

No. 10671

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

**Loan Agreement—*Third Highway Project* (with annexed
General Conditions Applicable to Loan and Guarantee
Agreements). Signed at Washington on 10 October
1969**

Authentic text: English.

*Registered by the International Bank for Reconstruction and Development
on 18 August 1970.*

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

**Contrat d'emprunt — *Troisième projet relatif au réseau rou-*
tier (avec, en annexe, les Conditions générales applica-
bles aux contrats d'emprunt et de garantie). Signé à
Washington le 10 octobre 1969**

Texte authentique : anglais.

*Enregistré par la Banque internationale pour la reconstruction et le
développement le 18 août 1970.*

LOAN AGREEMENT¹

AGREEMENT, dated October 10, 1969, between REPUBLIC OF KENYA (hereinafter called the Borrower) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (hereinafter called the Bank).

Article I

GENERAL CONDITIONS; DEFINITIONS

Section 1.01. The parties to this Loan 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 Loan Agreement, unless the context otherwise requires, the several terms defined in the General Conditions have the respective meanings therein set forth, and the term "Road Development Plan" means the Borrower's Draft Road Development Plan dated 1969-1974 dated February 1969.

Article II

THE LOAN

Section 2.01. The Bank agrees to lend to the Borrower, on the terms and conditions in the Loan Agreement set forth or referred to, an amount in various currencies equivalent to twenty-three million five hundred thousands dollars (\$23,500,000).

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(b) The amount of the Loan may be withdrawn from the Loan Account as provided in, and subject to the rights of cancellation and suspension set forth in, the Loan Agreement and in accordance with the alloca-

¹ Came into force on 16 December 1969, upon notification by the Bank to the Government of Kenya.

² See p. 168 of this volume.

tion of proceeds of 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 in respect of the reasonable cost of goods or services required for the Project and to be financed under the Loan Agreement, the equivalent of sixty-seven per cent (67%) of such amounts as shall have been paid (or, if the Bank shall so agree, shall be required to meet payments to be made) for goods or services included in Categories I, II and III of the allocation of proceeds of Loan referred to in Section 2.02 of this Agreement, which percentage represents the estimated foreign exchange component of the cost of such goods or services; provided, however, that if there shall be an increase in the estimate of such payments for goods or services included in Categories I, II or III, the Bank may by notice to the Borrower adjust the stated percentage applicable to such Category as required in order that withdrawals of the amounts of the Loan then allocated to such Category and not withdrawn may continue *pro rata* with the payments remaining to be made for goods or services included in such Category.

Section 2.04. It is hereby agreed, pursuant to Section 5.01 of the General Conditions:

- (a) that withdrawals from the Loan Account may 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.
- (b) that withdrawals from the Loan Account under Category III (a), (b), (c) and (e) of the allocation of the proceeds of the Loan referred to in Section 2.02 of this Agreement may be made on account of payments made prior to the date of this Agreement but after January 1, 1968.

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

Section 2.06. The Borrower shall pay interest at the rate of seven per cent (7%) per annum on the principal amount of the Loan withdrawn and outstanding from time to time.

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

Section 2.08. 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 the Loan Agreement to expenditures on the Project described in Schedule 3 to this Agreement.

Section 3.02. Except as the Bank shall otherwise agree, (i) the goods and services to be financed out of the proceeds of the Loan 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 4 to this Agreement or as shall be agreed between the Borrower and the Bank, and (ii) contracts for the procurement of such goods and services 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 Minister of the Borrower for the time being responsible for finance 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. (a) The Borrower shall carry out the Project with due diligence and efficiency and in conformity with sound engineering, ad-

ministrative and financial practices, and shall provide, promptly as needed, the funds, facilities, services and other resources required for the purpose.

(b) In the carrying out of part (5) of the Project, the Borrower shall employ or cause to be employed consultants acceptable to, and to an extent and upon terms and conditions satisfactory to, the Borrower and the Bank.

(c) Except as the Bank shall otherwise agree, construction work included in parts (1), (2) and (3) of the Project shall be carried out by contractors satisfactory to the Borrower and the Bank, employed under contracts satisfactory to the Borrower and the Bank.

(d) Construction work included in part (4) of the Project shall be carried out by units of the Ministry of Works of the Borrower specifically formed for the purpose.

(e) The general design standards to be used for the roads included in the Project shall be as set forth in Schedule 5 to this Agreement, as such standards may be modified from time to time by agreement between the Borrower and the Bank.

(f) The Borrower shall promptly furnish or cause to be furnished to the Bank, the plans, specifications and work schedules for the Project and any material modifications subsequently made therein, in such details as the Bank shall request.

Section 5.02. (a) The Borrower and the Bank shall cooperate fully to assure that the purposes of the Loan will be accomplished. To that end, the Borrower and the Bank 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 the Loan Agreement, the administration, operations and financial condition 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, and other matters relating to the purposes of the Loan.

(b) The Borrower 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 goods and services financed out of such proceeds, the Project, and the administration, operations and financial condition 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. 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.

(c) The Borrower shall promptly inform the Bank of any condition which interferes with, or threatens to interfere with, the accomplishment of the purpose of the Loan, the maintenance of the service thereof or the performance of the obligations under the Loan Agreement by the Borrower or the agency or agencies of the Borrower responsible for the carrying out of the Project or any part thereof.

(d) 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 5.03. The Borrower shall maintain records adequate to identify the goods and services financed out of the proceeds of the Loan, to disclose the use thereof in the Project, to record the progress of the Project and to reflect in accordance with consistently maintained sound accounting practices the operations and financial condition 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 and shall enable the Bank's representatives to inspect the Project, the goods and services financed out of the proceeds of the Loan, and any other records and documents relevant to the Project.

Section 5.04. Except as the Borrower and the Bank shall otherwise agree, the Borrower undertakes to insure or cause to be insured the imported goods to be financed out of the proceeds of the Loan 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 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; (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

charges on the General Fund of the East African Community (the Community) securing a debt of the Community where the amount of debt service on such debt in any financial year together with other debt service on other debt of the Community payable from such General Fund in such financial year do not exceed 2% of the average of the income tax collected by the East African Income Tax Department and of customs duties and excise duties collected by the East African Customs and Excise Department in the three financial years preceding such incurrence. For purposes of this sub-section, "debt service" shall include payments of the principal of, and interest and other charges on, debt; and any reference to incurring of debt shall include the assumption and guarantee of debt and any renewal, extension, or modification of the terms of the debt or of the assumption or guarantee thereof.

As used in this Section, the term "assets of the Borrower" 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, including the Central Bank of Kenya, or any other institution performing the functions of a central bank; and the term "external debt" means any debt payable in any medium other than currency of the Borrower, whether such debt is or may become payable absolutely or at the option of the creditor in such other medium, save that in the case of a debt of the Community, the term "external debt" means any debt payable in any medium other than the currencies of the members of the Community.

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 by the Borrower; 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 by the Borrower 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 cause the roads and bridges included in the Project and other roads and bridges in its highway system to be adequately maintained and shall cause all necessary repairs thereof promptly to be made, 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 5.09. (a) The Borrower shall prepare and maintain a road register, including details of pavements, structures, geometric standards and traffic characteristics and shall collect and record in accordance with appropriate statistical methods and procedures such other technical, economic and financial information as shall be reasonably required for proper planning of maintenance, improvements and extensions of the road system of the Borrower, and furnish to the Bank such information in respect thereof as the Bank shall reasonably request.

(b) The Borrower shall submit to the Bank for agreement proposals for the expansion of research in road design and construction materials.

Section 5.10. The Borrower shall provide, promptly as needed, the funds, facilities, services and other resources required for the execution of the Road Development Plan and shall consult the Bank with respect to any major addition to such Road Development Plan.

Section 5.11. The Borrower shall ensure that vehicles dimensions, weights and speeds are appropriate to the geometric and structural standards of the Borrower's road system and shall take all necessary action to implement and enforce its traffic rules and regulations designed for such purposes.

Section 5.12. The Borrower shall take all necessary action to implement the recommendations made by the management consultants of the Ministry of Works and agreed to by the Borrower and the Bank.

Section 5.13. The Borrower shall establish and maintain separate accounts for the works included in part (4) of the Project so as to enable an accurate assessment of the cost of such works.

Section 5.14. The Borrower shall cause the equipment procured out of the proceeds of the Loan for part (4) of the Project to be used for the maintenance of roads of the Borrower after the said part of the Project shall have been completed.

Section 5.15. The Borrower shall take all necessary action to improve the operational efficiency of the sugar industry in Miwani-Chemelil-Muhoroni-Koru agricultural development area on the basis of

such recommendations resulting from the investigation by the sugar commissioner appointed by the Borrower in July 1969 as shall be agreed between the Borrower and the Bank.

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

MISCELLANEOUS

Section 7.01. The Closing Date shall be December 31, 1973, or such other date as shall be agreed between the Borrower and the Bank.

Section 7.02. The Minister of the Borrower for the time being responsible for finance is designated as representative of the Borrower for the purposes of Section 10.03 of the General Conditions.

Section 7.03. The date of December 15, 1969 is hereby specified for the purposes of Section 11.04 of the General Conditions.

Section 7.04. The following addresses are specified for the purposes of Section 10.01 of the General Conditions:

For the Borrower:

The Treasury
P. O. Box 30007
Nairobi, Kenya

Cable address:

Finance
Nairobi

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.

IN WITNESS WHEREOF, the parties hereto, acting through their representatives thereunto duly authorized, have caused this Loan 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 Kenya:

By LEONARD OLIVER KIBINGE
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>I. Road Construction and Reconstruction by Contractors</i>	
(a) Trunk Roads	3,450,000
(b) Feeder Roads	12,000,000
(c) Roads in the Miwani-Chemelil-Muhoroni-Koru agricultural development program ...	2,950,000
	18,400,000
 <i>II. Road Improvement by Departmental Units</i>	
Equipment for, and work on, tertiary roads in settlement areas	1,200,000

<i>Category</i>	<i>Amounts Expressed In Dollar Equivalent</i>
III. Engineering Services	
(a) Detailed engineering of Feeder Roads	50,000
(b) Detailed engineering of Fort Hall-Makuyu Turnoff Trunk Road	50,000
(c) Investigation of, and engineering for, roads in settlement areas	250,000
(d) Supervision of construction	1,280,000
(e) Study of the organization of the Ministry of Works	50,000
(f) Implementation of the recommendations of the organization study, including the prepara- tion of manuals	<u>70,000</u>
	1,750,000
IV. <i>Unallocated</i>	2,150,000
TOTAL	<u><u>23,500,000</u></u>

REALLOCATION UPON CHANGE IN COST ESTIMATES

1. If the estimate of the cost of the goods and services included in any of the Categories I to III shall decrease, the amount of the Loan then allocated to and no longer required for, such Category will be reallocated by the Bank to Category IV.

2. If the estimate of the cost of the goods and services included in any of the Categories I to III shall increase, an amount equal to 67% of such increase, will be reallocated by the Bank, at the request of the Borrower to such Category from Category IV, subject, however, to the requirements for contingencies, as determined by the Bank in respect of the cost of the goods and services in the other Categories.

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>
September 1, 1979	430,000	March 1, 1982	515,000
March 1, 1980	445,000	September 1, 1982	530,000
September 1, 1980	465,000	March 1, 1983	550,000
March 1, 1981	480,000	September 1, 1983	570,000
September 1, 1981	495,000	March 1, 1984	590,000

<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>
September 1, 1984	610,000	March 1, 1990	890,000
March 1, 1985	630,000	September 1, 1990	920,000
September 1, 1985	650,000	March 1, 1991	950,000
March 1, 1986	675,000	September 1, 1991	985,000
September 1, 1986	700,000	March 1, 1992	1,020,000
March 1, 1987	725,000	September 1, 1992	1,055,000
September 1, 1987	750,000	March 1, 1993	1,095,000
March 1, 1988	775,000	September 1, 1993	1,130,000
September 1, 1988	800,000	March 1, 1994	1,170,000
March 1, 1989	830,000	September 1, 1994	1,210,000
September 1, 1989	860,000		

* 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.

PREMIUMS ON PREPAYMENT AND REDEMPTION

The following percentages are specified as the premiums payable on repayment in advance of maturity of any portion of the principal amount of the Loan pursuant to Section 3.05 (b) of the General Conditions or on the redemption of any Bond prior to its maturity pursuant to Section 8.15 of the General Conditions:

<i>Time of Prepayment or Redemption</i>	<i>Premium</i>
Not more than three years before maturity	$\frac{3}{4}\%$
More than three years but not more than six years before maturity	2%
More than six years but not more than eleven years before maturity	$2\frac{3}{4}\%$
More than eleven years but not more than sixteen years before maturity	$4\frac{1}{4}\%$
More than sixteen years but not more than twenty-one years before maturity	$5\frac{1}{2}\%$
More than twenty-one years but not more than twenty-three years before maturity	$6\frac{1}{2}\%$
More than twenty-three years before maturity	7%

SCHEDULE 3

DESCRIPTION OF THE PROJECT

The Project consists of the following:

- (1) reconstruction and pavement strengthening of five sections of trunk roads, totalling about 85 miles;
- (2) reconstruction of 18 sections of feeder roads, totalling about 288 miles;
- (3) construction of roads in the second phase of the Miwani - Chemelil-Muhoroni - Kuru agricultural development program, totalling about 218 miles;
- (4) the improvement of about 366 miles of tertiary roads in settlement areas; and

(5) provision of engineering services for:

- (i) the detailed engineering of the Fort Hall - Makuyu Turnoff road under (1) above and of the Maiyani - Nunguni and Nyeri - Ihururu feeder roads under (2);
- (ii) investigation of, and engineering for, improvements to roads in settlement areas, including those under (4);
- (iii) the supervision of construction works under (1), (2), (3) and (4); and
- (iv) a study of the organization of the Ministry of Works, and the implementation of the recommendations arising therefrom, including the preparation of training manuals.

The details of the roads under (1), (2), (3) and (4) are :

Trunk Roads

<i>No.</i>	<i>Section</i>	<i>Approx. Length (miles)</i>	<i>Work</i>
1.	Mariakani - Mackinnon Road (part of)	20	Strengthening and widening of pavement to 22' and bitumen sealing, widening of shoulders to 6'.
2.	Fort Hall - Makuyu Turnoff	19	Strengthening and widening of pavement to 7 meters and pre-mix asphaltic surfacing, widening of shoulders to 2.5 meters.
3.	Kericho - Mau Summit (part of)	17	Strengthening of pavement and bitumen sealing to 20', graveling and widening of shoulders to 8'.
4.	Senetwet - Ahero (part of)	13	Strengthening of pavement and bitumen sealing to 20', graveling and widening of shoulders to 8'.
5.	Mau Summit - Eldoret (part of)	16	Strengthening of pavement and bitumen sealing to 20', graveling and widening of shoulders to 8'.

Feeder Roads

<i>No.</i>	<i>Section</i>	<i>Approx. Length (miles)</i>	<i>Standard</i>
1.	Ngombeni - Kwale	13	Type II gravel
2.	Mwingi Bridge and Approaches	6	Type IIA gravel
3.	Maiyani - Nunguni	11	Type II bitumen
4.	Ena - Thuchi	8	Type II (metric) bitumen
5.	Meru - Nkubu	9	Type II (metric) bitumen
6.	Nyeri - Ihururu	4	Type II bitumen
7.	Fort Hall - Othaya	22	Type II gravel
8.	Uplands - Longonot Turnoff	18	Type IIA bitumen
9.	Gilgil - Ol Joro Orok	24	Type IIA bitumen
10.	Njoro - Mau Summit	24	Type IIA bitumen
11.	Njoro - Enangipiri;		
	(i) Njoro - Teret	8	Type IIA bitumen
	(ii) Teret - Enangipiri	25	Type IIA gravel
12.	Jamji - Sotik	22	Type I bitumen
13.	Kisii - Tinga Junction, Manga Spur	12	Type II gravel
14.	Homa Bay - Kendu Bay	19	Type II gravel
15.	Kakamega - Mumias - Mayoni	23	Type IIA gravel
16.	Mulwanda - Bungoma:		
	(i) Mulwanda - Mumias	10	Type IIA gravel
	(ii) Mayoni Bungoma	14	Type IIA gravel
17.	Kerugoya - Kagumo	3	Type II bitumen
18.	Nandi Escarpment - Kapsabet	13	Type IIA gravel

Miwani - Chemelil Muhoroni - Koru Agricultural Roads

<i>Main Roads (miles)</i>	<i>Bitumen Surfaced</i>	<i>Gravel Surfaced</i>
Muhoroni - Kisumu Link		2
Muhoroni - Kericho Link	5	
Muhoroni - Fort Ternan	12	

Feeder/Fields Access Roads (miles)

<i>Area</i>	<i>Feeder</i>	<i>Field Access</i>
Koru - Fort Ternan Settlement Schemes	22	42
Muhoroni Zone Cooperatives	22	17
Chemelil Zone Cooperatives	15	47
Miwani Zone Cooperatives	16	18

Tertiary Roads in Settlement Areas

<i>Settlement Complex</i>	<i>Length of Improvement (miles)</i>	
Ainabkoi	10	} of which mileage approximately 60% will gravelled
Sotik Area	77	
Eburu Scheme	2	
Dundori - T. Falls	68	
Marmanet Scheme	5	
Ndaragwa Complex	19	
Kinangop	91	
Mweiga Complex	46	
Naro Moru Complex	25	
Island Farms	2	
Ol Kalou Salient	21	

The Project is expected to be completed by the end of 1972.

SCHEDULE 4

PROCUREMENT

1. The Borrower shall ensure that the representatives in the Republic of Kenya of the member countries of the International Bank for Reconstruction and Development (and Switzerland) will receive information on the Project and will be given notice that construction firms in their countries may submit information to the appropriate agency of the Government for prequalification. Such notice shall be made not less than 45 days before the date set forth for such prequalification. In addition, the same information will be simultaneously advertised in appropriate local publications in the Republic of Kenya as well as in selected foreign technical magazines of wide circulation.

2. The firms invited to bid will be allowed at least sixty (60) days for the submission of their proposals. The bidding documents will be accompanied by a bid bond or bank guarantee amounting to approximately 3% of the estimated contract value.

3. The successful bidder will, at the Borrower's option, furnish either a bank guarantee or a performance bond in an amount of not less than 10% of the contract price, which guarantee or bond shall remain in effect until one year after

completion of the works provided for in the contract in the case of paved roads and six months after such completion in the case of gravel roads. In addition, the contract will provide for retention of not less than 10% of the cost of works on each monthly invoice. These retentions may cease to be made when the cumulative amount reaches about 8% of the total contract price. One-half of the retention moneys shall be released when all the work has been substantially completed, and the other half fourteen days after the termination of the contractor's responsibility in respect of defects.

4. The period during which the contractor will remain responsible in respect of defects in the works (fair wear and tear excepted) will extend for one year after acceptance of the works in the case of paved roads and for six months after such acceptance in the case of gravel roads.

5. The Borrower will submit to the Bank for approval, the following documents:

- (a) before invitations for tenders, a copy of the tender documents and a list of prequalified contractors; and
- (b) before any award is made, an official record of the opening of bids and the analysis of the bids with the Borrower's recommendations for award. The consultants' recommendations to the Borrower shall be attached for information.

As soon as the contract or contracts have been signed, the Borrower shall send to the Bank for its information a copy thereof, with the detailed specifications and the proposed schedule of works.

6. The work on Feeder Roads numbered 1 and 17 included in the Project will be carried out under negotiated extensions to contracts already awarded as a result of international competitive bidding in compliance with the procedures agreed to by the Bank. In respect of this work the Borrower shall, prior to accepting the negotiated rates, submit details thereof and the recommendations of the consultants related thereto to the Bank for its approval.

7. Part (4) of the Project may be carried out by the units of the Ministry of Works of the Borrower as force account works.

SCHEDULE 5

DESIGN STANDARDS

I. Design Standards, Feeder and Trunk Roads

Geometric

	<i>Normal Terrain</i>	<i>Hilly Terrain</i>
Desirable design speed (mph)	60	40
Minimum acceptable design speed (mph)	50	30

	<i>Normal Terrain</i>	<i>Hilly Terrain</i>
Gradient:		
desirable maximum	5%	7%
absolute maximum	7%	10%
Radius of horizontal curvature:		
desirable minimum	2,000 ft.	500 ft.
absolute minimum	1,000 ft.	150 ft.

	<i>Design Speed (mph)</i>			
	<i>60</i>	<i>50</i>	<i>40</i>	<i>30</i>
Minimum stopping sight distance (ft.)	475	350	275	200
Minimum overtaking sight distance (ft.)	2,000	1,700	1,300	800

Cross-Section

- Type I 20 ft. bituminous paving with 6 ft. shoulders
- Type I (metric) .. 7.00 metres bituminous paving with 2.50 metres shoulders
- Type IIA 20 ft. bituminous paving with 4 ft. shoulders or 18 ft. gravel paving with 6 ft. shoulders
- Type II 18 ft. bituminous paving with 4 ft. shoulders or 18 ft. gravel paving with 5 ft. shoulders
- Type II (metric) 6.00 metres bituminous paving with 2.00 metres shoulders

Structures

(i) Loading Criterion

Trunk roads: B.S. 153, HA loading

Other roads: 2/3 of B.S. 153, HA loading

(ii) Width

24 ft. carriageway between curbs

Pavement

9,000 lb. wheel-load design, except for (i) the Fort Hall - Makuyu Turnoff Road, 12,000 lbs., and (ii) the Maiyani - Nunguni Road, 7,000 lbs.

II. Design Standards, Agricultural Roads

Geometric

As used in the first phase of the Miwani - Chemelil - Muhoroni - Kory agricultural development program

Cross-Section

As used in the first phase of the Miwani - Chemelil - Muhoroni - Koru agricultural development program, except as follows:

Main Roads

22 ft. bituminous paving with 7 ft. shoulders, or 20 ft. gravel road with 7 ft. shoulders

Feeder Roads

20 ft. gravel paving with 4 ft. shoulders

Access Roads

18 ft. gravel paving, including shoulders (outfield)

Access Roads

16 ft. gravel paving, including shoulders (infield)

Structures

As for Feeder and Trunk Roads (I, above)

Pavement

As used in the first phase of the Miwani - Chemelil - Muhoroni - Koru agricultural development program

III. Design Standards, Tertiary Roads in Settlement Areas

Width: Minimum 32 ft. between side drains

Cross-Section: Barrelled cross-section; center-line level minimum of 1.5 ft. above invert of side drains

Surfacing: Gravelled roads to have central 12 ft. gravelled to a minimum thickness of 4 in.

Structures: Structures to be designed for 2/3 of B.S. 153, HA loading, single-lane.

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.]