

No. 10285

**INTERNATIONAL DEVELOPMENT ASSOCIATION
and
PEOPLE'S REPUBLIC OF THE CONGO**

**Development Credit Agreement—*Highway Engineering Project*
(with annexed General Conditions Applicable to Development
Credit Agreements). Signed at Washington on 26 May 1969**

Authentic text: English.

Registered by the International Development Association on 3 February 1970.

**ASSOCIATION INTERNATIONALE
DE DÉVELOPPEMENT
et
RÉPUBLIQUE POPULAIRE DU CONGO**

**Contrat de crédit de développement — *Projet relatif à la construc-
tion routière* (avec, en annexe, les Conditions générales
applicables aux contrats de crédit de développement). Signé
à Washington le 26 mai 1969**

Texte authentique : anglais.

Enregistré par l'Association internationale de développement le 3 février 1970.

DEVELOPMENT CREDIT AGREEMENT ¹

AGREEMENT, dated May 26, 1969, between the REPUBLIC OF THE CONGO (hereinafter called the Borrower) and INTERNATIONAL DEVELOPMENT ASSOCIATION (hereinafter called the Association).

WHEREAS by arrangements dated March 17, 1967, ² the Bank granted to the Borrower the equivalent of \$185,000 to finance the foreign exchange cost of preliminary engineering and economic feasibility studies of two sections of the Komono-Zanaga Road and of the Komono-Sibiti Road;

WHEREAS the Borrower has requested the Association to make available a development credit to assist in financing the detailed engineering and related studies of the roads described in Schedule 3 to this Agreement, and the Association is willing to make a development credit to the Borrower for the said purpose on the terms and conditions hereinafter set forth;

WHEREAS any financing so provided by the Association would be refunded, if the Association so requests, out of the proceeds of any credit by the Association or loan by the International Bank for Reconstruction and Development which may later be granted to the Borrower for the construction of the roads so to be engineered;

NOW THEREFORE the parties hereto hereby agree as follows:

Article I

GENERAL CONDITIONS

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 ³ (said General Conditions Applicable to

¹ Came into force on 15 August 1969 upon notification by the Association to the Government of the People's Republic of the Congo.

² United Nations, *Treaty Series*, vol. 632, p. 185.

³ See p. 282 of this volume.

Development Credit Agreements being hereinafter called the General Conditions), with the same force and effect as if they were fully set forth herein.

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.

Article II

THE CREDIT

Section 2.01. The Association agrees to lend to the Borrower, on the terms and conditions in this Agreement set forth or referred to, an amount in various currencies equivalent to six hundred and thirty thousand dollars (\$630,000).

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 Credit 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 I 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, 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. (a) No withdrawal shall be made on account of expenditures for goods produced in, or services supplied from, the territories of the Borrower, or for taxes imposed by the Borrower or any of its political subdivisions on, or in connection with the importation or supply of, goods or services required for the Project and to be financed under this Development Credit Agreement.

(b) Pursuant to Section 5.01 of the General Conditions it is hereby agreed that withdrawals from the Credit Account may be made on account of expenditures made prior to the date of this Agreement but after February 28, 1969.

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 ($\frac{3}{4}$ 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 April 15 and October 15 in each year.

Section 2.08. The Borrower shall repay the principal amount of the Credit withdrawn from the Credit Account in accordance with the Amortisation Schedule set forth in Schedule 2 to this Agreement.

Article III

USE OF PROCEEDS OF THE CREDIT

Section 3.01. The Borrower shall cause the proceeds of the Credit to be applied in accordance with the provisions of this Agreement to expenditures on the Project, described in Schedule 3 to this Agreement.

Section 3.02. Except as the Association shall otherwise agree, the services to be financed out of the proceeds of the Credit shall be procured according to the procedures set forth in *Uses of Consultants by the World Bank and its Borrowers*, published by the Bank in September 1966,

Section 3.03. Except as the Association shall otherwise agree, the Borrower shall cause all goods and services financed out of the proceeds of the Credit to be used exclusively in the carrying out of the Project.

Article IV

PARTICULAR COVENANTS

Section 4.01. (a) The Borrower shall carry out the Project with due diligence and efficiency and in conformity with sound engineering, administrative and financial practices, and in accordance with design standards satisfactory to the Association, and shall provide, promptly as needed, the funds, facilities, services and other resources required for the purpose.

(b) (i) In carrying out the Project, the Borrower shall employ competent and experienced Consultants acceptable to the Association to an extent, and under such contracts and terms of reference, as shall be satisfactory to the Association; (ii) the Borrower shall not amend, assign, waive, suspend or terminate any contract entered into pursuant to this paragraph so as to substantially affect the carrying out of the Project, without the prior agreement of the Association.

(c) The Borrower shall promptly furnish to the Association (i) a description of the overall planning and the work schedules for the Project and any material modifications subsequently made therein, in such detail as the Association shall request; and (ii) copies of the documents prepared under the Project including any reports, studies, plans, designs, specifications, construction schedules and estimates of costs, as well as any documents required for prequalification of bidders and for international competitive bidding in respect of the construction contracts for the roads specified in Schedule 3 to this Agreement.

Section 4.02. 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 any department or agency of the Borrower, including the Régie Nationale des Transports et des Travaux Publics, responsible for the carrying out of the Project or any part thereof and 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.

Section 4.03. (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 any department or agency of the Borrower, including the Régie Nationale des Transports et des Travaux Publics, responsible for the carrying out of the Project or any part thereof 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 any department or agency of the Borrower, including the Régie Nationale des Transports et des Travaux Publics, responsible for the carrying out of the Project or any part thereof.

(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 4.04. The Borrower shall establish and maintain facilities adequate to collect and record, in accordance with appropriate statistical methods and procedures, 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 public roads system.

Section 4.05. (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) The Development Credit Agreement shall be free from any taxes that shall be imposed under the laws of the Borrower or laws in effect in its territories on or in connection with the execution, delivery or registration thereof.

Section 4.06. The Borrower undertakes that the construction of (i) the road between Sibiti and the Congo-Ocean Railway, and (ii) the road Pointe Noire-Bondi, shall be carried out in accordance with design standards satisfactory to the Association.

Article V

REMEDIES OF THE ASSOCIATION

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

Article VI

MISCELLANEOUS

Section 6.01. The Closing Date shall be March 31, 1971 or such other date as shall be agreed between the Borrower and the Association.

Section 6.02. The date August 18, 1969 is hereby specified for the purposes of Section 10.04 of the General Conditions.

Section 6.03. The following addresses are specified for the purposes of Section 9.01 of the General Conditions:

For the Borrower:

Le Ministre des Finances de la République du Congo
Brazzaville, République du Congo

Cable address:

Minifinances
Brazzaville

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.

Section 6.04. The *Ministre des Finances* of the Borrower is designated as representative of the Borrower for the purposes of Section 9.03 of the General Conditions.

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 the Congo :
By Adrien BAKALA
Authorized Representative

International Development Association :
By Simon ALDEWERELD
Vice President

SCHEDULE 1

ALLOCATION OF PROCEEDS OF CREDIT

<i>Category</i>	<i>Amounts Expressed in Dollar Equivalent</i>
I. Consulting services for the Sibiti-Zanaga Road . . .	330,000
II. Consulting services for the Pointe Noire-Bondi Road	50,000
III. Consulting services for the Road Maintenance Organization	175,000
IV. Unallocated	75,000
TOTAL	630,000

REALLOCATION UPON CHANGE IN COST ESTIMATES

1. If the estimate of the cost of the items included in any of the Categories I to III 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 IV.

2. If the estimate of the cost of the items included in any of the Categories I to III 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 IV, 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

AMORTIZATION SCHEDULE

<i>Date Payment Due</i>	<i>Payment of Principal (expressed in dollars)</i>	<i>Date Payment Due</i>	<i>Payment of Principal (expressed in dollars)</i>
October 15, 1971.	39,375	October 15, 1975.	39,375
April 15, 1972	39,375	April 15, 1976	39,375
October 15, 1972.	39,375	October 15, 1976.	39,375
April 15, 1973	39,375	April 15, 1977	39,375
October 15, 1973.	39,375	October 15, 1977.	39,375
April 15, 1974	39,375	April 15, 1978	39,375
October 15, 1974.	39,375	October 15, 1978.	39,375
April 15, 1975	39,375	April 15, 1979	39,375

SCHEDULE 3

DESCRIPTION OF PROJECT

The Project consists of the following:

- (a) For the Sibiti-Zanaga Road (143,5 km):
the detailed engineering and the preparation of tender documents;
- (b) For the Pointe Noire-Bondi Road (43 km):
 - (i) an economic feasibility study;
 - (ii) on the basis of the finding of the study in (i) above, the completion of detailed engineering and tender documents;
- (c) For the Road Maintenance Organization:
 - (i) the study of a comprehensive program for the maintenance of the national highway system of the Borrower;

- (ii) the study of detailed planning for the reorganization and strengthening of the road maintenance organization of the Régie Nationale des Transports et des Travaux Publics.

The Project is expected to be completed by September 30, 1970.

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. 269.*]