Section 2.04. Pursuant to Section 3.02 of the Loan Regulations, withdrawals under Section 2.03 (b) of this Agreement shall be made in such currency or currencies as the Bank shall from time to time reasonably select.

Section 2.05. The Borrower shall pay to the Bank a commitment charge at the rate of three-fourths of one per cent ($3/4$ of 1 %) per annum on the principal amount of the Loan not withdrawn from time to time from the Loan Account.

Section 2.06. The Borrower shall pay interest at the rate of six and one-fourth per cent ($6\ 1/4$ %) per annum on the principal amount of the Loan so withdrawn and outstanding from time to time.

Section 2.07. Except as the Bank and the Borrower shall otherwise agree, the charge payable for special commitments entered into by the Bank at the request of the Borrower pursuant to Section 4.02 of the Loan Regulations shall be at the rate of one-half of one per cent ($1/2$ of 1 %) per annum on the principal amount of any such special commitment outstanding from time to time.

Section 2.08. Interest and other charges shall be payable semi-annually on January 15 and July 15 in each year.

Section 2.09. The Borrower shall repay the principal of the Loan in accordance with the amortization schedule set forth in Schedule 1 to this Agreement.

Article III

USE OF PROCEEDS OF THE LOAN

Section 3.01. The Borrower shall apply the proceeds of the Loan in accordance with the provisions of this Agreement to expenditures on the Project described in Schedule 2 to this Agreement. The specific allocation of the proceeds of the Loan, 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 Bank, subject to modification by further agreement between them.

Section 3.02. Except as the Borrower and the Bank shall otherwise agree, the Borrower shall cause all goods financed out of the proceeds of the Loan to be used exclusively in carrying out the Project.

Article IV

BONDS

Section 4.01. If and as the Bank shall from time to time request, the Borrower shall execute and deliver Bonds representing the principal amount of the Loan as provided in Article VI of the Loan Regulations.

Section 4.02. The *Ministre délégué aux Affaires Économiques et Financières* of the Borrower is designated as authorized representative of the Borrower for the purposes of Section 6.12 of the Loan Regulations. The *Ministre délégué aux Affaires Économiques et Financières* of the Borrower may designate additional or other authorized representatives by appointment in writing notified to the Bank.

Article V

PARTICULAR COVENANTS

Section 5.01. (a) The Borrower shall carry out the Project with due diligence and efficiency and in conformity with sound engineering, administrative and financial practices and shall make available, promptly as needed, all funds, facilities, services and other resources required for the purpose.

(b) The Borrower shall employ, on terms and conditions satisfactory to the Borrower and the Bank, qualified and experienced contractors, acceptable to the Borrower and the Bank, to carry out the highway construction works included in the Project.

(c) The selection and design standards of the roads which are to be the subject of detailed engineering under the Project and the general design standards to be used for construction of the highway included in the Project shall be determined by agreement between the Borrower and the Bank.

(d) In carrying out the Project the Borrower shall employ or cause to be employed qualified and experienced consultants acceptable to the Borrower and the Bank for purposes of supervision of the highway construction works included in the Project and for purposes of carrying out preinvestment studies. The nature and scope of the responsibilities of such consultants and the terms and conditions of their employment shall be determined in respect of each part of the Project by agreement between the Borrower and the Bank.

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

Section 5.02. The Borrower shall cause the main and secondary road system of the Borrower and the district roads in the service area of the highway included in the Project to be adequately maintained and shall cause all necessary repairs thereof to be made promptly, all in accordance with sound engineering practices, and shall provide, promptly as needed, the funds, facilities, services and other resources required for the foregoing.

Section 5.03. The Borrower shall maintain or cause to be maintained records adequate to identify the goods financed out of the proceeds of the Loan, to disclose the use thereof in the Project and to record the progress of the Project (including the cost thereof) and shall enable the Bank's representatives to inspect the Project, the goods and any relevant records and documents; and shall furnish or cause to be furnished to the Bank all such information as the Bank shall reasonably request concerning the expenditure of the proceeds of the Loan, the Project, the goods to be financed out of the proceeds of the Loan, and the operations with respect to the Project of the Ministries or agencies of the Borrower responsible for carrying out the Project.

Section 5.04. (a) The Borrower and the Bank shall cooperate fully to assure that the purposes of the Loan 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 Loan. 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 Bank shall from time to time exchange views through their representatives with regard to matters relating to the purposes of the Loan and the maintenance of the service thereof. The Borrower shall promptly inform the Bank of any condition which interferes with, or threatens to interfere with, the accomplishment of the purposes of the Loan or the maintenance of the service thereof.

(c) The Borrower shall afford all reasonable opportunity for accredited representatives of the Bank to visit any part of the territories of the Borrower for purposes related to the Loan.

Section 5.05. It is the mutual intention of the Borrower and the Bank that no other external debt shall enjoy any priority over the Loan by way of a lien on governmental assets. To that end, the Borrower undertakes that, except as the Bank shall otherwise agree, if any lien shall be created on any assets of the Borrower as security for any external debt, such lien will *ipso facto* equally and ratably secure the payment of the principal of, and interest and other charges on, the Loan and the Bonds, and that in the creation of any such lien express provision will be made to that effect; provided, however, that the foregoing provisions of this Section shall not apply to: (i) any lien created on property, at the time of purchase thereof, solely as security for the payment of the purchase price of such property; or (ii) any lien arising in the ordinary course of banking transactions and securing a debt maturing not more than one year after its date; or (iii) any lien on commercial goods to secure a debt maturing not more than one year after the date on which it is originally incurred and to be paid out of the proceeds of sale of such commercial goods; or (iv) any lien upon real estate or other property in the Ivory Coast or revenues or receipts in currency of the Borrower, if such lien is given by a political subdivision or by an agency of a political subdivision of the Borrower under arrangements or circumstances which would not result in priority in the allocation or realization of foreign exchange.

The term "assets of the Borrower" as used in this Section includes assets of the Borrower or of any of its political subdivisions or of any agency of the Borrower or of any such political subdivision or of any institution which may be established to perform the functions of a central bank exclusively for the Borrower, and any participation, share, right or other financial interest which the Borrower may have in any institution (other than an agency of the Borrower) performing such functions for the Borrower. The term "assets of the Borrower" as used in this Section shall not include assets of municipalities (*communes*).

The Borrower further undertakes that, within the limits of its constitutional powers, it will make the foregoing undertaking effective with respect to liens on the assets of municipalities (*communes*). If the Borrower, because of constitutional or other legal provisions, shall be unable to make the foregoing effective with respect to any lien on any assets of a municipality (*commune*), the Borrower, except as the Bank shall otherwise agree, shall give to the Bank an equivalent lien or equivalent priority in the allocation or realization of foreign exchange, as the case may be, satisfactory to the Bank.

Section 5.06. The principal of, and interest and other charges on, the Loan and the Bonds 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 ; provided, however, that the provisions of this Section shall not apply to taxation of payments under any Bond to a holder thereof other than the Bank when such Bond is beneficially owned by an individual or corporate resident of the Borrower.

Section 5.07. The Loan Agreement and the Bonds 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, and the Borrower shall pay all such taxes, if any, imposed under the laws of the country or countries in whose currency the Loan and the Bonds are payable or laws in effect in the territories of such country or countries.

Section 5.08. The Borrower shall establish and maintain a data collection system as agreed between the Borrower and the Bank in order to assess the technical, economic and financial aspects of the Borrower's road system.

Article VI

REMEDIES OF THE BANK

Section 6.01. (i) If any event specified in paragraph (a) or paragraph (b) of Section 5.02 of the Loan Regulations shall occur and shall continue for a period of thirty days, or (ii) if any event specified in paragraph (c) of Section 5.02 of the Loan Regulations shall occur and shall continue for a period of sixty days after notice thereof shall have been given by the Bank to the Borrower, then at any subsequent time during the continuance thereof, the Bank, at its option, may declare the principal of the Loan and of all the Bonds 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 or in the Bonds to the contrary notwithstanding.

Article VII

EFFECTIVE DATE ; TERMINATION

Section 7.01. The following event is specified as an additional condition to the effectiveness of this Agreement within the meaning of Section 9.01 (b) of the Loan Regulations, namely, that the Borrower has engaged consultants, for supervision of the highway construction works, in accordance with the provisions of Section 5.01 (d) of this Agreement.

Section 7.02. If this Agreement shall not have come into force and effect by October 31, 1968, this Agreement and all obligations of the parties hereunder shall terminate unless the Bank, after consideration of the reasons

for the delay, establishes a later date for purposes of this Section. The Bank shall promptly notify the Borrower of such later date.

Article VIII

MISCELLANEOUS

Section 8.01. The Closing Date shall be September 30, 1971, or such later date as may be agreed by the Bank.

Section 8.02. The following addresses are specified for the purposes of Section 8.01 of the Loan Regulations :

For the Borrower :

Ministères des Affaires Économiques et Financières

B. P. 1766

Abidjan, Ivory Coast

Cable address :

Minifin

Abidjan

For the Bank :

International Bank for Reconstruction and Development

1818 H Street, N. W.

Washington, D.C. 20433

United States of America

Cable address :

Intbafrad

Washington, D.C.

Section 8.03. The *Ministre délégué aux Affaires Économiques et Financières* of the Borrower is designated for purposes of Section 8.03 of the Loan Regulations.

IN WITNESS WHEREOF the parties hereto, acting through their representatives thereunto duly authorized, have caused this Agreement to be signed in their respective names and to be delivered in the District of Columbia, United States of America, as of the day and year first above written.

Republic of the Ivory Coast :

By T. N'GUETTA AHOVA

Authorized Representative

International Bank for Reconstruction and Development :

By Robert S. McNAMARA

President

SCHEDULE 1

AMORTIZATION SCHEDULE

<i>Date Payment Due</i>	<i>Payment of Principal (expressed in dollars) *</i>	<i>Date Payment Due</i>	<i>Payment of Principal (expressed in dollars) *</i>
January 15, 1972	\$110,000	January 15, 1980	\$175,000
July 15, 1972	110,000	July 15, 1980	180,000
January 15, 1973	115,000	January 15, 1981	190,000
July 15, 1973	120,000	July 15, 1981	195,000
January 15, 1974	120,000	January 15, 1982	200,000
July 15, 1974	125,000	July 15, 1982	205,000
January 15, 1975	130,000	January 15, 1983	215,000
July 15, 1975	135,000	July 15, 1983	220,000
January 15, 1976	140,000	January 15, 1984	225,000
July 15, 1976	145,000	July 15, 1984	235,000
January 15, 1977	145,000	January 15, 1985	240,000
July 15, 1977	150,000	July 15, 1985	250,000
January 15, 1978	155,000	January 15, 1986	255,000
July 15, 1978	160,000	July 15, 1986	265,000
January 15, 1979	165,000	January 15, 1987	270,000
July 15, 1979	170,000	July 15, 1987	285,000

* To the extent that any part of the Loan is repayable in a currency other than dollars (see Loan Regulations, Section 3.03), the figures in this column represent dollar equivalents determined as fur purposes of withdrawal.

PREMIUMS ON PREPAYMENT AND REDEMPTION

The following percentages are specified as the premiums payable on repayment in advance of maturity of any part of the principal amount of the Loan pursuant to Section 2.05 (b) of the Loan Regulations or on the redemption of any Bond prior to its maturity pursuant to Section 6.16 of the Loan Regulations :

<i>Time of Prepayment or Redemption</i>	<i>Premium</i>
Not more than three years before maturity	1 ¹ / ₈ %
More than three years but not more than six years before maturity	1 ¹ / ₈ %
More than six years but not more than eleven years before maturity	2 ¹ / ₈ %
More than eleven years but not more than fourteen years before maturity	3 ³ / ₄ %
More than fourteen years but not more than seventeen years before maturity	5 %
More than seventeen years before maturity	6 ¹ / ₄ %

SCHEDULE 2

DESCRIPTION OF PROJECT

The Project consists of the following parts :

- I. The reconstruction and paving of the Abengourou-Agnibilekrou road (about 60 km long) ;

- II. The engineering supervision of construction of the above-mentioned road by a firm of consulting engineers ;
- III. Preinvestment studies by consulting engineers consisting of :
 - (a) Feasibility studies of about 700 km of primary roads, and
 - (b) Detailed engineering of about 500 km of road sections identified by the feasibility studies to be of the highest priority.

The Project is expected to be completed by March 1971.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

LOAN REGULATIONS No. 3, DATED 15 FEBRUARY 1961,
AS AMENDED 9 FEBRUARY 1967

REGULATIONS APPLICABLE TO LOANS MADE BY THE BANK
TO MEMBER GOVERNMENTS

[*Not published herein. See United Nations, Treaty Series, Vol. 615, p. 98.*]

LETTER RELATING TO THE LOAN AGREEMENT

REPUBLIC OF THE IVORY COAST

No. 7

June 21, 1968

International Bank for Reconstruction
and Development
1818 H Street, N. W.
Washington, D.C. 20433

Re : *Loan No. 542 IVC (Highway Project)*
Negative Pledge

Dears Sirs :

We refer to Section 5.05 of the Loan Agreement (*Highway Project*) of even date herewith between the Republic of the Ivory Coast and the International Bank for Reconstruction and Development.

In view of the broad scope of the term "agency" as used in this Section, the Government of the Ivory Coast feels that the Section may interfere with the business of Ivory Coast State Companies. These Companies are established in accordance with Law 62-82 of March 22, 1962, as amended by Law No. 63-22 of February 5, 1963, Article 12.

Ivory Coast State Companies are organized as business corporations in accordance with laws and regulations applicable to private companies. They are registered in the Register of Commerce, which keeps the record of business enterprises ; they conduct their business along the lines of private companies, and their activities are not reflected in the Government budget.

The Government therefore requests your agreement under Section 5.05 that the said Section shall not be applicable to Ivory Coast State Companies organized in accordance with Law 62-82 of March 22, 1962 as amended. It would be understood that in the unlikely contingency that any of the central gold and foreign exchange reserves of the Ivory Coast were held by any such Ivory Coast State Company, then the said Section would apply to that enterprise notwithstanding the foregoing agreement.

Please indicate your agreement with the foregoing by signing the form of confirmation on the enclosed copy of this letter and returning it to us.

Very truly yours,

Republic of the Ivory Coast :
H.E.T. N'GUETTA AHOUA
Authorized Representative

Confirmed :

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT :

By O. HURSIT CALIKA
