

No. 10588

**INTERNATIONAL DEVELOPMENT ASSOCIATION
and
CONGO (DEMOCRATIC REPUBLIC)**

Development Credit Agreement—*Technical Assistance-Highway Administration Project* (with annexed General Conditions Applicable to Development Credit Agreements). Signed at Washington on 9 June 1969

Authentic text: English.

Registered by the International Development Association on 8 July 1970.

**ASSOCIATION INTERNATIONALE
DE DÉVELOPPEMENT
et
CONGO (RÉPUBLIQUE DÉMOCRATIQUE)**

Contrat de crédit de développement — *Projet d'assistance technique pour l'administration du réseau routier* (avec, en annexe, les Conditions générales applicables aux contrats de crédit de développement). Signé à Washington le 9 juin 1969

Texte authentique: anglais.

Enregistré par l'Association internationale de développement le 8 juillet 1970.

DEVELOPMENT CREDIT AGREEMENT ¹

AGREEMENT, dated June 9, 1969, between THE DEMOCRATIC REPUBLIC OF THE CONGO (hereinafter called the Borrower) and INTERNATIONAL DEVELOPMENT ASSOCIATION (hereinafter called the Association).

WHEREAS the Borrower is engaged in a program for the high priority maintenance and rehabilitation of its highway system and of its highway administration (hereinafter called the highway program);

WHEREAS the Borrower has requested the Association and the United Nations Development Programme (Special Fund) (hereinafter called the Special Fund) to assist in the financing of: (i) a technical assistance project to provide consulting services to the Borrower; and (ii) in the case of the Association, additional expenditures as described in Schedule 2 to this Agreement;

WHEREAS the Special Fund has indicated that it will assist in financing the cost of consultants' services to the Borrower; and

WHEREAS the Association is willing 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 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 Agreement, unless the context otherwise requires, the several terms defined in the General Conditions

¹ Came into force on 28 August 1969, upon notification by the Association to the Government of the Democratic Republic of the Congo.

² See p. 210 of this volume.

have the respective meanings therein set forth and the following additional terms have the following meanings :

(a) " Plan of Operation " means the agreement dated May 1, 1969 between the Borrower, the Special Fund and the International Bank for Reconstruction and Development (hereinafter called the Bank), for which the Bank is Participating and Executing Agency;

(b) " Consultants " means the consultants to be employed by the Borrower in accordance with the provisions of the Plan of Operation and of this Development Credit Agreement.

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 six million dollars (\$6,000,000).

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 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 I 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 in respect of the reasonable cost of goods or services required for the Project and to be financed under this Development Credit Agreement :

- (i) such amounts as shall have been paid (or, if the Association shall so agree, shall be required to meet payments to be made) for expenditures under Categories I, II and III of the allocation of the proceeds of the Credit set forth in Schedule I to this Agreement; and
- (ii) the equivalent of sixty-seven per cent (67 %) of such amounts as shall have been paid (or, if the Association shall so agree, shall be required to meet payments to be made) for expenditures under Category IV of said allocation of the proceeds of the Credit set forth in such Schedule; provided, however, that if there shall be an increase in the estimate of such expenditures under Category IV, 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. No withdrawal from the Credit Account shall be made :

- (i) on account of expenditures for 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; and
- (ii) under Category I of the allocation of the proceeds of the Credit set forth in Schedule 1 to this Agreement on account of expenditures 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 semi-annual installments payable on each June 15 and December 15 commencing June 15, 1979 and ending December 15, 2018, each installment to and including the installment payable on December 15, 1988 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 apply the proceeds of the Credit in accordance with the provisions of this Development Credit Agreement to expenditures on the Project, described in Schedule 2 to this Agreement.

Section 3.02. Except as the Association shall otherwise agree, (i) the goods, other than services of the Consultants, to be financed out of the proceeds of the Credit shall be procured on the basis of international compe-

titive 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 or as shall be agreed between the Borrower and the Association, and (ii) any contact for the procurement of such goods 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 financed out of the proceeds of the Credit to be used exclusively in carrying out the Project.

Article IV

PARTICULAR COVENANTS

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

(b) (i) In carrying out the Project, the Borrower shall employ competent and experienced Consultants acceptable to the Association to an extent, and under such contracts and terms of reference, as shall be 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.

Section 4.02. (a) Upon request from time to time by the Association, the Borrower shall furnish to the Association documents prepared by the Consultants for the Project, in such number as the Association shall 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 paragraph (a) of this Section.

Section 4.03. The Borrower shall maintain 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 departments or agency of the Ministry of Public Works 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 4.04. (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 Ministry of Public Works 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 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 4.05. The Borrower undertakes to insure or make other provisions satisfactory to the Association for the insurance of 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 4.06. The Borrower shall ensure that its highway maintenance equipment is adequately maintained and promptly repaired or replaced where necessary, and that suitable workshops and other repair facilities for such equipment are maintained.

Section 4.07. The Borrower and the Association shall from time to time, and at least once a year, exchange views with regard to the financing of the Borrower's highway program.

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 or in Section 5.02 of this Agreement 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.

Section 5.02. For the purposes of Section 7.01 of the General Conditions, the following additional event is specified, namely: that the Special Fund or the Borrower shall have given notice of an intention to terminate the Plan of Operation pursuant to Section 9.02 *(b)* thereof.

Section 5.03. For the purposes of Section 6.02 of the General Conditions, the following additional event is specified, namely: that the Special Fund shall have suspended the assistance to be provided by it under the Plan of Operation.

Article VI

EFFECTIVE DATE; TERMINATION

Section 6.01. The following event is specified as an additional condition to the effectiveness of this Agreement within the meaning of Section 10.01 *(b)* of the General Conditions, namely: that the Plan of Operation has been duly executed and delivered and has become fully effective and binding on the parties thereto in accordance with its terms.

Section 6.02. The following is specified as an additional matter, within the meaning of Section 10.02 (b) of the General Conditions, to be included in the opinion or opinions to be furnished to the Association, namely: that the Plan of Operation has been duly authorized and ratified by, and executed and delivered on behalf of the Borrower and constitutes a valid and binding obligation of the Borrower in accordance with its terms.

Section 6.03. The Date of August 12, 1969 is hereby specified for the purposes of Section 10.04 of the General Conditions.

Section 6.04. The obligations of the Borrower under Sections 4.03, 4.06 and 4.07 of this Agreement shall terminate on the date on which this Development Credit Agreement shall terminate or on a date ten years after the date of this Development Credit Agreement, whichever shall be earlier.

Article VII

MISCELLANEOUS

Section 7.01. The Closing Date shall be January 15, 1973 or such other date as shall be agreed between the Borrower and the Association.

Section 7.02. The *Conseiller Principal Chargé des Affaires Techniques à la Présidence de la République* 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:

Monsieur le Conseiller Principal Chargé des Affaires Techniques
à la Présidence de la République
Présidence de la République
Kinshasa

République Démocratique du Congo

Alternative address for cables:

Presicongo
Kinshasa

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.

The Democratic Republic of the Congo :

BY CYRILLE ADOULA
Authorized Representative

International Development Association :

BY SIMON ALDEWERELD
Vice President

SCHEDULE 1

ALLOCATION OF PROCEEDS OF CREDIT

<i>Category</i>	<i>Amounts Expressed in Dollar Equivalent</i>
I. Consulting Services.	1,500,000
II. Emergency supply of spare parts, materials, tools and vehicles	500,000
III. Maintenance equipment and vehicles.	1,600,000
IV. Maintenance and rehabilitation work by contract .	2,000,000
V. Unallocated	400,000
TOTAL	<u>6,000,000</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 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) a program of technical assistance to the Borrower for the improvement of its Highway Administration and for road maintenance and rehabilitation work for a period of about two and a half years;
- (ii) the purchase of an emergency supply of spare parts, vehicles, materials and maintenance equipment; and
- (iii) emergency maintenance and rehabilitation works.

SCHEDULE 3

PROCUREMENT OF GOODS

1. Before placing orders for items or groups of items in Category II as set out in Schedule I to this Development Credit Agreement, the Borrower shall send to the Association for its approval lists of such items intended to be ordered, indicating the expected price of such goods and the intended suppliers thereof.

2. With respect to items in Categories III and IV of such Schedule 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 the invitation to bid and bid opening shall be not less than 60 days.

3. Prior to inviting bids with respect to items in Categories III and IV of such Schedule information concerning the advertising coverage, as well as the bidding documents and the draft contracts, shall be submitted to the Association for its approval. Such bidding documents shall state that the bidder must submit separately one schedule of unit prices including duties and taxes levied on the import of goods into the territories of the Borrower and another schedule of unit prices excluding duties and taxes on the import of such goods.

4. Before awards of contract are made with respect to items in Categories III and IV of such Schedule, the Borrower shall send to the Association for its approval an evaluation of the bids received and the Borrower's proposals concerning the contract and the award. The evaluation of bids shall be made on the basis of the schedule of unit prices excluding duties and taxes levied on the import of goods.

5. With respect to bids in Category IV of such Schedule, advertisements for individual contracts will be limited to local newspapers unless the estimated amount of a single contract exceeds US\$250,000. However, the Borrower shall inform all appropriate member countries of the Bank and Switzerland of the program as a whole.

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.*]
