No. 9327

INTERNATIONAL DEVELOPMENT ASSOCIATION
and
TANZANIA

Development Credit Agreement—*Highway Project—Supplementary* (with annexed Credit Regulations No. 1, as amended, and related letter). Signed at Washington, on 21 March 1968

Official text : English.

Registered by the International Development Association on 29 November 1968.

ASSOCIATION INTERNATIONALE DE DÉVELOPPEMENT
et
TANZANIE

Contrat de crédit de développement — *Projet (supplémentaire) relatif au réseau routier* (avec, en annexe, le Règlement n° 1 sur les crédits de développement, tel qu'il a été modifié, et lettre connexe). Signé à Washington, le 21 mars 1968

Texte officiel anglais.

Enregistré par l'Association internationale de développement le 29 novembre 1968.

No. 9327. DEVELOPMENT CREDIT AGREEMENT[1] (*HIGHWAY PROJECT—SUPPLEMENTARY*) BETWEEN THE UNITED REPUBLIC OF TANZANIA AND THE INTERNATIONAL DEVELOPMENT ASSOCIATION. SIGNED AT WASHINGTON, ON 21 MARCH 1968

AGREEMENT, dated March 21, 1968, between the UNITED REPUBLIC OF TANZANIA (hereinafter called the Borrower) and INTERNATIONAL DEVELOPMENT ASSOCIATION (hereinafter called the Association).

WHEREAS by a development credit agreement dated February 5, 1964[2] between the Borrower and the Association, the Association agreed to make a credit to the Borrower in an amount in various currencies equivalent to fourteen million dollars ($14,000,000), on the terms and conditions set forth in said development credit agreement to assist the Borrower in financing a project for the design, improvement, construction and reconstruction of certain roads in its territories; and

WHEREAS the Borrower has requested additional funds for a revised project, and the Association is willing to make available to the Borrower a supplementary credit for such purpose on the terms and conditions hereinafter provided;

NOW THEREFORE the parties hereto hereby agree as follows :

Article I

CREDIT REGULATIONS; DEFINITIONS

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[3] (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.

Section 1.02. Unless the context otherwise requires, the following terms wherever used in this Development Credit Agreement have the following meanings :

[1] Came into force on 10 May 1968, upon notification by the Association to the Government of Tanzania.
[2] United Nations, *Treaty Series*, Vol. 506, p. 91.
[3] See p. 134 of this volume.

(*a*) " 1964 Credit Agreement " means the development credit agreement (*Highway Project*) dated February 5, 1964 between the Borrower and the Association; and

(*b*) " 1964 Credit " means the credit provided for in the 1964 Credit Agreement.

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 three million dollars ($3,000,000).

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. Except as the Borrower and the Association shall otherwise agree, the Borrower shall be entitled to withdraw from the Credit Account:

(*a*) the equivalent of a 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 expended for the reasonable cost of goods required for carrying out Parts I and II of the Project; and

(*b*) such amounts as shall have been expended for the reasonable cost of the services required to carry out Part III of the Project;

provided, however, that withdrawals shall not be made on account of expenditures prior to the date of this Development Credit Agreement.

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. Service charges shall be payable semi-annually on February 1 and August 1 in each year.

Section 2.06. The Borrower shall repay the principal amount of the Credit withdrawn from the Credit Account in semi-annual installments payable on each February 1 and August 1 commencing February 1, 1978 and ending August 1, 2017, each installment to and including the installment payable on August 1, 1987 to be one-half of one per cent (½ of 1%) of such principal amount, and each installment thereafter to be one and one-half per cent (1½%) of such principal amount.

Section 2.07. The currency of the United Kingdom of Great Britain and Northern Ireland is hereby specified for purposes of Section 3.02 of the Regulations.

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 carry out the Project with due diligence and efficiency and in conformity with sound engineering, administrative, and financial practices and shall make available, promptly as needed, all funds, facilities, services and other resources required for the purpose.

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

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

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

(*e*) The Borrower shall furnish or cause to be furnished to the Association, promptly upon their preparation, the reports, 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.

Section 4.02. The Borrower shall cause the 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.

Section 4.03. 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 and 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 to be financed out of the proceeds of the Credit, and the operations with respect to the Project of the ministries of the Borrower responsible for carrying out the Project or any part thereof.

Section 4.04. (*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 and the international balance of payments position 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.