

CONFORMED COPY

JAPANESE GRANT AGREEMENT
RELATED TO LOAN NUMBER 3238 UNI

Japanese Grant Agreement

(Oyo State Urban Project)

between

FEDERAL REPUBLIC OF NIGERIA

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

as Administrator of Grant Funds
provided by the
GOVERNMENT OF JAPAN

Dated July 27, 1990

JAPANESE GRANT AGREEMENT

AGREEMENT, dated July 27, 1990, between FEDERAL REPUBLIC OF NIGERIA (the Recipient) and the INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (the Bank) acting as Administrator (the Administrator) of grant funds provided by the GOVERNMENT OF JAPAN (Japan).

WHEREAS: (A) pursuant to a letter agreement dated June 3, 1987, between Japan and the Bank, Japan has requested the Bank, and the Bank has agreed, to administer grant funds to be made available by Japan for the financing of certain programs and projects supported by the Bank in accordance with the provisions of such letter agreement;

WHEREAS: (B) the Recipient has requested and Japan has agreed to make available to the Recipient a grant (the Grant) out of said grant funds to finance the cost of carrying out the technical assistance described in Schedule 2 to this Agreement (the Technical Assistance) on the terms and conditions hereinafter set forth;

NOW THEREFORE the parties hereto hereby agree as follows:

ARTICLE I

General Conditions; Definitions

Section 1.01. The "General Conditions Applicable to Loan and Guarantee Agreements" of the Bank, dated January 1, 1985 (the General Conditions), constitute an integral part of this Agreement, subject, however, to the following modifications thereto:

(a) the term "Bank" wherever used in the General Conditions, other than in Sections 2.01 (8) and 6.02 (f) thereof, means the International Bank for Reconstruction and Development acting as Administrator of the Grant pursuant to the letter agreement between Japan and the Bank referred to in Recital (A) of this Agreement, except that in Section 6.02, the term "Bank" shall also include the International Bank for Reconstruction and Development acting in its own capacity;

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

(c) the term "loan Agreement" wherever used in the General Conditions, means this Agreement;

(d) the term "Loan" wherever used in the General Conditions means the Grant;

(e) the term "loan Account" wherever used in the General Conditions, shall be amended to read the Grant Account;

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

(g) Section 4.01. shall be modified to read:

"Withdrawals from the Grant Account shall be made in yen; provided, however, that if the expenditures to be financed out of the proceeds of the Grant have been paid or are payable in another currency, the Administrator shall, at the request of the Recipient, purchase such currency with the proceeds of such withdrawal.";

(h) Sections 2.01 (5), (7), (12), (13), (14), (15), (16), (17) and (19), 3.02, 3.03, 3.04, 3.05, 4.02, 4.03, 4.04, 4.05, 4.06, 4.07, 4.08, 4.10, 6.02 (a)(i), 6.02 (g), 6.02 (h), 6.05, 6.07, 7.01, 8.01 (a), 9.01 (b), 9.02, 9.03, 10.02, 12.01, 12.02, 12.03, 12.04 and 12.05 are deleted;

(i) The second and third sentences of Section 4.09 are deleted; and

(j) All references to "the Guarantor" wherever such term is used in the General Conditions, shall not apply to this Agreement.

Section 1.02. Wherever used in this Agreement, unless the context otherwise requires, the several terms defined in the General Conditions and in the Recitals to this Agreement have the respective meanings therein set forth; and the terms "yen" and "Y" mean the currency of Japan.

ARTICLE II

The Grant

Section 2.01. The Administrator agrees to extend to the Recipient, on the same terms and conditions herein set forth or referred in, the Grant in an amount of four hundred nine million five hundred thousand Yen (Y494.500.000).

Section 2.02. The amount of the Grant may be withdrawn from the Grant Account by Oyo State on behalf of the Recipient in accordance with the provisions of Schedule 1 to this Agreement, as

such Schedule may be amended from time to time by agreement between the Recipient and the Administrator.

Section 2.03. The Closing Date shall be December 31, 1992, or such later date as the Administrator shall establish. The Administrator shall promptly notify the Recipient of such later date.

ARTICLE III

Execution of the Technical Assistance

Section 3.01. (a) The Recipient shall carry out the Technical Assistance through the Project Coordination Unit of the Oyo State Ministry of Finance and Economic Planning with due diligence and efficiency and in conformity with appropriate administrative and engineering practices, and shall provide, promptly as needed, the funds, facilities, services and other resources required for the Technical Assistance.

(b) Without limitation upon the provisions of paragraph (a) of this Section and, except as the Recipient and the Administrator shall otherwise agree, the Recipient shall carry out the Technical Assistance in accordance with the Implementation Program set forth in Schedule 3 to this Agreement.

Section 3.02. In order to assist the Recipient in carrying out the Technical Assistance, the Recipient shall through Oyo State employ consultants whose qualifications, experience and terms and conditions of employment are satisfactory to the Administrator. Such consultants shall be selected in accordance with principles and procedures satisfactory to the Administrator, 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 Administrator in August 1981.

Section 3.03. (a) The Recipient 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 Technical Assistance of the departments or agencies of the Recipient responsible for carrying out the technical Assistance or any part thereof.

(b) The Recipient shall:

- (i) have the records and accounts 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 Administrator;
- (ii) furnish to the Administrator 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 Administrator shall have reasonably requested; and
- (iii) furnish to the Administrator such other information concerning said records and accounts and the audit thereof as the Administrator shall from time to time reasonably request.

ARTICLE IV

Effective; Termination

Section 4.01. This Agreement shall become effective upon its execution by the parties hereto.

Section 4.02. This Agreement shall continue in effect until

the Grant has been fully disbursed and the parties to this Agreement have fulfilled their obligations hereunder.

ARTICLE V

Representation; Transfer of
Rights and Obligations

Section 5.01. The Minister of Finance and Economic Development of the Recipient shall be the representative of the Recipient for the purposes of Section 11.03 of the General Conditions.

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

For the Recipient:

The Honourable Minister
Federal Ministry of Finance
and Economic Development
P.M.B. 12591
Federal Secretariat, Ikoyi
Lagos, Nigeria

Cable address:

FEDMINFIN
Lagos

Telex:

21248 (ITT)

For the Administrator:

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:

440098 (ITT)
248423 (RCA) or
64145 (WUI)

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.

FEDERAL REPUBLIC OF NIGERIA

By /s/ Chief Olu Falae

Authorized Representative

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
as Administrator of the Grant

By /s/ Edwin Lim

Director
Western Africa Department

SCHEDULE 1

Withdrawal of the Proceeds of the Grant

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

Category	Amount of the Grant Allocated (Expressed in Yen)	% of Expenditures to be Financed
(1) Consultants' services	400,000,000	100%
(2) Training	20,000,000	100%
(3) Office equipment, materials and vehicles	24,500,000	100% of foreign expenditures and 75% of local expenditures
(4) Unallocated	50,000,000	
TOTAL	494,500,000 =====	

2. 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 or for goods not eligible under this Agreement.

SCHEDULE 2

Description of Technical Assistance

The Technical Assistance is intended to assist in the preparation of the proposed Oyo State Urban Project and shall include:

A. Detailed Engineering Design

- (1) detailed engineering design including field surveys and investigation, and preparation of tender documents for the storm drainage and flood control works of the Ogunpa Stream and its tributaries in the city of Ibadan; and
- (2) detailed engineering design including field surveys and investigations, and preparation of tender documents for solid waste management facilities (central offices, workshops, transfer stations, landfill sites), vehicles and equipment for solid waste operations, and the rehabilitation of existing landfill sites in the city of Ibadan.

B. Operation Support

- (1) Technical Assistance for the Project Coordination Unit (PCU) in the areas of training (including procurement), engineering and accounting and accounting (including financial management and planning);
- (2) Specialist technical assistance, advice, and operational support (including staff training) for Oyo State Environmental Protection Commission (EPC) for improved environmental sanitation, environmental planning, monitoring, coordination and management activities by EPC in Oyo State;
- (3) Support to the Town Planning Department of Oyo State Ministry of Lands, Housing and Surveys to provide improved planning coordination, carry out review of planning practices and legislation, and assist local governments with the preparation of area structure plans; and

- (4) Specialist support and training for the Oyo State Department of Local Government in the area of tenement rating and valuation, and enhanced resource mobilization so as to assist local governments in Oyo State.

C. Studies

- (1) Preparation of a State transport planning and a State highway maintenance study for, and under the direction of, the Oyo State Ministry of Works and Transport.
- (2) Project identification, preparation and feasibility studies in local government areas of Oyo State.

SCHEDULE 3

Implementation Program

1. The Project Coordination Unit (PCU) of the Oyo State Ministry of Finance and Economic Planning (MFEP) shall be responsible for the implementation of the Technical Assistance.
 2. In order to assist PCU in the implementation of the Technical Assistance and the Project, MFEP shall ensure that engineering and accounting support for PCU are provided no later than January 15, 1990.
 3. Unless otherwise agreed to by the Administrator, Oyo State shall ensure the consultants for the detailed engineering design (Part A of Schedule 2) are appointed no later than January 15, 1990.
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