

CONFORMED COPY

LOAN NUMBER 3777 GA

Project Agreement

(Transport Sector Technical Assistance Project)

between

INTERNATIONAL BANK FOR RECONSTRUCTION  
AND DEVELOPMENT

and

THE MUNICIPALITY OF LIBREVILLE

Dated October 13, 1994

LOAN NUMBER 3777 GA

PROJECT AGREEMENT

AGREEMENT, dated October 13, 1994, between INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (the Bank) and THE MUNICIPALITY OF LIBREVILLE (the Municipality).

WHEREAS (A) by the Loan Agreement of even date herewith between THE GABONESE REPUBLIC (the Borrower) and the Bank, the Bank has agreed to make available to the Borrower an amount in various currencies equivalent to five million two thousand hundred dollars (\$5,200,000), on the terms and conditions set forth in the Loan Agreement, but only on condition that the Municipality agree to undertake such obligations toward the Bank as are set forth in this Agreement;

(B) by a subsidiary grant agreement entered into between the Borrower and the Municipality, a portion of the proceeds of the loan provided for under the Loan Agreement will be made available to the Municipality on the terms and conditions set forth in said Sub-sidiary Grant Agreement; and

WHEREAS the Municipality, in consideration of the Bank's entering into the Loan Agreement with the Borrower, has agreed to undertake the obligations set forth in this Agreement;

NOW THEREFORE the parties hereto hereby agree as follows:

#### ARTICLE I

##### Definitions

Section 1.01. Unless the context otherwise requires, the several terms defined in the Loan Agreement, the Preamble to this Agreement and the General Conditions (as so defined) have the respective meanings therein set forth.

#### ARTICLE II

##### Execution of the Project

Section 2.01. (a) the Municipality declares its commitment to the objectives of the Project as set forth in Schedule 2 to the Loan Agreement and, to this end, shall carry out Part E of the Project with due diligence and efficiency and in conformity with appropriate administrative, planning, financial, engineering and environmental practices, and shall provide, or cause to be provided, promptly as needed, the funds, facilities, services and other resources required for Part E of the Project.

(b) Without limitation upon the provisions of paragraph (a) of this Section and except as the Bank and the Municipality shall otherwise agree, the Municipality shall carry out Part E of the Project in accordance with the Manual of Procedures.

Section 2.02. Except as the Bank shall otherwise agree, procurement of the works and consultants' services required for Part E of the Project and to be financed out of the proceeds of the Loan shall be governed by the provisions of the Schedule to this Agreement.

Section 2.03. the Municipality shall carry out the obligations set forth in Sections 9.04, 9.05, 9.06, 9.07, 9.08 and 9.09 of the General Conditions (relating to insurance, use of goods and services, plans and schedules, records and reports, maintenance and land acquisition, respectively) in respect of the Project Agreement and Part E of the Project.

Section 2.04. the Municipality shall duly perform all its obligations under the Subsidiary Grant Agreement. Except as the Bank shall otherwise agree, the Municipality shall not take or concur in any action which would have the effect of amending, abrogating, assigning or waiving the Subsidiary Grant Agreement or any provision thereof.

Section 2.05. (a) the Municipality shall, at the request of the Bank, exchange views with the Bank with regard to the progress of Part E of the Project, the performance of its obligations under this Agreement and under the Subsidiary Grant Agreement, and other matters relating to the purposes of the Loan.

(b) the Municipality shall promptly inform the Bank of any condition which interferes or threatens to interfere with the progress of Part E of the Project, the accomplishment of the purposes of the Loan, or the performance by the Municipality of its obligations under this Agreement and under the Subsidiary Grant Agreement.

#### ARTICLE III

##### Other Obligations of the Municipality

Section 3.01. The Municipality shall take out and maintain with responsible insurers, or make other provisions satisfactory to the Bank for, insurance against such risks and in such amounts as shall be consistent with appropriate practice.

#### ARTICLE IV

##### Financial Covenants

Section 4.01. (a) the Municipality shall maintain or cause to be maintained records and accounts adequate to reflect in accordance with sound

accounting practices the operations, resources and expenditures in respect of Part E of the Project of the departments or agencies of the Municipality responsible for carrying out Part E of the Project.

(b) the Municipality shall:

- (i) have the records and accounts referred to in paragraph (a) of this Section for each fiscal year audited, in accordance with international auditing principles consistently applied, by independent auditors acceptable to the Bank;
- (ii) furnish to the Bank as soon as available, but in any case not later than six months after the end of each such year, the report of such audit by said auditors, of such scope and in such detail as the Bank shall have reasonably requested;
- (iii) furnish to the Bank such other information concerning said records and accounts and the audit thereof as the Bank shall from time to time reasonably request; and
- (iv) have the records and accounts of Special Account B audited in accordance with paragraphs (i) through (iii) of this Section: (A) every four months during the first twelve months after the Effective Date; (B) every six months during the second twelve months after the Effective Date; and (C) thereafter, annually until the completion of the Project; and furnish such audits to the Bank at the latest within two months following the end of the period audited.

(c) For all expenditures with respect to which withdrawals from the Loan Account were made on the basis of statements of expenditure, the Municipality shall:

- (i) maintain or cause to be maintained, in accordance with paragraph (a) of this Section, records and accounts reflecting such expenditures;
- (ii) retain, until at least one year after the Bank has received the audit report for the fiscal year in which the last withdrawal from the Loan Account or payment out of the Special Account was made, all records (contracts, orders, invoices, bills, receipts and other documents) evidencing such expenditures;
- (iii) enable the Bank's representatives to examine such records; and
- (iv) ensure that such records and accounts are included in the periodic audits referred to in paragraph (b) of this Section and that the report of such audits contain a separate opinion by said auditors as to whether the statements of expenditure submitted during the period preceding such audit, together with the procedures and internal controls involved in their preparation, can be relied upon to support the related withdrawals.

#### ARTICLE V

Effective Date; Termination;  
Cancellation and Suspension

Section 5.01. This Agreement shall come into force and effect on the date upon which the Loan Agreement becomes effective.

Section 5.02. This Agreement and all obligations of the Bank and of the Municipality thereunder shall terminate on the date on which the Loan Agreement shall terminate in accordance with its terms, and the Bank shall promptly notify the Municipality thereof.

Section 5.03. All the provisions of this Agreement shall continue in full force and effect notwithstanding any cancellation or suspension under the General Conditions.

#### ARTICLE VI

##### Miscellaneous Provisions

Section 6.01. Any notice or request required or permitted to be given or made under this Agreement and any agreement between the parties contemplated by this Agreement shall be in writing. Such notice or request shall be deemed to have been duly given or made when it shall be delivered by hand or by mail, telegram, cable, telex or radiogram to the party to which it is required or permitted to be given or made at such party's address hereinafter specified or at such other address as such party shall have designated by notice to the party giving such notice or making such request. The addresses so specified are:

For the Bank:

International Bank for  
Reconstruction and Development  
1818 H Street, N.W.  
Washington, D.C. 20433  
United States of America

Cable address:

INTBAFRAD  
Washington, D.C.

Telex:

248423 (RCA)  
82987 (FTCC)  
64145 (WUI) or  
197688 (TRT)

For the Municipality:

Communaute de Libreville  
B.P. 44  
Libreville, Gabon

Telex:

5544 GO

Copy to:

Ministere de l'Economie,  
de la Planification, du Redressement  
du Secteur Parapublic et de la Privatisation  
B.P. 172  
Libreville, Gabon

Section 6.02. Any action required or permitted to be taken, and any document required or permitted to be executed, under this Agreement on behalf of the Municipality may be taken or executed by the mayor of Libreville or such other person or persons as the mayor shall designate in writing, and the Municipality shall furnish to the Bank sufficient evidence of the authority and the authenticated specimen signature of each such person.

Section 6.03. This Agreement may be executed in several counterparts, each of which shall be an original, and all collectively but one instrument.

IN WITNESS WHEREOF, the parties hereto, acting through their duly authorized representatives, have caused this Agreement to be signed in their respective names in the District of Columbia, United States of America, as of the day and year first above written.

INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT

By /s/ Francisco Aguirre-Sacasa  
Acting Regional Vice President  
Africa

MUNICIPALITY OF LIBREVILLE

By /s/ Paul Boundoukou-Latha  
Authorized Representative

SCHEDULE

Procurement of Works and Consultants' Services

Section I: Procurement of Works

Part A: Procurement Procedures

(a) Works may be procured under contracts awarded on the basis of competitive bidding, advertised locally, in accordance with procedures satisfactory to the Bank.

(b) For fixed-price contracts, the invitation to bid shall provide that, when contract award is delayed beyond the original bid validity period, the successful bidder's bid price will be increased for each week of delay by a predisclosed correction factor acceptable to the Bank. Such an increase shall not be taken into account in the bid evaluation.

Part B: Review by the Bank of Procurement Decisions

1. Review of invitations to bid and of proposed awards and final contracts:

(a) With respect to: (i) each contract awarded during the first twelve months after Effective Date; (ii) works estimated to cost the equivalent of \$100,000 or more; and (iii) contracts for which less than four acceptable bids have been received, the procedures set forth in paragraphs 2 and 4 of Appendix 1 to the "Guidelines for Procurement under IBRD Loans and IDA Credits" published by the Bank in 1992 (the Guidelines) shall apply. Where payments for such contracts are to be made out of the Special Accounts, such procedures shall be modified to ensure that the two conformed copies of the contracts, required to be furnished to the Bank pursuant to said paragraph 2 (d), shall be furnished to the Bank prior to the making of the first payment out of Special Account (B) in respect of such contracts.

(b) With respect to each contract not governed by the preceding paragraph, the procedures set forth in paragraphs 3 and 4 of Appendix 1 to the Guidelines shall apply. Where payments for such contracts are to be made out of Special Account (B), such procedures shall be modified to ensure that the two conformed copies of the contracts, together with the other information required to be furnished to the Bank pursuant to said paragraph 3, shall be furnished to the Bank as part of the evidence to be furnished pursuant to paragraph 4 of Schedule 5 to the Loan Agreement.

(c) The provisions of the preceding subparagraph (b) shall not apply to contracts on account of which withdrawals from the Loan Account are to be made on the basis of statements of expenditure.

2. The figure of 10% is hereby specified for purposes of paragraph 4 of Appendix 1 to the Guidelines.

Section II. Employment of Consultants

1. In order to assist the Municipality in carrying out Part E of the Project, the Municipality shall employ consultants whose qualifications, experience and terms and conditions of employment shall be satisfactory to the Bank. Such consultants shall be selected in accordance with principles and procedures satisfactory to the Bank on the basis of the "Guidelines for the Use of Consultants by World Bank Borrowers and by the World Bank as Executing Agency" published by the Bank in August 1981 (the Consultant Guidelines). For complex, time-based assignments, the Municipality shall employ such consultants under contracts using the standard form of contract for consultants' services issued by the Bank, with such modifications as shall have been agreed by the Bank. Where no relevant standard contract documents have been issued by the Bank, the Municipality shall use other standard forms agreed with the Bank.

2. Notwithstanding the provisions of paragraph 1 of this Section, the provisions of the Consultant Guidelines requiring prior Bank review or approval of budgets, short lists, selection procedures, letters of invitation, proposals, evaluation reports and contracts shall not apply to: (a) contracts for the employment of consulting firms estimated to cost less than \$50,000 equivalent each; or (b) contracts for the employment of individuals estimated to cost less than \$25,000 equivalent each. However, said exceptions to prior Bank review shall not apply to: (a) the terms of reference for such contracts; (b) single-source selection of consulting firms; (c) assignments of a critical nature, as reasonably determined by the Bank; (d) amendments to contracts for the employment of consulting firms raising the contracts value to \$50,000 equivalent or above; or (e) amendments to contracts for the employment of individual consultants raising the contract value to \$25,000 equivalent or above.

