

No. 9361

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

Loan Agreement—*Education Project* (with annexed Loan Regulations No. 3, as amended). Signed at Washington, on 7 June 1968

Official text: English.

Registered by the International Bank for Reconstruction and Development on 18 December 1968.

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

Contrat d'emprunt — *Projet relatif à l'enseignement* (avec, en annexe, le Règlement n° 3 sur les emprunts, tel qu'il a été modifié). Signé à Washington, le 7 juin 1968

Texte officiel anglais.

Enregistré par la Banque internationale pour la reconstruction et le développement le 18 décembre 1968.

No. 9361. LOAN AGREEMENT¹ (*EDUCATION PROJECT*)
BETWEEN THE REPUBLIC OF GABON AND THE
INTERNATIONAL BANK FOR RECONSTRUCTION AND
DEVELOPMENT. SIGNED AT WASHINGTON, ON
7 JUNE 1968

AGREEMENT, dated June 7, 1968, between REPUBLIC OF GABON (hereinafter called the Borrower) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (hereinafter called the Bank).

WHEREAS the Borrower has requested the Bank to assist in the financing of an education project which comprises construction and equipping of a primary teacher-training college and a lycée, the expansion of three lycées and minor extensions to two accelerated vocational training centers; and

WHEREAS the Republic of France has agreed to extend the technical assistance required for the efficient operation of such project;

NOW THEREFORE the parties hereto hereby agree as follows :

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 as amended February 9, 1967,² with the same force and effect as if they were fully set forth herein, subject, however, to the following modification thereof (said Loan Regulations No. 3 as so modified being hereinafter called the Loan Regulations): The first sentence of 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 one million eight hundred thousand dollars (\$1,800,000).

¹ Came into force on 20 September 1968, upon notification by the Bank to the Government of Gabon.

² See p. 220 of this volume.

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. The Borrower shall be entitled to withdraw from the Loan Account (a) such amounts as shall have been paid, or, if the Bank shall so agree, as shall be required to meet payments to be made, for the reasonable cost of goods to be agreed between the Borrower and the Bank; and (b) the equivalent of a percentage or percentages as may be established from time to time by agreement between the Bank and the Borrower of such amounts as shall have been paid or, if the Bank shall so agree as shall be required to meet payments to be made for the reasonable cost of other goods to be agreed between the Borrower and the Bank, and for the purposes of this subsection (b) clause (b) of section 4.01 of the Loan Regulations shall not apply.

Section 2.04. Withdrawals from the Loan Account pursuant to paragraph (b) of section 2.03 of this Agreement shall be in such currency or currencies, other than the currency of the Borrower, 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-fourths of one per cent ($\frac{3}{4}$ of 1%) per annum on the principal amount of the Loan not withdrawn from time to time.

Section 2.06. The Borrower shall pay interest at the rate of six and one-fourth per cent ($6\frac{1}{4}\%$) 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 semi-annually on February 15 and August 15 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 1 to this Agreement.

Article III

USE OF PROCEEDS OF LOAN

Section 3.01. The Borrower shall cause the proceeds of the Loan to be applied exclusively to financing the cost of goods required to carry out Part A of

the Project described in Schedule 2 to this Agreement. The specific allocation of the proceeds of the Loan 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 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. If and as the Bank shall from time to time request, the Borrower shall execute and deliver Bonds representing the principal amount of the Loan as provided in Article VI of the Loan Regulations.

Section 4.02. The Minister of Finance of the Borrower is designated as authorized representative of the Borrower for the purposes of Section 6.12 of the Loan Regulations. The Minister of Finance of the Borrower may designate additional or other authorized representatives by appointment in writing notified to the Bank.

Article V

PARTICULAR COVENANTS

Section 5.01. (a) The Borrower shall carry out the Project with due diligence and efficiency, in conformity with sound technical and administrative standards and with due regard to economy.

(b) The Borrower shall cause the educational institutions included in the Project to be operated so as to promote the educational objectives of the Borrower and to be provided with qualified teachers and administrators in adequate numbers.

(c) The Borrower shall cause the buildings and equipment of the educational institutions included in the Project to be adequately maintained and shall cause all necessary renewals and repairs to be made thereto.

(d) To assist in the carrying out of the Project, the Borrower shall establish and maintain within its Ministry of Planning a special unit headed by a Project Director acceptable to the Bank, to be responsible for the proper execution and supervision of the Project, and shall appoint an architect or an engineer, acceptable to the Bank, to be a member of such special unit.

(e) In the carrying out of the Project the Borrower shall employ or cause to be employed qualified and experienced architectural consultants, engineers and other consultants acceptable to the Borrower and the Bank, upon terms and conditions satisfactory to the Borrower and the Bank.

(f) Except as the Bank shall otherwise agree, the Borrower shall cause the Project to be carried out by contractors satisfactory to the Borrower and the Bank employed under contracts satisfactory to the Borrower and the Bank.

(g) Upon request from time to time by the Bank, the Borrower shall promptly furnish to the Bank for its approval the plans, specifications, contracts and work schedules for the construction included in the Project and the master lists of instructional equipment and furnishings included therein, and any subsequent material modifications thereof, in such detail as the Bank shall reasonably request.

Section 5.02. The Borrower shall at all times make or cause to be made available promptly as needed all funds, facilities, services and other resources, including land, required for the carrying out of the Project and for the effective utilization, staffing, equipping, operation and maintenance of the educational institutions included in the Project, and shall make such budgetary allocations or other appropriate arrangements as shall be necessary for the purpose.

Section 5.03. The Borrower shall 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, in respect of the Project, of the agencies of the Borrower responsible for the carrying out of the Project or any part thereof; shall enable the Bank's representatives to inspect the Project, the goods and any relevant records and documents; and shall furnish or cause to be furnished 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, the educational system of the Borrower and programs for educational development in its territories and the administration, operations and financial condition, in respect of the Project, of the agencies of the Borrower responsible for the carrying out of the Project or any part thereof.

Section 5.04. (a) The Borrower and the Bank shall cooperate fully to ensure that the purposes of the Loan 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 Loan. On the part of the Borrower, such