

CONFORMED COPY

CREDIT NUMBER 3128-GM

Development Credit Agreement  
(Third Education Sector Project)

between

REPUBLIC OF THE GAMBIA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated September 22, 1998

CREDIT NUMBER 3128-GM

DEVELOPMENT CREDIT AGREEMENT

AGREEMENT, dated September 22, 1998, between REPUBLIC OF THE GAMBIA (the Borrower) and INTERNATIONAL DEVELOPMENT ASSOCIATION (the Association).

WHEREAS (A) 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;

(B) the Association has received a letter, dated July 24, 1998, from the Borrower describing a program of actions, objectives and policies designed to implement its institutional reform and sectoral development strategy in education (the Program), and declaring the Borrower's commitment to the execution of the Program;

(C) the Borrower has requested that the Association support its execution of the Program through a series of Credits over a period of eight years, the proceeds of such Credits to be utilized by the Borrower for implementing the Program;

(D) the Borrower intends to obtain, or has obtained, from various Donors (as hereinafter defined) loans and grants to assist in financing the Program; and

WHEREAS the Association has agreed on the basis, inter alia, of the foregoing, to extend the Credit to the Borrower in support of the first phase of the Program 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 (as amended through December 2, 1997), with the modifications set forth below (the General Conditions) constitute an integral part of this Agreement:

(a) A new paragraph (12) is added to Section 2.01 to read as set forth below, and the existing paragraphs (12) through (14) of said Section are accordingly renumbered as paragraphs (13) through (15):

"12. 'Participating Country' means any country that the Association determines meets the requirements set forth in Section 10 of Resolution No. 183 of the Board of Governors of the Association, adopted on June 26, 1996; and 'Participating Countries' means, collectively, all such countries."

(b) The second sentence of Section 5.01 is modified to read:

"Except as the Borrower and the Association shall otherwise agree, no withdrawals shall be made: (a) on account of expenditures in the territories of any country which is not a Participating Country or for goods produced in, or services supplied from, such territories; or (b) for the purpose of any payment to persons or entities, or for any import of goods, if such payment or import, to the knowledge of the Association, 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. 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) "ANFED" means the Borrower's Adult and Non-Formal Education Directorate of DoSE (as hereinafter defined);

(b) "BPMRU" means the Borrower's Book Production and Material Resource Unit within DoSE (as hereinafter defined);

(c) "CRDU" means the Curriculum and Research Development Unit of the Curriculum, Research, Development and In-Service Training Division of Gambia College;

(d) "Coordination Committee" means the Coordination Committee referred to in paragraph 3 (c) of Schedule 4 to this Agreement;

(e) "Dalasi" means currency of the Borrower;

(f) "DoSE" means the Borrower's Department of State for Education;

(g) "Framework Agreements" means the agreements referred to in paragraph 6 (a) of Schedule 4 to this Agreement;

(h) "GAMWORKS" means the Gambian Agency for the Management of Public Works, a company limited by guarantee and incorporated under the Companies Act, 1955 of the Borrower;

(i) "Madrassas" means Islamic/Arabic schools operating in the Borrower's territory;

(j) "NGOs" means non-governmental organizations;

(k) "PCC" means the Project Coordinating Committee maintained by the Borrower, pursuant to the provisions of paragraph 3 (b) of Schedule 4 to this Agreement;

(l) "PCU" means the Project Coordinating Unit within DoSE, operating pursuant to paragraph 3 (d) of Schedule 4 to this Agreement;

(m) "PPARBD" means the Planning, Policy Analysis, Research and Budgeting Directorate of DoSE referred in paragraph 5 of Schedule 4 to this Agreement;

(n) "Project Account" means the Account to be opened pursuant to Section 3.03 of this Agreement;

(o) "PCT" means the Partnership Coordinating Team to be maintained pursuant to paragraph 4 (a) of Schedule 4 to this Agreement;

(p) "RIFT" means the Gambia College's Remedial Initiatives for Female Trainees;

(q) "Service Agreements" means the agreements between DoSE and the Gambia College and WAEC (as hereinafter defined) referred to in paragraph 6 (b) of Schedule 4 to this Agreement;

(r) "SMT" means the Senior Management Team, operating pursuant to paragraph 3 (a) of Schedule 4 to this Agreement;

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

(t) "WAEC" means the West African Examinations Council, operating pursuant to the West African Examinations Council Act, Cap. 47:01, as revised by Act No. 6 of 1990; and

(u) "Women's Bureau" means the Women's Bureau established and operating pursuant to the Borrower's National Women's Council Act, 1980.

## 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 fifteen million one hundred thousand Special Drawing Rights (SDR 15,100,000).

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

(b) The Borrower may, for the purposes of the Project, open and maintain in dollars a special deposit account in its Central 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 April 30, 2003, 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 canceled; and (ii) at the rate set as of the June 30 immediately preceding the accrual date and at such other rates as may be set from time to time thereafter pursuant to paragraph (a) above. The rate set as of June 30 in each year shall be applied from the next date in that year specified in Section 2.06 of this Agreement.

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

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

Section 2.06. Commitment charges and service charges shall be payable semiannually on February 15, and August 15, in each year.

Section 2.07. (a) Subject to paragraphs (b), (c) and (d) below, the Borrower shall repay the principal amount of the Credit in semiannual installments payable on each February 15 and August 15, commencing February 15, 2009, and ending August 15, 2038. Each installment to and including the installment payable on August 15, 2018 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 per capita gross national product (GNP), as determined by the Association, shall have exceeded for three consecutive years the level established annually by the Association for determining eligibility to access the Association's resources; 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 repayment of installments under paragraph (a) above by: (A) 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; and (B) requiring the Borrower to commence repayment of the principal amount of the Credit as of the first semiannual payment date referred to in paragraph (a) above falling six months or more after the date on which the Association notifies the Borrower that the events set out in this paragraph (b) have occurred, provided, however, that there shall be a grace period of a minimum of five years on such repayment of principal.

(c) If so requested by the Borrower, the Association may revise the modification referred to in paragraph (b) above 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.

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

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

### ARTICLE III

#### Execution of the Project

Section 3.01. (a) The Borrower declares its commitment to the objectives of the Project as set forth in Schedule 2 to this Agreement, and, to this end, shall carry out the Project with due diligence and efficiency and in conformity with appropriate administrative, financial, engineering, educational and planning 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 and the Project Implementation Plan referred to in paragraph 1 (a) of said Schedule.

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

Section 3.03. Without limitation upon the provisions of Section 3.01 of this Agreement, the Borrower shall: (a) open and thereafter maintain, until completion of the Project, an account in its Central Bank, on terms and conditions satisfactory to the Association; (b) deposit an initial amount of \$50,000 equivalent into the Project Account and thereafter at quarterly intervals, deposit into the Project Account, the estimated amount required for expenditures under the Project which shall not be financed from the proceeds of the Credit in the following quarter, or any other amount required for the Project, as agreed between the Borrower and the Association; and (c) ensure that the amounts deposited into the Project Account in accordance with paragraphs (a) and (b) of this Section will be used exclusively to finance the Borrower's share of expenditures under the Project and not otherwise financed out of the proceeds of the Credit.

Section 3.04. For the purposes of Section 9.07 of the General Conditions and without limitation thereto, the Borrower shall:

(a) prepare, on the basis of guidelines satisfactory to the Association, and furnish to the Association not later than six (6) months after the Closing Date or such later date as may be agreed for this purpose between the Borrower and the Association, a plan designed to ensure the sustainability of the Project; and

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

#### ARTICLE IV

##### Financial Covenants

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

(b) The Borrower shall:

(i) have the records and accounts referred to in paragraph (a) of this Section, including those for the Special Account, for each fiscal year audited, in accordance with appropriate auditing principles consistently applied, by independent auditors acceptable to the Association;

(ii) furnish to the Association, as soon as available, but in any case not later than four months after the end of each such year, 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 and 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 was made, all records (contracts, orders, invoices, bills, receipts and other documents) evidencing such expenditures;

(iii) enable the Association's representatives to examine such records; and

(iv) ensure that such records and accounts are included in the annual audit referred to in paragraph (b) of this Section and that the report of such audit contains a separate opinion by the said auditors as to whether the statements of expenditure submitted during such fiscal year, together with the procedures and internal controls involved in their preparation, can be relied upon to support the related withdrawals.

#### ARTICLE V

##### Remedies of the Association

Section 5.01. Pursuant to Section 6.02 (1) of the General Conditions, the following additional event, namely that a situation shall have arisen which shall make it improbable that the Program or a significant part thereof will be carried out.

#### 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: the Borrower has prepared and furnished to the Association an accounting procedure manual for PCU satisfactory to the Association; the Borrower has appointed an auditor to audit the records and accounts referred to in paragraph (a) of Section 4.01 of this Agreement in accordance with the procedures set out in Section II of Schedule 3 to this Agreement. the Borrower has executed the Framework Agreement with GAMWORKS, in form and substance satisfactory to the Association; the Borrower has executed the Service Agreements referred to in paragraph 6 (b) of Schedule 4 to this Agreement satisfactory to the Association; the Borrower has to the satisfaction of the Association installed the equipment required for the efficient operation of the Banjul Skills Center; and the Borrower has opened the Project Account and the initial contribution referred to in Section 3.03 (b) of this Agreement has been deposited therein.

Section 6.02. The date ninety (90) days after the date of this Agreement is hereby specified for the purposes of Section 12.04 of the General Conditions.

#### ARTICLE VIII

##### Representative of the Borrower; Addresses

Section 8.01. The Secretary of State responsible for Finance and Economic Affairs of the Borrower is designated as representative of the Borrower for the purposes of Section 11.03 of the General Conditions.

Section 8.02. The following addresses are specified for the purposes of Section 11.01 of the General Conditions:

For the Borrower:

Department of State for Finance and Economic Affairs  
The Quadrangle  
Banjul  
Republic of The Gambia

Cable address:

Telex:

For the Association:

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

Cable address:

INDEVAS  
Washington, D.C.

Telex:

248423 (MCI) or  
64145 (MCI)

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 THE GAMBIA

By /s/ Crispin Grey-Johnson

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ Jean-Louis Sarbib

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		
(a) GAMWORKS/ non-NGOs	3,010,000	90%
(b) NGOs	1,960,000	95%
(c) Other	200,000	90%
(2) Equipment, furniture and vehicles	1,500,000	100% of foreign expenditures and 95% of local expenditures
(3) Library books and instructional materials	380,000	100% of foreign expenditures and 95% of local expenditures

(4)	Textbooks	600,000	100% of foreign expenditures and 95% of local expenditures
(5)	Consultants' services and audits	2,260,000	100%
(6)	Training, research and studies	1,700,000	100%
(7)	Scholarships for girls	300,000	100%
(8)	Operating costs	750,000	95%
(9)	Unallocated	2,440,000	
	TOTAL	15,100,000	=====

2. For the purposes of this Schedule:

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

(b) the term "local expenditures" means expenditures in the currency of the Borrower or for goods or services supplied from the territory of the Borrower; and

(c) the term "operating costs" means the incremental expenditures incurred on account of Project implementation, management and monitoring, including office supplies, vehicle maintenance and operation, travel, supervision costs and bank charges for the operation of the Special Account, but excluding salaries of officials of the Borrower's civil service.

3. Notwithstanding the provisions of paragraph 1 above, no withdrawals shall be made in respect of payments made for expenditures: (a) to the date of this Agreement; (b) under Category (1) (c) until the Borrower has developed a policy and program for technical and vocational education, satisfactory to the Association; (c) under Category (4) until the Borrower has entered into arrangements with a publisher, satisfactory to the Association; and (d) under Category (6) until the Borrower has furnished to the Association details of the selection criteria, allocation process and management systems, satisfactory to the Association, for the scholarship program for girls to be carried out under Part B.1 of the Project.

4. The Association may require withdrawals from the Credit Account to be made on the basis of statements of expenditure for expenditures for goods and works under contracts costing less than \$100,000 equivalent each, for services for consulting firms costing less than \$100,000 equivalent each, services for individual consultants under contracts costing less than \$50,000 equivalent each, local training, scholarships for girls and operating costs, all 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, which forms the first phase of the Borrower's education sector program for the period 1998/99-2005/06, are to: (i) increase gross enrollment in educational institutions, particularly basic education; (ii) improve education quality, and educational attainments of those studying, in the said institutions; (iii) develop a program for early childhood development and care; (iv) develop a strategy for the provision of vocational and technical education relevant to the demands of the job market; (v) facilitate private sector participation in education and training; and (vi) strengthen the capacity of education sector



management institutions to carry out the Program.

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: Basic Education Expansion

1. (a) Expansion of double-shift and multi-grade teaching in the Borrower's territory.

(b) Development of modules for pre-and in-service teacher training for teachers participating in the double-shift and multi-grade teaching programs.

(c) Provision of support to the Madrassas, including: (i) the gathering of annual education statistics for the Madrassas; (ii) regular consultations with the Madrassas; and (iii) provision to the Madrassas of: (A) technical support for curriculum development, and (B) English teachers and English textbooks.

(d) Improvement of existing conditions for special needs students and preparation of a plan to extend special needs education to disabled children in rural areas, through the provision of technical support services and equipment.

2. (a) Construction and furnishing in basic level schools of about 750 new classrooms and associated facilities, including latrines, offices, storage and laboratories.

(b) Development of a rehabilitation program and a maintenance system for basic level schools.

(c) Strengthening capacity building of participants in the school building program, including: (i) facilitating and strengthening community mobilization; and (ii) strengthening the capabilities of (A) the regional principal education officers responsible for school mapping, and (B) the regional construction coordinators responsible for monitoring and supervising the school building construction program, through the provision of training and technical advisory services.

3. Increasing the enrollment of children of low income families in schools, through:

(a) the elimination of the textbook rental fee paid by pupils in lower basic education grades;

(b) the reduction of tuition fees in upper basic education schools from 150 to 100 Dalasi and the secondary level from 250 to 200 Dalasi, respectively, per year; and

(c) the subsidization of school lunches in schools located in the poorest communities.

4. Expansion of capacity at the Gambia College, through: (a) construction and equipping of staff offices, lecture rooms, science and technology laboratories and a computer laboratory; (b) expansion of the library; (c) appointment of additional staff including regional training officers; (d) development, implementation and evaluation of education modules for teacher certification in school-based training programs; (e) installation of an information system for student registration and tracking; (f) development of educational management and administration courses; (g) continuation of the Gambia College's RIFT which provides remedial courses facilitating the admission into the College of potential female students; (h) strengthening the capabilities of the Gambia College staff including (i) upgrading of staff to Masters and PhD degree levels, and (ii) provision of appropriate study tours to other countries for suitably qualified staff of the Gambia College; and (i) provision to Gambia College of training, technical advisory services and equipment.

Part B: Girls' Education Program

1. Carrying out a program to: (a) facilitate and improve the education of girls; (b) ensure gender equity for girls in access to education; (c) increase retention of

girls in schools and their performance rates, particularly in schools in the rural areas; and (d) lower the cost of education for girls in the upper basic and secondary level schools through the provision of scholarships for girls covering tuition, book and examination fees.

2. (a) Carrying out of a study of sexual harassment in educational institutions and development of a policy to counteract any such harassment.

(b) Development and enforcement of appropriate sexual harassment policies in educational institutions, including review and appropriate revision of school curriculum for gender sensitivity and bias.

(c) Provision of personal and career counseling for girls, including: (a) the extension of guidance and counseling facilities for girls to the lower basic schools and to any upper basic and secondary schools without such facilities, and (b) the development of training models on guidance and counseling for the use of new entrants to the teaching profession.

3. (a) Assisting communities to find local solutions to the education problems of girls living in the communities, particularly the problem of low enrollment of girls in the schools.

(b) Provision of adequate and separate toilet facilities for girls in any schools where such facilities do not exist.

(c) Design and implementation, in collaboration with the Women's Bureau, of an information, education and communication program for the education of girls.

#### Part C: Improving the Quality and Relevance of Basic Education

1. Curriculum improvement through: (a) the carrying out of a baseline survey of curriculum materials for the basic school cycle; (b) the preparation of a statement of framework incorporating key learning areas; (c) the preparation, printing and distribution of a basic school cycle syllabus in each of the key learning areas; (d) strengthening the capacity of the Borrower's CRDU, including the establishment of a twinning arrangement between CRDU and an institution with the requisite capacity building expertise; and (e) the training abroad in curriculum development at the Masters or PhD degree level of at least one suitably qualified staff member of CRDU.

2. (a) Provision of a set of school books for children and expansion of the use of teacher-made instructional materials in schools, including: (i) reprinting of about 1,400,000 copies of existing books and the preparation and editing of manuscripts for new books; (ii) provision for students in grades 1-6 with a set of books on a no-fee loan basis; (iii) continuation of the existing textbook rental system for students in the upper basic grade levels, including the contracting out of the financial management of the said system; (iv) provision of suitable book storage facilities at the schools; (v) strengthening the capacities of principal education officers and heads of schools to carry out their book conservation and other school responsibilities; (vi) carrying out of a campaign to educate parents and students about the textbook recycling and rental systems; and (vii) biennial evaluations of the said textbook recycling and rental systems.

(b) Strengthening the capacity of BPMRU, including: (i) training of the staff of BPMRU; and (ii) the carrying out of a study of the future status of BPMRU.

3. (a) Provision of technical advisory services to develop and carry out a program to: (i) reduce the cost of examinations; (ii) establish more reliable assessment procedures; and (iii) improve the quality and usefulness of examinations, including: (A) phasing out of the grade 6 leaving certificate examination and introduction of the Gambia Basic Education Cycle Examination at the end of grade 9; (B) the development of national benchmarks for numeracy and literacy; (C) the development of a national assessment system; (D) the introduction of the West African Secondary School Leaving Certificate; and (E) the acquisition of software and hardware to lower the cost of examinations.

(b) Strengthening of the capacities of the Borrower's Standard and Quality Assurance Directorate (SQAD) and WAEC including: (i) a long term twinning arrangement

for SQAD and WAEC with an international institution with expertise in examinations and assessment and capacity building; and (ii) the training abroad of two suitably qualified staff members of SQAD and/or WAEC to Masters or PhD degree level in educational testing and measurement.

Part D: Early Childhood Development and Care

Development of an early childhood development and care (ECDC) strategy, including: (a) training of ECDC care givers by the Gambia College and the Association of Early Childhood Education in first aid, child care and special needs education, and in developmentally appropriate practices; (b) teaching under adult literacy programs of courses in parenting education, health care and nutrition; (c) development and monitoring of guidelines for the setting up of pre-school centers, (d) a campaign to promote participation of NGOs and other local organizations to support ECDC programs; and (e) establishment and management of pilot community day care centers.

Part E: Secondary School Development Program

1. Carrying out of a program for secondary school development, including: (a) the construction of 10 new public secondary schools; (b) reduction of tuition fees in secondary schools; (c) rationalizing and lowering of grants-in aid; and (d) increasing the number of secondary school teachers trained under the University Extension Program of the Gambia College.

2. Introduction of a computer literacy program into all secondary schools, including: (a) the equipping of 14 existing grant-aided and 10 planned new schools with computer laboratories each managed by a computer literacy teacher; and (b) the introduction of computer literacy and Internet use courses first for students in grade 12.

Part F: Vocational and Technical Education

Upgrading of the certificate program in technology available at the Government Technical Training Institute (GTTI) through training and upgrading of suitably qualified staff of the GTTI, improving basic skills and mid-level training of technicians, and construction, furnishing and equipping of classrooms and laboratories.

Part G: University Education

1. Carrying out of a study on the proposed university, including a study of the capital and recurrent costs by program and financing options, preparation of a 10-year development plan, development of the curricula and staffing plans for each program; and development of a coherent management structure and administrative procedures.

2. Consolidation of existing post-secondary institutions and upgrading of their programs to degree level, including the designation of the Gambia College, GTTI and the Borrower's Management and Development Institute, as schools of the proposed university, and establishment of computerized student registration, management information and accounting systems.

3. Commencement of twinning of arrangements between the University of The Gambia and other internationally recognized institutions, to assist in the capacity-building of the University of The Gambia staff and development of curricula programs, as well as to give international recognition to the certificates offered by the University of The Gambia.

Part H: Adult Education and Functional Literacy Program

Development of an appropriate adult educational and functional literacy (AEFL) program, through: (a) the finalization of an operational manual setting out (i) the responsibilities of NGOs and community-based organizations (CBOs) participating in the AEFL program, and (ii) the preparation of monitoring indicators and reporting requirements and formats; (b) provision by NGOs and CBOs of adult and functional literacy programs for about 4,000 adults a year starting from 1999/2000; (c) yearly evaluations of the AEFL program activities for the first two years of the operation of said program; (d) evaluation of literacy results under the AEFL program every 18

months; (e) the holding of annual workshops, with the participation of providers to the AEFL program, to discuss the results of the evaluations; (f) training for providers and facilitators in program management; and (g) provision of external technical advisory services to strengthen ANFED in program monitoring and evaluation.

Part I: Program to Improve Sector Management

Improvement of the efficiency and effectiveness of education sector management, through: (a) development of a comprehensive management information system; (b) establishment of a school map, construction norms and criteria for site selection for secondary schools; (c) strengthening of the capacity of the regional education offices; (d) production of annual monitoring indicators; (e) expansion of office facilities; (f) leadership and management training for all managers; (g) connection of all managers and regional education offices to Email; (h) development and implementation of a training policy for staff; (i) training of suitably qualified staff abroad in critical areas for which there is insufficient local expertise; and (j) development of a staff performance appraisal system.

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The Project is expected to be completed by October 31, 2002.

SCHEDULE 3

Procurement and Consultants' Services

Section I. Procurement of Good and Works

Part A: General

Goods and works shall be procured in accordance with (a) 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 and August 1996 and September 1997, subject to the modifications thereto set forth in paragraph 2 of this Part A (the Guidelines) and (b) the provisions of the following Parts of this Section I. 2. In paragraphs 1.6 and 1.8 of the Guidelines, the references to "Bank member countries" shall be deemed to be references, respectively, to "Participating Countries" and "Participating Country".

Part B: International Competitive Bidding

1. Except as otherwise provided in Part C of this Section, goods and works 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. The following provisions shall apply to goods to be procured under contracts awarded in accordance with the provisions of paragraph 1 of this Part B.

(a) Grouping of contracts

To the extent practicable, contracts for goods and works shall be grouped in bid packages estimated to cost \$100,000 equivalent or more each.

(b) Preference for domestically manufactured goods

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 Borrower.

Part C: Other Procurement Procedures

1. National Competitive Bidding

The following items may be procured under contracts awarded in accordance with the provisions of paragraphs 3.3 and 3.4 of the Guidelines, namely: (i) furniture and office equipment estimated to cost less than \$100,000 equivalent per contract, up to an aggregate amount not to exceed \$1,400,000 equivalent; and (ii) works to be managed by GAMWORKS and NGOs estimated to cost \$30,000 equivalent or more per contract up to

an aggregate amount not to exceed \$7,300,000 equivalent.

## 2. International Shopping

The following items estimated to cost up to an aggregate amount not to exceed \$1,000,000 equivalent, 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, namely: (i) library books for the Gambia College and for basic classrooms and other specialized instructional material; and (ii) consumables for the Gambia College laboratories.

## 3. National Shopping

Goods estimated to cost less than \$30,000 equivalent per contract up to an aggregate amount not to exceed \$600,000 equivalent, 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

Spare parts and minor off-the shelf items estimated to cost less than \$5,000 equivalent per contract up to an aggregate amount not to exceed \$50,000, and the reprinting of textbooks may, with the Association's prior agreement, be procured in accordance with the provisions of paragraph 3.7 of the Guidelines.

## 5. Procurement of Small Works

Works estimated to cost less than \$30,000 equivalent per contract, up to an aggregate amount not to exceed \$2,300,000 equivalent, may be procured under lump-sum, fixed-price contracts awarded on the basis of quotations obtained from three (3) qualified domestic 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 complete the contract successfully.

### Part D: Review by the Association of Procurement Decisions

#### 1. Procurement Planning

Prior to the issuance of any invitations to bid for contracts, the proposed procurement plan for the Project shall be furnished to the Association for its review and approval, in accordance with the provisions of paragraph 1 of Appendix 1 to the Guidelines. Procurement of all goods and works shall be undertaken in accordance with such procurement plan as shall have been approved by the Association, and with the provisions of said paragraph 1.

#### 2. Prior Review

With respect to each contract for goods and works estimated to cost the equivalent of \$100,000 or more, the procedures set forth in paragraphs 2 and 3 of Appendix 1 to the Guidelines shall apply. 3. Post Review With respect to each contract not governed by paragraph 2 of this Part D, the procedures set forth in paragraph 4 of Appendix 1 to the Guidelines shall apply.

### Section II. Employment of Consultants

#### Part A: General

1. Consultants' services shall be procured in accordance with (a) the provisions of the Introduction and Section IV of the "Guidelines: Selection and Employment of Consultants by World Bank Borrowers" published by the Bank in January 1997 and revised in September 1997, subject to the modifications thereto set forth in paragraph 2 of this Part A, (the Consultant Guidelines) and (b) the provisions of the following Parts of this Section.

2. In paragraph 1.10 of the Consultant Guidelines, the reference to "Bank member countries" and "member country" shall be deemed to be references, respectively, to "Participating Countries" and "Participating Country".

Part B: Quality- and Cost-based Selection

1. Except as otherwise provided in Part C of this Section, consultants' services shall be procured under contracts awarded in accordance with the provisions of Section II of the Consultant Guidelines, paragraph 3 of Appendix 1 thereto, Appendix 2 thereto, and the provisions of paragraphs 3.13 through 3.18 thereof applicable to quality- and cost-based selection of consultants.

2. The following provisions shall apply to consultants' services to be procured under contracts awarded in accordance with the provisions of the preceding paragraph. The short list of consultants for services for technical assistance, studies and training under the Project, estimated to cost less than \$50,000 equivalent per contract, may comprise entirely national consultants in accordance with the provisions of paragraph 2.7 of the Consultant Guidelines.

Part C: Other Procedures for the Selection of Consultants

1. Least-cost Selection

Auditing services required under the Project may be procured under contracts awarded in accordance with the provisions of paragraphs 3.1 and 3.6 of the Consultant Guidelines.

2. Single Source Selection

Services for: (i) the management of civil works contracts by GAMWORKS in the urban areas; and (ii) community-based construction programs in the rural areas may, with the Association's prior agreement, be procured in accordance with the provisions of paragraphs 3.8 through 3.11 of the Consultant Guidelines.

3. Individual Consultants

Services for small studies shall be procured under contracts awarded to individual consultants in accordance with the provisions of paragraphs 5.1 through 5.3 of the Consultant Guidelines.

Part D: Review by the Association of the Selection of Consultants

1. Selection Planning

Prior to the issuance to consultants of any requests for proposals, the proposed plan for the selection of consultants under the Project shall be furnished to the Association for its review and approval, in accordance with the provisions of paragraph 1 of Appendix 1 to the Consultant Guidelines. Selection of all consultants' services shall be undertaken in accordance with such selection plan as shall have been approved by the Association, and with the provisions of said paragraph 1.

2. Prior Review

(a) With respect to each contract for the employment of consulting firms estimated to cost the equivalent of \$100,000 or more, the procedures set forth in paragraphs 1, 2 and (other than the third subparagraph of paragraph 2 (a)) and 5 of Appendix 1 to the Consultant Guidelines shall apply.

(b) With respect to each contract for the employment of individual consultants estimated to cost the equivalent of \$50,000 or more, the qualifications, experience, terms of reference and terms of employment of the consultants shall be furnished to the Association for its prior review and approval. The contract shall be awarded only after the said approval shall have been given.

3. Post Review

With respect to each contract not governed by paragraph 2 of this Part D, the

procedures set forth in paragraph 4 of Appendix 1 to the Consultant Guidelines shall apply.

#### SCHEDULE 4

##### Implementation Program

1. The Borrower shall:

(a) furnish to the Association a Project Implementation Plan, satisfactory to the Association, composed of: (A) a Financial and Accounting Manual setting out the details of proposed disbursement arrangements for the Project; and (B) a Program Operation Manual setting out details of procurement arrangements and other administrative, financial organizational arrangements as shall be required for the Project;

(b) Except as the Association shall otherwise agree, the Borrower shall execute the Project in accordance with the provisions of the Project Implementation Plan. Such Plan shall not be amended or waived, in whole or in part in a manner which, in the opinion of the Association, would materially or adversely affect the carrying out of the Project or the achievements of its objectives.

2. The Borrower shall:

(a) maintain policies and procedures adequate to enable it to monitor and evaluate on an ongoing basis, in accordance with the indicators set forth in the Annex to this Schedule, the carrying out of the Project and the achievement of the objectives thereof;

(b) prepare, under terms of reference satisfactory to the Association, and furnish to the Association, on or about April 30, in each year, a report integrating the results of the monitoring and evaluation activities performed pursuant to paragraph (a) of this Section, on the progress achieved in the carrying out of the Project during the period preceding the date of said report and setting out the measures recommended to ensure the efficient carrying out of the Project and the achievement of the objectives thereof during the period following such date; and

(c) review with the Association, by June 15, in each year, or such later date, as may be acceptable to the Association, the report referred to in paragraph (b) of this paragraph, and, thereafter, take all measures required to ensure the efficient completion of the Project and the achievement of the objectives thereof, based on the conclusions and recommendations of the said report and the Association's views on the matter.

(d) The Borrower shall carry out, jointly with the Association no later than 24 months after the Effective Date, a mid-term review of the progress made in carrying out the Project. The said mid-term review shall cover, among other things: (i) progress in meeting the Project's objectives; and (ii) performance by the Borrower of its obligations under the Project.

(e) The Borrower shall carry out the recommendations of the review referred to in subparagraph (d) of this paragraph, as agreed with the Association and set out in a timebound action plan satisfactory to the Association.

3. (a) The Borrower shall maintain in a form and with functions and membership satisfactory to the Association a Senior Management Team (SMT) in DoSE to be responsible for reviewing, on a monthly basis, Project implementation. SMT shall consist of all directors in DoSE and the Permanent Secretary of DoSE who shall be the coordinator of SMT's activities.

(b) The Borrower shall maintain the PCC, comprised of representatives from the Departments of State for Finance, Education, Health, Trade and Employment, the Personnel Management Office and Gambia College, and chaired by DoSE, to provide overall policy guidance for the Project.

(c) The Borrower shall maintain in a form and with functions and membership satisfactory to the Association the Coordination Committee located in DoSE. The

Coordination Committee shall consist of all directors of DoSE, all principal education officers in the regions and the heads of the WAEC and the School of Education of the Gambia College. The Coordination Committee shall be responsible for: (i) monitoring of the physical progress of Project activities; and (ii) ensuring the effective functioning of the linkages between the various Project components. The Coordination Committee shall meet on a monthly or, where necessary, bimonthly basis.

(d) The Borrower shall maintain in DoSE in a form and with functions and membership satisfactory to the Association, a PCU to be inter alia responsible for: (i) communicating with donors, (ii) coordinating all project inputs, (iii) controlling the consistency of project expenditures with the approved annual programs, (iv) procurement, (v) ensuring adherence to legal agreements and requirements, (vi) financial management of the disbursed proceeds of the Credit, and (vii) submission of financial audits and semi-annual reports to donors participating in the Project.

4. (a) The Borrower maintain in DoSE, in a form and with functions and membership satisfactory to the Association, the Partnership Coordinating Team (PCT) to be responsible for the coordination of activities of participating Project partners.

(b) Meetings of PCT shall take place at three months' intervals. DoSE shall, not later than June in each year, organize annual meetings of such participating Project partners and representatives of the Department of State for Finance and Economic Affairs. Such annual meetings shall review: (i) progress in the implementation of the Project; (ii) sector staffing and expenditure; (iii) the program of activities and budget for the following school year to be endorsed by the said partners; and (iv) a draft public development and recurrent budget for the next school year. 5. The Borrower shall continue to maintain in a form and with functions and membership satisfactory to the Association, PPARBD which shall prepare for the Project and each year update a set of quantitative monitoring indicators in relation to achievements in access, internal efficiency, double-shift and multi-grade expansion, resource utilization and expenditure, budgets, and the availability and use of instructional materials.

6. (a) DoSE shall enter into Framework Agreements, satisfactory to the Association, with GAMWORKS and the NGOs which shall entrust management responsibility for the school building programs included in the Project to: (i) GAMWORKS for schools to be constructed in the urban areas; and (ii) the NGOs for schools to be constructed in the rural areas. Each such agreement shall adequately provide for work plans and budgets.

(b) DoSE shall enter into Service Agreements, satisfactory to the Association, with the Gambia College and WAEC under which: (i) the Gambia College undertakes to provide pre-service teacher training, curriculum and in-service teacher services under the Project; and (ii) WAEC undertakes to provide services in respect of the learning assessment system component included in the Project.

7. DoSE shall establish in a form and substance satisfactory to the Association, the scholarship program for girls under Part B of the Project. The Borrower's Basic Education Directorate (BED) shall be responsible for: (i) the coordination of Project activities relating to girl's education; and (ii) ensuring that said activities are properly monitored and evaluated.

8. The Borrower shall establish and thereafter maintain, in form satisfactory to the Association, a textbook revolving fund for upper basic education into which shall be deposited amounts sufficient to cover the costs of textbook replenishment under the Project. The Borrower shall by April 30 in each year review the adequacy of the amounts in the said fund and promptly make arrangements satisfactory to the Association to fully cover any short-falls in the fund's resources.

9. With respect to the adult education and functional literacy program under Part H of the Project, the Borrower's shall develop a consultation mechanism, satisfactory to the Association, with providers participating in said program and with persons and entities carrying out activities under the program. ANFED shall be responsible for policy formulation, program planning, management, supervision and evaluation of progress under the said program. NGOs and community-based organizations shall carry out the literacy components of the program.



ANNEX

Performance Indicators

Access to basic education 8% average annual growth rate in basic education is maintained Growth in girls' enrollment exceeds that for boys Gambia College capacity increases gradually from 120 in 1997/1998 to take in 300 new teachers by 2001/2002 and 400 by 2003/2004 Equity Fees are reduced from 150 to 100 Dalasi per terms in upper basic as of 1999/2000 70% of new classrooms are built in priority regions Efficiency Student teacher ratio in grades 1-6 increases from 30:1 to 40:1 by 2001/2002 Repetition rate declines from 11% to 7% in grades 1-6 by 2001/2002 Effectiveness Baseline data on student achievement established by 2001/2002 All students in grades 1 through 6 have use of a set of textbooks free of charge by 2000/2001 Computer literacy programs introduced in grade 12 as of 2000/2001 and covers all secondary schools by 2002/2003 School maintenance strategy developed by 2001/2002 Finance Recurrent budgetary allocations to education as reviewed and agreed to annually Grant in aid is rationalized on a per student basis and is equitable across all grant-aided schools as of 1999/2000 Subsidies to examinations and school bus service are frozen at their 1997 levels Coordination and Management Review meetings with participating partners held annually in May of each year Textbook rental rate recovery averages at least 80% annually

SCHEDULE 5

Special Account

1. For the purposes of this Schedule:

(a) the term "eligible Categories" means Categories (1) through (8) 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 \$1,250,000 to be withdrawn from the Credit Account and deposited into the Special Account pursuant to paragraph 3 (a) of this Schedule, provided, however, that unless the Association shall otherwise agree, the Authorized Allocation shall be limited to an amount equivalent to \$650,000 until the aggregate amount of withdrawals from the Credit Account plus the total amount of all outstanding special commitments entered into by the Association pursuant to Section 5.02 of the General Conditions shall be equal to or exceed the equivalent of SDR 3,000,000.

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 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 Association shall, on behalf of the Borrower, withdraw from the Credit Account and deposit into the Special Account such amount or amounts as the Borrower shall have requested.

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

(ii) Prior to or at the time of each such request, the Borrower shall furnish to the Association the documents and other evidence required pursuant to paragraph 4 of this Schedule for the payment or payments in respect of which replenishment is

requested. On the basis of each such request, the Association shall, on behalf of the Borrower, withdraw from the Credit Account and deposit into the Special Account such amount as the Borrower shall have requested and as shall have been shown by said documents and other evidence to have been paid out of the Special Account for eligible expenditures. All such deposits shall be withdrawn by the Association from the Credit Account under the respective eligible Categories, and in the respective equivalent amounts, as shall have been justified by said documents and other evidence.

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

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

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

(b) if the Borrower shall have failed to furnish to the Association, within the period of time specified in Section 4.01 (b) (ii) of this Agreement, any of the audit reports required to be furnished to the Association pursuant to said Section in respect of the audit of the records and accounts for the Special Account;

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

(d) once the total unwithdrawn amount of the Credit allocated to the eligible Categories for the Special Account, minus the total amount of all outstanding special commitments 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 paragraph 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.

