

No. 9641

**INTERNATIONAL DEVELOPMENT ASSOCIATION
and
CHAD**

**Development Credit Agreement—*Highway Maintenance Project*
(with annexed Credit Regulations No. 1, as amended). Signed
at Washington on 14 August 1968**

Authentic text: English.

Registered by the International Development Association on 19 June 1969.

**ASSOCIATION INTERNATIONALE
DE DÉVELOPPEMENT
et
TCHAD**

**Contrat de crédit de développement — *Projet relatif à l'entretien
du réseau routier* (avec, en annexe, le Règlement n° 1 sur
les crédits de développement, tel qu'il a été modifié). Signé à
Washington le 14 août 1968**

Texte authentique: anglais.

Enregistré par l'Association internationale de développement le 19 juin 1969.

DEVELOPMENT CREDIT AGREEMENT ¹

AGREEMENT, dated August 14, 1968, between the REPUBLIC OF CHAD (hereinafter called the Borrower) and INTERNATIONAL DEVELOPMENT ASSOCIATION (hereinafter called the Association).

Article I

CREDIT REGULATIONS

Section 1.01. The parties to this Development Credit 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 as so modified 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 four million one hundred thousand dollars (\$4,100,000).

Section 2.02. The Association shall open a Credit Account on its books 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 The amount of the Credit may be withdrawn from the Credit Account as provided in, and subject to the rights of cancellation and suspension set forth in, this Development Credit Agreement.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 in accordance with the allocation of the proceeds of the Credit set forth in Schedule 2 to this Development Credit Agreement such amounts as

¹ Came into force on 11 February 1969, upon notification by the Association to the Government of Chad.

² See p. 380 of this volume.

shall have been paid for the reasonable foreign currency cost of goods and services required for carrying out Parts 1, 2 and 3 of the Project, or if the Association shall so agree, such amounts as shall be required by the Borrower to meet payments to be made for the reasonable foreign currency cost of such goods and services.

(b) No withdrawals shall be made: (i) on account of expenditures prior to the date of this Development Credit Agreement; and (ii) from the amount allocated in accordance with Schedule 2 to this Development Credit Agreement to the cost of Part 3 of the Project until the economic justification of Part 3 of the Project has been established to the satisfaction of the Borrower and the Association.

Section 2.04. The currency of the United States of America is hereby specified for the purposes of paragraph (a) of Section 3.02 of the Regulations.

Section 2.05. The Borrower shall pay to the Association a service charge at the rate of three-fourths of one per cent ($\frac{3}{4}$ of 1%) per annum on the principal amount of the Credit withdrawn and outstanding from time to time.

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

Section 2.07. The Borrower shall repay the principal of the Credit withdrawn from the Credit Account in semi-annual installments payable on each June 1 and December 1 commencing December 1, 1978 and ending June 1, 2018, each installment to and including the installment payable on June 1, 1988 to be one-half of one per cent ($\frac{1}{2}$ of 1%) of such principal amount, and each installment thereafter to be one and one-half per cent ($1\frac{1}{2}$ %) of such principal amount.

Article III

USE OF PROCEEDS OF THE CREDIT

Section 3.01. The Borrower shall apply the proceeds of the Credit in accordance with the provisions of this Development Credit Agreement exclusively to expenditures on the Project described in Schedule 1 to this Development Credit Agreement. The specific allocation of the proceeds of the Credit is set forth in Schedule 2 to this Development Credit Agreement and shall be subject to modification by further agreement between the Borrower and the Association.

Section 3.02. Except as the Association shall otherwise agree (i) the goods to be financed out of the proceeds of the Credit shall be financed on the basis of international competitive bidding as set forth in the “*Guidelines for Procurement under World Bank Loans and IDA Credits*” published by the Bank in February 1968 and in accordance with such other procedures supplementary thereto as shall be agreed between the Borrower and the Association, and (ii) any contract for the procurement of such goods shall be subject to the approval of the Association.

Section 3.03. Except as the Association shall otherwise agree, the Borrower shall cause all goods financed out of the proceeds of the Credit to be used exclusively in carrying out the Project.

Article IV

PARTICULAR COVENANTS

Section 4.01. (a) The Borrower shall carry out or cause its Directorate of Public Works to carry out the Project with due diligence and efficiency and in conformity with sound highway maintenance, engineering, administrative and financial practices.

(b) To assist in carrying out Parts 2 and 3 of the Project, the Borrower shall employ or cause to be employed competent and experienced consultants acceptable to the Association, to an extent, and upon terms and conditions satisfactory to the Association.

(c) 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 furnish promptly as needed all funds and other resources which shall be required for the carrying out of the Project, for the adequate maintenance of its highway system on a continuing basis and for the maintenance, repair and replacement of the Directorate of Public Works' highway maintenance machinery, equipment and workshop facilities, all such funds and resources to be made available on terms and conditions satisfactory to the Association.

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, 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 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 expenditures of the proceeds of the Credit, the Project, the goods to be financed out of the proceeds of the Credit, the operations and administration with respect to the Project, and the financial condition of the agency or agencies 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, the maintenance of the service thereof and the operations, administration and financial condition of the agency or agencies of the Borrower responsible for the carrying out of the Project or any part thereof.

(c) 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.

(d) 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.

Section 4.05. (a) The Borrower shall take out and maintain with responsible insurers or make other provision satisfactory to the Association for