No. 9654

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT and GABON

Loan Agreement—*Second Highway Project* (with annexed Loan Regulations No. 3, as amended). Signed at Washington on 10 January 1969

Authentic text: English.

Registered by the International Bank for Reconstruction and Development on 23 June 1969.

BANQUE INTERNATIONALE POUR LA RECONSTRUCTION ET LE DÉVELOPPEMENT et GABON

Contrat d'emprunt — *Deuxième projet routier* (avec, en annexe, le Règlement n° 3 sur les emprunts, tel qu'il a été modifié). Signé à Washington le 10 janvier 1969

Texte authentique : anglais.

Enregistré par la Banque internationale pour la reconstruction et le développement le 23 juin 1969.

LOAN AGREEMENT [1]

AGREEMENT, dated January 10, 1969, between the REPUBLIC OF GABON (hereinafter called the Borrower) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (hereinafter called the Bank).

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) : 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 Loan Agreement set forth or referred to, an amount in various currencies equivalent to six million dollars ($ 6,000,000).

Section 2.02. (*a*) 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.

(*b*) The amount of the Loan may be withdrawn from the Loan Account as provided in, and subject to the rights of cancellation and suspensions set forth in, this Loan Agreement and the Loan Regulations and in accordance with the allocation of the proceeds of the Loan set forth in Schedule I to this Loan Agreement, as such allocation shall be modified from time to time pursuant to the provisions of such Schedule or by further agreement between the Borrower and the Bank.

[1] Came into force on 11 April 1969, upon notification by the Bank to the Government of Gabon.
[2] See p. 24 of this volume.

Section 2.03. (*a*) The Borrower shall be entitled to withdraw from the Loan Account in respect of the reasonable cost of goods required for the Project and to be financed under this Loan Agreement :

(i) such amounts as shall have been paid (or, if the Bank shall so agree, such amounts as shall be required to meet payments to be made) for the c.i.f. (Gabon border) price of goods produced, or for services supplied from, outside the territories of the Borrower and included under Categories B and C of the allocation of the proceeds of the Loan set forth in Schedule I to this Loan Agreement ; and

(ii) the equivalent of seventy-five per cent (75 %) of such amounts as shall have been paid for expenditures under Category A of said Schedule I ; provided, however, that if there shall be an increase in the estimate of expenditures under such Category A, the Bank may by notice to the Borrower adjust the above percentage as required in order that withdrawals of the amount of the Loan then allocated to such Category A, and not withdrawn, may continue *pro rata* with the expenditures remaining to be made under such Category A.

(*b*) Except as shall be otherwise agreed between the Borrower and the Bank, no withdrawals shall be made on account of :

(i) expenditures made prior to March 1, 1967, for Part I(*b*) of the Project described in Schedule II to this Loan Agreement ;

(ii) expenditures made prior to the date of this Loan Agreement for any other part of such Project ;

(iii) any payment for any taxes or duties levied on the import of goods into the territories of the Borrower, such as " droits de douane ", " droit fiscal d'entrée ", " taxe sur le chiffre d'affaires à l'importation ", " taxe complémentaire ", or any other such taxes or duties as are applicable or which may be subsequently established ; or

(iv) expenditures made in the territories of any country which is not a member of the Bank (except Switzerland) or for goods produced in (including services supplied from) such territories.

Section 2.04. Withdrawals from the Loan Account pursuant to Section 2.03(*a*) (ii) of this Loan Agreement shall be in such currency or currencies 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 ($^3/_4$ 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-half per cent ($6\,^1/_2$ %) per annum on the principal amount of the Loan 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 ($^1/_2$ of 1 %) per annum on the principal amount of any such special commitment outstanding from time to time.

Section 2.08. Interest and other charges shall be payable semi-annually on January 15 and July 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 III to this Loan Agreement.

Article III

USE OF PROCEEDS OF THE LOAN

Section 3.01. The Borrower shall apply the proceeds of the Loan in accordance with the provisions of this Loan Agreement to expenditures on the Project described in Schedule II to this Loan Agreement.

Section 3.02. Except as the Bank shall otherwise agree :

(i) the goods (other than services of consultants) to be financed out of the proceeds of the Loan shall be procured on the basis of international competitive bidding in accordance with " 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 Bank ; and

(ii) contracts for the procurement of all goods to be financed out of the proceeds of the Loan shall be subject to the approval of the Bank.

Section 3.03. Except as the Bank shall otherwise agree, the Borrower shall cause all goods financed out of the proceeds of the Loan to be used in the territories of the Borrower 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 and in conformity with sound administrative, engineering, financial, and highway practices, and shall provide, promptly as needed, the funds, facilities, services and other resources required for the purpose.

(*b*) The Borrower shall cause the works included in Part I(*a*) of the Project to be carried out by a contractor acceptable to the Bank, employed under a contract which shall have been approved by the Bank.

(*c*) To assist in carrying out Part I(*c*) and Part II of the Project, the Borrower shall employ or cause to be employed qualified and experienced consultants acceptable to the Bank, to an extent, and upon such terms and conditions as shall have been approved by the Bank.

(*d*) The general design standards to be used for the works included in the Project are set out in Schedule IV hereto, subject to modification by agreement between the Borrower and the Bank.

(*e*) The Borrower shall furnish or cause to be furnished to the Bank, 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 Bank shall reasonably request.

(*f*) The Borrower shall take all reasonable measures designed to permit the issuance of logging permits in the areas to be served by the Matora-Koumameyong road in such time as shall ensure that the exploitation of the timber concessions and the logging operations in such areas shall begin no later than about four years from the date of this Loan Agreement.

(*g*) Except as the Borrower and the Bank shall otherwise agree, the Borrower undertakes to have the imported goods to be financed out of the proceeds of the Loan insured against marine, transit and other hazards incident to acquisition, transportation and delivery thereof to the place of use or installation and for such insurance any indemnity shall be payable