

No. 10223

**INTERNATIONAL DEVELOPMENT ASSOCIATION
and
CENTRAL AFRICAN REPUBLIC**

**Development Credit Agreement—*Highway Project* (with
annexed General Conditions Applicable to Development
Credit Agreements). Signed at Washington on 3 April
1969**

Authentic text: English.

Registered by the International Development Association on 26 January 1970.

**ASSOCIATION
INTERNATIONALE DE DÉVELOPPEMENT
et
RÉPUBLIQUE CENTRAFRICAINE**

**Contrat de crédit de développement — *Projet relatif au
réseau routier* (avec, en annexe, les Conditions générales
applicables aux contrats de crédit de développement).
Signé à Washington le 3 avril 1969**

Texte authentique : anglais.

Enregistré par l'Association internationale de développement le 26 janvier 1970.

DEVELOPMENT CREDIT AGREEMENT¹

AGREEMENT, dated April 3, 1969, between the CENTRAL AFRICAN REPUBLIC (hereinafter called the Borrower) and INTERNATIONAL DEVELOPMENT ASSOCIATION (hereinafter called the Association).

Article I

GENERAL CONDITIONS

Section 1.01. The parties to this Agreement accept all the provisions of the General Conditions applicable to Development Credit Agreements of the Association dated January 31, 1969² (said General Conditions applicable to Development Credit Agreements being hereinafter called the General Conditions), with the same force and effect as if they were fully set forth herein.

Section 1.02. Wherever used in this Agreement, unless the context otherwise requires, the several terms defined in the General Conditions have the respective meanings therein set forth.

Article II

THE CREDIT

Section 2.01. The Association agrees to lend to the Borrower, on the terms and conditions in this Agreement set forth or referred to, an amount in various currencies equivalent to four million two hundred thousand dollars (\$4,200,000).

¹ Came into force on 11 June 1969, upon notification by the Association to the Government of the Central African Republic.

² See p. 24 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(b) The amount of the Credit may be withdrawn from the Credit Account as provided in and subject to the rights of cancellation and suspension set forth in, this Development Credit Agreement and in accordance with the allocation of the proceeds of the Credit set forth in Schedule 1 to this Agreement, as such allocation shall be modified from time to time pursuant to the provisions of such Schedule 1 or by further agreement between the Borrower and the Association.

Section 2.03. The Borrower shall be entitled to withdraw from the Credit Account in respect of reasonable cost of goods or services required for the Project and to be financed under this Development Credit Agreement:

- (a) such amounts as shall have been paid (or, if the Association shall so agree, as shall be required to meet payments to be made) for expenditures under Category IV of the allocation of the proceeds of the Credit set forth in Schedule 1 to this Agreement;
- (b) (i) the equivalent of fifty per cent (50%) of such amounts as shall have been paid (or, if the Association shall so agree, as shall be required to meet payments to be made) for expenditures under Categories I and III of the allocation of the proceeds of the Credit set forth in said Schedule 1; and (ii) the equivalent of seventy-five per cent (75%) of such amounts as shall have been paid (or, if the Association shall so agree, as shall be required to meet payments to be made) for expenditures under Category II of such allocation of the proceeds of the Credit;

provided, however, that if there shall be an increase in the estimate of expenditures under said Categories II or III, the Association may by notice to the Borrower adjust the stated percentage applicable to such Category as required in order that withdrawals of the amount of the Credit then allocated to such Category and not withdrawn may continue *pro rata* with the expenditures remaining to be made under such Category.

Section 2.04. (a) No withdrawals from the Credit Account shall be made on account of expenditures for: (i) goods produced in, or services supplied from, the territories of the Borrower and to be financed under Category IV of the allocation of the proceeds of the Credit set forth in Schedule 1 to this

Agreement; or (ii) taxes imposed by the Borrower or any of its political subdivisions on or in connection with the importation or supply of, goods or services required for the Project and to be financed under this Development Credit Agreement.

(b) In derogation of Section 5.01 of the General Conditions, it is hereby agreed that withdrawals from the Credit Account may be made on account of expenditures for: (i) soil and topographic surveys made prior to the date of this Agreement but after January 1, 1968 (Category I of such allocation of the proceeds of the Credit); and (ii) expenditures for consultant services made prior to the date of this Agreement but after December 1, 1968 (Category III of such allocation of the proceeds of the Credit).

Section 2.05. The currency of the Republic of France is hereby specified for the purposes of Section 4.02 of the General Conditions.

Section 2.06. 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 2.07. Service charges shall be payable semi-annually on March 1 and September 1 in each year.

Section 2.08. The Borrower shall repay the principal amount of the Credit withdrawn from the Credit Account in semi-annual installments payable on each September 1 and March 1 commencing September 1, 1979 and ending March 1, 1989, each installment to and including the installment payable on March 1, 1989 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 in accordance with the provisions of this Agreement to expenditures on the Project, described in Schedule 2 to this Agreement.

Section 3.02. Except as the Association shall otherwise agree, (a) the goods and services included in Categories II and IV of the allocation of the proceeds of the Credit set forth in Schedule 1 to this Agreement, to be financed out of the proceeds of the Credit, shall be procured on the basis of international competitive bidding in accordance with 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 are set forth in Schedule 3 to this Agreement, and as shall be agreed between the Borrower and the Association; and (b) contracts for the procurement of all goods and services financed out of the proceeds of the Credit, other than those referred to in Section 2.04(b) of this Agreement and entered into prior to the date of this Development Credit Agreement, shall be subject to the prior approval of the Association.

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

Article IV

PARTICULAR COVENANTS

Section 4.01. (a) The Borrower shall carry out the Project described in Schedule 2 to this Agreement with due diligence and efficiency and in conformity with sound engineering, administrative and financial practices, and shall provide, promptly as needed, all funds, facilities, services and other resources for the purpose.

(b) The Borrower shall cause the evaluation of bids and the supervision of the reconstruction works under Part I of the Project described in Schedule 2 to this Agreement to be carried out by competent and experienced personnel. If such evaluation cannot be performed by the Borrower's Department of Public Works to the satisfaction of the Association, the Borrower shall employ or cause to be employed competent and experienced consultants acceptable to the Association, upon terms and conditions satisfactory to the Association.

(c) Except as the Association shall otherwise agree, the Borrower shall cause all works included in the Project to be carried out by contractors accept-

able to the Association, employed under contracts satisfactory to the Association.

(d) 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.

(e) The general design standards to be applied to the Project shall be as determined from time to time by agreement between the Borrower and the Association.

Section 4.02. The Borrower shall maintain or cause to be maintained records adequate to identify the goods and services 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, administration and financial condition of any department or agency of the Borrower responsible for the carrying out of the Project or any part thereof or the maintenance of all works, facilities and equipment related thereto and shall enable the Association's representatives to inspect the Project, the goods and services financed out of the proceeds of the Credit and any relevant records and documents.

Section 4.03. (a) The Borrower and the Association shall cooperate fully to ensure that the purposes of the Credit will be accomplished. To that end, the Borrower and the Association shall from time to time at the request of either party, exchange views through their representatives with regard to: the performance by the Borrower of its obligations under this Development Credit Agreement, the administration, operations and financial condition of any department or agency of the Borrower responsible for the carrying out of the Project or any part thereof or the maintenance of all works, facilities and equipment related thereto, and other matters relating to the purposes of the Credit.

(b) The Borrower shall furnish to the Association all such information as the Association shall reasonably request concerning: the expenditure of the proceeds of the Credit, the goods and services financed out of such proceeds, the Project, and the administration, operations and financial condition of any department or agency of the Borrower responsible for the carrying out of the

Project or any part thereof or the maintenance of all works, facilities and equipment related thereto.

(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 or the performance by the Borrower of its obligations under this Development Credit Agreement. 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.

(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 4.04. The Borrower shall: (i) cause the principal public roads of the Borrower to be adequately maintained and cause all necessary repairs thereof to be made, all in accordance with sound engineering practices; (ii) cause all of its road maintenance equipment to be adequately maintained and all necessary repairs and renewals thereof to be made, all in accordance with sound engineering practices; (iii) cause suitable workshops to be established and maintained in suitable places for the foregoing; and (iv) provide, promptly as needed, the funds, facilities, services and other resources required for the foregoing.

Section 4.05. Upon receipt by the Borrower of the recommendations for the improvement of road maintenance, pursuant to the provisions of Section 2.01(a)(i) of the Plan of Operation dated December 10, 1968, between the Borrower, the United Nations Development Programme (Special Fund) and the Bank, the Borrower and the Association shall exchange views thereon with a view to agreeing upon an appropriate organization of road maintenance operations in the territories of the Borrower.

Section 4.06. (a) The Borrower shall take all necessary action to introduce and implement as soon as practicable measures designed to ensure that the dimensions and axleloads of vehicles using its public roads and bridges shall not exceed limits consistent with the structural and geometric design standards of such roads and bridges.

(b) The Borrower shall establish and maintain facilities adequate 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 its public roads system.

Section 4.07. The Borrower undertakes to insure or cause to be insured the imported goods to be financed out of the proceeds of the Credit against marine, transit and other hazards incident to the 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 4.08. (a) 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.

(b) The 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. If any event specified in Section 7.01 of the General Conditions shall occur and shall continue for the period, if any, therein set forth, then, at any subsequent time during the continuance thereof, the Association, at its option, may by notice to the Borrower, declare the principal of the Credit then outstanding to be due and payable immediately, together with the service charges thereon, and upon any such declaration such principal, together with such charges, shall become due and payable immediately, anything in this Development Credit Agreement to the contrary notwithstanding.

Article VI

MISCELLANEOUS

Section 6.01. The Closing Date shall be March 31, 1973 or such other date as shall be agreed between the Borrower and the Association.

Section 6.02. The date June 16, 1969 is hereby specified for the purposes of Section 10.04 of the General Conditions.

Section 6.03. The following addresses are specified for the purposes of Section 9.01 of the General Conditions:

For the Borrower:

Ministre des Travaux Publics
Bangui
Central African Republic

Cable address:

Minitravaux
Bangui

For the Association:

International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Cable address:

Indevas
Washington, D.C.

Section 6.04. The Minister of Finance of the Borrower is designated as representative of the Borrower for the purposes of Section 9.03 of the General Conditions.

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 to be delivered in the District of Columbia, United States of America, as of the day and year first above written.

Central African Republic:

By Michel GALLIN-DOUATHE
Authorized Representative

International Development Association:

By J. Burke KNAPP
Vice President

SCHEDULE 1

ALLOCATION OF THE PROCEEDS OF THE CREDIT

<i>Category</i>	<i>Amounts Expressed in Dollar Equivalent</i>
I. Soil and topographic surveys	20,000
II. Reconstruction works for Part I of the Project	3,230,000
III. Evaluation of bids and supervision of reconstruction works	40,000
IV. Road maintenance equipment and spare parts	250,000
V. Unallocated	660,000
	<u>4,200,000</u>

REALLOCATION UPON CHANGE IN COST ESTIMATES

1. If the estimate of the cost of the items included in any of the Categories I to IV 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 V.

2. If the estimate of the cost of the items included in any of the Categories I to IV shall increase, an amount equal to the portion, if any, of such increase to be financed out of the proceeds of the Credit (or, in the case of Category II, an amount equal to 75% of such increase or, in the case of Category III, an amount equal to 50% of such increase) will be allocated by the Association at the request of the Borrower, to such Category from Category V, 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 2

DESCRIPTION OF PROJECT

The Project consists of:

- I. Completion of detailed engineering, preparation of bidding documents and reconstruction of the Bangui-M'baiki road (about 102 kms), and engineering supervision of such reconstruction works.

- II. The procurement of highway maintenance equipment and spare parts required for the adequate maintenance of the Bangui-M'baiki road.

The Project is expected to be completed by January 31, 1972.

SCHEDULE 3

PROCUREMENT

1. With respect to goods and services included in Categories II and IV of the allocation of the proceeds of the Credit set forth in Schedule 1 to this Agreement, required to be procured on the basis of international competitive bidding under Section 3.02 of this Agreement, identical or similar items to be procured shall be grouped together wherever practicable for the purposes of bidding and procurement, and such grouping of items shall be subject to the approval of the Association.

2. With respect to contracts with the contractors referred to in Section 4.01 (c) of this Agreement:

(a) Prior to inviting bids, information concerning the advertising coverage, prequalification procedures, as well as the invitations to bid, specifications, the proposed terms and conditions of the contract, and all other tender documents, shall be submitted to the Association for its approval. Subsequent to such approval, bids will be invited and the time interval referred to in Section 3.1 of the "Guidelines for Procurement under World Bank Loans and IDA Credits", published by the Bank in February 1968 (hereinafter called the Guidelines), between invitations to bid and bid opening, shall be equal to at least 60 days. During such time interval, prospective bidders will be afforded an opportunity to visit the site of the works and to discuss with the Directorate General of Public Works of the Borrower any questions relating to the proposed works and contract.

(b) Before awarding such contract, the Borrower shall submit to the Association for its approval an abstract and an evaluation of the bids received, the Borrower's evaluation thereof as well as the consultants', if any, and the Borrower's proposal concerning the contract and the award. The contract will be awarded to the bidder offering the lowest evaluated bid determined to be the most favorable in regard to technical and financial considerations and practices. If it is proposed to award the contract to other than the bidder offering the lowest evaluated price, the reason for such an exception to

Section 3.9 of the Guidelines shall be stated. Within 28 working days after obtaining the Association's approval required herein, the Borrower shall award the contract. One certified copy of the signed contract shall be sent to the Association promptly upon its execution.

- (c) The successful contractor shall furnish a 100% performance bond or a bank guarantee at least equal to 10% of the contract price, in accordance with Section 2.6 of the Guidelines. In addition, the contract will provide, under Section 4.5 of the Guidelines, for retention money at least equal to 10% of the amount payable under each monthly invoice until a total amount equal to 5% of the total contract price shall have been reached or, if the Borrower and the Association shall so agree, for a bank guarantee equal to 5% of such total contract price. Any amount so withheld as retention money will be released upon the contractor's full performance of the contract, which will include a warranty period for defective work equal to one year.

3. With respect to contracts for the services of consultants referred to in Section 4.01(b) of this Agreement, the Borrower shall follow the procedures set forth in "Uses of Consultants by the World Bank and its Borrower", published by the Bank in September 1966. One copy of any such contract intended to be signed shall be sent to the Association for its approval prior to signature, and one certified copy of any such signed contract shall be sent to the Association promptly upon its execution.

4. Whenever a contract under the Project is awarded to a supplier, contractor or consultant not registered in the Central African Republic, the Borrower shall facilitate the accomplishment by such supplier, contractor or consultant of all regulatory formalities which may be required to enable it to carry out such contract.

INTERNATIONAL DEVELOPMENT ASSOCIATION

GENERAL CONDITIONS, DATED 31 JANUARY 1969

GENERAL CONDITIONS APPLICABLE TO DEVELOPMENT CREDIT AGREEMENTS

[Not published herein. See *United Nations, Treaty Series, vol. 703, p. 244.*]