

CONFORMED COPY

CREDIT NUMBER 3079 IVC

Development Credit Agreement

(Education and Training Support Project)

between

REPUBLIC OF COTE D'IVOIRE

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated June 17, 1998

CREDIT NUMBER 3079 IVC

DEVELOPMENT CREDIT AGREEMENT

AGREEMENT, dated June 17, 1998, between REPUBLIC OF COTE D'IVOIRE (the Borrower) and the 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 April 28, 1998, from the Borrower describing a program of actions, objectives and policies designed to strengthen the performance of the Borrower's education sector (the Program), and declaring the Borrower's commitment to the execution of the Program; 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 (as amended through December 2, 1997), (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) "BEP" means the "Bureau d'Exécution du Projet", established by Arrêté No. 024, dated May 6, 1998, of the Borrower for the purposes of monitoring the execution of projects in the Borrower's education sector;

(b) "CICSEF" means the "Comité Interministériel de Coordination du Secteur Education/Formation", established by Arrêté No. 29, dated May 7, 1998, of the Borrower for the purposes of coordinating policies relating to the development of the Borrower's education sector;

(c) "CFA Franc" or "CFAF" means the currency of the Borrower;

(d) "CAA" means the "Caisse Autonome d'Amortissement, a public enterprise of the Borrower established and operating pursuant to decree No. 98/11, dated January 14, 1998;

(e) "CAFOP" means the "Centre d'Animation de Formation Pédagogique", a Teachers Training Center of the Borrower;

(f) "ENS" means the "Ecole Normale Supérieure", an institution of higher training for teachers of the Borrower;

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

(h) "Project Preparation Advance" means the project preparation advance granted by the Association to the Borrower pursuant to an exchange of letters dated April 26, 1996, and May 8, 1996, between the Borrower and the Association;

(i) "MENFB" means the "Ministère de l'Education Nationale et de la Formation de Base", the Borrower's Ministry responsible for pre-school, primary and secondary education;

(j) "MESRIT" means the "Ministère de l'Enseignement Supérieur de la Recherche et de l'Innovation Technologique", the Borrower's Ministry responsible for higher education, research and technology;

(k) "METFPA" means the "Ministère de l'Enseignement Technique et de la Formation Professionnelle et de l'Artisanat", the Borrower's Ministry responsible for technical education and vocational training;

(l) "PIM" means the manual describing the Project reporting and monitoring procedures, plans and other implementation arrangements including the performance indicators referred to in Schedule 4 to this Agreement, to be followed in assessing the progress achieved in the execution of the Project; and

(m) "Project Account" means the account referred to in Section 3.01 (b) of this Agreement which is earmarked to hold counterpart funds to be mobilized by the Borrower for the purposes of the Project.

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 thirty nine million six hundred thousand Special Drawing Rights (SDR 39,600,000).

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 CFAF a special deposit account in CAA, on terms and conditions satisfactory to the Association, including appropriate protection against set-off, seizure and attachment. Deposits into, and payments out of, the Special Account shall be made in accordance with the provisions of Schedule 5 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 canceled.

Section 2.03. The Closing Date shall be December 31, 2002, 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

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), (c) and (d) below, the Borrower shall repay the principal amount of the Credit in semi-annual installments payable on each February 1 and August commencing February 1, 2008, and ending February 1, 2038. Each installment to and including the installment payable on February 1, 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 French Republic 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 through the overall coordination of MENFB, with due diligence and efficiency and in conformity with appropriate administrative, financial, technical, education and building practices, and shall provide, promptly as needed, the funds, facilities, services and other resources required for the Project.

(b) Without any limitation to the provisions of paragraph (a) of this Section regarding the provision of funds, the Borrower shall: (i) open and thereafter maintain a Project Account on terms and conditions satisfactory to

Section regarding the provision of funds, the Borrower shall: (i) open and thereafter maintain a Project Account on terms and conditions satisfactory to the Association; (ii) deposit into the Project Account an initial amount equivalent to CFAF 500,000,000; (iii) not later than December 31, 1998, deposit into the Project Account an additional amount equivalent to CFAF 300,000,000; (iv) thereafter deposit into the Project Account on the first day of each quarter an amount equivalent to CFAF 400,000,000 or such other amount as agreed upon with the Association; and (v) ensure that funds deposited in the Project Account are used solely for the purposes of defraying the cost of expenditures incurred in the execution of the Project not otherwise financed out of the proceeds of the credit.

(c) Without limitation upon the provisions of paragraph (a) of this Section and except as the Association and the Borrower 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 PIM.

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. For the purposes of carrying out Part A.4 of the Project, the Borrower shall:

(a) take all measures required on its part to acquire, by not later than September 30 of each year through the Project implementation period and commencing on September 30, 1999, a stock of textbooks and pedagogical guides required for primary education, in adequate numbers for basic subject matters acceptable to the Association; and

(b) ensure that the said textbooks and pedagogical guides are made available to students and teachers in selected schools in accordance with the calendar and the textbooks loan scheme described in the PIM.

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 acceptable to the Association and furnish to 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 for the future operation 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) furnish to the Association as soon as available, but in any case not later than six 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

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

(ii) 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) 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;

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

(v) ensure that such records and accounts are audited semi-annually, 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 V

Remedies of the Association

Section 5.01. Pursuant to Section 6.02 (h) of the General Conditions, the following additional event is specified 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 this Agreement within the meaning of Section 12.01 (b) of the General Conditions:

(a) the Borrower has adopted a Project Implementation Manual in form and substance satisfactory to the Association;

(b) the Borrower has appointed a Project Coordinator whose

(b) the Borrower has appointed a Project Coordinator whose qualifications and experience acceptable to the Association;

(c) the Borrower has recruited the financial auditors referred to in paragraph 5 of Schedule 4 to this Agreement in accordance with the provisions of Section II of Schedule 3 to this Agreement; and

(d) the Borrower has deposited into the Project Account the initial amount referred to in Section 3.01 (b) (ii) of this Agreement.

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 VII

Representative of the Borrower; Addresses

Section 7.01. The Minister of the Borrower responsible for Finance is designated as representative of the Borrower for the purposes of Section 11.03 of the General Conditions.

Section 7.02. The following addresses are specified for the purposes of Section 11.01 of the General Conditions:

For the Borrower:

Ministry of Economy and Finance
B.P. V 125
Abidjan
Republic of Cote d'Ivoire

Cable address:

MINFIN
Abidjan

Telex:

23747 MINFIN

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 COTE D'IVOIRE

By /s/ Koumoué Koffi

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	8,900,000	100% of foreign expenditures and 70% of local expenditures
(2) Textbooks and pedagogical material and	2,300,000	100% of foreign expenditures 60% of local expenditures
(3) Equipment and vehicles	6,000,000	100% of foreign expenditures and 60% of local expenditures
(4) Consultants' services and training	17,000,000	100% of foreign expenditures and 80% of local expenditures
(5) Incremental operating costs	3,700,000	60%
(6) Refunding of Project pursuant Preparation Advance	500,000	Amounts due to Section 2.02 (c) of this Agreement
(7) Unallocated	1,200,000	
TOTAL	39,600,000	

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

(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; provided, however, that if the currency of the Borrower is also that of another country from the territory of which goods or services are supplied, expenditures in such currency for such goods or services shall be deemed to be "foreign expenditures"; and

(c) the term "incremental operating costs" means the incremental expenses incurred on account of Project implementation, management and monitoring, including office supplies, vehicle operation, travel costs related to the execution of the Project, contractual staff salaries, 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 prior to the date of this Agreement.

4. The Association may require withdrawals from the Credit Account to be made on the basis of statements of expenditure for expenditures under contracts not exceeding \$100,000 equivalent for works, \$200,000 equivalent for goods, and consultant contracts of less than \$100,000 equivalent for firms and \$50,000 equivalent for individuals, training and operating costs 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 are to assist the Borrower in its efforts to: (a) strengthen its capacity to carry out a comprehensive basic education reform program; (b) increase access to, and improve completion rates in, primary education; and (c) improve the quality of instruction and learning outcomes for students in primary and lower secondary education.

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: Improving Learning at the Basic Education Level

1. Curricula Improvement

Improvement of teaching and learning through inter alia: (a) extension of the school year for primary education from 820 to 880 hours; (b) revision of curricula including the design of gender sensitive curricula to improve learning achievement for female pupils and female students at all levels; (c) formulation of new reading and mathematics programs; and (d) design of remedial programs tailored to the needs of under-performing students and training of teachers to implement the said programs in the classroom.

2. Strengthening School-Based Pre-Service and In-Service Teacher Training

(a) Upgrading CAFOP's and ENS's curricula to: (i) increase the weight of pedagogical training within the overall curriculum; and (ii) include novel teaching practices centered on each student's abilities to learn;

(b) revision of ENS's curricula with a view to: (i) improve graduates' profiles including, inter alia, teachers' ability to teach adequately several subject matters; (ii) strengthening teachers expertise in, and ability to teach mathematics and scientific subject matters; and (iii) enhancing training for

mathematics and scientific subject matters; and (iii) enhancing training for

CAFOPs' trainees and school counselors, and guidance personnel; and

(c) formulation and execution of an in-service training program designed to meet teachers' needs as well as a pilot distance training program for secondary school teachers.

3. Promoting Applied Research and Pedagogical Innovations

(a) Implementation of a demonstration school network comprising about 750 primary schools and about 180 junior high schools with a view to: (i) promoting the use of appropriate pedagogical methods to improve the quality of teaching as well as the quality of school management inter alia through an active participation of all concerned parties such as school administrators, teachers', students' and parents' representatives; (ii) defining and monitoring school-level indicators and norms to assess school performance including the quality of school management and budgetary expenditures; (iii) providing adequate feedback to the relevant school policy and decision makers on schools management and performance; and (iv) promotion of applied pedagogical research activities through CAFOP s and ENS.

(b) Establishment and implementation of a pilot scheme of school based activities designed to assist primary school teachers and administrators in the development of innovative ways to improve their teaching and school management practices at the local level.

4. Provision of Textbooks in Primary Schools and Lower Secondary Schools

(a) (i) Acquisition of textbooks and pedagogical guides and distribution of same to students and teachers in selected subprefectures in the form of book rentals; and (ii) formulation and execution of training activities aimed at increasing the awareness of students and their parents about the value of textbooks and the need to preserve them in a good condition; and

(b) formulation and implementation of a textbook rental scheme in targeted schools at the primary school and junior high school levels.

5. Student Learning Evaluation

Development of standard tests and adequate instruments to periodically assess students' learning achievements and to monitor the quality of teaching in the classroom.

Part B: Expanding Access to Primary and Lower Secondary Schools

1. (a) Construction and equipping of about 900 new primary school classrooms and about 8 junior high schools in selected regions; and (b) renovation and equipping of about 300 existing primary classrooms.

2. (a) Acquisition of technical advisors 'services required to formulate a pilot school facilities maintenance program, defining appropriate standards and procedures to be followed in the carrying out of school facilities renovation and maintenance works; and (b) implementation of said maintenance program in targeted schools with assistance from the relevant communities and municipalities.

Part C: Institutional Capacity Building

Strengthening MENFB's strategic planning and managerial capacity inter alia in the following areas: decentralization, budgetary and financial management, personnel management, school health, parents' participation,

alia in the following areas: decentralization, budgetary and financial management, personnel management, school health, parents' participation, promotion of private sector involvement in the provision of education services, and promotion of girls' education.

Part D: Sector Coordination and Strategic Planning

1. Strengthening MESRIT's and METFPA's planning and managerial capacity inter alia through the establishment of management information systems designed to meet their respective managerial needs.

2. Formulation of a pilot alternate vocational training program and implementation of the same.

3. Establishment of an information/education/communication system and a sectoral coordination and monitoring mechanism to share information and facilitate consultation among MENFB, MESRIT and METFPA so as to ensure adequate coordination on policy and other matters of mutual concern.

The Project is expected to be completed by June 30, 2002.

SCHEDULE 3

Procurement

Section I: Procurement of Goods and Works

Part A: General

Goods shall be procured in accordance with 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 (the Guidelines) and the following provisions of this Section.

Part B: International Competitive Bidding

1. Except as otherwise provided in Part C of this Section, goods 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 shall be grouped in bid packages estimated to cost \$200,000 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

All contracts for works and school furniture, and contracts for goods estimated to cost less than \$200,000 equivalent per contract, up to an aggregate amount not to exceed \$2,000,000 million equivalent, may be procured under contracts awarded in accordance with the provisions of paragraphs 3.3 and 3.4 of the Guidelines.

2. National Shopping

Goods estimated to cost less than \$30,000 equivalent per contract, up to an aggregate amount not to exceed \$1.5 million 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.

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

(a) With respect to the first two contracts for works awarded on the basis of national competitive bidding and with respect to each contract estimated to cost the equivalent of \$100,000 or more for works, and \$200,000 or more for goods, 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, the procedures set forth in paragraph 4 of Appendix 1 to the Guidelines shall apply.

Section II: Employment of Consultants

Part A: General

Consultants' services shall be procured in accordance with 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 (the Consultant Guidelines) and the following provisions of Section II of this Schedule.

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

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 required for: (a) local training activities and formulation of curricula under Part A of the Project; (b) architectural studies under Part B of the Project; and (c) capacity building activities under Parts C and D of the Project estimated to cost less than \$200,000 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. Selection Under a Fixed Budget Services for activities required under Part A.3 (b) of the Project may be procured under contracts awarded in accordance with the provisions of paragraphs 3.1 and 3.5 of the Consultant Guidelines.

2. Least-cost Selection Services estimated to cost less than \$200,000 equivalent per contract may be procured under contracts awarded in accordance with the provisions of paragraphs 3.1 and 3.6 of the Consultant Guidelines.

3. Single Source Selection Services which are estimated to cost less than \$100,000 equivalent per contract 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.

4. Individual Consultants Services estimated to cost less than \$50,000 equivalent per contract may 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 \$50,000 or more, but less than the equivalent of \$100,000, the procedures set forth in paragraphs 1, 2 (other than the second 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 consulting firms estimated to cost the equivalent of \$100,000 or more and each contract for the employment of individual consultants estimated to cost the equivalent of \$50,000 or more, the procedures set forth in paragraphs 1, 2 (other than the third subparagraph of paragraph 2 (a)) and 5 of Appendix I to the Consultant Guidelines shall apply.

3. Post Review

With respect to each contract not governed by paragraph 1 of this Part, the procedures set forth in paragraph 4 of Appendix 1 to the Consultant

With respect to each contract not governed by paragraph 1 of this Part, 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) implement the Project in accordance with the procedures set out in the PIM and, except as the Association shall otherwise agree, the Borrower shall not amend, abrogate or waive any provision thereof which, in the opinion of the Association, may materially or adversely affect the execution of the Project; and

(b) maintain policies and procedures adequate to enable it to monitor and evaluate on an ongoing basis, in accordance with the PIM and performance indicators included in the PIM, satisfactory to the Association, the carrying out of the Project and the achievement of the objectives thereof.

2. Not later than 24 months after the Effective Date, the Borrower shall carry out jointly with the Association, a comprehensive mid-term review to assess the progress achieved in the execution of the Project.

(a) Without any limitation to the generality of the foregoing, the review shall cover the implementation and management aspects of the Project, including policy reforms, the performance and use of the technical assistance personnel, the role and performance of national experts involved in the execution of the Project, the status and results of training, reporting, accounting and audit performance, disbursement and procurement procedures.

(b) Not later than thirty (30) days prior to the said mid-term review, the Borrower shall furnish to the Association, for its comments, a report in such detail as the Association shall reasonably request, including an evaluation of the progress achieved in implementing the various components of the Project, and a draft action plan containing proposals for remedying identified deficiencies.

(c) The Borrower shall, promptly thereafter: (i) prepare and adopt an action plan, acceptable to the Association, based on the recommendations stemming from the aforementioned review; and (ii) thereafter, carry out the said action plan for the remaining period of Project implementation.

3. The Borrower shall maintain BEP throughout the implementation of the Project and entrust it with responsibility to oversee and coordinate all matters pertaining to procurement and financial operations under the Project.

4. The Borrower shall maintain CICSEF with mandate, functions and responsibilities satisfactory to the Association.

5. The Borrower shall appoint a Project Coordinator whose qualifications, professional experience, functions and responsibilities shall, at all times, be satisfactory to the Association.

6. The Borrower shall: (a) by October 31 of each year, prepare draft work plans and related budgets and submit them to the Association for its review and comments; (b) finalize the said work plans by December 31 of each year, taking into account the comments made by the Association; and (c) promptly carry out the work plans as approved by the Association or as otherwise amended in agreement with the Association.

7. The Borrower shall, for each new school year throughout the duration of the Project, recruit an incremental number of 2,000 teachers over and above the number of teachers in function at the start of the preceding school year.

8. The Borrower shall take all measures required on its part to ensure that textbooks are distributed in selected areas in accordance with the textbooks distribution scheme set forth in the PIM.

SCHEDULE 5

Special Account

1. For the purposes of this Schedule:

(a) the term "eligible Categories" means Categories (1) through (5) 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 CFAF 1,8 billion 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 CFAF 900 million 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 10,000,000.

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, 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, 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

(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 6

Performance Indicators

1. Market Liberalization for Editing of Primary School Textbooks

Enactment by December 1999, of required legislation to open up primary school textbooks editing market to local competition, in particular with respect to the series "Ecole et Developpement".

2. Teaching Quality Improvement

(i) School year at the primary level to be extended: (a) from 820 hours to 840 hours commencing in September 30, 2000; (b) 840 hours to 860 hours by September 2001; and (c) from 860 hours to 880 hours by September 30, 2002.

(ii) The duration of training in CAFOPs shall be reduced from three years to two years commencing in September 2001.

3. Execution of Works

(i) Construction of primary school classrooms to be completed as follows:

- 300 classrooms by December 31, 1999;

- 300 classrooms by September 30, 2000; and - 300 classrooms by September 30, 2001.

(ii) Construction of eight lower secondary schools to be completed by December 31, 2000.

(iii) No more than 30 percent of classroom buildings constructed during the first and second year of Project implementation shall not exceed 10 percent of the construction unit cost as described in the PIM.

4. Recruitment of primary school teachers

(i) 2,000 additional primary school teachers to be recruited each year commencing in September 1998 through the year 2002.

(ii) Hiring decisions for primary school teachers shall be made at the local level commencing in September 1999.

5. Budgetary Allocations

(i) The share of primary budget expenditures to be allocated for the education sector shall be increased from its current level of 31.6 percent to 39 percent in the year 2000.

(ii) In each fiscal year commencing with the fiscal year 1999, an amount equivalent to at least \$1,500,000 million shall have been earmarked for the purchase of textbooks and pedagogical guides for primary school education.

