

No. 11188

**INTERNATIONAL DEVELOPMENT ASSOCIATION
and
DOMINICAN REPUBLIC**

Development Credit Agreement—*Education Project* (with annexed General Conditions Applicable to Development Credit Agreements). Signed at Washington on 18 February 1971

Authentic text : English.

Registered by the International Development Association on 22 June 1971.

**ASSOCIATION INTERNATIONALE
DE DÉVELOPPEMENT
et
RÉPUBLIQUE DOMINICAINE**

Contrat de crédit de développement — *Projet relatif à l'enseignement* (avec, en annexe, les Conditions générales applicables aux contrats de crédit de développement). Signé à Washington le 18 février 1971

Texte authentique : anglais.

Enregistré par l'Association internationale de développement le 22 juin 1971.

DEVELOPMENT CREDIT AGREEMENT¹

AGREEMENT, dated February 18, 1971, between DOMINICAN REPUBLIC (hereinafter called the Borrower) and INTERNATIONAL DEVELOPMENT ASSOCIATION (hereinafter called the Association).

Article I

GENERAL CONDITIONS; DEFINITIONS

Section 1.01. The parties to this Development Credit Agreement accept all the provisions of the General Conditions Applicable to Development Credit Agreements of the Association, dated January 31, 1969,² with the same force and effect as if they were fully set forth herein, subject, however, to the deletion of Section 5.01 thereof (said General Conditions Applicable to Development Credit Agreements of the Association, as so modified, being hereinafter called the General Conditions).

Section 1.02. Wherever used in this Development Credit 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) " Project Unit " means the project unit referred to in Section 3.02 of this Development Credit Agreement ;

(b) " *Ciclo Básico* " means the first four years of secondary education, as provided in *Ordenanza* No. 1/70 of the Consejo Nacional de Educación of the Borrower, dated October 16, 1970 ;

(c) " *Ciclo Superior* " means the last two years of secondary education, as provided in *Ordenanza* No. 1/70 of the Consejo Nacional de Educación of the Borrower, dated October 16, 1970 ; and

(d) " *Escuelas Normales* " means secondary schools exclusively engaged in the training of primary school teachers.

Article II

THE CREDIT

Section 2.01. The Association agrees to lend to the Borrower, on the terms and conditions in this Development Credit Agreement set forth or referred to, an amount in various currencies equivalent to four million dollars (\$4,000,000).

¹ Came into force on 17 May 1971, upon notification by the Association to the Government of the Dominican Republic.

² See p. 138 of this volume.

Section 2.02. The amount of the Credit may be withdrawn from the Credit Account in accordance with the provisions of Schedule 1 to this Development Credit Agreement, as such Schedule shall be amended from time to time, for expenditures made (or, if the Association shall so agree, to be made) in respect of the reasonable cost of goods and services required for the Project described in Schedule 2 to this Development Credit Agreement and to be financed under this Development Credit Agreement; provided, however, that, except as the Association shall otherwise agree, no withdrawal shall be made on account of expenditures in the territories of any country which is not a member of the Bank (other than Switzerland) or for goods produced in, or services supplied from, such territories.

Section 2.03. Except as the Association shall otherwise agree, the goods and services (other than consultants' services) to be financed out of the proceeds of the Credit shall be procured on the basis of international competition under procedures consistent with the *Guidelines for Procurement under World Bank Loans and IDA Credits*, published by the Bank in August 1969, and in accordance with, and subject to, the provisions set forth in Schedule 3 to this Development Credit Agreement.

Section 2.04. The Closing Date shall be December 31, 1975, or such other date as shall be agreed between the Borrower and the Association.

Section 2.05. The Borrower shall pay to the Association a service charge at the rate of three-fourths of one per cent ($\frac{3}{4}$ of 1%) per annum on the principal amount of the Credit withdrawn and outstanding from time to time.

Section 2.06. Service charges shall be payable semi-annually on April 1 and October 1 in each year.

Section 2.07. The Borrower shall repay the principal amount of the Credit withdrawn from the Credit Account in semi-annual installments payable on each April 1 and October 1 commencing April 1, 1981 and ending October 1, 2020, each installment to and including the installment payable on October 1, 1990 to be one-half of one per cent ($\frac{1}{2}$ of 1%) of such principal amount, and each installment thereafter to be one and one-half per cent ($1\frac{1}{2}$ %) of such principal amount.

Section 2.08. The currency of the United States of America is hereby specified for the purposes of Section 4.02 of the General Conditions.

Article III

EXECUTION OF THE PROJECT

Section 3.01. The Borrower shall carry out the Project with due diligence and efficiency and in conformity with sound administrative, financial and educational practices, and shall provide, promptly as needed, the funds, facilities, services and other resources required for the purpose.

Section 3.02. For the purposes of carrying out the Project, the Borrower shall maintain and operate in the Ministry of Education a Project Unit with such responsibilities and powers as are specified in Schedule 4 to this Development Credit Agreement, under the authority of a Project Director responsible directly to the Minister of Education and with the assistance of an architect, both to be employed on a full-time basis and to be acceptable to the Association; and shall provide such Project Unit promptly as needed with such qualified and experienced supporting staff (including a full-time accountant and a procurement officer), facilities and other resources as shall be required for the efficient operation thereof.

Section 3.03. In order to assist the Borrower in the preparation of plans and specifications for, and the supervision of construction of, Part A of the Project, and in the carrying out of Part B of the Project, the Borrower shall employ architectural and educational consultants acceptable to the Association upon terms and conditions satisfactory to the Association.

Section 3.04. The Borrower shall promptly take all requisite steps to (i) enable its architectural consultants to have access to such land as shall be required for the educational institutions included in the Project and (ii) acquire the ownership of such land prior to the beginning of construction of such educational institutions, the selection of such land to be subject to the prior approval of the Association.

Section 3.05. In carrying out Part A of the Project, the Borrower shall cause its Secretaría de Estado de Educación, Bellas Artes y Cultos to employ contractors acceptable to the Association upon terms and conditions satisfactory to the Association.

Section 3.06. (a) The Borrower undertakes to insure, or make adequate provision for the insurance of, the imported goods to be financed out of the proceeds of the Credit 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 by the Borrower to replace or repair such goods.

(b) Except as the Association shall otherwise agree, the Borrower shall cause all goods and services financed out of the proceeds of the Credit to be used exclusively for the Project.

Section 3.07. (a) The Borrower shall furnish to the Association, promptly upon their preparation, the plans, specifications, contracts, work schedules and master lists of instructional equipment and furniture required for the Project, and any material modifications or additions thereto, in such detail as the Association shall reasonably request.

(b) The Borrower: (i) shall maintain records adequate to record the progress of the Project (including the cost thereof), to identify the goods and services financed out of the proceeds of the Credit and to disclose the use thereof in the Project; (ii) shall enable the Association's representatives to inspect the Project, the goods financed out of the proceeds of the Credit and any relevant records and documents; and (iii) shall furnish to the Association all such information as the Association shall reasonably request concerning the Project, the expenditure of the proceeds of the Credit and the goods and services financed out of such proceeds.

Section 3.08. Not later than September 1, 1972, the Borrower shall start and then carry out in one of the *Facultades de Educación* of any university operating within the territories of the Borrower a one-year program, satisfactory to the Association, to train not less than forty industrial-subject teachers for the educational institutions included in the Project.

Section 3.09. Within one year from the date of this Development Credit Agreement, the Borrower shall, with due regard to its social and economic needs, initiate the preparation of a long-range comprehensive education development plan; and shall, unless the Association shall otherwise agree, complete the preparation of such plan not later than three years after the date of this Development Credit Agreement.

Article IV

OTHER COVENANTS

Section 4.01. The Borrower shall maintain or cause to be maintained records adequate to reflect in accordance with consistently maintained sound accounting practices the operations, administration and financial condition, in respect of the Project, of the departments or agencies of the Borrower responsible for carrying out the Project or any part thereof.

Section 4.02. The Borrower shall: (i) adequately maintain the buildings, furniture and equipment of the educational institutions included in the Project and make all necessary repairs and renewals thereof in accordance with sound technical and administrative practices; and (ii) provide, promptly as needed, the funds, facilities, services and other resources required for such maintenance, repairs and renewals.

Section 4.03. The Borrower shall increase the number of scholarships for the *Escuelas Normales* of the Borrower to not less than 600 for boarders and to not less than 300 for day-students by the 1971-72 academic year, and to not less than 900 and 800, respectively, by the 1973-1974 academic year.

Section 4.04. The Borrower shall operate the educational institutions included in the Project in accordance with sound administrative and educational

policies and practices and with due regard to economy, and shall provide such institutions with qualified teachers and administrators in adequate numbers and on a full-time basis.

Article V

CONSULTATION, INFORMATION AND INSPECTION

Section 5.01. The Borrower and the Association shall cooperate fully to assure that the purposes of the Credit will be accomplished. To that end, the Borrower and the Association shall from time to time, at the request of either party :

- (a) exchange views through their representatives with regard to the performance of their respective obligations under this Development Credit Agreement, the administration, operations and financial condition, in respect of the Project, of the departments or agencies of the Borrower responsible for carrying out the Project or any part thereof, and other matters relating to the purposes of the Credit; and
- (b) furnish to the other all such information as it shall reasonably request with regard to the general status of the Credit. On the part of the Borrower, such information shall include information with respect to financial and economic conditions in the territories of the Borrower, including the balance of payments and the external debt of the Borrower, of any of its political subdivisions and of any agency of the Borrower or of any such political subdivision.

Section 5.02. (a) The Borrower shall furnish or cause to be furnished to the Association all such information as the Association shall reasonably request concerning the operations, administration and financial condition, in respect of the Project, of the departments or agencies of the Borrower responsible for carrying out the Project or any part thereof.

(b) The Borrower shall promptly inform the Association of any condition which interferes with, or threatens to interfere with, the accomplishment of the purposes of the Credit, the maintenance of the service thereof, or the performance by the Borrower of its other obligations under the Development Credit Agreement.

Section 5.03. The Borrower shall afford all reasonable opportunity for accredited representatives of the Association to visit any part of the territories of the Borrower for purposes related to the Credit.

Article VI

TAXES AND RESTRICTIONS

Section 6.01. The principal of, and service charges on, the Credit 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.

Section 6.02. This Development Credit Agreement shall be free from any taxes on or in connection with the execution, delivery or registration thereof, imposed under the laws of the Borrower or laws in effect in its territories.

Section 6.03. The payment of the principal of, and service charges on, the Credit shall be free from all restrictions, regulations, controls and moratoria of any nature imposed under the laws of the Borrower or laws in effect in its territories.

Article VII

REMEDIES OF THE ASSOCIATION

Section 7.01. 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 Association, at its option, may by notice to the Borrower declare the principal of the Credit then outstanding to be due and payable immediately together with the service charges thereon and upon any such declaration such principal and service charges shall become due and payable immediately, anything to the contrary in this Development Credit Agreement notwithstanding.

Article VIII

TERMINATION

Section 8.01. The date May 18, 1971 is hereby specified for the purposes of Section 10.04 of the General Conditions.

Section 8.02. The obligations of the Borrower under Article IV of this Development Credit Agreement shall cease and determine on the date on which this Development Credit Agreement shall terminate or on a date twenty-five years after the date of this Development Credit Agreement, whichever shall be the earlier.

Article IX

REPRESENTATIVE OF THE BORROWER; ADDRESSES

Section 9.01. The *Secretario de Estado de Educación, Bellas Artes y Cultos* of the Borrower is designated as representative of the Borrower for the purposes of Section 9.03 of the General Conditions.

Section 9.02. The following addresses are specified for the purposes of Section 9.01 of the General Conditions :

For the Borrower :

Secretaría de Estado de Educación, Bellas Artes y Cultos
Avenida Máximo Gómez
Santo Domingo
Dominican Republic

Cable address :

Secretaría de Estado de Educación, Bellas Artes y Cultos
Santo Domingo

For the Association :

International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Cable address :

Indevas
Washington, D.C.

IN WITNESS WHEREOF, the parties hereto, acting through their representatives thereunto duly authorized, have caused this Development Credit 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.

Dominican Republic :

By Lic. S. SALVADOR ORTÍZ
Authorized Representative

International Development Association :

By J. BURKE KNAPP
Vice President

SCHEDULE 1

WITHDRAWAL OF THE PROCEEDS OF THE CREDIT

1. The table below sets forth the categories of items to be financed out of the proceeds of the Credit, the allocation of amounts of the Credit to each category and the percentage of eligible expenditures so to be financed in each category :

<i>Category</i>	<i>Amount of the Credit Allocated (Expressed in Dollar Equivalent)</i>	<i>% of Expenditures to be Financed</i>
I. Civil works and professional services	1,580,000	35% of total expenditures (representing the estimated foreign expenditures component)

<i>Category</i>	<i>Amount of the Credit Allocated (Expressed in Dollar Equivalent)</i>	<i>% of Expenditure to be Financed</i>
II. Furniture	220,000	50% of total expenditure (representing the estimated foreign expenditures component)
III. Instructional equipment and books	1,390,000	100% of foreign expenditures
IV. Technical assistance and fellowships	300,000	100% of foreign expenditures
V. Unallocated	510,000	
	TOTAL 4,000,000	

2. For the purposes of this Schedule :

(a) the term "foreign expenditures" means expenditures for goods produced in, or services supplied from, the territories, and in the currency, of any member of the Bank (other than the Borrower) or of Switzerland;

(b) the term "local expenditures" means expenditures in the currency of the Borrower, or for goods produced in, or services supplied from, the territories of the Borrower; and

(c) the term "total expenditures" means the aggregate of foreign expenditures and local expenditures.

3. Notwithstanding the provisions of paragraph 1 above, no withdrawals shall be made in respect of :

(a) expenditures prior to the date of this Development Credit Agreement; and

(b) payments for taxes imposed under the laws of the Borrower or laws in effect in its territories on goods or services, or on the importation, manufacture, procurement or supply thereof. To the extent that the amount represented by the percentage set forth in the third column of the table in paragraph 1 above would exceed the amount payable net of all such taxes, such percentage shall be reduced to ensure that no proceeds of the Credit will be withdrawn on account of payments for such taxes.

4. Notwithstanding the allocation of an amount of the Credit set forth in the second column of the table in paragraph 1 above :

(a) if the estimate of the expenditures under any of the Categories I through IV shall decrease, the amount of the Credit then allocated to such Category and no longer required therefor shall be reallocated by the Association to Category V;

(b) if the estimate of the expenditures under any of the Categories I through IV shall increase, the percentage set forth in the third column of the table in paragraph 1 above in respect of such expenditures shall be applied to the amount of such increase, and a corresponding amount shall be reallocated by the Association, at the request of the Borrower, to such Category from Category V, subject, however, to the requirements for contingencies, as determined by the Association, in respect of any other expenditures.

5. Notwithstanding the percentages set forth in the third column of the table in paragraph 1 above, if the estimate of total expenditures under Categories I or II shall increase and no proceeds of the Credit shall be available for reallocation to such Category, the Association may, by notice to the Borrower, adjust the percentage then applicable to such expenditures in order that further withdrawals under such Category may continue until all expenditures thereunder shall have been made.

SCHEDULE 2

DESCRIPTION OF THE PROJECT

The Project consists of :

Part A:

- (1) Construction, furnishing and equipping of :
 - (i) three new *Ciclo Básico* secondary schools;
 - (ii) six new multilateral *Ciclo Superior* secondary schools; and
 - (iii) two new *Escuelas Normales*.
- (2) Construction of extensions to, improvement of, and supplementary furnishing and equipping of, three existing primary teacher training colleges; and
- (3) Supplementary equipping of three existing lower secondary schools.

The specific educational institutions to be included in Part A of the Project, the location and the planned total enrollment, boarding places and staff housing capacities thereof, shall be as specified in Exhibit A to this Schedule, subject to modification by further agreement between the Borrower and the Association.

Part B:

Establishment of an educational development planning group within the Ministry of Education of the Borrower, including the provision of technical assistance and the granting of overseas fellowships, as set forth in Exhibit B to this Schedule, subject to modification by further agreement between the Borrower and the Association.

The Project is expected to be completed by June 30, 1975.

EXHIBIT A TO SCHEDULE 2

LIST OF EDUCATIONAL INSTITUTIONS

<i>Location</i>	<i>Student Places</i>	<i>Boarding Places</i>	<i>Staff Housing</i>
	<i>Part A (1) (i) of the Project</i>		
Santo Domingo	840	—	—
Barahona	840	—	—
Bonao	840	—	—

<i>Location</i>	<i>Student Places</i>	<i>Boarding Places</i>	<i>Staff Housing</i>
<i>Part A (1) (ii) of the Project</i>			
Santo Domingo	760	—	—
Santiago	760	—	—
La Romana	760	—	—
Puerto Plata	760	—	—
Bonao	760	—	—
Barahona	760	—	—
<i>Part A (1) (iii) of the Project</i>			
San Juan de la Maguana	400	250	4
Santo Domingo	400	—	1
<i>Part A (2) of the Project</i>			
San Cristóbal	200*	—	2*
San Pedro de Macoris	170*	—	4*
Licey al Medio	180*	90*	1*
<i>Part A (3) of the Project</i>			
Santiago	—	—	—
La Romana	—	—	—
Puerto Plata	—	—	—

* Increment resulting from the Project only

EXHIBIT B TO SCHEDULE 2

I. *Technical Assistance*

1. *Educational Development Planning Group*

Education Planner (chief of group)	One for	2	years
Educational Economist	One for	1.5	years
Educational Administration Specialist	One for	1.5	years
TOTAL			5 man/years

2. *Project Implementation Specialists*

School Administrator (chief of group)	One for	1.5	years
Industrial (mechanical) Educator	One for	1	year
Industrial (electrical) Educator	One for	1	year

Business Educator	One for	1	year
Home Economics	One for	1	year
Industrial Teacher Training	One for	1	year
	TOTAL	6.5	man/years
3. Specialist in Organization and Administration of <i>Escuelas Normales</i>	One for	1.5	years
	TOTAL	1.5	man/years
II. <i>Fellowships</i>			
Vice-Principals (technical) for educational institutions included in Part A (1) (ii) of the Project	Six for	1	year
Principals for educational institutions included in Part A (1) (iii) of the Project	Two for	1	year
	TOTAL	8	man/years

SCHEDULE 3

PROCUREMENT

A. *Contracts for Civil Works*

1. Contractors shall be pre-qualified in accordance with paragraph 1.3 of the Guidelines referred to in Section 2.03 of this Development Credit Agreement.

2. Before pre-qualification is invited, the Borrower shall inform the Association in detail of the procedure to be followed and shall introduce such modifications in said procedure as the Association shall reasonably request. The proposed list of pre-qualified contractors, together with a statement of their qualifications and of the reasons for the exclusion of any applicant for pre-qualification, shall be furnished by the Borrower to the Association for its comments before the applicants are notified and the Borrower shall make such additions or deletions from the said list as the Association shall reasonably request.

3. Before bids are invited, the Borrower shall furnish to the Association, for its comments, the text of the invitations to bid and the specifications and other bidding documents, together with a description of the advertising procedure to be followed for the bidding, and shall make such modifications in the said documents or procedure as the Association shall reasonably request. Any further modification or addition to the bidding documents shall require the Association's concurrence before it is issued to the prospective bidders.

4. The documents referred to in paragraph A.3 above shall at least include the following :

- (a) list of all proposed civil works bid packages, indicating the estimated value of each such bid package and the forecast timetable for award. The educational institutions included in the Project shall be grouped in such bid packages as shall encourage international competitive bidding;
- (b) description of the proposed international advertising coverage to ensure international competitive bidding;
- (c) draft bidding documents, draft invitations to bid and draft contracts. The invitations to bid shall, *inter alia*, specify that the bidder may submit bids in respect of each educational institution included in a given bid package or of all of them, or any combination thereof, all bids for such bid package to be opened simultaneously. The Borrower shall have the option of awarding to one contractor a single contract in respect of the entire bid package, or separate contracts to different contractors in respect of the several such institutions included in such bid package or any combination thereof.

5. After bids have been received and evaluated, the Borrower shall, before a final decision on the award is made, inform the Association of the name of the bidder to whom it intends to award the contract and shall furnish to the Association, in sufficient time for its review, a detailed report by the Project Unit on the evaluation and comparison of the bids received, together with the said Project Unit's recommendations for award, and the reasons for the intended award. The Association shall promptly inform the Borrower whether it has any objection to the intended award, and shall state the reasons for any such objections it may have.

6. If the contract shall be awarded over the Association's objection, or if its terms and conditions shall, without the Association's concurrence, materially differ from those on which bids were asked, no expenditures thereunder shall be financed out of the proceeds of the Credit.

7. Promptly after a contract has been executed between the Secretaría de Estado de Educación, Bellas Artes y Cultos of the Borrower and a contractor, and before submission to the Association of the first application for withdrawal of funds in respect of such contract, a certified copy thereof shall be sent to the Association.

8. The Borrower shall request the Association's prior approval for any proposed change in a contract involving a price increase of 10% of the original contract price or more than US\$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 shall send to the Association for its approval the following :

- (a) lists of all items of instructional 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 regarding the respective educational institution 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. Amendments of such lists which may be made from time to time will also be submitted to the Association 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. Pursuant to paragraph 2.8 of the Guidelines for Procurement referred to in Section 2.03 of this Development Credit Agreement, the Association agrees that where bids are submitted by manufacturers or suppliers, established in the territories of the Borrower, of goods manufactures or processed to a substantial extent within the territories of the Borrower (Local Bids), the following rules shall be observed for the purpose of comparing any Local Bid to any other competing bid (Foreign Bids):

- (a) All taxes on the importation of the goods offered shall first be excluded from the total of any Foreign Bid.
- (b) The portion of any Foreign Bid representing the c.i.f. landed price of such goods shall then be increased by 15% thereof or the applicable amount of such taxes as they generally apply to non-exempt purchases importing such goods in the territories of the Borrower, whichever is lower.
- (c) The figure resulting from (b) above plus the portion of the same Foreign Bid representing inland freight, insurance and other costs of delivery of such goods to their site of use or installation, as designated in the specifications, shall be deemed to be the price of such Foreign Bid for purposes of comparison with the Local Bids.
- (d) If the price of the goods delivered to such site offered by the lowest evaluated Local Bid is equal to or lower than the comparison price of the lowest evaluated Foreign Bid arrived at under (b) and (c) above, then such Local Bid may be considered the lowest evaluated bid for purposes of paragraph 3.9 of the said Guidelines for Procurement.
- (e) In cases where it is recommended to award a contract to a Local Bid, the bid analysis shall state the amount of the taxes referred to in (b) above and the proportion of the c.i.f. landed price of goods offered under the lowest evaluated Foreign Bid represented by such amount.

3. After bids have been received and evaluated, the Borrower shall, before a final decision on the award is made, inform the Association of the name of the bidder to whom it intends to award the contract and shall furnish to the Association, in sufficient time for its review, a detailed report by the Project Unit on the evaluation and comparison of the bids received, together with the said Project Unit's recommendations for award, and the reasons for the intended award. The Association shall promptly inform the Borrower whether it has any objection to the intended award, and shall state the reasons for any such objection it may have.

4. If the contract shall be awarded over the Association's objection, or if its terms and conditions shall, without the Association's concurrence, materially differ from those on which bids were asked, no expenditures thereunder shall be financed out of the proceeds of the Credit.

5. Promptly after a contract has been executed between the Secretaría de Estado de Educación, Bellas Artes y Cultos of the Borrower and a contractor, and before submission to the Association of the first application for withdrawal of funds in respect of such contract, a certified copy thereof shall be sent to the Association.

6. The Borrower shall request the Association's prior approval for any proposed change in a contract involving a price increase of 10% of the original contract price or more than US\$25,000 equivalent, whichever is less, together with an explanation of the proposed change.

C. *Technical Assistance and Fellowships*

The award of technical assistance contracts and fellowships for study abroad, provided under Category IV of Schedule I to this Development Credit Agreement, shall be subject to the prior approval of the Association. In requesting approval, the Borrower shall submit the names and curricula vitae of specialists to be recruited under such contracts and of the trainees to receive such fellowships. In the case of fellowships, the Borrower shall also provide information about the proposed program and place of the training and the estimated cost involved.

SCHEDULE 4

THE PROJECT UNIT

1. The Project Unit shall be responsible for the execution of the Project. It shall have, *inter alia*, the necessary powers to :

- (a) select the architectural consultants, approve their terms of reference and administer their contracts;
- (b) prepare a comprehensive Project implementation chart based on the Critical Path Method or other similar method, setting down the planned timetable of coordinated activities and responsibilities on which the carrying out of all aspects of the Project will be based. Such chart shall be prepared as the first step in implementing the Project, and the Association shall be given reasonable opportunity to comment on the planned timetable before it is put into effect;
- (c) prepare briefs for the architectural consultants relating educational specifications to realistic costing and functional design, and providing information to the architectural consultants;
- (d) request the review by, and obtain the approval of, the appropriate authorities of the Borrower of plans, reports, specifications and other material submitted by the architectural consultants;
- (e) review the architectural drawings to ensure that space provisions and educational specifications are interpreted correctly so as to minimize changes during construction and after acceptance and approval of bids;
- (f) prepare detailed reports on the evaluation and comparison of bids received and make recommendations for the award of contracts for which such bids have been received;

- (g) expedite the prompt award of contracts relating to the Project;
- (h) prepare, with the help of appropriate agencies of the Borrower, lists of all instructional equipment, books and furniture required by the educational institutions included in the Project, together with specifications and the estimated unit price and total cost of each item;
- (i) ensure that all instructional equipment, books and furniture meet prescribed specifications;
- (j) prepare and administer, in consultation with the appropriate authorities of the Borrower, the programs and activities of the educational consultants to be utilized in carrying out Part B of the Project;
- (k) provide liaison with the Association and with all appropriate authorities of the Borrower in matters relating to the implementation of the Project;
- (l) set up an accounting system, keep Project accounts and prepare interim financial statements, as required to comply with the provisions of the Development Credit Agreement;
- (m) prepare applications for withdrawals from the Credit Account; and
- (n) evaluate the progress of the Project and prepare quarterly progress reports to the Association.

INTERNATIONAL DEVELOPMENT ASSOCIATION

GENERAL CONDITIONS, DATED 31 JANUARY 1969

GENERAL CONDITIONS APPLICABLE TO DEVELOPMENT CREDIT AGREEMENTS

[*Not published herein. See United Nations, Treaty Series, vol. 703, p. 244.*]