

No. 12066

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**INTERNATIONAL DEVELOPMENT ASSOCIATION  
and  
CENTRAL AFRICAN REPUBLIC**

**Development Credit Agreement—*Highway Maintenance Project* (with schedules and General Conditions Applicable to Development Credit Agreements). Signed at Washington on 19 June 1970**

*Authentic text: English.*

*Registered by the International Development Association on 17 October 1972.*

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**ASSOCIATION INTERNATIONALE  
DE DÉVELOPPEMENT  
et  
RÉPUBLIQUE CENTRAFRICAINE**

**Contrat de crédit de développement — *Projet relatif à l'entretien du réseau routier* (avec annexes et Conditions générales applicables aux contrats de crédit de développement). Signé à Washington le 19 juin 1970**

*Texte authentique : anglais.*

*Enregistré par l'Association internationale de développement le 17 octobre 1972.*

## DEVELOPMENT CREDIT AGREEMENT<sup>1</sup>

AGREEMENT, dated June 19, 1970, between CENTRAL AFRICAN REPUBLIC (hereinafter called the Borrower) and INTERNATIONAL DEVELOPMENT ASSOCIATION (hereinafter called the Association).

WHEREAS by a Plan of Operation dated December 10, 1968 (hereinafter called the Plan of Operation) among the Borrower, the United Nations Development Programme (Special Fund) and the International Bank for Reconstruction and Development, the Special Fund made a grant to the Borrower to assist it in financing a study for improvement of road maintenance in its territories;

WHEREAS by a development credit agreement dated April 3, 1969<sup>2</sup> (hereinafter called the First Development Credit Agreement) the Association agreed to make a development credit to the Borrower in amounts in various currencies equivalent to four million two hundred thousand dollars (\$4,200,000) upon the terms and conditions set forth in such First Development Credit Agreement to assist the Borrower in financing detailed engineering and reconstruction works relating to the Bangui M'baiki road and the procurement of equipment for the maintenance of such road;

WHEREAS under Section 4.05 of the First Development Credit Agreement the Borrower and the Association agreed to exchange views on the recommendations to be made pursuant to Section 2.01 (a) (i) of the Plan of Operation with a view to agreeing upon an appropriate organization of road maintenance operations in the territories of the Borrower;

WHEREAS such recommendations have been reviewed by the Borrower and the Association and the Borrower has requested the Association to make a development credit to the Borrower for the improvement of road maintenance in the territories of the Borrower;

WHEREAS the Association is willing to make a development 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 Development Credit Agreement accept all the provisions of the General Conditions Applicable to Development Credit Agreements of the Association, dated January 31, 1969,<sup>3</sup> 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) "Consultants" means the consultants referred to in Section 4.02 (a) of this Development Credit Agreement; and

(b) "Road Fund" means the fund referred to in Section 4.03 (a) of this Development Credit Agreement.

<sup>1</sup> Came into force on 10 June 1971, upon notification by the Association to the Government of the Central African Republic.

<sup>2</sup> United Nations, *Treaty Series*, vol. 712, p. 3.

<sup>3</sup> See p. 191 of this volume.

*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 four million three hundred thousand dollars (\$4,300,000).

*Section 2.02. (a)* The Association shall open a Credit Account on its books in the name of the Borrower and shall credit to such Account the amount of the Credit.

*(b)* The amount of the Credit may be withdrawn from the Credit Account as provided in, and subject to the rights of cancellation and suspension set forth in, this Development Credit Agreement and in accordance with the allocation of the proceeds of the Credit set forth in Schedule I to this Agreement, as such allocation shall be modified from time to time pursuant to the provisions of such Schedule or by further agreement between the Borrower and the Association.

*Section 2.03.* The Borrower shall be entitled to withdraw from the Credit Account such amounts as shall have been paid (or, if the Association shall so agree, as 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 for:

- (i) goods produced in, or services supplied from, the territories of the Borrower;
- (ii) taxes imposed by the Borrower or any of its political subdivisions on, or in connection with the importation or supply of, goods or services; and
- (iii) taxes imposed by any state party to the Treaty, dated December 8, 1964, establishing the Central African Economic and Customs Union (C.A.E.C.U.) or any political subdivision of such state on, or in connection with, the importation of goods included in Category I of the allocation of proceeds of the Credit referred to in Section 2.02 of this Development Credit Agreement, to the refund of which the Borrower shall be entitled under such Treaty.

*Section 2.05.* The currency of the French Republic is hereby specified for the purposes of Section 4.02 of the General Conditions.

*Section 2.06.* The Borrower shall pay to the Association a service charge at the rate of three-fourths of one per cent ( $3/4$  of 1%) per annum on the principal amount of the Credit withdrawn and outstanding from time to time.

*Section 2.07.* Service charges shall be payable semi-annually on June 15 and December 15 in each year.

*Section 2.08.* The Borrower shall repay the principal amount of the Credit withdrawn from the Credit Account in semi-annual installments payable on each June 15 and December 15 commencing December 15, 1980 and ending June 15, 2020, each installment to and including the installment payable on June 15, 1990 to be one-half of one per cent ( $1/2$  of 1%) of such principal amount, and each installment thereafter to be one and one-half per cent ( $1\ 1/2\%$ ) of such principal amount.

*Article III. USE OF PROCEEDS OF THE CREDIT*

*Section 3.01.* The Borrower shall apply the proceeds of the Credit in accordance with the provisions of this Development Credit Agreement to expenditures on the Project, described in Schedule 2 to this Agreement.

*Section 3.02.* Except as the Association shall otherwise agree:

- (i) the goods 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 Schedule 3 to this Agreement or as shall be agreed between the Borrower and the Association;
- (ii) the Consultants' services shall be procured in accordance with the guidelines set forth in *Uses of Consultants by the World Bank and its Borrowers*, published by the Bank in September 1966, 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 Association; and
- (iii) contracts for the procurement of the goods and services referred to in paragraphs (i) and (ii) of this Section shall be subject to the prior approval of the Association.

*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.

*Article IV. PARTICULAR COVENANTS*

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

*Section 4.02.* (a) Except as the Association shall otherwise agree, in carrying out the Project the Borrower shall employ competent and experienced consultants acceptable to, and to an extent and upon terms and conditions satisfactory to, the Association.

(b) The Borrower shall cause the Project to be carried out by competent and experienced personnel. If the Project cannot be carried out by the Borrower's Department of Public Works to the satisfaction of the Association, the Borrower shall for the purpose employ competent and experienced technical advisors acceptable to, and to an extent and upon terms and conditions satisfactory to, the Association.

(c) The Borrower shall furnish or cause to be furnished to the Association, promptly upon their preparation, the reports, plans, specifications, contract documents and work schedules for the Project and any material modifications subsequently made therein, in such detail as the Association shall reasonably request.

*Section 4.03* (a) Without restriction or limitation upon the provisions of Section 4.01 of this Agreement, the Borrower shall establish and maintain a road fund to be used by its Department of Public Works exclusively to finance expenditures (other than expenditures to be financed out of the proceeds of the Credit) in respect of goods and services required to fulfill the Borrower's obligations under Section 4.04 of this Agreement.

(b) Pursuant to paragraph (a) of this Section, the Borrower shall not later than March 31, 1971 make an initial budgetary allocation to the Road Fund in an amount

equivalent to one million nine hundred thousand dollars (\$1,900,000), and thereafter shall at all times provide the Road Fund with amounts sufficient to finance the expenditures referred to in paragraph (a) of this Section as estimated on the basis of the work schedules relating thereto. To that end, (i) the Borrower shall annually allocate to the Road Fund such revenues from fuel taxes as shall be needed; and (ii) if said revenues shall not be sufficient, the Borrower shall take all such action as shall be necessary to increase the budgetary allocation relating to the Road Fund by means of fuel tax increases or otherwise.

(c) The Borrower shall maintain records adequate to reflect in accordance with consistently maintained sound accounting practices the operations and financial condition of the Road Fund.

*Section 4.04.* The Borrower shall: (i) cause its principal public roads to be adequately maintained and cause all necessary repairs thereof to be made, all in accordance with sound engineering practices; (ii) cause all of its road maintenance equipment to be adequately maintained and all necessary repairs and renewals thereof to be made, all in accordance with sound engineering practices; (iii) cause suitable workshops to be established and maintained in suitable places for the foregoing; and (iv) provide, promptly as needed, the funds, facilities, services and other resources required for the foregoing.

*Section 4.05.* (a) The Borrower shall take all necessary action to introduce and implement measures designed to ensure that the dimensions and axle-loads of vehicles using its public roads and bridges shall not exceed limits consistent with the structural and geometric design standards of such roads and bridges.

(b) The Borrower shall establish and maintain facilities adequate to collect and record, in accordance with appropriate statistical methods and procedures, such technical, economic and financial information as shall be reasonably required for proper planning of maintenance, improvements and extension of its public road system.

*Section 4.06.* The Borrower undertakes to insure or cause to be insured the imported goods to be financed out of the proceeds of the Credit against marine, transit and other hazards incident to the acquisition, transportation and delivery thereof to the place of use or installation, and for such insurance any indemnity shall be payable in a currency freely usable by the Borrower to replace or repair such goods.

*Section 4.07.* 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 to reflect, in accordance with consistently maintained sound accounting practices, the operations, administration and financial condition of the Road Fund and of any department or agency of the Borrower responsible for the carrying out of the Project or any part thereof or the maintenance of all works, facilities and equipment related thereto and shall enable the Association's representatives to inspect the Project, the goods and services financed out of the proceeds of the Credit and any relevant records and documents.

*Section 4.08.* (a) The Borrower and the Association shall cooperate fully to ensure that the purposes of the Credit will be accomplished. To that end, the Borrower and the Association shall from time to time at the request of either party, exchange views through their representatives with regard to: the performance by the Borrower of its obligations under this Development Credit Agreement, the administration, operations and financial condition of the Road Fund and of any department or agency of the Borrower responsible for the carrying out of the Project or any part thereof or the maintenance of all

works, facilities and equipment related thereto, and other matters relating to the purposes of the Credit.

(b) The Borrower shall furnish to the Association all such information as the Association shall reasonably request concerning: the expenditure of the proceeds of the Credit, the goods and services financed out of such proceeds, the Project, and the administration, operations and financial condition of the Road Fund and any department or agency of the Borrower responsible for the carrying out of the Project or any part thereof or the maintenance of all works, facilities and equipment related thereto.

(c) The Borrower shall promptly inform the Association of any condition which interferes with, or threatens to interfere with, the accomplishment of the purposes of the Credit or the maintenance of the service thereof or the performance by the Borrower of its obligations under this Development Credit Agreement. On the part of the Borrower, such information shall include information with respect to financial and economic conditions in the territories of the Borrower and the international balance of payments position of the Borrower.

(d) The Borrower shall afford all reasonable opportunity for accredited representatives of the Association to visit any part of the territories of the Borrower for purposes related to the Credit.

*Section 4.09.* (a) The principal of, and service charges on, the Credit shall be paid without deduction for, and free from, any taxes, and free from all restrictions, imposed under the laws of the Borrower or laws in effect in its territories.

(b) This Development Credit Agreement shall be free from any taxes that shall be imposed under the laws of the Borrower or laws in effect in its territories on or in connection with the execution, delivery or registration thereof.

#### *Article V.* REMEDIES OF THE ASSOCIATION

*Section 5.01.* If any event specified in Section 7.01 of the General Conditions or in Section 5.02 of this Development Credit Agreement shall occur and shall continue for the period, if any, therein set forth, then at any subsequent time during the continuance thereof, the Association, at its option, may by notice to the Borrower declare the principal of the Credit then outstanding to be due and payable immediately together with the service charges thereon and upon any such declaration such principal, together with such charges, shall become due and payable immediately, anything in this Development Credit Agreement to the contrary notwithstanding.

*Section 5.02.* For the purposes of Section 7.01 of the General Conditions, the following additional event is specified, namely:

The *ordonnances* and *décrets d'application* establishing and regulating the Road Fund, or any provision thereof, shall have been materially amended, suspended, abrogated, repealed or waived so as to adversely affect the performance by the Borrower of its obligations under Section 4.04 of this Development Credit Agreement.

#### *Article VI.* EFFECTIVE DATE; TERMINATION

*Section 6.01.* The following events are specified as additional conditions to the effectiveness of this Development Credit Agreement within the meaning of Section 10.01 (b) of the General Conditions:

(a) the Consultants have been employed; and

(b) the Borrower has established and regulated the Road Fund in accordance with Section 4.03 of this Development Credit Agreement.

*Section 6.02.* The following is specified as an additional matter, within the meaning of Section 10.02 (b) of the General Conditions, to be included in the opinion or opinions to be furnished to the Association, namely, that all action required for the establishment and regulation of the Road Fund has been duly and validly taken.

*Section 6.03.* The date of September 21, 1970 is hereby specified for the purposes of Section 10.04 of the General Conditions.

*Section 6.04.* The obligations of the Borrower under Section 4.03 of this Development Credit 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 June 30, 1975 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:

Ministre des Travaux Publics  
Bangui, Central African Republic  
Alternative address for cables:

Minitravaux  
Bangui

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.

Central African Republic:

By MICHEL GALLIN DOUATHE  
Authorized Representative

International Development Association:

By J. BURKE KNAPP  
Vice President

SCHEDULE 1  
ALLOCATION OF PROCEEDS OF CREDIT

<i>Category</i>	<i>Amounts Expressed in Dollar Equivalent</i>
<i>Part A of the Project</i>	
I. Procurement of equipment, spare parts and materials . . . . .	2,000,000
II. Consultants' services . . . . .	1,650,000
<i>Part B of the Project</i>	
III. Feasibility study and preliminary engineering . . . . .	200,000
<i>Part C of the Project</i>	
IV. Detailed engineering . . . . .	150,000
V. Unallocated . . . . .	300,000
<b>TOTAL</b>	<u><u>4,300,000</u></u>

REALLOCATION UPON CHANGE IN COST ESTIMATES

1. If the estimate of the cost of the items included in any of the Categories I to IV shall decrease, the amount of the Credit then allocated to, and no longer required for, such Category will be reallocated by the Association to Category V.

2. If the estimate of the cost of the items included in any of the Categories I to IV shall increase, an amount equal to the portion, if any, of such increase to be financed out of the proceeds of the Credit will be allocated by the Association, at the request of the Borrower, to such Category from Category V, subject, however, to the requirements for contingencies, as determined by the Association, in respect of the cost of the items in the other Categories.

SCHEDULE 2  
DESCRIPTION OF THE PROJECT

The Project consists of:

*Part A.*

A four-year program for improvement of road maintenance in the territories of the Borrower, including:

- (i) the procurement of maintenance equipment, spare parts and materials; and
- (ii) consultants' services;

*Part B.*

A feasibility study, including preliminary engineering, of the improvement of the about 156 km long road between Bangui and Bossembélé; and

*Part C.*

Detailed engineering and preparation of bidding documents for the improvement of the road referred to in Part B above, provided that the economic justification shall have been confirmed to the satisfaction of the Borrower and the Association.

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

SCHEDULE 3  
SUPPLEMENTARY PROCEDURES FOR PROCUREMENT OF GOODS

1. With respect to goods included in Category I of the allocation of the proceeds of the Credit referred to in Section 2.02 of this Development Credit Agreement, identical or similar



items to be procured shall be grouped together wherever practicable for the purposes of bidding and procurement, and such grouping of items shall be subject to the approval of the Association.

2. Whenever the cost of any goods or any group of goods shall not exceed the equivalent of \$10,000, the Borrower may, at its option, procure them on the basis of bidding limited to suppliers established within its territories; provided, however, that purchases made in accordance with such procedure shall not exceed, in the aggregate, the equivalent of \$200,000.

3. The interval between the invitation to bid and the opening of bids shall be not less than sixty days, except that in the case of goods referred to in paragraph 2 of this Schedule such interval shall be not less than thirty days.

4. Prior to the invitation to bid, the list of goods to be procured, including specifications, the estimated unit and total cost thereof, the grouping for the purposes of paragraph 1 of this Schedule, the proposed terms and conditions of the contract, information concerning the advertising coverage, all other tender documents and, in the case of goods referred to in paragraph 2 of this Schedule, the names of the proposed suppliers, shall be submitted to the Association for its approval.

5. Before awarding any contract, the Borrower shall submit to the Association for its approval an abstract of the bids received and the Consultants' evaluation of such bids as well as the Consultants' and the Borrower's proposal concerning the contract and the award. The Borrower shall send to the Association a copy of its decision on the award. The evaluation of bids shall be made on the basis of c.i.f. costs at Bangui minus the estimated amount of all taxes which would be levied by any state member of the Central African Economic and Customs Union (C.A.E.C.U.) on or in connection with the importation of goods. The contract shall be awarded to the bidder offering the lowest evaluated bid determined to be the most favorable in regard to technical and financial considerations and practices. Within 28 working days after receiving notice of the Association's approval required herein, the Borrower shall award the contract. One signed or certified copy of the contract shall be sent to the Association promptly upon its execution.

6. Whenever a contract under the Project is awarded to a supplier not registered in the territories of the Borrower, the accomplishment by such supplier of all formalities which may be required to enable it to carry out such contract shall be facilitated by the Borrower.

#### SCHEDULE 4

##### SUPPLEMENTARY PROCEDURES FOR EMPLOYMENT OF THE CONSULTANTS

1. In connection with employment of the Consultants, the following documents shall be submitted to the Association for approval:

- (a) the terms of reference and invitation for proposals;
- (b) the Consultants' proposals, their evaluation and recommended selection; and
- (c) the Consultants' draft contract.

As soon as a contract has been executed, one signed or certified copy thereof shall be sent to the Association.

2. Whenever a contract under the Project is awarded to a consultant not registered in the territories of the Borrower, the accomplishment by such consultant of all formalities which may be required to enable it to carry out such contract shall be facilitated by the Borrower.

##### 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.*]