

CONFORMED COPY

CREDIT NUMBER 2142 GM

(Second Education Sector Project)

between

THE REPUBLIC OF THE GAMBIA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated June 29, 1990

CREDIT NUMBER 2142 GM

DEVELOPMENT CREDIT AGREEMENT

AGREEMENT, dated June 29, 1990, between THE 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 Borrower intends to obtain from the European Economic Community (EEC) a grant (the EEC Grant) in an amount equivalent to \$3,000,000 to assist in financing Parts A (1) and B of the Project on the terms and conditions set forth in an agreement (the EEC Grant Agreement) to be entered into between the Borrower and EEC; and

WHEREAS the Association has agreed, on the basis, inter alia of the foregoing, to extend the Credit to the Borrower upon the

terms and conditions set forth in this Agreement;

NOW THEREFORE the parties hereto hereby agree as follows:

#### ARTICLE I

##### General Conditions; Definitions

Section 1.01. The "General Conditions Applicable to Development Credit Agreements" of the Association, dated January 1, 1985, (the General Conditions) constitute an integral part of this Agreement.

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

(b) "Project Preparation Advance" means the project preparation advance granted by the Association to the Borrower pursuant to an exchange of letters dated November 29, 1988, January 2, 1989, April 26, 1990, and May 16, 1990, between the Borrower and the Association;

(c) "MOE" means the Borrower's Ministry of Education, Youth, Sports and Culture;

(d) "PIU" means the Project Implementing Unit of MOE;

(e) "CDC" means the Curriculum Development Center of MOE;  
and

(f) "BPMRU" means the Book Production and Materials Resources Unit of MOE.

#### 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 eleven million three hundred thousand Special Drawing Rights (SDR 11,300,000).

Section 2.02. (a) The amount of the Credit may be withdrawn from the Credit Account in accordance with the provisions of Schedule 1 to this Agreement for expenditures made (or, if the Association shall so agree, to be made) in respect of the reasonable cost 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 shall, for the purposes of the Project, open and maintain in dollars a special deposit account in the Central Bank of the Gambia 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 4 to this Agreement.

(c) Promptly after the Effective Date, the Association shall, on behalf of the Borrower, withdraw from the Credit Account and pay to itself the amount required to repay the principal amount of the Project Preparation Advance withdrawn and outstanding as of such date and to pay all unpaid charges thereon. The unwithdrawn balance of the authorized amount of the Project Preparation Advance shall thereupon be cancelled.

Section 2.03. The Closing Date shall be June 30, 1997 or such later date as the Association shall establish. The Association shall promptly notify the Borrower of such later date.

Section 2.04. (a) The Borrower shall pay to the Association a commitment charge on the principal amount of the Credit not withdrawn from time to time at a rate to be set by the Association as of June 30 of each year, but not to exceed the rate of one-half of one percent (1/2 of 1%) per annum.

(b) The commitment charge shall accrue: (i) from the date sixty days after the date of this Agreement (the accrual date) to the respective dates on which amounts shall be withdrawn by the Borrower from the Credit Account or cancelled; and (ii) at the rate set as of the June 30 immediately preceding the accrual date 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 1 and August 1 in each year.

Section 2.07. (a) Subject to paragraphs (b) and (c) below, the Borrower shall repay the principal amount of the Credit in semi-annual installments payable on each February 1 and August 1 commencing August 1, 2000 and ending February 1, 2030. Each installment to and including the installment payable on February 1, 2010 shall be one percent (1%) of such principal amount, and each installment thereafter shall be two percent (2%) of such principal amount.

(b) Whenever: (i) the Borrower's gross national product per capita, as determined by the Association, shall have exceeded \$790 in constant 1985 dollars for five consecutive years; and (ii) the Bank shall consider the Borrower creditworthy for Bank lending, the Association may, subsequent to the review and approval thereof by the Executive Directors of the Association and after due consideration by them of the development of the Borrower's economy, modify the terms of repayment of installments under paragraph (a) above by requiring the Borrower to repay twice the amount of each such installment not yet due until the principal amount of the Credit shall have been repaid. If so requested by the Borrower, the Association may revise such modification to include, in lieu of some or all of the increase in the amounts of such installments, the payment of interest at an annual rate agreed with the Association on the principal amount of the Credit withdrawn and outstanding from time to time, provided that, in the judgment of the Association, such revision shall not change the grant element obtained under the above-mentioned repayment modification.

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

Section 2.08. The currency of the 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. The Borrower declares its commitment to the objectives of the Project as set forth in Schedule 2 to this Agreement and, to this end, shall carry out the Project through MOE 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.

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. The Borrower shall carry out the actions described in Schedule 5 to this Agreement to the satisfaction of the Association.

Section 3.04. (a) The Borrower and the Association shall, not later than April 30, 1991 and, thereafter, not later than April 30 of each subsequent year during which the Project is due to be executed, exchange views on the execution of the Project and the performance of their respective obligations under this Agreement.

(b) Not later than one month prior to each such exchange of views, the Borrower shall furnish to the Association, for its review and comments: (i) a report on the execution of the Project, in such form and detail as the Association shall request; and (ii) such other report or document as the Association may reasonably require for purposes of each such exchange of views.

Section 3.05. The Borrower shall carry out jointly with the Association by April 30, 1994 a mid-term review of the progress made in achieving the objectives of the Project, including the reform measures described in the Borrower's education policy letter dated April 12, 1990 to the Association.

### 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 three months after the end of each such year, a certified copy of the report of such audit by said auditors, of such scope and in such detail as the Association shall have reasonably requested; and
- (iii) furnish to the Association such other information concerning said records, accounts and the audit

thereof as the Association shall from time to time reasonably request.

(c) For all expenditures with respect to which withdrawals from the Credit Account were made on the basis of statements of expenditure, the Borrower shall:

- (i) maintain or cause to be maintained, in accordance with paragraph (a) of this Section, records and accounts reflecting such expenditures;
- (ii) retain, until at least one year after the Association has received the audit 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 every six months said auditors furnish to the Association an opinion as to whether the statements of expenditure submitted during such period, together with the procedures and internal controls involved in their preparation, can be relied upon to support the related withdrawals.

#### ARTICLE VI

##### Remedies of the Association

Section 6.01. (a) Pursuant to Section 6.02 (h) of the General Conditions, the following additional event is specified, namely, that subject to paragraph (b) of this Section:

- (i) the right of the Borrower to withdraw the proceeds of any grant or loan made to the Borrower for the financing of the Project (including the EEC Grant) shall have been suspended, cancelled or terminated in whole or in part, pursuant to the terms of the agreement providing therefor; or
- (ii) any such loan shall have become due and payable prior to the agreed maturity thereof;

(b) Paragraph (a) of this Section shall not apply if the Borrower establishes to the satisfaction of the Association that:

- (i) such suspension, cancellation, termination or prematuring is not caused by the failure of the Borrower to perform any of its obligations under such agreement; and
- (ii) adequate funds for the Project are available to the Borrower from other sources on terms and conditions consistent with the obligations of the Borrower under this Agreement.

Section 6.02. Pursuant to Section 7.01 (d) of the General Conditions, the following additional event is specified, namely, the event specified in paragraph (a) of Section 6.01 of this Agreement shall occur, subject to the proviso of paragraph (b) of that Section.

#### ARTICLE VII

##### Effective Dates; Termination

Section 7.01. The following events are specified as additional conditions to the effectiveness of the Development Credit Agreement within the meaning of Section 12.01 (b) of the General Conditions:

(a) the Borrower has furnished to the Association detailed plans satisfactory to the Association providing for the consolidation of schools and multi-grade and double-shift teaching;

(b) the Borrower has set up at least two mobile construction teams for Part A (1) (a) of the Project and employed volunteers to supervise the work of the said teams;

(c) the Borrower has approved rules for the upgrading to Grade 3 of its Civil Service Salary Scale of primary school teachers who successfully complete the in-service training program included in the Project; and

(d) the Borrower has appointed and assigned to PIU a deputy Project Manager with qualifications and experience satisfactory to the Association.

Section 7.02. 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 Minister responsible for Finance and Trade 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:

Ministry of Finance and Trade  
The Quadrangle  
Banjul  
The Republic of the Gambia

Cable address:

Telex:

MINFIN  
The Republic of the Gambia 2264

For the Association:

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

Cable address:

Telex:

INDEVAS 197688 (TRT)  
Washington, D.C. 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 in the District of Columbia, United States of America, as of the day and year first above written.

THE REPUBLIC OF THE GAMBIA

By /s/ Ousman A. Sallah  
Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ Edward V.K. Jaycox  
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) Part A (1) (a) of the Project	4,340,000	100%
(b) Other Parts of the Project	230,000	90%
(2) Textbooks and instructional materials	460,000	100%
(3) School furniture	1,000,000	80%
(4) Equipment and vehicles	480,000	100%
(5) Consultants' services	1,680,000	100%
(6) Training	380,000	100%
(7) Pre-investment studies	230,000	100%
	Amount of the Credit Allocated (Expressed in SDR Equivalent)	% of Expenditures to be Financed
(8) Operating costs	970,000	100%
(9) Refunding of Project Prepara- tion Advance	540,000	Amount due pursuant to Section 2.02 (c) of this Agreement
(10) Unallocated	990,000	
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TOTAL	11,300,000	=====

2. For the purposes of this Schedule, the term "Operating costs" means all costs arising on account of local staff salaries and allowances, maintenance of vehicles and equipment, fuel, office rent, supplies and services under the Project.

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.

## SCHEDULE 2

### Description of the Project

The objectives of the Project are to: (i) improve the quality of and expand access to primary education in the Gambia; (ii) restructure the secondary education system; (iii) strengthen the vocational educational system; and (iv) improve education sector management.

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: Expanding and Improving Primary Education

(1) (a) Program to expand and improve primary school education facilities including: (i) rehabilitation of about 200 classrooms; (ii) construction of 600 additional low-cost classrooms under a self-help construction program in which communities participate; (iii) equipping of said classrooms with school furniture; and (iv) construction of 80 water wells.

(b) Development by PIU of standardized, low-cost building designs including adaptation of existing designs; development of PIU's capacity to purchase and supply locally unavailable construction materials to communities participating in the self-help school rehabilitation and construction program; establishment of five mobile construction teams linked to Regional Education Offices to (i) help villagers develop construction skills, and (ii) supervise the classroom construction program.

(2) Curriculum development including: (i) development by MOE's Curriculum Development Center (CDC) of revised syllabi and manuscripts for primary schools and new syllabi for lower-secondary (middle) schools; (ii) preparation by CDC of teachers' guides along with the manuscripts; (iii) establishment by CDC of subject panels to review curricula, create new syllabi, write new manuscripts or adapt existing textbooks; (iv) preparation by CDC in conjunction with the Gambia College School of Education of special short courses to introduce teachers to the new syllabi and textbooks; and (v) construction of a facility for CDC to use in the consolidation of its operations and the improvement of the quality of the materials it produces.

(3) Production, publication and distribution of textbooks, teachers' guides and other instructional materials including: (i) assistance to MOE's Book Production and Materials Resources Unit (BPMRU) to publish and/or procure textbooks and teachers' guides for distribution to all primary and middle schools; (ii) training for staff of BPMRU in publishing and distribution; (iii) provision of vehicles for use in book distribution; and (iv) construction of a warehouse in the Greater Banjul Area for book distribution to the Regional Education Offices.

(4) (a) In-service teacher training programs to be carried out by the Gambia College School of Education including: (i) upgrading of the teaching skills of about 1,200 unqualified teachers; (ii) local workshops to familiarize teacher trainers with the in-service training program; and (iii) provision of the necessary books, stationery and equipment, vehicles and other logistic support.

(b) Pre-service teacher training programs consisting of two-



year full-time training for primary and secondary school teachers including: (i) assistance to the Gambia College School of Education to increase its students intake from 43 students in 1989 to about 120 students in 1992 and thereafter; and (ii) conversion of the existing assembly hall of the Gambia College School of Education into a multipurpose lecture hall for about 150-200 students.

Part B: Restructuring and Improving Secondary Education

(1) Introduction of a unitary secondary education system consisting of three years of lower-secondary or middle school education and three years of upper-secondary school education.

(2) Refurbishing of science laboratories including rehabilitation and/or conversion of existing facilities at 17 secondary technical schools into laboratory/science rooms and provision of science equipment and demonstration materials.

(3) Assisting CDC to develop syllabi for the new middle schools including: (i) identification of textbooks and instructional materials that closely match the new syllabi; (ii) procurement of adaptation rights to the textbooks and materials; (iii) adaptation and printing by BPMRU (for pilot testing by CDC) of limited quantities of manuscripts of the textbooks and instructional materials; (iv) after testing by CDC, publication by BPMRU or overseas publishers of textbooks and materials including teachers handbooks; (v) provision of office equipment, furniture, stationery, reference books and two vehicles and spare parts; (vi) local workshops for teachers and evaluators in the use of the new textbooks and materials; and (vii) overseas training for staff of CDC and BPMRU.

Part C: Strengthening Vocational Training

Improving quality of vocational education and training (VET) in the Gambia including: (i) reorganization of the National Vocational Training Center (the Center) into an annex of the Gambia Technical Training Institute (GTTI); (ii) transfer of the management and financial responsibility for the Center to GTTI; (iii) revision of the curriculum of the Center to emphasize practical training and occupational competency and promote entrepreneurial skills development; (iv) improving ties between the Center and potential employers; (v) provision of professional and practical training for VET instructors; (vi) provision of training equipment and materials for the Center; (vii) physical improvements of the Center's training facilities including (A) construction and equipping of a new library, an audio-visual and documentation center and a small workshop for mechanical trades, and (B) rehabilitation and equipping of classrooms; and (viii) improvement of trade certification standards, apprenticeship programs, and small business training.

Part D: Strengthening Sectoral Institutions

(1) Reorganization of MOE's central administration and restructuring of the national examinations system including: (i) establishment within MOE of a senior management team to review all major policy, strategy and management decisions of MOE; (ii) strengthening of PIU's capability to manage and administer project activities; (iii) local and, as necessary, overseas training of staff of PIU in project administration, procurement and finance; and (iv) provision of vehicles for the mobile construction teams.

(2) Development and administration of new primary and lower-secondary examinations which reflect the changing needs of the education system including: (i) development of syllabus-based local examinations for primary and middle school leavers; (ii) replacement of the Common Entrance Examination administered by the West African Examination Council (WAEC) with the Primary School Leaving Certificate examination; (iii) establishment of an assessment scheme for grades 1-9; (iv) development of a feedback system to monitor student performance in the schools; and (v) provision to WAEC's Gambian Office of (A) technical assistance in testing and measurement and in

evaluation techniques, (B) overseas fellowships in testing, measurement and evaluation, (C) local workshops for teachers and inspectors in student assessment and evaluation, and (D) office equipment and logistic support.

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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: International Competitive Bidding

1. Except as provided in Part C hereof, goods (including all textbooks, instructional materials, equipment, vehicles and spare parts and construction materials for school rehabilitation and construction program included in Part A of the Project) shall be procured under contracts awarded in accordance with procedures consistent with those set forth in Sections I and II of the "Guidelines for Procurement under IBRD Loans and IDA Credits" published by the Bank in May 1985 (the Guidelines).

2. To the extent practicable, contracts for goods shall be grouped in bid packages estimated to cost an amount equivalent to \$150,000 or more each.

###### Part B: Preference for Domestic Manufacturers

In the procurement of goods in accordance with the procedures described in Part A.1 hereof, goods manufactured in the Gambia 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. Works consisting of: (i) construction of water wells; (ii) skilled labor contracts for primary school rehabilitation/construction; (iii) the remodelling and/or rehabilitation of middle schools; and (iv) construction of new facilities for CDC, BPMRU, the Gambia College School of Education, GTTI and the National Vocational Training Center may be procured under contracts awarded on the basis of competitive bidding, advertised locally, in accordance with procedures satisfactory to the Association.

2. School furniture may be procured under contracts awarded on the basis of competitive bidding, advertised locally, in accordance with procedures satisfactory to the Association.

3. Goods estimated to cost an amount equivalent to \$20,000 or less, up to an aggregate amount not to exceed \$520,000 equivalent, may be procured on the basis of comparison of price quotations solicited from a list of at least three suppliers under the Guidelines, in accordance with procedures acceptable to the Association.

4. Primary schools may be constructed by communities participating in the Project with technical support from the mobile construction teams to be set up under the Project.

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

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

(a) With respect to each contract estimated to cost the equivalent of \$150,000 or more, the procedures set forth in paragraphs 2 and 4 of Appendix 1 to the Guidelines shall apply.

Where payments for such contract are to be made out of the Special Account, such procedures shall be modified to ensure that the two conformed copies of the contract required to be furnished to the Association pursuant to paragraph 2 (d) of said Appendix shall be furnished to the Association prior to the making of the first payment out of the Special Account in respect of such contract.

(b) With respect to each contract not governed by the preceding paragraph, the procedures set forth in paragraphs 3 and 4 of Appendix 1 to the Guidelines shall apply. Where payments for such contract are to be made out of the Special Account, such procedures shall be modified to ensure that the two conformed copies of the contract together with the other information required to be furnished to the Association pursuant to said paragraph 3 shall be furnished to the Association as part of the evidence to be furnished pursuant to paragraph 4 of Schedule 4 to this Agreement.

(c) The provisions of the preceding subparagraph (b) shall not apply to contracts on account of which the Association has authorized withdrawals on the basis of statements of expenditures.

2. The figure of 10% is hereby specified for purposes of paragraph 4 of Appendix 1 to the Guidelines.

## Section II. Employment of Consultants

In order to assist the Borrower in carrying out the Project, the Borrower shall employ consultants whose qualifications, experience and terms and conditions of employment shall be satisfactory to the Association. Such consultants shall be selected in accordance with principles and procedures satisfactory to the Association on the basis of the "Guidelines for the Use of Consultants by World Bank Borrowers and by the World Bank as Executing Agency" published by the Bank in August 1981.

### SCHEDULE 4

#### 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, works 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 \$200,000 to be withdrawn from the Credit 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 Association has received evidence satisfactory to it that the Special Account has been duly opened, withdrawals of the Authorized Allocation and subsequent withdrawals to replenish the Special Account shall be made as follows:

(a) For withdrawals of the Authorized Allocation, the Borrower shall furnish to the Association a request or requests for a deposit or deposits which do not exceed the aggregate amount of the Authorized Allocation. On the basis of such request or requests, the Association shall, on behalf of the Borrower, withdraw from the

Credit Account and deposit 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; or

(b) once the total unwithdrawn amount of the Credit allocated to the eligible Categories, less the amount of any outstanding special commitment entered into by the Association pursuant to Section 5.02 of the General Conditions with respect to the Project, shall equal the equivalent of twice the amount of the Authorized Allocation.

Thereafter, withdrawal from the Credit Account of the remaining unwithdrawn amount of the Credit allocated to the eligible Categories shall follow such procedures as the Association shall specify by notice to the Borrower. Such further withdrawals shall be made only after and to the extent that the Association shall have been satisfied that all such amounts remaining on deposit in the Special Account as of the date of such notice will be utilized in making payments for eligible expenditures.

6. (a) If the Association shall have determined at any time that any payment out of the Special Account: (i) was made for an expenditure or in an amount not eligible pursuant to paragraph 2 of this Schedule; (ii) was not justified by the evidence furnished to the Association, the Borrower shall, promptly upon notice from the Association: (A) provide such additional evidence as the Association may request; or (B) deposit into the Special Account (or, if the Association shall so request, refund to the Association) an amount equal to the amount of such payment or the portion thereof not so eligible or justified. Unless the Association shall otherwise agree, no further deposit by the Association into the Special Account shall be made until the Borrower has provided such evidence or made such deposit or refund, as the case may be.

(b) If the Association shall have determined at any time that any amount outstanding in the Special Account will not be required to cover further payments for eligible expenditures, the Borrower shall, promptly upon notice from the Association, refund to the Association such outstanding amount.

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

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

#### SCHEDULE 5

##### Actions Referred to in Section 3.03 of this Agreement

1. The Borrower shall as from the start of its 1991/92 school year:

(a) begin to carry out the measures set out in an implementation plan satisfactory to the Association to increase the pupil/teacher ratio of the primary schools to 39:1 by the start of the 1996/97 school year, and to 45:1 by the year 2003;

(b) begin to carry out an action plan satisfactory to the Association to improve female enrollment and achievement in the Gambian schools including: (i) measures to increase the number of women teachers, (ii) provision of gender-neutral teaching materials for schools, (iii) encouragement of girl pupils to take up and study science, technology, mathematics and other technical subjects, and (iv) the incorporation of family life education into the curricula of schools; and

(c) begin to carry out a restructuring program satisfactory to the Association for secondary general and technical education including the phasing out by the 1995/96 school year of all technical secondary schools.

2. The Borrower shall: (i) no later than March 31, 1991 (A) complete a study to determine increases required in tuition and user fees for secondary schools and training levies for secondary and vocational training programs and, (B) based on the results of the study, furnish to the Association specific proposals satisfactory to the Association for increases in said fees and training levies; and (ii) as from the start of its 1991/92 school year begin in effect the said increases in fees and training levies.

3. The Borrower shall: (i) no later than March 31, 1991, furnish to the Association a plan satisfactory to the Association specifying criteria to be applied in determining the eligibility of the madarassas for assistance under the Project; and (ii) as from the start of its 1991/92 school year begin to implement the said plan.

4. The Borrower shall not later than March 31, 1991:

(a) furnish to the Association a detailed plan satisfactory to the Association which:

(i) provides for the establishment and operation of a textbook revolving fund into which textbook fees will be deposited; and

(ii) specifies (A) the Borrower's contributions to the textbook revolving fund, (B) arrangements for the collection of funds to be paid into the textbook

revolving fund and the safeguarding of all funds paid therein, and (C) the means of conversion into hard currency of all paid-in funds;

(b) duly establish and thereafter maintain, in place of the Borrower's National Vocational Training Board, a National Council for Technical Education and Vocational Training satisfactory to the Association on which ministries, employers and workers' organizations shall be adequately represented.

(c) assign to technical assistance staff employed on the Project an adequate number of Gambian nationals with qualifications and experience satisfactory to the Association;

(d) furnish to the Association for its review and comments MOE's draft rules for the Primary School Leaving Certificate (PSLC) and the Middle School Leaving Certificate (MSLC) examinations; and

(e) enter into arrangements satisfactory to the Association for the carrying out by the West African Examination Council of responsibility for the design, administration and management of the PSLC and the MSLC examinations.

5. The Borrower shall, by June 30, 1991, adopt and publish rules for the PSLC and the MSLC examinations satisfactory to the Association.

6. The Borrower shall assign competent volunteers from reputable international and other organisations to supervise the work of mobile construction teams established under the Project.

7. The Borrower shall: (i) continue to maintain the new organizational structure of MOE in a form satisfactory to the Association; and (ii) appoint to all senior positions of MOE persons with qualifications and experience satisfactory to the Association.

