

No. 11574

**INTERNATIONAL DEVELOPMENT ASSOCIATION
and
NIGER**

Development Credit Agreement—*Second Highway Construction Project* (with schedules and General Conditions Applicable to Development Credit Agreements). Signed at Washington on 29 January 1971

Authentic text : English.

Registered by the International Development Association on 3 February 1972.

**ASSOCIATION INTERNATIONALE
DE DÉVELOPPEMENT
et
NIGER**

Contrat de crédit de développement — *Deuxième projet de construction de routes* (avec annexes et Conditions générales applicables aux contrats de crédit de développement). Signé à Washington le 29 janvier 1971

Texte authentique : anglais.

Enregistré par l'Association internationale de développement le 3 février 1972.

DEVELOPMENT CREDIT AGREEMENT¹

AGREEMENT, dated January 29, 1971, between REPUBLIC OF NIGER (hereinafter called the Borrower) and INTERNATIONAL DEVELOPMENT ASSOCIATION (hereinafter called the Association).

WHEREAS by a development credit agreement dated June 24, 1964,² between the Borrower and the Association, the Association granted to the Borrower a development credit in various currencies equivalent to one million five hundred thousand dollars (\$1,500,000) to assist the Borrower in financing a project for the design, improvement and construction of certain roads in the Borrower's national highway system;

WHEREAS by a second development credit agreement dated September 23, 1968,³ between the Borrower and the Association, the Association made available a development credit in various currencies equivalent to six million one hundred twenty thousand dollars (\$6,120,000) to assist in financing capital expenditures of the four-year Highway Maintenance Program and preinvestment studies;

WHEREAS the Borrower has requested the Association to finance part of the costs of the Project described in Schedule 2 to this Agreement by extending the Credit as hereinafter provided;

WHEREAS the Association has agreed, on the basis *inter alia* of the foregoing, to extend the Credit to the Borrower upon 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, 1969,⁴ with the same force and effect as if they were fully set forth herein, subject, however, to the deletion of Section 5.01 thereof (said General Conditions Applicable to Development Credit Agreements

¹ Came into force on 15 June 1971, upon notification by the Association to the Government of Niger.

² United Nations, *Treaty Series*, vol. 554, p. 93.

³ *Ibid.*, vol. 676, p. 171.

⁴ See p. 46 of this volume.

of the Association, as so modified, 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 therein set forth and the term “ 1964 Development Credit Agreement ” means the Development Credit Agreement (*Road Project*) between the Borrower and the Association dated June 24, 1964.

Article II

THE CREDIT

Section 2.01. The Association agrees to lend to the Borrower, on the terms and conditions in the Development Credit Agreement set forth or referred to, an amount in various currencies equivalent to five million seven hundred thousand dollars (\$5,700,000).

Section 2.02. The amount of the Credit may be withdrawn from the Credit Account in accordance with the provisions of Schedule 1 to this Agreement, as such Schedule shall be amended from time to time, for expenditures made (or, if the Association shall so agree, to be made) in respect of the reasonable cost of goods and services required for the Project and to be financed under the Development Credit Agreement; provided, however, that, except as the Association shall otherwise agree, no withdrawal shall be made on account of expenditures in the territories of any country which is not a member of the Bank (other than Switzerland) or for goods produced in, or services supplied from, such territories.

Section 2.03. Except as the Association shall otherwise agree, the goods and services (other than consultants' services) required for the Project and to be financed out of the proceeds of the Credit, shall be procured on the basis of international competition under procedures consistent with the *Guidelines for Procurement under World Bank Loans and IDA Credits*, published by the Bank in August 1969, and in accordance with, and subject to, the provisions set forth in Schedule 3 to this Agreement.

Section 2.04. The Closing Date shall be December 31, 1974 or such other date as shall be agreed between the Borrower and the Association.

Section 2.05. 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 2.06. Service charges shall be payable semi-annually on January 15 and July 15 in each year.

Section 2.07. 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.

Section 2.08. The currency of the Republic of France is hereby specified for the purposes of Section 4.02 of the General Conditions.

Article III

EXECUTION OF THE PROJECT

Section 3.01. The Borrower shall carry out the Project through its Direction des Travaux Publics, 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.

Section 3.02. In order to assist the Borrower in the supervision of construction of Part A (i) and (ii) of the Project and in the carrying out of Parts B (i) and (ii) and C of the Project, the Borrower shall employ engineering consultants acceptable to the Association upon terms and conditions satisfactory to the Association.

Section 3.03. (a) The Tinkim-Nigerian border road section included in Part A (ii) of the Project shall not be constructed unless and until the Borrower shall have received notice from the Association, on or before December 31, 1972, that the Association is satisfied that appropriate arrangements have been made for the construction of the road between Kano, Nigeria, and the Borrower's border. After such date, unless the Association shall otherwise agree, the construction of such road section shall be deleted from the Project.

(b) The design standards to be used for the road sections (other than the Tinkim-Dan Tyao road section) included in Part A (i) and (ii) of the Project shall be those set forth as Standard "A₁" in Schedule 4 to this Agreement, and the design standards to be used for the Tinkim-Dan Tyao road section included in Part A (ii) of the Project shall be those set forth as Standard "B" in such Schedule 4; provided, however, that if, pursuant to paragraph (a) hereof, the Tinkim-Nigerian border road section shall not be constructed, the design standards to be used for the Magaria-Tinkim road section included in Part A (ii) of the Project shall be those set forth as Standard "A₂" in Schedule 4 to this Agreement.

(c) In carrying out Part A (i) and (ii) of the Project, the Borrower shall employ contractors acceptable to the Association upon terms and conditions satisfactory to the Association.

Section 3.04. (a) The Borrower undertakes to insure, or make adequate provision 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.

(b) Except as the Association shall otherwise agree, all goods and services financed out of the proceeds of the Credit shall be used exclusively for the Project until its completion.

Section 3.05. (a) The Borrower shall furnish to the Association, promptly upon their preparation, the plans, specifications, contract documents, and work and procurement schedules, for the Project, and any material modifications or additions thereto, in such detail as the Association shall reasonably request.

(b) The Borrower : (i) shall maintain records adequate to record the progress of the Project (including the cost thereof) and to identify the goods and services financed out of the proceeds of the Credit, and to disclose the use thereof in the Project; (ii) 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 (iii) shall furnish to the Association all such information as the Association shall reasonably request concerning the Project, the expenditure of the proceeds of the Credit and the goods and services financed out of such proceeds.

Section 3.06. The Borrower shall take all such action as shall be necessary to acquire as and when needed all such land, rights-of-way and other property rights as shall be required for carrying out the Project.

Article IV

OTHER COVENANTS

Section 4.01. The Borrower shall maintain or cause to be maintained records adequate to reflect in accordance with consistently maintained sound accounting practices the operations, resources and expenditures, in respect of the

Project, of its Direction des Travaux Publics and of any other departments or agencies of the Borrower responsible for carrying out the Project or any part thereof.

Section 4.02. The Borrower shall at all times adequately maintain or cause to be adequately maintained the roads included in the Project and all other roads in its national highway system, in accordance with sound engineering practices, and shall provide, promptly as needed, the funds, facilities, services and other resources required for the foregoing.

Section 4.03. The Borrower shall take all such action as shall be reasonably required to ensure that the dimensions and axle-loads of vehicles using the roads in its national highway system will not exceed limits consistent with the design standards of such roads.

Section 4.04. The Borrower shall collect and record in accordance with appropriate statistical methods and procedures such technical, economic and financial data as shall be reasonably required for proper planning of maintenance, improvements and extension of its national highway system.

Section 4.05. The Borrower shall consult the Association, on or before December 31, 1971, on a program for staffing its Direction des Travaux Publics with adequately trained nationals of Niger, and shall review annually with the Association the progress accomplished under such program.

Article V

CONSULTATION, INFORMATION AND INSPECTION

Section 5.01. The Borrower and the Association shall cooperate fully to assure 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 :

- (a) exchange views through their representatives with regard to the performance of their respective obligations under the Development Credit Agreement, the administration, operations, resources and expenditures, in respect of the Project, of the Borrower's Direction des Travaux Publics and of any other departments or agencies of the Borrower responsible for carrying out the Project or any part thereof, and other matters relating to the purposes of the Credit; and
- (b) 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 territories of the Borrower, including its balance of payments, and the external debt of the Borrower, of any of its political subdivisions and of any agency of the Borrower or of any such political subdivision.

Section 5.02. (a) The Borrower shall furnish or cause to be furnished to the Association all such information as the Association shall reasonably request concerning the operations, resources and expenditures, in respect of the Project, of its Direction des Travaux Publics and of any other departments or agencies of the Borrower responsible for carrying out the Project or any part thereof.

(b) 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, the maintenance of the service thereof or the performance by the Borrower of its other obligations under the Development Credit Agreement.

Section 5.03. 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.

Article VI

TAXES AND RESTRICTIONS

Section 6.01. The principal of, and service charges on, the Credit shall be paid without deduction for, and free from, any taxes imposed under the laws of the Borrower or laws in effect in its territories.

Section 6.02. The Development Credit Agreement shall be free from any taxes on or in connection with the execution, delivery or registration thereof, imposed under the laws of the Borrower or laws in effect in its territories.

Section 6.03. The payment of the principal of, and service charges on, the Credit shall be free from all restrictions, regulations, controls and moratoria of any nature imposed under the laws of the Borrower or laws in effect in its territories.

Article VII

REMEDIES OF THE ASSOCIATION

Section 7.01. 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 and service charges shall become due and payable immediately, anything to the contrary in the Development Credit Agreement notwithstanding.

Article VIII

EFFECTIVE DATE; TERMINATION

Section 8.01. The following event is specified as an additional condition to the effectiveness of the Development Credit Agreement within the meaning of Section 10.01 (b) of the General Conditions, namely, that the Borrower has employed the construction supervision consultants referred to in Section 3.02 of this Agreement.

Section 8.02. The date April 15, 1971 is hereby specified for the purposes of Section 10.04 of the General Conditions.

Section 8.03. (a) The obligations of the Borrower under Sections 4.01 and 4.05 of this Agreement shall cease and determine on the date on which the Development Credit Agreement shall terminate or on a date ten years after the date of this Agreement, whichever shall be the earlier.

(b) The obligations of the Borrower under Sections 4.02, 4.03 and 4.04 of this Agreement shall cease and determine on the date on which the Development Credit Agreement shall terminate or on a date twenty years after the date of this Agreement, whichever shall be the earlier.

(c) The obligations of the Borrower under Sections 4.01 (g) and 4.05 of the 1964 Development Credit Agreement shall cease and determine on the date on which the 1964 Development Credit Agreement shall terminate or on a date twenty years after the date of this Agreement, whichever shall be the earlier.

Article IX

REPRESENTATIVE OF THE BORROWER; ADDRESSES

Section 9.01. The Minister of Public Works of the Borrower is designated as representative of the Borrower for the purposes of Section 9.03 of the General Conditions.

Section 9.02. The following addresses are specified for the purposes of Section 9.01 of the General Conditions :

For the Borrower :

Ministère des Travaux Publics
Niamey
Republic of Niger

Cable address :
Ministravo
Niamey

For the Association :
International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Cable address :
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.

Republic of Niger :
By JOSEPH AMINA
Authorized Representative

International Development Association :
By J. BURKE KNAPP
Vice President

SCHEDULE 1

WITHDRAWAL OF THE PROCEEDS OF THE CREDIT

1. The table below sets forth the categories of items to be financed out of the proceeds of the Credit, the allocation of amounts of the Credit to each category and the percentage of eligible expenditures so to be financed in each category :

<i>Category</i>	<i>Amount of the Credit Allocated (Expressed in Dollar Equivalent)</i>	<i>% of Expenditures to be Financed</i>
I. Civil works	3,700,000	70% of total expenditures
II. Consultants' services	900,000	80% of total expenditures (representing the estimated foreign expenditure component)
III. Equipment and materials	50,000	100% of foreign expenditures
IV. Unallocated	1,050,000	
TOTAL	<u>5,700,000</u>	

2. For the purposes of this Schedule :

(a) The term “ foreign expenditures ” means expenditures for goods produced in, or services supplied from, the territories, and in the currency, of any member of the Bank (other than the Borrower) or of Switzerland; provided, however, that if the currency of the Borrower is also that of another member of the Bank in the territories of which goods are produced or from the territories of which services are supplied, expenditures in such currency for such goods or services shall be deemed to be “ foreign expenditures ”; and

(b) The term “ total expenditures ” means the aggregate of foreign expenditures and of expenditures for goods produced in, or services supplied from, the territories of the Borrower.

3. Notwithstanding the provisions of paragraph 1 above, no withdrawals shall be made in respect of :

(a) expenditures prior to the date of this Agreement; and

(b) payments for taxes imposed under the laws of the Borrower or laws in effect in its territories on goods or services, or on the importation, manufacture, procurement or supply thereof. To the extent that the amount represented by the percentage set forth in the third column of the table in paragraph 1 above in respect of any Category would exceed the amount payable net of all such taxes, such percentage shall be reduced to ensure that no proceeds of the Credit will be withdrawn on account of payments for such taxes.

4. Notwithstanding the allocation of an amount of the Credit set forth in the second column of the table in paragraph 1 above :

(a) if the estimate of the expenditures under any Category shall decrease, the amount of the Credit then allocated to such Category and no longer required therefor will be reallocated by the Association by increasing correspondingly the unallocated amount of the Credit;

(b) if the estimate of the expenditures under any Category shall increase, the percentage set forth in the third column of the table in paragraph 1 above in respect of such expenditures shall be applied to the amount of such increase, and a corresponding amount will be allocated by the Association, at the request of the Borrower, to such Category from the unallocated amount of the Credit, subject, however, to the requirements for contingencies, as determined by the Association, in respect of any other expenditures.

5. Notwithstanding the percentages set forth in the third column of the table in paragraph 1 above, if the estimate of total expenditures under Category I or II shall increase and no proceeds of the Credit are available for reallocation to such Category, the Association may, by notice to the Borrower, adjust the percentage then applicable to such expenditures in order that further withdrawals under such Category may continue until all expenditures thereunder shall have been made.

SCHEDULE 2

DESCRIPTION OF THE PROJECT

The Project consists of the following parts :

- A. (i) construction and improvement of the Niamey-Tillabery road (about 115 km);
(ii) construction and improvement of the Magaria-Tinkim-Nigerian border road (about 20 km) and of the Dan Tyao-Tinkim road (about 14 km);
- B. (i) feasibility study of the construction and improvement of (a) the Niamey-Baleyara road (about 98 km) and (b) of the Zinder-Bandé road (about 72 km);

(ii) detailed engineering and preparation of bidding documents for the construction and improvement of the roads referred to in Part B (i) above, provided that the economic justification thereof shall have been confirmed to the satisfaction of the Borrower and the Association; and
- C. provision of laboratory and traffic counting equipment and training of laboratory inspectors and technicians.

The Project is expected to be completed by June 30, 1974.

SCHEDULE 3

PROCUREMENT

1. With respect to any contract for civil works, equipment or materials estimated to cost the equivalent of \$25,000 or more :

(a) If bidders are required to pre-qualify, the Borrower shall, before qualification is invited, inform the Association in detail of the procedure to be followed and shall introduce such modifications in said procedure as the Association shall reasonably request. The list of prequalified bidders, together with a statement of their qualifications and of the reasons for the exclusion of any applicant for pre-qualification, shall be furnished by the Borrower to the Association for its comments before the applicants are notified and the Borrower shall make such additions or deletions from the said list as the Association shall reasonably request.

(b) Before bids are invited, the Borrower shall furnish to the Association, for its comments, the text of the invitations to bid and the specifications and other bidding documents, together with a description of the advertising procedures to be followed for the bidding, and shall make such modifications in the said documents or procedure as the Association shall reasonably request. Any further modification to the bidding documents shall require the Association's concurrence before it is issued to the prospective bidders.

(c) After bids have been received and evaluated, the Borrower shall, before a final decision on the award is made, inform the Association of the name of the bidder to whom it intends to award the contract and shall furnish to the Association, in

sufficient time for its review, a detailed report by the consultants referred to in Section 3.02 of this Agreement, on the evaluation and comparison of the bids received, together with the recommendations for award of the said consultants, and the reasons for the Borrower's intended award. The Association shall promptly inform the Borrower whether it has any objection to the intended award on the ground that it would be inconsistent with the *Guidelines for Procurement under World Bank Loans and IDA Credits* referred to in Section 2.03 of this Agreement or with the Development Credit Agreement, and shall state the reasons for any objections it may have.

(d) If the contract shall be awarded over the Association's reasonable objection, or if its terms and conditions shall, without the Association's concurrence, materially differ from those on which bids were asked, no expenditure thereunder shall be financed out of the proceeds of the Credit.

(e) Two copies of the contract shall be furnished to the Association promptly after its execution and prior to the submission to the Association of the first application for withdrawal of funds from the Credit Account in respect of any such contract.

2. With respect to any other contract for civil works, equipment or materials, the Borrower shall furnish to the Association, promptly after its execution and prior to the submission to the Association of the first application for withdrawal of funds from the Credit Account in respect of any such contract, two conformed copies of such contract. The Association shall promptly inform the Borrower if it finds that the award of the contract is not consistent with the *Guidelines for Procurement under World Bank Loans and IDA Credits* referred to in Section 2.03 of this Agreement or with the Development Credit Agreement and, in such event, no expenditure under such contract shall be financed out of the proceeds of the Credit.

SCHEDULE 4

DESIGN STANDARDS

	<i>Pavement Width (m)</i>	<i>Shoulders Width (m)</i>	<i>Pavement Crossfall %</i>	<i>Surfacing</i>
Standard "A ₁ "	6.00	1.00	2.0	Double bituminous surface treatment
Standard "A ₂ "	6.00	1.00	3.0	Gravel
Standard "B"	5.00	1.00	3.0	Gravel

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.*]
