

No. 11154

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

**Loan Agreement—*Fourth Highway Project* (with annexed
General Conditions Applicable to Loan and Guarantee Agree-
ments). Signed at Washington on 28 May 1970**

Authentic text: English.

*Registered by the International Bank for Reconstruction and Development on 11 June
1971.*

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

**Contrat d'emprunt — *Quatrième Projet relatif au réseau
routier* (avec, en annexe, les Conditions générales applicables
aux contrats d'emprunt et de garantie). Signé à Washington
le 28 mai 1970**

Texte authentique: anglais.

*Enregistré par la Banque internationale pour la reconstruction et le développement le
11 juin 1971.*

LOAN AGREEMENT ¹

AGREEMENT, dated May 28, 1970, between SOCIALIST FEDERAL REPUBLIC OF YUGOSLAVIA (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 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 the respective meanings set forth therein and the following additional terms have the following meanings:

(a) the term "Republic" means any of the Socialist Republics of (i) Bosnia and Hercegovina, (ii) Montenegro and (iii) Serbia (excluding the Socialist Autonomous Provinces of Kosovo and Vojvodina);

(b) the term "Province" means either of the two Socialist Autonomous Provinces of Kosovo and Vojvodina;

(c) the term "Subsidiary Borrower" means any Republic and either Province;

(d) the term "Subsidiary Loan Agreement" means any of the loan agreements between the Borrower and a Subsidiary Borrower to be executed pursuant to Section 5.01 of this Agreement.

¹ Came into force on 8 February 1971, upon notification by the Bank to the Government of Yugoslavia.

² See p. 478 of this volume.

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 forty million dollars (\$40,000,000).

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, in respect of the reasonable cost of construction (including supervision of construction) of the highways included in the Project, forty-three per cent (43%) of such amounts as shall have been paid (or, if the Bank shall so agree, as shall be required to meet payments to be made) to road construction contractors employed for the purpose of carrying out the Project; provided, however, that if there shall be an increase in the estimates of payments to be made for construction included in any of the Categories I to V of the allocation of the proceeds of the Loan referred to in Section 2.02 of this Agreement, the Bank 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 Loan then allocated to such Category and not withdrawn may continue *pro rata* with the payments remaining to be made for construction included in such Category.

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

Section 2.05. 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 2.06. 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 cause the proceeds of the Loan to be applied in accordance with the provisions of this 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 August 1969, 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. 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 Federal Secretary of Finance 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 enter into an appropriate Subsidiary Loan Agreement with each Subsidiary Borrower providing *inter alia* for the relending to such Subsidiary Borrower of the proceeds of the Loan withdrawn from the Loan Account in respect of expenditures for the Part of the Project located in the territory of such Subsidiary Borrower as described in Schedule 3 to this Agreement.

Section 5.02. (a) Each Subsidiary Loan Agreement shall include adequate provisions which will enable the Borrower to carry out its obligations under this Loan Agreement and shall include without limitation the obligation on the part of the Subsidiary Borrower which is a party to such Subsidiary Loan Agreement:

- (i) to carry out or cause to be carried out the Part of the Project located in its territory with due diligence and efficiency and in accordance with sound engineering, administrative and financial practices under the supervision of competent engineers or engineering organizations and to make available, promptly as needed, the funds, facilities, services and other resources required for the purpose;
- (ii) to have such Part of the Project constructed in accordance with such design standards as are set forth in Schedule 5 to this Agreement or as shall be agreed upon from time to time between the Borrower and the Bank;

- (iii) to have such Part of the Project constructed by contractors acceptable to such Subsidiary Borrower and the Bank and employed upon such terms and conditions as shall have been approved by the Bank, and to procure contractors' services to be financed out of the proceeds of the Loan in accordance with the provisions set forth or referred to in Section 3.02 of this Agreement;
- (iv) to furnish to the Bank, promptly upon their preparation, the plans, specifications and construction schedules for such Part of the Project and any material modifications subsequently made therein, in such detail as the Bank shall from time to time reasonably request;
- (v) to maintain or cause to be maintained records adequate to identify the goods and services financed out of the proceeds of the Loan, to disclose the use thereof in such Part of the Project, and to record the progress of such Part of the Project (including the cost thereof) and the receipts and expenditures and the financial condition of the agencies of such Subsidiary Borrower responsible for the execution and maintenance of such Part of the Project;
- (vi) to enable the Bank's representatives to inspect such Part of the Project, the operation thereof, and any relevant records and documents and to furnish to the Bank all such information as the Bank shall reasonably request concerning such Part of the Project and the expenditure of the Proceeds of the Loan allocated to such Part of the Project, the goods and services financed out of the proceeds of the Loan and the operations and financial condition of the agencies of such Subsidiary Borrower responsible for the execution and maintenance of such Part of the Project and the performance by such Subsidiary Borrower of its obligations under the Subsidiary Loan Agreement;
- (vii) to cooperate fully with the Bank to assure that the purposes of the Loan will be accomplished, and from time to time exchange views with the Bank, through their respective representatives, with regard to matters relating to such Part of the Project and the performance by such Subsidiary Borrower of its obligations under the Subsidiary Loan Agreement;
- (viii) to take or cause to be taken all appropriate actions in order to ensure that the roads providing access to the highway included in such Part of the Project shall be constructed, and/or improved, and maintained as reasonably required to permit the optimum utilization of such highway upon its completion, taking into account the cost of such improvements and the benefits to be derived therefrom;

- (ix) to acquire, promptly as needed, all land required for the carrying out of such Part of the Project and for the construction and/or improvement of the access roads referred to under (viii) above; and
- (x) to take all such appropriate actions as shall be required for the carrying out in such Subsidiary Borrower's territory of the undertakings listed under (i), (ii) and (iii) in Section 5.09 of this Agreement.

(b) The Subsidiary Loan Agreement with the Socialist Autonomous Province of Vojvodina shall also contain the obligation of such Province, if any tolls shall be imposed on the use of the highway included in Part E of the Project, to set such tolls at such rates as shall ensure an economic use of such highway and alternative routes or means of transportation.

(c) The Subsidiary Loan Agreement with the Socialist Autonomous Province of Kosovo shall also contain the obligation of such Province to complete the construction of a two-lane highway between Zaimovo and Komoran (i) no later than the date on which Part D of the Project will be completed and (ii) in accordance with such design standards as are set forth in Schedule 5 to this Agreement for the purpose of Part D of the Project or as shall be agreed upon from time to time between the Borrower and the Bank.

Section 5.03. The Borrower shall promptly take all such action and exercise any such recourse available to it under any of the Subsidiary Loan Agreements between the Borrower and any Subsidiary Borrower or otherwise in order to ensure the punctual performance by such Subsidiary Borrower of all such obligations under the respective Subsidiary Loan Agreement as are referred to in Section 5.02 of this Agreement, and shall take or cause to be taken all reasonable action which shall be required on the part of the Borrower to enable such Subsidiary Borrower to perform such obligations.

Section 5.04. Without limitation or restriction on the provisions of Section 5.03 of this Agreement, the Borrower specifically undertakes, whenever there is cause to believe that the funds available to any Subsidiary Borrower will be inadequate to meet the estimated expenditures required to carry out the Part of the Project to be carried out by such Subsidiary Borrower, to make arrangements, satisfactory to the Bank, promptly to provide such Subsidiary Borrower or cause such Subsidiary Borrower to be provided with such funds as are needed to meet such expenditures.

Section 5.05. (a) The Borrower and the Bank shall cooperate fully to assure 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, the international balance of payments position of the Borrower and the performance by each Subsidiary Borrower of its obligations under the respective Subsidiary Loan Agreement.

(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, the maintenance of the service thereof and the performance by any Subsidiary Borrower of its obligations under the respective Subsidiary Loan Agreement.

(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 5.06. 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; 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.

The term “assets of the Borrower” as used in this Section includes assets of the Borrower or of any agency of the Borrower, including assets of the National Bank of Yugoslavia or any other institution performing the functions of a central bank for the Borrower.

If any lien shall be created on any assets of any of the Borrower’s political subdivisions or of any agency of any such political subdivision as security for any external debt, the Borrower, except as the Bank shall otherwise agree,

shall give to the Bank an equivalent lien to secure the payment of the principal of, and interest and other charges on, the Loan and the Bonds.

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, and free from all restrictions, 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 taxes upon 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. This 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.

Section 5.09. The Borrower shall exercise its powers and functions with respect to all public roads in its territories (except roads falling within the jurisdiction of municipalities) so as to ensure (i) that such roads will be adequately maintained and repaired in accordance with sound engineering and financial practices, and that the funds, facilities, services and other resources required therefor will be provided, promptly as needed, (ii) that the systematic collection and recording of such technical, economic and financial data will be continued as shall be reasonably required for the proper planning of maintenance, improvements and extensions of such roads, and (iii) that the dimensions and axle-loads of vehicles using such roads shall not exceed the limits set forth in the Borrower's Regulation No. 01-2/64-8 of June 29, 1964.

Article VI

REMEDIES OF THE BANK

Section 6.01. If any event specified in Section 7.01 of the General Conditions or in Section 6.02 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 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.

Section 6.02. For the purposes of Section 7.01 of the General Conditions, the following additional event is specified:

A default shall occur on the part of a Subsidiary Borrower in the performance of any such obligations under its Subsidiary Loan Agreement as are referred to in Section 5.02 of this Agreement and such default shall continue for a period of sixty days after notice thereof shall have been given by the Bank to the Borrower.

Article VII

EFFECTIVE DATE; TERMINATION

Section 7.01. The following events are specified as additional conditions to the effectiveness of this Loan Agreement within the meaning of Section 11.01 (c) of the General Conditions:

- (a) The execution and delivery of each Subsidiary Loan Agreement on behalf of the Borrower and the Subsidiary Borrower which is a party thereto shall have been duly authorized or ratified by all necessary governmental action.
- (b) Each Subsidiary Borrower shall have passed the *Odluke o Finansiranju* (Decision on Financing) required for the financing of the Part of the Project located in its territory.

Section 7.02. The following are specified as additional matters, within the meaning of Section 11.02 (c) of the General Conditions, to be included in the opinion or opinions to be furnished to the Bank:

- (a) That each Subsidiary Loan Agreement has been duly authorized or ratified by, and executed and delivered on behalf of, the Borrower and the Subsidiary Borrower which is a party thereto and constitutes a valid and binding obligation of the Borrower and such Subsidiary Borrower in accordance with its terms.
- (b) That each Subsidiary Borrower shall have passed the *Odluke o Finansiranju* (Decision on Financing) required for the financing of the Part of the Project located in its territory.

Section 7.03. The date of August 31, 1970 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 June 30, 1974, or such other date as shall be agreed between the Borrower and the Bank.

Section 8.02. The Federal Secretary of Finance 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:

Savezni Sekretarijat za Finansije
Prvi Bulevar 104
Beograd, Yugoslavia

Alternative address for cables:

Savezni Sekretarijat za Finansije
Prvi Bulevar 104
Beograd, Yugoslavia

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.

Socialist Federal Republic of Yugoslavia:

By BOGDAN CRNOBRNJA

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. Construction* of Part A of the Project (Bosnia and Hercegovina).	14,600,000
II. Construction* of Part B of the Project (Montenegro).	4,000,000
III. Construction* of Part C of the Project (Serbia)	3,900,000
IV. Construction* of Part D of the Project (Kosovo)	2,100,000
V. Construction* of Part E of the Project (Vojvodina).	10,600,000
VI. Unallocated.	4,800,000
TOTAL	<u>40,000,000</u>

* Including 5% of the cost of construction for supervision of construction.

REALLOCATION UPON CHANGE IN COST ESTIMATES

1. If the estimate of the cost of the items included in any of the Categories I to V 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 VI.

2. If the estimate of the cost of the items included in any of the Categories I to V shall increase, an amount equal to 41% of such increase will be allocated by the Bank, at the request of the Borrower, to such Category from Category VI, subject, however, to the requirements for contingencies, as determined by the Bank, in respect of the cost of the items 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, 1975	475,000	September 1, 1985	940,000
March 1, 1976	490,000	March 1, 1986	975,000
September 1, 1976	505,000	September 1, 1986	1,010,000
March 1, 1977	525,000	March 1, 1987	1,045,000
September 1, 1977	545,000	September 1, 1987	1,080,000
March 1, 1978	560,000	March 1, 1988	1,120,000
September 1, 1978	580,000	September 1, 1988	1,155,000
March 1, 1979	600,000	March 1, 1989	1,200,000
September 1, 1979	625,000	September 1, 1989	1,240,000
March 1, 1980	645,000	March 1, 1990	1,285,000
September 1, 1980	665,000	September 1, 1990	1,330,000
March 1, 1981	690,000	March 1, 1991	1,375,000
September 1, 1981	715,000	September 1, 1991	1,420,000
March 1, 1982	740,000	March 1, 1992	1,470,000
September 1, 1982	765,000	September 1, 1992	1,525,000
March 1, 1983	795,000	March 1, 1993	1,575,000
September 1, 1983	820,000	September 1, 1993	1,630,000
March 1, 1984	850,000	March 1, 1994	1,690,000
September 1, 1984	880,000	September 1, 1994	1,750,000
March 1, 1985	910,000	March 1, 1995	1,805,000

* 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	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	2½%
More than eleven years but not more than sixteen years before maturity.	4½%
More than sixteen years but not more than twenty-one years before maturity.	5½%
More than twenty-one years but not more than twenty-three years before maturity	6½%
More than twenty-three years before maturity	7%

SCHEDULE 3

DESCRIPTION OF THE PROJECT

The Project consists of:

Part A. The construction in the Socialist Republic of Bosnia and Hercegovina of a two-lane highway from Sarajevo to Zenica, about 65 km long.

Part B. The construction in the Socialist Republic of Montenegro of a two-lane highway from Bar to Ulcinj, about 25 km long.

Part C. The construction in the Socialist Republic of Serbia of:

- (1) that section of a two-lane highway connecting Podujevo with Pepeljevac which is located between the border of the Socialist Autonomous Province of Kosovo and Pepeljevac, about 29 km long, and
- (2) that section of a two-lane highway connecting Belgrade with Novi Sad which is located between Belgrade and the border of the Socialist Autonomous Province of Vojvodina, about 6 km long.

Part D. The construction in the Socialist Autonomous Province of Kosovo of:

- (1) a two-lane highway from Pec to Zaimovo, about 22 km long,
- (2) a two-lane highway from Komoran to Velika Slatina, about 9 km long,
- (3) a highway bridge, including approaches, over a railroad track near Kosovo Polje, about 600 m long,
- (4) that section of a two-lane highway connecting Podujevo with Pepeljevac which is located between Podujevo and the border of Kosovo, about 8 km long.

Part E. The construction in the Socialist Autonomous Province of Vojvodina (i) of that section of a two-lane highway connecting Belgrade with Novi Sad which is located between the border of Vojvodina and Novi Sad, about 51 km long, and (ii) of a bridge over the Danube River, including approaches, about 1500 m long.

The Project is expected to be completed by December 31, 1973.

SCHEDULE 4

SUPPLEMENTARY PROCUREMENT PROCEDURES

The following supplementary procedures shall be followed for road construction contracts to be financed out of the proceeds of the Loan:

1. Prequalification of bidders as described in paragraph 1.3 of the Guidelines referred to in Section 3.02 of this Agreement shall be used for bidding on all road

construction works under Categories I to V of Schedule 1 to this Agreement, and at least 45 days shall be allowed for submission of prequalification documents.

2. Foreign contractors shall not be required to register in Yugoslavia as a prerequisite for submitting bids. In the event that registration shall be necessary after a foreign contractor has been notified that he will be awarded a contract, the Borrower shall facilitate the registration.

3. For the purposes of bidding, each of the highways included in the Project has been divided into appropriate sections. In respect of each highway, bids for all sections shall be called simultaneously. Bidders shall have the opportunity to bid on one, all, or any combination of sections, and the evaluation of bids shall be made on the basis of the lowest cumulative total bid or bids in respect of each highway.

4. A period of at least 60 days shall be allowed for submission of bids, except for Parts C 2 and E of the Project, for which such period shall be at least 90 days.

5. Bid bonds or guarantees in the amount of at least 3% of the bid value shall be required with the submission of bids.

6. Each contract shall be on a unit-price basis and shall include:

- (i) a price escalation clause as described in paragraph 4.4 of the « Guidelines »;
- (ii) a provision for retention money in the amount of at least 5% of the contractor's monthly statements; and
- (iii) an obligation to provide a performance bond in the amount of 100% of the contract value or alternatively, at the contractor's option, a bank guarantee in the amount of at least 10% of the contract value.

7. The following documents shall be submitted to the Bank for approval:

- (a) prior to advertisement:
prequalification documents and list of addressees.
- (b) prior to invitation of bids:
 - (i) evaluation of completed prequalification documents and proposed list of prequalified contractors; and
 - (ii) bidding and contracting documents.
- (c) prior to contract award:
 - (i) abstract and evaluation of bids received; and
 - (ii) recommendation for award.

8. As soon as a contract has been signed, a copy thereof shall be sent to the Bank promptly after execution of any such contract and prior to the submission to the Bank of the first application for withdrawal in respect of such contract.

SCHEDULE 5

HIGHWAY DESIGN STANDARDS

The highways included in the Project shall be constructed (i) in accordance with the design standards set out below, and (ii) for design elements not covered by such standards, in accordance with the Federal Design Standards of the Borrower, published in the Official Gazette of the Borrower dated March 20, 1969.

A. *For Four-Lane Divided Expressways (only two-lanes constructed initially): Parts A, C 2 and E of the Project* ⁽¹⁾ ⁽³⁾

Design Characteristic	Unit	Type of Terrain	
		Flat	Rolling
Design Speed	km/h	120	120(100)
Maximum Gradient	%	3.00	4.00
Width of			
(a) Through Lanes	m	2@3.75	2@3.75
(b) Slow Moving Lane	m	—	3.00
Minimum Width of Shoulder			
(a) Including Slow Moving Lane	m	—	4.00
(b) Without Parking Areas for Disabled Vehicles	m	2.50	2.50
(c) Width of Shoulder with Parking Areas for Disabled Vehicles	m	1.00	1.00
Minimum Width of Center Median (when second part of expressway is constructed)	m	4.00(2.50)	4.00(2.50)
Minimum Horizontal Sight Distance (non-passing)	m	270	270(200)
Type of Wearing Surface ⁽²⁾	—	Asphalt Concrete	

⁽¹⁾ All project highways are to be designed for a single axle-load of 10 metric tons.

⁽²⁾ In the case of the expressway Belgrade-Novı Sad, only the asphalt binder course will be placed; an asphalt concrete wearing surface will be applied in the future when required and is not included in the Project.

⁽³⁾ Exceptional limits are listed in parentheses.

B. *For Two-Lane Highways of Category 2: Parts B, C 1 and D of the Project* ⁽¹⁾,
⁽²⁾, ⁽³⁾

Design Characteristic	Unit	Type of Terrain		
		Rolling	Hilly	Mountainous
Design Speed	km/h	100(80)	80(60)	60(40)
Maximum Gradient	%	4	6	6(7)
Width of Lanes	m	3.75(3.50)	3.50(3.00)	3.00
Width of Shoulder	m	2.00(1.50)	1.50(1.00)	1.00
Sight Distance (non-passing)	m	200(130)	130(85)	85(50)
Type of Wearing Surface	—	Asphalt Concrete		

⁽¹⁾ In mountainous terrain and in such other areas as may be deemed appropriate, parking areas for disabled vehicles shall be provided. They shall be 3.0 m wide (measured from the wearing surface edge to the face of guard rail) by 40 m long, spaced at about 0.5 km intervals on alternate sides of the road.

⁽²⁾ Exceptional limits are listed in parentheses.

⁽³⁾ All Project highways are to be designed for a single axle-load of 10 metric tons.

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.*]