

No. 11191

INTERNATIONAL DEVELOPMENT ASSOCIATION
and
DAHOMEY

Development Credit Agreement—*Highway Maintenance and Engineering Project* (with annexed General Conditions Applicable to Development Credit Agreements). Signed at Washington on 9 September 1970

Authentic text: English.

Registered by the International Development Association on 29 June 1971.

ASSOCIATION INTERNATIONALE
DE DÉVELOPPEMENT
et
DAHOMEY

Contrat de crédit de développement — *Projet relatif à l'entretien et à l'aménagement du réseau routier* (avec, en annexe, les Conditions générales applicables aux contrats de crédit de développement). Signé à Washington le 9 septembre 1970

Texte authentique : anglais.

Enregistré par l'Association internationale de développement le 29 juin 1971.

DEVELOPMENT CREDIT AGREEMENT¹

AGREEMENT, dated September 9, 1970 between REPUBLIC OF DAHOMEY (hereinafter called the Borrower) and INTERNATIONAL DEVELOPMENT ASSOCIATION (hereinafter called the Association) :

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 following additional terms have the following meanings :

(a) " Ministry " means the Ministry of Public Works, Telecommunications and Transport of the Borrower;

(b) " highway " means any highway or road administered by the Ministry;

(c) " Department " means the Public Works Department of the Ministry;

(d) " STI " means the Subdivision des Techniques Industrielles, the organization within the Department in charge of highway-maintenance equipment and vehicles.

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 million five hundred thousand dollars (\$3,500,000).

¹ Came into force on 8 April 1971, upon notification by the Association to the Government of Dahomey.

² See p. 214 of this volume.

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 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. Except as provided in Section 2.04 below, 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 (i) for goods produced in, or services supplied from, the territories of the Borrower except under Category V of the allocation of the proceeds of the Credit referred to in Section 2.02 (b) above, or (ii) 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 to be financed out of the proceeds of the Credit.

Section 2.05. Pursuant to Section 5.01 of the General Conditions, it is hereby agreed that withdrawals may be made from the Credit Account on account of payments made to the consultants mentioned in paragraph (a) of Section 4.02 of this Agreement prior to the date of this Agreement but subsequent to January 1, 1970, but only up to an amount not to exceed the equivalent of \$300,000.

Section 2.06. The currency of the French Republic is hereby specified for the purposes of Section 4.02 of the General Conditions.

Section 2.07. 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 2.08. Service charges shall be payable semi-annually on January 15 and July 15 in each year.

Section 2.09. The Borrower shall repay the principal amount of the Credit withdrawn from the Credit Account in semi-annual installments payable on each January 15 and July 15 commencing January 15, 1981 and ending July 15, 2020, each installment to and including the installment payable on July 15, 1990 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 provided in Schedule 3 to this Agreement or as the Association shall otherwise agree, the goods and services to be financed out of the proceeds of the Credit 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 such Schedule 3.

Section 3.03. 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. The specific goods to be financed out of the proceeds of the Credit and included in Categories II and III of the allocation of the proceeds of the Credit referred to in Section 2.02 (b) of this Agreement shall be determined by agreement between the Borrower and the Association.

Article IV

PARTICULAR COVENANTS

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

Section 4.02. (a) For the purpose of carrying out Part I of the Project, the Borrower shall employ consultants acceptable to the Association to provide a team of eight competent and experienced experts acceptable to the Association, to an extent and upon terms and conditions satisfactory to the Association. Seven of said experts shall be assigned to the Department and one such expert shall be assigned to the Direction des Transports Terrestres of the Ministry.

(b) For the purpose of carrying out Part II of the Project, the Borrower shall employ competent and experienced consultants acceptable to the Association, to an extent and upon terms and conditions satisfactory to the Association.

Section 4.03. For the purpose of carrying out Part I of the Project, the Borrower shall :

- (a) establish and maintain within the Department a Highway Planning Unit and shall cause such Unit, under supervision of the experts referred to in paragraph (a) of Section 4.02 of this Agreement, to be responsible for :
- (i) preparing highway investment programs,
 - (ii) preparing staff recruiting and training programs,
 - (iii) assisting in the preparation, and supervising the implementation, of the annual highway maintenance programs and budgets,
 - (iv) coordinating traffic data collection and analysis,
 - (v) preparing a program for the improvement of feeder roads in agricultural areas;
- (b) provide, with the assistance of the experts referred to in paragraph (a) of Section 4.02, on-the-job training for personnel of the Department and of STI;
- (c) establish satisfactory cost-accounting systems for highway works, including construction, improvement and maintenance, and for the maintenance, repair and renewal by STI of related equipment;
- (d) cause the STI, under the supervision of said experts, to take before the end of 1971 adequate measures :
- (i) to accelerate the procurement of equipment and spare parts, and payments therefor,
 - (ii) to introduce improved inventory-control procedures for equipment and spare parts,
 - (iii) to make adequate provision within the annual budget of the STI for the depreciation and renewal of highway maintenance equipment,
 - (iv) to introduce sound and systematically organized equipment-maintenance practices in the Department,
 - (v) to assess the need for net additions to the highways maintenance fleet, and
 - (vi) to reorganize the operations of the workshops of STI so as to ensure that services rendered to the Department by such workshops take priority over other work and that such other work be accounted for separately under sound principles of cost accounting to permit income earned from such work fully to cover the cost thereof.

Section 4.04. In carrying out Part II of the Project, the Borrower shall apply highway design standards acceptable to the Association.

Section 4.05. Until completion of the Project and so long thereafter as necessary, the Borrower shall ensure the assistance of a competent and experienced technical expert to operate the Department's *Laboratoire des Travaux Publics*, and shall provide such *Laboratoire* with adequate staff and equipment.

Section 4.06. Upon request from time to time by the Association, the Borrower shall furnish, or cause to be furnished, promptly to the Association the reports, plans, specifications, contract documents and work schedules for the Project, and shall furnish any material modification subsequently made therein, in such detail as the Association shall reasonably request.

Section 4.07. 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 the operations and financial condition of the Department and the STI; the Borrower 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; and the Borrower shall furnish to the Association all such information as the Association shall reasonably request concerning the expenditures of the proceeds of the Credit, the Project, the goods and services to be financed out of the proceeds of the Credit, and the operation, administration and financial condition with respect to the Project, of the Department, the Direction des Transports Terrestres and the STI.

Section 4.08. The Borrower undertakes to have the imported goods to be financed out of the proceeds of the Credit insured 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 4.09. (a) The Borrower and the Association shall cooperate fully to assure that the purposes of the Credit 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 Credit. On the part of the Borrower, such information shall include information with respect to financial and economic conditions in the territory of the Borrower and the international balance of payments position of the Borrower.

(b) The Borrower and the Association shall from time to time exchange views through their representatives with regard to matters relating to the purposes of the Credit, the maintenance of the service thereof, the Project, and the operations, administration, and financial condition of the Department and the STI.

(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.

(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 4.10. 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.

Section 4.11. 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.

Section 4.12. (a) The Borrower shall cause the Department (i) to establish and maintain a satisfactory inventory of all highways, and (ii) to introduce a new highway classification system acceptable to the Association relating the categories of highways both as to design standards and as to the role of each highway in the Borrower's transport network.

(b) The Borrower shall cause the Department, through the Highway Planning Unit established under Section 4.03 (a) of this Agreement, to continue on a regular basis semi-annual traffic counts on all highways for the purpose of obtaining consistent series of traffic data for trend estimates.

(c) The Borrower shall take such steps as shall be reasonably required to ensure :

- (i)* that the dimensions and axle-loads of vehicles using the Borrower's highway system are consistent with the structural and geometric design standards of the roads used;
- (ii)* that the limits imposed by the laws of the Borrower on such dimensions and axle-loads in accordance with such design standards are duly observed;
- (iii)* that the movement of heavy vehicles is adequately restricted on sections of roads where necessary during periods of rain and that the rain gates provided for the purpose are adequately staffed, operated and maintained.

Section 4.13. (a) The Borrower shall at all times in accordance with sound engineering and economic standards (i) adequately maintain and repair its highways, (ii) adequately maintain its highway-maintenance equipment and make all necessary repairs and renewals thereof and (iii) establish and maintain adequate workshops in appropriate places.

(b) The Borrower shall ensure that the resources of the Road Fund established under Law No. 65-26 of August 14, 1965 be utilized exclusively for the purposes set forth in paragraph (a) of this Section and that there be made available annually from other resources such additional amounts as shall be necessary for such purposes.

Section 4.14. The Borrower shall close the Cotonou-Segboroué railway line to all traffic other than that necessary for the operations of the palm-oil

processing plant at Ahozon within one year following the completion of the rehabilitation works on the Cotonou-Segboroué section of the Cotonou-Hillacondji highway, and shall discontinue all service on the Cotonou-Pobe railway line within one year following the completion of the construction and improvement works on the highways paralleling such line, unless, in the latter case, the Borrower and the Association then agree that a substantial change in traffic demand dictates otherwise.

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 referred to in Section 4.02 of this Agreement shall have been employed as specified in such Section.

Section 6.02. The date of December 15, 1970 is hereby specified for the purpose of Section 10.04 of the General Conditions. *

Section 6.03. The obligations of the Borrower under Sections 4.07, 4.12 and 4.13 of this Agreement shall terminate on the date on which this Development Credit Agreement shall terminate or on a date twenty years after the date of this Development Credit Agreement, whichever shall be the earlier.

Article VII

MISCELLANEOUS

Section 7.01. The Closing Date shall be December 31, 1974 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 :

Ministry of Economy and Finance
Cotonou, Republic of Dahomey
Alternative address for cables :
Minifinances
Cotonou

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 Dahomey :

By MAXIME-LEOPOLD ZOLLNER
Authorized Representative

International Development Association :

By M. SHOAIB
Vice President

SCHEDULE 1

ALLOCATION OF THE PROCEEDS OF THE CREDIT

<i>Category</i>	<i>Amounts Expressed in Dollar Equivalent</i>
I. Consultants advisory services for highway maintenance	830,000
II. CIF Cotonou cost of (a) new highway maintenance equipment and related spare parts; (b) spare parts and supplies for overhaul and repair of existing highway maintenance equipment; and (c) tools, supplies and equipment for extension and improvements of workshops and stores	1,660,000
III. CIF Cotonou cost of laboratory equipment for Laboratoire des Travaux Publics	40,000

Category	Amount Expressed in Dollar Equivalent
IV. Consultants' services for detailed engineering and preparation of bidding documents for reconstruction of about 320 km of highway . .	350,000
V. Consultants' subsistence.	160,000
VI. Unallocated	460,000
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TOTAL	3,500,000
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REALLOCATION UPON CHANGE IN COST ESTIMATES

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

2. If the estimate of the cost of the items included in Categories I through V 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 VI, 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

The Project consists of the following :

Part I. A Four-Year Highway Maintenance Program including :

- (a) Strengthening and reorganization of the Department, including *inter alia* the training of highway maintenance personnel at all levels;
- (b) Activation of the Direction des Transports Terrestres;
- (c) Procurement of highway maintenance equipment and related spare parts;
- (d) Overhaul and repair of the existing highway maintenance equipment;
- (e) Extension and improvement of workshops and stores;
- (f) Procurement of equipment for the Department's Laboratoire des Travaux Publics.

Part II. Detailed engineering and preparation of bidding documents for the reconstruction of about 318 km of highway including :

- (a) about 300 km of the Parakou-Malanville highway, and
- (b) the sections Sehoue-Massi and Godomey-Abomey Calavi, totaling about 18 km, of the Cotonou-Bohicon highway.

SCHEDULE 3

PROCUREMENT OF GOODS

1. With respect to equipment, materials and supplies described in Categories II and III of the allocation of the proceeds referred to in Section 2.02 (b) of this Agreement,

identical or similar items to be procured shall be grouped together to the extent practicable for the purposes of inviting bids, and such grouping of items shall be subject to the approval of the Association.

2. Pursuant to part 1.1 of the Guidelines referred to in Section 3.02 of this Agreement, it is agreed that the procurement of items described in Category II (b) and (c) of such allocation in units or groups expected to cost less than \$10,000 equivalent may be made without resort to international competitive bidding. In lieu thereof, the following procedure shall apply: quotations for the supply of such items will be requested from more than one competing supplier. Lists of such items to be procured, indicating the quotations received and the proposed suppliers thereof, will be sent to the Association periodically for its approval. A conformed copy of each purchase agreement relating to such procurement shall be sent to the Association promptly after its execution and prior to the date of the first application for withdrawal of proceeds of the Credit in respect thereof.

3. With respect to all other goods and services to be financed out of the proceeds of the Credit, the time interval between the invitations to bid and bid opening referred to in Section 3.1 of the Guidelines shall be equal to at least sixty days.

4. With respect to items or groups of items included in Categories II and III of the allocation of the proceeds of the Credit referred to in Section 2.02 of this Agreement and not exempted from competitive bidding under paragraph 2 above, information concerning the advertising coverage as well as the bidding documents and draft contracts shall be submitted to the Association for its approval prior to inviting bids. Such bidding documents shall state that the suppliers of equipment shall provide adequate servicing facilities and shall maintain up-to-date inventories of spare parts in the territories of the Borrower and that the evaluation of bids will be made on the basis of prices including any duties and other taxes which will be levied on the importation of the goods, such duties and other taxes to be separately stated in the bids.

5. Before any award of such a contract is made, the Borrower shall send to the Association for its approval an evaluation of the bids received and the Borrower's proposal concerning the contract and the award. If the Borrower proposes to award the contract to a bidder other than the bidder offering the lowest evaluated bid, the reasons for such exception to Section 3.9 of the Guidelines shall be stated. Promptly after the execution of any such contract and prior to the submission to the Association of the first application for withdrawal of proceeds from the Credit Account in respect of such contract, a conformed copy of such contract shall be sent to the Association.

6. The Borrower shall facilitate the accomplishment of any regulatory formalities which may be required of suppliers or their local agents under the laws of the Borrower to enable the suppliers to carry out their contracts.

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.*]