

No. 11160

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

**Loan Agreement—*Education Project* (with annexed General Conditions Applicable to Loan and Guarantee Agreements). Signed at Washington on 5 November 1970**

*Authentic text: English.*

*Registered by the International Bank for Reconstruction and Development on 11 June 1971.*

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

**Contrat d'emprunt — *Projet relatif à l'enseignement* (avec, en annexe, les Conditions générales applicables aux contrats d'emprunt et de garantie). Signé à Washington le 5 novembre 1970**

*Texte authentique : anglais.*

*Enregistré par la Banque internationale pour la reconstruction et le développement le 11 juin 1971.*

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

AGREEMENT, dated November 5, 1970, between the HELLENIC STATE (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 the Loan Agreement, unless the context otherwise requires, the several terms defined in the General Conditions have the respective meanings therein set forth and the following additional terms have the following meanings:

(a) "Technical Education Law" means Law No. 652 concerning the Establishment of Higher Technical Education Centers published in the Government Gazette on August 29, 1970.

(b) "Project Unit" means the Project implementation unit established for the purpose of carrying out the Project, as required by Section 5.01 (b) of this Agreement.

### *Article II*

#### THE LOAN

*Section 2.01.* The Bank agrees to lend to the Borrower, on the terms and conditions in the Loan Agreement set forth or referred to, an amount in various currencies equivalent to thirteen million eight hundred thousand dollars (\$13,800,000).

<sup>1</sup> Came into force on 31 March 1971, upon notification by the Bank to the Government of Greece.

<sup>2</sup> See p. 218 of this volume.

*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 suspension set forth in, the 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 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 or services required for the Project and to be financed under the Loan Agreement:

- (a) 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 Categories 2 (b) and 3 of the Allocation of the Proceeds of the Loan referred to in Section 2.02 of this Agreement; and
- (b) the equivalent of thirty-two per cent (32%) 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 Categories 1 and 2 (a) of such Allocation, which percentage represents the estimated foreign exchange component of the cost of such goods or services;

provided, however, that if there shall be an increase in the estimate of such payments for goods or services included in Category 1, 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 or services included in such Category.

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

- (i) that withdrawals from the Loan Account under Categories 1 and 2 (a) of the Allocation of the Proceeds of the Loan 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 1 of such Allocation may be made on account of payments made prior to the date of this Agreement but after October 1, 1970.

(b) No withdrawal from the Loan Account shall be made on account of payments for taxes imposed by the Borrower or any of its political subdivisions on, or in connection with, the importation or supply of goods or services for the Project.

*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 seven and one-quarter per cent ( $7\frac{1}{4}\%$ ) 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 February 1 and August 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 cause the proceeds of the Loan to be applied in accordance with the provisions of the Loan Agreement to expenditures on the Project.

*Section 3.02.* Except as the Bank shall otherwise agree, the goods and services (other than consultants' 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 August 1969, 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.

*Section 3.03.* Except as the Bank shall otherwise agree, the Borrower shall cause all goods and services 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 VIII of the General Conditions.

*Section 4.02.* The Minister of Finance of the Borrower is designated as authorized representative of the Borrower for the purposes of Section 8.10 of the General Conditions. The Minister of Finance of the Borrower may designate additional or other authorized representatives by appointment 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, financial and educational policies and practices, and with due regard to economy, and shall, at all times, make available promptly as needed, the funds, facilities, services and other resources required for the purpose, and for the effective utilization, staffing, equipping, operation and maintenance of the educational institutions included in the Project.

(b) The Borrower shall establish and operate the Project Unit with such powers, responsibilities, staff, facilities and resources as are set forth in Schedule 5 to this Agreement.

*Section 5.02.* (a) The Borrower shall, in the carrying out of the Project, employ consultants and other experts acceptable to, and upon terms and conditions satisfactory to, the Borrower and the Bank for the following purposes: (i) preparing the designs of physical facilities for the educational institutions included in the Project; (ii) supervising the construction included in the Project; and (iii) providing the technical assistance required under Part 2 (b) of the Project.

(b) The Borrower shall furnish to the Bank for its approval promptly upon their preparation the plans, specifications, contracts and work schedules for the construction included in the Project and the lists of instructional equipment and furniture included therein, and any subsequent material modifications thereof, in such detail as the Bank shall reasonably request.

*Section 5.03.* (a) The Borrower shall operate the educational institutions and facilities included in the Project in accordance with sound administrative and educational policies and practices and with due regard to economy, all as required in order to further the educational objectives of the Borrower.

(b) The Borrower covenants that it will at all times employ qualified administrators and teachers in adequate numbers to staff the educational institutions included in the Project. The initial appointments by the Borrower to the positions of Director General of each of the Higher Technical Education Centers included in the Project shall be made in consultation with the Bank.

*Section 5.04.* (a) The Borrower shall cause the buildings, equipment and furniture of the educational institutions included in the Project to be adequately maintained and shall cause all necessary repairs and renewals thereof to be made in accordance with sound administrative and technical standards.

(b) The Borrower shall take all such timely action as shall be necessary to acquire the ownership of all land and rights *in rem* required for the design and construction of the Project facilities.

*Section 5.05.* 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 and results achieved by the Project (including the cost thereof) and to reflect in accordance with consistently maintained sound accounting practices the operations and financial condition of the agencies of the Borrower responsible for the carrying out 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 educational system of the Borrower, the expenditure of the proceeds of the Loan, the goods and services financed out of such proceeds, the Project and the administration, operations and financial condition of the agencies of the Borrower responsible for the carrying out of the Project or any part thereof.

*Section 5.06.* (a) The Borrower and the Bank shall cooperate fully to assure 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 and the Bank of their respective obligations under the Loan Agreement, the educational system of the Borrower as it affects the Project, the administration, operations and financial condition of

the agencies of the Borrower responsible for the carrying out of the Project or any part thereof, any proposed changes in the Technical Education Law, and other matters relating to the purposes of the Loan.

(b) 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, 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.

(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 5.07.* 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. 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; or (iii) any lien on commercial goods to secure a debt maturing not more than one year after the date on which it is originally incurred and to be paid out of the proceeds of sale of such commercial goods; or (iv) any lien upon real estate or other property in Greece or revenues or receipts in currency of the Borrower, if such lien is given by a political subdivision or by an agency of a political subdivision of the Borrower under arrangements or circumstances which would not result in priority in the allocation or realization of foreign exchange.

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 agency of any such political subdivision or of the Bank of Greece or of any other institution performing the functions of a central bank.

If the Borrower, because of constitutional or other legal provisions, shall be unable to make the foregoing effective with respect to any lien on any assets of a political subdivision or agency of a political subdivision, the Borrower, except as the Bank shall otherwise agree, shall give to the Bank an equivalent lien or equivalent priority in the allocation or realization of foreign exchange, as the case may be, satisfactory to the Bank.

*Section 5.08.* 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, or fees upon, 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 5.09.* 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 5.10.* The Borrower undertakes to insure, or make adequate provision for the insurance of, the goods to be financed out of the proceeds of the Loan against marine, transit and other hazards incident to the 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 5.11.* The Borrower shall, within one year after the date of this Agreement, furnish to the Bank for comment draft agreements between the proposed cooperating hospitals and the Project centers, such agreements to describe in detail the training to be provided by the hospitals and other obligations of each party.

*Section 5.12.* In order to obtain the technical qualifications and pedagogical training required for operating the educational institutions included in the Project, the Borrower shall prepare a staff development program satisfactory to the Bank and shall implement such program in accordance with a timetable to be agreed from time to time between the Borrower and the Bank.



*Article VI*

## REMEDIES OF THE BANK

*Section 6.01.* If any event specified in Section 7.01 of the General Conditions or Section 6.02 of this Agreement 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, together with such interest and other charges thereon, shall become due and payable immediately anything to the contrary in the Loan Agreement or in the Bonds notwithstanding.

*Section 6.02.* For the purposes of Section 7.01 of the General Conditions, the following additional event is specified, namely:

The Borrower shall have failed to enforce or implement the Technical Education Law as necessary to carry out the Project and enable the Borrower to comply with its obligations under the Loan Agreement, or shall have modified the Technical Education Law in such a manner as to affect the Project adversely.

*Article VII*

## EFFECTIVE DATE; TERMINATION

*Section 7.01.* The following events are specified as additional conditions to the effectiveness of the Loan Agreement within the meaning of Section 11.01 (c) of the General Conditions:

- (a) that, except as the Bank shall otherwise agree, all necessary acts, consents and approvals to be performed or given by the Borrower, its political subdivisions or agencies or by any agency of any political subdivision or otherwise to be performed or given in order to authorize the carrying out of the Project and to enable the Borrower to perform all of the covenants, agreements and obligations of the Borrower in this Agreement contained, together with all necessary powers and rights in connection therewith, have been performed or given;
- (b) that the Project Unit has been established and is satisfactorily operating as required initially to comply with the provisions of Section 5.01. (b) of this Agreement; and
- (c) that the Technical Education Law has become effective.

*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 all acts, consents and approvals referred to in Section 7.01 (a) together with all necessary powers and rights in connection therewith, have been duly and validly performed or given and that no other such acts, consents or approvals are required in order to authorize the carrying out of the Project and to enable the Borrower to perform all of the covenants, agreements and obligations in the Loan Agreement contained.

*Section 7.03.* The date of March 1, 1971 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 December 31, 1975 or such other date or dates 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:

The Ministry of Finance  
Athens, Greece

With copies to:

The Ministry of Coordination  
Athens, Greece

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 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.

The Hellenic State:

By E. FTHENAKIS  
Authorized Representative

International Bank for Reconstruction and Development:

By J. BURKE KNAPP  
Vice President

# SCHEDULE 1

## ALLOCATION OF PROCEEDS OF LOAN

<i>Category</i>	<i>Amounts Expressed in Dollar Equivalent</i>
1. Civil Works and Consultants Fees .....	3,870,000
2. Furniture and Instructional Equipment and Books	
(a) manufactured locally .....	440,000
(b) imported .....	8,150,000
3. Technical assistance .....	840,000
4. Unallocated .....	500,000
	<u>TOTAL 13,800,000</u>

## REALLOCATION UPON CHANGE IN COST ESTIMATES

1. If the estimate of the cost of goods and services included in Categories 1 to 3 shall decrease, the amount of the Loan allocated to but no longer required for such Category will be reallocated by the Bank to Category 4.

2. If the estimate of the cost of goods and services included in any of the Categories 1 to 3 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 Categories 1 or 2 (a), an amount equal to 32% of such increase) will be allocated by the Bank at the request of the Borrower to such Category from Category 4,

subject, however, to the requirements for contingencies, as determined by the Bank, in respect of the cost of goods and services 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>
February 1, 1976 .....	260,000	August 1, 1983 .....	445,000
August 1, 1976 .....	270,000	February 1, 1984 .....	465,000
February 1, 1977 .....	280,000	August 1, 1984 .....	480,000
August 1, 1977 .....	290,000	February 1, 1985 .....	495,000
February 1, 1978 .....	300,000	August 1, 1985 .....	515,000
August 1, 1978 .....	315,000	February 1, 1986 .....	535,000
February 1, 1979 .....	325,000	August 1, 1986 .....	555,000
August 1, 1979 .....	335,000	February 1, 1987 .....	575,000
February 1, 1980 .....	350,000	August 1, 1987 .....	595,000
August 1, 1980 .....	360,000	February 1, 1988 .....	615,000
February 1, 1981 .....	375,000	August 1, 1988 .....	640,000
August 1, 1981 .....	385,000	February 1, 1989 .....	660,000
February 1, 1982 .....	400,000	August 1, 1989 .....	685,000
August 1, 1982 .....	415,000	February 1, 1990 .....	710,000
February 1, 1983 .....	430,000	August 1, 1990 .....	740,000

\* 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:

<i>Time of Prepayment or Redemption</i>	<i>Premium</i>
Not more than three years before maturity .....	1 $\frac{1}{4}$ %
More than three years but not more than six years before maturity .....	2%
More than six years but not more than eleven years before maturity .....	3 $\frac{1}{2}$ %
More than eleven years but not more than sixteen years before maturity ..	5 $\frac{1}{4}$ %
More than sixteen years but not more than eighteen years before maturity .	6 $\frac{1}{4}$ %
More than eighteen years before maturity .....	7 $\frac{1}{4}$ %

## SCHEDULE 3

## DESCRIPTION OF THE PROJECT

1. The Project is part of the Borrower's program to make its education system a more effective instrument of economic development. The long-range objective of the Project is to provide experience in the creation and administration of Higher Technical Education Centers as part of the public post-secondary technical education system and to assist thereby in bringing about general reforms at lower and higher levels of education in order to relate the system more closely to Greece's economic development requirements. The short-term objective of the Project is to meet critical shortages of manpower at the technician level in the fields of industry, agriculture, business and health services.

2. The Project consists of the following:

- (a) construction and equipping of five new Higher Technical Education Centers, together with related boarding facilities and staff housing; and
- (b) provision and utilization of technical assistance in respect of (i) overseas training for administrative and teaching staff, and (ii) development of the Higher Technical Education Centers.

3. The specific Higher Technical Education Centers to be included in the Project, their locations, enrollment, student boarding capacity and approximate areas of construction will be as shown in Part A of the Exhibit to this Schedule.

4. The technical assistance to be provided under the Project will be as shown in Part B of the Exhibit to this Schedule.

The part of the Project referred to in paragraph 2 (a) above is expected to be completed by June 30, 1974, and the part referred to in paragraph 2 (b) above is expected to be completed by June 30, 1975.

*Exhibit to Schedule 3**A. List of Higher Technical Education Centers*

<i>Location</i>	<i>Approximate Enrollment Capacity</i>	<i>Student Boarding Capacity</i>	<i>Approximate Total Construction Area (m<sup>2</sup>)</i>
Athens .....	2100	none	19,950
Thessalonika .....	1590	320	24,340
Larissa .....	990	320	19,580
Patras .....	930	216	13,900
Iraklion .....	1050	344	18,670

*B. Technical Assistance*

1. A team of specialists agreeable to the Bank for an estimated maximum of 26 man-years including a program coordinator serving for a period of three to four years, in two groups consisting of:

- (a) program specialists in the following fields and for the indicated maximum periods of service as specified below. The first specialist will begin work not later than July 1, 1971.

<i>Man-Years</i>	
Engineering	2
Business	2
Agriculture	2
Health	3
Food Technology	3
Graphic Arts	1

- (b) teacher trainers specializing in the following fields for the indicated periods of service as specified below. The first teacher trainer will begin work not later than October 1, 1972.

<i>Man-Years</i>	
Engineering	2
Business	2
Agriculture	2
Health	3

2. Fellowship training abroad for the director general and four department heads of each Center, in combined study and internship programs. Timing, duration and nature of each fellowship will be varied to meet individual and Project requirements but the total number is estimated to be 35. The fellowship schedule will be submitted to the Bank for approval before implementation and within twelve months after the date of the Loan Agreement. Any changes in such schedule will also be submitted to the Bank for approval.

#### SCHEDULE 4

##### PROCUREMENT

*A. Contracts for Civil Works*

1. Contractors will be pre-qualified in accordance with paragraph 1.3 of the Guidelines referred to in Section 3.02 of this Agreement.

2. Before inviting bids, the Borrower will send to the Bank for its comments the following:

- (a) list of all contracts for civil works to be awarded in carrying out the Project, indicating the estimated value of each contract and the forecast timetable for obtaining it. The contracts will be grouped in such a way as to encourage international competitive bidding;
- (b) description of the proposed international advertising coverage to ensure international competitive bidding, draft bid notices, pre-qualification questionnaires and description of pre-qualification procedures;
- (c) the consultant's report and recommendation on the pre-qualification data submitted and the proposed selected tender list;
- (d) draft bidding documents and draft contracts. The invitations to bid for the educational institutions included in the Project will, *inter alia*, specify that the bidder will submit offers in respect of each Center or of all of them, together with related facilities, or any combination thereof, the bids therefor to be opened simultaneously and the Borrower to have the option of awarding to one contractor one contract in respect of all the Centers and facilities, or separate contracts in respect of the various Centers and facilities to different contractors. The Borrower shall make such additions or deletions in such proposed tender list and such modifications in such draft bidding documents and draft contracts as the Bank shall reasonably request.

3. After bids have been received and evaluated, the Borrower shall, before a final decision on the award is made, inform the Bank of the name of the bidder to whom it intends to award the contract and shall furnish to the Bank, in sufficient time for its review, a detailed report by the Borrower's consultants on the evaluation and comparison of the bids received, together with the recommendations for award of said consultants, and the reasons for the intended award. The Bank shall promptly inform the Borrower whether it has any objection to the intended award on the ground that it would be inconsistent with the provisions of the Guidelines referred to in Section 3.02 of this Agreement or with the Loan Agreement, and shall state the reasons for any such objection.

4. If the contract shall be awarded over the Bank's reasonable objection on the ground of inconsistency with such Guidelines or the Loan Agreement or if its terms and conditions shall, without the Bank's concurrence, materially differ from those on which bids were asked, no expenditures thereunder shall be financed out of the proceeds of the Loan.

5. Promptly after a contract has been awarded, and before submission to the Bank of the first application for withdrawal of funds in respect of such contract, a certified copy of the contract will be sent to the Bank.

6. The Borrower shall request the Bank's approval for any proposed change in a contract involving a price increase of not less than 10% of the contract price or more than U.S.\$25,000 equivalent, whichever is less, together with an explanation of the proposed change.

*B. Contracts for Instructional Equipment, Books and Furniture*

1. Before inviting bids, the Borrower will send to the Bank for its approval the following:

- (a) lists of all items of equipment, books and furniture required for the Project showing the specifications and the estimated unit and total price of each item. Items will be indexed, coded and numbered for identification with the Higher Technical Education Center in question and the spaces for which they are required. The items to be purchased will be grouped so as to permit bulk procurement as shall be consistent with sound technical and procurement practices. Insofar as practicable, contracts for such items will be for not less than \$40,000 equivalent. Contracts amounting to less than \$1,000 equivalent will not be submitted to the Bank for financing. Amendments of such lists which may be made from time to time will also be submitted to the Bank for approval; and
- (b) draft standard documents for inviting tenders, forms of contracts and description of the method to be used for obtaining bids on an international basis.

2. Procurement will be limited to those items of equipment, books and furniture specified in the approved lists mentioned in subparagraph B. 1 (a) above and identified in contract documents by the same indices, codes and numbers as in the lists.

3. For evaluating bids received for imported and locally manufactured furniture and equipment, the following method will be used;

- (a) 15% of the quoted CIF price, exclusive of customs duties and similar taxes on importation, or the existing level of customs duties, whichever is the less, of each bid submitted for imported furniture will be added to the quoted price; and
- (b) the lowest bid will then be determined by comparing prices, as determined in subparagraph B. 3. (a) above, of acceptable bids for imported furniture and the actual ex-factory prices of acceptable bids for locally manufactured furniture.

4. If a contract is intended to be awarded to a bidder other than the lowest bidder (within the meaning of the foregoing paragraph 3), or if the contract involves a price difference of 10% or more from the original estimate as shown pursuant to subparagraph B. 1. (a) above, the Borrower will, after the bids have been evaluated and before making the awards, send to the Bank in sufficient time for its review, a summary and analysis thereof and a brief justification of the Borrower's decision on the award. The Bank shall promptly inform the Borrower whether it has any objection to the intended award on the ground that it would be inconsistent with the provisions of the Guidelines referred to in Section 3.02 of this Agreement or with the Loan Agreement, and shall state the reasons for any such objection.



5. Promptly after bids have been evaluated and a contract has been awarded and before submission to the Bank of the first application for withdrawal of funds in respect of such contract, the following will be sent to the Bank:

- (a) certificate signed by the Project Director, or his deputy, that the goods tendered for are in accordance with the quantities and specifications in the lists approved by the Bank;
- (b) summary of the tenders received;
- (c) brief analysis of the tenders and justification for the Borrower's decision in making the award; and
- (d) certified copy of the contract.

The Bank shall promptly inform the Borrower if it reasonably determines that the award of the contract is inconsistent with the Guidelines referred to in Section 3.02 of this Agreement or with the Loan Agreement and, in such event, no expenditures under such contract shall be financed out of the proceeds of the Loan.

## SCHEDULE 5

### PROJECT Unit

1. The Project Unit, under the direction of the Project Director, will be directly responsible to the Director General of Vocational Education of the Ministry of Education for the proper carrying out and supervision of the Project. The Project Unit will be provided with adequate premises, equipment, supporting staff, means of communication and transport.

2. A Project Director, Project Architect and Project Educator will be appointed to the Project Unit on a full-time basis in consultation with the Bank within 60 days of the date of the Loan Agreement.

3. In addition, the Project Director will have the services of:

- (a) specialists in program development and facility planning (Exhibit to Schedule 3, Part B) to assist him in the carrying out of Part 2 (a) of the Project;
- (b) subject specialists from the Ministry of Education and other sources in Greece or abroad (Exhibit to Schedule 3, Part B) to assist in preparation of curricula, as a basis for facilities and equipment needs for Part 2 (a) of the Project.

4. More specifically the Project Director will be responsible, *inter alia*, for the following:

- (a) arrangements for the selection of consultant-architects and finalization of their terms of reference;
- (b) administration of agreements with consultants;
- (c) preparation, with the help of the Project Architect, the consultant-architects and the Project Educator, of a comprehensive implementation schedule

- based on the Critical Path Method (CPM), Gantt Chart or other satisfactory method, for setting down the planned timetable of coordinated activities and responsibilities on which the carrying out of all aspects of the Project will be based. The implementation schedule will be prepared as the first step in implementing the Project and the Bank will be given ample opportunity to comment on the planned timetable before it is put into effect;
- (d) arrangements for the review and approval by appropriate authorities of the reports, specifications and other material submitted by the consultants;
  - (e) advice and assistance to the consultant-architects, with the help of the Project Educator and subject specialists as needed, in the (i) briefing as to the educational needs of the institutions included in the Project, and (ii) preparation of (A) lists of all instructional equipment and furniture required for the educational institutions, (B) specifications, and (C) estimated unit and total prices of each item;
  - (f) necessary arrangements for calling bids and awarding contracts relating to the Project;
  - (g) coordination and integration of all Project activities with other appropriate related activities of the Ministry of Education, the Ministry of Coordination and other interested ministries of the Borrower;
  - (h) supervision of the organization and administration of (i) recruitment and proper functioning of the team of program and teacher training specialists, and (ii) the fellowship training program;
  - (i) supervision of all staff of the Project Unit in the performance of their respective duties;
  - (j) liaison with the Bank and other external aid or technical assistance agencies and with all relevant ministries, authorities and agencies of the Borrower in matters relating to the execution of the Project;
  - (k) keeping of Project accounts and preparation of interim evaluation and financial statements;
  - (l) preparation of applications for withdrawals from the Loan Account; and
  - (m) preparation of quarterly progress reports.

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.]*