

No. 11620

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**INTERNATIONAL DEVELOPMENT ASSOCIATION  
and  
ETHIOPIA**

**Development Credit Agreement—*Second Education Project*  
(with schedules and General Conditions Applicable to  
Development Credit Agreements). Signed at Washing-  
ton on 6 May 1971**

*Authentic text: English.*

*Registered by the International Development Association on 6 March 1972.*

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**ASSOCIATION INTERNATIONALE  
DE DÉVELOPPEMENT  
et  
ÉTHIOPIE**

**Contrat de crédit de développement — *Deuxième projet re-  
latif à l'enseignement* (avec annexes et Conditions géné-  
rales applicables aux contrats de crédit de développe-  
ment). Signé à Washington le 6 mai 1971**

*Texte authentique : anglais.*

*Enregistré par l'Association internationale de développement le 6 mars  
1972.*

## DEVELOPMENT CREDIT AGREEMENT<sup>1</sup>

AGREEMENT, dated May 6, 1971 between EMPIRE OF ETHIOPIA (hereinafter called the Borrower) and INTERNATIONAL DEVELOPMENT ASSOCIATION (hereinafter called the Association).

### *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,<sup>2</sup> 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).

### *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 nine million five hundred thousand dollars (\$9,500,000).

*Section 2.02.* The amount of the Credit may be withdrawn from the Credit Account in accordance with the provisions of Schedule 1 to this Agreement, as such Schedule shall be amended from time to time, for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.

<sup>1</sup> Came into force on 26 August 1971, upon notification by the Association to the Government of Ethiopia.

<sup>2</sup> See p. 96 of this volume.

*Section 2.03.* The Closing Date shall be June 30, 1976 or such other date as shall be agreed between the Borrower and the Association.

*Section 2.04.* 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 2.05.* Service charges shall be payable semi-annually on April 15 and October 15 in each year.

*Section 2.06.* The Borrower shall repay the principal amount of the Credit withdrawn from the Credit Account in semi-annual installments payable on each April 15 and October 15 commencing April 15, 1981 and ending October 15, 2020, each installment to and including the installment payable on October 15, 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 2.07.* 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. (a)* The Borrower shall carry out the Project with due diligence and efficiency and in conformity with sound administrative, financial, technical and educational practices, and shall provide, promptly as needed, the funds, facilities, services and other resources required for the purpose.

*(b)* Without limitation on the obligations of the Borrower under paragraph *(a)* of this Section, the Borrower shall ensure that sufficient liquid funds to cover the estimated expenditures required for the Project in accordance with the construction schedules and work schedules for the Project, shall be made available, promptly as needed, to the Project Unit.

*Section 3.02. (a)* In order to assist the Borrower in the design and the supervision of the construction of the teacher training institutions included in items (i), (ii) and (iii) of Part A of the Project, together with the boarding facilities and staff houses related to those items, the Borrower shall employ architectural consultants acceptable to the Borrower and the Association upon terms and conditions satisfactory to the Association.

*(b)* In carrying out the Project, the Borrower undertakes to maintain, within its Ministry of Education, a Project Unit under the direction of a Project Manager and including a Project Coordinator and a Project Ar-

chitect, all of whom shall be mutually acceptable to the Borrower and the Association, together with an Accountant and adequate technical and secretarial staff. The Project Unit, the Project Manager, the Project Coordinator and the Project Architect shall have such duties and responsibilities as are set forth in Schedule 4 to this Agreement.

(c) In carrying out Part B of the Project, the Borrower shall employ qualified and experienced experts and consultants mutually acceptable to the Borrower and the Association upon terms and conditions acceptable to the Association and in accordance with Annex B to Schedule 2 to this Agreement.

(d) In carrying out Part B (ii) of the Project, the Borrower shall carry out studies on (i) changes in the level of employment, (ii) the educational profile of employed manpower, and (iii) the functioning of the labor market, and shall cause such studies to be completed by not later than June 30, 1972, or such other date as shall be mutually acceptable to the Borrower and the Association.

(e) Except as the Association shall otherwise agree, the Borrower shall furnish to the Association within twelve months from the date of this Agreement, evidence satisfactory to the Association that the Borrower has acquired free of all encumbrances the ownership of the land on which the educational institutions included in the Project are to be built.

*Section 3.03.* In carrying out the Project, the Borrower shall employ contractors acceptable to the Association upon terms and conditions satisfactory to the Association.

*Section 3.04.* (a) Except as the Association shall otherwise agree, the goods and services (other than consultants' services) required for the Project and to be financed out of the proceeds of the Credit shall be procured on the basis of international competition 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 Agreement.

(b) 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.

(c) 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 3.05.* (a) The Borrower shall furnish to the Association, promptly upon their preparation, the plans, specifications and construction schedules 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) and 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.

#### 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 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 establish by not later than June 30, 1972, and thereafter maintain within its Ministry of Education a group of agricultural education specialists to be responsible for the development and supervision of the agricultural education programs of the Ministry of Education and for the coordination of such programs with those of the Ministry of Agriculture, such group to be staffed by not less than two qualified and experienced agricultural education specialists.

*Section 4.03.* (a) The Borrower shall at all times make or cause to be made available, promptly as needed, all funds and other resources required for the effective utilization, staffing and operation of the schools and institutes included in the Project.

(b) The Borrower shall cause the physical plant and equipment of the educational institutions included in the Project to be adequately maintained and repaired, shall cause from time to time all necessary renewals and repairs to be made thereto and to that end shall (i) make available, or cause to be made available, promptly as needed, all funds and other resources as shall be required, and (ii) establish and maintain within the construction and maintenance division of its Ministry of Education a special section responsible for school maintenance.

*Section 4.04.* The Borrower shall cause the educational institutions included in the Project to be operated so as to promote the educational objectives of the Borrower.

*Section 4.05.* The Borrower shall complete, by a date not later than 12 months from the Effective Date, arrangements satisfactory to the Association, to ensure full coordination of the teacher training programs of the Ministry of Education, the Haile Selassie I University, the Academy of Pedagogy and the Junior Secondary Teacher Training Institute.

*Section 4.06.* Not later than one year from the date of this Agreement, the Borrower shall furnish to the Association for its review the draft curricula for the rural institutes included in the Project and shall afford the Association a reasonable opportunity to exchange views with the Borrower on such curricula.

### 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 the 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 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 Association all such information as the Association 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 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.* 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 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 the Development Credit Agreement notwithstanding.

#### *Article VIII*

##### EFFECTIVE DATE; TERMINATION

*Section 8.01.* The following event is specified as an additional condition to the effectiveness of the Development Credit Agreement within the meaning of Section 10.01 (b) of the General Conditions:

A Project Manager, a Project Coordinator and a Project Architect shall have been appointed, all in accordance with paragraph (b) of Section 3.02 of and Schedule 4 to this Agreement.

*Section 8.02.* The date August 4, 1971, is hereby specified for the purposes of Section 10.04 of the General Conditions.

*Section 8.03.* The obligations of the Borrower under Article IV of this Agreement shall cease and determine on the date on which the Development Credit Agreement shall terminate or on a date twenty-five years after the date of this Agreement, whichever shall be the earlier.

### *Article IX*

#### REPRESENTATIVE OF THE BORROWER; ADDRESSES

*Section 9.01.* The Minister of Finance 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:

Ministry of Finance  
Addis Ababa, Ethiopia

Cable address:

Ministry of Finance  
Addis Ababa

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.

Empire of Ethiopia:

By MINASSE HAILE  
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	2,200,000	44% of total expenditures
II. Local furniture and equipment	100,000	44% of local expenditures
III. Imported furniture, equipment and construction materials	4,300,000	100% of foreign expenditures
IV. Professional services (architects' fees)	100,000	44% of total expenditures
V. Technical assistance	1,500,000	100% of foreign expenditures
VI. Unallocated	<u>1,300,000</u>	
TOTAL	<u>9,500,000</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 IV on account of expenditures incurred after January 15, 1971, in an aggregate amount not exceeding \$100,000 equivalent;
- (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 Category shall decrease, the amount of the Credit 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 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 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.

5. Notwithstanding the percentages set forth in the third column of the table in paragraph 1 above, if the estimate of total expenditures under Category I or IV or local expenditures under Category II shall increase and no proceeds of the Credit are available for reallocation to such Category, the Association 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

## DESCRIPTION OF THE PROJECT

The Project consists of the following:

A. The construction and equipment of:

- (i) one Academy of Pedagogy including a Primary Teacher Training Institute;
- (ii) extension to one existing Primary Teacher Training Institute;
- (iii) one Training Institute for Junior Secondary School Teachers;
- (iv) one new Primary Teacher Training Institute;
- (v) twelve new general secondary schools;
- (vi) extension to 19 existing general secondary schools;
- (vii) assembly halls for 23 existing general secondary schools;
  
- (viii) extension to two existing Agricultural Institutes;
- (ix) three Agricultural Training Centers; and
- (x) three Rural Education Institutes.

2. The construction and equipment of boarding facilities for about 2,525 students in five Teacher Training Institutes, five Agricultural Institutes and three Rural Education Institutes.

3. The construction of 64 staff houses in four Teacher Training Institutes, seven general secondary schools, four Agricultural Institutes and three Rural Education Institutes.

B. The provision of technical assistance in accordance with Annex B to this Schedule for:

- (i) an education sector survey;
- (ii) manpower studies;
- (iii) improvement in agricultural and technical education, including the provision of two man years of fellowships;
- (iv) staffing of the Junior Secondary Teacher Training Institute;
  
- (v) the services of an architect for the Project Unit; and
- (vi) improvement in school maintenance procedures.

C. The educational institutions to be included in the Project, the specific locations thereof and approximate enrollment levels therein shall be as set forth in Annex A 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.

## ANNEX A

*LIST OF EDUCATIONAL INSTITUTIONS*  
*Parts A, B and C of the Project*

<i>Type of Institution</i>	<i>Name/ Location</i>	<i>Student Places</i>		<i>Boarding Places (Additional)</i>	<i>Staff Houses (Additional)</i>
		<i>Additional</i>	<i>Total</i>		
<i>I. Teacher Training Institutions</i>					
The Academy of Pedagogy including Primary Teacher Training Institute . . . . .	Bahr Dar	940	940	840	18
Primary Teacher Training Institute (extension) . . . . .	Asmara	215	540	215	—
Junior Secondary Teacher Training Institute . . . . .	Nazareth	640	640	640	25
Primary Teacher Training Institute . . . . .	Awassa	540	540	540	1
	Sub-total	2,335	2,660	2,235	44
<i>II. General Secondary Schools</i>					
Ghinnir		240	240	—	—
Humera		240	240	—	—
Asezo		240	240	—	—
Assab		240	240	—	—
Chencha		240	240	—	—
Felege Neway		240	240	—	—
Mahal Meda		240	240	—	—
Sabata		320	320	—	—
Akaki		320	320	—	—
Awassa		400	400	—	—
Maichew		320	320	—	—
Combolcha		360	360	—	—
	Sub-total	3,400	3,400	—	—
<i>III. General Secondary Schools (extensions)</i>					
Goba		200	1,000	—	1
Debre Tabor		200	680	—	—
Asmara (Prince Makonnen)		400	1,520	—	—
Finote-Selam		240	640	—	1
Bahr Dar		200	600	—	—
Jigjiga		240	400	—	—
Harrar (Jr)		320	960	—	—
Metu		240	640	—	—
Agaro		240	400	—	1
Bonga		—	400	—	—
Endeber		200	960	—	—
Debre Sina		200	600	—	1
Hagare Hiwot (Ambo)		200	1,320	—	—
Fitche		—	800	—	—
Dilla		200	680	—	1
Adigrat		320	880	—	1

Type of Institution	Name/ Location	Student Places		Boarding Places (Additional)	Staff Houses (Additional)
		Additional	Total		
Dembidollo		200	520	—	1
Gimbi		200	960	—	—
Woldiya		200	920	—	—
	Sub-total	4,000	14,880	—	7
<i>IV. Multipurpose Halls for Existing General Secondary Schools</i>					
Nefa Silk			1,160		
Menelik II			1,440		
Medane Alem			1,320		
Kolfe			1,160		
Asfaw Wosen			1,480		
Assela			1,640		
Gondar			1,440		
Asmara (Prince Makonnen)			1,520		
Adi Ugri			1,560		
Debre Marcos			1,240		
Bahr Dar			600		
Asbe Teferi			800		
Dire Dawa			1,160		
Harrar (Jr)			960		
Jimma (Miazia 27)			1,280		
Hagare Hiwot (Ambo)			1,320		
Ghion			800		
Debre Zeit			840		
Soddo			1,000		
Mekale			1,160		
Lekemt			1,280		
Dembidollo			520		
Dessie II			1,480		
	Sub-total		27,160		
<i>V. Agricultural Institutes</i>					
Jimma		70	270	56	—
Hagare Hiwot (Ambo)		20	120	24	1
	Sub-total	90	390	80	1
<i>VI. Agricultural Training Centers</i>					
Holetta		40	40	40	2
Adwa		40	40	40	2
Alem Maya		40	40	40	2
	Sub-total	120	120	120	6
<i>VII. Rural Education Institutes</i>					
Robi		240	240	30	2
Bure		240	240	30	2
Shambu (extension)		160	320	30	2
	Sub-total	640	800	90	6
	TOTAL	10,585	49,410	2,525	64

## ANNEX B

## TECHNICAL ASSISTANCE

(numbers in parentheses refer to man-years  
if not otherwise indicated)

(a) *Education survey* (3 <sup>1</sup>/<sub>12</sub>): one economist-human resources expert (9 months), one socio-anthropologist-demographer (5 months), one general educator (7 months), one industry-commerce expert (4 months), one agriculture expert (4 months), one mass-media expert (4 months), one management expert (4 months).

(b) *Agricultural education* (5): one expert on agricultural education, planning and teacher-training (3), external fellowships of one year (2).

(c) *Technical education* (18): two mechanical engineers (6), two civil engineers (6), two electrical engineers (6).

(d) *Junior secondary teacher training* (19): one adviser to the principal (3), one curriculum development expert (3), one expert on in-service training and extension (1), expert teachers in languages, social science, science and mathematics, industrial arts, commerce, home economics (12).

(e) *School maintenance section* (1): one building maintenance specialist during two periods of six months (1).

(f) *Project Unit* (4): one project architect (4).

(g) *Manpower Studies* (3): one labor market analyst (1), one manpower occupation analyst (1), one statistician (1).

## SCHEDULE 3

## PROCUREMENT

A. *Contracts for Civil Works*

1. Contractors for civil works shall be prequalified and the Borrower shall, before qualification is invited, 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 list of prequalified bidders, together with a statement of their qualifications and of the reasons for the exclusion of any applicant from prequalification, 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.

2. 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 international 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.

3. With respect to any contract for civil works of US\$100,000 equivalent or more, 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 architectural consultants on the evaluation and comparison of the bids received, together with the recommendations for award of the Project Manager 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 objection it may have.

4. If a 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. A conformed copy of the contract shall be furnished to the Association promptly after its execution, and before the submission of the first application for withdrawal in respect of such contract.

6. With respect to any civil works contracts below US\$100,000 equivalent, the Borrower shall inform the Association of the name of the bidder to whom the contract has been awarded and shall furnish to the Association a detailed report on the evaluation and comparison of the bids received and the reasons for the award of the contract. The Association shall promptly inform the Borrower if it finds that the award of the contract is not consistent with the *Guidelines for Procurement under World Bank Loans and IDA Credits* published by the Bank in August 1969, or the provisions of this Schedule, and, in such event, no expenditures under such contract shall be financed out of the proceeds of the Credit.

7. The Borrower will request the Association's prior approval for any proposed change in a civil works contract involving a price increase of 10% or more of the contract sum together with an explanation of the proposed change.

#### B. *Contracts for Equipment and Furniture*

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

- (a) lists of all items of equipment and furniture required for the Project showing the specifications and the estimated unit and total price of each item. Items will be indexed, coded and numbered for identification with: (i) the Project institutions; and (ii) the spaces for which the items are required. The items to be purchased will be grouped so as to permit bulk procurement as shall be consis-

tent with sound technical and procurement practices. Modifications to the furniture and equipment lists made subsequent to the Association's approval which do not exceed the equivalent of \$1,000 for any one item, or in the aggregate 10% of the total proceeds of the Credit allocated to equipment and furniture, and which are in accordance with sound educational practices, may be made without the prior approval of the Association; and

- (b) draft standard documents for inviting tenders, forms of contracts and descriptions of the methods to be used for obtaining bids on an international basis.

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

3. If a contract is proposed to be awarded to a bidder other than the lowest evaluated bidder, or a proposed award involves a difference in price of 10% or more from the original estimate as shown pursuant to subparagraph B 1 (a) above, the Borrower will, after the bids have been evaluated and before making the award, send to the Association, in sufficient time to obtain its comments, a summary and analysis thereof and a brief justification of the Borrower's proposal for the award.

4. In cases not covered by paragraph 3 above, promptly after bids have been evaluated and a contract has been awarded and before submission to the Association of the first application for withdrawal of funds in respect of such contract, the following will be sent to the Association:

- (a) certificate signed by the Project Manager that the goods covered by the contract are in accordance with the quantities and specifications in the list approved by the Association;
- (b) list of the bids received;
- (c) brief analysis of the bids and justification for the Borrower's decision in making the award; and
- (d) conformed copy of the contract.

5. The Association shall promptly inform the Borrower if it finds that the award of the contract is not consistent with the *Guidelines for Procurement under World Bank Loans and IDA Credits* referred to herein, or the provisions of this Schedule, and in such event, no expenditures under such contract shall be financed out of the proceeds of the Credit.

#### SCHEDULE 4

##### THE PROJECT UNIT

1. The Project Unit shall be responsible for liaison with the Association and with all appropriate authorities of the Borrower on matters relating to the execution



of the Project and shall have the responsibilities and power for the execution of the Project, including, *inter alia*:

- (a) the coordination of the Project with ministries and government services other than the Ministry of Education;
- (b) the approval of the civil works design of the educational institutions included in the Project;
- (c) the design and supervision of construction of items (iv) through (x) of Part A of the Project together with the boarding facilities and staff houses related to those items;
- (d) the preparation of detailed lists of the furniture and equipment required for Part A 1. and A 2. of the Project;
- (e) the procurement of civil works, furniture and equipment, including the preparation of bidding documents, the analysis of bids and the making of recommendations regarding the award of contracts;
- (f) the selection, briefing, coordination and supervision of the firms of architects and contractors provided for in Section 3.02 (a) and Section 3.03 of this Agreement;
- (g) the regular inspection of all construction work;
- (h) the keeping of records, including financial records, of the execution of the Project, and the preparation of regular reports to the Association;
- (i) the coordination of the selection, briefing and supervision of the experts for curriculum development and instruction; and
- (j) the preparation of applications for withdrawals from the Credit Account.

2. The specific responsibilities and functions of the Project Manager, the Project Coordinator and the Project Architect (all of whom, with the exception of the Project Manager shall serve in the Project Unit on a full-time basis) shall be as follows:

- (a) Project Manager: overall guidance, supervision and execution of the Project, including all such arrangements with other ministries and government services as shall be necessary for Project implementation;
- (b) Project Coordinator: management of the Project Unit's activities under the supervision of the Project Manager; and
- (c) Project Architect: guidance and overall supervision of the Project's civil works and of the architectural consultants to be employed pursuant to Section 3.02 (a) of this Agreement, and responsibility for the design and supervision of construction of items (iv) through (x) of Part A of the Project together with the boarding facilities and staff houses related to those items.

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.]*

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