No. 8298

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
and
NIGERIA

Loan Agreement — *Apapa Road Project* (with related letter and annexed Loan Regulations No. 3). Signed at Washington, on 26 September 1965

Official text: English.

Registered by the International Bank for Reconstruction and Development on 16 August 1966.

BANQUE INTERNATIONALE POUR LA RECONSTRUCTION ET LE DÉVELOPPEMENT
et
NIGÉRIA

Contrat d'emprunt — *Projet relatif aux routes desservant Apapa* (avec lettre y relative et, en annexe, le Règlement n° 3 sur les emprunts). Signé à Washington, le 26 septembre 1965

Texte officiel anglais.

Enregistré par la Banque internationale pour la reconstruction et le développement le 16 août 1966.

No. 8298. LOAN AGREEMENT[1] *(APAPA ROAD PROJECT)* BETWEEN THE FEDERAL REPUBLIC OF NIGERIA AND THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT. SIGNED AT WASHINGTON, ON 26 SEPTEMBER 1965

AGREEMENT, dated September 26, 1965, between FEDERAL REPUBLIC OF NIGERIA (hereinafter called the Borrower) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (hereinafter called the Bank).

Article I

LOAN REGULATIONS ; SPECIAL DEFINITIONS

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 the Loan 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 the Loan Agreement the provisions of the Loan Regulations shall be deemed to be modified as follows :

(*a*) Section 4.01 is deleted.

(*b*) Section 9.04 is deleted.

Section 1.03. Unless the context otherwise requires, the term " consultants ", wherever used in the Loan Agreement, includes a firm or firms of consultants as well as individual experts.

Article II

THE LOAN

Section 2.01. The Bank agrees to lend to the Borrower, on the terms and conditions in the Loan Agreement set forth or referred to, an amount

[1] Came into force on 23 February 1966, upon notification by the Bank to the Government of Nigeria.

[2] See p. 60 of this volume.

in various currencies equivalent to seventeen million five hundred thousand dollars ($17,500,000).

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. 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. (*a*) Except as the Borrower and the Bank shall otherwise agree, the Borrower shall be entitled to withdraw from the Loan Account (i) the equivalent of a percentage to be established from time to time by agreement between the Borrower and the Bank of such amounts as shall have been expended by the Borrower for the reasonable cost of goods required for carrying out part A of the Project, such percentage to represent the foreign exchange component of such cost ; (ii) such amounts as shall have otherwise been expended (other than for goods produced in, including services supplied from, the territories of the Borrower or for expenditures in the currency of the Borrower) for the reasonable cost of goods required for carrying out the Project and not included in the foregoing ; and (iii) if the Bank shall so agree, such amounts as shall be required to meet payments to be made for the reasonable cost of the foregoing.

(*b*) Withdrawals from the Loan Account on account of expenditures specified in sub-paragraph (*a*) (i) of this Section shall be in such freely convertible currency or currencies, other than the currency of the Borrower, as the Bank shall from time to time reasonably elect.

(*c*) Notwithstanding the foregoing provisions of this Section, no withdrawals shall be made on account of expenditures made (i) prior to July 1, 1965, or (ii) 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. The Borrower shall pay to the Bank a commitment charge at the rate of three-eighths of one percent ($^3/_8$ of 1 %) per annum on the principal amount of the Loan not withdrawn from time to time from the Loan Account.

Section 2.05. 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 2.06. 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 (½ of 1 %) per annum on the principal amount of any such special commitments outstanding from time to time.

Section 2.07. Interest and other charges shall be payable semi-annually on January 15 and July 15 in each year.

Section 2.08. The Borrower shall repay the principal of the Loan in accordance with the amortization schedule set forth in Schedule 1 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 2 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 and the Accountant General of the Borrower and such person or persons as they 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 the Project with due diligence and efficiency and in conformity with sound engineering and financial practices.

(*b*) The Borrower shall furnish to the Bank, promptly upon their preparation, the plans, specifications and work schedules for the Project and any material modifications subsequently made therein, in such detail as the Bank shall from time to time request.

(*c*) In the carrying out of the Project the Borrower shall employ consultants acceptable to, and upon such terms and conditions as shall be satisfactory to, the Borrower and to the Bank.

(*d*) The general design standards to be used for the roads included in the Project shall be satisfactory to the Borrower and to the Bank.

(*e*) Except as the Bank shall otherwise agree, the roads included in the Project shall be constructed by contractors acceptable to the Borrower and to the Bank, employed under contracts satisfactory to the Borrower and to the Bank.

(*f*) The Borrower shall (i) maintain, or cause to be maintained, records adequate to identify the goods financed out of the proceeds of the Loan, 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 agency or agencies of the Borrower responsible for the construction, operation and maintenance of the Project or any part thereof ; (ii) enable the Bank's representatives to inspect the Project, the operation thereof, the goods and any records and documents relevant thereto ; and (iii) furnish to the Bank all such information as the Bank shall reasonably request concerning the expenditure of the proceeds of the Loan, the Project, the goods and the operations, administration and financial condition of the agency or agencies of the Borrower responsible for the construction, operation and maintenance of the Project or any part thereof.

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

Section 5.02. The Borrower shall cause all roads within the jurisdiction of the Ministry of Works of the Borrower (including the roads in the Project) to be operated, maintained and repaired in accordance with sound highway engineering practice.

Section 5.03. The Borrower undertakes that it will carry out or cause to be carried out the construction of the Second Mainland Bridge in Lagos, the widening of Western Avenue and the reconstruction of Agege Motor Road not later than December 31, 1970.

Section 5.04. Except as shall be otherwise agreed between the Borrower and the Bank, the Borrower shall insure or cause to be insured with responsible