No. 8912

INTERNATIONAL DEVELOPMENT ASSOCIATION
and
UGANDA

Development Credit Agreement—*Road Project* (with annexed Development Credit Regulations No. 1, as amended). Signed at Washington, on 28 July 1967

Official text: English.

Registered by the International Development Association on 10 January 1968.

ASSOCIATION INTERNATIONALE DE DÉVELOPPEMENT
et
OUGANDA

Contrat de crédit de développement — *Projet routier* (avec, en annexe, le Règlement nº 1 sur les crédits de développement, tel qu'il a été modifié). Signé à Washington, le 28 juillet 1967

Texte officiel anglais.

Enregistré par l'Association internationale de développement le 10 janvier 1968.

No. 8912. DEVELOPMENT CREDIT AGREEMENT[1] (*ROAD PROJECT*) BETWEEN THE STATE OF UGANDA AND THE INTERNATIONAL DEVELOPMENT ASSOCIATION. SIGNED AT WASHINGTON, ON 28 JULY 1967

AGREEMENT, dated July 28, 1967, between the STATE OF UGANDA (hereinafter called the Borrower) and INTERNATIONAL DEVELOPMENT ASSOCIATION (hereinafter called the Association).

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 as amended February 9, 1967[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 Development Credit Agreement set forth or referred to, a development credit in an amount in various currencies equivalent to five million dollars ($5,000,000).

Section 2.02. The Association shall open a Credit Account in the name of the Borrower and shall credit to such Credit 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 The amount of the Credit may be withdrawn from the Credit Account as provided in, and subject to the rights of cancellation and suspension set forth in, this Development Credit Agreement.

Section 2.03. (*a*) The Borrower shall be entitled to withdraw from the Credit Account the equivalent of 70% or of such other percentage or percentages as may be established from time to time by agreement between the Borrower and the Association of such amounts as shall have been paid, or, if the Association

[1] Came into force on 10 August 1967, upon notification by the Association to the Government of Uganda.

[2] See p. 190 of this volume.

shall so agree, as shall be required to meet payments to be made, for the reasonable cost of goods required for carrying out the Project.

(*b*) Except as shall be otherwise agreed between the Borrower and the Association, no withdrawals shall be made on account of expenditures made prior to January 1, 1966 and no withdrawals shall be made on account of expenditures on the engineering of the section of the Kabale–Kigali road from Kabale to the Rwanda border until arrangements satisfactory to the Association in regard to such road have been concluded between the Borrower and Rwanda.

Section 2.04. 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.

Section 2.05. The currency of the United Kingdom of Great Britain and Northern Ireland is hereby specified for purposes of Section 3.02 of the Regulations.

Section 2.06. Service charges shall be payable semi-annually on April 1 and October 1 in each year.

Section 2.07. The Borrower shall repay the principal amount of the Credit in semi-annual installments payable on each April 1 and October 1 commencing October 1, 1977 and ending April 1, 2017, each installment to and including the installment payable on April 1, 1987 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 THE PROCEEDS OF THE CREDIT

Section 3.01. The Borrower shall apply the proceeds of the Credit in accordance with the provisions of this Agreement to expenditures on the Project described in the Schedule to this Agreement. The specific allocation of the proceeds of the Credit, and the methods and procedures for procurement of the goods to be financed out of such proceeds, shall be determined by agreement between the Borrower and the Association, subject to modification by further agreement between them.

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

Article IV

PARTICULAR COVENANTS

Section 4.01. (*a*) The Borrower shall cause the Project to be carried out with due diligence and efficiency and in conformity with sound engineering and financial practices.

(*b*) The Borrower shall at all times make available, promptly as needed, all funds and other resources which shall be required for the carrying out of the Project.

(*c*) Except as the Association shall otherwise agree, the roads referred to in parts 1, 2 and 3 of the Schedule to this Agreement shall be constructed by contractors satisfactory to the Association and the Borrower, employed under contracts satisfactory to the Association and the Borrower.

(*d*) Except as the Association shall otherwise agree, the Borrower shall, in the carrying out of the Project, employ engineering consultants acceptable to, and to an extent and upon terms and conditions satisfactory to, the Association.

(*e*) The general design standards to be used for the roads included in the Project shall be as determined from time to time by agreement between the Association and the Borrower.

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

(*g*) The Borrower shall cause the main, secondary and feeder road system of the Borrower to be adequately maintained and shall cause all necessary repairs thereof to be made promptly, all in accordance with sound engineering practices and shall provide, promptly as needed, the funds, facilities, services and other resources required for the foregoing.

(*h*) The Borrower shall take all reasonable action necessary (i) to cause the dimensions and weight limits of the vehicles using the public roads of the Borrower to be kept within limits consistent with the design standards of its roads and (ii) to ensure permanent and consistent enforcement of the traffic regulations of the Borrower.

(*i*) The Borrower shall establish and maintain facilities to collect and record such data as are required to assess the technical, economic and financial aspects of the Borrower's highway system.