

CONFORMED COPY

CREDIT NUMBER 2107 SE

Project Agreement

(Second Agricultural Research Project)

between

INTERNATIONAL DEVELOPMENT ASSOCIATION

and

INSTITUT SENEGALAIS DE RECHERCHES AGRICOLES

Dated April 24, 1990

CREDIT NUMBER 2107 SE

PROJECT AGREEMENT

AGREEMENT, dated April 24, 1990, between
INTERNATIONAL DEVELOPMENT ASSOCIATION (the Association)
and INSTITUT SENEGALAIS DE RECHERCHES AGRICOLES (ISRA).

WHEREAS by the Development Credit Agreement of even date herewith between Republic of Senegal (the Borrower) and the Association, the Association has agreed to make available to the Borrower an amount in various currencies equivalent to fourteen million Special Drawing Rights (SDR 14,000,000), on the terms and conditions set forth in the Development Credit Agreement, but only on condition that ISRA agree to undertake such obligations toward the Association as are set forth in this Agreement;

WHEREAS ISRA, in consideration of the Association's entering into the Development Credit Agreement with the Borrower, has agreed to undertake the obligations set forth in this Agreement;

NOW THEREFORE the parties hereto hereby agree as follows:

ARTICLE I

Definitions

Section 1.01. Unless the context otherwise requires, the several terms defined in the Development Credit Agreement, the Preamble to this Agreement and in the General Conditions (as so defined) have the respective meanings therein set forth and the term "Five-Year Research Program" means the research program of ISRA covering the years 1990-1995.

ARTICLE II

Execution of the Project

Section 2.01. ISRA declares its commitment to the objectives of the Project as set forth in Schedule 2 to the Development Credit Agreement and, to this end, shall carry out the Project with due diligence and efficiency and in conformity with appropriate administrative, scientific, agricultural, financial, and engineering practices, and shall provide, or cause to be provided, promptly as needed, the funds, facilities, services and other resources required for the Project.

Section 2.02. 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 the Schedule to this Agreement.

Section 2.03. ISRA shall carry out the obligations set forth in Sections 9.03, 9.04, 9.05, 9.06, 9.07 and 9.08 of the General Conditions (relating to insurance, use of goods and services, plans and schedules, records and reports, maintenance and land acquisition, respectively) in respect of the Project Agreement.

Section 2.04. (a) ISRA shall, at the request of the Association, exchange views with the Association with regard to the progress of the Project, the performance of its obligations under this Agreement and other matters relating to the purposes of the Credit.

(b) ISRA shall promptly inform the Association of any condition which interferes or threatens to interfere with the progress of the Project, the accomplishment of the purposes of the Credit, or the performance by ISRA of its obligations under this Agreement.

(c) By January 31 and July 31 of each year of execution of the Project and without limitation upon its obligations under Section 9.06 of the General Conditions, ISRA shall prepare a progress report on the execution of the Project of such scope and in such detail as the Association shall reasonably request.

Section 2.05. By October 31 of each year, ISRA shall furnish to the Association its work program, budget and financing plan for the next following fiscal year, acceptable to the Association.

ARTICLE III

Management and Operations of ISRA

Section 3.01. ISRA shall carry on its operations and conduct its affairs in accordance with sound administrative, scientific, and financial practices under the supervision of qualified and experienced management assisted by competent staff in adequate numbers.

Section 3.02. ISRA shall at all times operate and maintain its plant, machinery, equipment and other

property and, from time to time, promptly as needed, make all necessary repairs and renewals thereof, all in accordance with sound engineering and financial practices.

Section 3.03. ISRA shall take out and maintain with responsible insurers, or make other provision satisfactory to the Association for, insurance against such risks and in such amounts as shall be consistent with appropriate practice.

Section 3.04. By January 1, 1991, ISRA shall prepare an action plan, satisfactory to the Association, for the establishment of an independent commercial production company to manage its revenue earning activities; such company to be established not later than January 1, 1992.

Section 3.05. During execution of the Project ISRA shall take all measures necessary to ensure that:

(a) any increase of research and administrative staff is justified by the manpower development study;

(b) funding for any new position created will be provided for in the Borrower's budget; and

(c) any research program not included in the Five-Year Research Program will only be carried out if:

(i) complete financing for any such program is assured; and

(ii) it is of high priority.

Section 3.06. By April 30, 1990 and, thereafter, during execution of the Project, ISRA shall take all necessary measures to participate in the activities of the regional research technical committees which have been established in its intervention zones.

ARTICLE IV

Financial Covenants

Section 4.01. (a) ISRA shall maintain records and accounts adequate to reflect in accordance with sound accounting practices its operations and financial condition.

(b) ISRA shall:

(i) have its records, accounts and financial statements (balance sheets, statements of income and expenses and related statements) 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 copies of its financial statements for such year as so audited, and (B) 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 financial statements as well as the audit thereof, as the Association shall from time to time reasonably request.

ARTICLE V

Effective Date; Termination; Cancellation and Suspension

Section 5.01. This Agreement shall come into force and effect on the date upon which the Development Credit Agreement becomes effective.

Section 5.02. (a) This Agreement and all obligations of the Association and of ISRA thereunder shall terminate on the earlier of the following two dates:

- (i) the date on which the Development Credit Agreement shall terminate in accordance with its terms; or
- (ii) the date 15 years after the date of this Agreement.

(b) If the Development Credit Agreement terminates in accordance with its terms before the date specified in paragraph (a) (ii) of this Section, the Association shall promptly notify ISRA of this event.

Section 5.03. All the provisions of this Agreement shall continue in full force and effect notwithstanding any cancellation or suspension under the General Conditions.

ARTICLE VI

Miscellaneous Provisions

Section 6.01. Any notice or request required or permitted to be given or made under this Agreement and any agreement between the parties contemplated by this Agreement shall be in writing. Such notice or request shall be deemed to have been duly given or made when it shall be delivered by hand or by mail, telegram, cable, or telex to the party to which it is required or permitted to be given or made at such party's address hereinafter specified or at such other address as such party shall have designated by notice to the party giving such notice or making such request. The addresses so specified are:

For the Association:

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

Cable address:

Telex:

INDEVAS	440098 (ITT)
Washington, D.C.	248423 (RCA) or
	64145 (WUI)

For ISRA:

Institut Senegalais de Recherches Agricoles
B.P. 3120
Dakar Senegal

Cable address:

Telex:

CHERCHAGRI
Dakar

23117

Section 6.02. Any action required or permitted to be taken, and any document required or permitted to be executed, under this Agreement on behalf of ISRA, may be taken or executed by the Director General or such other person or persons as the Director General shall designate in writing, and ISRA shall furnish to the Association sufficient evidence of the authority and the authenticated specimen signature of each such person.

Section 6.03. This Agreement may be executed in several counterparts, each of which shall be an original, and all collectively but one instrument.

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.

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ Edward V.K. Jaycox
Regional Vice President
Africa

INSTITUT SENEGALAIS DE RECHERCHES AGRICOLES

By /s/ Ibra Deguene KA
Authorized Representative

SCHEDULE 1

Procurement and Consultants' Services

Section I: Procurement of Goods and Works

Part A: International Competitive Bidding

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 1985 (the Guidelines).

Part B: Preference for Domestic Manufacturers

In the procurement of goods in accordance with the procedures described in Part A hereof, goods manufactured in Senegal 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 goods estimated to cost the equivalent of \$100,000 or less and contracts for works may be procured on the basis of local competitive bidding

advertised locally in accordance with procedures acceptable to the Association.

2. Contracts for goods estimated to cost the equivalent of \$30,000 or less may be procured on the basis of three price quotations obtained from at least three suppliers eligible under the Guidelines.

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 \$100,000 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 3 to the Development Credit Agreement.

(c) The provisions of the preceding subparagraphs (a) and (b) shall not apply to contracts on account of which the Association has authorized withdrawals from the Credit Account on the basis of statements of expenditure. Such contracts shall be retained in accordance with Section 4.01 (a) (ii) of the Development Credit Agreement.

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

Section II: Employment of Consultants

In order to assist in the execution of the Project, ISRA 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.

