

No. 11614

INTERNATIONAL DEVELOPMENT ASSOCIATION
and
CONGO

Development Credit Agreement—*Highway Improvement Project* (with schedules and General Conditions Applicable to Development Credit Agreements). Signed at Washington on 28 May 1970

Authentic text : English.

Registered by the International Development Association on 6 March 1972.

ASSOCIATION INTERNATIONALE
DE DÉVELOPPEMENT
et
CONGO

Contrat de crédit de développement — *Projet relatif à l'amélioration du réseau routier* (avec annexes et Conditions générales applicables aux contrats de crédit de développement). Signé à Washington le 28 mai 1970

Texte authentique : anglais.

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

DEVELOPMENT CREDIT AGREEMENT¹

AGREEMENT, dated May 28, 1970, between PEOPLE'S REPUBLIC OF THE CONGO (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 (said General Conditions Applicable to Development Credit Agreements of the Association being hereinafter called the General Conditions).

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 one million five hundred thousand dollars (\$1,500,000).

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(b) The amount of the Credit may be withdrawn from the Credit Account as provided in, and subject to the rights of cancellation and suspension set forth in, this Development Credit Agreement and in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 1 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

¹ Came into force on 19 October 1970, upon notification by the Association to the Government of the Congo.

² See p. 274 of this volume.

Account in respect of the reasonable cost of goods or services required for the Project and to be financed under this Development Credit Agreement :

- (i) such amounts as shall have been paid (or, if the Association shall so agree, shall be required to meet payments to be made) for goods or services included in Categories II and III of the allocation of the proceeds of the Credit referred to in Section 2.02 of this Agreement; and
- (ii) the equivalent of seventy per cent (70%) of such amounts as shall have been paid (or, if the Association shall so agree, shall be required to meet payments to be made) for goods or services included in Category I of the allocation of the proceeds of the Credit referred to in Section 2.02 of this Agreement, which percentage represents the estimated foreign exchange component of the cost of such goods or services;

provided, however, that if there shall be an increase in the estimate of such payments for goods or services included in Category I, the Association may by notice to the Borrower adjust the stated percentage applicable to such Category as required in order that withdrawals of the amount of the Credit then allocated to such Category and not withdrawn may continue *pro rata* with the payments remaining to be made for goods or services included in such Category.

Section 2.04. No withdrawals from the Credit Account shall be made on account of payments for goods produced in, or services supplied from, the territories of the Borrower and to be financed under Category II of the allocation of the proceeds of the Credit referred to in Section 2.02 of this Agreement, 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 included in Category III of said allocation of the proceeds of the Credit.

Section 2.05. The currency of the United States of America 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 May 15 and November 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 May 15 and November 15 commencing November 15, 1980 and ending May 15, 2020, each installment to and including the installment payable on May 15, 1990

to be one-half of one per cent ($\frac{1}{2}$ of 1%) of such principal amount, and each installment thereafter to be one and one-half per cent ($1\frac{1}{2}\%$) of such principal amount.

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

(b) In order to assist the Borrower in carrying out the Project, the Borrower shall employ engineering consultants acceptable to the Association upon terms and conditions satisfactory to the Association.

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

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

(e) The general design standards to be used in carrying out the Project shall be as set forth in Schedule 4 to this Agreement, as such standards may be modified from time to time by agreement between the Borrower and the Association.

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. 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.

(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.

(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. Upon receipt by the Borrower of the recommendations for the improvement of road maintenance to be prepared by the consultants referred to in Section 4.01 (b) of the Development Credit Agreement dated May 26, 1969 between the Borrower and the Association, the Borrower and the Association shall exchange views thereon with a view to agreeing upon a schedule for the implementation of a program to improve the organization, planning and execution of road maintenance operations in the territories of the Borrower.

Section 4.06. (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.

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

EFFECTIVE DATE; TERMINATION

Section 6.01. The following event is specified as an additional condition to the effectiveness of this Development Credit Agreement within the meaning of Section 10.01 (b) of the General conditions, namely :

The consultants referred to in paragraph (b) of Section 4.01 of this Development Credit Agreement shall have been employed.

Section 6.02. The date of September 1, 1970 is hereby specified for the purposes of Section 10.04 of the General Conditions.

Section 6.03. The obligations of the Borrower under Section 4.05 of this Agreement shall terminate on the date on which this Development Credit Agreement shall terminate or on a date ten 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, 1973 or such other date as shall be agreed between the Borrower and the Association.

Section 7.02. 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.

Section 7.03. 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 populaire du Congo
Brazzaville, République populaire du Congo

Alternative address for cables :

Minifinances
Brazzaville

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.

People's Republic of the Congo :

By LUC MARSALA

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. Improvement of the Pointe-Noire-Makola Road	1,100,000
II. Consultants' services for supervision	140,000
III. Subsistence allowance for consultants	30,000
IV. Unallocated	230,000
TOTAL	<u>1,500,000</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 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 (or, in the case Category I, an amount equal to 70% of such increase) 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

DESCRIPTION OF PROJECT

The Project consists of :

- (1) the improvement of 34.1 km of road from Pointe Noire to Makola; and
- (2) supervision by consultants of the civil works included in (1) above.

The Project is expected to be completed by August 31, 1972.

SCHEDULE 3

PROCUREMENT

The following procurement procedures will be applied for the selection of firms and for the award of contracts with respect to goods and services included in the

allocation of proceeds of the Credit referred to in Section 2.02 of this Agreement :

1. The goods and services included in Category I of the aforesaid allocation shall be awarded in one contract. The list of contractors to be invited to bid will be determined by the Borrower through prequalification after broad call to international competition. The prequalification of contractors and the award of the contract will be in accordance with the procedures set forth in the *Guidelines for Procurement under World Bank Loans and IDA Credits*, dated August 1969, and with the following supplemental procedures :

(a) Prior to inviting application for prequalification the Borrower shall submit to the Association for its approval information concerning the advertising coverage and prequalification procedures.

(b) The time interval between the invitation to submit application for the prequalification and the closing date for receiving such application will not be less than forty-five (45) days.

(c) Before inviting bids, the Borrower will submit to the Association for its approval the list of firms from whom applications were received, the Borrower's evaluation thereof and the list of firms prequalified for the bidding. No later than thirty (30) days after obtaining the Association's approval required herein, the Borrower shall invite prequalified firms to submit bids.

(d) The time interval between the invitation to bid and the opening of the bids will not be less than sixty (60) days. During this period an opportunity will be afforded to the contractors to visit the site and to meet and discuss with the Régie Nationale des Transports et des Travaux Publics any question concerning contract works.

(e) Before awarding any contracts, the Borrower will submit to the Association for its approval an abstract and an evaluation of the bids received and the Borrower's proposal concerning the contract and the award. The Borrower shall employ consultants to assist in evaluating said bids. The contract will 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. The Borrower shall award the contract no later than sixty (60) days after obtaining the Association's approval required herein, and shall send two conformed copies thereof to the Association promptly upon its execution and prior to the first application for withdrawal of funds from the Credit Account in respect of such contract.

(f) The bidding documents shall state that the goods required for the works included in Category I of the above-mentioned allocation of proceeds shall be imported free from customs duties and taxes. Consequently, the bidders must submit a schedule of unit prices excluding such customs duties and taxes. The evaluation of bids and the selection of a contractor shall be made on the basis of such schedules of unit prices.

(g) The successful contractor will furnish a performance bond in an amount equal to the contract price or a bank guarantee equal to 10% of such price. In addition, the contract will provide (i) for the retention of 10% of the amount paid under each monthly invoice until an amount equal in the aggregate to 5% of the contract price

will have been retained, or (ii) for a bank guarantee equal to 5% of the contract price. Any amounts thus retained or guaranteed will remain in effect as a guarantee against defective work until one year after completion of the contract.

2. The consultants to be engaged for carrying out the supervision of the civil works included in the Project shall be employed in accordance with the *Guidelines for Uses of Consultants by the World Bank and its Borrowers*, dated September 1966, and with the following additional procedures :

(a) Prior to selecting the consultants, the Borrower will submit its choice to the Association for approval.

(b) The draft contract of employment will be communicated to the Bank for approval before its signature.

SCHEDULE 4

DESIGN STANDARDS

Design speed (km/h)	100	(exceptionally 85)
Minimum radius of horizontal curves (m)	500	(exceptionally 300)
Maximum grades (%)	6	(exceptionally 8 in the Pointe-Noire to Makola direction)
Platform width (m)	11	
Pavement width (m)	7	
Shoulder width (m)	2	
Pavement design axle load (ton) . .	13	

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.*]