

No. 10309

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

**Loan Agreement—*Cyprus Ports Project* (with annexed  
General Conditions Applicable to Loan and Guarantee  
Agreements). Signed at Washington on 30 June 1969**

*Authentic text: English.*

*Registered by the International Bank for Reconstruction and Development on  
10 February 1970.*

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

**Contrat d'emprunt — *Projet relatif aux ports chypriotes*  
(avec, en annexe, les Conditions générales applicables  
aux contrats d'emprunt et de garantie). Signé à Washing-  
ton le 30 juin 1969**

*Texte authentique: anglais.*

*Enregistré par la Banque internationale pour la reconstruction et le développement  
le 10 février 1970.*

## LOAN AGREEMENT<sup>1</sup>

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AGREEMENT, dated June 30, 1969, between REPUBLIC OF CYPRUS (hereinafter called the Borrower) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (hereinafter called the Bank).

### *Article I*

#### GENERAL CONDITIONS; DEFINITIONS

*Section 1.01.* The parties to this Agreement accept all the provisions of the General Conditions Applicable to Loan and Guarantee Agreements of the Bank, dated January 31, 1969,<sup>2</sup> with the same force and effect as if they were fully set forth herein (said General Conditions Applicable to Loan and Guarantee Agreements of the Bank being hereinafter called the General Conditions).

*Section 1.02.* Wherever used in this Agreement, unless the context otherwise requires, the several terms defined in the General Conditions have the respective meanings therein set forth and the term "Public Ports" means the following public ports of the Borrower : Famagusta, Limassol, Larnaca, Paphos, Kyrenia, Karavostassi, Vassiliko-Zyvi and Latchi, which are to be brought within the jurisdiction of a national port authority to be established in accordance with Section 5.09 of this Agreement. The foregoing enumeration may be amended from time to time by agreement between the Borrower and the Bank.

### *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 eleven million five hundred thousand dollars (\$11,500,000).

*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.

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<sup>1</sup> Came into force on 1 October 1969, upon notification by the Bank to the Government of Cyprus.

<sup>2</sup> See p. 226 of this volume.

(b) 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, this Loan Agreement and in accordance with the allocation of the proceeds of the Loan set forth in Schedule 1 to this 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.

*Section 2.03.* The Borrower shall be entitled to withdraw from the Loan Account in respect of the reasonable cost of goods and services 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, as shall be required to meet payments to be made) for goods and services included in Categories I, II and III of the allocation of the proceeds of the Loan set forth in Schedule 1 to this Agreement; and
- (ii) the equivalent of fifty-five per cent (55 %) 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 goods or services included in Category IV of said allocation of the proceeds of the Loan;

provided, however, that if there shall be an increase in the estimate of such payments for goods and services included in Category IV, the Bank may by notice to the Borrower adjust the stated percentage applicable to such Category as required in order that withdrawals of the amount of the Loan then allocated to such Category and not withdrawn may continue *pro rata* with the payments remaining to be made for goods and services included in such Category.

*Section 2.04.* It is hereby agreed, pursuant to Section 5.01 of the General Conditions :

- (i) that withdrawals from the Loan Account under Category IV of the allocation of the proceeds of the Loan set forth in Schedule 1 to this Agreement may be made on account of payments in the currency of the Borrower, or for goods produced in, or services supplied from, the territories of the Borrower; and
- (ii) that withdrawals from the Loan Account under Category III of the allocation of the proceeds of the Loan set forth in Schedule 1 to this Agreement may be made on account of payments made prior to the date of this Agreement but after July 1, 1968.

*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-half per cent ( $6\frac{1}{2}\%$ ) per annum on the principal amount of the Loan withdrawn and outstanding from time to time.

*Section 2.07.* Interest and other charges shall be payable semi-annually on June 1 and December 1 in each year.

*Section 2.08.* The Borrower shall repay the principal of the Loan in accordance with the amortization schedule set forth in Schedule 2 to this 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 3 to this Agreement.

*Section 3.02.* Except as the Bank shall otherwise agree (i) the goods and services (other than consultant services) to be financed out of the proceeds of the Loan shall be procured on the basis of international competitive bidding in accordance with 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 are set forth in Schedule 4 to this Agreement or as shall be agreed between the Borrower and the Bank, and (ii) contracts for the procurement of such goods and services shall be subject to the prior approval of the Bank.

*Section 3.03.* Except as the Bank may otherwise agree, the Borrower shall cause all goods and services financed out of the proceeds of the Loan to be used exclusively in carrying out 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 VIII of the General Conditions.

*Section 4.02.* The Minister of Finance of the Borrower and such other person or persons as he shall appoint in writing are designated as authorized representatives of the Borrower for the purposes of Section 8.10 of the General Conditions.

### *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 and financial practices, and shall provide, promptly as needed, the funds, facilities, services and other resources required for the purpose.

(b) The Borrower shall operate, maintain, renew and repair the facilities, machinery, equipment and property of the Public Ports all in accordance with sound engineering, financial and port management standards and practices.

(c) In the carrying out of the Project the Borrower shall employ (i) competent and experienced engineering consultants, (ii) competent and experienced operations and accounting consultants, and (iii) competent and experienced contractors. Such consultants and contractors and the terms and conditions of their employment shall be acceptable to the Borrower and the Bank.

(d) The Borrower shall promptly furnish or cause to be furnished to the Bank, the plans, specifications and work schedules for any part of the Project and any material modifications subsequently made therein, in such detail as the Bank shall request.

(e) The Borrower shall maintain or cause to be maintained records adequate to identify the goods and services 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 of the agency or agencies of the Borrower responsible for the construction or operation of the Project or any part thereof; shall enable the Bank's representatives to inspect the Project, the goods financed out of the proceeds of the Loan and any relevant records and documents; and shall furnish 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 and services financed out of the proceeds of the Loan, and the administration, operations and financial condition of the agency or agencies of the Borrower responsible for the construction or operation of the Project or any part thereof.

*Section 5.02.* (a) The Borrower and the Bank shall cooperate fully to assure 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 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 Bank shall from time to time exchange views through their representatives with regard to matters relating to the purposes of the Loan and the maintenance of the service thereof. The Borrower shall promptly inform the Bank of any condition which interferes with, or threatens to interfere with, the accomplishment of the purposes of the Loan or the maintenance of the service thereof.

(c) The Borrower shall afford all reasonable opportunity for accredited representatives of the Bank to visit any part of the territories of the Borrower for purposes related to the Loan.

*Section 5.03.* It is the mutual intention of the Borrower and the Bank that no other external debt shall enjoy any priority over the Loan by way of a lien on governmental assets. To that end, the Borrower undertakes that, except as the Bank shall otherwise agree, if any lien shall be created on any assets of the Borrower as security for any external debt, such lien will *ipso facto* equally and ratably secure the payment of the principal of, and interest and other charges on, the Loan and the Bonds, and that in the creation of any such lien express provision will be made to that effect; provided, however, that the foregoing provisions of this Section shall not apply to : (i) any lien created on property, at the time of purchase thereof, solely as security for the payment of the purchase price of such property; or (ii) any lien arising in the ordinary course of banking transactions and securing a debt maturing not more than one year after its date.

The term "assets of the Borrower" as used in this Section includes assets of the Borrower or of any of its political subdivisions or of any agency of the Borrower or of any such political subdivision, including any institution performing the functions of a central bank.

*Section 5.04.* The principal of, and interest and other charges on, the Loan and the Bonds shall be paid without deduction for, and free from, any taxes imposed under the laws of the Borrower or laws in effect in its territories and free from all restrictions imposed under the laws of the Borrower or laws in effect in its territories; provided, however, that the provisions of this Section shall not apply to taxation of payments under any Bond to a holder thereof other than the

Bank when such Bond is beneficially owned by an individual or corporate resident of the Borrower.

*Section 5.05.* The Loan Agreement and the Bonds shall be free from any taxes that shall be imposed under the laws of the Borrower or laws in effect in its territories on or in connection with the execution, issue, delivery or registration thereof and the Borrower shall pay all such taxes, if any, imposed under the laws of the country or countries in whose currency the Loan and the Bonds are payable or laws in effect in the territories of such country or countries.

*Section 5.06.* Except as the Borrower and the Bank shall otherwise agree, the Borrower undertakes to insure or cause to be insured with responsible insurers the goods to be financed out of the proceeds of the Loan against marine, transit and other hazards incident to the acquisition, transportation and delivery thereof to the place of use or installation and for such insurance any indemnity shall be payable in a currency freely usable for the Borrower to replace or repair such goods.

*Section 5.07.* The Borrower undertakes that it will construct, maintain and repair, in accordance with sound engineering and highway practices, all roads within its jurisdiction providing access to and necessary for the efficient operation of the port at Limassol as described in Part A of Schedule 3 to this Agreement.

*Section 5.08.* The Borrower shall, except as the Borrower and the Bank shall otherwise agree, establish and maintain charges for services at its Public Ports which will produce revenues sufficient to ensure a reasonable annual return on the average value of net fixed assets in operation at such ports, after covering all operating expenses, including administrative expenses and adequate maintenance and depreciation, such return being not less than 7% for 1978, and higher thereafter. For the purposes of this paragraph, the term "average net fixed assets in operation" means the average of the gross value of fixed assets in operation at the beginning and end of each fiscal year less accumulated straight-line depreciation, revalued as may be necessary from time to time on the basis of replacement cost.

*Section 5.09.* The Borrower undertakes to take or cause to be taken all steps necessary to :

- (a) establish not later than December 31, 1971, or such other date as shall be agreed by the Borrower and the Bank, a National Port Authority responsible for the construction, operation, maintenance and development of the facilities of the Public Ports, which will function under a law and regulations, in form

and substance satisfactory to the Borrower and the Bank, and have such powers, management, resources, capital structure and financial policies as are necessary to enable it to carry out its responsibilities efficiently;

- (b) promptly after its establishment, transfer to such Authority the properties and facilities of the Public Ports and all assets and liabilities relating thereto, including any existing rights, privileges and obligations of the Borrower as licensor under the Piers Law Cap 78 and the Regulations and Orders made thereunder; and
- (c) without limitation or restriction on the provisions of Section 5.08 of this Agreement, or of paragraph (a) of this Section, take all such action as may be necessary to enable such Authority, out of internally-generated resources, (i) to meet interest on and amortization of debt, (ii) to maintain adequate operating working capital, (iii) to establish and maintain reserves adequate to meet contingencies, and (iv) to finance the cost of renewal or replacement of plant and equipment, the cost of minor port works and a reasonable proportion of the cost of major port expansion and development works.

*Section 5.10.* For the purposes of Section 5.09 of this Agreement, the Borrower shall complete or cause to be completed, by not later than December 31, 1970, an inventory of all the facilities, machinery, equipment and property of the Borrower used for the purposes of the operation, maintenance and administration of the Borrower's Public Ports and shall assign such values thereto, based on replacement cost and remaining economic lives, as shall be satisfactory to the Bank.

*Section 5.11.* After the establishment of such Authority, the Borrower shall cause such Authority to have at all times competent and experienced management and shall consult with the Bank prior to the appointment of a General Manager for the said Authority.

*Section 5.12.* After the establishment of such Authority, the Borrower shall, without derogating from its obligations under this Loan Agreement, cause such Authority to carry out such obligations of the Borrower as shall fall within the responsibilities of such Authority with due diligence and efficiency and in conformity with sound engineering and financial practices.

## *Article VI*

### REMEDIES OF THE BANK

*Section 6.01.* If any event specified in Section 7.01 of the General Conditions shall occur and shall continue for the period, if any, therein set forth, then



at any subsequent time during the continuance thereof, the Bank, at its option, may by notice to the Borrower declare the principal of the Loan and of all the Bonds then outstanding to be due and payable immediately, together with the interest and other charges thereon, and upon any such declaration such principal, interest and charges shall become due and payable immediately, anything to the contrary in this Loan Agreement or in the Bonds notwithstanding.

### *Article VII*

#### EFFECTIVE DATE; TERMINATION

*Section 7.01.* The following event is specified as an additional condition to the effectiveness of this Loan Agreement within the meaning of Section 11.01 (c) of the General Conditions, namely that the Borrower shall have satisfied the Bank that it has validly acquired all land, interests in land and properties and all such rights and privileges as shall be necessary for construction and operation of the Project.

*Section 7.02.* The following is specified as an additional matter within the meaning of Section 11.02 (c) of the General Conditions, to be included in the opinion or opinions to be furnished to the Bank, namely that the Borrower shall have satisfied the Bank that it has validly acquired all land, interests in land and properties and all such rights and privileges as shall be necessary for construction and operation of the Project.

*Section 7.03.* The date of October 1, 1969 is hereby specified for the purposes of Section 11.04 of the General Conditions.

### *Article VIII*

#### MISCELLANEOUS

*Section 8.01.* The Closing Date shall be March 30, 1974 or such other date as shall be agreed between the Borrower and the Bank.

*Section 8.02.* The Minister of Finance of the Borrower is designated as representative of the Borrower for the purposes of Section 10.03 of the General Conditions.

*Section 8.03.* The following addresses are specified for the purposes of Section 10.01 of the General Conditions :

For the Borrower :

Ministry of Finance  
Nicosia  
Cyprus

Alternative address for cables :

Minfinance

Nicosia

For the Bank :

International Bank for Reconstruction and Development

1818 H Street, N.W.

Washington, D.C. 20433

United States of America

Alternative address for cables :

Intbafrad

Washington, D.C.

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

Republic of Cyprus :

By Zenon George ROSSIDES

Authorized Representative

International Bank for Reconstruction and Development :

By J. Burke KNAPP

Vice President

## SCHEDULE 1

### ALLOCATION OF PROCEEDS OF THE LOAN

<i>Category</i>	<i>Amounts Expressed in Dollar Equivalent</i>
I. Limassol Port Civil Works . . . . .	7,220,000
II. Port Equipment . . . . .	1,740,000
III. Consultant Services . . . . .	830,000
IV. Limassol Port Access Road, Water Mains and Electrical Connections . . . . .	260,000
V. Unallocated . . . . .	1,450,000
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TOTAL	11,500,000
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## REALLOCATION UPON CHANGE IN COST ESTIMATES

1. If the estimate of the cost of the items included in any of the Categories I to IV shall decrease, the amount of the Loan then allocated to, and no longer required for, such Category will be reallocated by the Bank to Category V.

2. If the estimate of the cost of the items included in any of the Categories I to IV shall increase, an amount equal to the portion, if any, of such increase to be financed out of the proceeds of the Loan (or, in the case of Category IV, an amount equal to 55% of such increase) will be allocated by the Bank, at the request of the Borrower, to such Category from Category V, subject, however, to the requirements for contingencies, as determined by the Bank, in respect of the cost of the items in the other Categories.

## SCHEDULE 2

## AMORTIZATION SCHEDULE

<i>Date Payment Due</i>	<i>Payment of Principal (expressed in dollars) *</i>	<i>Date Payment Due</i>	<i>Payment of Principal (expressed in dollars) *</i>
June 1, 1974 . . . . .	140,000	December 1, 1984 . . . . .	270,000
December 1, 1974 . . . . .	145,000	June 1, 1985 . . . . .	280,000
June 1, 1975 . . . . .	145,000	December 1, 1985 . . . . .	290,000
December 1, 1975 . . . . .	150,000	June 1, 1986 . . . . .	295,000
June 1, 1976 . . . . .	155,000	December 1, 1986 . . . . .	305,000
December 1, 1976 . . . . .	160,000	June 1, 1987 . . . . .	315,000
June 1, 1977 . . . . .	165,000	December 1, 1987 . . . . .	325,000
December 1, 1977 . . . . .	170,000	June 1, 1988 . . . . .	340,000
June 1, 1978 . . . . .	180,000	December 1, 1988 . . . . .	350,000
December 1, 1978 . . . . .	185,000	June 1, 1989 . . . . .	360,000
June 1, 1979 . . . . .	190,000	December 1, 1989 . . . . .	370,000
December 1, 1979 . . . . .	195,000	June 1, 1990 . . . . .	385,000
June 1, 1980 . . . . .	200,000	December 1, 1990 . . . . .	395,000
December 1, 1980 . . . . .	210,000	June 1, 1991 . . . . .	410,000
June 1, 1981 . . . . .	215,000	December 1, 1991 . . . . .	420,000
December 1, 1981 . . . . .	225,000	June 1, 1992 . . . . .	435,000
June 1, 1982 . . . . .	230,000	December 1, 1992 . . . . .	450,000
December 1, 1982 . . . . .	235,000	June 1, 1993 . . . . .	465,000
June 1, 1983 . . . . .	245,000	December 1, 1993 . . . . .	480,000
December 1, 1983 . . . . .	255,000	June 1, 1944 . . . . .	505,000
June 1, 1984 . . . . .	260,000		

\* To the extent that any part of the Loan is repayable in a currency other than dollars (see General Conditions, Section 4.02), the figures in this column represent dollar equivalents determined as for purposes of withdrawal.

## PREMIUMS ON PREPAYMENT AND REDEMPTION

The following percentages are specified as the premiums payable on repayment in advance of maturity of any part of the principal amount of the Loan pursuant to Section 3.05(b) of the General Conditions or on the redemption of any Bond prior to its maturity pursuant to Section 8.15 of the General Conditions :

*Time of Prepayment or Redemption**Premium*

Not more than three years before maturity . . . . .	1½%
More than three years but not more than six years before maturity . . . . .	1¾%
More than six years but not more than eleven years before maturity . . . . .	2¼%
More than eleven years but not more than sixteen years before maturity . . . . .	3¼%
More than sixteen years but not more than twenty-one years before maturity . . . . .	5%
More than twenty-one years but not more than twenty-three years before maturity . . . . .	6%
More than twenty-three years before maturity . . . . .	6½%

## SCHEDULE 3

## DESCRIPTION OF PROJECT

The Project consists of :

- A. Construction of a new deep-water, alongside-berth port at Limassol to replace the existing lighterage facilities, and involving :
  1. Construction of a rubble mound type main breakwater of approximately 1500 m in length and 12 m in maximum depth.
  2. Construction of a rubble mound type secondary breakwater of approximately 900 m in length and 10 m in maximum depth.
  3. Construction of 11 m deep quays of approximately 800 m in aggregate length for passengers and cargo ships.
  4. Dredging the port water area and the approaches thereto. This work includes :
    - (a) dredging the channel to 12 m;
    - (b) dredging the turning circle and berths to 11 m; and
    - (c) removing soft material at breakwater sites.
  5. Reclaiming new area for land facilities and raising low-lying areas.
  6. Construction of two single span transit sheds of approximately 9000 sq. m each and two produce inspection sheds of approximately 2500 sq. m each.
  7. Construction of a passenger terminal building of approximately 9000 sq. m, port offices, customs hall and offices, signal station and car-parking area.
  8. Construction of roads and sorting areas within the port land area.
  9. Construction of a security fence of approximately three kilometers length, workshop, labor control building and other small buildings.
  10. Procurement of firefighting equipment and telecommunication system.
  11. Procurement, for Limassol, of a harbor tug, mobile cranes, forklifts, trailers, tractors, conveyors, navigation aids and other small floating and mobile equipment.

B. Procurement, for the Public Port at Famagusta, of mobile cranes, forklifts, trailers, tractors, conveyors and other small floating and mobile equipment.

C. Consulting services for the above and for the improvement of port administration, operation and accounting procedures of the Public Ports of the Borrower.

D. Construction of an access road of approximately 2 miles from Limassol to the new deep-water port to be constructed pursuant to Part A of this Schedule and provision of water mains and electrical connections.

The Project is expected to be completed by September 30, 1973.

#### SCHEDULE 4

##### PROCUREMENT

All goods and services (other than consultants' services) required for the Project shall be procured on the basis of broad international competition. Except as the Bank and the Borrower may otherwise agree, the Borrower will comply with the *Guidelines for Procurement under World Bank Loans and IDA Credits*, dated February 1968.

A. Unless the Bank shall otherwise agree, for all contracts for civil works amounting to U.S. \$100,000 equivalent or more and all contracts for goods or equipment valued at U.S. \$50,000 equivalent or more, the procedure outlined below shall be followed :

1. Contracts shall be awarded, after competitive bidding, to the lowest evaluated bidder.

2. Bidders shall not be required to be registered in Cyprus as a condition to submit bids. Should any other formality be required of a successful bidder before undertaking the works, every facility shall be furnished to the contractor to avoid any possible delay.

3. Prequalification of bidders, as described in paragraph 1.3 of the *Guidelines*, will be employed for bidding on the works included in all parts of the Project, and unless the Bank shall otherwise agree, the civil engineering works shall constitute a single contract. A period of 45 days shall be allowed for submission of prequalification documents. Prior to approval of prequalified bidders, the Borrower shall send to the Bank a list of all firms requesting prequalification, together with proposed approved list and reasons for approval or rejection.

4. Prior to issuing and publishing invitations to bid, the Borrower shall send to the Bank for approval copies of all such invitations together with the tender documents. Two copies of Invitations to Bid, draft forms of contract, specifications and all other bid documents together with a complete description of the international advertising procedure to be used (including a list of publications in which the advertisements would appear and the time to be allowed for bid preparation) will be submitted to the Bank for its review

and comment before the calling of bids. In addition to the offer based on the designs specified in the tender documents, bidders shall be entitled at the same time to submit alternative offers based on alternative designs for any part of the civil works, provided, however, that they make an offer on the complete works in accordance with the designs in the tender documents and that they submit for such alternative designs detailed drawings, specifications, bills of quantities, unit prices and calculation notes to support such alternative offer. Bidders will be allowed at least 90 days to submit their bids.

5. Contracts will include adequate escalation clauses, as described in paragraph 4.4 of the *Guidelines*, and shall show unit prices. Bidding documents shall specify that material and equipment required for carrying out the Project are exempt from all taxes and duties on import or reexport provided that the equipment and machinery are reexported after completion of the works; any tax on reexport, including any tax on depreciation of equipment during the execution of such parts of the Project, shall be borne by the Borrower. The Borrower shall ensure that such import permits for material or equipment as may be required shall be issued promptly.

6. After bids have been received and analyzed, two copies of the analysis of bids and recommendations of the consulting engineers and the proposals of the Borrower for award, together with the reason for such proposals, will be submitted to the Bank for its review and comment prior to the award of the contract or the issuance of a letter of intent. If it is proposed to award any contract to a bidder other than the one quoting the lowest price, the reasons for such proposal shall be stated.

7. If the proposed final contracts were to differ from the terms and conditions contained in the respective documents approved by the Bank under (4) and (6) above, then two copies of the text of the proposed changes will be submitted to the Bank for its review and comment prior to the execution of the contract.

8. After award of the contract, two copies of the final contract will be transmitted to the Bank.

B. With respect to contracts for civil works estimated to cost U.S. \$100,000 equivalent or less and contracts for procurement of machinery, equipment or materials estimated to cost U.S. \$50,000 equivalent or less, copies of all documents, including the invitation to bid, the tender documents and the bid analysis and evaluation, shall be sent to the Bank promptly after the execution of any such contract and prior to the submission to the Bank of the first application for withdrawal from the Loan Account in respect of such contract.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

GENERAL CONDITIONS, DATED 31 JANUARY 1969

GENERAL CONDITIONS APPLICABLE TO LOAN AND GUARANTEE AGREEMENTS

[Not published herein. See *United Nations, Treaty Series, vol. 691, p. 300.*]