

II

Treaties and international agreements

filed and recorded

from 18 October 1972 to 23 February 1973

No. 685

Traités et accords internationaux

classés et inscrits au répertoire

du 18 octobre 1972 au 23 février 1973

N° 685

No. 685

**INTERNATIONAL DEVELOPMENT ASSOCIATION
and
BANGLADESH**

Development Credit Agreement—*Coastal Area Rehabilitation and Cyclone Protection Project* (with schedules and General Conditions Applicable to Development Credit Agreements). Signed at Washington on 18 October 1972

Authentic text : English.

Filed and recorded at the request of the International Development Association on 23 February 1973.

**ASSOCIATION INTERNATIONALE
DE DÉVELOPPEMENT
et
BANGLADESH**

Contrat de crédit de développement — *Projet relatif à la reconstruction des zones côtières et à la protection contre les cyclones* (avec annexes et Conditions générales applicables aux contrats de crédit de développement). Signé à Washington le 18 octobre 1972

Texte authentique : anglais.

Classé et inscrit au répertoire à la demande de l'Association internationale de développement le 23 février 1973.

DEVELOPMENT CREDIT AGREEMENT¹

AGREEMENT, dated October 18, 1972, between PEOPLE'S REPUBLIC OF BANGLADESH (hereinafter called the Borrower) and INTERNATIONAL DEVELOPMENT ASSOCIATION (hereinafter called the Association).

WHEREAS (A) On January 13, 1971 the Association agreed to make available a development credit (hereinafter called Credit No. 228) in an amount equivalent to twenty-five million dollars (\$ 25,000,000) to assist in the financing of a project for reconstruction of the cyclone affected area in the Districts of Khulna, Patuakhali, Barisal, Noakhali and Chittagong (hereinafter called the Reconstruction Project); but the Reconstruction Project was not implemented and no withdrawals were made from the Credit Account opened by the Association under Credit No. 228;

(B) The Borrower has requested the Association to reinstate its financial assistance for the Reconstruction Project, as modified as hereinafter set forth, by extending to the Borrower a development credit for such purpose;

(C) The Association has agreed, on the basis *inter alia* of the foregoing, to extend a development credit to the Borrower upon the 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 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 Sections 5.01 and 6.02 (h) thereof and to the renumbering of Section 6.02 (i) into 6.02 (h) 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 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) "Reconstruction Board" means the Reconstruction Board for the Cyclone Affected Area in the territories of the Borrower, an agency established pursuant to Order No. F7/3/70-ORD dated December 30, 1970, and reconstituted by Order No. P/AI/4B-1/72/1740 dated September 28, 1972.

(b) "Reconstruction Fund" means the special revolving fund established by the Borrower in accordance with the provisions of Section 3.01 (b) of this Agreement.

¹ Came into force on 17 January 1973, upon notification by the Association to the Government of Bangladesh.

² See p. 161 of this volume.

(c) "Project Administrator" means the Project Administrator appointed by the Borrower in accordance with the provisions of Section 3.01 (c) of this Agreement.

(d) "Project Coordinator" means the Project Coordinator appointed by the Borrower in accordance with the provisions of Section 3.01 (d) of this Agreement.

(e) "Takas" and the sign "Tk" mean takas in the currency of the Borrower.

Article II. THE CREDIT

Section 2.01. The Association agrees to lend to the Borrower, on the terms and conditions in the Development Credit Agreement set forth or referred to, an amount in various currencies equivalent to twenty-five million dollars (\$ 25,000,000).

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 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 Agreement and to be financed under the 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 services of consultants) required for the Project and to be financed out of the proceeds of the Credit, shall be procured in accordance with, and subject to, the provisions set forth in Schedule 3 to this Agreement.

Section 2.04. The Closing Date shall be June 30, 1976 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 15 and October 15 in each year.

Section 2.07. The Borrower shall repay the principal amount of the Credit in semi-annual installments payable on each April 15 and October 15 commencing April 15, 1983, and ending October 15, 2022 each installment to and including the installment payable on October 15, 1992 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 Kingdom of Great Britain and Northern Ireland is hereby specified for the purposes of Section 4.02 of the General Conditions.

Article III. EXECUTION OF THE PROJECT

Section 3.01. (a) The Borrower shall carry out the Project, through the Reconstruction Board acting under the overall responsibility of the Borrower's Planning Commission, with due diligence and efficiency and in conformity with sound administrative, financial, engineering and agricultural practices, and shall

provide, promptly as needed, the funds, facilities, services and other resources required for the purpose.

(b) Except as the Association shall otherwise agree, and without restriction or limitation upon the provisions of paragraph (a) of this Section 3.01, the Borrower shall (i) establish or cause to be established a special revolving fund (hereinafter called the Reconstruction Fund) to be used for the sole purpose of making payments for goods and services required for the Project, (ii) deposit or cause to be deposited in the Reconstruction Fund initially an amount of twenty million Takas (Tk 20,000,000) and thereafter on the first day of each calendar month such amount as shall be required to maintain the Reconstruction Fund at a level which will be sufficient to meet payments expected to be made by the Borrower for the Project during the forthcoming three months, as estimated on the basis of the Project work schedules, and (iii) maintain or cause to be maintained records adequate to reflect, in accordance with consistently maintained sound accounting practices, the operations and financial condition of the Reconstruction Fund.

(c) The Borrower shall appoint a qualified and experienced Project Administrator who shall be a Member of the Reconstruction Board and empowered on its behalf to administer the Project.

(d) The Borrower shall appoint, on a full-time basis, a qualified and experienced Project Coordinator who shall be a Member Secretary of the Reconstruction Board and empowered on its behalf to act as chief executive officer for the Project, with authority to operate the Reconstruction Fund and such other authorities, functions and responsibilities as shall be satisfactory to the Borrower and the Association.

Section 3.02. (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 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 3.03. (a) The Borrower shall furnish to the Association, promptly upon their preparation, the plans, specifications, reports and work and procurement schedules, for the Project, and any material modifications thereof or additions thereto, in such detail as the Association shall reasonably request.

(b) The Borrower: (i) shall maintain, or cause to be maintained, 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 accredited representatives to inspect the Project, the goods financed out of the proceeds of the Credit and any relevant records and documents, including the records and documents of the Reconstruction Fund and, in respect of the Project, of the Reconstruction Board; and (iii) shall furnish or cause to be furnished to the Association all such information as the Association shall reasonably request concerning the Project, the Reconstruction Fund, the Reconstruction Board, the expenditure of the proceeds of the Credit and the goods and services financed out of such proceeds.

Section 3.04. The Borrower shall take all necessary action to ensure that the land or rights in respect to land required for the execution, operation and maintenance of the Project shall be acquired as and when needed for such purpose, under terms and conditions which ensure that the landowners whose land is thus affected receive full and prompt compensation.

Section 3.05. The Borrower shall take or cause to be taken all measures reasonably required to ensure the adequate maintenance and repair of works, buildings, installations and equipment included in the Project in accordance with sound engineering and financial practices, for a period of at least ten years from the date of this Agreement.

Article IV. PARTICULAR COVENANTS

Section 4.01. (a) The Borrower shall cause each Part of the Project to be carried out by the respective department or agency of the Borrower set forth hereunder :

- (i) Part A (Inland Water, Transport Equipment and Terminal Facilities) Inland Water Transport Authority;
- (ii) Part B (Telecommunications) Telegraph and Telephone Department of the Ministry of Post, Telegraph and Telephone;
- (iii) Part C (Multipurpose Cyclone Shelters) Buildings Directorate of the Ministry of Public Works and Urban Development;
- (iv) Part D (Primary Roads) Roads and Highways Directorate of the Ministry of Communications;
- (v) Part E (Feeder Roads) Ministry of Local Government, Rural Development and Cooperatives;
- (vi) Part F (Coastal Fisheries) Fisheries Development Corporation;
- (vii) Part G (Cyclone Warning System) Meteorological Department of the Ministry of Defence; and
- (viii) Part H (Consultants' Services, Vehicles and Imported Equipment for Project Management and Supervision) Office of the Project Coordinator.

(b) Each department or agency referred to in sub-paragraphs (i) to (vii) inclusively of paragraph (a) of this Section 4.01 shall, for the purpose set forth in said paragraph (a), establish a special unit under a sub-Project Manager with suitable supporting staff, and be responsible to the Project Coordinator.

Section 4.02. The Borrower undertakes, with specific reference to Part A of the Project, that :

- (a) the Association will be promptly notified of any proposed material change in the location of the new port terminal facilities;
- (b) the Borrower will provide or cause to be provided to the Inland Water Transport Authority such financial resources as may be required for the efficient operation and maintenance of the new port terminal facilities for a period of at least ten years from the date of construction thereof; and
- (c) the Inland Water Transport Authority will retain the services of a competent technical adviser to assist its sub-Project Manager in the implementation of Part A of the Project.

Section 4.03. The Borrower undertakes, with specific reference to Part B of the Project, that :

- (a) towers, masts, aerials and buildings will be designed to withstand cyclonic winds, occurring simultaneously with tidal flood; and, whenever practicable, equipment will be housed above the maximum recorded flood level; and
- (b) without restriction or limitation upon the provisions of Section 3.04 of this Agreement, all land and existing accommodation required for Part B of the Project will be promptly provided by the Borrower, as and when needed, and will be suitable for the Telegraph and Telephone Department's requirements; the Borrower will ensure completion by the scheduled dates of the necessary buildings and access roads; and the Borrower will provide transport over water for the Telegraph and Telephone Department until the Telegraph and Telephone Department acquires its own boats.

Section 4.04. The Borrower undertakes, with specific reference to Part C of the Project, that :

- (a) sites will be selected in accordance with criteria satisfactory to the Association; and
- (b) the Borrower will, by March 31, 1973 (or such other date as may be agreed upon between the Borrower and the Association) submit to the Association detailed plans satisfactory to the Association for the use of the multipurpose buildings as schools.

Section 4.05. The Borrower undertakes, with specific reference to Part D of the Project, that :

- (a) local consulting engineers acceptable to the Association will be appointed for survey work on terms and conditions satisfactory to the Association; and
- (b) the Roads and Highways Directorate will make available the necessary compaction equipment to earthworks contractors.

Section 4.06. The Borrower undertakes, with specific reference to Part H of the Project, that consultants acceptable to the Association will be employed upon terms and conditions satisfactory to the Association.

Article V. OTHER COVENANTS

Section 5.01. (a) The Borrower shall maintain or cause to be maintained records adequate to reflect in accordance with consistently maintained sound accounting practices the operations, resources and expenditures, in respect of the Project, of the Reconstruction Board and of any other departments or agencies of the Borrower responsible for carrying out or operating the Project or any part thereof.

(b) The Borrower shall (i) cause the accounts and financial statements for each fiscal year of the Reconstruction Fund, the Reconstruction Board and of any other departments or agencies of the Borrower responsible for carrying out or operating the Project or any part thereof to be audited, in accordance with sound auditing principles consistently applied, by competent and experienced auditors acceptable to the Association; (ii) furnish to the Association as soon as available, but in any case not later than six months after the end of each such year, (A) certified copies of said accounts and financial statements for such year as so audited, and (B) the report of such audit by said auditors; (iii) furnish to the Association such other information concerning said accounts

and financial statements and the audit thereof as the Association shall from time to time reasonably request.

Article VI. CONSULTATION, INFORMATION AND INSPECTION

Section 6.01. 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 the Development Credit Agreement, the administration, operations and financial condition, resources and expenditures of the Reconstruction Fund, and, in respect of the Project, of the Reconstruction Board and of any other departments or agencies of the Borrower responsible for carrying out or operating any part of the Project, 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 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 6.02. (a) The Borrower shall furnish or cause to be furnished to the Association all such information as the Association shall reasonably request concerning the administration, operations and financial condition, resources and expenditures of the Reconstruction Fund and, in respect of the Project, of the Reconstruction Board and of any other departments or agencies of the Borrower responsible for carrying out or operating any part of the Project.

(b) The Borrower and the Association shall promptly inform each other 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 either of them of its obligations under the Development Credit Agreement.

Section 6.03. 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 VII. TAXES AND RESTRICTIONS

Section 7.01. 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 7.02. The 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 7.03. 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 VIII. REMEDIES OF THE ASSOCIATION

Section 8.01. If any event specified in Section 7.01 of the General Conditions or in Section 8.03 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 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 the Development Credit Agreement notwithstanding.

Section 8.02. For the purposes of Section 6.02 of the General Conditions, the following additional event is specified :

Before completion of the Project, the Reconstruction Board shall have been dissolved or disestablished, or its functions or responsibilities shall have been modified, or the Reconstruction Fund shall have been dissolved, or its conditions of operation shall have been modified, so as, in the judgment of the Association, to affect adversely the carrying out of the Project.

Section 8.03. For the purposes of Section 7.01 of the General Conditions, the following additional event is specified : the event specified in Section 8.02 of this Agreement shall occur.

Article IX. TERMINATION

Section 9.01. The date December 18, 1972 is hereby specified for the purposes of Section 10.04 of the General Conditions.

Article X. REPRESENTATIVE OF THE BORROWER; ADDRESSES

Section 10.01. The Chief of the External Resources Division of the Planning Commission of the Borrower is designated as representative of the Borrower for the purposes of Section 9.03 of the General Condition.

Section 10.02. The following addresses are specified for the purposes of Section 9.01 of the General Conditions :

For the Borrower :

Planning Commission
Bangladesh Secretariat
Dacca

Cable address :

Plancom
Dacca

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 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.

People's Republic of Bangladesh :

By A. M. A. MUHITH
 Authorized Representative

International Development Association :

By I. P. M. CARGILL
 Vice President, Asia

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 and the allocation of amounts of the Credit to each Category. The percentage of eligible expenditures to be financed in each Category shall be 100% of foreign expenditures and 50% of local expenditures. The items to be financed within each Category and the allocation of amounts of the Credit to such items shall be determined by agreement between the Borrower and the Association, as such agreement may be amended from time to time.

<i>Category</i>	<i>Amount of the Credit Allocated (Expressed in Dollar Equivalent)</i>
I. Goods and Services for Part A of the Project (Inland Water, Transport Equipment and Terminal Facilities)	5,740,000
II. Goods and Services for Part B of the Project (Telecommunications)	5,610,000
III. Goods and Services for Part C of the Project (Multipurpose Cyclone Shelters)	3,950,000
IV. Goods and Services for Part D of the Project (Primary Roads)	2,140,000
V. Goods and Services for Part E of the Project (Feeder Roads)	2,040,000
VI. Goods and Services for Part F of the Project (Coastal Fisheries)	1,850,000
VII. Goods and Services for Part G of the Project (Cyclone Warning System)	470,000
VIII. Goods and Services for Part H of the Project (Consultants' Services, Vehicles and Imported Equipment for Project Management and Supervision)	200,000
IX. Unallocated	3,000,000
TOTAL	<u>25,000,000</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 country other than the Borrower;

(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.

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

- (a) expenditures made prior to September 1, 1972;
- (b) payments for taxes imposed directly 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 paragraph 1 above in respect of any Category 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;
- (c) local expenditures for land acquisition, staff salaries and over-heads; and
- (d) local expenditures for which there shall not have been submitted to the Association a certificate by independent auditors acceptable to the Association that such expenditures have been incurred for the purposes of the Project in accordance with the provisions of this Agreement.

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 Category shall decrease, the amount of the Credit then allocated to such Category and no longer required therefor will be reallocated by the Association by increasing correspondingly the unallocated amount of the Credit;
- (b) if the estimate of the expenditures under any Category shall increase, the percentage set forth 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 Association, at the request of the Borrower, to such Category from the unallocated amount of the Credit, subject, however, to the requirements for contingencies, as determined by the Association, in respect of any other expenditures; and
- (c) if the Association shall have reasonably determined that the procurement of any item in any Category is inconsistent with the procedures set forth or referred to in Section 2.03 of this Agreement, no expenditures for such item shall be financed out of the proceeds of the Credit and the Association may, without in any way restricting or limiting any other right, power or remedy of the Association under the Development Credit Agreement, by notice to the Borrower, cancel such amount of the Credit as, in the Association's reasonable opinion, represents the amount of such expenditures which would otherwise have been eligible for financing out of the proceeds of the Credit.

5. Notwithstanding the percentages set forth in paragraph 1 above, if the estimate of local expenditures under any Category shall increase and no proceeds of the Credit are 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 is for rehabilitation of the coastal area and cyclone protection in the territories of the Borrower, and consists of:

Part A

Reconstruction and improvement of water transport facilities by:

- (i) repair of 14 damaged port terminals in existing locations:
 - 3 in Barisal District (Najirpur, Ghoserhat, and Tazumuddin);

- 2 in Noakhali District (Chitalkhali and Hatya);
 7 in Chittagong District (Satalkhal, Kumira, Guptachar, Cox's Bazar, Sattaruddin, Chhunua, and Bholaghat); and
 2 in Patuakhali District (Rangabali and Kkeepupara).
- (ii) construction of 10 new inland water transport port terminals, 1 each at : Manpura, Char Madras, and Char Khukri Mukri in Barisal District; Tamaruddin, Jahazmara and Char Jabbar in Noakhali District; and Char Montaz, Char Kajal, Galachipa and Bara Baisdia in Patuakhali District.
- (iii) procurement of hydrographic survey equipment for surveying and charting routes in the coastal areas.
- (iv) procurement of aids to navigation equipment.
- (v) procurement of operational vessels and road transport vehicles, for use including survey, buoy laying, marking of channels; tugs for general purposes, including towage of pontoons; and radio communications equipment for existing vessels.
- (vi) provision of technical assistance for the implementation of this Part of the Project.

Part B

Establishment of improved telecommunications by providing 22 base stations for fixed and mobile public call offices, 40 mobile stations and 100 public call offices, 14 × 24 channel VHF links between base stations and communication centers, and a 300 channel microwave link from Chittagong to Cox's Bazar.

Part C

Construction of about 260 multipurpose buildings on primary or secondary school sites at centers of rural population to serve both as schools and cyclone shelters.

Part D

Reconstruction and improvement of the primary road network by :

- (i) road embankment improvement, 10 foot carriageway brick surfacing and repair of structures on the road between Bhola Town and Char Madras on Bhola Island, with links to the Inland Water Transport Authority terminals at Daulatkhan and Tejimuddin (70 miles).
- (ii) bridges and ferries to open the existing brick surfaced road between Barisal and Patuakhali (25 miles).
- (iii) road embankment improvement, 10 foot carriageway brick surfacing and repair of structures on the road on the Water and Power Boards' coastal embankment between Laxmipur and Ramgati, with links to the Inland Water Transport Authority terminals at Chitalkhali and Ramgati (40 miles).
- (iv) necessary surveys for the above roads and 2 other roads in Noakhali District for which construction works are not included in this Project; the 47 mile section of road from Hatya to Jahajmara, with links to Kasherhat-Sagaria and Changar Bazar; and the 23 mile section of road from Sonapur to Munshirhat, with links to Char Jubilee.

Part E

Improvement of about 670 miles of earth feeder roads to establish a carriageway about 12 ft wide linking terminals constructed under Part A of the Project and cyclone shelters constructed under Part C of the Project, respectively, to the primary road network, and related works.

Part F

Reconstruction and improvement of the coastal fishing industry by providing about : 1,300 wooden-hulled fishing boats, 204 marine engines to power fishing boats, 335,000 lbs

of nylon twine and 167,500 synthetic floats for the manufacture of fishing nets; 1,300 life buoys; 1 work boat; and 2 insulated trucks.

Part G

Improvement of the meteorological early warning system.

Part H

Provision of consultants' services, vehicles and imported equipment to assist in the management and supervision of Parts A to G of the Project.

The Project is expected to be completed by December 31, 1975.

SCHEDULE 3

PROCUREMENT

1. (a) Equipment and imported materials required for the Project and 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 April 1972.

(b) Other materials and civil works required for the Project and to be financed out of the proceeds of the Credit shall be procured on the basis referred to in sub-paragraph (a) hereof save that advertisements of invitations to bid may be limited to newspapers of general circulation in the territories of the Borrower.

2. (a) With respect to any contract for civil works, equipment and/or materials estimated to cost the equivalent of \$ 100,000 or more :

- (i) 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 procedures 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 to the bidding documents shall require the Association's concurrence before it is issued to the prospective bidders.
- (ii) 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 on the evaluation and comparison of the bids received, together with the reasons for the intended award. The Association shall, if it determines that the intended award would be inconsistent with the procedures set forth or referred to in this Schedule, promptly inform the Borrower and state the reasons for such determination.
- (iii) The terms and conditions of the contract shall not, without the Association's concurrence, materially differ from those on which bids were asked.
- (iv) Two conformed copies of the contract shall be furnished to the Association promptly after its execution and prior to the delivery to the Association of the first application for withdrawal of funds from the Credit Account in respect of any such contract.

(b) With respect to any other contract for civil works, equipment and/or materials the Borrower shall furnish to the Association, promptly after its execution and prior to the delivery to the Association of the first application for withdrawal of funds from the Credit Account in respect of any such contract, two conformed copies of such contract, together with the analysis of bids, recommendations for award and such other information as the Association shall reasonably request. The Association shall, if it determines that the award of the contract is not consistent with the procedures set forth or referred to in this Schedule, promptly inform the Borrower and state the reasons for such determination.

3. For the purpose of evaluating bids for goods and associated services included in any Category of the table set out in paragraph 1 of Schedule 1 to this Agreement, bid prices shall be determined and compared in accordance with the following rules:

(a) The term "Local Bid" means a bid submitted by a manufacturer established in the territories of the Borrower for goods manufactured or processed to a substantial extent (as reasonably determined by the Association) in such territories; any other bid shall be deemed to be a "Foreign Bid";

(b) The bid price under a Local Bid shall be the ex-factory price of such goods;

(c) For the purpose of comparing any Foreign Bid with any Local Bid, the bid price under a Foreign Bid shall be the sum of the following amounts:

- (i) the c.i.f. (Chittagong) price of such goods; and
- (ii) the amount of any taxes on the importation of such goods into the territories of the Borrower which generally apply to non-exempt importers, or 15% of the amount specified in (i) above, whichever shall be the lower.

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.*]
