

No. 10214

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

Loan Agreement—*Education Project* (with annexed Loan Regulations No. 3, as amended). Signed at Washington on 16 December 1968

Authentic text: English.

Registered by the International Bank for Reconstruction and Development on 20 January 1970.

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

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 16 décembre 1968

Texte authentique: anglais.

Enregistré par la Banque internationale pour la reconstruction et le développement le 20 janvier 1970.

LOAN AGREEMENT ¹

AGREEMENT, dated December 16, 1968, between REPUBLIC OF GUATEMALA (hereinafter called the Borrower), and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (hereinafter called the Bank).

Article I

LOAN REGULATIONS; SPECIAL DEFINITIONS

Section 1.01. The parties to this 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.

Section 1.02. Unless the context otherwise requires, the following terms, wherever used in the Loan Agreement, have the following meanings:

(a) "Guidelines" means the *Guidelines for Procurement under World Bank Loans and IDA Credits*, published by the Bank in February 1968.

(b) "Secondary Teacher Training School" means the Escuela de Formación de Profesores de Enseñanza Media created or to be created within the Universidad de San Carlos of the Borrower.

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 six million three hundred thousand dollars (\$6,300,000).

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.

¹ Came into force on 15 August 1969, upon notification by the Bank to the Government of Guatemala.

² See p. 138 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(b) The amount of the Loan may be withdrawn from the Loan Account as provided in, and subject to the rights of cancellation and suspension set forth in, this Agreement and the Loan Regulations and in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. (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 the 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) in currencies other than the currency of the Borrower for expenditures under Categories III and IV of the allocation of the proceeds of the Loan set forth in Schedule 1 to this Agreement;
- (ii) the equivalent of forty-five percent (45%) 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 expenditures under Categories I and II of said Schedule 1;

provided, however, that if there shall be a change in the estimate of expenditures under Categories I through IV of said Schedule 1, the Bank may by notice to the Borrower adjust the amounts allocated in said Schedule 1 or the above percentage as provided for in said Schedule 1.

(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 the date of this Agreement or (ii) 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 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 ($\frac{3}{4}$ 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 (6½%) 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 (½ 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 April 1 and October 1 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 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 Agreement to expenditures on the Project described in Schedule 3 to this Agreement.

Section 3.02. Except as the Bank shall otherwise agree, the goods 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 and such other procedures supplementary thereto as are set forth in Schedule 4 to this Agreement.

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 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 *Ministro de Hacienda y Crédito Público* of the Borrower is designated as authorized representative of the Borrower for the purposes of Section 6.12 of the Loan Regulations. The *Ministro de Hacienda y Crédito Público* 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 or cause the Project to be carried out with due diligence and efficiency, in conformity with sound technical, administrative and financial standards and practices and with due regard to economy and shall provide, promptly as needed, the funds, facilities, services and other resources required for the purpose.

(b) The Borrower shall operate the educational institutions included in the Project so as to (i) achieve the educational objectives of the Borrower, as such objectives may from time to time be amended by the Borrower in consultation with the Bank and (ii) maintain the total full-day student enrollment levels set forth in Exhibit A of Schedule 3 to this Agreement, except as such levels may from time to time be amended by agreement between the Borrower and the Bank.

(c) The Borrower shall (i) enable the Secondary Teacher Training School to award at least two hundred and fifty scholarships every academic year, tenable for one year and under such other terms and conditions as shall from time to time be satisfactory to the Borrower and the Bank and (ii) grant an adequate number of scholarships and travel grants every academic year to enable needy students, especially in the provinces of the Borrower, to attend the secondary schools included in the Project.

(d) The Borrower shall, for the purpose of carrying out the Project, establish and maintain, (i) within its Ministry of Public Works, a Project Unit with such responsibilities, powers and staff as are provided in Schedule 5 to this Agreement and (ii) a committee composed of representatives of the Ministries of Communications and Public Works, Education, Finance and Agriculture of the Borrower and of the Universidad de San Carlos to advise the Director of the Project Unit.

(e) The Borrower shall, in the carrying out of the Project, employ, to an extent and upon terms and conditions satisfactory to the Borrower and the Bank, (i) qualified and experienced contractors acceptable to the Borrower and the Bank and (ii) architects selected and retained in accordance with the procedures set forth in the booklet entitled "Uses of Consultants by the World Bank and its Borrowers", published by the Bank in September 1966.

(f) The Borrower shall enter into an agreement, satisfactory to the Borrower and the Bank, with such institution as shall be acceptable to the Borrower and the Bank for the provision to the Secondary Teacher Training School of (i) adequate technical assistance for a period of at least five years and (ii) appropriate fellowships for training abroad.

Section 5.02. The Borrower shall (a) conduct the operations of the educational institutions included in the Project under the direction of experienced and well-trained principals, department heads and supervisors; and (b) subject to the provisions of Section 5.03(d), staff the secondary schools of the Borrower with fully qualified teachers to serve on a full-time basis.

Section 5.03. The Borrower shall, for the purpose of carrying out its covenants under Section 5.02 of this Agreement, (a) establish and carry out, beginning not later than January 1, 1970, an appropriate training program for selected personnel in order to provide an adequate number of principals, department heads and supervisors to be available for appointment upon inauguration of the secondary schools included in the Project; (b) establish and carry out appropriate programs for the in-service mandatory training of all less than fully qualified secondary school teachers, to be completed within five years from their appointment or within eight years from the date of this Agreement, whichever is the later, so that all teaching personnel in the public secondary schools of the Borrower will be fully qualified not later than January 1, 1980; (c) commence the academic activities of the Secondary Teacher Training School in January 1969 with an enrollment of not less than 200 students; and (d) establish and apply, not later than January 1, 1971, procedures regulating the appointment of secondary teachers and the employment conditions thereof in order to adequately recognize and reward training received at the Secondary Teacher Training School, including provisions, to be effective not later than January 31, 1972, for the appointment of less than fully qualified secondary school teachers or for any appointment on a part-time basis, only when fully qualified secondary school teachers are not available on a full-time basis.

Section 5.04. The Borrower shall (i) adequately maintain the buildings and equipment of the educational institutions included in the Project and make all necessary renewals and repairs thereof in accordance with sound technical

and administrative practices; and (ii) provide, promptly as needed, the funds, facilities, services and other resources required for the foregoing.

Section 5.05. The Borrower shall furnish to the Bank for its approval, promptly upon their selection, the site plans, and, promptly upon their preparation, the plans, specifications, contracts and work schedules for the construction included in the Project and the master lists of instructional equipment and furniture required for the educational institutions included in the Project and any subsequent material modifications thereof, in such detail as the Bank shall reasonably request.

Section 5.06. Except as the Bank shall otherwise agree, the Borrower shall promptly take all steps necessary to acquire, not later than June 15, 1969, the ownership of all land which shall be required for the educational institutions included in the Project.

Section 5.07. The Borrower shall maintain 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 of the agency or agencies of the Borrower responsible for the carrying out of the Project or any part thereof or the maintenance thereof and 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.

Section 5.08. (a) The Borrower and the Bank shall co-operate fully to ensure that the purposes of the Loan will be accomplished. To that end, the Borrower and the Bank shall from time to time at the request of either party, exchange views through their representatives with regard to: the performance by the Borrower of its obligations under the Loan Agreement, the operation of the educational system of the Borrower and programs for educational development in its territories, any amendments proposed to be made in the instrument creating the Secondary Teacher Training School, and the administration, operations and financial condition of the agency or agencies of the Borrower responsible for the carrying out of the Project or any part thereof or the maintenance thereof, and other matters relating to the purposes of the Loan.

(b) The Borrower shall furnish to the Bank all such information as the Bank shall reasonably request concerning: the expenditure of the proceeds of the Loan, the goods financed out of such proceeds, the Project, the educational system of the Borrower and the administration, operations and financial condition of the agency or agencies of the Borrower responsible for the carrying out of the Project or any part thereof or the maintenance thereof.

(c) 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 or the performance by the Borrower of its obligations under the Loan Agreement. 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.

(d) 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 5.09. (a) The Borrower shall take out and maintain with responsible insurers, or make other provision satisfactory to the Bank for, insurance against such risks and in such amounts as shall be consistent with sound practice.

(b) Without limiting the generality of the foregoing, the Borrower undertakes to insure the imported goods to be financed out of the proceeds of the Loan 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 in a currency freely usable by the Borrower to replace or repair such goods.

Section 5.10. 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; and (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 assets of the Banco de Guatemala or of any other institution performing the functions of a central bank.

Section 5.11. 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, 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 5.12. 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.

Article VI

REMEDIES OF THE BANK

Section 6.01. (i) If any event specified in paragraph (a) or paragraph (b) of Section 5.02 of the Loan Regulations shall occur and shall continue for a period of thirty days, or (ii) if any event specified in paragraph (c) of Section 5.02 of the Loan Regulations shall occur and shall continue for a period of sixty days after notice thereof shall have been given by the Bank to the Borrower, then at any subsequent time during the continuance thereof the Bank, at its option, may declare the principal of the Loan and of all the Bonds then outstanding to be due and payable immediately, and upon any such declaration such principal shall become due and payable immediately, anything in the Loan Agreement or in the Bonds to the contrary notwithstanding.

Article VII

EFFECTIVE DATE; TERMINATION

Section 7.01. The following events are specified as additional conditions to the effectiveness of this Agreement within the meaning of Section 9.01(b) of the Loan Regulations:

- (a) the Borrower has established the Project Unit provided for in Section 5.01(d)(i) of this Agreement;
- (b) the Borrower has employed the architects provided for in Section 5.01(e)(ii) of this Agreement;
- (c) the creation and initial operation of the Secondary Teacher Training School have been duly authorized or ratified by all necessary corporate and governmental action; and
- (d) the Borrower has entered into the agreement provided for in Section 5.01(f) of this Agreement.

Section 7.02. The following are specified as additional matters, within the meaning of Section 9.02(c) of the Loan Regulations, to be included in the opinion or opinions to be furnished to the Bank:

- (a) that the creation and operation of the Secondary Teacher Training School have been duly authorized or ratified by all necessary corporate and governmental action; and
- (b) that the agreement referred to in Section 5.01(f) of this Agreement has been duly authorized or ratified by, and executed and delivered on behalf of, the parties thereto and constitutes a valid and binding obligation of the parties thereto in accordance with its terms.

Section 7.03. If this Agreement shall not have come into force and effect by April 15, 1969, this Agreement and all obligations of the parties hereunder shall terminate, unless the Bank, after consideration of the reasons for the delay, establishes a later date for purposes of this Section. The Bank shall promptly notify the Borrower of such later date.

Article VIII

MISCELLANEOUS

Section 8.01. The Closing Date shall be January 31, 1973, or such other date as may from time to time be agreed between the Borrower and the Bank.

Section 8.02. The following addresses are specified for the purposes of Section 8.01 of the Loan Regulations:

For the Borrower:

Ministerio de Hacienda y Crédito Público
Palacio Nacional
Guatemala, Guatemala

Cable address:

Minhacienda
Guatemala

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.

Section 8.03. The *Ministro de Hacienda y Crédito Público* of the Borrower is designated for the purposes of Section 8.03 of the Loan Regulations.

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 to be delivered in the District of Columbia, United States of America, as of the day and year first above written.

Republic of Guatemala:

By FRANCISCO LINARES ARANDA
Authorized Representative

International Bank for Reconstruction and Development:

By J. Burke KNAPP
Vice President

SCHEDULE 1

ALLOCATION OF THE PROCEEDS OF THE LOAN

<i>Category</i>	<i>Amounts expressed in dollar equivalent</i>
I. Construction Works	\$3,905,000
II. Furniture	400,000
III. Instructional Equipment	915,000
IV. Professional Services	490,000
V. Unallocated	590,000
	TOTAL \$6,300,000

REALLOCATION UPON CHANGE IN COST ESTIMATES

If there shall be a change in the estimate of expenditures under any of the Categories I through IV, the Bank may by notice to the Borrower take either or both of the following courses: (a) transfer to any such Category such portion of the amount then allocated to Category V as it deems appropriate or (b) substitute a revised percentage for the purpose of Section 2.03(a)(ii) of this Agreement, in order to attain the following objectives in the order of priority set forth below:

- (1) to maintain, to the extent practicable, the contribution of the Bank to the financing of the Project, at 50% of the total cost thereof;
- (2) to finance 100% of the reasonable foreign exchange cost of items included under Categories III and IV; and
- (3) to ensure that withdrawals of the amount of the Loan then allocated to Categories I and II and not withdrawn may continue *pro rata* with the expenditures remaining to be made under such 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>
April 1, 1979	115,000	April 1, 1987	190,000
October 1, 1979	120,000	October 1, 1987	200,000
April 1, 1980	120,000	April 1, 1988	205,000
October 1, 1980	125,000	October 1, 1988	210,000
April 1, 1981	130,000	April 1, 1989	220,000
October 1, 1981	135,000	October 1, 1989	225,000
April 1, 1982	140,000	April 1, 1990	230,000
October 1, 1982	145,000	October 1, 1990	240,000
April 1, 1983	150,000	April 1, 1991	245,000
October 1, 1983	155,000	October 1, 1991	255,000
April 1, 1984	160,000	April 1, 1992	265,000
October 1, 1984	165,000	October 1, 1992	270,000
April 1, 1985	170,000	April 1, 1993	280,000
October 1, 1985	175,000	October 1, 1993	290,000
April 1, 1986	180,000	April 1, 1994	300,000
October 1, 1986	185,000	October 1, 1994	305,000

* To the extent that any part of the Loan is repayable in a currency other than dollars (see Loan Regulations, Section 3.03), the figures in this column represent dollar equivalents determined as for purposes of withdrawal.

PREMIUMS ON PREPAYMENT AND REDEMPTION

<i>Time of Prepayment or Redemption</i>	<i>Premium</i>
Not more than three years before maturity	1/2 %
More than three years but not more than six years before maturity	1 1/4 %
More than six years but not more than eleven years before maturity	2 1/4 %
More than eleven years but not more than sixteen years before maturity	3 3/4 %
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	6 1/2 %

SCHEDULE 3

DESCRIPTION OF PROJECT

The Project consists in the construction, furnishing and equipping of:

1. the Secondary Teacher Training School;
2. extensions to the existing Technical Institute of Agriculture; and
3. fifteen new secondary schools.

The specific educational institutions to be included in the Project, the specific locations thereof and the total full-day student enrollment levels thereat shall be those shown in the Exhibit A of this Schedule, subject to modification by further agreement between the Borrower and the Bank.

The Project is expected to be completed by January 31, 1972.

SCHEDULE 3

Exhibit A

LIST OF EDUCATIONAL INSTITUTIONS

<i>Educational Institutions</i>	<i>Location</i>	<i>Enrollment Level</i>
1. Secondary Teacher Training School, University of San Carlos	Guatemala City	700
2. Technical Institute of Agriculture	Villa Nueva	600
3. Demonstration School, University of San Carlos	Guatemala City	840
4. Zone 6 Secondary School (*)	Guatemala City	1,000
5. Zone 7 Secondary School (A) (*)	Guatemala City	840
6. Zone 7 Secondary School (B) (*)	Guatemala City	1,000
7. Zone 11 Secondary School (*)	Guatemala City	1,000
8. Zone 15 Secondary School	Guatemala City	840
9. Antigua Secondary School (*)	Antigua	1,032
10. Chiquimula Secondary School (*)	Chiquimula	792
11. Escuintla Secondary School (*)	Escuintla	1,008
12. Jutiapa Secondary School (*)	Jutiapa	440
13. Mazatenango Secondary School (*)	Mazatenango	1,008
14. Puerto Barrios Secondary School	Puerto Barrios	792
15. Quezaltenango Secondary School	Quezaltenango	1,008
16. Retalhuleu Secondary School (*)	Retalhuleu	1,008
17. Zacapa Secondary School (*)	Zacapa	792

(*) Sites still to be acquired (See Section 5.06 of the Loan Agreement).

SCHEDULE 4

PROCUREMENT METHODS AND PROCEDURES
SUPPLEMENTARY TO THE GUIDELINES1. *Contracts for Construction Works*

(a) For purposes of inviting bids, the construction works will be grouped, whenever practicable, into such packages as are proposed by the architects and approved by the Bank. Any contractor will be permitted to bid for one or more packages.

(b) Prior to inviting bids the Project Unit shall:

(i) submit for Bank approval such packages of works proposed to be let, the estimated costs thereof and a description of the method to be used for obtaining bids in respect of each one, including the prequalification procedures and criteria to be used therefor, if any; and

(ii) upon obtaining such approval, submit for Bank approval the draft bidding documents, the draft contracts and the proposed advertising coverage.

(c) After bids have been received and evaluated, the Project Unit shall send to the Bank a summary and analysis thereof and a brief justification of the decision for the award; provided, however, that in the case of any contract, or group of contracts covered by a single award, involving an amount of US \$200,000 equivalent or more, the Project Unit shall obtain the Bank's approval before the award is made.

(d) As soon as a contract is signed, the Project Unit shall send a certified copy thereof to the Bank.

(e) The Project Unit shall request the Bank's approval for any proposed change in a contract involving a price increase of five per cent of the original contract amount or more or US \$10,000 equivalent, whichever is less.

2. *Contracts for Instructional Equipment and Furniture*

(a) Lists for all items of instructional equipment and furniture required for the Project will be prepared, showing the specifications and estimated unit and total price of each item. Items will be grouped so as to permit bulk procurement as shall be consistent with sound technical and procurement practices.

(b) Prior to inviting bids the Project Unit shall:

(i) submit for Bank approval the lists mentioned in paragraph 2(a) above and a description of the method to be used for obtaining bids in respect of each list,

- including the prequalification procedures and criteria to be used, if any; and
- (ii) upon obtaining such approval, submit for Bank approval the draft bidding documents, the draft contracts and the proposed advertising coverage.

(c) After bids have been received and evaluated, the Project Unit shall send to the Bank a summary and analysis thereof and a brief justification of the decision for the award; provided, however, that in the case of any contract, or group of contracts covered by a single award, involving an amount of US \$25,000 equivalent or more, the Project Unit shall obtain the Bank's approval before the award is made.

(d) As soon as a contract has been signed, the Project Unit shall send a certified copy thereof to the Bank.

SCHEDULE 5

PROJECT UNIT

1. The Project Unit will be responsible for, and will have such powers as shall be required for, the execution of the Project, including *inter alia*: (i) supervision of design of the educational institutions included in the Project; (ii) supervision of the preparation of bidding documents for all construction work, analysis of bids and recommendation for the awards of contracts; (iii) preparation of detailed price lists for procurement of furniture and instructional equipment and handling of the procurement process; (iv) regular inspection of the construction work; and (v) selection, coordination and supervision of the architects.

2. The Project Unit will consist of (a) a full-time Project Director acceptable to the Bank, who will be the Project Unit's legal representative and will have overall responsibility for the direction and coordination of the Project Unit's work and (b) the architectural, procurement and accounting divisions, including such staff as shall be necessary for the proper carrying out of its foregoing responsibilities.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

LOAN REGULATIONS No. 3, DATED 15 FEBRUARY 1961,
AS AMENDED 9 FEBRUARY 1967

REGULATIONS APPLICABLE TO LOANS MADE BY THE BANK
TO MEMBER GOVERNMENTS

[Not published herein. See *United Nations. Treaty Series, vol. 615, p. 98.*]