

No. 12192

**INTERNATIONAL DEVELOPMENT ASSOCIATION
and
CHAD**

Development Credit Agreement—*Livestock Development Project* (with schedules and General Conditions Applicable to Development Credit Agreements). Signed at Washington on 31 May 1972

Authentic text: English.

Registered by the International Development Association on 27 December 1972.

**ASSOCIATION INTERNATIONALE
DE DÉVELOPPEMENT
et
TCHAD**

Contrat de crédit de développement — *Projet relatif à l'amélioration du cheptel* (avec annexes et Conditions générales applicables aux contrats de crédit de développement). Signé à Washington le 31 mai 1972

Texte authentique: anglais.

Enregistré par l'Association internationale de développement le 27 décembre 1972.

DEVELOPMENT CREDIT AGREEMENT¹

AGREEMENT, dated May 31, 1972, between REPUBLIC OF CHAD (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, subject, however, to the deletion of Sections 5.01 and 6.02 (*h*) thereof and to the renumbering of Section 6.02 (*i*) into 6.02 (*h*) 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 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*) "Livestock Development Unit" and the letters LDU mean the special unit established within the Direction de l'Élevage du Ministère de l'Élevage et de la Commercialisation des Produits Animaux, des Eaux et Forêts, Pêches et Chasses of the Borrower, for the purpose of evaluating the results of the current well program and preparing development plans for the livestock sector;

(*b*) "Ministry of Livestock" means the Ministère de l'Élevage et de la Commercialisation des Produits Animaux, des Eaux et Forêts, Pêches et Chasses of the Borrower;

(*c*) The letters "UNDP" mean the United Nations Development Programme;

(*d*) "FAC technical assistance program" means the program to be undertaken by the Fonds d'Aide et de Coopération de la République Française for the purpose of providing the Borrower with technical assistance for its livestock services.

(*e*) "Ministry of Rural Development" means the Ministère de l'Aménagement du Territoire et de l'Habitat of the Borrower.

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 two million and two hundred thousand dollars (\$2,200,000).

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 Development

¹ Came into force on 28 November 1972, upon notification by the Association to the Government of Chad.

² See p. 95 of this volume.

Credit 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 Development Credit Agreement and to be financed under this 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 goods included in Category III of the table in paragraph 1 of Schedule 1 to this Development Credit Agreement and the 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 under procedures consistent with the *Guidelines for Procurement under World Bank Loans and IDA Credits*, published by the Bank in August 1969, as revised in May 1971, and in accordance with, and subject to, the provisions set forth in Schedule 3 to this Development Credit Agreement.

Section 2.04. The Closing Date shall be June 30, 1975 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 June 1 and December 1 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 June 1 and December 1 commencing June 1, 1982 and ending December 1, 2021, each installment to and including the installment payable on December 1, 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 2.08. The currency of United States of America 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 with due diligence and efficiency and in conformity with sound administrative, financial and technical practices, and shall provide, promptly as needed, the funds, facilities, services and other resources required for the purpose.

Section 3.02. (a) In order to assist the Borrower in carrying out Part D of the Project, the Borrower shall employ consultants acceptable to the Association to an extent and upon terms and conditions satisfactory to the Association.

(b) If the FAC technical assistance program has not been undertaken before this Development Credit Agreement has come into force and effect, in order to assist the Borrower in carrying out Parts A, B and C of the Project, the Borrower shall employ consultants acceptable to the Association upon terms and conditions acceptable to the Association.

Section 3.03. In carrying out Parts A and B of the Project, the Borrower shall employ or cause to be employed the contractors already agreed upon with the Association or other contractors acceptable to the Association upon the terms and conditions already approved by the Association or upon other 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 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.

Section 3.05. (a) The Borrower shall furnish to the Association, promptly upon their preparation, the plans, specifications, reports, contract documents and work and procurement schedules for the Project, and any material modifications thereof 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 or cause to be taken all such actions as shall be necessary to acquire as and when needed all such land and rights in respect of land as shall be required for the construction and operation of the wells included in Part A of the Project and shall furnish to the Association, promptly after such acquisition, evidence satisfactory to the Association that such land and rights in respect of land are available for purposes related to the Project.

Section 3.07. The Borrower shall cause: (a) LDU to (i) function under terms and conditions to be agreed upon from time to time by the Borrower and the Association and (ii) submit progress reports every three months to UNDP and the Association; and

(b) the Ministry of Livestock to convene every three months a meeting with the Ministère des Finances, the Ministère du Plan et des Aides Extérieures and the Ministry of Rural Development (Service du Génie Rural) for the purpose of (i) reviewing the work of LDU on the basis of the terms and conditions referred to in subparagraph (a) (i) of this Section, and (ii) making appropriate recommendations thereafter.

Article IV. OTHER COVENANTS

Section 4.01. (a) 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 the departments or agencies of the Borrower responsible for carrying out the Project or any part thereof.

(b) The Borrower shall (i) maintain the Borrower's regulations established for the purpose of auditing the records referred to in Section 3.05 (b) of this Development Credit Agreement; (ii) audit such records according to such regulations; (iii) furnish to the Association as soon as available, but in any case not later than four months after the end of each fiscal year, the report of such audit, of such scope and in such detail as the Association shall have reasonably requested; and (iv) furnish to the Association such other information concerning such records and the audit thereof as the Association shall from time to time reasonably request.

Section 4.02. The Borrower shall, at all times, maintain and repair or cause to be maintained and repaired the wells included or referred to in Parts A, B and C of the Project.

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 this Development Credit Agreement, the administration and operations, 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, in respect of the Project, of the departments or agencies of the Borrower responsible for carrying out the Project or any part thereof.

(b) The Borrower and the Association shall promptly inform each other 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 either of them of its obligations under this 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. This 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 this Development Credit Agreement notwithstanding.

Article VIII. TERMINATION

Section 8.01. The date of September 28, 1972, is hereby specified for the purposes of Section 10.04 of the General Conditions.

Section 8.02. The obligations of the Borrower under Section 4.02 of this Development Credit Agreement shall cease and determine on the date on which this Development Credit Agreement shall terminate or on a date thirty years after the date of this Development Credit Agreement, whichever shall be the earlier.

Article IX. REPRESENTATIVE OF THE BORROWER; ADDRESSES

Section 9.01. The *Ministre du Plan et des Aides Extérieures* 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:

Le Ministère du Plan et des Aides Extérieures
B.P. 286
Fort Lamy
Republic of Chad

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 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 Chad:
By LAZARE MASSIBE
Authorized Representative

International Development Association:
By A. BROCHES
General Counsel

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. New Wells	490,000	70% of total expenditures
II. Well Repair and Renovation	255,000	70% of total expenditures
III. Engineering Consultants' Fees for Parts A, B and C of the Project	170,000	75% of total expenditures
IV. Vehicles, equipment and spare parts for well maintenance	300,000	80% of total expenditures
V. Well Maintenance Units		
(a) Technical Assistance	130,000	100% of total expenditures
(b) Operating Expenses from 1st month through 12th month inclusive	110,000	100% of total expenditures
(c) Operating Expenses from 13th month through 24th month inclusive	55,000	50% of total expenditures
VI. Technical Assistance for Part D of the Project	190,000	76% of total expenditures (representing the estima- ted foreign expenditure component)
VII. Unallocated	500,000	
TOTAL	<u>2,200,000</u>	

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

- (a) expenditures incurred prior to February 1, 1972; 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.

3. 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; and
- (c) if the Association shall have reasonably determined that the procurement of any item in any Category is inconsistent with the procedures set forth or referred to in Section 2.03 of this Development Credit Agreement, no expenditures for such item shall be financed out of the proceeds of the Credit and the Association may, without in any way restricting or limiting any other right, power or remedy of the Association under this Development Credit Agreement, by notice to the Borrower, cancel such amount of the Credit as in the Association's reasonable opinion, represents the amount of such expenditures which would otherwise have been eligible for financing out of the proceeds of the Credit.

4. Notwithstanding the percentages set forth in the third column of the table in paragraph 1 above, if the estimate of total expenditures under any Category 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. construction of 38 open concrete wells in Guetty and Harr in the Batha prefecture;
- B. repair and renovation of 102 existing wells in the southern part of the Batha prefecture;
- C. establishment of two units in the Ministry of Rural Development to maintain 821 concrete wells; and
- D. the carrying out by LDU of studies on:
 - (1) a comprehensive countrywide livestock development program;
 - (2) improvement of water drawing from greater depths;
 - (3) establishment of stock routes; and

(4) identification and preparation of projects for livestock development.

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

SCHEDULE 3

PROCUREMENT

1. With respect to any contract for the construction or renovation of wells estimated to cost the equivalent of \$300,000 or more:

(a) If contractors are required to prequalify, the Borrower shall, before prequalification 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 contractors, together with a statement of their qualifications and of the reasons for the exclusion of any applicant for prequalification, 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 procedures 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 (b) of this Development Credit 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 intended award. The Association shall, if it determines that the intended award would be inconsistent with the procedures set forth or referred to in Section 2.03 of this Development Credit Agreement, promptly inform the Borrower and state the reasons for such determination.

(d) The terms and conditions of the contract shall not, without the Association's concurrence, materially differ from those on which bids were asked.

(e) Two conformed 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, 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, together with the analysis of bids, recommendations for award and such other information as the Association shall reasonably request. The Association shall, if it determines that the award of the contract is not consistent with the procedures set forth or referred to in Section 2.03 of this Development Credit Agreement, promptly inform the Borrower and state the reasons for such determination.

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.*]