

No. 10648

**INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
and
TUNISIA**

Loan Agreement—*Highway Engineering Project* (with annexed General Conditions Applicable to Loan and Guarantee Agreements). Signed at Washington on 4 June 1969

Authentic text: English.

Registered by the International Bank for Reconstruction and Development on 11 August 1970.

**BANQUE INTERNATIONALE POUR
LA RECONSTRUCTION ET LE DÉVELOPPEMENT
et
TUNISIE**

Contrat d'emprunt — *Projet relatif à la construction routière* (avec, en annexe, les Conditions générales applicables aux contrats d'emprunt et de garantie). Signé à Washington le 4 juin 1969

Texte authentique : anglais.

Enregistré par la Banque internationale pour la reconstruction et le développement le 11 août 1970.

LOAN AGREEMENT¹

AGREEMENT, dated June 4, 1969, between the REPUBLIC OF TUNISIA (hereinafter called the Borrower) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (hereinafter called the Bank).

WHEREAS the Borrower intends to reorganize its highway administration and to carry out feasibility studies and engineering of certain high priority roads in Tunisia;

WHEREAS the Borrower has requested the Bank to assist in financing the studies;

WHEREAS any financing so provided by the Bank would be refunded if the Bank so requests, out of the proceeds of any loan by the Bank which may later be granted to the Borrower for the construction of the roads so to be engineered; and

WHEREAS the Bank is willing, on the basis of the foregoing, to make a loan 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; DEFINITIONS

Section 1.01. The parties to this Agreement accept all the provisions of the General Conditions Applicable to Loan and Guarantee Agreements of the Bank, dated January 31, 1969,² with the same force and effect as if they were fully set forth herein (said General Conditions Applicable to Loan and Guarantee Agreements of the Bank being hereinafter called the General Conditions).

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

¹ Came into force on 6 October 1969, upon notification by the Bank to the Government of Tunisia.

² See p. 328 of this volume.

the respective meanings therein set forth and the term "Consultants" means the consultants retained to carry out the Project pursuant to Section 5.02 hereof.

Article II

THE LOAN

Section 2.01. The Bank agrees to lend to the Borrower, on the terms and conditions in this Loan Agreement set forth or referred to, an amount in various currencies equivalent to eight hundred fifty thousand dollars (\$850,000).

Section 2.02. (a) 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.

(b) 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 Loan Agreement and in accordance with the allocation of the proceeds of the Loan 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 or by further agreement between the Borrower and the Bank.

Section 2.03. The Borrower shall be entitled to withdraw from the Loan Account such amounts as shall have been paid (or, if the Bank 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 to be financed under this Loan Agreement.

Section 2.04. The Borrower shall pay to the Bank a commitment charge at the rate of three-fourths of one per cent ($\frac{3}{4}$ of 1%) per annum on the principal amount of the Loan not withdrawn from time to time.

Section 2.05. The Borrower shall pay interest at the rate of six and one-half per cent ($6\frac{1}{2}\%$) per annum on the principal amount of the Loan withdrawn and outstanding from time to time.

Section 2.06. Interest and other charges shall be payable semi-annually on June 15 and December 15 in each year.

Section 2.07. The Borrower shall repay the principal of the Loan in accordance with the amortization schedule set forth in Schedule 2 to this Agreement.

Article III

USE OF PROCEEDS OF LOAN

Section 3.01. The Borrower shall apply the proceeds of the Loan in accordance with the provisions of this Loan Agreement to expenditures on the Project, described in Schedule 3 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 Loan shall be subject to the prior approval of the Bank.

Section 3.03. Until the completion of the Project, the Borrower shall cause all goods and services financed out of the proceeds of the Loan to be used exclusively in carrying out the Project, except as the Bank may otherwise agree.

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 VIII of the General Conditions.

Section 4.02. The *Secrétaire d'Etat au Plan et à l'Economie Nationale* of the Borrower and such other person or persons as he shall appoint in writing are designated as authorized representatives of the Borrower for the purposes of Section 8.10 of the General Conditions.

Article V

PARTICULAR COVENANTS

Section 5.01. The Borrower shall cause the Project to be carried out with due diligence and efficiency and in conformity with sound administrative, financial and engineering practices, and in accordance with design standards satisfactory to the Bank, and shall provide, promptly as needed, the funds, facilities, services and other resources required for the purpose.

Section 5.02. (a) For the purpose of carrying out the Project, the Borrower shall employ competent and experienced consultants acceptable to the Bank, under such terms and conditions, including terms of reference as shall have been approved by the Bank.

(b) The Borrower shall cooperate fully with the Consultants in the performance of their services for the Project and 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 sub-contracts 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 Bank.

Section 5.03. (a) The Borrower shall cause the Consultants to furnish promptly to the Bank, as it may reasonably request, 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 Bank shall reasonably request.

(b) The Borrower and the Bank 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 Loan, and to record the progress of the Project (including the cost thereof); shall enable the Bank'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 Bank all such information as the Bank shall reasonably request concerning the expenditure of the proceeds of the Loan, 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.

(d) The Borrower shall cause its competent agencies to collect and process all data required to assess the technical, economic and financial aspects of the Borrower's highway system.

Section 5.04. (a) The Borrower and the Bank shall cooperate fully to ensure 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. The Borrower shall discuss with the Bank the Consultants' recommendations on the maintenance and betterment program under Part 2 of the Project with a view of reaching an agreement on such program.

Section 5.06. The Borrower undertakes that, except as the Bank shall otherwise agree: (a) if the Borrower shall create any lien on any of its assets as security for any debt, such lien will 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; and (b) if any lien shall be created on any assets of the Borrower, other than under (a) above, as security for any debt, the Borrower shall grant to the Bank an equivalent lien satisfactory to the Bank; 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.

Section 5.07. 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 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 5.08. 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 5.09. The principal of, and interest and other charges on, the Loan and the Bonds shall be paid free from all restrictions imposed under the laws of the Borrower or laws in effect in its territories.

Article VI

REMEDIES OF THE BANK

Section 6.01. 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 Bank, at its option, may by notice to the Borrower declare the principal of the Loan and of all the Bonds then outstanding to be due and payable immediately, together with the interest and other charges thereon and upon any such declaration such principal, interest and charges shall become due and payable immediately, anything to the contrary in this Loan Agreement or in the Bonds notwithstanding.

Article VII

EFFECTIVE DATE; TERMINATION

Section 7.01. The following event is specified as an additional condition to the effectiveness of this Loan Agreement within the meaning of Section 11.01 (c) of the General Conditions: The Consultants referred to in paragraph (b) of Section 5.01 of this Agreement shall have been employed on terms and conditions satisfactory to the Bank.

Section 7.02. The date of September 10, 1969 is hereby specified for the purposes of Section 11.04 of the General Conditions.

Article VIII

MISCELLANEOUS

Section 8.01. The Closing Date shall be December 31, 1970 or such other date as shall be agreed between the Borrower and the Bank.

Section 8.02. The *Secrétaire d'Etat au Plan et à l'Economie Nationale* of the Borrower is designated as representative of the Borrower for the purposes of Section 10.03 of the General Conditions.

Section 8.03. The following addresses are specified for the purposes of Section 10.01 of the General Conditions:

For the Borrower:

Secrétariat d'Etat au Plan et à l'Economie Nationale
Place du Gouvernement
Tunis, Tunisia

Alternative address for cables:

Secrétariat d'Etat au Plan et à l'Economie Nationale
Tunis

For the Bank:

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

Alternative address for cables:

Intbafrad
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 Tunisia:

By RACHID DRISS

Authorized Representative

International Bank for Reconstruction and Development:

By J. BURKE KNAPP

Vice President

SCHEDULE 1

ALLOCATION OF PROCEEDS OF LOAN

<i>Category</i>	<i>Amounts Expressed in Dollar Equivalent</i>
I. Consultants services for Part I of Project	680,000
II. Consultants services for Part II of Project	120,000
III. Unallocated	50,000
TOTAL	<u>850,000</u>

SCHEDULE 2

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	\$53,000	December 15, 1975	53,000
June 15, 1972	53,000	June 15, 1976	53,000
December 15, 1972	53,000	December 15, 1976	53,000
June 15, 1973	53,000	June 15, 1977	53,000
December 15, 1973	53,000	December 15, 1977	53,000
June 15, 1974	53,000	June 15, 1978	53,000
December 15, 1974	53,000	December 15, 1978	53,000
June 15, 1975	53,000	June 15, 1979	55,000

* To the extent that any portion of the Loan is repayable in a currency other than dollars (see General Conditions, Section 4.02), the figures in this column represent dollar equivalents determined as for purposes of withdrawal.

SCHEDULE 3

DESCRIPTION OF THE PROJECT

The Project consists of:

I. The detailed engineering, including the economic analysis of the design options, and the preparation of tender documents and cost estimates for the following highway works:

(a) Roads

<i>Road</i>	<i>From</i>	<i>To</i>	<i>Approximate Length—km</i>
GP1	Tunis, pont de Carthage	Enfidaville	98
GP2	Enfidaville	PK 41	41
GP3	Tunis, pont de Carthage	PK 30	30
GP5	Tunis-Bardo	Medjez El Bab	56
GP6	Medjez El Bab	Beja	42
MC26, 41, 42 and 44	Junction GP1	Korba	46
MC27	Turki	Nabeul	29
			<u>342</u>

(b) 16 bridges and 41 culverts located on the following roads:

GP1	MC26
GP3	MC27 (2)
GP5	MC33 E
GP6	MC35
GP7	MC55
GP17 (5)	

II. The preparation of a highway maintenance and betterment program, including the improvement of the highway maintenance organization.

The Project is expected to be completed by March 1970.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

GENERAL CONDITIONS, DATED 31 JANUARY 1969

GENERAL CONDITIONS APPLICABLE TO LOAN AND GUARANTEE AGREEMENTS

[Not published herein. See United Nations, Treaty Series, vol. 691, p. 300.]