

CONFORMED COPY

LOAN NUMBER 3238 UNI

IMG Project Agreement

(Oyo State Urban Project)

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

IBADAN MUNICIPAL GOVERNMENT

Dated November 2, 1990

LOAN NUMBER 3238 UNI

IMG PROJECT AGREEMENT

AGREEMENT, dated November 2, 1990 between INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (the Bank) and the IBADAN MUNICIPAL GOVERNMENT (IMG).

WHEREAS (A) by the Loan Agreement of even date herewith between the Federal Republic of Nigeria (the Borrower) and the Bank, the Bank has agreed to make available to the Borrower an amount in various currencies equivalent to fifty million dollars (\$50,000,000), on the terms and conditions set forth in the Loan Agreement, but only on condition that IMG agrees to undertake such obligations toward the Bank as are set forth in this Agreement;

(B) by the Oyo State Project Agreement of even date herewith between the Bank and the Oyo State of Nigeria (Oyo State), Oyo State has agreed to carry out Parts A, B and C of the Project with the assistance of IMG and other local governments in Oyo State; and

WHEREAS IMG, in consideration of the Bank's entering into the Loan Agreement with the Borrower and the Oyo State Project Agreement with Oyo State, has agreed to undertake the obligations set forth in this Agreement;

NOW THEREFORE the parties hereto hereby agree as folio

ARTICLE I

Definitions

Section 1.01. Unless the context otherwise requires, wherever used in this Agreement, the several terms defined in the Loan Agreement, the Preamble to this Agreement and the General Conditions (as so defined) have the respective meanings therein set forth.

ARTICLE II

Execution of the Project

Section 2.01. (a) IMG declares its commitment to the objectives of the Project as set forth in Schedule 2 to the Loan Agreement and, to this end, shall assist Oyo State in the carrying out of Parts A, B and C of the Project with due diligence and efficiency and in conformity with appropriate administrative, financial and infrastructure development policies and practices.

Section 2.02. (a) IMG shall, at the request of the Borrower or the Bank, exchange views with the Borrower and the Bank with regard to the progress of the Project, the performance of its obligations under this Agreement and other matters relating to the purposes of the Loan.

(b) IMG shall promptly inform the Borrower and the Bank of any condition which interferes or threatens to interfere with the progress of the Project, the accomplishment of the purposes of the Loan, or the performance by IMG of its obligations under this Agreement.

Section 2.03. IMG shall take such actions as shall be necessary to generate increased revenue required for infrastructure development and maintenance in Ibadan and for the effective carrying out of IMG's functions in Ibadan including the introduction and establishment of an enhanced property taxation system for Ibadan.

ARTICLE III

Financial Covenants

Section 3.01. (a) IMG shall with respect to the Project maintain or cause to be maintained separate records and accounts adequate to reflect in accordance with sound accounting practices its operations and financial condition.

(b) IMG shall:

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

(c) For all expenditures involving IMG with respect to which withdrawals from the Loan Account were made for Parts A.5 and C.1 (iv) and (v) of the Project on the basis of statements of expenditure, IMG 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 Bank has received the audit report for the fiscal year in which the last withdrawal from the Loan Account was made, all records (contracts, orders, invoices, bills, receipts and other documents) evidencing such expenditures;
- (iii) enable the Bank'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 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 IV

Effective Date; Termination;
Cancellation and Suspension

Section 4.01. This Agreement shall come into force and effect on the date upon which the Loan Agreement becomes effective.

Section 4.02. This Agreement and all obligations of the Bank and of IMG thereunder shall terminate on the date on which the Loan Agreement shall terminate in accordance with its terms the Bank shall promptly notify IMG thereof.

Section 4.03. All the provisions of this Agreement shall continue in full force and effect notwithstanding any cancellation or suspension under the General Conditions.

ARTICLE V

Miscellaneous Provisions

Section 5.01. Any notice or request required or permitted to be given or made under this Agreement and any agreement between the parties contemplated by this Agreement shall be in writing. Such notice or request shall be deemed to have been duly given or made when it shall be delivered by hand or by mail, telegram, cable, telex or radio gram to the party to which it is required or permitted to be given or made at such party's address hereinafter specified or at such other address as such party shall have designated by notice to the party giving such notice or making such request. The addresses so specified are:

For the Bank:

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

Cable address:

INTBAFRAD
Washington, D.C.

Telex:

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

For IMG:

The Chairman
Ibadan Municipal Government Council
Mapo Hall
Ibadan, Oyo State
Nigeria

Section 5.02. Any action required or permitted to be taken, and any document required or permitted to be executed, under this Agreement on behalf of IMG, may be taken or executed by the Chairman or such other person or persons as IMG shall designate in writing, and IMG shall furnish to the Bank sufficient evidence of the authority and the authenticated specimen signature of each such person.

Section 5.03. This Agreement may be executed in several counterparts, each of which shall be an original, and all collectively but one instrument.

IN WITNESS WHEREOF, the parties hereto, acting through their duly authorized representatives, have caused this Agreement to be signed in their respective names in the District of Columbia, United States of America, as of the day and year first above written.

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

By /s/ Edwin Lim
Acting Regional Vice President
Africa

IBADAN MUNICIPAL GOVERNMENT

By /s/ Hamzat Ahmadu
Authorized Representative

