

CONFORMED COPY

CREDIT NUMBER 2274 ANG

(Economic Management Capacity Building Project)

between

PEOPLE'S REPUBLIC OF ANGOLA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated July 26, 1991

CREDIT NUMBER 2274 ANG

DEVELOPMENT CREDIT AGREEMENT

AGREEMENT, dated July 26, 1991, between PEOPLE'S REPUBLIC OF ANGOLA (the Borrower) and INTERNATIONAL DEVELOPMENT ASSOCIATION (the Association).

WHEREAS the Borrower, having satisfied itself as to the feasibility and priority of the Project described in Schedule 2 to this Agreement, has requested the Association to assist in the financing of the Project;

WHEREAS the Association has agreed, on the basis, inter alia of the foregoing, to extend the Credit to the Borrower upon the terms and conditions set forth in this Agreement;

NOW THEREFORE the parties hereto hereby agree as follows:

ARTICLE I

General Conditions; Definitions

Section 1.01. The "General Conditions Applicable to Development Credit Agreements" of the Association, dated January 1, 1985, with the last sentence of

Section 3.02 deleted (the General Conditions) constitute an integral part of this Agreement.

Section 1.02. Unless the context otherwise requires, the several terms defined in the General Conditions and in the Preamble to this Agreement have the respective meanings therein set forth and the following additional terms have the following meanings:

(a) "GARE" means Gabinete de Redimensionamento Empresarial, the Enterprise Restructuring Unit of the Borrower;

(b) "INE" means Instituto Nacional de Estatistica, the National Statistical Institute of the Borrower;

(c) "LWG" means the Legal Working Group established by the Ministry of Planning (Despacho No. 24/91) dated April 5, 1991, to carry out Part C of the Project;

(d) "Human Resource Development Coordinating Committee" means the coordinating committee established by the Ministry of Planning (Despacho No. 25/91) dated April 5, 1991, to carry out Part A of the Project;

(e) "Project Coordinating Committee" means the inter-agency committee established by the Ministry of Planning (Despacho No. 27/91) dated April 5, 1991 to oversee Project implementation as set forth in Part B.1 of Schedule 5 to this Agreement;

(f) "Project Preparation Facility" means the project preparation facility advance granted by the Association to the Borrower pursuant to an exchange of letters dated March 25, 1991, and May 1, 1991;

(g) "Special Account" means the account referred to in Section 2.02 (b) of this Agreement; and

(h) "fiscal year" means the Borrower's fiscal year which runs from January 1, to December 31.

## ARTICLE II

### The Credit

Section 2.01. The Association agrees to lend to the Borrower, on the terms and conditions set forth or referred to in the Development Credit Agreement, an amount in various currencies equivalent to seventeen million one hundred thousand Special Drawing Rights (SDR 17,100,000).

Section 2.02. (a) The amount of the Credit may be withdrawn from the Credit Account in accordance with the provisions of Schedule 1 to this Agreement for expenditures made (or, if the Association shall so agree, to be made) in respect of the reasonable cost of goods and services required for the Project described in Schedule 2 to this Agreement and to be financed out of the proceeds of the Credit.

(b) The Borrower shall, for the purposes of the Project, open and maintain in dollars a special deposit account in Banco Nacional de Angola on terms and conditions satisfactory to the Association, including appropriate protection against set-off, seizure or attachment. Deposits into, and payments out of, the Special Account shall be made in accordance with the provisions of Schedule 4 to this Agreement.

(c) Promptly after the Effective Date, the Association shall, on behalf of the Borrower, withdraw from the Credit Account and pay to itself the amount required to repay the principal amount of the Project Preparation Advance withdrawn and outstanding as of such date and to pay all unpaid charges thereon. The unwithdrawn balance of the authorized amount of the Project Preparation Advance shall thereupon be cancelled.

Section 2.03. The Closing Date shall be June 30, 1997 or such later date as the Association shall establish. The Association shall promptly notify the Borrower of such later date.

Section 2.04. (a) The Borrower shall pay to the Association a commitment charge on the principal amount of the Credit not withdrawn from time to time at a rate to be set by the Association as of June 30 of each year, but not to exceed the rate of one-half of one percent (1/2 of 1%) per annum.

(b) The commitment charge shall accrue: (i) from the date sixty days after the date of this Agreement (the accrual date) to the respective dates on which amounts shall be withdrawn by the Borrower from the Credit Account or cancelled; and (ii) at the rate set as of the June 30 immediately preceding the accrual date and at such other rates as may be set from time to time thereafter pursuant to paragraph (a) above. The rate set as of June 30 in each year shall be applied from the next date in that year specified in Section 2.06 of this Agreement.

(c) The commitment charge shall be paid: (i) at such places as the Association shall reasonably request; (ii) without restrictions of any kind imposed by, or in the territory of, the Borrower; and (iii) in the currency specified in this Agreement for the purposes of Section 4.02 of the General Conditions or in such other eligible currency or currencies as may from time to time be designated or selected pursuant to the provisions of that Section.

Section 2.05. The Borrower shall pay to the Association a service charge at the rate of three-fourths of one percent ( $3/4$  of 1%) per annum on the principal amount of the Credit withdrawn and outstanding from time to time.

Section 2.06. Commitment charges and service charges shall be payable semiannually on May 1 and November 1 in each year.

Section 2.07. (a) Subject to paragraphs (b) and (c) below, the Borrower shall repay the principal amount of the Credit in semi-annual installments payable on each May 1 and November 1 commencing November 1, 2001 and ending May 1, 2026. Each installment to and including the installment payable on May 1, 2011 shall be one and one-fourth percent ( $1-1/4\%$ ) of such principal amount, and each installment thereafter shall be two and one-half percent ( $2-1/2\%$ ) of such principal amount.

(b) Whenever: (i) the Borrower's gross national product per capita, as determined by the Association, shall have exceeded \$790 in constant 1985 dollars for five consecutive years; and (ii) the Bank shall consider the Borrower creditworthy for Bank lending, the Association may, subsequent to the review and approval thereof by the Executive Directors of the Association and after due consideration by them of the development of the Borrower's economy, modify the terms of repayment of installments under paragraph (a) above by requiring the Borrower to repay twice the amount of each such installment not yet due until the principal amount of the Credit shall have been repaid. If so requested by the Borrower, the Association may revise such modification to include, in lieu of some or all of the increase in the amounts of such installments, the payment of interest at an annual rate agreed with the Association on the principal amount of the Credit withdrawn and outstanding from time to time, provided that, in the judgment of the Association, such revision shall not change the grant element obtained under the above-mentioned repayment modification.

(c) If, at any time after a modification of terms pursuant to paragraph (b) above, the Association determines that the Borrower's economic condition has deteriorated significantly, the Association may, if so requested by the Borrower, further modify the terms of repayment to conform to the schedule of installments as provided in paragraph (a) above.

Section 2.08. The currency of the United States of America is hereby specified for the purposes of Section 4.02 of the General Conditions.

### ARTICLE III

#### Execution of the Project

Section 3.01. (a) The Borrower declares its commitment to the objectives of the Project as set forth in Schedule 2 to this Agreement and, to this end, shall carry out the Project with due diligence and efficiency and in conformity with appropriate economic, managerial and administrative practices, and shall provide, promptly as needed, the funds, facilities, services and other resources required for the Project.

(b) Without limitation upon the provisions of paragraph (a) of this Section and except as the Borrower and the Association shall otherwise agree, the Borrower shall carry out the Project in accordance with the Implementation Program set forth in Schedule 5 to this Agreement.

Section 3.02. Except as the Association shall otherwise agree, procurement of the goods, works and consultants' services required for the Project and to be financed out of the proceeds of the Credit shall be governed by the provisions of Schedule 3 to

this Agreement.

Section 3.03. The Borrower and the Association shall: (a) not later than March 1 of each year, until the completion of the Project, conduct an annual Project implementation review to:

- (i) monitor progress in carrying out the Project;
- (ii) exchange information among staff of the ministries and entities responsible for Project implementation as set forth in Part B of Schedule 5 to this Agreement and propose coordinated solutions to any current implementation issues;
- (iii) review, update and approve annual action programs and cost estimates; and
- (iv) discuss and coordinate all other related technical assistance activities sponsored by other donor agencies. Representatives of such agencies shall be invited to participate in these discussions.

(b) Not later than four weeks prior to such review, the Borrower shall furnish to the Association for its review and comments a report in such detail as the Association shall reasonably request, including:

- (i) an evaluation of progress achieved by the Borrower in general, and by each ministry or entity responsible for implementation in particular, in carrying out the Project in accordance with the respective annual action program;
- (ii) a draft action program to be carried out during the following year, including: (A) a statement of objectives to be achieved and of activities to be undertaken; (B) detailed training and technical assistance plans; (C) a financing plan indicating other sources of financing for each activity and identifying specific donor agencies invited to participate in the review; and (D) a procurement program detailing goods and services to be procured under the Project;
- (c) not later than, March 1, 1994, conduct a mid-term Project review; and
- (d) promptly after completing the reviews, carry out those recommendations arising out of said reviews as agreed between the Borrower and the Association.

Section 3.04. In order to facilitate the carrying out of the Project, the Borrower shall promptly after the Effective Date, appoint qualified local counterpart staff to work closely with the consultants to be employed in accordance with the provisions of Section II of Schedule 3 to this Agreement.

Section 3.05. The Borrower shall, during the execution of the Project, continue to maintain:

- (a) the Project Coordinating Committee;
- (b) the Component Coordinating Committees;
- (c) the Project Component Coordinators;
- (d) the Project Unit;
- (e) the Project Coordinator; and
- (f) the Project Administrator,

with the functions and responsibilities as set forth in Part B of Schedule 5 to this Agreement, and staffing with experience and qualifications satisfactory to the Association.

#### ARTICLE IV

#### Financial Covenants

Section 4.01. (a) The Borrower shall maintain or cause to be maintained records and accounts adequate to reflect in accordance with 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.

(b) The Borrower shall:

- (i) have the records and accounts referred to in paragraph (a) of this Section including those for the Special Account for each fiscal year audited, in accordance with appropriate auditing principles consistently applied, by independent auditors acceptable to the Association;
- (ii) furnish to the Association, as soon as available, but in any case not later than six months after the end of each such year, a certified copy of the report of such audit by said auditors, of such scope and in such detail as the Association shall have reasonably requested; and
- (iii) furnish to the Association such other information concerning said records, accounts and the audit thereof as the Association shall from time to time reasonably request.

(c) For all expenditures with respect to which withdrawals from the Credit Account were made on the basis of statements of expenditure, the Borrower shall:

- (i) maintain or cause to be maintained, in accordance with paragraph (a) of this Section, records and accounts reflecting such expenditures;
- (ii) retain, until at least one year after the Association has received the audit for the fiscal year in which the last withdrawal from the Credit Account was made, all records (contracts, orders, invoices, bills, receipts and other documents) evidencing such expenditures;
- (iii) enable the Association's representatives to examine such records; and
- (iv) ensure that such records and accounts are included in the annual audit referred to in paragraph (b) of this Section and that the report of such audit contains a separate opinion by said auditors as to whether the statements of expenditure submitted during such fiscal year, together with the procedures and internal controls involved in their preparation, can be relied upon to support the related withdrawals.

#### ARTICLE V

##### Remedies of the Association

Section 5.01. Pursuant to Section 6.02 (h) of the General Conditions, the following additional event is specified, namely, that an extraordinary situation shall have arisen which shall make it improbable that the Borrower will be able to perform any of its respective obligations under this Agreement.

Section 5.02. Pursuant to Section 7.01 (d) of the General Conditions, the following additional event is specified, namely, that the event specified in Section 5.01 of this Agreement shall occur.

#### ARTICLE VI

##### Effective Date; Termination

Section 6.01. The following events are specified as additional conditions to the effectiveness of the Development Credit Agreement within the meaning of Section 12.01 (b) of the General Conditions:

- (a) that the Project Administrator has been selected and employed with qualifications and experience satisfactory to the Association and with the functions and responsibilities described in Part B.5 of Schedule 5 to this Agreement; and

(b) that the Project Unit has been legally established with the functions, responsibilities and staffing described in Part B.6 of Schedule 5 to this Agreement.

Section 6.02. The following is specified as an additional matter, within the meaning of Section 12.02 (b) of the General Conditions, to be included in the opinion or opinions to be furnished to the Association, namely, that this Agreement has been duly ratified by the Borrower's Council of Ministers and is legally binding upon the Borrower in accordance with its terms.

Section 6.03. The date ninety (90) days after the date of this Agreement is hereby specified for the purposes of Section 12.04 of the General Conditions.

#### ARTICLE VII

##### Representative of the Borrower; Addresses

Section 7.01. The Minister of Planning of the Borrower is designated as representative of the Borrower for the purposes of Section 11.03 of the General Conditions.

Section 7.02. The following addresses are specified for the purposes of Section 11.01 of the General Conditions:

For the Borrower:

Ministry of Planning  
Largo do Palacio  
P.O. Box 1205  
Luanda  
People's Republic of Angola

Cable address:

Ministerio do Plano,  
Luanda

Telex:

998 3395 AN/MINPLAN  
998 3082 AN/MINPLAN  
998 3161 AN/DINATEL

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.

Telex:

197688 (TRT)  
248423 (RCA)  
64145 (WUI) or  
82987 (FTCC)

IN WITNESS WHEREOF, the parties hereto, acting through their duly authorized representatives, have caused this Agreement to be signed in their respective names in the District of Columbia, United States of America, as of the day and year first above written.

PEOPLE'S REPUBLIC OF ANGOLA

By /s/ Apolinario Correia

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ Edward V.K. Jaycox

Regional Vice President

## SCHEDULE 1

## Withdrawal of the Proceeds of the Credit

1. The table below sets forth the Categories of items to be financed out of the proceeds of the Credit, the allocation of the amounts of the Credit to each Category and the percentage of expenditures for items so to be financed in each Category:

Category	Amount of the Credit Allocated (Expressed in SDR Equivalent)	% of Expenditures to be Financed
(1) Consultants' services	5,950,000	100%
(2) Studies	3,250,000	100%
(3) Training	1,050,000	100%
(4) Books and materials	190,000	100% of foreign expenditures
(5) (a) Office equipment and supplies;	450,000	100% of foreign expenditures
(b) vehicles; and	375,000	100% of foreign expenditures
(c) incremental operating costs.	675,000	100% of foreign expenditures
(6) Goods and services under Part B of the Project	1,750,000	100% of foreign expenditures
(7) Goods and services under Part G of the Project	1,050,000	100% of foreign expenditures
(8) Refunding of Project Preparation Advance	560,000	Amount due pursuant to Section 2.02 (c) of this Agreement
(9) Unallocated	1,800,000	
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TOTAL	17,100,000	=====

2. For the purposes of this Schedule:

(a) the term "foreign expenditures" means expenditures in the currency of any country other than that of the Borrower for goods or services supplied from the territory of any country other than that of the Borrower;

(b) the term "training" means cost of fellowships, seminars, workshops, courses, study tours, internships and other costs related to activities to be undertaken as part of training programs financed under the Project; and

(c) the term "incremental operating costs" means cost of: (i) operation, maintenance and rental of equipment, vehicles and buildings used in the execution of the Project, as described in Schedule 2 to this Agreement, and (ii) Project management, including the operation of the Project Unit, as set forth in Part B.6 of Schedule 5 to this Agreement.

3. Notwithstanding the provisions of paragraph 1 above, no withdrawals shall be

made in respect of:

- (a) payments made for expenditures prior to the date of this Agreement; and
- (b) expenditures under Category (6), unless the Borrower has furnished the Association documentary evidence satisfactory to it of the following:
  - (i) a draft National Statistics Plan has been prepared by the Borrower and has been submitted to the Association for its review and comments; and
  - (ii) that promptly thereafter the final National Statistics Plan has been duly approved by the Borrower's competent authorities, taking into consideration the recommendations provided by the Association; and
- (c) expenditures under Category (7), unless the Association has received, for its review and approval, a proposal to carry out pre-investment studies or programs referred to in Part G of the Project, including a detailed budget and an implementation time-table.

## SCHEDULE 2

### Description of the Project

The objectives of the Project are to:

- (a) strengthen the Borrower's capabilities to formulate and implement sound economic strategies and policies and investment projects by improving specific economic management functions;
- (b) provide assistance and training to strengthen economic, accounting and project analysis and management skills; and
- (c) review and streamline the legal framework for economic reforms.

The Project consists of the following parts subject to such modifications thereof as the Borrower and the Association may agree upon from time to time to achieve such objectives.

#### Part A: Human Resources Development

Design and implementation of a training program for national participants to improve skills in:

1. macro economic analysis and management;
2. project analysis and management;
3. general administration;
4. commercial accounting and financial management; and
5. procurement.

#### Part B: Statistics

1. Strengthening of the Borrower's capabilities for the collection, analysis and dissemination of data essential for the formulation, implementation and monitoring of economic policies and development programs.
2. Design and implementation of the National Statistics Plan.

#### Part C: Legal Assistance

1. Provision of assistance for the development of a legal and regulatory framework, including the revision, streamlining and drafting of economic, commercial, financial, administrative and procurement legislation.
2. Strengthening of the capabilities of the Borrower's legal services responsible for the revision, updating, drafting and implementation of the new legal and regulatory framework, including provision of practical and graduate legal training.



3. Development of appropriate procedures and mechanisms to disseminate the new legal and regulatory framework, including the design, establishment and maintenance of a legal data-base and a computerized legal network, and the acquisition of legal software and materials.

Part D: Public Resource Management

1. Strengthening of the Borrower's public expenditure management capabilities.
2. Strengthening of the Borrower's public investment planning, programming and monitoring capabilities.
3. Improvement of the Borrower's financial, control and monitoring capabilities of the productive, commercial and financial enterprises wholly or partially owned by the State.

Part E: Liberalization Policies

1. Trade Policy: strengthening of the Borrower's capabilities to: (a) design, implement and monitor trade liberalization; and (b) carry out a rural markets and agricultural trade study.
2. Incomes Policies: strengthening of the Borrower's capabilities to design, implement and monitor a price and wage reform package, including detailed implementation plans and assessment of the economic and social impact of proposed reforms.
3. Industrial Sector: (a) preparation of an action program to restore the competitiveness of the industrial sector through restructuring, privatization and liquidation of enterprises, including the carrying out of a pilot program; (b) design of a framework to attract domestic and foreign private investment and donor support; and (c) implementation of a training program to strengthen local entrepreneurial and managerial capabilities.
4. Agricultural Sector: strengthening of the Borrower's capabilities to: (a) analyze sector and policy issues and their linkages with macro-economic policies; (b) within the framework of its overall privatization policies, design, implement and monitor an action program for the privatization of agricultural production enterprises, including the basis for the revision and streamlining of land tenure legal framework; and (c) carry out: (i) a rural survey; (ii) a study to develop forest and wildlife management strategies; (iii) subsectoral and pre-investment studies; and (iv) training and pilot operations related to agricultural extension.

Part F: Project Administration

1. Provision of assistance to strengthen planning, institutional coordination, and managerial capabilities related to Project implementation.
2. Training of staff responsible for Project management in organizational and managerial techniques.
3. Strengthening of the Project Unit and other agencies responsible for Project implementation.

Part G: Other Advisory Assistance

Provision of assistance and carrying out of pre-investment studies and other capacity building programs to be jointly identified between the Borrower and the Association.

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The Project is expected to be completed by June 30, 1996.

SCHEDULE 3

Procurement and Consultants' Services

Section I. Procurement of Goods and Works

Part A: International Competitive Bidding

1. Except as provided in Part B hereof, goods and works estimated to cost the equivalent to \$100,000 or more, shall be procured under contracts awarded in accordance with procedures consistent with those set forth in Sections I and II of the "Guidelines for Procurement under IBRD Loans and IDA Credits" published by the Bank in May 1985 (the Guidelines).

2. To the extent practicable, contracts for goods shall be grouped in bid packages estimated to cost the equivalent of \$60,000.

Part B: Other Procurement Procedures

1. Local competitive bidding:

Vehicles, equipment, materials and supplies estimated to cost the equivalent of \$10,000 or more, may be procured under contracts awarded on the basis of competitive bidding, advertised locally, in accordance with procedures satisfactory to the Association.

2. Shopping:

Items or groups of items estimated to cost less than the equivalent of \$10,000 per contract, up to an aggregate amount not to exceed the equivalent of \$50,000, may be procured under contracts awarded on the basis of comparison of price quotations solicited from a list of at least three suppliers eligible under the Guidelines, in accordance with procedures acceptable to the Association.

3. Direct Contracting:

Books and reference materials under Parts A and C of the Project may be procured under direct contracting in accordance with procedures acceptable to the Association.

Part C: Review by the Association of Procurement Decisions

1. Review of invitations to bid and of proposed awards and final contracts:

(a) With respect to each contract estimated to cost the equivalent of \$10,000 or more, the procedures set forth in paragraphs 2 and 4 of Appendix 1 to the Guidelines shall apply. Where payments for such contract are to be made out of the Special Account, such procedures shall be modified to ensure that the two conformed copies of the contract required to be furnished to the Association pursuant to said paragraph 2 (d) shall be furnished to the Association prior to the making of the first payment out of the Special Account in respect of such contract.

(b) With respect to each contract not governed by the preceding paragraph, the procedures set forth in paragraphs 3 and 4 of Appendix 1 to the Guidelines shall apply. Where payments for such contract are to be made out of the Special Account, such procedures shall be modified to ensure that the two conformed copies of the contract together with the other information required to be furnished to the Association pursuant to said paragraph 3 shall be furnished to the Association as part of the evidence to be furnished pursuant to paragraph 4 of Schedule 4 to this Agreement.

(c) The provisions of the preceding subparagraph (b) shall not apply to contracts on account of which the Association has authorized withdrawals on the basis of statements of expenditure.

2. The figure of 10% is hereby specified for purposes of paragraph 4 of Appendix 1 to the Guidelines.

Section II. Employment of Consultants

In order to assist the Borrower in carrying out the Project, the Borrower shall employ consultants whose qualifications, experience and terms and conditions of employment shall be satisfactory to the Association. Such consultants shall be selected in accordance with principles and procedures satisfactory to the Association on the basis of the "Guidelines for the Use of Consultants by World Bank Borrowers and by the World Bank as Executing Agency" published by the Bank in August 1981.

## Special Account

1. For the purposes of this Schedule:

(a) the term "eligible Categories" means Categories (1) through (7) set forth in the table in paragraph 1 of Schedule 1 to this Agreement;

(b) the term "eligible expenditures" means expenditures in respect of the reasonable cost of goods and services required for the Project and to be financed out of the proceeds of the Credit allocated from time to time to the eligible Categories in accordance with the provisions of Schedule 1 to this Agreement; and

(c) the term "Authorized Allocation" means an amount equivalent to \$500,000 to be withdrawn from the Credit Account and deposited into the Special Account pursuant to paragraph 3 (a) of this Schedule.

2. Payments out of the Special Account shall be made exclusively for eligible expenditures in accordance with the provisions of this Schedule.

3. After the Association has received evidence satisfactory to it that the Special Account has been duly opened, withdrawals of the Authorized Allocation and subsequent withdrawals to replenish the Special Account shall be made as follows:

(a) For withdrawals of the Authorized Allocation, the Borrower shall furnish to the Association a request or requests for a deposit or deposits which do not exceed the aggregate amount of the Authorized Allocation. On the basis of such request or requests, the Association shall, on behalf of the Borrower, withdraw from the Credit Account and deposit into the Special Account such amount or amounts as the Borrower shall have requested.

(b) (i) For replenishment of the Special Account, the Borrower shall furnish to the Association requests for deposits into the Special Account at such intervals as the Association shall specify.

(ii) Prior to or at the time of each such request, the Borrower shall furnish to the Association the documents and other evidence required pursuant to paragraph 4 of this Schedule for the payment or payments in respect of which replenishment is requested. On the basis of each such request, the Association shall, on behalf of the Borrower, withdraw from the Credit Account and deposit into the Special Account such amount as the Borrower shall have requested and as shall have been shown by said documents and other evidence to have been paid out of the Special Account for eligible expenditures.

All such deposits shall be withdrawn by the Association from the Credit Account under the respective eligible Categories, and in the respective equivalent amounts, as shall have been justified by said documents and other evidence.

4. For each payment made by the Borrower out of the Special Account, the Borrower shall, at such time as the Association shall reasonably request, furnish to the Association such documents and other evidence showing that such payment was made exclusively for eligible expenditures.

5. Notwithstanding the provisions of paragraph 3 of this Schedule, the Association shall not be required to make further deposits into the Special Account:

(a) if, at any time, the Association shall have determined that all further withdrawals should be made by the Borrower directly from the Credit Account in accordance with the provisions of Article V of the General Conditions and paragraph (a) of Section 2.02 of this Agreement; or

(b) once the total unwithdrawn amount of the Credit allocated to the eligible Categories, less the amount of any outstanding special commitment entered into by the Association pursuant to Section 5.02 of the General Conditions with respect to the Project, shall equal the equivalent of twice the amount of the Authorized Allocation.

Thereafter, withdrawal from the Credit Account of the remaining unwithdrawn amount of the Credit allocated to the eligible Categories shall follow such procedures as the Association shall specify by notice to the Borrower. Such further withdrawals shall be made only after and to the extent that the Association shall have been satisfied that all such amounts remaining on deposit in the Special

Account as of the date of such notice will be utilized in making payments for eligible expenditures.

6. (a) If the Association shall have determined at any time that any payment out of the Special Account: (i) was made for an expenditure or in an amount not eligible pursuant to paragraph 2 of this Schedule; (ii) was not justified by the evidence furnished to the Association, the Borrower shall, promptly upon notice from the Association: (A) provide such additional evidence as the Association may request; or (B) deposit into the Special Account (or, if the Association shall so request, refund to the Association) an amount equal to the amount of such payment or the portion thereof not so eligible or justified. Unless the Association shall otherwise agree, no further deposit by the Association into the Special Account shall be made until the Borrower has provided such evidence or made such deposit or refund, as the case may be.

(b) If the Association shall have determined at any time that any amount outstanding in the Special Account will not be required to cover further payments for eligible expenditures, the Borrower shall, promptly upon notice from the Association, refund to the Association such outstanding amount.

(c) The Borrower may, upon notice to the Association, refund to the Association all or any portion of the funds on deposit in the Special Account.

(d) Refunds to the Association made pursuant to paragraphs 6 (a), (b) and (c) of this Schedule shall be credited to the Credit Account for subsequent withdrawal or for cancellation in accordance with the relevant provisions of this Agreement, including the General Conditions.

#### SCHEDULE 5

##### Implementation Program

###### Part A: Project Implementation

The following ministries and entities of the Borrower shall be responsible for Project implementation as follows:

1. Part A of the Project shall be carried out by the Human Resource Development Coordinating Committee.
2. Part B of the Project by INE.
3. Part C of the Project shall be carried out by the Legal Working Group.
4. (a) Parts D.1 and D.3 of the Project shall be carried out by the Ministry of Finance.  
(b) Part D.2 of the Project shall be carried out by the Ministry of Planning.
5. Part E of the Project shall be carried out as follows:
  - (a) Part E.1, by the Ministry of Commerce;
  - (b) Part E.2, by the Ministry of Finance;
  - (c) Part E.3, by GARE; and
  - (d) Part E.4, by the Ministry of Agriculture.

###### Part B: Project Management

1. Project Coordinating Committee:
  - (a) A project coordination committee (PCC) shall be established by the Minister of Planning with the following members: (i) the Project Coordinator (chairperson); (ii) all component coordinators; and (iii) the Project Administrator.
  - (b) The PCC will provide overall coordination and guidance to the component coordination committees, reviewing their respective work programs and ensuring effective component execution.
2. Component Coordination Committees

(a) The following component coordination committees shall be established:

- (i) Human Resource Development;
- (ii) Legal Working Group;
- (iii) Public Resource Management;
- (iv) Statistics;
- (v) Liberalization Policies; and
- (vi) Agriculture and Industrial Policies.

(b) The Component Coordination Committees shall be responsible, inter alia, for the following:

- (i) reviewing their respective annual action programs;
- (ii) advising the Component Coordinators on matters pertaining to component execution; and
- (iii) reviewing progress and annual component reports.

### 3. Component Coordinators

(a) The Borrower shall appoint Component Coordinators, with qualifications and experience acceptable to the Association, as the responsible officers for overall management of the respective components.

(b) The Component Coordinators shall be responsible, inter alia, for:

- (i) ensuring that execution of activities is consistent with Project objectives set forth in Schedule 2 to this Agreement;
- (ii) ensuring preparation of annual action programs to be carried out under the Project;
- (iii) carrying out procurement of goods and services in coordination with the Project Unit, as required by the Project;
- (iv) providing information to the Project Coordinator for the preparation of quarterly progress reports, as agreed with the Association;
- (v) preparing and carrying out annual and mid-term Project implementation reviews; and
- (vi) ensuring, through annual meetings, coordination of all other related technical assistance sponsored by other donor agencies.

### 4. Project Coordinator

The Minister of Planning shall appoint a Project Coordinator who shall be responsible for overall Project implementation. The Project Coordinator shall be the chairperson of the Project Coordinating Committee and serve as the focal point in communicating and agreeing with the Association on matters concerning the Project and will coordinate the work of the Component Coordinators.

### 5. Project Administrator (PA)

(a) In discharging his/her responsibilities, the Project Coordinator shall be assisted by a Project Administrator with qualifications and extensive managerial experience acceptable to the Association, who shall be employed on a full-time basis and report directly to the Project Coordinator. The PA shall be the Secretary to the Project Coordination Committee.

(b) The PA shall be responsible, inter alia, for the following:

- (i) assisting the Project and Component Coordinators in the

coordination of all Project activities within the government entities responsible for Project implementation; and liaising with the Association in all matters related to Project Administration;

- (ii) providing technical and administrative assistance to the Project and Component Coordinators in the final preparation of all Project documentation;
- (iii) providing assistance to all Component Coordinators in discharging their responsibilities under the Project; and participating as a member of the respective Component Coordination Committees;
- (iv) preparing and reviewing unified progress reports to be considered by the Project Coordinator and discussed at the annual Project review, including an assessment of each Project component and an identification of any current issues which may interfere with timely Project implementation;
- (v) participating in the selection of consultants to be employed under the Project; and providing them with logistical assistance, including housing and transportation;
- (vi) providing assistance to the Project Coordinator in ensuring the effective compliance with all contractual obligations entered into by the Borrower for the procurement of goods and services under the Project;
- (vii) keeping financial accounts for all Project components, and ensuring appropriate compilation and maintenance of Project documentation and files;
- (viii) reviewing, in close coordination with the Project Coordinator, procurement arrangements for Project implementation, including packaging procurement lots for consultants' services and equipment, computer systems, hardware and software, printed material and office supplies to be financed under the Project;
- (ix) assisting in directing and coordinating training programs for staff responsible for Project management; and
- (x) assisting in the review of bids for international and local competitive bidding and international or local shopping, in accordance with the provisions of Schedule 3 to this Agreement.

## 6. Project Unit

(a) The Project Unit (PU), established by the Ministry of Planning as an autonomous entity, shall be responsible for providing overall administrative support for Project activities.

(b) The PU shall be headed by a Project Administrator. The Project Administrator shall assist the Project Coordinator in discharging his/her responsibilities described in Part B.5 of this Schedule and shall work under the supervision of said Project Coordinator.

(c) PU shall include, in addition to the Project Administrator, the following full-time staff:

- (i) an administrative assistant;
- (ii) a secretary/typist;
- (iii) procurement/legal adviser (part-time);
- (iv) an accountant;
- (v) a messenger; and
- (vi) a driver.

(d) The functions of the PU shall include, inter alia, the following: (i) assisting the Project Administrator by handling the administrative aspects of: (A)

recruitment and employment of resident experts and short-term consultants; (B) procurement of goods and services estimated to cost the equivalent of ten thousand dollars (\$10,000) or more; (C) preparation and presentation of withdrawal applications for the respective Project components; (D) following-up on annual work programs for the respective Project components; and (E) preparing the Project financial accounts and contracting of Project audits.

