

No. 7797

**INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
and
GABON**

Loan Agreement—*Road Project* (with annexed Loan Regulations No. 3). Signed at Washington, on 10 July 1964

Official text: English.

*Registered by the International Bank for Reconstruction and Development on
2 June 1965.*

**BANQUE INTERNATIONALE POUR
LA RECONSTRUCTION ET LE DÉVELOPPEMENT
et
GABON**

Contrat d'emprunt — *Projet relatif au réseau routier* (avec, en annexe, le Règlement n° 3 sur les emprunts). Signé à Washington, le 10 juillet 1964

Texte officiel anglais.

*Enregistré par la Banque internationale pour la reconstruction et le développement le
2 juin 1965.*

NO. 7797. LOAN AGREEMENT¹ (*ROAD PROJECT*) BETWEEN
THE REPUBLIC OF GABON AND THE INTERNATIONAL
BANK FOR RECONSTRUCTION AND DEVELOPMENT.
SIGNED AT WASHINGTON, ON 10 JULY 1964

AGREEMENT, dated July 10, 1964, between REPUBLIC OF GABON (hereinafter called the Borrower) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (hereinafter called the Bank).

Article I

LOAN REGULATIONS

Section 1.01. The parties to this Loan Agreement accept all the provisions of Loan Regulations No. 3 of the Bank dated February 15, 1961,² subject, however, to the modifications thereof set forth in Section 1.02 of this Agreement (said Loan Regulations No. 3 as so modified being hereinafter called the Loan Regulations), with the same force and effect as if they were fully set forth herein.

Section 1.02. For the purposes of this Agreement the provisions of the Loan Regulations shall be deemed to be modified as follows :

(a) The second sentence of Section 3.02 shall apply only to withdrawals pursuant to Section 2.03 (b) of this Agreement.

(b) Section 4.01 is deleted.

Article II

THE LOAN

Section 2.01. The Bank 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 twelve million dollars (\$12,000,000).

Section 2.02. The Bank shall open a Loan Account on its books in the name of the Borrower and shall credit to such Account the amount of the Loan.

¹ Came into force on 9 February 1965 upon notification by the Bank to the Government of Gabon.

² See p. 78 of this volume.

The amount of the Loan may be withdrawn from the Loan Account as provided in, and subject to the rights of cancellation and suspension set forth in, the Loan Agreement.

Section 2.03. Except as the Bank shall otherwise agree, the Borrower shall be entitled, subject to the provisions of the Loan Agreement, to withdraw from the Loan Account :

(a) such amounts as shall be the equivalent of eighty-five per cent (or such other percentage as may from time to time be established by agreement between the Borrower and the Bank) of such amounts as shall have been expended for the reasonable cost of goods required to carry out parts A, B, C and D of the Project;

(b) such amounts as shall have been expended for the reasonable foreign currency cost of goods required for carrying out part E of the Project; and

(c) if the Bank shall so agree, such amounts as shall be required by the Borrower to meet payments under (a) and (b) hereof;

provided, however, that no withdrawals shall be made on account of : (i) expenditures prior to June 1, 1964; or (ii) expenditures made in the territories of any country (except Switzerland) which is not a member of the Bank or for goods produced in (including services supplied from) such territories.

Section 2.04. Withdrawals from the Loan Account pursuant to Section 2.03 (a) of this Agreement shall be in such currency or currencies as the Bank shall from time to time reasonably select.

Section 2.05. The Borrower shall pay to the Bank a commitment charge at the rate of three-eighths of one per cent ($\frac{3}{8}$ of 1%) per annum on the principal amount of the Loan not so withdrawn from time to time.

Section 2.06. The Borrower shall pay interest at the rate of five and one half per cent ($5\frac{1}{2}\%$) per annum on the principal amount of the Loan so withdrawn and outstanding from time to time.

Section 2.07. Except as the Borrower and the Bank shall otherwise agree, the charge payable for special commitments entered into by the Bank at the request of the Borrower pursuant to Section 4.02 of the Loan Regulations shall be at the rate of one-half of one per cent ($\frac{1}{2}$ of 1%) per annum on the principal amount of any such special commitments outstanding from time to time.

Section 2.08. Interest and other charges shall be payable semiannually on May 1 and November 1 in each year.

Section 2.09. The Borrower shall repay the principal of the Loan in accordance with the amortization schedule set forth in Schedule 1¹ to this Agreement.

Article III

USE OF PROCEEDS OF LOAN

Section 3.01. The Borrower shall apply the proceeds of the Loan exclusively to financing the cost of goods required to carry out the Project described in Schedule 2² to this Agreement. The specific goods to be financed out of the proceeds of the Loan and the methods and procedures for procurement of such goods shall be determined by agreement between the Borrower and the Bank, subject to modification by further agreement between them.

Section 3.02. Except as the Borrower and the Bank shall otherwise agree, the Borrower shall cause all goods financed out of the proceeds of the Loan to be used exclusively in the carrying out of the Project.

Article IV

BONDS

Section 4.01. The Borrower shall execute and deliver Bonds representing the principal amount of the Loan as provided in the Loan Regulations.

Section 4.02. The Minister of Finance of the Borrower and such person or persons as he shall appoint in writing are designated as authorized representatives of the Borrower for the purposes of Section 6.12 of the Loan Regulations.

Article V

PARTICULAR COVENANTS

Section 5.01. (a) The Borrower shall carry out or cause the Project to be carried out with due diligence and efficiency and in accordance with sound engineering, administrative and financial practices.

(b) The Borrower shall cause all roads included in the Project to be adequately maintained and repaired in accordance with sound engineering and highway practices and shall cause the equipment included in the Project to be operated and maintained in accordance with sound engineering and administrative practices.

¹ See p. 76 of this volume.

² See p. 78 of this volume.