

No. 13012

**INTERNATIONAL DEVELOPMENT ASSOCIATION
and
SOMALIA**

**Development Credit Agreement—*Mogadiscio Port Project*
(with schedules and General Conditions Applicable to
Development Credit Agreements). Signed at Washing-
ton on 15 March 1973**

Authentic text: English.

*Registered by the International Development Association on 31 January
1974.*

**ASSOCIATION INTERNATIONALE
DE DÉVELOPPEMENT**

**et
SOMALIE**

**Contrat de crédit de développement — *Projet relatif au
port de Mogadiscio* (avec annexes et Conditions géné-
rales applicables aux contrats de crédit de développe-
ment). Signé à Washington le 15 mars 1973**

Texte authentique : anglais.

*Enregistré par l'Association internationale de développement le 31 jan-
vier 1974.*

DEVELOPMENT CREDIT AGREEMENT¹

AGREEMENT, dated March 15, 1973, between the SOMALI DEMOCRATIC REPUBLIC (hereinafter called the Borrower) and INTERNATIONAL DEVELOPMENT ASSOCIATION (hereinafter called the Association).

WHEREAS (A) The Borrower has requested the Association to assist in the financing of the Project described in Schedule 1 to the Administration Agreement² (referred to in (D) below) by extending the Credit as hereinafter provided;

(B) The Borrower has also requested the European Economic Community through its Commission as Administrator of the European Development Fund (hereinafter called the Commission) to assist in the financing of such Project;

(C) The Borrower and the Commission will enter into an agreement (*Convention de Financement*) providing for a grant in an amount of Somali Shillings 86,648,000 to be used by the Borrower for the purpose stated in paragraph (B) above;

(D) The Borrower, the Commission and the Association will enter into an Administration Agreement (hereinafter called the Administration Agreement) regulating certain matters of common interest in respect of the use of the proceeds of the financing to be provided by the Commission and the Association, including the processing of applications for withdrawal of the proceeds of such financing;

(E) By a development credit agreement dated March 3, 1969³ (hereinafter called the First Development Credit Agreement) between the Borrower and the Association, the Association granted to the Borrower a credit (hereinafter called the First Credit) in various currencies equivalent to five hundred and fifty thousand dollars (\$550,000) to assist in financing of detailed engineering of Mogadiscio/Ras Sif Port works and the establishment of commercial accounting procedures for the Somali Port Authority;

(F) The Borrower will assist the Somali Port Authority (hereinafter called SPA) in the execution and operation of the Project and, as part of such assistance will (i) be responsible for the construction of Project facilities; (ii) deliver such facilities upon completion to SPA; and (iii) relend to SPA the proceeds of the Credit as hereinafter provided, and (iv) provide such additional funds, facilities, services and other resources as will be required for carrying out the Project; and

(G) On the basis of the foregoing, the Association is willing to make the Credit available upon the terms and conditions set forth hereinafter, in the Administration Agreement and in a Project Agreement of even date herewith⁴ between the Association and SPA.

¹ Came into force on 10 September 1973, upon notification by the Association to the Government of Somalia.

² See p. 37 of this volume.

³ United Nations, *Treaty Series*, vol. 715, p. 245.

⁴ The said Agreement entered into force on 10 September 1973. As it does not constitute an international agreement or a part of the present Agreement, it is not reproduced herein. However, it was published by the Association as document CN 359 SO, a certified true copy of which was transmitted to the Secretariat together with the documentation submitted for registration of the present Development Credit 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 Development Credit Agreements of the Association, dated January 31, 1969¹, with the same force and effect as if they were fully set forth herein, subject, however, to the following modifications thereof (said General Conditions Applicable to Development Credit Agreements of the Association, as so modified, being hereinafter called the General Conditions):

(a) Paragraph 9 of Section 2.01 is amended to read as follows:

“9. The term Project means the project for which the Credit is granted, as described in Schedule 1 to the Administration Agreement and as the description thereof shall be amended from time to time by agreement between the parties to such Agreement.”

(b) Article V is deleted.

(c) Section 6.02 (h) is deleted and Section 6.02 (i) becomes Section 6.02 (h).

(d) The words “or the Administration Agreement” are added after the words “the Development Credit Agreement” wherever they appear in Section 8.01.

(e) The words “or the Administration Agreement” are added after the words “the Development Credit Agreement” in Section 8.02.

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) “Project Agreement” means the agreement between the Association and SPA of even date herewith, as the same may be amended from time to time;

(b) “Subsidiary Loan Agreement” means the agreement entered into or to be entered into between the Borrower and SPA pursuant to Section 4.02 (a) of this Agreement, as the same may be amended from time to time;

(c) “Law” means Law No. 70 of November 22, 1970 of the Borrower, under which SPA was created and is operating, and includes any amendments thereto;

(d) “Commission Agreement” means the agreement between the Borrower and the Commission referred to in Recital (C) of the preamble to this Agreement, as the same may be amended from time to time; and

(e) “Goods” means civil works, equipment, materials, supplies and services which are required for the Project.

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

¹ See p. 23 of this volume.

amount in various currencies equivalent to twelve million, nine hundred and fifty thousand dollars (\$12,950,000).

Section 2.02. (a) The amount of the Credit may be withdrawn from the Credit Account in accordance with the provisions of the Administration Agreement and 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 required for the Project described in Schedule 1 to the Administration 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 supplied from, such territories.

(b) The Association shall on the Effective Date withdraw from the Credit Account and pay itself, on behalf of the Borrower, the amount required to refund the principal amount of the First Credit withdrawn and then outstanding, together with the service charges accrued thereon. Any amount not withdrawn from the credit account for the First Credit shall be cancelled on the same date.

Section 2.03. The Closing Date shall be June 30, 1977 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 ($3/4$ 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 June 1 and December 1 in each year.

Section 2.06. The Borrower shall repay the principal amount of the Credit in semi-annual installments payable on each June 1 and December 1 commencing June 1, 1983, and ending December 1, 2022, each installment to and including the installment payable on December 1, 1992 to be one-half of one per cent ($1/2$ 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. THE PROJECT

Section 3.01. The Borrower shall, on behalf of SPA, carry out Parts A, B, C and D of the Project, and cause SPA to carry out Parts E and F of the Project with due diligence and efficiency and in conformity with sound administrative, financial and engineering practices, and shall provide, promptly as needed, the funds, facilities, services and other resources required for the Project.

Section 3.02. In order to assist in the carrying out of the Project, including the reviewing of detailed designs, updating of cost estimates, preparation of bidding documents, and supervision of Project civil works, the Borrower shall employ or cause to be employed, engineering consultants acceptable to the Commission and the Association upon terms and conditions satisfactory to the Commission and the Association.

Section 3.03. In carrying out Parts A, B, C and D of the Project, the Borrower shall employ, or cause to be employed, contractors acceptable to the Commission and the Association upon terms and conditions satisfactory to the Commission and the Association.

Section 3.04. Except as the Association shall otherwise agree, the Goods (other than services of consultants) required for carrying out Parts A, B, C and D of the Project and to be financed out of the proceeds of the Credit, shall be procured on the basis of international competition under procedures consistent with the provisions of the Commission Agreement and this Agreement, with the *Guidelines for Procurement under World Bank Loans and IDA Credits*, published by the Bank in April 1972, (hereinafter called the Guidelines) and in accordance with, and subject to, the provisions set forth in Schedule 2 to this Agreement.

Section 3.05. (a) The Borrower undertakes to make adequate provision for the insurance of the imported goods to be financed out of the proceeds of the Credit against hazards incident to the acquisition, transportation and delivery thereof to the place of use or installation, and for such insurance any indemnity shall be payable in a currency freely usable by the Borrower to replace or repair such goods.

(b) Except as the Association may otherwise agree, the Borrower shall cause all Goods financed out of the proceeds of the Credit to be used exclusively for the Project.

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

(b) The Borrower (i) shall maintain records adequate to record the progress of the Project (including the cost thereof) and to identify the Goods 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 such proceeds 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 so relevant to it and the Goods financed out of such proceeds.

Section 3.07. (a) Without any limitation or restriction upon any of its other obligations under the Development Credit Agreement, the Borrower shall cause SPA to perform, in accordance with the provisions of the Administration Agreement, the Project Agreement and the Subsidiary Loan Agreement all the obligations of SPA therein set forth, shall take and cause to be taken all action necessary or appropriate to enable SPA to perform such obligations, and shall not take or permit to be taken any action which would prevent or interfere with such performance.

(b) The Borrower shall exercise its rights under the Subsidiary Loan Agreement in such manner as to protect the interests of the Borrower and the Association and to accomplish the purposes of the Credit, and except as the Association shall otherwise agree, the Borrower shall not assign, amend, abrogate or waive the Subsidiary Loan Agreement or any provision thereof.

Section 3.08. The Borrower shall, as and when each of the facilities included in the Project is completed, deliver each such facility to SPA for operation by SPA, such delivery to be made free and clear of all encumbrances on the title thereto.

Section 3.09. The Borrower shall issue, or cause to be issued not later than December 31, 1973 or such other later date as the Association shall determine, comprehensive port regulations, which shall be applicable to all ports of the Borrower under SPA's jurisdiction.

Section 3.10. The Borrower shall take or cause to be taken all reasonable measures to ensure that the execution and operation of the Project are carried out with due regard to ecological and environmental factors.

Section 3.11. The Borrower shall issue promptly as needed import licenses, visas, work permits and other necessary documents and take any other action required to facilitate the import by the contractors and consultants of the Goods required for the Project.

Article IV. FINANCIAL COVENANTS

Section 4.01. Except as the Association shall otherwise agree, (a) the Borrower shall:

- (i) inform the Association of any intention to modify Law No. 58 of 1972 relating to Finances of Public Enterprises and Agencies in sufficient time to afford the Association a reasonable opportunity to express its view thereon;
- (ii) promptly provide the Association with copies of all regulations or rules relating to the affairs of SPA issued by the Ministry of Finance, or other Ministry having jurisdiction thereon;
- (iii) ensure that before SPA enters into any planned centralized capital investments as defined in Law No. 58, the Association is informed of such proposed investment in sufficient time to enable the Association to express its views thereon; and
- (iv) ensure that SPA, in financing any capital investment, shall not incur any debt unless its net revenue for the fiscal year next preceding the date of such incurrence or for a later twelve-month period ending prior to the date of such incurrence, whichever is greater, shall be not less than 1.5 times the maximum debt service requirements for any succeeding year on all the debt of SPA, including the debt to be incurred.

(b) For the purposes of this Section:

- (i) the term "debt" means all debt, including debt assumed or guaranteed by SPA, except debt incurred in the ordinary course of business and maturing by its terms on demand or less than one year after its incurrence;
- (ii) debt shall be deemed to be incurred on the date on which a contract or loan agreement or guarantee agreement is executed;
- (iii) the term "net revenue" means gross operating revenue of SPA, adjusted to take account of tariffs in effect at the time of the incurrence of debt even though they were not in effect during the entire fiscal year or twelve-month period to which such revenue relates, less all operating expenses, including

adequate maintenance, and administrative expenses, but before provision for depreciation, and interest and other charges on debt;

- (iv) the term "debt service requirements" means the aggregate amount of amortization (including sinking fund provisions), interest and other charges on debt; and
- (v) whenever it shall be necessary to value in the currency used in the territory of the Borrower debt payable in another currency, such valuation shall be made on the basis of the rate of exchange at which such other currency is obtainable by SPA, at the time such valuation is made, for the purposes of servicing such debt, or if such other currency is not obtainable, at a rate of exchange reasonably determined by the Association.

Section 4.02. (a) The Borrower shall lend the equivalent in Somali shillings of the proceeds of the Credit to SPA under the same terms and conditions as set forth in Sections 2.04, 2.05 and 2.06 of this Agreement under a subsidiary loan agreement acceptable to the Borrower and the Association.

(b) The Borrower shall lend the equivalent in Somali shillings of the amount of all prior loans allocated to the ports of Berbera and Chisimaio on the same terms and conditions as such loans were incurred.

(c) The Borrower shall treat as equity capital of SPA the amount of the grant received from the United States of America (USA) allocated to the port of Chisimaio and the proceeds of the grant from the Commission.

Article V. CONSULTATION, INFORMATION, INSPECTION AND MANAGEMENT

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 and the performance by SPA of its obligations under the Administration Agreement, the Project Agreement and the Subsidiary Loan Agreement and with regard to the administration, operations and financial condition of SPA, 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 the 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 administration, operations and financial condition of SPA.

(b) The Borrower and the Association shall promptly inform each other of any condition which interferes with, or threatens to interfere with, the accomplishment of the purposes of the Credit, the maintenance of the service

thereof, the performance by either of them of its obligations under the Development Credit Agreement and the Administration Agreement or the performance by SPA of its obligations under the Project Agreement and the Subsidiary Loan Agreement.

Section 5.03. The Borrower shall ensure that SPA shall at all times carry out its operations under a qualified and experienced managerial staff.

Section 5.04. The Borrower shall consult with the Association prior to any proposed change in or appointment to the positions of the General Manager and Financial Manager of SPA sufficiently in advance for the Association to have adequate opportunity to comment thereon and shall give the Association's recommendations due consideration.

Section 5.05. 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 services 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 and the Project 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 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 Association, at its option, may by notice to the Borrower declare the principal of the Credit then outstanding to be due and payable immediately together with the service charges thereon and upon any such declaration such principal and service charges shall become due and payable immediately, anything to the contrary in the Development Credit Agreement notwithstanding.

Section 7.02. For the purposes of Section 6.02 of the General Conditions, the following additional events are specified:

- (a) the right of the Borrower to utilize the funds provided by the Commission under the Commission Agreement shall have been suspended or terminated, in whole or in part;
- (b) SPA shall have failed to perform any of its obligations under the Project Agreement or the Subsidiary Loan Agreement;

- (c) the Borrower shall have failed to perform any of its obligations under the Administration Agreement;
- (d) the Law shall have been changed so as to impair the ability of the Borrower or SPA to carry out its obligations under the Development Credit Agreement, the Administration Agreement, the Project Agreement or the Subsidiary Loan Agreement; and
- (e) the Law referred to in Section 4.01 (a) to this Agreement shall have been changed so as to reduce SPA's financial obligation to the Borrower.

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

- (a) the event specified in paragraph (a) of Section 7.02 of this Agreement shall occur; and
- (b) any event specified in paragraph (b), (c) or (d) of Section 7.02 of this Agreement shall occur and shall continue for 60 days after notice thereof shall have been given by the Association to the Borrower and SPA.

Article VIII. EFFECTIVE DATE; TERMINATION

Section 8.01. The following events are specified as additional conditions to the effectiveness of the Development Credit Agreement within the meaning of Section 10.01 (b) of the General Conditions:

- (a) The execution and delivery of the Commission Agreement on behalf of the Borrower have been duly authorized or ratified by all necessary governmental action and all conditions precedent to the effectiveness of such agreement have been fulfilled subject only to the effectiveness of this Agreement.
- (b) The execution and delivery of the Administration Agreement on behalf of the Borrower have been duly authorized or ratified by all necessary corporate and governmental action.
- (c) The execution and delivery of the Project Agreement on behalf of SPA have been duly authorized or ratified by all necessary corporate and governmental action.
- (d) The execution and delivery of the Subsidiary Loan Agreement on behalf of the Borrower and SPA, respectively, have been duly authorized and ratified by all necessary corporate or governmental action.

Section 8.02. The following is specified as an additional matter, within the meaning of Section 10.02 (b) of the General Conditions, to be included in the opinion or opinions to be furnished to the Association, namely, that each of the agreements referred to in paragraphs (a), (b), (c) and (d) of Section 8.01 of this Agreement has been duly authorized or ratified by and delivered on behalf of, the Borrower or SPA, as the case may be, and constitutes a valid and binding obligation thereof in accordance with its terms.

Section 8.03. The date July 20, 1973, is hereby specified for the purposes of Section 10.04 of the General Conditions.

Section 8.04. The obligations of the Borrower under Sections 5.01 (a) and 5.02 (a) of this Agreement and the provisions of Section 7.02 of this Agreement and those of Section 7.03 of this Agreement shall cease and determine on the date on which the Development Credit Agreement shall terminate.

Article IX. REPRESENTATIVE OF THE BORROWER; ADDRESSES

Section 9.01. The Secretary of State for Finance of the Borrower is designated as representative of the Borrower for the purposes of Section 2.02 of this Agreement and 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:

The Secretary of State for Finance
Government of the Somali Democratic Republic
Mogadiscio
Somali Democratic Republic

Cable address:

Minfin
Mogadiscio

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 Development Credit 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.

Somali Democratic Republic:

By A. A. ADDOU
Authorized Representative

International Development Association:

By BERNARD R. BELL
Regional Vice President, Eastern Africa

SCHEDULE I

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 such proceeds to each Category and the percentage of eligible expenditures so to be financed in each Category:

<i>Category</i>	<i>Amount of the Proceeds Allocated (Expressed in Dollar Equivalent)</i>	<i>% of Expenditures to be Financed</i>
I. Civil Works	9,750,000	50% of total expenditures
II. Cost of port operating equipment	300,000	50% of total expenditures
III. Engineering consulting services	400,000	50% of total expenditures
IV. Management consulting services	150,000	50% of total expenditures
V. Refinancing of First Credit	450,000	100% of total expenditures
VI. Unallocated	<u>1,900,000</u>	
	TOTAL <u><u>12,950,000</u></u>	

2. For the purposes of this Schedule, the term "total expenditures" means the aggregate of foreign expenditures and of expenditures for Goods produced in 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 III on account of expenditures made after March 1, 1972 in an aggregate amount not exceeding the equivalent of \$30,000.
- (b) payments for taxes imposed under the laws of the Borrower or laws in effect in its territories on Goods, 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 amount of the proceeds of the Credit will be withdrawn on account of payments for such taxes.

4. Notwithstanding the allocation of an amount of the proceeds 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 proceeds of the Credit then allocated to such Category and no longer required therefor will be reallocated by the Association by increasing correspondingly the unallocated amount of the proceeds 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 proceeds of the Credit, subject, however, to the requirements for contingencies, as determined by the Association in respect of any other expenditures; and

(c) if the Association shall have reasonably determined that the procurement of any item in any Category is inconsistent with the procedures set forth or referred to in Section 3.04 of this Agreement, and Section 2.02 of the Project Agreement, no expenditures for such item shall be financed out of the proceeds of the Credit and the Association may, without in any way restricting or limiting any other right, power or remedy of the Association under the Development Credit Agreement, by notice to the Borrower, cancel such amount of the proceeds of the Credit as in the Association's reasonable opinion, represents the amount of such expenditures which would otherwise have been eligible for financing out of such proceeds.

5. Notwithstanding the percentages set forth in the third column of the table set out in paragraph 1 above, if the estimate of total expenditures under any Category shall increase and no proceeds of the Credit are available for reallocation to such Category, the Association may, by notice to the Borrower, adjust the percentage then applicable to such expenditures in order that further withdrawals under any such Category may continue until all expenditures thereunder shall have been made.

SCHEDULE 2

PROCUREMENT

1. Unless the Association shall otherwise agree, the procedures outlined below shall be followed for all civil works contracts, and all contracts for the supply of equipment and/or materials required for the Project.

(a) Prequalification, as described in paragraph 1.3 of the Guidelines, shall be required for all civil works bidders. 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 for 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.

(b) Before bids are invited, the Borrower shall furnish or cause SPA to furnish to the Association, for its comments, the text of the invitations to bid and the specifications and other bidding documents, and shall make or cause SPA to make such modifications in the said documents as the Association shall reasonably request. Any further modification to the bidding documents shall require the Association's concurrence before it is issued to the prospective bidders.

(c) After bids have been received and evaluated, the Borrower shall, before a final decision on the award is made, inform or cause SPA to inform the Association of the name of the bidder to whom it intends to award the contract and shall furnish or cause SPA to furnish to the Association 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 Association shall, if it determines that the intended award would be inconsistent with the procedures set forth or referred to in Section 3.04 of this Agreement, promptly inform the Borrower and state the reasons for such determination.

(d) The terms and conditions of the contract shall not, without the Association's concurrence, materially differ from those on which bids were asked.

(e) Two conformed copies of the contract shall be furnished to the Association promptly after its execution and prior to the submission to the Association of the first

application for withdrawal of funds from the Credit Account in respect of any such contract.

2. For purposes of comparing bids, any import duties or other local taxes imposed under the laws of the Borrower shall be excluded.

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.]