

No. 11437

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

**Loan Agreement—*Highway Project* (with annexed General  
Conditions Applicable to Loan and Guarantee Agreements).  
Signed at Washington on 14 April 1971**

*Authentic text : English.*

*Registered by the International Bank for Reconstruction and Development on  
16 December 1971.*

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

**Contrat d'emprunt — *Projet relatif au réseau routier* (avec,  
en annexe, les Conditions générales applicables aux contrats  
d'emprunt et de garantie). Signé à Washington le 14 avril 1971**

*Texte authentique : anglais.*

*Enregistré par la Banque internationale pour la reconstruction et le développement  
le 16 décembre 1971.*

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

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AGREEMENT, dated April 14, 1971, between REPUBLIC OF THE PHILIPPINES (hereinafter called the Borrower) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (hereinafter called the Bank).

WHEREAS (A) The Borrower has requested the Bank to assist in the financing of the foreign exchange cost of Parts I and II of the Project described in Schedule 3 to this Agreement by making the Loan hereinafter provided;

(B) The Borrower has requested the United Nations Development Programme (hereinafter called UNDP) to assist in the financing of Part III of the Project;

(C) To assist the Borrower in carrying out Part III of the Project, the Bank has agreed to act as Participating and Executing Agency under a Plan of Operation to be entered into between the Borrower, UNDP and the Bank, and subject to the terms and conditions of the Plan of Operation, the Bank will retain the services of consultants for such purposes; and

WHEREAS the Bank has agreed, on the basis *inter alia* of the foregoing, to make the Loan to the Borrower upon terms and conditions hereinafter set forth;

NOW THEREFORE the parties hereto hereby agree as follows :

### *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, subject, however, to the following modifications thereof (said General Conditions Applicable to Loan and Guarantee Agreements of the Bank, as so modified, being hereinafter called the General Conditions) :

(a) Section 5.01 is deleted.

(b) The words " or in the Loan Agreement for the purposes of Section 7.01 " in paragraph (i) of Section 6.02 are deleted.

*Section 1.02.* Wherever used in this Agreement, unless the context otherwise requires, the several terms defined in the General Conditions have the respective meanings therein set forth and the following additional terms have the following meanings :

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<sup>1</sup> Came into force on 23 July 1971, upon notification by the Bank to the Government of the Philippines.

<sup>2</sup> See p. 342 of this volume.

- (a) “BPH” means the Bureau of Public Highways of the Borrower; and
- (b) “Plan of Operation” means the Plan of Operation referred to in Recital (C) 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 eight million dollars (\$8,000,000).

*Section 2.02.* The amount of the Loan may be withdrawn from the Loan Account in accordance with the provisions of Schedule 1 to this Agreement, as such Schedule shall be amended from time to time, for expenditures made (or, if the Bank shall so agree, to be made) in respect of the reasonable cost of goods and services required for the Project and to be financed under the Loan Agreement and in respect of interest and other charges on the Loan; provided, however, that, except as the Bank 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 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 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 4 to this Agreement.

*Section 2.04.* The Closing Date shall be May 15, 1975 or such other date as shall be agreed between the Borrower and the Bank.

*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 May 15 and November 15 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.

*Section 2.09.* 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 2.10.* The Secretary of Finance of the Borrower and such other person or persons as he shall appoint in writing are designated as authorized representatives of the Borrower for the purposes of Section 8.10 of the General Conditions.

### *Article III*

#### EXECUTION OF THE PROJECT

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

*(b)* Without limitation or restriction upon its obligations referred to in subsection *(a)* hereof, the Borrower shall promptly take all requisite steps for the acquisition and retention of all such lands, interests in land and properties and all rights, powers and privileges as may be necessary or proper for the construction, improvement and operation of the Cotabato-Digos Road under Part I of the Project and shall ensure that such lands are available promptly as needed for such purposes.

*Section 3.02.* In order to assist the Borrower in carrying out Part II of the Project and in supervising the construction and improvement of the Cotabato-Digos Road under Part I of the Project, the Borrower shall employ engineering consultants acceptable to the Bank upon terms and conditions satisfactory to the Bank.

*Section 3.03. (a)* In carrying out Part III of the Project, the Borrower shall take all necessary steps to implement the program for the improvement of the administration, organization and operations of BPH as recommended by the consultants referred to in Recital (C) of this Agreement and agreed to by the Borrower and the Bank in accordance with the provisions of the Plan of Operation.

*(b)* The Borrower shall, prior to the completion of Part III of the Project, exchange views with the Bank on the need for the provision of further consultants' services to BPH.

*Section 3.04. (a)* In carrying out Part I of the Project, the Borrower shall employ contractors acceptable to the Bank upon terms and conditions satisfactory to the Bank.

(b) Except as the Bank shall otherwise agree, the general design standards to be used for highways included in Part I of the Project shall be as set forth in Schedule 5 to this Agreement.

*Section 3.05.* Except as the Bank shall otherwise agree, all goods and services financed out of the proceeds of the Loan shall be used exclusively for the Project until its completion.

*Section 3.06.* (a) The Borrower shall furnish to the Bank, promptly upon their preparation, the plans, specifications, contract documents and construction schedules for the Project, and any material modifications or amplifications thereof, in such detail as the Bank shall reasonably request.

(b) The Borrower: (i) shall maintain records adequate to record the progress of the Project (including the cost thereof) and to identify the goods and services financed out of the proceeds of the Loan, and to disclose the use thereof in the Project; (ii) 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 (iii) shall furnish to the Bank all such information as the Bank shall reasonably request concerning the Project, the expenditure of the proceeds of the Loan and the goods and services financed out of such proceeds.

#### Article IV

##### OTHER COVENANTS

*Section 4.01.* (a) It is the mutual intention of the Borrower and the Bank that no other external debt shall enjoy any priority over the Loan or the Bonds by way of a lien on governmental assets.

(b) To that end the Borrower (i) represents that at the date of this Agreement no lien exists on any governmental assets as security for any external debt except as otherwise disclosed in writing by the Borrower to the Bank, and (ii) undertakes that if any such lien shall be created, it 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 in the creation of any such lien express provision will be made to that effect.

(c) The foregoing representation and undertaking shall not apply to: (i) any lien created on property, at the time of purchase thereof, solely as security for 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.

As used in this Section, the term "governmental assets" means assets of

the Borrower or of any agency of the Borrower including the Central Bank of the Philippines or any institution performing the functions of a central bank for the Borrower.

(d) The Borrower further undertakes that, within the limits of the laws in force in its territories, it will make the foregoing undertaking effective with respect to liens on the assets of its political subdivisions and their agencies, and to the extent that the Borrower is unable within the limits of the laws in force in its territories to make this undertaking effective, the Borrower will give to the Bank an equivalent lien satisfactory to the Bank.

*Section 4.02.* The Borrower shall maintain or cause to be maintained records adequate to reflect in accordance with consistently maintained sound accounting practices the 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.

*Section 4.03.* The Borrower shall collect, record and analyze in accordance with appropriate statistical methods and procedures such technical, economic and financial information, including traffic data, as shall be reasonably required for proper planning of maintenance, improvements and extensions of the national highway system of the Borrower.

*Section 4.04.* The Borrower shall, with the assistance of the consultants referred to in Recital (C) hereof, formulate, within one year after the date of this Agreement, a program satisfactory to the Bank, for the provision of adequate maintenance funds for its national highway system and for the improvement of its highway maintenance operations and thereafter, shall maintain and repair all highways in its national highway system in accordance with this program and in accordance with sound engineering and financial practices and shall provide promptly as needed the funds, equipment, workshop facilities, labor and other resources required for the purposes.

*Section 4.05.* The Borrower shall take all necessary steps to ensure that the dimensions and axle-loads of vehicles using the highways in its national highway system shall not exceed limits appropriate to the design standards of the highways.

### *Article V*

#### CONSULTATION, INFORMATION AND INSPECTION

*Section 5.01.* 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 :

(a) exchange views through their representatives with regard to the performance

of their respective obligations under the Loan Agreement, the administration, operations and financial condition in respect of the Project, of the departments or agencies of the Borrower responsible for the carrying out of the Project or any part thereof, and other matters relating to the purposes of the Loan; and

- (b) furnish to the other all such information as it shall reasonably request with regard to the general status of the Loan. On the part of the Borrower, such information shall include information with respect to financial and economic conditions in the territories of the Borrower, including its 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 Bank all such information as the Bank shall reasonably request concerning the 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.

(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 other obligations under the Loan Agreement.

*Section 5.03.* 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.

## Article VI

### TAXES AND RESTRICTIONS

*Section 6.01.* The principal of, and interest and other charges on, the Loan and the Bonds shall be paid without deduction for, and free from, any taxes imposed under the laws of the Borrower or laws in effect in its territories; provided, however, that the foregoing 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 6.02.* The Loan Agreement and the Bonds shall be free from any taxes on or in connection with the execution, issue, delivery or registration thereof imposed under the laws of the Borrower or laws in effect in its territories 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 6.03.* The payment of the principal of, and interest and other charges on, the Loan and the Bonds 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 BANK

*Section 7.01.* If any event specified in Section 7.01 of the General Conditions or in Section 7.03 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, interest and charges shall become due and payable immediately, anything to the contrary in the Loan Agreement or in the Bonds notwithstanding.

*Section 7.02.* For the purpose of Section 6.02 of the General Conditions, the following additional event is specified, namely, before Part III of the Project is completed, UNDP shall, pursuant to the provisions of the Plan of Operation, suspend the assistance provided for thereunder.

*Section 7.03.* For the purpose of Section 7.01 of the General Conditions, the following additional events are specified :

- (a) The event specified in Section 7.02 of this Agreement shall occur and shall continue for a period of sixty days after notice thereof shall have been given by the Bank to the Borrower.
- (b) Before Part III of the Project is completed, the Borrower or UNDP shall terminate the Plan of Operation.

### *Article VIII*

#### EFFECTIVE DATE; TERMINATION

*Section 8.01.* The following event is specified as an additional condition to the effectiveness of the Loan Agreement within the meaning of Section 11.01 (c) of the General Conditions, namely, the execution and delivery of the Plan of Operation on behalf of the Borrower have been duly authorized or ratified by all necessary governmental action.



*Section 8.02.* The date July 15, 1971 is hereby specified for the purposes of Section 11.04 of the General Conditions.

*Article IX*

REPRESENTATIVE OF THE BORROWER; ADDRESSES

*Section 9.01.* The Secretary of Finance of the Borrower is designated as representative of the Borrower for the purposes of Section 10.03 of the General Conditions.

*Section 9.02.* The following addresses are specified for the purposes of Section 10.01 of the General Conditions :

For the Borrower :

Secretary of Finance  
Department of Finance  
Manila, Philippines

Cable address :

Secfinance  
Manila

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.

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.

Republic of the Philippines :

By ERNEST LAGDAMEO  
Authorized Representative

International Bank for Reconstruction and Development :

By S. ALDEWERELD  
Vice President

## SCHEDULE 1

## WITHDRAWAL OF THE PROCEEDS OF THE LOAN

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

<i>Category</i>	<i>Amount of the Loan Allocated (Expressed in Dollar Equivalent)</i>	<i>% of Expenditures to be Financed</i>
I. Civil works	3,300,000	55% of total expenditures (such percentage represent- ing the estimated foreign expenditure component)
II. Consultants services for Part II of the Project	2,600,000	100% of foreign expenditures
III. Interest and other charges on the Loan accrued on or before May 14, 1975	1,200,000	
IV. Unallocated	900,000	
	<b>TOTAL</b>	
	<u>8,000,000</u>	

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 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 Agreement, except that withdrawals may be made in respect of Category II on account of expenditures incurred after February 1, 1970 in an aggregate amount not exceeding \$750,000 equivalent; 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 Loan will be withdrawn on account of payments for such taxes.

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

- (a) if the estimate of the expenditures under any Category shall decrease, the amount of the Loan then allocated to such Category and no longer required therefor will be reallocated by the Bank by increasing correspondingly the unallocated amount of the Loan;
- (b) if the estimate of the expenditures under any Category 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 will be allocated by the Bank, at the request of the Borrower, to such Category from the unallocated amount of the Loan, subject, however, to the requirements for contingencies, as determined by the Bank, 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 expenditures under Category I shall increase and no proceeds of the Loan are available for reallocation to such Category, the Bank may, by notice to the Borrower, modify 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

### 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>
May 15, 1975 . . . . .	90,000	May 15, 1985 . . . . .	185,000
November 15, 1975 . . . . .	95,000	November 15, 1985 . . . . .	195,000
May 15, 1976 . . . . .	100,000	May 15, 1986 . . . . .	200,000
November 15, 1976 . . . . .	105,000	November 15, 1986 . . . . .	210,000
May 15, 1977 . . . . .	105,000	May 15, 1987 . . . . .	215,000
November 15, 1977 . . . . .	110,000	November 15, 1987 . . . . .	225,000
May 15, 1978 . . . . .	115,000	May 15, 1988 . . . . .	230,000
November 15, 1978 . . . . .	120,000	November 15, 1988 . . . . .	240,000
May 15, 1979 . . . . .	120,000	May 15, 1989 . . . . .	250,000
November 15, 1979 . . . . .	125,000	November 15, 1989 . . . . .	260,000
May 15, 1980 . . . . .	130,000	May 15, 1990 . . . . .	265,000
November 15, 1980 . . . . .	135,000	November 15, 1990 . . . . .	275,000
May 15, 1981 . . . . .	140,000	May 15, 1991 . . . . .	285,000
November 15, 1981 . . . . .	145,000	November 15, 1991 . . . . .	300,000
May 15, 1982 . . . . .	150,000	May 15, 1992 . . . . .	310,000
November 15, 1982 . . . . .	155,000	November 15, 1992 . . . . .	320,000
May 15, 1983 . . . . .	160,000	May 15, 1993 . . . . .	330,000
November 15, 1983 . . . . .	170,000	November 15, 1993 . . . . .	345,000
May 15, 1984 . . . . .	175,000	May 15, 1994 . . . . .	355,000
November 15, 1984 . . . . .	180,000	November 15, 1994 . . . . .	380,000

\* To the extent that any portion 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 portion 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 . . . . .	2%
More than three years but not more than six years before maturity . . . . .	2½%
More than six years but not more than eleven years before maturity . . . . .	3%
More than eleven years but not more than sixteen years before maturity . . . . .	4½%
More than sixteen years but not more than twenty years before maturity . . . . .	5½%
More than twenty years but not more than twenty-two years before maturity . . . . .	6½%
More than twenty-two years before maturity . . . . .	7½%

## SCHEDULE 3

## DESCRIPTION OF THE PROJECT

The Project consists of :

- Part I:* The construction and improvement of the Cotabato-Digos Road (about 160 km).
- Part II:* The detailed engineering of :
- (a) the Cotabato-Digos Road;
  - (b) the Lucena-Legaspi Road and Cabanatuan-Tegueguroa Road in Luzon (about 750 km); and
  - (c) about 700 km of roads selected by the Borrower in agreement with the Bank from the roads, the feasibility of which has been established under the studies mentioned in Part III (a) hereof.
- Part III:* (a) The feasibility studies of about 1,000 km of roads in Luzon; and
- (b) The improvement of the administration, organization and operations of BPH.

The Project is expected to be completed by June 30, 1974.

## SCHEDULE 4

## PROCUREMENT

1. Prequalification of bidders as described in paragraph 1.3 of the Guidelines, referred to in Section 2.03 of this Agreement, will be used for bidding on road construction in Part I of the Project and at least 45 days will be allowed for the submission of prequalification documents. The Borrower shall, before qualification is invited, inform the Bank in detail of the procedure to be followed including the text of the notice of invitation to prequalify and shall introduce such modifications in said

procedure as the Bank shall reasonably request. The list of prequalified bidders, together with a statement of their qualifications and of the reasons for the exclusion of any applicant for prequalification, shall be furnished by the Borrower to the Bank together with the consultants recommendations on prequalification for its comments before the applicants are notified and the Borrower shall make such additions or deletions from the said list as the Bank shall reasonably request.

2. Contracts for road construction will be on a unit price basis. For the purposes of bidding, the road will be divided into two bidding sections to be tendered simultaneously.

3. Non-Philippine contractors will not be required to register in the Philippines as a condition of bidding for a contract. Where said registration is required of a non-Philippine contractor after he has been awarded the contract, the Borrower shall take such action as may be practicable to facilitate his registration.

4. Before bids are invited, the Borrower shall furnish to the Bank, 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 Bank shall reasonably request. Any further modification or addition to the bidding documents shall require the Bank's concurrence before it is issued to the prospective bidders. A period of at least 60 days will be allowed for submission of proposals from prequalified contractors. Proposals will be accompanied by a bid bond or bank guarantee amounting to 3% of the bid amount.

5. The bidding documents shall make adequate provisions, *inter alia*, for the following:

(a) The successful bidder shall be required to furnish at their option, either a 100% performance bond or a bank guarantee by an acceptable financial institution in an amount of 10% of the contract price, which guarantee or bond shall remain in effect until the works specified in the contract are completed.

(b) The contract with the successful bidder shall contain the following provisions:

- (i) the contract shall provide for retention monies of 10% of the cost of works stated in each monthly invoice until 50% of total contract payments have been made, after which the amount of the retention may be reduced or eliminated at the discretion of the Borrower. Any amount of retention monies in excess of 5% of the total cost of contract shall be released when all works have been substantially completed. The balance of the retention monies shall be retained until fourteen days after termination of the contractor's responsibility in respect of defects;
- (ii) at any time during the warranty periods the contractor shall have the option of substituting a satisfactory bank guarantee for such retention in which case the retention money shall be released to him;
- (iii) the warranty period during which the contractor remains responsible in respect

of defects in the works (fair wear and tear excepted) shall extend for one year after acceptance of the work.

6. After bids have been received and evaluated, the Borrower shall, before a final decision on the award is made, in form 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 and shall state the reasons for any objection it may have.

7. If the contract shall be awarded over the Bank's objection 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.

8. Two copies of the contract shall be furnished to the Bank promptly after its execution and prior to the submission to the Bank for the first application for withdrawals of funds from the Loan Account in respect of any such contract.

#### SCHEDULE 5

##### DESIGN STANDARDS

<i>Characteristics</i>	<i>Unit</i>	<i>Flat</i>	<i>Rolling</i>	<i>Mountainous</i>
Geometric : Speed	km/h	70.0*	60.0	50.0
Maximum gradient	%	3.0	4.0	5.0
Pavement width	m	6.7	6.7	6.7
Shoulder width	m	3.0	2.5	2.0
Minimum radius	m	170.0*	120.0	80.0
Stopping sight distance	m	90.0	70.0	60.0
Right-of-way	m	60.0	60.0	60.0
Pavement : AASHO method using an 18,000-lb axle				
Bridge : AASHO H20-S16				

\* Minimum only—80 km/h employed for most sections through flat terrain.

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.*]