No. 7193

INTERNATIONAL DEVELOPMENT ASSOCIATION
and
TANGANYIKA

Development Credit Agreement—*School Construction and Equipment Project* (with related letters and annexed Development Credit Regulations No. 1). Signed at Washington, on 19 December 1963

Official text: English.

Registered by the International Development Association on 2 April 1964.

ASSOCIATION INTERNATIONALE DE DÉVELOPPEMENT
et
TANGANYIKA

Contrat de crédit de développement — *Projet de construction d'écoles et d'achat de matériel scolaire* (avec lettres relatives et, en annexe, le Règlement nº 1 sur les crédits de développement). Signé à Washington, le 19 décembre 1963

Texte officiel anglais.

Enregistré par l'Association internationale de développement le 2 avril 1964.

No. 7193. DEVELOPMENT CREDIT AGREEMENT[1] (*SCHOOL CONSTRUCTION AND EQUIPMENT PROJECT*) BETWEEN THE REPUBLIC OF TANGANYIKA AND THE INTERNATIONAL DEVELOPMENT ASSOCIATION. SIGNED AT WASHINGTON, ON 19 DECEMBER 1963

AGREEMENT, dated December 19, 1963, between the REPUBLIC OF TANGANYIKA (hereinafter called the Borrower) and INTERNATIONAL DEVELOPMENT ASSOCIATION (hereinafter called the Association).

WHEREAS the Borrower has requested the Association to assist in financing a project for the construction and equipping of secondary schools which forms part of a five-year program for the development of education at the secondary level ; and

WHEREAS the Association has agreed to make a Credit to the Borrower upon the terms and conditions hereinafter set forth ;

NOW THEREFORE, it is hereby agreed as follows :

Article I

CREDIT REGULATIONS

Section 1.01. The parties to this Agreement accept all the provisions of Development Credit Regulations No. 1 of the Association dated June 1, 1961[2] (said Development Credit Regulations No. 1 being hereinafter called the Regulations) with the same force and effect as if they were fully set forth herein.

Article II

THE CREDIT

Section 2.01. The Association agrees to make available to the Borrower, on the terms and conditions in this Agreement set forth or referred to, a development credit in an amount in various currencies equivalent to four million six hundred thousand dollars ($4,600,000).

[1] Came into force on 4 March 1964, upon notification by the Association to the Government of Tanganyika.

[2] See p. 258 of this volume.

Section 2.02. 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. 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 Agreement and the Regulations.

Section 2.03. The Borrower shall be entitled, subject to the provisions of this Agreement and the Regulations, to withdraw from the Credit Account (i) the equivalent of such percentage as may from time to time be agreed between the Borrower and the Association of such amounts as shall have been paid for the reasonable cost of goods to be financed under this Credit Agreement ; and (ii) if the Association shall so agree, the equivalent of a like percentage of such amounts as shall be required to meet payments to be made for the reasonable cost of such goods.

Except as the Borrower and the Association shall otherwise agree, no additional withdrawals shall be made as a result of an increase (if any) in the percentages referred to in the preceding paragraph on account of expenditures which have been used previously as the basis for withdrawals pursuant to this Agreement and no withdrawals shall be made on account of expenditures prior to January 1, 1963.

Section 2.04. Withdrawals from the Credit Account shall be in such freely convertible currency or currencies as the Association shall from time to time reasonably select.

Section 2.05. 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. The Borrower shall also pay to the Association a service charge at the same rate on the principal amount outstanding of any special commitment entered into by the Association pursuant to Section 4.02 of the Regulations.

Section 2.06. Service charges shall be payable semi-annually on May 15 and November 15 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 May 15 and November 15 commencing November 15, 1973 and ending May 15, 2013, each installment to and including the installment payable on May 15, 1983, 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 cause the proceeds of the Credit to be applied exclusively to financing the cost of goods required to carry out the Project described in the Schedule[1] to this Agreement. The specific goods to be financed out of the proceeds of the Credit and the methods and procedures for procurement of such goods shall be determined by agreement between the Borrower and the Association, subject to modification by further agreement between them.

Article IV

PARTICULAR COVENANTS

Section 4.01. (*a*) The Borrower shall cause the Project to be carried out with due diligence and efficiency, in conformity with sound technical standards and with due regard to economy, and the schools included in the Project to be operated in accordance with sound educational practices.

(*b*) The Borrower shall cause the schools and equipment included in the Project to be adequately maintained and shall cause from time to time all necessary renewals and repairs to be made thereof.

(*c*) The Borrower shall cause to be furnished to the Association promptly upon their preparation, the architects' briefs, designs, specifications, contracts and work schedules for the Project and any material modifications subsequently made therein, in such detail as the Association shall request.

(*d*) The architects' briefs, designs, specifications, tender and contract documents and work schedules in connection with the construction of the new schools referred to in paragraph (*b*) of the Schedule to this Agreement shall be satisfactory to the Association.

(*e*) The Borrower shall at all times make or cause to be made available promptly as needed all sums which shall be required for the carrying out of the Project.

(*f*) The Borrower shall maintain or cause to be maintained records adequate to identify the goods 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 and financial condition of the ministries or departments of the Borrower responsible for the carrying out of the Project or any part thereof ; shall enable the Association's representatives to inspect the Project, the goods and any relevant records and documents ; and shall furnish or cause to be furnished to the Association all such information as the Association shall reasonably request concerning the expenditure of the proceeds of the Credit, the Project, the goods and the operations and financial condition with respect to the Project of the ministries or departments of the Borrower responsible for the carrying out of the Project or any part thereof.

[1] See p. 252 of this volume.

Section 4.02. (*a*) The Borrower shall furnish or cause to be furnished to the Association all such information as the Association shall reasonably request with regard to the operation of the school system of the Borrower and its programs for educational development.

(*b*) The Borrower shall furnish or cause to be furnished to the Association, from time to time upon their preparation, any programs for the construction of new schools and the expansion of existing schools in its territories and shall afford the Association an opportunity to exchange views with the Borrower with respect thereto.

Section 4.03. (*a*) The Borrower and the Association shall cooperate fully to assure that the purposes of the Credit will be accomplished. To that end, each of them shall 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.

(*b*) The Borrower and the Association shall from time to time exchange views through their representatives with regard to matters relating to the purposes of the Credit and the maintenance of the service thereof. 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.

(*c*) 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 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.

Section 4.05. This 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. Except as shall be otherwise agreed between the Borrower and the Association, the Borrower shall insure or cause to be insured with responsible insurers all goods financed out of the proceeds of the Loan which are to be imported into its territory. Such insurance shall cover such marine, transit and other hazards incident to purchase and importation of the goods into the territory of the Borrower, and shall be for such amounts, as shall be consistent with sound commercial practices. Such insurance shall be payable in dollars or in the currency in which the cost of the goods insured thereunder shall be payable.