

CONFORMED COPY

TF024010

Grant Agreement

(Priority Reconstruction Program)

between

BOSNIA AND HERZEGOVINA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION
(Acting as Administrator of
Grant Funds Provided by Multiple Donors)

Dated July 23, 1996

TF024010

GRANT AGREEMENT

AGREEMENT, dated July 23, 1996, between BOSNIA AND HERZEGOVINA (the Recipient) and the INTERNATIONAL DEVELOPMENT ASSOCIATION (the Association), acting as Administrator (the Administrator) of grant funds provided by the donors referred to in Schedule 6 to this Agreement (the Donors and each a Donor)

WHEREAS (A) the Donors have agreed to provide the grant funds to finance priority reconstruction expenditures for the economic and social development of the Recipient;

(B) the Donors have requested the Administrator, and the Administrator has agreed, to administer the grant funds;

(C) the Administrator has established a trust fund (the Trust Fund) to receive and administer the grant funds; and

(D) the Donors have agreed to make available to the Recipient a grant (the Grant) out of said grant funds to finance the cost of carrying out the project described in Schedule 2 to this Agreement (the Project) on the terms and conditions hereinafter set forth;

NOW THEREFORE the parties hereto hereby agree as follows:

ARTICLE I

General Conditions; Definitions

Section 1.01. (a) The following provisions of the General Conditions Applicable to Development Credit Agreements of the Association, dated January 1, 1985, with the modifications set forth in paragraph (b) of this Section (the General Conditions) constitute an integral part of this Agreement:

- (i) Article I;
- (ii) Sections 2.01 (1), (2), (3), (4), (5), (6), (7), (8), (9), (12), and (13), 2.02 and 2.03;
- (iii) Section 3.01;
- (iv) Section 4.01 and 4.05;
- (v) Article V;
- (vi) Sections 6.01, 6.02 (a), (b), (c), (d), (e), (g), and (h), 6.03, 6.04 and 6.06;
- (vii) Section 8.01 (b);
- (viii) Sections 9.01, 9.03, 9.04, 9.05, 9.06, 9.07, and 9.08;
- (ix) Article X; and
- (x) Article XI.

(b) The General Conditions shall be modified as follows:

(i) the term "Association," wherever used in the General Conditions, other than in Section 6.02 (e) thereof, means the International Development Association acting as Administrator of the Grant, except that in Section 6.02, the term "Association" shall also include the International Development Association acting in its own capacity;

(ii) the term "Borrower," wherever used in the General Conditions, means the Recipient;

(iii) the term "Development Credit Agreement," wherever used in the General Conditions, means this Agreement;

(iv) the term "Credit," wherever used in the General Conditions, means the Grant;

(v) the term "Credit Account," wherever used in the General Conditions, means the Grant Account, an account opened by the Administrator on its books in the name of the Recipient to which the amount of the Grant is credited;

(vi) the term "Project," wherever used in the General Conditions, means the Project described in Schedule 2 to this Agreement; and

(vii) Section 5.01 is modified to read:

"Except as the Recipient and the Bank shall otherwise agree, no withdrawals shall be made: (a) on account of expenditures in the territories of any country which is not a member of the Bank or goods procured in, or services supplied from, such territories; or (b) for the purpose of any payment to persons or entities, or for any of goods, if such payment or import, to the knowledge of the Administrator, is prohibited by a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations."

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

(a) "Federation" means the Federation of Bosnia and Herzegovina;

(b) "Central Bank" means the Central Bank of the Recipient which is to be established as the successor to the National Bank of Bosnia and Herzegovina;

(c) "PCU" means the Project Coordination Unit referred to in Section 3.03 of this Agreement;

(d) "Subsidiary Grant Agreement" means the agreement entered into between the Recipient and the Federation pursuant to Section 3.02 (a) of this Grant Agreement, as the same may be amended from time to time, and such term includes all schedules supplemental to the Subsidiary Grant Agreement; and

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

ARTICLE II

The Grant

Section 2.01. (a) The Administrator agrees to make available to the Recipient, on the terms and conditions set forth or referred to in this Agreement, an amount equivalent to five million three hundred sixty four thousand three hundred sixty-four United States Dollars and twelve cents (\$5,364,364.12).

(b) If further contributions by the Donors to the Trust Fund shall be added to the Grant, the Administrator shall promptly inform the Recipient of the occurrence thereof.

(c) The Administrator may invest the Grant, pending its disbursement, in any instrument in which the Administrator is authorized to invest its own funds. The investment income shall be added to the Grant and shall be used to finance eligible expenditures in agreement with the Recipient, except in cases where the Administrator is precluded from doing so.

Section 2.02. (a) The amount of the Grant may be withdrawn from the Grant Account in accordance with the provisions of Schedule 1 to this Agreement for payments made or, if the Administrator shall so agree, to be made in respect of the eligible expenditures.

(b) The Recipient may, for the purposes of the Project, open and maintain in Dollars a special deposit account in a commercial bank, satisfactory to the Administrator, on terms and conditions satisfactory to the Administrator, 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 June 30, 1997 or such later date as the Administrator shall establish. The Administrator shall promptly notify the Recipient of such later date.

Section 2.04. The Administrator shall be obligated to effect payments to or on behalf of the Recipient from the Grant only to the extent that an amount adequate to cover such payments shall have been paid by the Donors into the Trust Fund.

ARTICLE III

Execution of the Project

Section 3.01. The Recipient declares its commitment to the objectives of the Project as set forth in Schedule 2 to this Agreement, and, to this end, shall cause the Federation to carry out the Project through its Ministry of Finance, and such other ministries and agencies as agreed with the Administrator, with due diligence and efficiency and in accordance with the Implementation Program set forth in Schedule 4 to this Agreement, as such Implementation Program shall be modified from time to time by the agreement of the Recipient and the Administrator.

Section 3.02. (a) For purposes of the carrying out of the Project, the Recipient shall provide the proceeds of the Grant to the Federation under a Subsidiary Grant Agreement to be entered into between the Recipient and the Federation under terms and conditions which shall have been approved by the Administrator, which shall include those described in the Implementation Program set forth in Schedule 4 to this Agreement, as such Implementation Program shall be modified from time to time by the agreement of the Recipient and the Administrator.

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

Section 3.03. The Recipient shall maintain a PCU under terms of reference and with staffing and other resources acceptable to the Administrator. The PCU shall be headed by a director and shall have the overall responsibility for Project coordination, including coordination of the carrying out of the Project by the Ministry of Finance of the Federation, Electroprivreda, and such other ministries and agencies and institutions of the Federation as agreed with the Administrator.

Section 3.04. Except as the Administrator shall otherwise agree, procurement of the goods, works and consultants' services required for the Project and to be financed out of the Grant shall be governed by the provisions of Schedule 3 to this Agreement.

Section 3.05. (a) The Recipient shall or shall cause the Federation to maintain 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 Recipient or the Federation responsible for carrying out the Project or any part thereof.

(b) The Recipient shall or shall cause the Federation to:

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

(c) For all expenditures with respect to which withdrawals from the Grant Account were made on the basis of statements of expenditure, the Recipient shall or shall cause the Federation to:

- (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 Administrator has received the audit report for the fiscal year in which the withdrawal from the Grant Account was made, all records (contracts, orders, invoices, bills, receipts and other evidencing such expenditures);
- (iii) enable the Administrator'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 report of such audit contains a separate opinion by said auditors as to whether the statements of expenditure submitted during fiscal year, together with the procedures and internal controls involved in their preparation, can be relied upon to support related withdrawals.

ARTICLE IV

Effectiveness

Section 4.01. The following event is specified as a condition to the

effectiveness of this Agreement, namely, that the Recipient shall have furnished to the Administrator evidence that the Subsidiary Grant Agreement has been executed with terms and conditions satisfactory to the Administrator.

Section 4.02. This Agreement shall enter into effect on the date upon which the Administrator dispatches to the Recipient notice of its acceptance of the evidence required by Section 4.01 of this Agreement.

Section 4.03. If, before dispatch to the Recipient of the notice referred to in Section 4.02 of this Agreement, any event shall have occurred which would have entitled the Administrator to suspend the right of the Recipient to make withdrawals from the Grant Account if this Agreement had been effective, the Administrator may postpone the dispatch of said notice until such event or events shall have ceased to exist.

Section 4.04. This Agreement shall continue in effect until the Grant has been fully disbursed and the parties to this Agreement have fulfilled all their obligations hereunder.

ARTICLE V

Representation

Section 5.01. The Minister of Finance of the Recipient is designated as representative of the Recipient for the purposes of Section 11.03 of the General Conditions.

Section 5.02. The following addresses are specified for the purposes of Section 11.01 of the General Conditions:

For the Recipient:

Ministry of Finance
Mehmeda Spahe 5
71000 Sarajevo
Bosnia and Herzegovina

For the Administrator and the Bank:

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 as of the day and year first above written.

BOSNIA AND HERZEGOVINA

By /s/ M. Kikanovic

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION
(Acting as Administrator of Grant Funds
Provided by Multiple Donors)

By /s/ C. Wallich

SCHEDULE 1

Withdrawal of the Grant

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

Category	Amount of the Grant Allocated (Expressed in Dollar equivalent)	% of Expenditures to be Financed
(1) Goods expendi- other items	3,156,391.85	100% of foreign expenditures, 100% of local expenditures (ex-factory cost) and 85% of local tures for procured locally
(2) Civil works	668,399.77	100% (net of taxes)
(3) Consultants' services	1,321,779.32	100%
(4) Salaries	217,793.18	100%
TOTAL	5,364,364.12	

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 Recipient for goods or services supplied from the territory of any country other than that of the Recipient; and

(b) the term "local expenditures" means expenditures in the currency of the Recipient or for goods or services supplied from the territory of the Recipient provided, however, that the currency of the Recipient is also that of another country from the territory of which goods or services are supplied, expenditures in such currency for such goods or services shall be deemed to be "foreign expenditures."

3. Notwithstanding the provisions of paragraph 1 above, no withdrawals shall be made in respect of payments made for expenditures prior to the date of this Agreement.

4. The Administrator may require withdrawals from the Grant Account to be made on the basis of statements of expenditure for: (a) expenditures for goods and works under contracts not exceeding \$1,000,000 equivalent each; and (b) contracts for employment of consultants not exceeding \$250,000 equivalent each, under such terms and conditions as the Administrator shall specify by notice to the Recipient.

5. The percentage specified for expenditures under Category (2) in the table set forth in paragraph 1 has been calculated on the assumption that no taxes are collected on works. If any change occurs, which has the effect of levying and collecting taxes in relation to the item under Category (1), the Administrator shall have the power to decrease the percentage referred to above accordingly.

SCHEDULE 2

Description of the Project

The objectives of the Project are to help rehabilitate and restore the Federation's severely damaged productive capacity and infrastructure facility, to initiate production and economic activities in a war-devastated economy and to assist in the establishment of a minimum level of institutional framework for country governance and policy formulation necessary for an effective implementation of the Federation's reconstruction program.

The Project consists of the following activities subject to such modifications as the Recipient and the Administrator may agree from time to time to achieve the above objectives.

Part A:

Support for the establishment and functioning of key ministries and governmental institutions of the Federation, through the provision of office equipment, including telecommunications facilities and computers; the repair and refurbishing of administration buildings; and the provision of technical assistance and salary supplements to the personnel of said governmental institutions to strengthen their capacity for effective governance and Project implementation.

Part B:

Provision of critical inputs to the power sector of the Federation.

* * * *

The Project is expected to be completed by December 31, 1996.

SCHEDULE 3

Procurement and Consultants' Services

Section I. Procurement of Goods and Works

Part A: General

Goods and works shall be procured in accordance with the provisions of Section I of the "Guidelines for Procurement under IBRD Loans and IDA Credits" published by the Bank in January 1995 and revised in January 1996 (the Guidelines) and the following provisions of this Section, as applicable:

Part B: International Competitive Bidding

1. Except as otherwise provided in Part C of this Section, goods shall be procured under contracts awarded in accordance with the provisions of Section II of the Guidelines and paragraph 5 of Appendix 1 thereto.
2. Section II of the Guidelines shall be modified to provide that: (i) the General Procurement Notice (GPN) shall also be published in the local press; (ii) individual advertisement for specific contracts shall also be published in the local press; (iii) the period allowed for submission of bids shall be four (4) weeks; and (iv) bid and payment currency shall be limited to one currency widely used in international trade.
3. The following provision shall apply to goods to be procured under contracts awarded in accordance with the provisions of paragraphs 1 and 2 of this Part B, namely, that the provisions of paragraphs 2.54 and 2.55 of the Guidelines and Appendix 2 thereto shall apply to goods manufactured in the territory of the Recipient.

Part C: Other Procurement Procedures

1. Limited International Bidding

Goods: (i) estimated to cost \$2,000,000 equivalent or more but less than \$5,000,000 equivalent per contract; or (ii) which the Bank agrees can only be purchased from a limited number of suppliers, regardless of the cost thereof, may be procured under contracts awarded in accordance with the provisions of paragraph 3.2 of the Guidelines. In addition, the list of suppliers shall be derived from, inter alia, the expressions of interest received in response to the GPN. Bidding documents may provide that the bidders may send their bids by fax, in which case, bid security shall not be required, subject to the satisfaction of the Trustee that mechanisms to ensure confidentiality of bids received by fax are in place.

2. International Shopping

Goods estimated to cost less than \$2,000,000 equivalent per contract, may be procured under contracts awarded on the basis of international shopping procedures in accordance with the provisions of paragraphs 3.5 and 3.6 of the Guidelines and using

standard documentation agreed with the Administrator.

3. National Shopping

Goods estimated to cost less than \$200,000 equivalent per contract may be procured under contracts awarded on the basis of national shopping procedures in accordance with the provisions of paragraphs 3.5 and 3.6 of the Guidelines.

4. Direct Contracting

Goods and works which should be procured as an extension of an existing contract or must be purchased from the original supplier to be compatible with existing equipment or are of a proprietary nature or which must be urgently procured, may, with the Bank's prior agreement, be procured in accordance with the provisions of paragraph 3.7 of the Guidelines.

5. National Competitive Bidding

Works estimated to cost less than \$5,000,000 equivalent per contract may be procured under contracts awarded in accordance with the provisions of paragraphs 3.3 and 3.4 of the Guidelines with the following modifications:

- (i) general prequalification will be carried out through advertising in the local press. The list of prequalified bidders will be updated from time to time as a result of new expression of interest and information submitted by qualified contractors;
- (ii) prequalified bidders will be allowed a minimum of four (4) weeks to submit their bids;
- (iii) bidding documents will follow the formats of the National Competitive Bidding documents agreed with the Administrator;
- (iv) if interested, foreign bidders will be allowed to submit bids;
- (v) bids will be submitted in sealed envelopes, and both mailed and hand-carried bids will be accepted;
- (vi) all bids will be opened at the same time in public;
- (vii) contracts will be awarded to the lowest evaluated bidder; and
- (viii) bidders will not be asked, nor allowed, to change the substance of their bids after the bid closing date, and price negotiations with the lowest evaluated bidder will be confined to those cases listed in the Guidelines.

7. Procurement of Small Works

Works estimated to cost less than \$1,000,000 per contract, may be procured under lump sum, fixed price contracts awarded on the basis of quotations obtained from three qualified contractors in response to a written invitation. The invitation shall include a detailed description of the works, including basic specifications, the required completion date, a basic form of agreement acceptable to the Association, and relevant drawings, where applicable. The award shall be made to the contractor who offers the lowest price quotation for the required work, and who has the experience and resources to successfully complete the contract.

8. Procurement from UN Agencies

Goods may be procured from UN agencies such as FAO, ILO, UNICEF and WHO in accordance with the provisions of paragraph 3.9 of the Guidelines.

Part D: Review by the Administrator of Procurement Decisions

1. Prior Review

With respect to each contract to be awarded in accordance with the provisions of: (i) Section I, Parts B, C.1 and C.4 of this Schedule; and (ii) the prequalification criteria and documentation to be included in the invitation to prequalify under Section I, Part C.5 of this Schedule, the procedures set forth in paragraphs 2 and 3 of Appendix 1 to the Guidelines shall apply.

2. Post Review

With respect to each contract not governed by paragraph 1 of this Part, the procedures set forth in paragraph 4 of Appendix 1 to the Guidelines shall apply.

Section II. Employment of Consultants

1. Consultants' services shall be procured under contracts awarded in accordance with the provisions 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, such contracts shall be based on the standard form of contract for consultants' services issued by the Bank, with such modifications as shall have been agreed by the Administrator. Where no relevant standard contract documents have been issued by the Bank, other standard forms acceptable to the Administrator shall be used.

2. Notwithstanding the provisions of paragraph 1 of this Section, the provisions of the Consultant Guidelines requiring prior Administrator review or approval of budgets, short lists, selection procedures, letters of invitation, proposals, evaluation reports and contracts shall not apply to contracts for the employment of consultants estimated to cost less than \$500,000 equivalent each. However, said exceptions to prior Administrator 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 Administrator, or (d) amendments to contracts for the employment of consultants raising the contract value to \$500,000 equivalent or above.

SCHEDULE 4

Implementation Program

Except as the Recipient and the Administrator shall agree, the Subsidiary Grant Agreement shall contain the following Project implementation arrangements.

1. The Federation shall carry out the Project through its Ministry of Finance, Electroprivreda, and such other ministries and agencies as agreed with the Administrator, with due diligence and efficiency and for this purpose shall coordinate with the PCU.

2. For the purpose of Section 9.06 of the General Conditions, and without limitation thereto, the Federation shall:

(a) prepare, on the basis of guidelines acceptable to the Administrator, and furnish to the Administrator not later than six (6) months after the Closing Date or such later date as may be agreed for this purpose between the Federation and the Administrator, a plan for the future operation of the Project; and

(b) afford the Administrator a reasonable opportunity to exchange views with the Federation on said plan.

SCHEDULE 5

Special Account

1. For the purposes of this Schedule:

(a) the term "eligible Category" means Categories (1) through (4) 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 Grant 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 Grant 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 Administrator 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 Recipient shall furnish to the Administrator a request or requests for deposit into the Special Account of an amount or amounts which do not exceed the aggregate amount of the Authorized Allocation. On the basis of such request or requests, the Administrator shall, on behalf of the Recipient, withdraw from the Grant Account and deposit in the Special Account such amount or amounts as the Recipient shall have requested.

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

(ii) Prior to or at the time of each such request, the Recipient shall furnish to the Administrator the documents and other evidence required pursuant to paragraph 4 of this Schedule for the or payments in respect of which replenishment is requested. On the basis of each such request, the Administrator shall, on behalf of the Recipient, withdraw from the Grant Account and deposit into the Special Account such amount as the Recipient 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 Administrator from the Grant Account under the respective eligible Category, and in the respective equivalent amounts, as shall have been justified by said documents and other evidence.

4. For each payment made by the Recipient out of the Special Account, the Recipient shall, at such time as the Administrator shall reasonably request, furnish to the Administrator 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 Administrator shall not be required to make further deposits into the Special Account:

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

(b) if the Recipient shall have failed to furnish the Administrator within the period of time specified in Section 3.04 (b) (ii) of this Agreement, any of the audit reports required to be furnished to the Administrator pursuant to said Section in respect of the audit of the records and accounts for the Special Account;

(c) if, at any time, the Administrator shall have notified the Recipient of its intention to suspend in whole or in part the right of the Recipient to make withdrawals from the Grant Account pursuant to the provisions of Section 6.02 of the General Conditions; or

(d) once the total unwithdrawn amount of the Grant allocated to the eligible Category minus the total amount of all outstanding special commitments entered into by the Administrator 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 Loan Account of the remaining unwithdrawn amount of the Grant allocated to the eligible Category shall follow such procedures as the Administrator shall specify by notice to the Recipient. Such further withdrawals shall be made only after and to the extent that the Administrator 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 Administrator 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 Administrator, the Recipient shall, promptly upon notice from the Administrator: (A) provide such additional evidence as the Administrator may request; or (B) deposit into the Special Account (or, if the Administrator shall so

request, refund to the Administrator) an amount equal to the amount of such payment or the portion thereof not so eligible or justified. Unless the Administrator shall otherwise agree, no further deposit by the Administrator into the Special Account shall be made until the Recipient has provided such evidence or made such deposit or refund, as the case may be.

(b) If the Administrator 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 Recipient shall, promptly upon notice from the Administrator, refund to the Administrator such outstanding amount.

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

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

SCHEDULE 6

Donors and Contributions (Expressed in United States Dollar Equivalent)

Donor Contributions

Switzerland	5,364,364.12
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1. Contributions in a currency other than United States dollar shall be converted into United States Dollars immediately upon receipt thereof by the Administrator.

2. Upon conversion into United States Dollars by the Administrator of all contributions in currencies other than United States Dollars, (such contributions, together with contributions in United States Dollars, being hereafter collectively referred to as the "Contributions"), the Administrator shall, for purposes of defraying its own administrative costs, pay itself an amount equivalent to two percent (2%) of the amount of the Grant for activities implemented by the Recipient, and the investment income will be added to the account to be used for purposes of the Trust Fund.

