

CONFORMED COPY

LOAN NUMBER 3587 MOR

## Project Agreement

(Second Large Scale Irrigation Improvement Project)

among

INTERNATIONAL BANK FOR RECONSTRUCTION  
AND DEVELOPMENT

and

OFFICE REGIONAL DE MISE EN VALEUR AGRICOLE DES DOUKKALA  
and  
OFFICE REGIONAL DE MISE EN VALEUR AGRICOLE DU GHARB  
and  
OFFICE REGIONAL DE MISE EN VALEUR AGRICOLE DU HAOUZ  
and  
OFFICE REGIONAL DE MISE EN VALEUR AGRICOLE DU LOUKKOS  
and  
OFFICE REGIONAL DE MISE EN VALEUR AGRICOLE DE LA MOULOUYA  
and  
OFFICE REGIONAL DE MISE EN VALEUR AGRICOLE DE OUARZAZATE  
and  
OFFICE REGIONAL DE MISE EN VALEUR AGRICOLE DU SOUSS-MASSA  
and  
OFFICE REGIONAL DE MISE EN VALEUR AGRICOLE DU TADLA  
and  
OFFICE REGIONAL DE MISE EN VALEUR AGRICOLE DU TAFILALET

Dated June 14, 1993

LOAN NUMBER 3587 MOR

## PROJECT AGREEMENT

AGREEMENT, dated June 14, 1993, between INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (the Bank) and OFFICE REGIONAL DE MISE EN VALEUR AGRICOLE DES DOUKKALA and OFFICE REGIONAL DE MISE EN VALEUR AGRICOLE DU GHARB and OFFICE REGIONAL DE MISE EN VALEUR AGRICOLE DU HAOUZ and OFFICE REGIONAL DE MISE EN VALEUR AGRICOLE DU LOUKKOS and OFFICE REGIONAL DE MISE EN VALEUR AGRICOLE DE LA MOULOUYA and OFFICE REGIONAL DE MISE EN VALEUR AGRICOLE DE OUARZAZATE and OFFICE REGIONAL DE MISE EN VALEUR AGRICOLE DU SOUSS-MASSA and OFFICE REGIONAL DE MISE EN VALEUR AGRICOLE DU TADLA and OFFICE REGIONAL DE MISE EN VALEUR AGRICOLE DU TAFILALET (collectively, the "ORMVAS"; each an "ORMVA").

WHEREAS by the Loan Agreement of even date herewith between Kingdom of Morocco (the Borrower) and the Bank, the Bank has agreed to make available to the Borrower an amount in various currencies equivalent to two hundred fifteen million dollars (\$215,000,000), on the terms and conditions set forth in the Loan Agreement, but only on condition that each ORMVA agrees to undertake such obligations toward the Bank as are set forth in this Agreement; and

WHEREAS each ORMVA, in consideration of the Bank's entering into the Loan 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 and expressions defined in the Loan Agreement and the General Conditions (as so defined) have the respective meanings therein set forth and the following additional term and expressions have the following meanings:

(a) "Management Information System" means a computerized management system designed to improve the management efficiency of the ORMVA;

(b) "ONE" means the National Electricity Authority of the Borrower (Office National de l'Electricite) established pursuant to Law (Dahir) No. 1-63-226, dated August 5, 1963, as the same may be amended from time to time; and

(c) "its respective Part of the Project" means, with respect to Doukkala ORMVA, Parts A.1, C and D of the Project, with respect to Gharb ORMVA, Parts A.2, C and D of the Project, with respect to Haouz ORMVA, Parts A.3, C and D of the Project, with respect to Loukkos ORMVA, Parts A.4, C and D of the Project, with respect to Moulouya ORMVA, Parts A.5, C and D of the Project, with respect to Ouarzazate ORMVA, Parts A.6, C and D of the Project, with respect to Souss-Massa ORMVA, Parts A.7, C and D of the Project, with respect to Tadla ORMVA, Parts A.8, C and D of the Project and with respect to Tafilalet ORMVA, Parts A.9, C and D of the Project.

## ARTICLE II

### Execution of the Project

Section 2.01. (a) Each ORMVA declares its commitment to the objectives of the Project as set forth in Schedule 2 to the Loan Agreement, and, to this end, each ORMVA shall carry out its respective Part of the Project with due diligence and efficiency and in conformity with appropriate administrative, engineering, financial and agricultural practices, and shall provide, or cause to be provided, promptly as needed, the funds, facilities, services and other resources required for said Part.

(b) Without limitation upon the provisions of paragraph (a) of this Section and except as the Bank and the ORMVAs shall otherwise agree after consulting with the Borrower, each ORMVA shall carry out its respective Part of the Project in accordance with the Implementation Program set forth in Schedule 2 to this Agreement.

Section 2.02. Except as the Bank shall otherwise agree, procurement of the goods, works and consultants' services required for Parts A, C and D of the Project and to be financed out of the proceeds of the Loan shall be governed by the provisions of Schedule 1 to this Agreement.

Section 2.03. Each ORMVA shall carry out the obligations set forth in Sections 9.04, 9.05, 9.06, 9.07, 9.08 and 9.09 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 and its respective Part of the Project.

Section 2.04. (a) Each ORMVA shall exchange views with the Bank with regard to the progress of its respective Part of the Project, the performance of its obligations under this Agreement and other matters relating to the purposes of the Loan.

(b) Each ORMVA shall promptly inform the Bank of any condition which interferes or threatens to interfere with the

progress of its respective Part of the Project, the accomplishment of the purposes of the Loan or the performance by such ORMVA of its obligations under this Agreement.

### ARTICLE III

#### Management and Operations of the ORMVAs

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

Section 3.02. Each ORMVA 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, financial and agricultural practices.

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

### ARTICLE IV

#### Financial and Other Covenants

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

(b) Each ORMVA 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 Bank;
- (ii) furnish to the Bank 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 Bank shall have reasonably requested; and
- (iii) furnish to the Bank such other information concerning said records, accounts and financial statements as well as the audit thereof, as the Bank shall from time to time reasonably request.

Section 4.02. Each ORMVA, other than Ouarzazate ORMVA and Tafilalet ORMVA, shall take all measures required on its part to ensure, by December 31 of each year until completion of the Project, collection, in accordance with the rates set out in Schedule 3 to this Agreement, of Water Charges, including arrears outstanding as of January 1, 1993, on account of Water Charges, owed each ORMVA by its Irrigation System's beneficiaries.

Section 4.03. Each ORMVA shall continue to pay its electricity charges to ONE within 120 days from the date of receipt by the ORMVA of bills substantiating such charges.

Section 4.04. (a) Without limitation to the provisions of Section 2.01 (a) of this Agreement, each ORMVA shall, for each Fiscal Year until completion of the Project, make such allocations out of the ORMVA's net revenues for the preceding Fiscal Year as

shall be necessary to fund, on a priority basis, activities under Part A of the Project.

(b) For purposes of this Section, the term "net revenues" means the difference between:

- (i) the sum of revenues from the ORMVA's water distribution operations; and
- (ii) the sum of all expenses related to the ORMVA's water distribution operations including administration, adequate maintenance, taxes and payments in lieu of taxes, but excluding provision for depreciation, other non-cash operating charges and interest and other charges on debt.

Section 4.05. Each ORMVA shall prepare and furnish to the Bank, not later than June 30 of each year until completion of the Project, commencing on June 30, 1994, a report, of such scope as outlined in Schedule 4 to this Agreement, describing the ORMVA's financial performance for the preceding Fiscal Year.

#### 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 Loan Agreement becomes effective.

Section 5.02. This Agreement and all obligations of the Bank and the ORMVAs thereunder shall terminate on the date on which the Loan Agreement shall terminate in accordance with its terms, and the Bank shall promptly notify each ORMVA thereof.

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, telex or radiogram 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 Bank:

International Bank for  
Reconstruction and Development  
1818 H Street, N.W.  
Washington, D.C. 20433  
United States of America

Cable address:

INTBAFRAD  
Washington, D.C.

Telex:

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

For Doukkala ORMVA:

El Jadida	Telex: 78924
For Gharb ORMVA: Kenitra	Telex: 92113
For Haouz ORMVA: Marrakech	Telex: 72934
For Loukkos ORMVA: Ksar El Kebir	Telex: 32924
For Moulouya ORMVA: Berkane	Telex: 61028
For Ouarzazate ORMVA: Ouarzazate	Telex: 72916
For Souss-Massa ORMVA: Agadir	Telex: 81870
For Tadla ORMVA: Fkih Ben Salah	Telex: 23908
For Tafilalet ORMVA: Errachidia	Telex:

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 any ORMVA may be taken or executed by its Director or such other person or persons as said Director shall designate in writing, and each ORMVA shall furnish to the Bank 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 Rabat, Kingdom of Morocco, as of the day and year first above written.

INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT

By /s/ Harinder Kohli  
Acting Regional Vice President  
Middle East and North Africa

OFFICE REGIONAL DE MISE EN VALEUR  
AGRICOLE DES DOUKKALA  
OFFICE REGIONAL DE MISE EN VALEUR  
AGRICOLE DU GHARB  
OFFICE REGIONAL DE MISE EN VALEUR  
AGRICOLE DU HAOUZ  
OFFICE REGIONAL DE MISE EN VALEUR  
AGRICOLE DU LOUKKOS  
OFFICE REGIONAL DE MISE EN VALEUR  
AGRICOLE DE LA MOULOUYA  
OFFICE REGIONAL DE MISE EN VALEUR  
AGRICOLE DE OUARZAZATE  
OFFICE REGIONAL DE MISE EN VALEUR  
AGRICOLE DU SOUSS-MASSA  
OFFICE REGIONAL DE MISE EN VALEUR  
AGRICOLE DU TADLA  
and  
OFFICE REGIONAL DE MISE EN VALEUR  
AGRICOLE DU TAFILALET

By /s/ Abdelaziz Meziane  
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 and works 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).

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 Kingdom of Morocco 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. Civil works estimated to cost the equivalent of \$5,000,000 or less per contract, up to an aggregate amount equivalent to \$180,000,000, may be procured under contracts awarded on the basis of competitive bidding, advertised locally, in accordance with procedures satisfactory to the Bank.

2. Items or groups of items of equipment and vehicles estimated to cost the equivalent of less than \$500,000 per contract, but not less than the equivalent of \$30,000 each, up to an aggregate amount equivalent to \$35,000,000, may be procured under contracts awarded on the basis of competitive bidding, advertised locally, in accordance with procedures satisfactory to the Bank.

3. Miscellaneous items of equipment and vehicles estimated to cost the equivalent of less than \$30,000 each may be purchased 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 Bank.

Part D: Review by the Bank of Procurement Decisions

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

(a) With respect to (i) each contract for civil works estimated to cost the equivalent of \$2,000,000 or more; and (ii) each contract for equipment and vehicles estimated to cost the equivalent of \$400,000 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 Bank pursuant to said paragraph 2 (d) shall be furnished to the Bank 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 Bank pursuant to said paragraph 3 shall be furnished to the Bank as part of the evidence to be furnished pursuant to paragraph 4 of Schedule 6 to the Loan Agreement.

(c) The provisions of the preceding sub-paragraph (b) shall not apply to contracts on account of which withdrawals from the Loan 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 II. Employment of Consultants

In order to assist the ORMVAs in carrying out Parts A, C and D of the Project, the ORMVAs shall employ consultants whose qualifications, experience and terms and conditions of employment shall be satisfactory to the Bank. Such consultants shall be selected in accordance with principles and procedures satisfactory

to the Bank 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.

## SCHEDULE 2

### Implementation Program

#### A. Progress in Project Implementation

Without limitation upon the provisions of Sections 9.01 and 9.07 of the General Conditions (relating to exchanges of views and reports, respectively) each ORMVA shall prepare and furnish to the Bank, not later than March 31 and September 30 of each year until completion of the Project, commencing in Fiscal Year 1994, a semi-annual report on progress achieved in carrying out its respective Part of the Project, of such scope and in such detail as the Bank may reasonably request.

#### B. Three-Year Revolving Action Plan

Each ORMVA shall, not later than January 31, 1994, prepare and furnish to the Bank for its review and comments a three-year revolving action plan setting out measures to be taken and acts to be carried out by the ORMVA to ensure timely and effective Project implementation. Each ORMVA shall annually update said plan and furnish it to the Bank for its review and comments not later than January 31 of every year until completion of Project, and shall, thereafter, take all measures necessary on its part to ensure implementation of said action plan as updated, taking into account the Bank's comments thereon.

#### C. Management Information System

1. Each of Haouz ORMVA, Moulouya ORMVA, Souss-Massa ORMVA, Ouarzazate ORMVA and Tafilalet ORMVA shall, not later than June 30, 1994, employ consultants, pursuant to the provisions to Section II of Schedule 1 of this Agreement, to design and install a Management Information System at the main office of each of the above-mentioned ORMVAs, and shall furnish to the Bank for its review and comments findings and recommendations of such consultants not later than June 30, 1995.

2. The Bank and each of Haouz ORMVA, Moulouya ORMVA, Souss-Massa ORMVA, Ouarzazate ORMVA and Tafilalet ORMVA shall, not later than September 30, 1995, exchange views with respect to said consultants' recommendations and, on the basis of said exchange of views, each of Haouz ORMVA, Moulouya ORMVA, Souss-Massa ORMVA, Ouarzazate ORMVA and Tafilalet ORMVA shall take all measures required on its part to ensure implementation of the consultants' recommendations taking into account the Bank's comments thereon.

#### D. Operation and Maintenance

1. (a) Each of Doukkala ORMVA, Gharb ORMVA, Loukkos ORMVA and Moulouya ORMVA shall, not later than June 30, 1994, employ consultants, pursuant to the provisions of Section II of Schedule 1 to this Agreement, to assist in the establishment of new operation and maintenance procedures for pumping equipment located within the ORMVA's own Irrigation System, and shall furnish to the Bank, not later than June 30, 1995, said consultants' conclusions and recommendations.

(b) The Bank and each of Doukkala ORMVA, Gharb ORMVA, Loukkos ORMVA and Moulouya ORMVA shall, not later than September 30, 1995, exchange views with the Bank with respect to said consultants' conclusions and recommendations and, on the basis of said exchange of views, each of Doukkala ORMVA, Gharb ORMVA, Loukkos ORMVA and Moulouya ORMVA shall take all measures required on its part to ensure timely implementation of the consultants' recommendations taking into account the Bank's comments thereon.



2. (a) Each ORMVA shall, not later than June 30, 1994, employ consultants, pursuant to the provisions of Section II of Schedule 1 to this Agreement, to assist in the establishment of new operation and maintenance procedures for irrigation networks and buildings located within the ORMVA's own Irrigation System, and shall furnish to the Bank, not later than June 30, 1995, said consultants' conclusions and recommendations.

(b) The Bank and each ORMVA shall, not later than September 30, 1995, exchange views with the Bank with respect to said consultants' conclusions and recommendations and, on the basis of such exchange of views, each ORMVA shall take all measures required on its part to ensure timely implementation of the consultants' recommendations taking into account the Bank's comments thereon.

#### E. Private Sector Participation in Maintenance Activities

1. In order to implement the objectives of Section C of the Annex to Schedule 2 of the Loan Agreement, each ORMVA shall, not later than March 31, 1994, prepare and furnish to the Bank an action plan designed to enhance the role of the private sector in the maintenance of the Irrigation Systems, and shall, promptly thereafter, commence implementation of said plan taking into account the Bank's comments thereon.

2. Each ORMVA shall take all measures necessary to ensure that contracts for the procurement of equipment and vehicles under Section C of the Annex to Schedule 2 of the Loan Agreement shall be awarded only after such ORMVA has received the Bank's approval of the above-mentioned plan.

#### F. Rehabilitation Works

1. In order to implement the objectives of Parts A.1.a, A.2.a, A.5.a, and A.8.a of the Project, each of Doukkala ORMVA, Gharb ORMVA, Moulouya ORMVA and Tadla ORMVA shall, not later than June 30, 1994, employ consultants, in accordance with the provisions of Section II of Schedule 1 to this Agreement, to assist Doukkala ORMVA in carrying out Part A.1.a of the Project, Gharb ORMVA in carrying out Parts A.2.a of the Project, Moulouya ORMVA in carrying out Parts A.5.a of the Project and Tadla ORMVA in carrying out Parts A.8.a of the Project.

2. Each of Doukkala ORMVA, Gharb ORMVA, Moulouya ORMVA and Tadla ORMVA shall take all measures necessary on its part to ensure that contracts for rehabilitation works under its respective Part of the Project shall be awarded only after the ORMVA has received the Bank's approval of the above-mentioned consultants' employment.

#### G. Design of Subsurface Drainage Systems

1. Each of Gharb ORMVA, Moulouya ORMVA and Tadla ORMVA shall, not later than June 30, 1994, employ consultants, pursuant to the provisions of Section II of Schedule 1 to this Agreement, to carry out designs of subsurface drainage systems under Parts A.2.a (ii), A.5.a (iii) and A.8.a (iii) of the Project, respectively, and shall furnish to the Bank for its review and comments recommendations of such consultants, not later than December 31, 1994.

2. The Bank and each of Gharb ORMVA, Moulouya ORMVA and Tadla ORMVA shall, not later than March 31, 1995, exchange views with respect to said consultants' recommendations and, on the basis of said exchange of views, each of Gharb ORMVA, Moulouya ORMVA and Tadla ORMVA shall take all measures required on its part to ensure implementation of the consultants' recommendations, taking into account the Bank's comments thereon, prior to awarding contracts for the procurement of civil works and equipment under Parts A.2.a (ii), A.5.a (iii) and A.8.a (iii) of the Project, respectively.

#### H. Hydrant Rehabilitation

1. In order to implement the objectives of Part C.3 of the

Project, each ORMVA shall, not later than June 30, 1995, prepare and furnish to the Bank for its review and comments engineering studies setting out an evaluation of the technical and organizational arrangements necessary for the rehabilitation of hydrant structures and the setting-up of metering procedures in such ORMVA's Perimeters, and shall, promptly thereafter, commence implementation of said arrangements taking into account the Bank's comments thereon.

2. Each ORMVA shall take all measures necessary to ensure that contracts for the provision of metering and control equipment under Part C.3 of the Project shall be awarded only after such ORMVA has received the Bank's approval of the above-mentioned arrangements required for the rehabilitation of its respective hydrant structures.

I. Environmental Monitoring and Management Plan

Each ORMVA shall prepare and furnish to the Bank for its review and comments, not later than December 31, 1994, an environmental monitoring and management plan, of such scope as outlined in Schedule 5 to this Agreement, which shall set out measures designed to mitigate the environmental impact of Project-related activities, and shall, promptly thereafter, commence implementation of said plan taking into account the Bank's comments thereon.

J. Billings and Collection

1. Each ORMVA, other than Ouarzazate ORMVA and Tafilalet ORMVA, shall, not later than June 30, 1994, furnish to the Bank a statement, prepared on the basis of a methodology established by the Bank, reflecting total amounts billed and total amounts collected by each ORMVA on account of Water Charges and Land Betterment Levies due and payable to the ORMVA during Fiscal Year 1992.

2. Each of the ORMVAs referred to in the preceding paragraph shall thereafter exchange views with the Bank with respect to the above-mentioned statement and shall, on the basis of said exchange of views, make necessary adjustments thereto taking the Bank's comments into account.

SCHEDULE 3

Collection Rates

The following rates refer to the amounts to be collected by the ORMVAs from water users in the ORMVAs' Perimeters for purposes of Section 4.02 of this Agreement.

ORMVA	1994	1995	1996	1997	1998	1999
Doukkala	90%	91%	91%	92%	92%	93%
Gharb	81%	85%	90%	90%	91%	92%
Haouz	85%	86%	87%	88%	89%	90%
Loukkos	74%	75%	80%	82%	83%	85%
Moulouya	70%	80%	82%	84%	86%	90%
Souss-Massa	78%	80%	82%	84%	85%	85%
Tadla	90%	92%	93%	94%	95%	95%

SCHEDULE 4

Indicators of Financial Performance

1. Annual direct operating expenses incurred in connection with (i) construction of new Irrigation Systems; (ii) rehabilitation of existing Irrigation Systems; (iii) operation and maintenance of existing Irrigation Systems; and (iv) agricultural development services.

2. Annual indirect costs incurred in connection with (i) construction of new Irrigation Systems; (ii) rehabilitation of

existing Irrigation Systems; (iii) operation and maintenance of existing Irrigation Systems; and (iv) agricultural development services.

3. Annual amounts billed and collected on account of Water Charges, Land Betterment Levies and pumping fees and arrears outstanding in connection therewith.

4. Annual expenditures made in connection with maintenance activities carried out by private sector contractors.

5. Annual energy charges owed ONE and annual payments made on account thereof.

6. Annual allocation of net revenues referred to under Section 4.04 of this Agreement and actual expenditures made on account thereof.

#### SCHEDULE 5

##### Guidelines for Environmental Monitoring and Management Plans

#### A. Areas of Environmental Impact Mitigation

1. Drain maintenance.
2. Agricultural pollution.
3. Industrial effluents.
4. Quality of drainage water.
5. Waterlogging and salinity control.
6. Groundwater extraction.
7. Training program in the fields of (i) general environmental protection; and (ii) environmental impact of operation and-maintenance-related activities on the ORMVAs' Irrigation Systems.

#### B. Specific Provisions

1. All nine ORMVAs shall, each in its own environmental monitoring and management plan, address areas A.1, A.2, A.3, A.6 and A.7 above.
  2. Only Loukkos ORMVA, Moulouya ORMVA and Tadla ORMVA shall address area A.4 above.
  3. Only Gharb ORMVA, Loukkos ORMVA, Moulouya ORMVA, Quarzazate ORMVA, Souss-Massa ORMVA, Tadla ORMVA and Tafilalet ORMVA shall address area A.5 above.
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