

No. 10291

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**INTERNATIONAL DEVELOPMENT ASSOCIATION  
and  
GHANA**

**Development Credit Agreement—*Highway Engineering Project*  
(with annexed General Conditions Applicable to Development Credit Agreements). Signed at Washington on 29 July 1969**

*Authentic text: English.*

*Registered by the International Development Association on 3 February 1970.*

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**ASSOCIATION INTERNATIONALE  
DE DÉVELOPPEMENT  
et  
GHANA**

**Contrat de crédit de développement — *Projet relatif à la construction routière* (avec, en annexe, les Conditions générales applicables aux contrats de crédit de développement). Signé à Washington le 29 juillet 1969**

*Texte authentique : anglais.*

*Enregistré par l'Association internationale de développement le 3 février 1970.*

## DEVELOPMENT CREDIT AGREEMENT <sup>1</sup>

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AGREEMENT, dated July 29, 1969, between REPUBLIC OF GHANA (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 detailed engineering of and related services for the highways described in Schedule 1 to this Agreement;

WHEREAS any financing so provided by the Association would be refunded, if the Association so requests, out of the proceeds of any credit by the Association or loan by the International Bank for Reconstruction and Development which may later be granted to the Borrower for the construction of the highways so to be engineered; and

WHEREAS the Association is willing, on the basis of the foregoing, to make a development credit available to the Borrower on the terms and conditions hereinafter set forth;

NOW THEREFORE the parties hereto hereby agree as follows:

### *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, 1969,<sup>2</sup> with the same force and effect as if they were fully set forth herein (said General Conditions Applicable to Development Credit Agreements of the Association being hereinafter called the General Conditions).

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<sup>1</sup> Came into force on 1 October 1969, upon notification by the Association to the Government of Ghana.

<sup>2</sup> See p. 100 of this volume.

*Section 1.02.* Wherever used in this Development Credit Agreement, unless the context otherwise requires, the several terms defined in the General Conditions have the respective meanings therein set forth, and the term "Consultants" means the Consultants retained to carry out the Project pursuant to Section 4.02(a) hereof.

## *Article II*

### THE CREDIT

*Section 2.01.* The Association agrees to lend to the Borrower, on the terms and conditions in this Development Credit Agreement set forth or referred to, an amount in various currencies equivalent to one million five hundred thousand dollars (\$1,500,000).

*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 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 2 to this 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.* The Borrower shall be entitled to withdraw from the Credit Account such amounts as shall have been paid (or, if the Association shall so agree, shall be required to meet payments to be made) in respect of the reasonable cost of goods or services required for the Project and no be financed under this Development Credit Agreement.

*Section 2.04.* No withdrawals from the Credit Account shall be made on account of payments in the currency of the Borrower, or for goods produced in, or services supplied from, the territories of the Borrower.

*Section 2.05.* The currency of the United States of America 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 June 15 and December 15 in each year.

*Section 2.08.* The Borrower shall repay the principal of the Credit withdrawn from the Credit Account in accordance with the amortization schedule set forth in Schedule 3 to this Agreement.

### *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 Agreement.

*Section 3.02.* Any contract for consultants' services and any modification thereof, as well as any purchase of equipment under any such contract in excess of the amounts therein specified, to be financed out of the proceeds of the Credit shall be subject to the prior approval of the Association.

### *Article IV*

#### PARTICULAR COVENANTS

*Section 4.01.* The Borrower shall carry out the Project with due diligence and efficiency, in conformity with sound administrative, financial and engineering practices and in accordance with design standards satisfactory to the Association, and shall provide, promptly as needed, the funds, facilities, services and other resources required for the purpose.

*Section 4.02.* (a) For the purpose of carrying out the Project, the Borrower shall employ competent and experienced consultants acceptable to the Association, under such terms and conditions, including terms of reference, as shall have been approved by the Association.

(b) The Borrower shall cooperate fully with the Consultants in the performance of their services for the Project and shall make available to them all information relevant to the Project.

(c) The Borrower shall not amend or waive any of the terms and conditions of employment of the Consultants, or grant any material extension of time or any approval of subcontracts or modifications thereof or substitution of

personnel of the Consultants, or suspend payments under, or terminate, any contract with the Consultants without the prior agreement of the Association.

*Section 4.03.* (a) The Borrower shall cause the Consultants promptly to furnish to the Association copies of the documents prepared by the Consultants for the Project, including reports and drafts thereof, plans, designs, specifications, construction schedules and estimates of costs, in such number as the Association shall reasonably request.

(b) The Borrower and the Association shall from time to time exchange views with respect to the evaluation and implementation of the recommendations and other conclusions contained in the documents referred to in the foregoing paragraph (a).

(c) The Borrower shall maintain or cause to be maintained records adequate to show the use of the proceeds of the Credit, and to record the progress of the Project (including the cost thereof); shall enable the Association's representatives to inspect the Project and any relevant records and documents, including records and documents to be kept by the Consultants for the Project; 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 and the operations and administration, with respect to the Project, of the agency or 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.* With respect to the study of the Borrower's transport system being carried out for the Borrower by Robert R. Nathan Associates, the Borrower shall :

- (i) keep the Association informed of the progress of such study;
- (ii) provide the Association with copies of the final report for the second phase of such study as soon as practicable after its issuance; and
- (iii) consult the Association regarding the Borrower's proposals for implementing the recommendations of such report.

*Section 4.06.* The Borrower shall keep the Association informed of the measures adopted by the Borrower to reduce the backlog of periodic maintenance required for its highway system.

*Section 4.07.* 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 4.08.* 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 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*

## 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 10.01(b) of the General Conditions:

The Consultants shall have been retained.

*Section 6.02.* The date of October 1, 1969 is hereby specified for the purposes of Section 10.04 of the General Conditions.

*Article VII*

## MISCELLANEOUS

*Section 7.01.* The Closing Date shall be June 30, 1971 or such other date as shall be agreed between the Borrower and the Association.

*Section 7.02.* The Commissioner responsible for Finance of the Borrower is designated as representative of the Borrower for the purposes of Section 9.03 of the General Conditions.

*Section 7.03.* The following addresses are specified for the purposes of Section 9.01 of the General Conditions:

For the Borrower:

The Principal Secretary  
Ministry of Finance  
P.O. Box M40  
Accra, Ghana

Alternative address for cables:

Prudence  
Accra

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.

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 Ghana:

By E. M. DEBRAH

Authorized Representative

International Development Association :

By Mohamed SHOAB

Vice President

### SCHEDULE 1

#### DESCRIPTION OF PROJECT

The Project consists of the detailed engineering by consultants, including a review of the existing engineering, carrying out topographical and materials surveys, detailed design, the estimation of quantities and costs and the preparation of documents required for international competitive bidding in respect of contracts for the construction of:

- (1) a highway approximately 130 miles long linking Accra and Kumasi; and
- (2) highways aggregating approximately 105 miles linking Kumasi and Takoradi : (a) from Kumasi for about 10 miles towards Dunkwa, and (b) from Takoradi to Dunkwa with spur roads to Tarkwa and Beposo, including a feasibility study of a new bridge over the Pra River on the Beposo spur.

The Project is expected to be completed by March 31, 1971.

### SCHEDULE 2

#### ALLOCATION OF PROCEEDS OF CREDIT

<i>Category</i>	<i>Amounts Expressed in Dollar Equivalent</i>
I. Consultants' services for detailed engineering of Accra-Kumasi highway . . . . .	700,000
II. Consultants' services for detailed engineering of highways referred to in subparagraph (2) of Schedule 1 to this Agreement	665,000
III. Unallocated . . . . .	135,000
	TOTAL : 1,500,000



## REALLOCATION UPON CHANGE IN COST ESTIMATES

1. If the estimate of the cost of the items included in Categories I or II 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 III.

2. If the estimate of the cost of the items included in Categories I or II 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 III, 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

## 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>
December 15, 1971 . . . . .	93,750	December 15, 1975 . . . . .	93,750
June 15, 1972 . . . . .	93,750	June 15, 1976 . . . . .	93,750
December 15, 1972 . . . . .	93,750	December 15, 1976 . . . . .	93,750
June 15, 1973 . . . . .	93,750	June 15, 1977 . . . . .	93,750
December 15, 1973 . . . . .	93,750	December 15, 1977 . . . . .	93,750
June 15, 1974 . . . . .	93,750	June 15, 1978 . . . . .	93,750
December 15, 1974 . . . . .	93,750	December 15, 1978 . . . . .	93,750
June 15, 1975 . . . . .	93,750	June 15, 1979 . . . . .	93,750

## 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.]