

No. 11628

**INTERNATIONAL DEVELOPMENT ASSOCIATION
and
JORDAN**

**Development Credit Agreement—*Highway Project* (with
schedules and General Conditions Applicable to De-
velopment Credit Agreements). Signed at Washington
on 28 June 1971**

Authentic text: English.

Registered by the International Development Association on 6 March 1972.

**ASSOCIATION INTERNATIONALE
DE DÉVELOPPEMENT
et
JORDANIE**

**Contrat de crédit de développement — *Projet relatif au ré-
seau routier* (avec annexes et Conditions générales appli-
cables aux contrats de crédit de développement). Signé à
Washington le 28 juin 1971**

Texte authentique : anglais.

*Enregistré par l'Association internationale de développement le 6 mars
1972.*

DEVELOPMENT CREDIT AGREEMENT¹

AGREEMENT, dated June 28, 1971, between the HASHEMITE KINGDOM OF JORDAN (hereinafter called the Borrower) and INTERNATIONAL DEVELOPMENT ASSOCIATION (hereinafter called the Association).

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, subject, however, to the deletion of Section 5.01 thereof (said General Conditions Applicable to Development Credit Agreements 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 following additional terms have the following meanings:

(a) "Maintenance Study" means the general study of the maintenance organization of the Highway Department of the Ministry of Public Works being carried out by consultants, financed by the United States Agency for International Development.

(b) "Urban Study" means the study of Amman's future land use and related transport patterns and arrangements for distributing traffic in Amman from the road to be constructed under Part I of the Project.

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

¹ Came into force on 16 August 1971, upon notification by the Association to the Government of Jordan.

² See p. 330 of this volume.

referred to, an amount in various currencies equivalent to six million dollars (\$6,000,000).

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 described in Schedule 2 to this Agreement 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. The Closing Date shall be December 31, 1974 or such other date as shall be agreed between the Borrower and the Association.

Section 2.04. 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 2.05. Service charges shall be payable semi-annually on March 15 and September 15 in each year.

Section 2.06. The Borrower shall repay the principal amount of the Credit withdrawn from the Credit Account in semi-annual installments payable on each March 15 and September 15 commencing September 15, 1981 and ending March 15, 2021, each installment to and including the installment payable on March 15, 1991 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 2.07. The currency of the United Kingdom of Great Britain and Northern Ireland is hereby specified for the purposes of Section 4.02 of the General Conditions.

Article III

EXECUTION OF THE PROJECT

Section 3.01. (a) The Borrower shall carry out the Project with due diligence and efficiency and in conformity with sound technical, engineering, administrative and financial practices, and shall provide, promptly as needed, the funds, facilities, services and other resources required for the purpose.

(b) The Borrower shall promptly take all requisite steps for the acquisition and retention of all such lands, interests in land and properties and all rights, powers and privileges as may be necessary or proper for the construction, improvement and operation of the highway referred to in Part I of the Project and shall ensure that such lands are available promptly as needed for such purposes.

Section 3.02. (a) In order to assist the Borrower in (i) supervising Part I of the Project, (ii) determining the requirements of, and preparing specifications for the purchase of, road maintenance equipment, and (iii) carrying out the Urban Study, the Borrower shall employ consultants acceptable to the Association upon terms and conditions satisfactory to the Association.

(b) If the Borrower and the Association shall so agree, in order to assist the Borrower in implementing such findings of the Maintenance Study as shall be agreed upon between the Borrower and the Association, the Borrower shall promptly employ consultants acceptable to the Association upon terms and conditions satisfactory to the Association.

Section 3.03. (a) In carrying out Part I of the Project, the Borrower shall employ contractors acceptable to the Association upon terms and conditions satisfactory to the Association.

(b) Except as the Association shall otherwise agree, the general design standards to be used for the highway included in Part I of the Project shall be as set forth in Schedule 4 to this Agreement.

Section 3.04. The Borrower shall take reasonable measures to improve the planning and coordination of investments in the transport sector.

Section 3.05. (a) Except as the Association shall otherwise agree, the goods and services (other than services of consultants) required for the Project and to be financed out of the proceeds of the Credit shall be procured on the basis of international competition consistent with the *Guidelines for Procurement under Work Bank Loans and IDA Credits*, published by the Bank in August 1969, and in accordance with and subject to such other procedures supplementary thereto as are set forth in Schedule 3 to this Agreement or as shall be agreed between the Association and the Borrower.

(b) 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 under Part III of the Project against 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.

(c) 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.

Section 3.06. (a) The Borrower shall furnish to the Association, promptly upon their preparation, the plans, specifications, contract documents, construction schedules and work 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.

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 and financial condition, in respect of the Project, of the departments or agencies of the Borrower responsible for carrying out the Project or any part thereof.

Section 4.02. (a) The Borrower shall promptly commence the Urban Study and complete the said study before July 31, 1974.

(b) On the basis of the findings in the Urban Study, the Borrower shall provide the Association before the completion of the Project, with a timetable for the construction of the additional traffic facilities required for the distribution of traffic in Amman from the highway referred to in Part I of the Project. Such timetable shall be finally set after consultation with and approval thereto by the Association.

Section 4.03. (a) The Borrower shall implement such findings of the Maintenance Study as are agreed upon between the Borrower and the Association in accordance with a timetable mutually acceptable to the Borrower and the Association.

(b) The Borrower shall, on the basis of such findings of the Maintenance Study as are agreed upon between the Borrower and the Association,

implement such arrangements as are mutually acceptable to the Borrower and the Association, taking into account all the circumstances of the Borrower, for financing renewals of road maintenance equipment.

Section 4.04. (a) The Borrower shall continue to maintain facilities adequate to collect and record, in accordance with appropriate statistical methods and procedures and on a regular and systematic basis, such information concerning road traffic, road construction and maintenance costs as shall be reasonably required for proper planning of maintenance, improvements and extensions of its road system.

(b) The Borrower shall continue to enforce regulations and take all measures reasonably necessary to ensure at all times that the dimensions and axle loads of the vehicles using its roads do not exceed limits consistent with the design standards of such roads.

(c) The Borrower shall cause its road system to be adequately maintained in accordance with sound engineering practices, and shall provide, promptly as needed, the funds, facilities, services and other resources required for the purpose.

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 and financial condition in respect of the Project of the 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 and financial condition of the 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 RESTRICTION

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 date September 30, 1971 is hereby specified for the purposes of Section 10.04 of the General Conditions.

Section 8.02. The obligations of the Borrower under Sections 4.01 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.

Article IX

REPRESENTATIVE OF THE BORROWER; ADDRESSES

Section 9.01. The Development Board 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:

Jordan Development Board
P. O. Box 555
Amman, Jordan

Cable address:

JODB
Amman

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.

The Hashemite Kingdom of Jordan:

By ABDUL HAMID SHARAF
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 under Part I of the Project	4,000,000	65% of total expenditures (representing the estimated foreign expenditure component)
II. Consultants' services for carrying out Part II (a) and (b) of the Project	720,000	100% of foreign expenditures
III. Road maintenance equipment for Part III of the Project	500,000	100% of foreign expenditures
IV. Unallocated	<u>780,000</u>	
TOTAL	<u><u>6,000,000</u></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;

(b) the term "local expenditures" means expenditures in the currency of the Borrower, or for goods produced in, or services supplied from, the territories of the Borrower; and

(c) the term "total expenditures" means the aggregate of foreign and local expenditures.

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 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 Category I, II or III 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 Category I, II or III 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 expenditures under Category I shall increase and no proceeds of the Credit are available for reallocation to such Category, the Association may, by notice to the Borrower, modify 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:

Part I: The construction of a new highway between Amman and Zarqa (about 18 km).

Part II: The services of consultants to assist in:

- (a) supervising Part I;
- (b) carrying out the Urban Study; and
- (c) implementing the agreed findings of the Maintenance Study, if such services are agreed upon.

Part III: The purchase of road maintenance equipment for use on the Jordanian national road system.

The Project is expected to be completed by July 31, 1974.

SCHEDULE 3

PROCUREMENT

A. *Contract for Highway Construction*

With respect to any contract:

1. The Borrower shall require bidders to prequalify and shall allow at least 45 days for the submission of prequalification documents. The Borrower shall, before qualification is invited, inform the Association in detail of the procedure to be followed, shall furnish the Association with a copy of the invitation to prequalify 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, the reasons for the exclusion of any applicant for prequalification and the recommendations on prequalification of the Borrower's consultants 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.

2. The contract shall be on a unit price basis. For the purposes of bidding, the highway shall be tendered as one bidding section.

3. Non-Jordanian contractors shall not be required to register in Jordan as a condition of bidding for the contract. But where said registration is required of a non-Jordanian contractor after he has been awarded the contract, the Borrower shall take such action as may be practicable to facilitate his registration.

4. 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 they are issued to the prospective bidders.

5. A period of at least 60 days shall be allowed for submission of proposals from prequalified bidders. Proposals shall be accompanied by a bid bond or bank guarantee amounting to 4% of the bid amount.

6. The bidding documents shall contain, *inter alia*, the following requirements:

- (a) that the successful bidder shall be required to furnish at his option, either a 100% performance bond or a bank guarantee by an acceptable financial institution in an amount of 10% of the contract price, which guarantee or bond shall remain in effect until the works specified in the contract are completed.
- (b) that the contract with the successful bidder shall contain the following provisions:
 - (i) retention by the Borrower of 10% of the cost of works on each monthly invoice until 50% of total contract payments have been made, after which the amount retained may be reduced or eliminated at the discretion of the Borrower. One-half of the retention moneys shall be released when all work has been substantially completed, and the other half fourteen days after termination of the contractor's responsibility in respect of defects;
 - (ii) at any time during the construction and warranty periods the contractor shall have the option of substituting a satisfactory bank guarantee for such retention in which case the retention money shall be released to him;
 - (iii) the warranty period during which the contractor remains responsible in respect of defects in the works (fair wear and tear excepted) shall extend for one year after acceptance of the work.

7. 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 Borrower's consultants on the evaluation and comparison of the bids received, together with the recommendations for award of the said consultants, and the reasons for the 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 3.05 of this Agreement or with the Development Credit Agreement, and shall state the reasons for any objections it may have.

8. 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.

9. Two signed 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.

B. *Contracts for Purchase of Road Maintenance Equipment for Part III of the Project*

1. The items of road maintenance equipment to be procured under the Project shall be agreed between the Association and the Borrower on the basis of the recommendations of the Borrower's consultants employed under Section 3.02 (iii) of this Agreement.

2. Identical or similar items of equipment shall be grouped together wherever practicable for purposes of bidding and procurement, and such groupings of items shall be submitted to the Association for its approval before bids are invited.

3. Before bids are invited, information concerning advertising coverage as well as the bidding documents shall be submitted to the Association for its approval. After such approval has been obtained bids shall be invited, and the time interval between the invitation to bid and bid opening referred to in Section 3.1 of the *Guidelines for Procurement under World Bank Loans and IDA Credits* referred to in Section 3.05 of this Agreement shall be not less than forty-five days.

4. Bids shall be evaluated in accordance with Section 3.7 of the *Guidelines for Procurement under World Bank Loans and IDA Credits* referred to in Section 3.05 of this Agreement, and shall take into account the advantages resulting from the standardization of equipment and the availability of manufacturer's spares and servicing facilities. Before awards of contracts are made, 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 award. If it is proposed to award the contract to a bidder other than the one offering the lowest evaluated price, the reasons for such proposal shall be given. Two signed copies of each contract shall be furnished to the Association as soon as signed and before submission of the first withdrawal application thereunder.

5. For certain minor items or groups of items, international competitive bidding may be dispensed with, provided that the Borrower shall send to the Association for its approval details of the proposed procurement procedure together with lists of such items or groups of items indicating their expected price and the intended suppliers thereof.

SCHEDULE 4

DESIGN STANDARDS

	<i>Rural</i>	<i>Semi-Urban</i>	<i>Urban</i>
Design speed (kph)	120	100	80
Minimum radius of curvature (m)	530	350	230

	<i>Rural</i>	<i>Semi-Urban</i>	<i>Urban</i>
Minimum stopping sight distance (m)	225	170	125
Minimum passing sight distance (m)	850	700	550
Maximum gradient	6%		
Traffic lane width (m)	3.5		
Shoulder width (outside) (m)	2.5		
Shoulder width (inside) (m)	1.5		
Right of way width	40 m (rural), 30 m (urban)		
Design axle load	12 metric tons		
Structures: Design loading	H20-S16-44		

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.*]