

CONFORMED COPY

CREDIT NUMBER 3179 KH

Project Agreement

(Second Social Fund Project)

between

INTERNATIONAL DEVELOPMENT ASSOCIATION

and

THE SOCIAL FUND OF THE KINGDOM OF CAMBODIA

Dated April 19, 1999

CREDIT NUMBER 3179-KH

PROJECT AGREEMENT

AGREEMENT, dated April 19, 1999, between INTERNATIONAL DEVELOPMENT ASSOCIATION (the "Association") and SOCIAL FUND OF THE KINGDOM OF CAMBODIA (the "SFKC").

WHEREAS: (A) By the Development Credit Agreement of even date herewith between the Kingdom of Cambodia (the "Borrower") and the Association, the Association has agreed to make available to the Borrower an amount in various currencies equivalent to seventeen million nine hundred thousand Special Drawing Rights (SDR 17,900,000), on the terms and conditions set forth in the Development Credit Agreement, but only on condition that SFKC agrees to undertake such obligations toward the Association as are set forth in this Agreement; and

WHEREAS: (B) SFKC, in consideration of the Association's entering into the Development Credit Agreement with the Borrower, has agreed to undertake the obligations set forth in this Agreement;

NOW THEREFORE the parties hereto hereby agree as follows:

ARTICLE I

Definitions

Section 1.01. Unless the context otherwise requires, the several terms defined in the Development Credit Agreement and the General Conditions (as so defined) have the respective meanings therein set forth.

ARTICLE II

Execution of the Project;
Management and Operations of SFKC

Section 2.01. (a) SFKC declares its commitment to the objectives of the Project as set forth in Schedule 2 to the Development Credit Agreement and, to this end, shall carry out the Project and conduct its operations and affairs in accordance with sound financial standards and practices, with suitably qualified and experienced management and personnel in adequate numbers, and in accordance with the provisions of the Royal Decree and the Statutes.

(b) Without limitation upon the provisions of paragraph (a) of this Section and, except as the Association and SFKC shall otherwise agree, SFKC shall carry out the Project in accordance with the implementation program set forth in Schedule 1 to this Agreement.

(c) 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 2.02. (a) SFKC shall enter into the Fund Agreement with the Borrower, whereby the Borrower shall make the entire proceeds of the Credit available, promptly and without delay, to SFKC on a non-reimbursable grant basis, all under terms and conditions which shall have been approved by the Association and which shall include the terms and conditions set forth in Schedule 4 to the Development Credit Agreement.

(b) SFKC shall duly perform all its obligations under the Fund Agreement and shall exercise its rights under the Fund Agreement in such a manner so as to protect the interests of SFKC and the Association, and to accomplish the purposes of the Credit and the objectives of the Project, and, except as the Association shall otherwise agree, SFKC shall not assign, amend, abrogate or waive the Fund Agreement, or any provision thereof.

Section 2.03. (a) SFKC undertakes that, unless the Association shall otherwise agree, Sub-grants shall be made in accordance with the procedures and on the terms and conditions set forth or referred to in Schedule 2 to this Agreement.

(b) SFKC shall exercise its rights in relation to each Sub-project financed by a Sub-grant in such manner as to: (i) protect the interests of the Association and of SFKC; (ii) comply with its obligations under this Agreement and the corresponding Sub-grant Agreement; and (iii) further the accomplishment of the purposes of the Credit and achievement of the objectives of the Project.

Section 2.04. (a) At the request of the Association, SFKC shall exchange views with the Association with regard to the progress of the Project, the performance of its obligations under this Agreement and the Fund Agreement, and such other matters relating to the purposes of the Credit and the objectives of the Project.

(b) SFKC shall promptly inform the Association of any condition which interferes or threatens to interfere with the progress of the Project, the accomplishment of the purposes of the Credit, or the performance by SFKC of its obligations under this Agreement or under the Fund Agreement, or with the achievement of the objectives of the Royal Decree and the Statutes.

Section 2.05. (a) SFKC shall carry out the obligations set forth in Sections 9.03, 9.04, 9.05, 9.06, 9.07 and 9.08 of the General Conditions (relating to insurance, use of goods and services, plans and schedules, records and reports, maintenance and land acquisition, respectively) in respect of the Project.

(b) For the purposes of Section 9.07 of the General Conditions and without limitation thereto, SFKC shall:

(i) prepare, on the basis of guidelines acceptable to the Association and furnish to the Association not later than six (6) months after the Closing Date, or such later date as may be agreed for this purpose between the Association and SFKC, a plan for the future operation of the Project; and

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

Section 2.06. SFKC shall take out and maintain with responsible insurers, or to make other provision satisfactory to the Association for, insurance against such risks and in such amounts as shall be consistent with appropriate business practices.

ARTICLE III

Financial Covenants

Section 3.01. (a) SFKC shall maintain procedures and records adequate to monitor and record the progress of the Project and to reflect in accordance with consistently maintained sound accounting practices its operations and financial condition, and to register the operations, resources and expenditures related to the Project.

(b) SFKC shall:

- (i) have records referred to in paragraph (a) of this Section, its accounts and financial statements (balance sheets, statements of income and expenses and related statements) and records and accounts for its Special Account for each Fiscal Year audited in accordance with sound 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 six (6) months after the end of each such year, (A) certified copies of the financial statements referred to in paragraph (a) above 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 Association shall have reasonably requested; and
- (iii) furnish to the Association such other information concerning said records, accounts and financial statements as well as the audit thereof, as the Association shall from time to time reasonably request.

Section 3.02. (a) Without limitation upon the provisions of Section 3.01 of this Agreement, SFKC shall carry out a time-bound action plan acceptable to the Association for the strengthening of its financial management system for the Project in order to enable the Borrower, not later than July 31, 1999, or such later date as the Association shall agree, to prepare quarterly Project management reports, acceptable to the Association, each of which:

- (i) (A) sets forth actual sources and applications of funds for the Project, both cumulatively and for the period covered by said report, and projected sources and applications of funds for the Project for the six-month period following the period covered by said report, and (B) shows separately expenditures financed out of the proceeds of the Credit during the period covered by said report and expenditures proposed to be financed out of the proceeds of the Credit during the six-month period following the period covered by said report;
- (ii) (A) describes physical progress in Project implementation, both cumulatively and for the period covered by said report, and (B) explains variances between the actual and previously forecast implementation targets; and
- (iii) sets forth the status of procurement under the Project and expenditures under contracts financed out of the proceeds of the Credit, as at the end of the period covered by said report.

(b) Upon the completion of the action plan referred to in paragraph (a) of this Section, SFKC shall prepare, in accordance with guidelines acceptable to the Association, and furnish to the Association not later than 45 days after the end of each calendar quarter a Project Management Report for such period.

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 Development Credit Agreement becomes effective.

Section 4.02. This Agreement and all obligations of the Association and of SFKC thereunder shall terminate on the date on which the Development Credit Agreement shall

terminate in accordance with its terms, and the Association shall promptly notify SFKC 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 radiogram 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 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)

For SFKC:

Social Fund of the Kingdom of Cambodia
No. 113 Street 214
7 Makara, Boueng Pralit
Phnom Penh
Kingdom of Cambodia

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 SFKC may be taken or executed by its General Director, or such other person or persons any such General Director shall designate in writing, and SFKC shall furnish to the Association 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 DEVELOPMENT ASSOCIATION

By /s/ Ngozi Okonjo-Iweala

Authorized Representative

SOCIAL FUND OF THE KINGDOM
OF CAMBODIA

By /s/ Keat Chhon

SCHEDULE 1

Implementation Program

General and Institutional Matters

1. SFKC shall, until completion of the Project, maintain a General Director, whose qualifications and experience shall be acceptable to the Association, to be responsible for its day-to-day management and administration, and maintain staff and other requisite resources as shall be satisfactory to the Association, and shall take all measures necessary to enable said General Director and staff to undertake the overall day-to-day supervision and coordination of the Project.

2. SFKC shall:

(a) prepare and submit work programs, budgets and reports and fully cooperate and participate in the Project annual reviews and mid-term review;

(b) provide all relevant information required for the proper monitoring and evaluation of the Project; and

(c) promptly implement said work programs.

3. Without limitation upon the provisions of Section 9.06 of the General Conditions, SFKC shall:

(a) maintain operational procedures adequate to enable it to monitor and evaluate, in accordance with performance indicators agreed upon with the Borrower and the Association, the progress achieved in carrying out the Project;

(b) prepare, in accordance with terms of reference acceptable to the Association, and furnish to the Association: (i) a monthly report on the status of the Project; (ii) not later than March 31 in each Fiscal Year, beginning in Fiscal Year 2000, an annual report summarizing the monitoring and evaluation activities carried out pursuant to sub-paragraph (a) above in respect of the preceding Fiscal year, and setting forth proposed measures, as indicated by said monitoring and evaluation activities, to further the objectives of the Project; and (iii) not later than June 30, 2001, a mid-term report setting forth any proposed measures, as indicated by said monitoring and evaluation activities, to further the objectives of the Project; and

(c) exchange views with the Association on each report furnished pursuant to paragraphs (ii) and (iii) of sub-paragraph (b) above, and thereafter take all measures in relation thereto as shall have been agreed between the Association and SFKC.
Operational Provisions

4. (a) Subject to the provisions of sub-paragraph (b) of this paragraph, SFKC shall at all times carry out its operations in accordance with the provisions of the Administrative Manual and Operational Manual, which shall, in the case of the Operational Manual, include provisions to the following effect:

(i) except as the Association shall otherwise agree, (A) no single Sub-grant shall exceed the equivalent of \$250,000 or 90 percent of the total cost of the Sub-project, whichever is less, and (B) the Applicant's contribution to the cost of the Sub-project shall be not less than 10 percent of the total cost of the Sub-project;

(ii) no Sub-project shall be considered for approval unless Applicant, Sponsor or Sub-project Implementing Agency thereof has provided a plan, acceptable to SFKC, for the proper operation and maintenance of the Sub-project, upon its completion; and

(iii) the proceeds of a Sub-grant shall not be used to finance taxes or duties levied on or in respect of eligible expenditures relating to a Sub-project, or any part thereof.

(b) SFKC shall revise its Administrative Manual and Operational Manual to take account of the specific needs and priorities of the Project and, in particular, in the case of the Operational Manual, to:

- (i) integrate and update the Guidelines for Resettlement and Compensation, specify the policies and procedures applicable to cooperative arrangements with ministries and agencies of the Borrower, and with bilateral and multilateral donor agencies referred to in paragraph 5 of this Schedule, and outline a set of guiding principles designed to target poor or otherwise under-served communities in accordance with paragraph 9 of this Schedule; and
- (ii) provide for the introduction of the sustainability, and improved technical and economic appraisal, programs referred to in paragraph 6 of this Schedule.

(c) Except as provided in sub-paragraph (b) of this paragraph, SFKC shall not, without the prior written approval of the Association, amend or waive any of the provisions of the Administrative Manual and Operational Manual, if the effect of such amendment or waiver is to revise, vary or otherwise modify any provision thereof relating to: (i) Sub-project types or eligibility criteria; (ii) Sub-project cost limits; (iii) maximum contract amounts that can be awarded to any single Sub-project Implementing Agency on a direct contracting basis; (iv) deadlines for the Borrower to provide its no-objection or reasons for objection in respect of any proposed Sub-project; or (v) the threshold for prior review of Sub-projects by the Association.

5. (a) Subject to sub-paragraph (b) of this paragraph, SFKC shall enter into cooperative arrangements with ministries and agencies of the Borrower, and with bilateral and multilateral donor agencies, to achieve the purposes of the Royal Decree and the Statutes.

(b) Except with the prior approval of the Association, SFKC shall not enter into any cooperative or other arrangement involving the use of the proceeds of the Credit, or pertaining thereto, with other ministries and agencies of the Borrower, or any bilateral and multilateral donor agencies.

6. SFKC shall:

(a) not later than March 31, 2000, furnish to the Association for its review and approval, a detailed proposal for the introduction of:

- (i) a sustainability program designed to provide new procedures and policies, and a revised institutional framework, to increase community participation in, and local ownership of, Sub-projects, and improve the operation and maintenance performance record of such Sub-projects after completion thereof; and
- (ii) an improved technical and economic appraisal program, including improved operational procedures, technical design and implementation quality of Sub-projects, revised environmental assessment and mitigation procedures, an integrated approach to appraisal and supervision to take full account of all components of Sub-projects, whether financed by the proceeds of Sub-grants or otherwise, and improvements in the design, appraisal and supervision of rural water supply Sub-projects; and

(b) subject to the approval of the Association, proceed thereafter to revise the Operational Manual forthwith to provide for the introduction of the sustainability, and improved technical and economic appraisal, programs referred to in sub-paragraph (a) of this paragraph.

(a) For purposes of paragraph 6 (a) (i) of this Schedule, SFKC shall take appropriate institutional measures to implement the sustainability program referred to therein, including appointment of a sustainability adviser pursuant to sub-paragraph (b) of this paragraph, establishment of regional offices, as deemed appropriate, in accordance with paragraph 8 of this Schedule, establishment of a monitoring and post-handover unit of SFKC to track the operation and maintenance performance record of Sub-projects after completion, and deployment therein of staff trained in social analysis and community-based development.

(b) SFKC shall, not later than September 30, 1999, recruit, pursuant to Section II of Schedule 3 to this Agreement, a sustainability adviser to advise SFKC on the design and implementation of the sustainability program referred to in paragraph 6 of this Schedule, and assist in the establishment of the proposed monitoring and

post-handover unit of SFKC, the recruitment of the staff of the unit, and the preparation and implementation of training activities on their behalf.

8. SFKC shall prepare, in accordance with terms of reference acceptable to the Association, and furnish to the Association, for review and comments, a proposal, together with a draft budget, for the establishment of regional offices of SFKC; and proceed thereafter to implement such proposal, taking into account such comments as the Association may have provided on such proposal and draft budget;

9. SFKC shall, not later than September 30, 1999, furnish to the Association, for its review and approval, a detailed strategy to target poor or otherwise under-served communities, using a poverty targeting map, based on the most current information on population, poverty levels and access to services, to determine priority areas in terms of allocation of resources, a revised ranking methodology, and adjustments to SFKC's computerized Sub-project ranking system; and proceed thereafter to implement such strategy, taking into account such comments as the Association may have provided thereon.

10. SFKC shall take steps to ensure that:

(a) each Sub-project appraised shall include a detailed analysis of any potential adverse environmental effects or resettlement of persons, as the case may be, arising from the implementation of said Sub-project; and, in the event of the existence of any such adverse environmental effects or resettlement, an environmental or resettlement action plan, as the case may be;

(b) an environmental or resettlement action plan, as the case may be, shall be carried out in a manner acceptable to the Association and monitored on a regular basis by SFKC, and, in the case of resettlement, shall be in accordance with the Guidelines for Resettlement and Compensation;

(c) all Affected Persons shall be rehabilitated and compensated prior to the commencement of execution of the corresponding Sub-projects, and in accordance with the Guidelines for Resettlement and Compensation; and

(d) adequate operational procedures shall be maintained at all times to enable both the Borrower and SFKC to monitor and evaluate, on a regular basis and based on indicators acceptable to the Association, the prompt carrying out of each of the foregoing.

SCHEDULE 2

Terms and Conditions of Sub-grant Agreements

Each Sub-grant Agreement shall include the following terms and conditions satisfactory to the Association:

1. Each Applicant, Sponsor or Sub-project Implementing Agency, as the case may be, shall be required to carry out and operate their corresponding Sub-project(s) with due diligence and efficiency, and in accordance with sound administrative, economic, engineering, financial, legal, managerial and environmental standards and practices.

2. Each Applicant, Sponsor or Sub-project Implementing Agency, as the case may be, shall have the obligation to ensure at all times that: (a) goods, works and consultants' services to be financed out of the proceeds of the Credit shall be procured in accordance with the provisions of Schedule 3 to this Agreement; (b) such goods, works and consultants' services shall be used exclusively for implementing Sub-projects and achieving the objectives of the Project; and (c) upon completion of the Sub-project(s), such Sub-project(s) shall be operated and maintained in accordance with the operation and maintenance plan agreed upon with SFKC.

3. SFKC shall ensure that each Sub-project is carried out in its entirety on public land, and that at all times the ownership of the goods, works and services under each Sub-project shall remain in the public domain or otherwise revert to the Borrower.

4. SFKC shall have the right to inspect, by itself or jointly with representatives of the Borrower or the Association, if the Association shall so request, the goods, works and services included in the Sub-project, the operation thereof and any relevant records and documents, and obtain any report in connection therewith, of such scope and in such detail as the Association shall reasonably request.

5. Each Applicant, Sponsor and Sub-project Implementing Agency shall take out and maintain with responsible insurers, or make other satisfactory provision for,

insurance against such risks and in such amounts as shall be consistent with appropriate business practices.

6. SFKC shall have the right to obtain all such information as the Association shall reasonably request relating to the foregoing, the administration, operations and financial condition of each Applicant, Sponsor or Sub-project Implementing Agency, and the benefits derived from the Sub-projects.

7. The right of any Applicant, Sponsor and Sub-project Implementing Agency to the use of the proceeds of the Credit, or any part thereof, shall be promptly suspended upon failure by such Applicant, Sponsor or Sub-project Implementing Agency to perform any of its respective obligations under the Sub-grant Agreement.

SCHEDULE 3

Procurement

Section I. Procurement of Goods and Works

Part A: General

1. Goods and works shall be procured in accordance with (a) the provisions of Section I of the "Guidelines for Procurement under IBRD Loans and IDA Credits" published by the Bank in January 1995 and revised in January and August 1996, September 1997 and January 1999, subject to the modifications thereto set forth in paragraph 2 of this Part A (the Guidelines), and (b) the provisions of the following Parts of this Section I.

2. In paragraphs 1.6 and 1.8 of the Guidelines the references to "Bank member countries" and "member country" shall be deemed to be references to "Participating Countries" and "Participating Country", respectively.

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 \$50,000 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

Goods estimated to cost less than \$100,000 equivalent per contract, up to an aggregate amount not to exceed \$200,000 equivalent, and works 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 \$50,000 equivalent per contract, up to an aggregate amount not to exceed \$1,500,000 equivalent, may be procured under contracts awarded on the basis of national shopping procedures in accordance with the provisions of paragraphs 3.5 and 3.6 of the Guidelines.

3. Community Participation

Goods and works under Part A of the Project, estimated to cost less than \$50,000 equivalent per contract, up to an aggregate amount not to exceed \$1,000,000 equivalent, shall be procured in accordance with procedures acceptable to the

Association, and specified in the Operational Manual.

4. Procurement of Small Works

Works estimated to cost less than \$100,000 equivalent per contract, up to an aggregate amount not to exceed \$6,600,000 equivalent, may be procured under lump-sum, fixed-price contracts awarded on the basis of quotations obtained from three (3) qualified domestic contractors in response to a written invitation. The invitation shall include a detailed description of the works, including basic specifications, the required completion date, a basic form of agreement acceptable to the Association, and relevant drawings, where applicable. The award shall be made to the contractor who offers the lowest price quotation for the required work, and who has the experience and resources to complete the contract successfully.

5. Direct Contracting

Small-scale works under Part A of the Project estimated to cost less than \$50,000 equivalent per contract, up to an aggregate amount not to exceed \$10,600,000 equivalent, may, with the Association's prior agreement, be procured under contracts awarded after direct negotiations with contractors in accordance with the provisions of paragraph 3.7 of the Guidelines and procedures acceptable to the Association; provided, however, that the total value of contracts awarded to any one contractor under the provisions of this paragraph shall not exceed \$300,000 equivalent.

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) The procedures set forth in paragraphs 2 and 3 of Appendix 1 to the Guidelines shall apply, subject to the provisions of sub-paragraph (b) of this paragraph, to each contract for works estimated to cost the equivalent of \$100,000 or more, and goods estimated to cost the equivalent of \$50,000 or more, and the first three contracts to be awarded under community participation or small works procurement procedures.

(b) With respect to each of the three contracts to be awarded under community participation or small works procurement procedures, and referred to in sub-paragraph (a) of this paragraph, the following procedures shall apply:

- (i) prior to the selection of any supplier or execution of any contract under small works or other competitive procedures, SFKC shall provide to the Association a report on the comparison and evaluation of bids or quotations received;
- (ii) prior to the execution of any contract procured under community participation or small works procurement procedures, SFKC shall provide to the Association a copy of the specifications and the draft contract; and
- (iii) the procedures set forth in paragraphs 2(f), 2(g) 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

1. Consultants' services shall be procured in accordance with (a) the provisions of the Introduction and Section IV of the "Guidelines: Selection and Employment of

Consultants by World Bank Borrowers" published by the Bank in January 1997 and revised in September 1997 and January 1999, subject to the modifications thereto set forth in paragraph 2 of this Part A (the Consultant Guidelines), and (b) the provisions of the following Parts of this Section II.

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

Part B: Quality- and Cost-Based Selection

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.

Part C: Other Procedures for the Selection of Consultants

1. Selection Based on Consultants' Qualifications

Services involving consulting firms, and estimated to cost less than \$100,000 equivalent per contract, may be procured under contracts awarded in accordance with the provisions of paragraphs 3.1 and 3.7 of the Consultant Guidelines.

2. Single Source Selection

Services involving consulting firms, and 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.

3. Individual Consultants

Services under Part B of the Project 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 estimated to cost the equivalent of \$100,000 or more, the procedures set forth in paragraphs 1, 2 and (other than the third subparagraph of paragraph 2(a)) and 5 of Appendix 1 to the Consultant Guidelines shall apply.

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

3. Post Review

With respect to each contract not governed by paragraph 2 of this Part, the procedures set forth in paragraph 4 of Appendix 1 to the Consultant Guidelines shall apply.



