

No. 12191

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

Loan Agreement—*Second Education Project* (with schedules and General Conditions Applicable to Loan and Guarantee Agreements). Signed at Washington on 18 April 1972

Authentic text: English.

Registered by the International Bank for Reconstruction and Development on 27 December 1972.

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

Contrat d'emprunt—*Deuxième projet relatif à l'enseignement* (avec annexes et Conditions générales applicables aux contrats d'emprunts et de garantie). Signé à Washington le 18 avril 1972

Texte authentique: anglais.

Enregistré par la Banque internationale pour la reconstruction et le développement le 27 décembre 1972.

LOAN AGREEMENT¹

AGREEMENT, dated April 18, 1972, between FEDERAL REPUBLIC OF NIGERIA (hereinafter called the Borrower) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (hereinafter called the Bank).

WHEREAS (A) The Borrower has requested the Bank to assist in the financing of the foreign exchange cost of the Project described in Schedule 2 to this Agreement by making the Loan as hereinafter provided;

(B) The Project will be carried out by the East-Central State, the Rivers State and the South-Eastern State of the Borrower with the Borrower's assistance and, as part of such assistance, the Borrower will make available to such States the proceeds of the Loan as hereinafter provided; and

(C) The Bank is willing to make the Loan available upon the terms and conditions set forth hereinafter and in the undertakings referred to in Section 8.01 (a) of this Agreement;

NOW THEREFORE the parties hereto hereby agree as follows:

Article I. GENERAL CONDITIONS; DEFINITIONS

Section 1.01. The parties to this Agreement accept all the provisions of the General Conditions Applicable to Loan and Guarantee Agreements of the Bank, dated January 31, 1969,² with the same force and effect as if they were fully set forth herein, subject, however, to the deletion of Section 5.01 thereof 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 following additional terms have the following meanings:

(a) "East-Central State" means the East-Central State of the Borrower;

(b) "Rivers State" means the Rivers State of the Borrower;

(c) "South-Eastern State" means the South-Eastern State of the Borrower;

(d) "States" means the East-Central State, the Rivers State and the South-Eastern State; and

(e) "Undertakings" means the undertakings of the States referred to in section 8.01 (a) 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

¹ Came into force on 28 November 1972, upon notification by the Bank to the Government of Nigeria.
² See p. 68 of this volume.

currencies equivalent to seventeen million three hundred thousand dollars (\$17,300,000).

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

Section 2.03. Except as the Bank shall otherwise agree, the goods and services (other than 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 amended 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, 1975 or such other date as shall be agreed between the Borrower and the Bank.

Section 2.05. The Borrower shall pay to the Bank a commitment charge at the rate of three-fourths of one per cent ($\frac{3}{4}$ of 1%) per annum on the principal amount of the Loan not withdrawn from time to time.

Section 2.06. The Borrower shall pay interest at the rate of seven and one-quarter per cent ($7\frac{1}{4}\%$) per annum on the principal amount of the Loan withdrawn and outstanding from time to time.

Section 2.07. Interest and other charges shall be payable semi-annually on February 15 and August 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 Federal Commissioner 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. (a) The Borrower shall exercise every right and recourse available to it to cause the Project to be carried out by the States with due diligence and efficiency and in conformity with sound administrative, educational, financial and engineering practices.

(b) The Borrower shall make the proceeds of the Loan available to the States under arrangements satisfactory to the Bank.

(c) The Borrower shall take and shall cause all its agencies to take all action which shall be necessary on their part to enable the States to perform all of their obligations under the Undertakings and shall not take or permit to be taken any action which might interfere with such performance.

(d) The Borrower shall, whenever there is reasonable cause to believe that the funds available to any State will be inadequate to meet the estimated expenditures required for carrying out the part of the Project to be carried out by such State, make arrangements, satisfactory to the Bank, promptly to provide such State or cause such State to be provided with such funds as are needed to meet such expenditures.

Section 3.02. The Borrower shall establish and maintain in its Ministry of Education a Project Office with such powers, responsibilities and staff as are set forth in Part A of Schedule 6 to this Agreement, and with adequate facilities and resources to supervise and coordinate (i) the execution of the Project by the States, and (ii) the financial control of the Project.

Section 3.03. In order to assist the Borrower and the States in the carrying out of Part B (i) and (ii) of the Project, the Borrower shall employ consultants and specialists acceptable to the Bank upon terms and conditions satisfactory to the Bank, and shall cause to be assigned to such consultants and specialists adequate counterpart personnel.

Section 3.04. In order to assist in the carrying out of Part B (iii) of the Project and to assist the States in the preparation of standardized designs and specifications for the schools included in the Project and of bidding documents for the Project, the Borrower shall employ architectural consultants acceptable to the Bank upon terms and conditions satisfactory to the Bank.

Section 3.05. (a) The Borrower undertakes to, or to cause the States 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 or the States 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 cause to be furnished to the Bank for its comments, 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 shall or shall cause the States to: (i) maintain records adequate to record the progress of the Project (including the cost thereof) and to identify the goods and services financed out of the proceeds of the Loan, and to disclose the use thereof in the Project; (ii) 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) furnish to the Bank all such information as the Bank shall reasonably request concerning the Project, the expenditure of the proceeds of the Loan and the goods and services financed out of such proceeds.

Article IV. OTHER COVENANTS

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

(b) To that end the Borrower (i) represents that at the date of this Agreement no lien exists on any governmental assets as security for any external debt except as otherwise disclosed in writing by the Borrower to the Bank; (ii) undertakes that if any such lien shall be created on any assets of the Borrower or of any agency of the Borrower (including assets of the Central Bank of Nigeria, or of any other institution performing the functions of a central bank for the Borrower) as security for any external debt, such lien 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; and (iii) further undertakes that the Borrower will, within the limits of its constitutional powers, make the foregoing undertaking effective with respect to liens on assets of any of the Borrower's political subdivisions or of any agency of any such political subdivisions, and to the extent that the Borrower is unable within the limits of its constitutional powers to make such undertaking effective, the Borrower will give to the Bank an equivalent lien satisfactory to the Bank.

(c) The foregoing representation and undertaking shall not apply to: (i) any lien created on property, at the time of purchase thereof, solely as security for payment of the purchase price of such property; and (ii) any lien arising in the ordinary course of banking transactions and securing a debt maturing not more than one year after its date.

As used in this Section, the term "governmental assets" means assets of the Borrower or of any of its political subdivisions or of any agency of the Borrower or of any such political subdivision, including the Central Bank of Nigeria or any institution performing the functions of a central bank for the Borrower.

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 or supervision of the Project or any part thereof.

Section 4.03. The Borrower shall cause the educational institutions included in the Project to be operated in accordance with sound administrative and educational policies and practices and with due regard to economy, all as required in order to further the educational objectives of the Borrower and the States.

Article V. CONSULTATION, INFORMATION AND INSPECTION

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

(a) exchange views through their representatives with regard to the performance of their respective obligations under the Loan Agreement, the performance by the States of their obligations under the Undertakings, the administration and operations, in respect of the Project, of the departments or agencies of

the Borrower responsible for the carrying out or supervision 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, 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, the performance by either of them of its obligations under the Loan Agreement or the performance by the States of their obligations under the Undertakings.

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 or in Section 7.03 of this Agreement shall occur and shall continue for the period, if any, therein set forth, then at any subsequent time during the continuance thereof, the Bank, at its option, may by notice to the Borrower declare the principal of the Loan and of all the Bonds then outstanding to be due and payable immediately together with the interest and other charges thereon and upon any such declaration such principal, interest and charges shall become due

and payable immediately, anything to the contrary in the Loan Agreement or in the Bonds notwithstanding.

Section 7.02. For the purposes of Section 6.02 of the General Conditions, the following additional event is specified:

Any of the States shall have failed to perform any obligation of such State under its respective Undertaking.

Section 7.03. For the purposes of Section 7.01 of the General Conditions, the following additional event is specified:

The event specified in Section 7.02 of this Agreement shall occur and shall continue for a period of 60 days after notice thereof shall have been given by the Bank to the Borrower.

Article VIII. EFFECTIVE DATE; TERMINATION

Section 8.01. The following events are specified as additional conditions to the effectiveness of the Loan Agreement within the meaning of Section 11.01 (c) of the General Conditions:

(a) The Borrower shall have obtained and submitted to the Bank Undertakings from each of the States satisfactory to the Bank and meeting the requirements set forth in Schedule 5 to this Agreement.

(b) The Borrower shall have appointed the Project Director referred to in Part A of Schedule 6 to this Agreement.

(c) Each of the States shall have appointed, after consultation with the Bank, a manager to direct its respective Project Unit referred to in paragraph (2) of Schedule 5 to this Agreement.

Section 8.02. The following is specified as an additional matter, within the meaning of Section 11.02 (c) of the General Conditions, to be included in the opinion or opinions to be furnished to the Bank, namely, that each of the Undertakings has been duly authorized or ratified by, and executed and delivered on behalf of, the respective State executing it, and constitutes a valid and binding obligation of the respective State in accordance with its terms.

Section 8.03. The date July 18, 1972, 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 Federal Commissioner for 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 Permanent Secretary
Federal Ministry of Finance
Mosaic House, Tinubu Square
Lagos, Nigeria

Cable address:

Permfjn
Lagos

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.

Federal Republic of Nigeria:

By J. T. IYALLA

Authorized Representative

International Bank for Reconstruction and Development:

By SIMON ALDEWERELD

Vice President

SCHEDULE 1

WITHDRAWAL OF THE PROCEEDS OF THE LOAN

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

<i>Category</i>	<i>Amount of the Loan Allocated (Expressed in Dollar Equivalent)</i>	<i>% of Expenditures to be Financed</i>
I. Civil works	6,750,000	50% of total expenditures
II. Directly imported furniture and equipment	3,600,000	100% of foreign expenditures
III. Locally procured furniture and equipment	1,000,000	50% of total expenditures
IV. (i) Architectural services, (ii) consultant services and (iii) salaries and other expenditures approved by the Bank for technical assistance referred to in Part B of the Project	1,500,000	50% of total expenditures

<i>Category</i>	<i>Amount of the Loan Allocated (Expressed in Dollar Equivalent)</i>	<i>% of Expenditures to be Financed</i>
V. Interest and other charges on the Loan accrued on or before August 14, 1975	1,500,000	100% of total expenditures
VI. Unallocated	2,950,000	
TOTAL	<u>17,300,000</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; and

(b) The term “total expenditures” means the aggregate of foreign expenditures and expenditures 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 prior to the date of this Agreement, except that withdrawals may be made in respect of Category IV on account of expenditures incurred after October 1, 1971; 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 total expenditures under Category I, III, or IV 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 consists of:

A. The reconstruction, expansion, furnishing and equipping of the following educational institutions:

- (i) in the East-Central State, ten comprehensive schools, expected to provide a total of approximately 11,200 student places, and seven primary teacher training colleges, expected to provide a total of approximately 4,200 student places;
- (ii) in the Rivers State, five comprehensive schools, expected to provide a total of approximately 3,750 student places; and
- (iii) in the South-Eastern State, eight comprehensive schools, expected to provide a total of approximately 5,950 student places; and

B. The provision of technical assistance for (i) the training of technical subject teachers for the Project comprehensive schools, (ii) the development of curricula for the Project comprehensive schools, and (iii) the Project Office referred to in Section 3.02 of this Agreement.

The locations, approximate enrollment capacities and approximate areas of construction of the educational institutions included in Part A of the Project are set forth in Exhibit A to this Schedule 2. The components of the technical assistance included in Part B of the Project are set forth in Exhibit B to this Schedule 2. Exhibits A and B are subject to modification by further agreement between the Borrower and the Bank.

For the purposes of this Schedule (i) a comprehensive school is an educational institution at the secondary level which accepts students of various aptitudes and offers various courses and programs of differing duration; and (ii) a primary teacher training college is an educational institution which trains primary school teachers.

The Project is expected to be completed by mid-1975.

EXHIBIT A TO SCHEDULE 2

EDUCATIONAL INSTITUTIONS

The reconstruction,* expansion, furnishing and equipping of the following educational institutions:

<i>Code Number</i>	<i>Name of Institution and Location</i>	<i>Approximate Total Enrollment Capacity</i>	<i>Approximate Area of New Construction (sq. ft.)</i>
EAST-CENTRAL STATE			
(a) <i>Primary Teacher Training Colleges</i>			
1	Seventh Day Adventist TTC, Ihie . . .	600	26,000
2	McGregor College, Afikpo	600	18,000
3	Womens Training College, Enugu . . .	600	26,000
4	Loretto TTC, Adazi	600	26,000
5	St. Cyprian's TTC, Nsukka	600	28,000
6	Bishop Shanahan TTC, Orlu	600	28,000
7	Fatima TTC, Nsu	600	32,000

* Except Code Number 24, Government Secondary School, Eket, which will be resited.

<i>Code Number</i>	<i>Name of Institution and Location</i>	<i>Approximate Total Enrollment Capacity</i>	<i>Approximate Area of New Construction (sq. ft.)</i>
<i>EAST-CENTRAL STATE (continued)</i>			
<i>(b) Comprehensive Schools</i>			
8	Wilcox Memorial Grammar School, Aba	1,200	16,000
9	Presbyterian Secondary School, Abakaliki	800	22,000
10	Union Secondary School, Awkunanaw	1,200	6,000
11	Anglican Girls Secondary School, Abagana	1,000	16,000
12	Anglican Grammar School, Nsukka	1,000	12,000
13	Community Grammar School, Awo-Omama	1,200	17,000
14	Methodists Boys Secondary School, Ihube	800	32,000
15	Dennis Memorial Grammar School, Onitsha	1,400	22,000
16	Community Comprehensive School, Egbu	1,200	27,000
17	Government College, Umuahia	1,400	47,000
RIVERS STATE			
<i>Comprehensive Schools</i>			
18	Bishop Dimieri Secondary School, Yenagoa	750	28,000
19	Kalabari National College, Buguma	750	28,000
20	County Grammar School, Ikwerre/Etche	750	11,000
21	Oporoma Grammar School, Oporoma	750	28,000
22	Okrika Grammar School, Okrika	750	28,000
SOUTH-EASTERN STATE			
<i>Comprehensive Schools</i>			
23	St. Patrick's College, Ikot Ansa	950	33,000
24	Government Secondary School, Eket	950	58,000
25	Q.I.C. Secondary School, Etinan	750	21,000
26	Maryknoll School, Ogoja	600	12,000
27	Cornelia Connelly Secondary School, Uyo	750	21,000
28	Methodist Boys High School, Oron	750	21,000
29	Union Secondary School, Ibiaku	600	18,000
30	Government Secondary School, Ikom	600	19,000

EXHIBIT B TO SCHEDULE 2

TECHNICAL ASSISTANCE

- (a) *Technical Teacher Training*
- (i) Five fellowships of one year each for East-Central State 5 man-years
 - (ii) Ten fellowships of one year each for Rivers State 10 man-years
 - (iii) One specialist in woodwork/metal work for South-Eastern State 2½ man-years
 - (iv) One specialist in electricity/general mechanics for South-Eastern State 2½ man-years
- (b) *Curriculum Development*
- (i) One specialist in science and mathematics 1 man-year
 - (ii) One specialist in social studies 1 man-year
 - (iii) One specialist in practical subjects 1 man-year
- (c) *Project Office*
- Firm of consultants to provide one architect, one quantity surveyor and one educator/equipment specialist for four years each, in addition to supporting staff and equipment and two vehicles 12 man-years

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>
August 15, 1982	330,000	February 15, 1990	560,000
February 15, 1983	340,000	August 15, 1990	580,000
August 15, 1983	355,000	February 15, 1991	600,000
February 15, 1984	365,000	August 15, 1991	625,000
August 15, 1984	380,000	February 15, 1992	645,000
February 15, 1985	390,000	August 15, 1992	670,000
August 15, 1985	405,000	February 15, 1993	695,000
February 15, 1986	420,000	August 15, 1993	720,000
August 15, 1986	435,000	February 15, 1994	745,000
February 15, 1987	450,000	August 15, 1994	770,000
August 15, 1987	470,000	February 15, 1995	800,000
February 15, 1988	485,000	August 15, 1995	830,000
August 15, 1988	505,000	February 15, 1996	860,000
February 15, 1989	520,000	August 15, 1996	890,000
August 15, 1989	540,000	February 15, 1997	920,000

* 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	$3\frac{1}{4}$ %
More than three years but not more than six years before maturity	$2\frac{1}{4}$ %
More than six years but not more than eleven years before maturity	3 %
More than eleven years but not more than sixteen years before maturity	$4\frac{1}{2}$ %
More than sixteen years but not more than twenty-one years before maturity	$5\frac{3}{4}$ %
More than twenty-one years but not more than twenty-three years before maturity	$6\frac{3}{4}$ %
More than twenty-three years before maturity	$7\frac{1}{4}$ %

SCHEDULE 4

PROCUREMENT

1. *Contracts for Civil Works.* With respect to contracts for civil works:

(a) Contractors will be prequalified in accordance with paragraph 1.3 of the Guidelines referred to in Section 2.03 of this Agreement.

(b) Before bids are invited, the following will be sent to the Bank for its comments:

- (i) list of all contracts for civil works to be awarded in carrying out the Project, indicating the estimated value of each contract and the forecast timetable for obtaining it;
- (ii) description of the proposed international advertising coverage to ensure international competitive bidding, draft bid notices, prequalification questionnaires and description of prequalification procedures;
- (iii) the consultants' report and recommendation on the prequalification data submitted and the proposed list of prequalified contractors; and
- (iv) drafts of bidding documents, invitations to bid and contracts. The invitations to bid shall, *inter alia*, specify that the bidder may submit bids in respect of each educational institution included in the Project or of all of them, together with related facilities, or any combination thereof, the bids therefor to be opened simultaneously and the Borrower to have the option of awarding to one contractor one contract in respect of all such institutions and facilities, or separate contracts in respect of several such institutions and facilities to different contractors. Such additions or deletions in the proposed list of prequalified contractors and such modifications in the draft bidding documents, invitations to bid and draft contracts as the Bank shall reasonably request shall be made.

(c) After bids have been received and evaluated and before a final decision on the award is made, the Bank is to be informed of the name of the bidder to whom it is intended to award the contract and is to be furnished, in sufficient time for its review, a detailed report, by the consultants referred to in Section 3.02 of this Agreement, on the evaluation and comparison of the bids received, together with the recommendations for award of the said consultants, and the reasons for the intended award. The Bank shall promptly inform the Borrower and the State involved whether it has any objection to the intended award on the ground that it would be inconsistent with the *Guidelines for Procurement under World Bank Loans and IDA Credits* referred to in Section 2.03 of this Agreement, and shall state the reasons for any objections it may have.

(d) 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 expenditure thereunder shall be financed out of the proceeds of the Loan.

(e) Two conformed 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 any such contract.

(f) The Bank's approval shall be required for any proposed change in a contract involving a price increase of more than 10% of the contract price or more than US\$25,000 equivalent, whichever is less. An explanation of the proposed change shall accompany the request for the Bank's approval.

2. *Contracts for Furniture and Equipment.* With respect to contracts for furniture and equipment:

(a) Before inviting bids, the Borrower will send to the Bank for its comments the following:

- (i) lists of all items of furniture and equipment 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 the Project school or institution in question and the spaces for which they are required. The items to be purchased will be grouped so as to permit bulk procurement as shall be consistent with sound technical and procurement practices. Insofar as practicable, contracts for such items will be for not less than \$40,000 equivalent; and
- (ii) draft standard documents for inviting tenders, forms of contracts and description of the procedures and proposed advertising coverage to be used for obtaining bids on an international basis.

(b) Procurement will be limited to those items of furniture and equipment specified in the approved lists mentioned in subparagraph 2 (a) (i) above and identified in contract documents by the same indices, codes and numbers as in the lists. Modifications to the equipment and furniture lists (paragraph 2 (a) (i) above) made subsequent to the Bank's approval which do not exceed the equivalent of US\$1,000 for any one item or in aggregate 10% of the total proceeds of the Loan allocated to equipment and furniture, and which are in accordance with sound educational practices, may be made without obtaining the prior comments of the Bank. All other amendments of the lists should be submitted to the Bank for its comments.

(c) For the purpose of evaluating bids for furniture and equipment, bid prices shall be determined and compared in accordance with the following rules:

- (i) 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 Bank) in such territories; any other bid shall be deemed to be a "Foreign Bid";
- (ii) the bid price under a Local Bid shall be the sum of the following amounts:
 - (A) the ex-factory price of such goods; and
 - (B) inland freight, insurance and other costs of delivery of such goods to the place of their use or installation;
- (iii) 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:
 - (A) the c.i.f. port of entry price of such goods;

(B) 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 (A) above, whichever shall be the lower; and

(C) inland freight, insurance and other costs of delivery of such goods to the place of their use or installation.

(d) If a contract is intended to be awarded to a bidder other than the lowest bidder (within the meaning of the foregoing paragraph (c)), or if the contract involves a price difference of 10% or more from the original estimate as shown pursuant to subparagraph 2 (a) (i) above, the Bank will, after the bids have been evaluated and before making the awards, be furnished in sufficient time for its review, a summary and analysis thereof and a brief justification of the decision on the award. The Bank shall promptly inform the Borrower and the State involved whether it has any objection to the intended award on the ground that it would be inconsistent with the provisions of such Guidelines or with this Loan Agreement, and shall state the reasons for any such objection.

(e) Promptly after bids have been evaluated and a contract has been awarded and before submission to the Bank of the first application for withdrawal of funds in respect of such contract, the following will be sent to the Bank:

- (i) certificate signed by the Project Director referred to in Part A of Schedule 6 to this Agreement or an Officer who in the absence of such Project Director is temporarily authorized to exercise his functions by the Permanent Secretary, Federal Ministry of Education, that the goods tendered for are in accordance with the quantities and specifications in the lists approved by the Bank;
- (ii) summary of the tenders received;
- (iii) brief analysis of the tenders and justification for the Borrower's decision in making the award; and
- (iv) conformed copy of the contract.

(f) The Bank shall promptly inform the Borrower and the State involved 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 in Section 2.03 of this Agreement and, in such event, no expenditure under such contract shall be financed out of the proceeds of the Loan.

SCHEDULE 5

UNDERTAKINGS OF THE STATES

A. The Undertakings to be furnished by each of the States under Section 8.01 (a) of this Agreement shall be addressed to the Borrower and the Bank, shall refer to the Loan Agreement and shall provide that the respective State shall:

- (1) carry out with due diligence and efficiency and in conformity with sound administrative, educational, financial and engineering practices the portion of the Project to be carried out within the respective State, and shall provide, or cause to be provided, promptly as needed, the funds, facilities, services and other resources required for the purpose;
- (2) establish and maintain in its Ministry of Education a Project Unit with such powers, responsibilities and staff as are set forth in Part B of Schedule 6 to this Agreement, and with adequate facilities and resources, to carry out and supervise the portion of the Project to be carried out within the respective State;
- (3) cooperate fully with and utilize the consultants and specialists referred to in Sections 3.03 and 3.04 of this Agreement as required for the efficient carrying out of the portion of the Project to be carried out within the respective State;

- (4) in carrying out the portion of the Project to be carried out within the respective State, employ executive architects and contractors acceptable to the Bank upon terms and conditions satisfactory to the Bank;
- (5) comply with the procurement procedures specified in Section 2.03 of and Schedule 4 to this Agreement;
- (6) furnish to the Bank for its comments, promptly upon their preparation, the plans, reports, specifications, contract documents and construction and procurement schedules for the portion of the Project to be carried out within the respective State, and any material modifications thereof or additions thereto, in such detail as the Bank shall reasonably request;
- (7) (a) maintain records adequate to record the progress of the portion of the Project to be carried out within the respective State (including the cost thereof), and to identify the goods and services financed out of the proceeds of the Loan made available to it by the Borrower, and to disclose the use thereof in the portion of the Project to be carried out within the respective State; (b) enable the Bank's representatives to inspect the portion of the Project to be carried out within the respective State, the goods financed out of such proceeds and any relevant records and documents; and (c) furnish to the Bank all such information as the Bank shall reasonably request concerning the portion of the Project to be carried out within the respective State, the expenditure of the proceeds of the Loan so made available to it and the goods and services financed out of such proceeds;
- (8) operate or cause to be operated the educational institutions and facilities included in the portion of the Project to be carried out within the respective State in accordance with sound administrative and educational policies and practices and with due regard to economy, all as required in order to further the educational objectives of the respective State;
- (9) at all times employ qualified administrators, teachers and instructors in adequate numbers to staff the educational institutions included in the portion of the Project to be carried out within the respective State;
- (10) ensure that the principals and other professional administrative staff of the secondary schools included in the portion of the Project to be carried out within the respective State receive adequate training before the completion of such portion of the Project;
- (11) within one year of the date of this Agreement, develop and implement programs satisfactory to the Bank for technical teacher training and comprehensive secondary school curriculum development;
- (12) adequately maintain or cause to be maintained the buildings, furniture and equipment of the educational institutions included in the portion of the Project to be carried out within the respective State and make or cause to be made all necessary repairs and renewals thereof in accordance with sound technical and administrative practices; and provide or cause to be provided, promptly as needed, the funds, facilities, services and other resources required for the foregoing;
- (13) cooperate fully with the Bank to assure that the purposes of the Loan will be accomplished; and, to that end, from time to time, at the request of either party, exchange views with the Bank through its representatives with regard to the performance by the respective State of its respective obligations under its Undertaking, the educational system of the respective State as it affects the Project, the administration, operations and financial condition, with respect to the Project, of the agencies of the respective State responsible for the carrying out of the portion of the Project to be carried out within the respective State or any part thereof and other matters relating to the purposes of the Loan;

- (14) promptly inform the Bank of any condition which interferes with, or threatens to interfere with, the accomplishment of the purposes of the Loan or the performance by the respective State of its obligations under the Undertaking;
- (15) promptly take, or cause to be taken, all such action as shall be necessary to acquire as and when needed, all such land and rights in respect of land as shall be required for the construction and operation of the educational institutions included in Part A of the Project.

B. The undertaking for the East-Central State shall also provide that the East-Central State shall bring such existing school buildings as, with the Bank's approval, will be used for the portion of the Project to be carried out within the East-Central State into good repair before the completion of such portion of the Project.

C. The Undertaking for the South-Eastern State shall also provide that the South-Eastern State shall promptly take, or cause to be taken, such actions as shall be necessary to: (i) ensure that the land required at Eket for the construction included in the Project shall be available for such construction within one year from the date of this Agreement; and (ii) provide adequate facilities at Government Trade Center at Opopo for the purpose of technical teacher training.

D. The Undertakings may provide that they will enter into force and effect only when the Loan Agreement enters into force and effect.

SCHEDULE 6

THE PROJECT OFFICE AND PROJECT UNITS

A. *The Project Office*

A Project Office shall be established in the Federal Ministry of Education with a full-time Project Director selected in consultation with the Bank and responsible to the Permanent Secretary of the Federal Ministry of Education. The staff of the Project Office shall include a full-time accountant and adequate supporting personnel. The Project Office shall have the necessary powers to supervise and coordinate the execution of the Project by the States and to exercise financial control, including, *inter alia*:

- (a) the coordination of Project matters with ministries and government services;
- (b) the keeping of records, including financial records of the execution of the Project, and the preparation of regular reports to the Bank;
- (c) the review of actions recommended by the three Project Managers in each of the three Eastern States as referred to in paragraph B of this Schedule;
- (d) the selection, briefing, coordination and supervision of the specialists provided under Part B (i) and (ii) of the Project; and
- (e) the handling of all financial matters, subject to the directions of the Federal Ministry of Finance.

B. *The Project Units*

A Project Unit shall be established in each of the three Eastern States, directed by a full-time Project Manager selected in consultation with the Bank and responsible to the Permanent Secretary, Ministry of Education in each State. Each Project Unit shall be staffed with adequate supporting personnel and have the necessary powers to implement the part of the Project on the State level, including, *inter alia*:

- (a) the selection, briefing, coordination and supervision of such executive architects or firms of architects and engineers as may be required, and contractors, with the advice of the architectural consultants provided for in Section 3.04 of this Agreement;

- (b) the approval of the civil works design of the educational institutions included in the Project;
- (c) the preparation of detailed lists of furniture and equipment, required for Part A of the Project as described in Schedule 2;
- (d) 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;
- (e) the regular inspection of all construction work; and
- (f) the preparation of reports to and for the Project Office.

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.*]
