

No. 12080

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

**Loan Agreement—*Education Project* (with schedules and  
General Conditions Applicable to Loan and Guarantee  
Agreements). Signed at Washington on 9 August 1971**

*Authentic text: English.*

*Registered by the International Bank for Reconstruction and Development  
on 17 October 1972.*

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

**Contrat d'emprunt — *Projet relatif à l'enseignement* (avec  
annexes et Conditions générales applicables aux contrats  
d'emprunt et de garantie). Signé à Washington le  
9 août 1971**

*Texte authentique: anglais.*

*Enregistré par la Banque internationale pour la reconstruction et le développe-  
ment le 17 octobre 1972.*

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

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AGREEMENT, dated August 9, 1971, between IRELAND acting through the Minister for Finance (hereinafter called the Borrower) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (hereinafter called the Bank).

### *Article I. GENERAL CONDITIONS; DEFINITIONS*

*Section 1.01.* The parties to this Agreement accept all the provisions of the General Conditions Applicable to Loan and Guarantee Agreements of the Bank, dated January 31, 1969,<sup>2</sup> with the same force and effect as if they were fully set forth herein, subject, however, to the deletion of Section 5.01 thereof and to the amendment of Section 6.02 (i) thereof to read as follows: "Any event specified in paragraph (e) or (f) of Section 7.01 shall have occurred." (said General Conditions Applicable to Loan and Guarantee Agreements of the Bank, 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 term "Project Unit" means the Project implementation unit maintained for the purpose of carrying out the Project, as required by Section 3.02 of this Agreement.

### *Article II. THE LOAN*

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

*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 described in Schedule 2 to this Agreement and to be financed under the Loan Agreement; 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 services of consultants) required for the Project and 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, as

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<sup>1</sup> Came into force on 24 November 1971, upon notification by the Bank to the Government of Ireland.

<sup>2</sup> See p. 215 of this volume.

revised in May 1971, 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 December 31, 1976 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 January 15 and July 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 3 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 Minister for 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.* The Borrower shall carry out the Project with due diligence and efficiency and in conformity with sound administrative, financial, educational and engineering practices, and shall provide, promptly as needed, the funds, facilities, services and other resources required for the purpose.

*Section 3.02.* The Borrower shall, during the execution of the Project, maintain and operate the Project Unit with such powers, responsibilities, staff, facilities and resources as are set forth in Schedule 5 to this Agreement.

*Section 3.03.* In order to assist the Borrower in designing the institutions referred to in Part A of the Project, the Borrower shall employ architectural consultants acceptable to the Borrower and the Bank upon terms and conditions satisfactory to the Borrower and the Bank.

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

*Section 3.05.* (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 Loan 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 Bank shall otherwise agree, the Borrower shall cause all

goods and services financed out of the proceeds of the Loan to be used exclusively for the Project.

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

(b) The Borrower: (i) shall maintain records adequate to reflect 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.

*Section 3.07.* The Borrower shall take, or cause to be taken, all such action as may be necessary for the acquisition, according to the implementation schedule already set in agreement with the Bank, of all such land and rights in respect of land as shall be required for the construction (and operation) of the facilities included in the Project and shall furnish to the Bank, promptly after such acquisition, evidence satisfactory to the Bank that such land and rights in respect of land are available for purposes related to the Project.

#### 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 lien shall be created on any assets of the Borrower as security for any external debt, 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 that in the creation of any such lien express provision will be made to that effect. The Borrower shall promptly inform the Bank of the creation of any such lien.

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

If the Borrower, because of constitutional or other legal provisions, shall

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

As used in this Section, the term "assets of the Borrower" includes assets or revenues of the Borrower, or of any of its political subdivisions, or of any agency of the Borrower or of any such political subdivision, including the Central Bank of Ireland or any institution performing the functions of a central bank for the Borrower; and the term "political subdivision" includes county councils and county borough councils and any other such political subdivisions as shall have power to raise revenues by taxation and to charge any such revenues or any of its assets as security for external debt.

*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, resources and expenditures, 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, within nine months of the date of this Agreement or such other period as may be agreed upon between the Borrower and the Bank, submit to the Bank a site development plan for the College of Commerce and Technology. The plan shall be implemented after it has been mutually agreed upon between the Borrower and the Bank.

*Section 4.04.* (a) The Borrower shall operate, or cause to be operated, the educational institutions and facilities included in the Project in accordance with sound administrative and educational policies and practices and with due regard to economy.

(b) The Borrower shall at all times employ, or cause to be employed, qualified administrators and teachers in adequate numbers to staff the educational institutions included in the Project.

*Section 4.05.* The Borrower shall: (i) adequately maintain or cause to be maintained the buildings, furniture and equipment of the educational institutions included in the Project and make or cause to be made all necessary repairs and renewals thereof in accordance with sound technical and administrative practices; and (ii) provide or cause to be provided, promptly as needed, the funds, facilities, services and other resources required for the foregoing.

#### *Article V. CONSULTATION, INFORMATION AND INSPECTION*

*Section 5.01.* The Borrower and the Bank shall cooperate fully to ensure 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 educational system of the Borrower, 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 and the Bank shall promptly inform each other 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 either of them of its 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, any instrument made pursuant to Section 4.01 of this 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 any other 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 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.

*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, that the Project Unit referred to in Section 3.02 of this Agreement has been established, is operating and has been staffed as set forth in Schedule 5 to this Agreement.

*Section 8.02.* The date November 8, 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, Department 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 :

The Secretary  
Department of Finance  
Upper Merrion Street  
Dublin 2, Ireland

Cable address :  
Finance  
Dublin

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.

Ireland :

By SEAN F. MURRAY  
Authorized Representative

International Bank for Reconstruction and Development :

By J. BURKE KNAPP  
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<br/>Loan Allocated<br/>(Expressed in<br/>Dollar Equivalent)</i> | <i>% of Expenditures<br/>to be Financed</i>  |
|---|--|--|
| I. Civil works (including architects' fees) | 7,700,000  | 32% of total expenditures (representing the estimated foreign expenditure component) |
| II. Furniture and equipment                 | 3,720,000  |  |
| (a) produced locally                        |  | 32% of local expenditures (representing the estimated foreign expenditure component) |
| (b) produced abroad                         |  | 100% of foreign expenditures   |
| III. Technical assistance                   | 80,000   | 100% of foreign expenditures   |
| IV. Unallocated                             | 1,500,000  |  |
|   | <u>TOTAL</u> <u>13,000,000</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; 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; 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 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 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; and

(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 foreign expenditures under Categories II (b) or III, of total expenditures under Category I or of local expenditures under Category II (a) shall increase and no



proceeds of the Loan are available for reallocation to such Category, the Bank 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 supports the reform of the general secondary school system, expansion of the technical education system, upgrading of the level of farmers' training, and introduction of a systems approach to design and construction and the use of industrialized building components and specifically consists of:

#### Part A.

Construction, furnishing and equipping of:

- (i) 6 State Comprehensive Secondary Schools with approximately 3,960 student places;
- (ii) 18 Community Comprehensive Secondary Schools with approximately 12,000 student places;
- (iii) 1 Secondary Technical School with approximately 800 student places;
- (iv) 1 Regional Technical College with approximately 2,700 student places;
- (v) 1 College of Commerce with approximately 800 student places; and
- (vi) 30 Agriculture Education Centers with approximately 1,650 student places.

#### Part B.

Establishment and operation of the Project Unit within the Building Unit of the Department of Education to supervise implementation of the Project, coordinate activities within the government and with private bodies and provide liaison with the Bank, all as more fully provided in Schedule 5 to this Agreement.

#### Part C.

(i) Educational facility planning, and  
(ii) construction systems development,  
with the assistance of specialist services (2 man-years) related to Parts A and B of the Project and rendered through short-term assignments of specialists and brief study missions abroad.

The Project is expected to be completed by June 30, 1976.

## SCHEDULE 3

### 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> |
|-------------------------|---|-------------------------|---|
| January 15, 1977        | 245,000   | July 15, 1982           | 365,000   |
| July 15, 1977           | 255,000   | January 15, 1983        | 380,000   |
| January 15, 1978        | 265,000   | July 15, 1983           | 390,000   |
| July 15, 1978           | 275,000   | January 15, 1984        | 405,000   |
| January 15, 1979        | 285,000   | July 15, 1984           | 420,000   |
| July 15, 1979           | 295,000   | January 15, 1985        | 435,000   |
| January 15, 1980        | 305,000   | July 15, 1985           | 450,000   |
| July 15, 1980           | 315,000   | January 15, 1986        | 470,000   |
| January 15, 1981        | 330,000   | July 15, 1986           | 485,000   |
| July 15, 1981           | 340,000   | January 15, 1987        | 505,000   |
| January 15, 1982        | 350,000   | July 15, 1987           | 520,000   |

| <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> |
|----------------------------|---|----------------------------|---|
| January 15, 1988 . . . . . | 540,000   | January 15, 1990 . . . . . | 625,000   |
| July 15, 1988 . . . . .    | 560,000   | July 15, 1990 . . . . .    | 645,000   |
| January 15, 1989 . . . . . | 580,000   | January 15, 1991 . . . . . | 670,000   |
| July 15, 1989 . . . . .    | 600,000   | July 15, 1991 . . . . .    | 695,000   |

\* 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 . . . . .                                | 1½%            |
| More than three years but not more than six years before maturity . . . . .        | 2%             |
| More than six years but not more than eleven years before maturity . . . . .       | 3½%            |
| More than eleven years but not more than sixteen years before maturity . . . . .   | 5¼%            |
| More than sixteen years but not more than eighteen years before maturity . . . . . | 6¼%            |
| More than eighteen years before maturity . . . . .                                 | 7¼%            |

#### SCHEDULE 4

##### PROCUREMENT

###### A. *Contracts for Civil Works*

1. Except as may be agreed between the Borrower and the Bank, contractors shall be prequalified.

2. Before bids are invited, the Borrower shall furnish to the Bank for its approval the following :

- (a) lists of all contracts for each bid for civil works required for carrying out the Project, indicating the estimated value of each contract and the forecast timetable for concluding it. The contracts shall be grouped in such a way as to encourage international competition, as well as to ensure the most economic and efficient combination;
- (b) description of the proposed international advertising coverage to ensure international competition, draft bid notices, prequalification questionnaires and description of prequalification procedures;
- (c) reports and recommendations of the architect on the prequalification data submitted and the proposed selected tender list; and
- (d) draft bidding documents and draft contracts.

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

Credits referred to in Section 2.03 of this Agreement or with the Loan Agreement, and shall state the reasons for any objections it may have.

4. If the contract shall be awarded over the Bank's reasonable 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.

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

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

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

1. Before bids are invited, the Borrower shall furnish to the Bank for its approval the following:

- (a) lists of all items of equipment, books and furniture required for the Project, showing the specifications and the estimated unit and total price of each item. Items shall be indexed and numbered for identification with the Project institution and the spaces for which the items are required. The items to be purchased shall be grouped so as to permit such bulk procurement as shall be consistent with sound technical and procurement practices. Insofar as practicable, contracts for such items shall be for not less than \$40,000 equivalent. Contracts for less than \$5,000 shall not be financed by the Bank. Amendments to such lists shall also be submitted to the Bank for approval; and
- (b) draft standard documents for inviting tenders, forms of contracts and description of the method to be used for obtaining bids on an international basis.

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

3. For the purpose of evaluating bids for furniture, books or equipment, 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 furniture, books or equipment manufactured or processed to a substantial extent (as reasonably determined by the Bank) 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 sum of the following amounts:

- (i) the ex-factory price of such furniture, books or equipment; and
- (ii) inland freight, insurance and other costs of delivery of such furniture, books or equipment to the place of their use or installation;

(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. price of such furniture, books or equipment;
- (ii) the amount of customs duties and similar taxes on the importation of such furniture, books or equipment 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; and
- (iii) inland freight, insurance and other costs of delivery of such furniture, books or equipment to the place of their use or installation.

4. If it is intended to award a contract to a bidder other than the lowest bidder or if the contract involves a price difference of 10% or more from the original estimate as shown pursuant to subparagraph B 1 (a) above, the Borrower shall, after the bids have been evaluated and before making the awards, furnish to the Bank in sufficient time for its approval a summary and analysis of the bids and a brief justification of the Borrower's decision on the award. The Bank shall promptly inform the Borrower whether it has any objection to the intended award on the ground that it would be inconsistent with the provisions of the

Guidelines referred to above or with the Loan Agreement, and shall state the reasons for any such objection.

5. Promptly after the execution of a contract and prior to the submission to the Bank of the first application for withdrawal of funds from the Loan Account in respect of any such contract, the Borrower shall furnish the following to the Bank :

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

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

## SCHEDULE 5

### PROJECT UNIT

1. The Project Unit, within the Building Unit of the Department of Education and under the direction of the Project Director, will be responsible for the proper carrying out and supervision of the Project. The Project Unit will be provided with adequate premises, equipment, supporting staff, means of communication and transport facilities.

2. The officers of the Project Unit will be (a) the Principal Officer of the Building Unit, who will serve as Project Director on a part-time basis ; (b) a Liaison Officer, who will represent the Department of Agriculture on a part-time basis ; and (c) a Deputy Project Director, a Project Architect and a Project Educator, appointed on a full-time basis.

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

- (a) specialists in (i) educational facility planning, and (ii) construction systems development. These services may be rendered through short-term assignments ; and
- (b) subject specialists from the Department of Education and from the Department of Agriculture and Fisheries to prepare curricula and supply information as a basis for determining facilities and equipment needs of the Project.

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

- (a) preparation of comprehensive implementation charts based on the Critical Path Method (CPM) or other similar method, for setting down the planned timetable of coordinated activities and responsibilities on which the carrying out of all aspects of the Project will be based. The chart will be prepared as the first step in implementing the Project, and the Bank will be given reasonable opportunity to comment on the planned timetable before it is put into effect ;
- (b) initiating the selection of consulting architects, the approval of their terms of reference and the administration of their agreements ;
- (c) making the necessary arrangements for briefing consulting architects ;
- (d) reviewing and approving or arranging for the review and approval by the appropriate authorities of all reports, plans, specifications and other material related to the Project ;
- (e) preparation of basic equipment and furniture lists with the help of the subject specialists ;
- (f) making all necessary arrangements for calling bids and awarding all contracts relating to the Project ;
- (g) the coordination and integration of all Project activities with the relevant departments or ministries, authorities and agencies, and with the Bank ;

- (h) the organization and administration, in consultation with the appropriate authorities, of the technical assistance program included in the Project;
- (i) the preparation of quarterly Project progress reports for the Borrower and the Bank.

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.*]

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