

No. 10870

**INTERNATIONAL DEVELOPMENT ASSOCIATION
and
BURUNDI**

Development Credit Agreement—*Highway Engineering Project* (with annexed General Conditions Applicable to Development Credit Agreements). Signed at Washington on 19 June 1970

Authentic text: English.

Registered by the International Development Association on 2 December 1970.

**ASSOCIATION INTERNATIONALE
DE DÉVELOPPEMENT
et
BURUNDI**

Contrat de crédit de développement — *Projet d'équipement routier* (avec, en annexe, les Conditions générales applicables aux contrats de crédit de développement). Signé à Washington le 19 juin 1970

Texte authentique : anglais.

Enregistré par l'Association internationale de développement le 2 décembre 1970.

DEVELOPMENT CREDIT AGREEMENT¹

AGREEMENT, dated June 19, 1970, between REPUBLIC OF BURUNDI (hereinafter called the Borrower) and INTERNATIONAL DEVELOPMENT ASSOCIATION (hereinafter called the Association).

WHEREAS the Borrower has requested the Association to finance part of the cost of a project described in Schedule 3 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 roads to be engineered under the said project;

WHEREAS the Association is willing, on the basis of the foregoing, to make a development credit 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 Development Credit Agreement accept all the provisions of the General Conditions Applicable to Development Credit Agreements of the Association, dated January 31, 1969,² 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).

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 referred to in Section 4.02 (a) (i) of this Agreement.

¹ Came into force on 8 September 1970, upon notification by the Association to the Government of Burundi.

² See p. 254 of this volume.

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 three hundred eighty thousand dollars (\$380,000).

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 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 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 to 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 amount of the Credit withdrawn from the Credit Account in accordance with the Amortization Schedule set forth in Schedule 2 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 to expenditures on the Project, described in Schedule 3 to this Agreement.

Section 3.02. Except as the Association may 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.

Article IV

PARTICULAR COVENANTS

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

Section 4.02. (a) (i) In carrying out the Project, the Borrower shall employ competent and experienced Consultants acceptable to, and to an extent and under contracts and terms of reference satisfactory to, the Association; (ii) the Borrower shall not amend, assign, waive, suspend or terminate any contract entered into pursuant to this paragraph so as to substantially affect the carrying out of the Project, without the prior agreement of the Association.

(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 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, work schedules and estimates of costs, in such number as the Association shall reasonably request.

(d) With respect to the evaluation and implementation of the recommendations and other conclusions contained in the documents referred to in the preceding paragraph:

- (i) during the carrying out of all Parts of the Project, the Borrower and the Association shall from time to time exchange views on said recommendations and conclusions; and
- (ii) upon completion of Part C of the Project, the Borrower shall consult with the Association on the recommendations and conclusions relating thereto and, in agreement with the Association, shall initiate the implementation of a program to improve the maintenance of its highway system in the light of such recommendations and conclusions.

Section 4.03. Except as the Association shall otherwise agree, the general design standards to be applied to Part A of the Project shall be as specified in Schedule 4 to this Agreement.

Section 4.04. 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 and shall enable the Association's representatives to inspect the Project, the goods financed out of the proceeds of the Credit and any relevant records and documents.

Section 4.05. (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 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.

(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 Develop-

ment 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 4.06. The Borrower shall strengthen existing facilities for the collection and recordation, in accordance with appropriate statistical methods and procedures, of such information concerning road traffic, road construction and maintenance costs as shall be reasonably required for proper planning of maintenance, improvements and extensions of its highway system.

Section 4.07. (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) 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, namely, that the Consultants have been employed.

Section 6.02. The date of September 21, 1970 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 March 31, 1972, or such other date as shall be agreed between the Borrower and the Association.

Section 7.02. 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.

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

For the Borrower:

Ministère des Finances
Boîte Postale 1830
Bujumbura, Burundi

Alternative address for cables:

Minifin
Bujumbura

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 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.

Republic of Burundi:

By JOSEPH NTAKABANYURA
Authorized Representative

International Development Association:

By J. BURKE KNAPP
Vice President

SCHEDULE 1

ALLOCATION OF PROCEEDS OF CREDIT

<i>Category</i>	<i>Amounts Expressed in Dollar Equivalent</i>
I. Consultants' services	345,000
II. Unallocated	<u>35,000</u>
TOTAL	380,000

REALLOCATION UPON CHANGE IN COST ESTIMATES

1. If the estimate of the cost of the items included in Category I 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 II.

2. If the estimate of the cost of the items included in Category I 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 II.

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, 1972	23,750	December 15, 1976	23,750
June 15, 1973	23,750	June 15, 1977	23,750
December 15, 1973	23,750	December 15, 1977	23,750
June 15, 1974	23,750	June 15, 1978	23,750
December 15, 1974	23,750	December 15, 1978	23,750
June 15, 1975	23,750	June 15, 1979	23,750
December 15, 1975	23,750	December 15, 1979	23,750
June 15, 1976	23,750	June 15, 1980	23,750

SCHEDULE 3

DESCRIPTION OF THE PROJECT

The Project consists of:

- (A) the detailed engineering for the reconstruction to bituminous paved standard of the Bujumbura-Mutambara road section (about 76 km);
- (B) the detailed engineering for limited improvements to, and gravel surfacing of, the Mutambara-Nyanza-Lac road section (about 45 km); and
- (C) a study of requirements for: (i) the improvement of road maintenance in Burundi, and (ii) selected betterment works on a road from Gitega to the Tanzanian border (about 164 km).

The Project is expected to be completed by September 30, 1971.

SCHEDULE 4

DESIGN STANDARDS, BUJUMBURA-MUTAMBARA ROAD SECTION

	<i>Terrain</i>	
	<i>Flat</i>	<i>Hilly</i>
Design speed	60-80 km/h	40 km/h
Horizontal curve:		
minimum radius, desirable	200 m	70 m
minimum radius, absolute	125 m	40 m
Vertical curve:		
minimum radius, crest	3,000 m	1,500 m
minimum radius, sag	2,000 m	1,000 m
Stopping sight distance	100 m	50 m
Maximum grades	6%	
Road width	8.50 m	8.50 m
Pavement width	5.50 m	5.50 m
Shoulder width	1.50 m	1.50 m
Pavement type:		
sub-base	selected granular soil	
base	crushed stone	
surface course	double bituminous surface treatment	
Pavement design:		
design load	8 tons	

SCHEDULE 4 (continued)

Bridges:

width of carriageway	600 m
width of sidewalks	1.15 m
loading	30 ton vehicle combination, in accordance with Fascicule 61 « <i>Conception et Calcul des Ouvrages d'Art</i> » du <i>Cahier des Prescriptions Communes du Ministère Français de l'Equipement.</i>

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.*]