No. 9321

INTERNATIONAL DEVELOPMENT ASSOCIATION
and
ECUADOR

Development Credit Agreement—*Education Project* (with annexed Credit Regulations No. 1, as amended). Signed at Washington, on 27 June 1968

Official text : English.

Registered by the International Development Association on 21 November 1968.

ASSOCIATION INTERNATIONALE DE DÉVELOPPEMENT
et
ÉQUATEUR

Contrat de crédit de développement — *Projet relatif à l'enseignement* (avec, en annexe, le Règlement n° 1 sur les crédits de développement, tel qu'il a été modifié). Signé à Washington, le 27 juin 1968

Texte officiel anglais.

Enregistré par l'Association internationale de développement le 21 novembre 1968.

No. 9321. DEVELOPMENT CREDIT AGREEMENT[1] (*EDUCATION PROJECT*) BETWEEN THE REPUBLIC OF ECUADOR AND THE INTERNATIONAL DEVELOPMENT ASSOCIATION. SIGNED AT WASHINGTON, ON 27 JUNE 1968

AGREEMENT, dated June 27, 1968, between the REPUBLIC OF ECUADOR (hereinafter called the Borrower) and INTERNATIONAL DEVELOPMENT ASSOCIATION (hereinafter called the Association).

Article I

CREDIT REGULATIONS

Section 1.01. The parties to this Agreement accept all the provisions of Development Credit Regulations No. 1 of the Association dated June 1, 1961 as amended February 9, 1967[2] (said Development Credit Regulations No. 1 being hereinafter called the Regulations), with the same force and effect as if they were fully set forth herein.

Article II

THE CREDIT

Section 2.01. The Association agrees to make available to the Borrower, on the terms and conditions in the Development Credit Agreement set forth or referred to, a development credit in an amount in various currencies equivalent to five million one-hundred thousand dollars ($5,100,000).

Section 2.02. The Association shall open a Credit Account in the name of the Borrower and shall credit to such Credit Account the amount of the Credit. The amount of the Credit may be withdrawn from the Credit Account as provided in, and subject to the rights of cancellation and suspension set forth in, the Development Credit Agreement.

Section 2.03. Except as the Association shall otherwise agree, the Borrower shall be entitled, subject to the provisions of the Development Credit Agreement, to withdraw from the Credit Account :

[1] Came into force on 30 August 1968, upon notification by the Association to the Government of Ecuador.

[2] See p. 16 of this volume.

(*a*) such amounts as shall have been expended for the reasonable foreign-currency cost of goods required for carrying out the Project; and

(*b*) such amounts as shall be the equivalent of a percentage or percentages as may be established from time to time by agreement between the Borrower and the Association of such amounts as shall have been expended for the reasonable cost of goods required for carrying out the Project and not included in the foregoing subparagraph (*a*); or

(*c*) if the Association shall so agree, such amounts as shall be required by the Borrower to meet payments under the foregoing subparagraph (*a*);

provided, however, that withdrawals shall not be made on account of expenditures prior to the date of this Agreement.

Section 2.04. The Borrower shall pay to the Association a service charge at the rate of three-fouths of one per cent ($^3/_4$ of 1 %) per annum on the principal amount of the Credit withdrawn and outstanding from time to time. The Borrower shall also pay to the Association a service charge at the rate of one-half of one per cent ($^1/_2$ of 1 %) per annum on the principal amount outstanding of any special commitment entered into by the Association pursuant to Section 4.02 of the Regulations.

Section 2.05. Service charges shall be payable semi-annually on February 1 and August 1 in each year.

Section 2.06. The Borrower shall repay the principal of the Credit withdrawn from the Credit Account in semi-annual installments payable on each February 1 and August 1 commencing August 1, 1978 and ending February 1, 2018, each installment to and including the installment payable on February 1, 1988, 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 ($1^1/_2$ %) of such principal amount.

Article III

USE OF PROCEEDS OF THE CREDIT

Section 3.01. The Borrower shall cause the proceeds of the Credit to be applied in accordance with the provisions of this Agreement exclusively to financing the cost of goods required to carry out the Project described in the Schedule to this Agreement. The specific allocation of the proceeds of the Credit, and the methods and procedures for procurement of the goods to be financed out of such proceeds, shall be determined by agreement between the Borrower and the Association, subject to modification by further agreement between them.

Section 3.02. Except as the Borrower and the Association shall otherwise agree, the Borrower shall cause all goods financed out of the proceeds of the

Credit to be used in the territories of the Borrower exclusively in the carrying out of the Project. The specific schools included in the Project and the locations thereof shall be determined by agreement between the Borrower and the Association, subject to modification by further agreement between them.

Article IV

PARTICULAR COVENANTS

Section 4.01. (*a*) The Borrower shall carry out the Project or cause the Project to be carried out with due diligence and efficiency, in conformity with sound technical, administrative and financial standards and with due regard to economy.

(*b*) The Borrower shall cause the schools included in the Project to be operated so as to promote the educational objectives of the Borrower and to be provided with qualified teachers and administrators in adequate numbers.

(*c*) The Borrower shall cause the buildings and equipment of the schools included in the Project to be adequately maintained and shall cause all necessary renewals and repairs to be made thereto.

(*d*) To assist in carrying out the Project, the Borrower shall establish and maintain, upon terms and conditions satisfactory to the Association, an appropriately staffed special unit within its Ministry of Education, headed by a Project Director to be responsible for the proper execution and supervision of the Project, assisted by a Project Architect/Engineer, an educator, and an accountant, all such personnel to be acceptable to the Association, and to be employed on terms and conditions satisfactory to the Borrower and the Association.

(*e*) In the carrying out of the Project, the Borrower shall employ or cause to be employed qualified and experienced architectural consultants acceptable to the Borrower and the Association, to an extent and upon terms and conditions satisfactory to the Borrower and the Association.

(*f*) Except as the Association shall otherwise agree, the Borrower shall causc the Project to be carried out by contractors acceptable to the Borrower and the Association employed under contracts satisfactory to the Borrower and the Association.

(*g*) The Borrower shall obtain the agreement of the Association on the plans, specifications, contracts and work schedules for the construction work included in the Project and on the master lists of instructional equipment and furniture included therein, and on any subsequent material modifications thereof. Upon request from time to time by the Association the Borrower shall promptly furnish to the Association all relevant information on the foregoing in such detail as the Association shall reasonably request.