

CONFORMED COPY

CREDIT NUMBER 2290 SU

(Emergency Drought Recovery Project)

between

THE REPUBLIC OF THE SUDAN

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated August 7, 1991

CREDIT NUMBER 2290 SU

DEVELOPMENT CREDIT AGREEMENT

AGREEMENT, dated August 7, 1991, between THE REPUBLIC OF THE SUDAN (the Borrower) and INTERNATIONAL DEVELOPMENT ASSOCIATION (the Association).

WHEREAS: 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; 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, with the last sentence of Section 3.02 deleted (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) "MALNR" means the Borrower's Ministry of Agriculture, Livestock and Natural Resources;

(b) "NRIU" means the National Reconstruction Implementation Unit, established by Circular No. 1 of the Borrower's Minister of Finance and Economic Planning;

(c) "NRWC" means National Rural Water Corporation;

(d) "CMS" means the Central Medical Stores, a financially and administratively autonomous public entity established by a Presidential Decree of the Borrower, dated May 18, 1991;

(e) "FSCU" means the Food Security Coordinating Unit established by the Borrower's Ministerial Decree No. 128, dated June 16, 1991;

(f) "LRC" means the Livestock Route Company, a public corporation fully owned by 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 October 1, 1987 and October 6, 1987 between the Borrower and the Association;

(i) "UNICEF Agreement" means the agreement entered into between the Borrower and UNICEF on June 4, 1991 for the purposes of Parts A.1, A.2 and B.1 of the Project; and

(j) "UNDP Agreement" means an agreement acceptable to the Association to be entered into between the Borrower and UNDP for the purposes of Part D.3 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 this Agreement, an amount in various currencies equivalent to eleven million nine hundred thousand Special Drawing Rights (SDR 11,900,000).

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 and to be financed out of the proceeds of the Credit.

(b) The Borrower shall, for the purposes of the Project, open and maintain in dollars a special deposit account in the National Export-Import Bank of Sudan on terms and conditions satisfactory to the Association, including appropriate protection against set-off, seizure or attachment. Deposits into, and payments out of, the Special Account shall be made in accordance with the provisions of Schedule 4 to this Agreement.

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

balance of the authorized amount of the Project Preparation Advance shall thereupon be cancelled.

Section 2.03. The Closing Date shall be September 30, 1993 or such later date as the Association shall establish. The Association shall promptly notify the Borrower of such later date.

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

(b) The commitment charge shall accrue: (i) from the date sixty days after the date of this Agreement (the accrual date) to the respective dates on which amounts shall be withdrawn by the Borrower from the Credit Account or cancelled; and (ii) at the rate set as of the June 30 immediately preceding the accrual date or 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 payment date in that year specified in Section 2.06 of this Agreement.

(c) The commitment charge shall be paid: (i) at such places as the Association shall reasonably request; (ii) without restrictions of any kind imposed by, or in the territory of, the Borrower; and (iii) in the currency specified in this Agreement for the purposes of Section 4.02 of the General Conditions or in such other eligible currency or currencies as may from time to time be designated or selected pursuant to the provisions of that Section.

Section 2.05. The Borrower shall pay to the Association a service charge at the rate of three-fourths of one percent (3/4 of 1%) per annum on the principal amount of the Credit withdrawn and outstanding from time to time.

Section 2.06. Commitment charges and service charges shall be payable semiannually on January 15 and July 15 in each year.

Section 2.07. (a) Subject to paragraphs (b) and (c) below, the Borrower shall repay the principal amount of the Credit in semi-annual installments payable on each January 15 and July 15 commencing January 15, 2002 and ending July 15, 2031. Each installment to and including the installment payable on July 15, 2011 shall be one percent (1%) of such principal amount, and each installment thereafter shall be two percent (2%) of such principal amount.

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

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

Section 2.08. The currency of the United States of America is hereby specified for the purposes of Section 4.02 of the General Conditions.

ARTICLE III

Execution of the Project

Section 3.01. (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 with due diligence and efficiency and in conformity with appropriate agricultural, environmental, public health, administrative and financial practices and shall provide, promptly as needed, the funds, facilities, services and other resources required for the Project.

(b) Without limitation or restriction upon the provisions of paragraph (a) of this Section and except as the Borrower and the Association shall otherwise agree, the Borrower shall carry out the Project in accordance with the Implementation Program set forth in Schedule 5 to this Agreement.

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.

ARTICLE IV

Financial Covenants

Section 4.01. (a) The Borrower shall maintain or cause to be maintained records and accounts adequate to reflect in accordance with sound accounting practices the operations, resources and expenditures in respect of the Project of the departments or agencies of the Borrower responsible for carrying out the Project or any part thereof.

(b) The Borrower shall:

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

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

- (i) maintain or cause to be maintained, in accordance with paragraph (a) of this Section, records and accounts reflecting such expenditures;
- (ii) retain, until at least one year after the

Association has received the audit report for the fiscal year in which the last withdrawal from the Credit Account or payment out of the Special Account was made, all records (contracts, orders, invoices, bills, receipts and other documents) evidencing such expenditures;

- (iii) enable the Association's representatives to examine such records; and
- (iv) ensure that 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 V

Remedies of the Association

Section 5.01. Pursuant to Section 6.02 (h) of the General Conditions, the following additional events are specified:

(a) Any of the decrees referred to in paragraphs (b) and (e) of Section 1.02 of this Agreement establishing the NRIU and the FSCU, respectively, have been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the NRIU or the FSCU to perform any of their obligations under this Agreement.

(b) The Borrower or any other authority having jurisdiction shall have taken any action for the dissolution or disestablishment of the NRIU or the FSCU or for the suspension of either of their operations during the execution of the Project.

(c) The Borrower shall have failed to perform any of its obligations under the UNICEF Agreement or the UNDP Agreement.

(d) As a result of events which have occurred after the date of this Agreement, an extraordinary situation shall have arisen which shall make it improbable that the Borrower will be able to perform its obligations under the UNICEF Agreement or the UNDP Agreement.

(e) The UNICEF Agreement or the UNDP Agreement shall have been amended, suspended, abrogated, repealed or waived so as to affect the execution of the Project without the prior consent of the Association.

Section 5.02. Pursuant to Section 7.01 (d) of the General Conditions, the following additional events are specified:

(a) any event specified in paragraphs (a), (b) or (e) of Section 5.01 of this Agreement shall occur; and

(b) the event specified in paragraph (c) of Section 5.01 of this Agreement shall occur and shall continue for a period of sixty days after notice thereof shall have been given by the Association to the Borrower.

ARTICLE VI

Termination

Section 6.01. 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

Representatives of the Borrower; Addresses

Section 7.01. The First Undersecretary for Planning in the Ministry of Finance and Economic Planning of the Borrower 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 Finance and Economic Planning
P.O. Box 2092
Khartoum
The Republic of the Sudan

Cable address:	Telex:
EIMAR Khartoum	22324

For the Association:

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

Cable address:	Telex:
INDEVAS Washington, D.C.	248423 (RCA) 82987 (FTCC) 64145 (WUI) or 197688 (TRT)

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

THE REPUBLIC OF THE SUDAN

By /s/ Abdalla Ahmed Abdalla
Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ Katherine Marshall
Acting 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
Part A of the Project:		
(1) Equipment and works under Parts A.1 and A.2 of the Project	2,600,000	100% of foreign expenditures
(2) Spare parts under Part A.3 of the Project	190,000	100% of foreign expenditures
Part B of the Project:		
(3) Drugs, vaccines and medical equipment including associated transport costs under Part B.1 of the Project	1,100,000	100% of foreign expenditures
(4) Drugs, vaccines and medical equipment under Part B.2 of the Project	3,420,000	100% of foreign expenditures
Category	Amount of the Credit Allocated (Expressed in SDR Equivalent)	% of Expenditures to be Financed
(5) Consultants' services, vehicles, equipment and training under Part B.3 of the Project	260,000	100%
Part C of the Project:		
(6) Spare parts under Part C of the Project	820,000	100% of foreign expenditures
(7) Diesel fuel, oil and lubricants under Part C of the Project	1,630,000	100% of foreign expenditures
Part D of the Project:		
(8) Consultants' services, vehicles, equipment and training under Part D.1 of the Project	150,000	100%
(9) Consultants' services, vehicles, equipment and training under Part D.2 of the Project	190,000	100%
(10) Equipment, vehicles, spare parts and building materials under	745,000	100% of foreign expenditures

Part D.3 of the
Project

Category	Amount of the Credit Allocated (Expressed in SDR Equivalent)	% of Expenditures to be Financed
Miscellaneous		
(11) Incremental operating costs of the NRIU	75,000	100%
(12) Refunding of Project Prepara- tion Advance	45,000	Amount due pur- suant to Section 2.02 (c) of this Agreement
(13) Unallocated	675,000	
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TOTAL	11,900,000 =====	

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; and

(b) the term "incremental operating costs of NRIU" means the costs to NRIU incremental to the Project and relating to office and vehicle maintenance, and to fuel, travel and office supplies.

3. Notwithstanding the provisions of paragraph 1 above, no withdrawals shall be made: (a) in respect of payments made for expenditures prior to the date of this Agreement; and (b) under Category (10) until the UNDP Agreement shall have been signed by all parties thereto and all conditions precedent to the effectiveness of such Agreement shall have been met with the exception of those relating to the Borrower's right to withdraw the proceeds of the Credit.

SCHEDULE 2

Description of the Project

The objectives of the Project are: (a) to alleviate the impact of drought on the poor and vulnerable in the States of Darfur, Kordofan and Khartoum, the Eastern State and the towns of Juba, Malakal and Wau through improving water supplies and sanitation, increasing the availability of essential drugs and medical supplies, and regenerating productive capacity in agriculture; and (b) to create an institutional framework to analyze and promote food security policies, establish an up-to-date food security code and coordinate actions on food security.

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: Water and Sanitation

1. Rehabilitation and expansion of wateryards and construction of wells.
2. Construction of sanitation facilities in camps for displaced persons.
3. Acquisition of spare parts for use by the LRC.

Part B: Health

1. Acquisition of emergency essential drugs, vaccines and medical equipment and their distribution to persons in areas affected by drought in the States of Kordofan and Darfur and in the Red Sea Hills area of the Eastern State.
2. Acquisition of essential drugs, vaccines and medical equipment for distribution to persons in drought affected areas in the States of Khartoum, Kordofan and Darfur.
3. Strengthening and expansion of the community pharmacy system of the State of Darfur including acquisition of vehicles and equipment and provision of training to staff of the State Ministry of Health.

Part C: Agriculture

Acquisition of spare parts for farm machinery and of diesel fuel, oil and lubricants and their distribution to farmers and cooperatives in the States of Kordofan and Darfur.

Part D: Food Security

1. Strengthening the capacity of the MALNR to plan and analyze agricultural production and pricing, including acquisition of vehicles and equipment and provision of staff training.
2. Strengthening the institutional capacity and coordinating mechanisms of the Food Security Coordinating Unit, including acquisition of vehicles and equipment and provision of staff training and, among other things, preparation of a Food Security Code defining the responsibilities of the various agencies and subdivisions of the Borrower.
3. Acquisition of equipment, vehicles, spare parts and building materials for purposes of construction and rehabilitation of agricultural and water collection infrastructure through small scale labor intensive works.

* * *

The Project is expected to be completed by March 31, 1993.

SCHEDULE 3

Procurement and Consultants' Services

Section I. Procurement of Works and Goods

Part A: International Competitive Bidding

1. Except as provided in Part C hereof, works and goods shall be procured under contracts awarded in accordance with procedures consistent with those set forth in Sections I and II of the "Guidelines for Procurement under IBRD Loans and IDA Credits" published by the Bank in May 1985 (the Guidelines).
2. To the extent practicable, contracts shall be grouped into bid packages estimated to cost the equivalent of \$100,000 or more.

Part B: Preference for Domestic Manufacturers

In the procurement of goods in accordance with the procedures described in Part A.1 hereof, goods manufactured in the Sudan may be granted a margin of preference in accordance with, and subject to, the provisions of paragraphs 2.55 and 2.56 of the Guidelines and paragraphs 1 through 4 of Appendix 2 thereto.

Part C: Other Procurement Procedures

1. Equipment and works under Parts A.1 and A.2 of the Project shall be procured by UNICEF, and drugs, vaccines and medical equipment under Part B.1 of the Project shall be procured from UNICEF.

2. Contracts for spare parts under Part A.3 of the Project up to an aggregate amount not to exceed the equivalent of \$250,000 may be awarded after direct negotiations with suppliers, in accordance with procedures acceptable to the Association.

3. Drugs and medical equipment under Part B.2 of the Project up to an aggregate amount not to exceed the equivalent of \$4,800,000 and equipment and vehicles under Part B.3 of the Project up to an aggregate amount not to exceed the equivalent of \$400,000 may be procured under contracts awarded through limited international bidding procedures on the basis of evaluation and comparison of bids obtained from a list broad enough to assure competitive prices of qualified suppliers eligible under the Guidelines and in accordance with procedures set forth in Sections I and II of the Guidelines (excluding paragraphs 2.8, 2.9, 2.55, 2.56 thereof).

4. Spare parts and building materials under Part D.3 of the Project may be procured under contracts awarded on the basis of comparison of price quotations solicited from a list of at least three suppliers eligible under the Guidelines, in accordance with procedures acceptable to the Association.

Part D: Review by the Association of Procurement Decisions

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

(a) With respect to each contract estimated to cost the equivalent of \$100,000 or more, the procedures set forth in paragraphs 2 and 4 of Appendix 1 to the Guidelines shall apply. Where payments for such contract are to be made out of the Special Account, such procedures shall be modified to ensure that the two conformed copies of the contract required to be furnished to the Association pursuant to said paragraph 2 (d) shall be furnished to the Association prior to the making of the first payment out of the Special Account in respect of such contract.

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

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

2. The figure of 15% is hereby specified for purposes of paragraph 4 of Appendix 1 to the Guidelines.

Section II. Employment of Consultants

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

SCHEDULE 4

Special Account

1. For the purposes of this Schedule:

(a) the term "eligible Categories" means Categories (1) to (11) 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 \$2,000,000 to be withdrawn from the Credit Account and deposited in the Special Account pursuant to paragraph 3 (a) of this Schedule.

2. Payments out of the Special Account shall be made exclusively for eligible expenditures in accordance with the provisions of this Schedule.

3. After the Association has received evidence satisfactory to it that the Special Account has been duly opened, withdrawals of the Authorized Allocation and subsequent withdrawals to replenish the Special Account shall be made as follows:

(a) For withdrawals of the Authorized Allocation, the Borrower shall furnish to the Association a request or requests for a deposit or deposits which do not exceed the aggregate amount of the Authorized Allocation. On the basis of such request or requests, the Association shall, on behalf of the Borrower, withdraw from the Credit Account and deposit into the Special Account such amount or amounts as the Borrower shall have requested.

(b) (i) For replenishment of the Special Account, the Borrower shall furnish to the Association requests for deposits into the Special Account at such intervals as the Association shall specify.

(ii) Prior to or at the time of each such request, the Borrower shall furnish to the Association the documents and other evidence required pursuant to paragraph 4 of this Schedule for the payment or payments in respect of which replenishment is requested. On the basis of each such request, the Association shall, on behalf of the Borrower, withdraw from the Credit Account and deposit into the Special Account such amount as the Borrower shall have requested and as shall have been shown by said documents and other evidence to have been paid out of the Special Account for eligible expenditures.

All such deposits shall be withdrawn by the Association from the Credit Account under the respective eligible Categories, and in the respective equivalent amounts, as shall have been justified by said documents and other evidence.

4. For each payment made by the Borrower out of the Special Account, the Borrower shall, at such time as the Association shall reasonably request, furnish to the Association such documents and other evidence showing that such payment was made exclusively for eligible expenditures.

5. Notwithstanding the provisions of paragraph 3 of this Schedule, the Association shall not be required to make further deposits into the Special Account:

(a) if, at any time, the Association shall have determined that all further withdrawals should be made by the Borrower directly

from the Credit Account in accordance with the provisions of Article V of the General Conditions and paragraph (a) of Section 2.02 of this Agreement; or

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

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

6. (a) If the Association shall have determined at any time that any payment out of the Special Account: (i) was made for an expenditure or in an amount not eligible pursuant to paragraph 2 of this Schedule; 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 Association all or any portion of the funds on deposit in the Special Account.

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

SCHEDULE 5

Implementation Program

I. Project Coordination

NRIU shall be responsible for overall Project coordination and for the reporting, monitoring and accounting obligations of the Borrower in connection with the Project.

II. Project Implementation

A. Part A of the Project Water and Sanitation

1. The NRWC shall carry out Parts A.1 and A.2 of the Project in accordance with the UNICEF Agreement.

2. LRC shall carry out Part A.3 of the Project.

B. Part B of the Project Health

1. The Borrower's Ministry of Health shall carry out Part B.1 of

the Project in accordance with the UNICEF Agreement.

2. The CMS, with the assistance of the NRIU, shall carry out the procurement of drugs, vaccines and medical equipment under Part B.2 of the Project and transfer such items to the States of Kordofan, Darfur and Khartoum for distribution in their respective territories using procedures and criteria satisfactory to the Association.

3. The Borrower shall cause the State Ministry of Health of Darfur to carry out Part B.3 of the Project under arrangements satisfactory to the Association.

C. Part C of the Project Agriculture

The Borrower shall carry out Part C of the Project in accordance with the Action Plan agreed upon with the Association.

D. Part D of the Project Food Security

1. MALNR shall carry out Part D.1 of the Project.

2. FSCU shall carry out Part D.2 of the Project.

3. The Borrower's Ministry of Labor and Social Security shall carry out Part D.3 of the Project in accordance with the UNDP Agreement.

