

CONFORMED COPY

CREDIT NUMBER 2618 NIR

Development Credit Agreement

(Basic Education Sector Project)

between

REPUBLIC OF NIGER

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated July 11, 1994

CREDIT NUMBER 2618 NIR

DEVELOPMENT CREDIT AGREEMENT

AGREEMENT, dated July 11, 1994, between THE REPUBLIC OF NIGER (the Borrower) and INTERNATIONAL DEVELOPMENT ASSOCIATION (the Association).

WHEREAS: (A) the Association has received a letter dated May 2, 1994, from the Borrower describing a program of actions, objectives and policies designed to support the implementation of the Borrower's Emergency Education Rehabilitation Plan (hereinafter called the Program), declaring the Borrower's commitment to the execution of the Program, and requesting assistance from the Association in the financing of urgently needed imports required during such execution; and

WHEREAS: (B) 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;

(C) the Borrower intends to contract from Kreditanstalt fur Wiederaufbau (KfW) a grant (the KfW Grant) in an amount equivalent to \$10,200,000 to assist in financing the Project on the terms and conditions set forth in an agreement (the KfW Agreement) to be entered into between the Borrower and KfW;

(D) the Borrower intends to contract from the Kingdom of Norway (Norway) a grant (the Norwegian Grant) in an amount equivalent to \$4,800,000 to assist in financing the Project on the terms and conditions set forth in an agreement (the Norwegian Agreement) to be entered into between the

Borrower and Norway; and

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 modifications set forth below (the General Conditions) constitute an integral part of this Agreement:

(a) Section 9.06 (c) shall be modified to read:

"(c) Not later than six months after the Closing Date or such later date as may be agreed for this purpose between the Borrower and the Association, the Borrower shall prepare and furnish to the Association a report, of such scope and in such detail as the Association shall reasonably request, on the execution of the Project and the Program referred to in the Preamble to the Development Credit Agreement, the performance by the Borrower and the Association of their respective obligations under the Development Credit Agreement and the accomplishment of the purposes of the Credit."; and

(b) the last sentence of Section 3.02 is deleted.

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) "Central Bank" means the Banque Centrale des Etats de l'Afrique de l'Ouest;

(b) "CFAF" means the currency of the Borrower;

(c) "Implementation Manual" means the MENES/R - as hereinafter defined - manual setting out the detailed procedures applying to classroom construction and rehabilitation as approved by the Borrower's Minister responsible for education on May 2, 1994;

(d) "Imports" means goods imported during the execution of the Program and to be financed from the proceeds of the Credit allocated to Category (10) of paragraph 1 of Schedule 1 to this Agreement;

(e) "MENES/R" means the Borrower's Ministry responsible for education;

(f) "SITC" means the Standard International Trade Classification, Revision 3 (SITC, Rev. 3), published by the United Nations in Statistical Papers, Series M, No. 343 (1986);

(g) "UNICEF" means United Nations Children's Fund;

(h) "UNIPAC" United Nations International Procurement Agency Copenhagen; and

(i) "Special Account" means the account referred to in Section 2.02 (b) of this Agreement.

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 twenty-nine million three hundred thousand Special Drawing Rights (SDR 29,300,000).

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: (i) of goods, works and services required for the Project described in Schedule 2 to this Agreement and to be financed out of the proceeds of the Credit; and (ii) of Imports.

(b) The Borrower shall, for the purposes of the Project, open and maintain in CFAF a special deposit account in a commercial bank 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 5 to this Agreement.

Section 2.03. The Closing Date shall be December 31, 2000 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 or 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 payment 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 15 and November 15 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 15 and November 15 commencing November 15, 2004 and ending May 15, 2034. Each installment to and including the installment payable on May 15, 2014 shall be one percent (1%) of such principal amount, and each installment thereafter shall be two percent (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 French Republic is hereby specified for the purposes of Section 4.02 of the General Conditions.

ARTICLE III

Execution of the Project and the Program

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 through MENES/R with due diligence and efficiency and in conformity with appropriate financial, administrative and education 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 4 to this Agreement.

Section 3.02. (a) The Borrower and the Association shall from time to time, at the request of either party, exchange views on the progress achieved in carrying out the Program and the actions specified in Schedule 6 to this Agreement.

(b) Prior to each such exchange of views, the Borrower shall furnish to the Association for its review and comment a report on the progress achieved in carrying out the Program, in such detail as the Association shall reasonably request.

Section 3.03. Except as the Association shall otherwise agree, procurement of the goods, works and consultants' services required for the Project and of to be financed out of the proceeds of the Credit as well as the procurement of Imports shall be governed by the provisions of Schedule 3 to this Agreement.

ARTICLE IV

Financial Covenants

Section 4.01. (a) The Borrower shall maintain in respect of the Project, and cause the Central Bank to maintain in respect of Imports, records and accounts adequate to reflect in accordance with sound accounting practices the operations, resources and expenditures of, respectively, the departments or agencies of the Borrower responsible for carrying out the Project or any part thereof, and of the Central Bank for Imports.

(b) The Borrower shall, without prejudice to the provisions of paragraph (c) of this Section 4.01:

- (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 6 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 report for the fiscal year in which the last withdrawal from the Credit Account or payment out of the Special 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;
- (iv) ensure that such records and accounts for the second half of each fiscal year 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 the second half of such fiscal year, together with the procedures and internal controls involved in their preparation, can be relied upon to support the related withdrawals; and
- (v) ensure that such records and accounts for the first half of each fiscal year are audited and an audit report thereof submitted to the Association, all in accordance with the standards set out in this Section 4.01, with the exception that the deadline for the submission of such audit report shall be 3 months after the end of the period to which the audit pertains.

ARTICLE V

Remedies of the Association

Section 5.01. Pursuant to Section 6.02 (h) of the General Conditions, the following additional events are specified:

- (a) a situation has arisen which shall make it improbable that the Program, or a significant part thereof, will be carried out;
- (b) the Implementation Manual shall have been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the implementation of the Project; and
- (c) the KfW Agreement or the Norwegian Agreement shall have failed to become effective by December 31, 1995 or such later date as the Association may agree; provided, however, that the provisions of this paragraph shall not apply if the Borrower establishes to the satisfaction of the Association that adequate funds for the Project are available to the Borrower from other sources on terms and conditions consistent with the obligations of the Borrower under this Agreement.

Section 5.02. Pursuant to Section 7.01 (d) of the General Conditions, the following additional event is specified, namely, that any event specified in paragraphs (a), (b) or (c) of Section 5.01 of this Agreement shall occur and shall continue for a period of 30 days after notice thereof shall have been given by the Association to the Borrower.

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) the macro-economic policy framework of the Borrower is consistent with the objectives of the Program;

(b) the Borrower has made budgetary allowance for and has recruited at least 520 additional primary school teachers for the 1994/1995 school year;

(c) the Borrower has admitted at least 720 teacher trainees (respecting a 85% - 15% Instituteur-Adjoint to Instituteur ratio) to the TTCs for the 1994/1995 school year;

(d) the Borrower has introduced the system of double-shift classes in at least 440 primary school classes for the 1994/1995 school year;

(e) the Borrower has redeployed at least 32 TTC teachers to lycees;

(f) the Borrower has, by appropriate legal instrument, transformed the Faculty of Pedagogy at the University of Niamey into a secondary teacher training college (the Ecole Normale Superieure), with a program acceptable to the Association;

(g) the Borrower's budgets for higher education scholarships and secondary student subsidies for 1994, do not exceed CFAF 4.8 billion and CFAF 1.6 billion respectively;

(h) the Borrower has appointed three regional coordinators for the classroom construction program;

(i) the Borrower has signed a contract with UNICEF for the implementation of the micro-nutrients program under Part A of the Project that is acceptable to the Association and includes, inter alia, a detailed implementation plan and a monitoring and evaluation system;

(j) the Borrower has transferred MENES/R's School Construction Bureau from MENES/R's Directorate of Education Planning to MENES/R's Directorate of Education Project Coordination; and

(k) the Borrower has signed a multi-year contract with an independent auditor acceptable to the Association for the performance of audits of the Project and Imports accounts.

Section 6.02. The date one hundred twenty (120) days after the date of this Agreement is hereby specified for the purposes of Section 12.04 of the General Conditions.

ARTICLE VII

Representatives of the Borrower; Addresses

Section 7.01. The Minister of the Borrower responsible for planning 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:

Ministere des Finances
et du Plan
B.P. 389
Niamey
Niger

Telex:

5463
5337

For the Association:

International Development

Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Cable address:

Telex:

INDEVAS
Washington, D.C.

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

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.

REPUBLIC OF NIGER

By /s/ Adamou Seydou

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ Katherine Marshall

Acting Regional Vice President
Africa

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) Civil Works	4,540,000	100%
(2) Furniture, Equipment and Vehicles	4,250,000	100%
(3) Micro-nutrients	220,000	100%
(4) Pedagogic Materials and Textbooks	3,400,000	100%
(5) Training	1,200,000	100%
(6) Consultants' Services	1,130,000	100%
(7) Girls Fund	220,000	100%
(8) Education Improve- ment Programs	140,000	100%
(9) Incremental Recurrent Costs	1,280,000	100%

(10) Goods Imported 12,170,000 100% of foreign
 During the expenditures
 Execution of the
 Program

(11) Unallocated 750,000

TOTAL 29,300,000
 =====

2. For the purposes of this Schedule:

(a) the term "Education Improvement Programs" means expenditures for training, consultants' services, a vehicle, furniture and equipment, made for the evaluation of education improvement programs under Part B of the Project;

(b) 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;

(c) the term "Girls Fund" means expenditures for goods made for the implementation of the action program referred to in paragraph 5 of Schedule 4 to this Agreement; and

(d) the term "Incremental Recurrent Costs" means incremental Project related operating costs for, inter alia, vehicle operation and maintenance and equipment maintenance and repairs, office supplies and salaries.

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, except that withdrawals in an aggregate amount not exceeding the equivalent of SDR 2,440,000, may be made in respect of Category (10) of paragraph 1 above, on account of payments made for expenditures during the four months preceding that date;

(b) for expenditures under Category (8) of paragraph 1 above, unless the Borrower has signed a contract for short-term specialist services to support the development of a student assessment system with an institution and acceptable to the Association;

(c) under Category (10) of paragraph 1 above for:

(i) expenditures for goods included in the following SITC groups or subgroups, or any successor groups or subgroups under future revisions to the SITC, as designated by the Association by notice to the Borrower:

Group	Subgroup	Description of Items
112	--	Alcoholic beverages
121	--	Tobacco, unmanufactured, tobacco refuse
122	--	Tobacco, manufactured (whether or not containing tobacco substitutes)
525	--	Radioactive and associated materials
667	--	Pearls, precious and semi-precious stones, unworked or worked
Group	Subgroup	Description of Items
718	718.7	Nuclear reactors, and parts thereof, fuel elements (cartridges), nonirradiated for

		nuclear reactors
728	728.43	Tobacco processing machinery
897	897.3	Jewelry of gold, silver or platinum group metals (except watches and watch cases) and goldsmiths' or silversmiths' wares (including set gems)
971	--	Gold, nonmonetary (excluding gold ores and concentrates)

- (ii) expenditures for goods procured under contracts costing less than \$5,000 equivalent;
- (iii) expenditures for goods supplied under a contract which any national or international financing institution or agency other than the Association shall have financed or agreed to finance; and
- (iv) expenditures for goods intended for a military or paramilitary purpose or for luxury consumption.

4. No withdrawal shall be made and no commitment shall be entered into to pay amounts to or on the order of the Borrower in respect of expenditures to be financed out of Category (10) of paragraph 1 above after the aggregate of the proceeds of the Credit withdrawn from the Credit Account under said Category (10) and the total amount of such commitments shall have reached the equivalent of SDR 5,100,000, unless the Association shall be satisfied, after an exchange of views as described in Section 3.02 of this Agreement based on evidence satisfactory to the Association: (a) with the progress achieved by the Borrower in the carrying out of the Program; (b) that the actions described in Schedule 6 to this Agreement have been taken and are satisfactory to the Association; and (c) that the macro-economic policy framework of the Borrower is consistent with the objectives of the Program.

5. If, after the exchange of views referred to in paragraph 4 above, the Association shall have given notice to the Borrower that the progress achieved and the actions taken are not satisfactory and, within 90 days after such notice, the Borrower shall not have achieved progress and taken actions satisfactory to the Association, then the Association may, by notice to the Borrower, cancel the remaining amount of the Credit allocated to Category (10) of paragraph 1 above, or any part thereof.

6. The Association may require withdrawals from the Credit Account to be made on the basis of statements of expenditure for (i) expenditures under contracts for Imports not exceeding \$500,000 equivalent, and (ii) expenditures under contracts for other goods, works and training not exceeding \$20,000 equivalent, under such terms and conditions as the Association shall specify by notice to the Borrower.

SCHEDULE 2

Description of the Project

The objectives of the Project are to improve the access to and quality of primary education and to strengthen the sector's management and planning capacity as well as to promote the more cost-effective use of public education resources.

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: Access to and Quality of Primary Education

The improvement of access to and quality of primary education through:

- (a) construction and rehabilitation of about 1770 and 1500 primary school classrooms respectively;

- (b) development and implementation of a program to accelerate girls' education;
- (c) improving the quality of primary school teacher training programs;
- (d) provision of books; and
- (e) support to the implementation of a micro-nutrients program.

Part B: Strengthening Sector Management and Planning Capacity

The strengthening of sector management and planning capacity through:

- (a) strengthening of the capacity of MENES/R to manage resources and implement and evaluate education improvement programs;
- (b) improving the efficiency of decentralized sector planning and management; and
- (c) preparing a development strategy for higher education.

* * *

The Project is expected to be completed by June 30, 2000.

SCHEDULE 3

Procurement and Consultants' Services

Section I. Procurement of Imports (Category (10) of paragraph 1 to Schedule 1 to this Agreement)

1. Contracts for the procurement of goods estimated to cost more than the equivalent of \$2,000,000 each shall be awarded through international competitive bidding 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 1992 (the Guidelines), subject to the following modifications:

(a) Paragraph 2.8 of the Guidelines is deleted and the following is substituted therefor:

"2.8 Notification and Advertising

The international community should be notified in a timely manner of the opportunity to bid. This will be done by advertising invitations to apply for inclusion in a bidder's invitation list, to apply for prequalification, or to bid; such advertisements should be placed in at least one newspaper of general circulation in the Borrower's country and, in addition, in at least one of the following forms:

- (i) a notice in the United Nations publication, Development Forum, Business Edition; or
- (ii) an advertisement in a newspaper, periodical or technical journal of wide international circulation; or
- (iii) a notice to local representatives of countries and territories referred to in the Guidelines, that are potential suppliers of the goods required."

(b) The following is added at the end of paragraph 2.21 of the Guidelines:

"As a further alternative, bidding documents may require the bidder to state the bid price in a single currency widely used in international trade and specified in the bidding documents."

(c) Paragraphs 2.55 and 2.56 of the Guidelines are deleted.

(d) For fixed-price contracts, the invitation to bid referred to in paragraph 2.13 of the Guidelines shall provide that, when contract award is delayed beyond the original bid validity period, the successful bidder's bid price will be increased for each week of delay by two predisclosed correction factors acceptable to the Association, one to be applied to all foreign currency components and the other to the local currency component of the bid price. Such an increase shall not be taken into account in the bid evaluation.

(e) In the procurement of goods in accordance with this paragraph 1, the Borrower shall use the relevant standard bidding documents issued by the Bank, with such modifications thereto as the Association shall have agreed to be necessary for the purposes of the Project. Where no relevant standard bidding documents have been issued by the Bank, the Borrower shall use bidding documents based on other internationally recognized standard forms agreed with the Association.

(f) Goods procured under this paragraph 1 shall be subject to pre-shipment inspection by a third party inspection firm.

2. Contracts for the procurement of goods estimated to cost the equivalent of \$2,000,000 or less shall be awarded:

(a) by purchasers required to follow the Borrower's public procurement procedures for the importation of goods, on the basis of such procedures, provided that such procedures shall have been found acceptable by the Association; and

(b) by other purchasers, in accordance with established commercial practice, provided that such contracts shall be awarded on the basis of evaluation comparison of quotations obtained from suppliers from at least two countries, except that direct contracting procedures acceptable to the Association may be used where considered appropriate under paragraph 3.5 of the Guidelines.

3. With respect to each contract referred to in paragraph 1 above, the Borrower shall furnish to the Association, prior to the submission to the Association of the first application for withdrawal of funds from the Credit Account in respect of such contract, two conformed copies of such contract, together with the analysis of the respective bids and recommendations for award, a description of the advertising and tendering procedures followed and such other information as the Association shall reasonably request.

4. With respect to each contract referred to in paragraph 2 above, the Borrower shall furnish to the Association, prior to the submission to the Association of the first application for withdrawal of funds from the Credit Account in respect thereof, such documentation and information as the Association may reasonably request to support withdrawal applications in respect of such contract.

5. The provisions of paragraph 4 above shall not apply to contracts on account of which withdrawals from the Credit Account are to be made on the basis of statements of expenditure.

Section II. Procurement of Goods and Works for Parts A and B of the Project

Part A: International Competitive Bidding

1. Except as provided in Part C hereof, goods 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 1992 (the Guidelines).

(a) For fixed-price contracts, the invitation to bid referred to in paragraph 2.13 of the Guidelines shall provide that, when contract award is delayed beyond the original bid validity period, the successful bidder's bid price will be increased for each week of delay by two predisclosed correction factors acceptable to the Association, one to be applied to all foreign currency components and the other to the local currency component of the bid price. Such an increase shall not be taken into account in the bid evaluation.

(b) In the procurement of goods in accordance with this Part A, the Borrower shall use the relevant standard bidding documents issued by the Bank, with such modifications thereto as the Association shall have agreed to be necessary for the purposes of the Project. Where no relevant standard bidding documents have been issued by the Bank, the Borrower shall use bidding documents based on other internationally recognized standard forms agreed with the Association.

(c) To the extent practicable, contracts for goods shall be grouped into bid packages estimated to cost the equivalent of \$250,000 or more.

Part B: Preference for Domestic Manufacturers

In the procurement of goods in accordance with the procedures described in Part A hereof, goods manufactured in the Republic of Niger may be granted a margin of preference in accordance with, and subject to, the provisions of paragraphs 2.55 and 2.56 of the Guidelines and paragraphs 1 through 4 of Appendix 2 thereto.

Part C: Other Procurement Procedures

1. Contracts for works may be procured (i) under contracts awarded on the basis of competitive bidders, advertised locally, in accordance with procedures satisfactory to the Association, up to an aggregate amount equivalent to \$4,600,000, and (ii) on the basis of direct contracting with communities, parents' associations and non-governmental organizations in accordance with procedures acceptable to the Association, up to an aggregate amount equivalent to \$2,200,000.

2. Contracts for equipment, office supplies and school furniture that cannot be grouped into packages estimated to cost the equivalent of \$250,000 or more, may be procured under contracts awarded on the basis of competitive bidding, advertised locally, in accordance with procedures satisfactory to the Association, up to an aggregate amount equivalent to \$4,100,000.

3. Contracts for goods estimated to cost the equivalent of \$10,000 or less per contract and that cannot be grouped into packages estimated to cost the equivalent of \$30,000 or more, may be procured under contracts awarded on the basis of comparison of price quotations obtained from at least three suppliers eligible under the Guidelines, in accordance with procedures acceptable to the Association, up to an aggregate amount equivalent to \$200,000.

4. Micro-nutrients may be procured from UNIPAC.

Part D: 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 \$250,000 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 5 to this Agreement.

(c) The provisions of the preceding subparagraph (b) shall not apply to contracts on account of which withdrawals from the Credit Account are to

be made on the basis of statements of expenditure.

2. The figure of 15% is hereby specified for purposes of paragraph 4 of Appendix 1 to the Guidelines.

Section III. Employment of Consultants

1. In order to assist the Borrower in carrying out Parts A and B of 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 (the Consultant Guidelines). For complex, time-based assignments, the Borrower shall employ such consultants under contracts using the standard form of contract for consultants' services issued by the Bank, with such modifications as shall have been agreed by the Association. Where no relevant standard contract documents have been issued by the Bank, the Borrower shall use other standard forms agreed with the Association.

2. Notwithstanding the provisions of paragraph 1 of this Section, the provisions of the Consultant Guidelines requiring prior Association review or approval of budgets, short lists, selection procedures, letters of invitation, proposals, evaluation reports and contracts, shall not apply to (a) contracts for the employment of consulting firms estimated to cost less than \$100,000 equivalent each or (b) contracts for the employment of individuals estimated to cost less than \$50,000 equivalent each. However, said exceptions to prior Association review shall not apply to (a) the terms of reference for such contracts, (b) single-source selection of consulting firms, (c) assignments of a critical nature, as reasonably determined by the Association, (d) amendments to contracts for the employment of consulting firms raising the contract value to \$100,000 equivalent or above, or (e) amendments to contracts for the employment of individual consultants raising the contract value to \$50,000 equivalent or above.

SCHEDULE 4

Implementation Program

Project Implementation, Monitoring and Review

1. MENES/R shall carry overall responsibility for the implementation and monitoring of the Project.

2. MENES/R shall:

(i) submit to the Association twice yearly in April and October a progress report on the implementation of the Project in a format approved by the Association;

(ii) organize and carry out not later than November 30 of each calendar year a joint review meeting for the Borrower and the Association. The semiannual progress reports shall provide the basic inputs for these meetings. In addition, at each annual review meeting, the Borrower shall present a work program and budget for the implementation of the Project during the coming academic year and to be examined in the context of the Borrower's public expenditure review, to the Association for approval, and review the implementation of the work program and the budget of the preceding academic year.

(iii) following each annual review meeting, promptly adopt the work program and budget for the following academic year as approved by the Association and take all necessary action required for the implementation of said work program and budget.

3. (a) The Borrower and the Association shall carry out a midterm review of the Project in the third year following the Effective Date, or at any

other time as agreed between the Borrower and the Association. At least sixty days prior to such review the Borrower shall prepare and submit to the Association all necessary documentation for the evaluation of the Project. The terms of reference of this review shall be acceptable to the Association and shall include an assessment of inter alia: (i) progress made in achieving key Project objectives; (ii) the need to adjust Project design in the light of the implementation experience; (iii) the performance of MENES/R and its various services; and (iv) the performance of the technical assistance.

In addition, as part of the review, the Borrower shall prepare a program of action, satisfactory to the Association, to deal with deficiencies in Project implementation identified during the review.

(b) Promptly after the review mentioned in paragraph (a) above, the Borrower shall take, or shall cause to be taken, all necessary action required for the implementation of the program of action referred to in paragraph (a) above.

Part A of the Project

4. The Borrower shall establish in MENES/R, not later than October 31, 1994, an office for the promotion of girls schooling with terms of reference and qualified staff in adequate numbers, acceptable to the Association.

5. The Borrower shall not later than December 31, 1994 (i) complete a study on economic and demand factors causing gender bias in education with terms of reference acceptable to the Association, (ii) review the results and recommendations of that study with the Association, and (iii) adopt an time-bound action program, acceptable to the Association, to address gender bias in education. Subsequently, the Borrower shall take, or shall cause to be taken, all necessary action required for the implementation of said action program.

6. The Borrower shall not later than July 31, 1995 (i) complete an audit of MENES/R's National Pedagogical Institute, and (ii) adopt a time-bound action program, acceptable to the Association, for the redeployment of redundant staff. Subsequently, the Borrower shall take, or cause to be taken, all necessary action required for the implementation of said action program.

Part B of the Project

7. The Borrower shall not later than October 31, 1995 (i) complete a study on demand for private education with terms of reference acceptable to the Association, (ii) review the results and recommendations of that study with the Association, and (iii) adopt an time-bound action program, acceptable to the Association, to stimulate private education. Subsequently, the Borrower shall take, or shall cause to be taken, all necessary action required for the implementation of said action program.

8. The Borrower shall not later than July 31, 1995 (i) complete a study on experimental classes using national languages with terms of reference acceptable to the Association, (ii) review the results and recommendations of that study with the Association, and (iii) adopt an time-bound action program, acceptable to the Association, to implement those recommendations. Subsequently, the Borrower shall take, or shall cause to be taken, all necessary action required for the implementation of said action program.

9. The Borrower shall throughout the implementation of the Project operate MENES/R's Directorate for Education Project Coordination under terms of reference and with qualified staff in adequate numbers, acceptable to the Association.

10. The Borrower shall (i) not later than January 31, 1996 complete a higher education sector study with terms of reference acceptable to the Association and launch a national debate among critical stakeholders on the recommendations resulting from this study, (ii) not later than October 31, 1996, adopt recommendations resulting from said national debate, and (iii) not later than December 31, 1996, initiate discussions with the Association on a time-bound reform program to implement said recommendations.

SCHEDULE 5

Special Account

1. For the purposes of this Schedule:

(a) the term "eligible Categories" means Categories (1) through (9) 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 CFAF 150,000,000 to be withdrawn from the Credit Account and deposited in 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 in 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; or (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 6

Actions Referred to in Paragraph 4 of Schedule 1 to this Agreement

1. The Borrower has, in accordance with the Program, made budgetary allowance for and has recruited at least 520 additional primary school teachers for the 1995/1996 school year.
2. The Borrower has, in accordance with the Program, admitted at least 720 additional teacher trainees (respecting a 85% - 15% Instituteur-Adjoint to Instituteur ratio) to the TTCs for the 1995/1996 school year.
3. The Borrower has, in accordance with the Program, constructed at least 120 new primary school class rooms during the 1994/1995 school year.
4. The Borrower has, in accordance with the Program, adopted the 1995 recurrent expenditures budget and the 1995-1997 rolling three-year public investment program for education, acceptable to the Association.
5. The Borrower has, in accordance with the Program, introduced the system of double-shift classes in a total of at least 670 primary school classes for the 1995/1996 school year.
6. The Borrower has, in accordance with the Program, as of the 1995/1996 school year, not admitted any new teacher trainees to secondary teacher programs other than those of the Ecole Normale Superieure.
7. The Borrower has, in accordance with the Program, terminated the contracts of at least 76 secondary school teachers and redeployed an additional 24 secondary school teachers to private secondary schools in lieu of monetary subsidies to said schools.
8. The Borrower's higher education scholarship and secondary students

subsidies spending in 1995 has not exceeded CFAF 4.6 billion and 1.6 billion respectively, in accordance with the Program.

