

CONFORMED COPY

CREDIT NUMBER 4012 UNI

Development Credit Agreement

(Sustainable Management of Mineral Resources Project)

between

FEDERAL REPUBLIC OF NIGERIA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated January 24, 2005

CREDIT NUMBER 4012 UNI

DEVELOPMENT CREDIT AGREEMENT

AGREEMENT, dated January 24, 2005, between FEDERAL REPUBLIC OF NIGERIA (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 (as amended through May 1, 2004), with the modifications set forth below (the General Conditions), constitute an integral part of this Agreement:

Section 6.03 (c) of the General Conditions is amended by replacing the words “corrupt or fraudulent” with the words “corrupt, fraudulent, collusive, or coercive”.

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) “Affected Persons” means persons who, on account of Project implementation, directly suffer economic and social loss to: (i) right, title, or interest in any shelter, house, or land (including premises and agricultural and grazing land); or (ii) any fixed or movable asset acquired or possessed, temporarily or permanently, or

access to such asset; or (iii) source of income, means of livelihood, including business, occupation, and work, place of residence, or habitat, and “Affected Person” means any of the “Affected Persons”;

(b) “Beneficiary” means an enterprise or individual engaged in artisanal and small-scale mining activities, or otherwise interested in such activities, and who is deemed eligible, in terms of criteria specified in the Project Implementation Plan (as hereinafter defined), to be the beneficiary of a Grant (as hereinafter defined) under the Project;

(c) “Eligible Categories” means Categories (1) - (7) set forth in the table in Part A.1 of Schedule 1 to this Agreement;

(d) “Eligible Expenditures” means the expenditures for goods, works, and consultants’ services referred to in Section 2.02 of this Agreement;

(e) “Financial Monitoring Report” or “FMR” means a report prepared in accordance with Section 4.02 (a) of this Agreement;

(f) “Fiscal Year” means the Borrower’s fiscal year beginning on January 1 in any one calendar year and ending on December 31 in the same calendar year;

(g) “Ministry of Solid Minerals Development” or “MSMD” means the Borrower’s Ministry in charge of mining;

(h) “Process Framework” means the framework, dated September 30, 2004, prepared by the Borrower and agreed with the Association in respect of protected areas or areas to be designated as such by the Borrower, in the event that land acquisition or use under the Project may lead to either physical or economic displacement of people, or their loss, denial, or restriction of access to economic resources, and therefore ultimately to resettlement;

(i) “Procurement Plan” means the Borrower’s procurement plan, dated November 11, 2004, covering the initial 18-month period (or longer) of Project implementation, as the same shall be updated from time to time in accordance with the provisions of Section 3.02 to this Agreement, to cover succeeding 18-month periods (or longer) of Project implementation;

(j) “Project Account” means the account referred to in Section 3.03 (a) of this Agreement;

(k) “Project Implementation Manual” or “PIM” means the manual containing details of the financial and accounting procedures, procurement arrangements, social monitoring and mitigation arrangements, and other organizational and administrative arrangements, as well as a plan for Project implementation, as shall have been agreed with the Association for purposes of Project implementation, as the same may be amended from time to time in consultation with the Association, and such term includes any annexes thereto;

(l) “Project Management Unit” or “PMU” means the unit referred to in Part A.1 of Schedule 4 to this Agreement;

(m) “Project Preparation Advances” means the two (2) project preparation advances granted by the Association to the Borrower pursuant to: (i) the letter agreement signed on behalf of the Association on April 1, 2004, and on behalf of the Borrower on April 19, 2004; and (ii) the letter agreement signed on behalf of the Association on July 26, 2004, and on behalf of the Borrower on September 16, 2004;

(n) “Report-based Disbursements” means the Borrower’s option for withdrawal of funds from the Credit Account referred to in Part A.5 of Schedule 1 to this Agreement;

(o) “Resettlement Action Plan” or “RAP” means a plan that outlines the procedures, including related compensation measures, to be applied in the event of the physical displacement of persons affected by activities to be implemented under the Project;

(p) “Resettlement Fund” means the fund instituted to cover potential expenditures to be incurred by a triggering of the Process Framework and / or the Resettlement Policy Framework (as hereinafter defined);

(q) “Resettlement Policy Framework” means the framework, dated July 31, 2004, prepared by the Borrower and agreed with the Association, which sets out principles and procedures governing land acquisition, resettlement, and compensation, as well as reporting and monitoring arrangements to ensure compliance with said framework, as said framework may be revised by the Borrower from time to time with the agreement of the Association;

(r) “Sector Environmental and Social Assessment” or “SESA” means the environmental and social assessment report, dated September 30, 2004, prepared by the Borrower and agreed with the Association, setting out details of measures appropriate or required to manage potential environmental and social risks and mitigate adverse impacts associated with the Project, together with adequate institutional, monitoring, and reporting

arrangements capable of ensuring proper implementation of, and regular feedback on compliance with, the SESA;

(s) “Special Account” means the account referred to in Part B of Schedule 1 to this Agreement;

(t) “Subproject” means any activity under the Project in respect of which a Subproject Grant (as hereinafter defined) has been, or may be, provided;

(u) “Subproject Grant” means a grant made, or to be made, out of the proceeds of the Credit to finance a Subproject; and

(v) “Subproject Grant Agreement” means the agreement referred to in Part B.1 (g) of Schedule 4 to this Agreement, as the same may be amended from time to time with the concurrence of the Association, and such term includes all schedules and agreements supplemental thereto.

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 eighty million one hundred thousand Special Drawing Rights (SDR 80,100,000).

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: (i) expenditures made (or, if the Association shall so agree, to be made) in respect of the reasonable cost of goods, works, and services required for the Project and to be financed out of the proceeds of the Credit; and (ii) amounts paid (or, if the Association shall so agree, to be paid) on account of withdrawals made under a Subproject Grant to meet the reasonable cost of eligible expenditures relating to a Subproject, and in respect of which the withdrawal from the Credit Account is requested.

(b) 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 Advances 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 Advances shall thereupon be canceled.

Section 2.03. The Closing Date shall be June 30, 2010 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 (60) 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 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 May 1 and November 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 semiannual installments payable on each May 1 and November 1, commencing May 1, 2015 and ending November 1, 2039. Each installment to and including the installment payable on November 1, 2024 shall be one and one-fourth percent (1-1/4%) of such principal amount, and each installment thereafter shall be two and one-half percent (2-1/2%) 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 (3) 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 (6) 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 (5) 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 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, through MSMD, carry out the Project with due diligence and efficiency and in conformity with appropriate technical, administrative, and financial practices, and with due regard to

environmental and ecological considerations, and shall provide, promptly as needed, the funds, facilities, services, and other resources required for the Project.

(b) Without limitation upon the provisions of paragraph (a) of this Section, and except as the Borrower and the Association shall otherwise agree, the Borrower shall, through MSMD, carry out the Project in accordance with the Implementation Program set forth in Schedule 4 to this Agreement.

(c) For purposes of Part C.1 of the Project, the Borrower shall, through MSMD, allocate proceeds of the Credit not exceeding the proceeds of the Credit allocated to Category (5) of the table in Part A.1 of Schedule 1 to this Agreement to be used to finance Subproject Grants under terms and conditions which shall have been approved by the Association, and which shall include the terms and conditions set forth in Part B.2 of Schedule 4 to this Agreement.

Section 3.02. (a) 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, as said provisions may be further elaborated in the Procurement Plan.

(b) The Borrower shall, through MSMD, update the Procurement Plan in accordance with guidelines acceptable to the Association, and furnish such update to the Association not later than 12 months after the date of the preceding Procurement Plan, for the Association's approval.

Section 3.03. Without limitation upon its obligations under Section 3.01 of this Agreement, the Borrower shall, through MSMD:

(a) open and maintain, in a commercial bank satisfactory to the Association and on terms and conditions satisfactory to the Association, including appropriate protection against seizure, set-off, and attachment, an advance account in the currency of the Borrower (hereinafter referred to as the Project Account), to be operated and maintained by the PMU, into which it shall deposit from time to time its counterpart contribution to the cost of the Project;

(b) deposit into the Project Account an initial advance in accordance with Section A.3 (b) of Schedule 1 to this Agreement, and thereafter replenish the Project Account on a quarterly basis, with an amount required to replenish the Borrower's contribution for expenditures under the Project other than those financed from the proceeds of the Credit; and

(c) ensure that funds deposited into the Project Account shall be used only for the purposes of defraying the cost of expenditures incurred in the execution of the Project which are not financed out of the proceeds of the Credit.

Section 3.04. (a) No later than one (1) year from the Effective Date, the Borrower shall, through MSMD, establish a committee comprising representatives of the Association and of the Borrower and independent experts acceptable to the Association and with terms of reference acceptable to the Association, for purposes of assessing Project implementation with regard to the performance indicators set out in Part A of Schedule 5 to this Agreement;

(b) No later than one (1) year from the Effective Date, the Borrower shall prepare, under terms of reference satisfactory to the Association, and furnish to the Association, a report on the progress achieved in the carrying out of the Project during the period preceding the date of said report with regard to the performance indicators referred to in paragraph (a) of this Section, and setting out the measures recommended to ensure the efficient carrying out of the Project and the achievement of the objectives thereof during the period following such date; and

(c) No later than three (3) months thereafter or such later date as the Association shall request, the Borrower shall, with the committee referred to in paragraph (a) of this Section, review the report referred to in paragraph (b) of this Section, and, thereafter, take all measures required to ensure the efficient completion of the Project and the achievement of the objectives thereof, based on the conclusions and recommendations of the said report and the Association's views on the matter.

Section 3.05. For the purposes of Section 9.06 of the General Conditions and without limitation thereto, the Borrower shall, through MSMD:

(a) 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 Borrower and the Association, a plan designed to ensure the continued achievement of the objectives 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, through MSMD, maintain a financial management system, including records and accounts, and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Association, adequate to reflect the operations, resources, and expenditures related to the Project.

(b) The Borrower shall, through MSMD:

- (i) have the financial statements referred to in paragraph (a) of this Section for each Fiscal Year (or other period agreed to by the Association), commencing with the fiscal year in which the first withdrawal under the first Project Preparation Advance was made, audited, in accordance with consistently applied auditing standards acceptable to the Association, 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 (or such other period agreed to by the Association), (A) certified copies of the financial statements referred to in paragraph (a) of this Section for such year (or other period agreed to by the Association), as so audited, and (B) an opinion on such statements by said auditors, in scope and detail satisfactory to the Association; and
- (iii) furnish to the Association such other information concerning such records and accounts, and the audit of such financial statements, and concerning said auditors, as the Association may 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 reports referred to in Part A.5 of Schedule 1 to this Agreement (Report-based Disbursements) or on the basis of statements of expenditure, the Borrower shall, through MSMD:

- (i) retain, until at least one (1) year after the Association has received the audit report for, or covering, 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;

- (ii) enable the Association's representatives to examine such records; and
- (iii) ensure that such reports and statements of expenditure are included in the audit for each Fiscal Year (or other period agreed to by the Association), referred to in paragraph (b) of this Section.

Section 4.02. (a) Without limitation upon the Borrower's progress reporting obligations set out in Part D of Schedule 4 to this Agreement, the Borrower shall, through MSMD, prepare and furnish to the Association an FMR, in form and substance satisfactory to the Association, which:

- (i) sets forth sources and uses of funds for the Project, both cumulatively and for the period covered by said report, showing separately funds provided under the Credit, and explains variances between the actual and planned uses of such funds;
- (ii) describes physical progress in Project implementation, both cumulatively and for the period covered by said report, and explains variances between the actual and planned Project implementation; and
- (iii) sets forth the status of procurement under the Project, as at the end of the period covered by said report.

(b) The first FMR shall be furnished to the Association not later than 60 days after the end of the first calendar quarter after the Effective Date, and shall cover the period from the incurrence of the first expenditure under the Project through the end of such first calendar quarter; thereafter, each FMR shall be furnished to the Association not later than 45 days after each subsequent calendar quarter, and shall cover such calendar quarter.

ARTICLE V

Effective Date; Termination

Section 5.01. The following events are specified as additional conditions to the effectiveness of the Development Credit Agreement within the meaning of Section 12.01 (b) of the General Conditions:

(a) the Project Coordinator referred to in Part A.2 of Schedule 4 to this Agreement has been duly recruited with qualifications, experience, and terms of reference satisfactory to the Association, and in accordance with the provisions of Section II of Schedule 3 to this Agreement; and

(b) the PIM, in form and substance satisfactory to the Association, has been adopted.

Section 5.02. 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 VI

Representative of the Borrower; Addresses

Section 6.01. The Federal Minister of Finance of the Borrower is designated as representative of the Borrower for the purposes of Section 11.03 of the General Conditions.

Section 6.02. The following addresses are specified for the purposes of Section 11.01 of the General Conditions:

For the Borrower:

Federal Ministry of Finance
Ahmadu Bello Way, Central Area
PMB 14, Garki
Abuja, Nigeria

Cable address:

FEDMINFIN
Abuja

Facsimile:

(234-9) 234-3609

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)

Facsimile:

(202) 477-6391

IN WITNESS WHEREOF, the parties hereto, acting through their duly authorized representatives, have caused this Agreement to be signed in their respective names in Abuja, Federal Capital Territory, Federal Republic of Nigeria, as of the day and year first above written.

FEDERAL REPUBLIC OF NIGERIA

By /s/ Ngozi Okonjo-Iweala
Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ Hafez M.H. Ghanem
Authorized Representative

SCHEDULE 1

Withdrawal of the Proceeds of the Credit

A. General

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:

<u>Category</u>	<u>Amount of the Credit Allocated (Expressed in SDR Equivalent)</u>	<u>% of Expenditures to be Financed</u>
(1) Works	12,270,000	90% of local expenditures and 100% of foreign expenditures
(2) Goods	7,210,000	100% of local expenditures (ex-factory cost) and 90% of local expenditures for other items procured locally
(3) Consultants' services, including audits	34,080,000	90
(4) Training, workshops, and study tours	3,400,000	100
(5) Subproject Grants	6,670,000	100% of amounts disbursed
(6) Resettlement Fund	1,340,000	100
(7) Operating costs	7,070,000	85
(8) Refunding of Project Preparation Advances	1,200,000	Amount due pursuant to Section 2.02 (c) of this Agreement

<u>Category</u>	<u>Amount of the Credit Allocated (Expressed in SDR Equivalent)</u>	<u>% of Expenditures to be Financed</u>
(9) Unallocated	6,860,000	
TOTAL	<u>80,100,000</u> =====	

2. For the purposes of this Schedule:

(a) the term “works” includes: (i) the carrying out of airborne geophysical surveys; and (ii) the production of geological and geo-chemical maps, under Parts C.2 (a) and (b), respectively, of the Project;

(b) the term “local expenditures” means expenditures in the currency of the Borrower or for goods, works, or services supplied from the territory of the Borrower;

(c) the term “foreign expenditures” means expenditures in the currency of any country other than that of the Borrower for goods, works, or services supplied from the territory of any country other than that of the Borrower; and

(d) the term “operating costs” means the incremental expenses incurred by the PMU on account of Project implementation, management, and monitoring, including office space rental and utilities, office supplies, bank charges, communications, vehicle operation, maintenance, and insurance, building and equipment maintenance costs, travel and supervision costs, and advertising costs, but excluding salaries, honoraria, and fees 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:

(a) prior to the date of this Agreement, except that withdrawals, in an aggregate amount not exceeding the equivalent of \$2,000,000, may be made on account of payments made for expenditures before that date but after December 1, 2004;

(b) in respect of Categories (1) - (7) of the table in Part A.1 of this Schedule, unless the Borrower has, through MSMD: (i) to finance its contribution for expenditures under the Project other than those financed from the proceeds of the Credit, opened in

NGN, in a commercial bank acceptable to the Association, a Project Account, under terms and conditions acceptable to the Association, including appropriate protection against set-off, seizure, and attachment; (ii) deposited into the Project Account an amount equivalent to \$500,000; (iii) established a financial management system, in form and substance satisfactory to the Association; and (iv) a firm has been appointed, under terms of reference satisfactory to the Association, for purposes of conducting the audit referred to in Section 4.01 (b) (i) of this Agreement;

(c) in respect of Category (5) of the table in Part A.1 of this Schedule, unless the Subproject Grant thereunder has been provided in accordance with the procedures and on the terms and conditions set forth or referred to in this Agreement and the PIM; and

(d) in respect of Categories (5) or (6) of the table in Part A.1 of this Schedule, unless the respective implementation manual, in form and substance satisfactory to the Association, has been adopted by the Borrower.

4. The Association may require withdrawals from the Credit Account to be made on the basis of statements of expenditure for expenditures for: (a) works costing less than \$500,000 equivalent per contract; (b) goods costing less than \$250,000 equivalent per contract; (c) services of individual consultants costing less than \$50,000 equivalent per contract; (d) services of consulting firms costing less than \$200,000 per contract; (e) training not subject to contract; (f) Subproject Grants; (g) Resettlement Fund; and (h) operating costs, all under such terms and conditions as the Association shall specify by notice to the Borrower.

5. The Borrower may, through MSMD, request withdrawals from the Credit Account to be made on the basis of reports to be submitted to the Association in form and substance satisfactory to the Association, such reports to include the FMR and any other information as the Association shall specify by notice to the Borrower (Report-based Disbursements). In the case of the first such request submitted to the Association before any withdrawal has been made from the Credit Account, the Borrower shall, through MSMD, submit to the Association only a statement with the projected sources and applications of funds for the Project for the six (6)-month period following the date of such request.

B. Special Account

1. The Borrower may, through MSMD, open and maintain in Dollars a special deposit account in a commercial Bank acceptable to the Association, on terms and conditions satisfactory to the Association, including appropriate protection against set-off, seizure, and attachment.

2. After the Association has received evidence satisfactory to it that the Special Account has been opened, withdrawals from the Credit Account of amounts to be deposited into the Special Account shall be made as follows:

(a) if the Borrower is not making Report-based Disbursements, withdrawals shall be made in accordance with the provisions of Annex A to this Schedule 1; and

(b) if the Borrower is making Report-based Disbursements, withdrawals shall be made in accordance with the provisions of Annex B to this Schedule 1.

3. Payments out of the Special Account shall be made exclusively for Eligible Expenditures. For each payment made by the Borrower out of the Special Account, the Borrower shall, through MSMD, 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.

4. Notwithstanding the provisions of Part B.2 of this Schedule, the Association shall not be required to make further deposits into the Special Account:

(a) if the Association, at any time, is not satisfied that the reports referred to in Part A.5 of this Schedule 1 adequately provide the information required for Report-based Disbursements;

(b) if the Association determines at any time that all further withdrawals for payment of Eligible Expenditures should be made by the Borrower directly from the Credit Account; or

(c) 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: (A) the records and accounts for the Special Account; or (B) the records and accounts reflecting expenditures with respect to which withdrawals were Report-based Disbursements or were made on the basis of statements of expenditure, as the case may be.

5. The Association shall not be required to make further deposits into the Special Account in accordance with the provisions of Part B.2 of this Schedule 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 Section 6.02 of the General Conditions. Upon such notification, the Association shall determine, in its sole discretion, whether further deposits into the Special Account may

be made and what procedures should be followed for making such deposits, and shall notify the Borrower of its determination.

6. (a) If the Association determines at any time that any payment out of the Special Account was made for an expenditure which is not an Eligible Expenditure, or was not justified by the evidence furnished to the Association, the Borrower shall, promptly upon notice from the Association, provide such additional evidence as the Association may request, or 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. 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 determines at any time that any amount outstanding in the Special Account will not be required to cover payments for Eligible Expenditures during the six (6)-month period following such determination, the Borrower shall, promptly upon notice from the Association, refund to the Association such outstanding amount.

(c) The Borrower may, through MSMD, 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 subparagraph (a), (b), or (c) of this paragraph 6 shall be credited to the Credit Account for subsequent withdrawal or for cancellation in accordance with the provisions of this Agreement.

Annex A

to

SCHEDULE 1

**Operation of Special Account
When Withdrawals Are Not
Report-based Disbursements**

1. For the purposes of this Annex, the term “Authorized Allocation” means the amount of \$7,500,000 to be withdrawn from the Credit Account and deposited into the Special Account pursuant to paragraph 2 of this Annex, provided, however, that, unless the Association shall otherwise agree, said Authorized Allocation shall be limited to an amount equivalent to \$4,000,000, until the aggregate amount of withdrawals from the Credit Account of amounts allocated to said Special Account’s Eligible Categories, plus the total amount of all outstanding special commitments entered into by the Association pursuant to Section 5.02 of the General Conditions in respect of amounts allocated to said Categories, shall equal or exceed the equivalent of SDR 24,000,000.

2. 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, through MSMD, furnish to the Association a request or requests for deposit into the Special Account of an amount or amounts which in the aggregate do not exceed the Authorized Allocation. 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.

(b) For replenishment of the Special Account, the Borrower shall, through MSMD, furnish to the Association requests for deposit into the Special Account at such intervals as the Association shall specify. Prior to or at the time of each such request, the Borrower shall, through MSMD, furnish to the Association the documents and other evidence required pursuant to Part B.3 of Schedule 1 to this Agreement 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. Each such deposit into the Special Account shall be withdrawn by the Association from the Credit Account under one or more of the Eligible Categories.

3. The Association shall not be required to make further deposits into the Special Account, once the total unwithdrawn amount of the Credit minus the total amount of all outstanding special commitments entered into by the Association pursuant to Section 5.02 of the General Conditions 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 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.

Annex B

to

SCHEDULE 1

**Operation of Special Account
When Withdrawals Are
Report-based Disbursements**

1. Withdrawals from the Credit Account shall be deposited by the Association into the Special Account in accordance with the provisions of Schedule 1 to this Agreement. Each such deposit into the Special Account shall be withdrawn by the Association from the Credit Account under one or more of the Eligible Categories.

2. Upon receipt of each application for withdrawal of an amount of the Credit, the Association shall, on behalf of the Borrower, withdraw from the Credit Account and deposit into the Special Account an amount equal to the lesser of: (a) the amount so requested; and (b) the amount which the Association has determined, based on the reports referred to in Part A.5 of this Schedule 1 applicable to such withdrawal application, is required to be deposited in order to finance Eligible Expenditures during the six (6)-month period following the date of such reports.

SCHEDULE 2

Description of the Project

The objective of the Project is to assist the Borrower in the implementation of a strategy designed to: (i) improve governance and technical capacity in the solid minerals sector to enable the sustainable management of mineral resources; and (ii) establish a basis for poverty reduction and rural economic renewal in selected areas of the territory of the Borrower via the development of non-farm income-generating opportunities through artisanal and small-scale mining and via diversification away from oil sources of income.

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:

A. Economic Development and Livelihood Diversification in Artisanal and Small-Scale Mining Areas

1. Elaboration of small-scale mining and gender issues in mining through baseline studies covering sites representative of different organizational, socio-cultural, political-economic, community and livelihood situations in the country, that will be used to enhance the design and implementation of pilot projects, of delivery systems for knowledge transfer and capacity building at the local level, and of other support services targeting miners and mining-affected communities.
2. Improvement of technical, environmental, and social conditions of small-scale mining operations through community-driven pilot projects that will promote socially and environmentally responsible mining practices, and demonstrate the benefits of organization and formalization to artisanal and small-scale miners.
3. Strengthening of Jos School of Mines to become a regional and national pole of excellence for in-the-field training of small-scale miners and entrepreneurs and to support on a pilot basis the extension of training and educational support services to the main areas of small-scale mining activity.
4. Facilitation of sales of mining products by artisanal and small-scale miners, supervision of mining sector activities, and environmental management, through establishment of federal-level small-scale mining unit with satellite field offices close to exploitation sites in pilot regions.

5. Improvement of access to credit and financing in mining sector, particularly for medium- and small-scale mining, through:

(a) provision of technical assistance to mining entrepreneurs for preparation of business plans, support to Project implementation, and advisory and technical services to small-scale miners;

(b) provision of technical assistance to intermediary financial institutions to assess risk in lending to mining and in expansion of micro-financing services to sector;

(c) promotion of acquisition of productive assets by artisanal and small-scale miners through establishment of matching grant fund; and

(d) provision of technical assistance to communities for preparation of community development plans and financing, through matching grant mechanisms, of small-scale social and physical infrastructure projects to be prepared, operated, and maintained by communities.

6. (a) assessment of functional capacity of private sector associations, and provision of technical assistance for institutional strengthening of such associations;

(b) support to state and local government institutions for collaboration in mining sector, including training in relation to mining sector and for development of state mineral resource inventories; and

(c) creation of HIV/AIDS awareness in mining sector, including through information, education, and communication campaign.

7. Development of mining for specific commodities, such as barite, bentonite, and gypsum, with particular focus on import substitution and sector development.

B. Strengthening Governance and Transparency in Mining

1. Consolidation of legal and regulatory mining framework through publication of new mining law and regulations and review of existing fiscal framework for mining sector.

2. Institutional capacity building, including establishment of internet network, carrying out of office renovation, and purchase of equipment, for key MSMD units,

namely Geological Survey of Nigeria Agency, Mineral Economics and Promotion Department, and Mines Department.

3. Design and implementation of training program, including on-the-job training, workshops, basic and specialized training courses to be provided by both public and private institutions, short-term internships, overseas training courses, and participation in international conferences and seminars, to enhance human resource capacity and improve mineral resource governance.
4. Establishment of reliable and transparent interactive minerals registry management system - the Mining Cadastre - as a separate and autonomous agency in accordance with international best practice, for promotion of investments in sector.
5. Establishment of environmental and social management system for sector, including preparation of environmental regulations and guidelines, establishment of environmental unit at MSMD, carrying out of inventory of abandoned mining sites, and implementation of action program for rehabilitation of abandoned mining sites.

C. Private Sector Development

1. Provision of assistance, including carrying out of restructuring plans and environmental audits and establishment of plan to mitigate social cost of restructuring, including of possible closure of operations, to restructuring of Nigerian Coal Corporation and Nigerian Mining Corporation.
2. Provision of basic and reliable geo-scientific information to GSNA to facilitate private sector promotion and socio-economic development planning in mining sector, including:
 - (a) carrying out of airborne geophysical surveys in key areas where geological mapping is planned, purchase and installation of specialized software, and carrying out of training in collection and processing of airborne data; and
 - (b) production of geological thematic maps, establishment of mineral resource inventories, carrying out of environmental management data collection in key parts of Borrower's territory, and provision of training in modern field and desk techniques and up-to-date geological concepts.
3. Development of solid minerals information system to collect, digitize, and store relevant geo-scientific data to be disseminated by MSMD to general public.

D. Project Coordination and Management

Provision of equipment and advisory services to PMU for Project coordination, management, monitoring, and evaluation.

* * *

The Project is expected to be completed by December 31, 2009.

SCHEDULE 3

Procurement and Consultants' Services

Section I. General

A. All goods, works, and services (other than consultants' services) shall be procured in accordance with the provisions of Section I of the "Guidelines: Procurement under IBRD Loans and IDA Credits" dated May 2004 (the Procurement Guidelines), and with the provisions of this Schedule.

B. All consultants' services shall be procured in accordance with Sections I and IV of the "Guidelines: Selection and Employment of Consultants by World Bank Borrowers" dated May 2004 (the Consultant Guidelines), and with the provisions of this Schedule.

C. The capitalized terms used below in this Schedule to describe particular procurement methods or methods of review by the Association of particular contracts, have the meanings ascribed to them in the Procurement Guidelines, or Consultant Guidelines, as the case may be.

Section II. Particular Methods of Procurement of Goods, Works, and Services (other than Consultants' Services)

A. International Competitive Bidding. Except as otherwise provided in Part B of this Section, contracts shall be awarded on the basis of International Competitive Bidding. The provisions of paragraphs 2.55 and 2.56 of the Procurement Guidelines, providing for domestic preference in the evaluation of bids, shall apply to goods manufactured in the territory of the Borrower and works to be carried out by domestic contractors.

B. Other Procurement Procedures

1. National Competitive Bidding. Goods estimated to cost less than \$250,000 equivalent per contract and works estimated to cost less than \$500,000 equivalent per contract, may be procured under contracts awarded on the basis of National Competitive Bidding.

2. Shopping. Goods and works estimated to cost less than \$50,000 equivalent per contract may be procured under contracts awarded on the basis of Shopping.

3. Direct Contracting. Goods and works which the Association agrees meet the requirements for Direct Contracting may be procured in accordance with the provisions of said procurement method.

4. Community Participation. Goods, works, and services required for Part C.1 of the Project may be procured on the basis of community participation in accordance with the procedures set forth in the PIP.

Section III. Particular Methods of Procurement of Consultants' Services

A. Quality- and Cost-based Selection. Except as otherwise provided in Part B of this Section, consultants' services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection. For purposes of paragraph 2.7 of the Consultant Guidelines, the short list of consultants for services estimated to cost less than \$200,000 equivalent per contract may comprise entirely national consultants.

B. Other Procedures

1. Selection Based on Consultants' Qualifications. Services 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, 3.7, and 3.8 of the Consultant Guidelines.

2. Individual Consultants. Services for assignments that meet the requirements set forth in the first sentence of paragraph 5.1 of the Consultant Guidelines may be procured under contracts awarded to individual consultants in accordance with the provisions of paragraphs 5.2 through 5.3 of the Consultant Guidelines. Under the circumstances described in paragraph 5.4 of the Consultant Guidelines, such contracts may be awarded to individual consultants on a sole-source basis.

Section IV. Review by the Association of Procurement Decisions

Except as the Association shall otherwise determine by notice to the Borrower, the following contracts shall be subject to Prior Review by the Association: (a) each contract for goods estimated to cost the equivalent of \$250,000 or more; (b) each contract for works estimated to cost the equivalent of \$500,000 or more; (c) each contract for consultants' services provided by a firm estimated to cost the equivalent of \$200,000 or more; and (d) each contract for services of individual consultants estimated to cost the equivalent of \$50,000 or more. All other contracts shall be subject to Post Review by the Association.

SCHEDULE 4

Implementation Program

A. Project Oversight and Implementation Arrangements

1. The Borrower shall, through MSMD, maintain, throughout Project implementation, the PMU, in form and substance and with resources and functions satisfactory to the Association and with staff with qualifications, experience, and terms of reference satisfactory to the Association, and which shall be responsible for day-to-day execution of the Project, including financial management and procurement activities, consolidation of annual work programs and budgets, preparation and production of annual progress reports and financial statements, and monitoring and evaluation of the Project.

2. The Borrower shall, through MSMD, take steps to ensure that:

(a) the PMU shall be headed by a Project coordinator, who shall be assisted by a deputy Project coordinator, a project accountant, an assistant project accountant, a procurement specialist, an internal auditor, a community development officer, and other suitably qualified and experienced staff in adequate numbers;

(b) the positions of Project coordinator, deputy Project coordinator, project accountant, assistant project accountant, procurement specialist, internal auditor, and a community development officer referred to in paragraph (a) above shall be kept filled at all times by persons having qualifications and experience acceptable to the Association, and shall not be replaced without the Association's prior approval; and

(c) The Borrower shall, through MSMD, carry out the Project in accordance with procedures set out in the PIM, and, except as the Association shall otherwise agree, shall not amend or waive any provision thereof, if such amendment or waiver may, in the opinion of the Association, materially or adversely affect the implementation of the Project.

B. Subprojects

Eligibility Criteria and Procedures for Subprojects

1. Further to Section 3.01 (c) of this Agreement, the proceeds of the Credit allocated to Category (5) of the table in Schedule 1 to this Agreement shall be subject to the following additional terms and conditions:

(a) the amount so allocated shall be used exclusively to provide Subproject Grants to finance Subprojects, in accordance with criteria, and terms and conditions, set forth in the PIM;

(b) no Subproject Grant shall be made to finance a Subproject unless the Subproject is: (i) designed to provide equipment, training, or support services for the benefit of enterprises and associations of individuals engaged, or otherwise interested, in artisanal and small-scale mining, or to meet the business needs of such enterprises and individuals; and (ii) to fund social and physical infrastructure for, or opportunities for the diversification of livelihoods of, communities;

(c) every Subproject proposal shall be classified according to environmental impact category, and subjected as necessary to environmental impact analysis, to ensure that: (i) it is fully consistent with environmental appraisal criteria set out in the PIM, SESA, PF, RPF, and any RAP; and (ii) where appropriate, mitigation measures designed to minimize adverse effects of the proposed Subproject are identified and incorporated in the Subproject design;

(d) Subproject Grants shall be provided for the benefit of eligible Beneficiaries and according to a cost-sharing formula which shall be acceptable to the Association and specified in the PIM; provided, however, that:

- (i) the proceeds of a Subproject Grant shall not be used to finance taxes or duties levied on or in respect of eligible expenditures relating to a Subproject, or any part thereof;
- (ii) the amount of each Grant shall be not more than \$50,000 equivalent; and
- (iii) the Beneficiary's contribution to the cost of any Subproject, in cash and / or kind, shall be not less than 50% of the total cost of the Subproject in respect of physical infrastructure, and not less than 10% in respect of social infrastructure;

(e) the first ten (10) Subprojects to be financed out of the proceeds of the Credit shall be subject to the prior review and approval of the Association;

(f) goods, works, and services required for the purposes of financing Subprojects shall be procured in accordance with procedures referred to in Schedule 3 to this Agreement, and set forth in the PIM; and

(g) for purposes of each Subproject Grant, a Subproject Grant Agreement shall be concluded with the Beneficiary in the form of the model provided in the PIM, setting forth the respective obligations of the parties thereunder, including details of disbursement schedules and procurement procedures, the amount of the Beneficiary's contribution to the cost of the Subproject, and the additional terms and conditions specified below.

2. Terms and Conditions of Grant Agreements

Each Subproject Grant Agreement shall include the following terms and conditions:

(a) The Beneficiary shall be required to carry out and operate the Subproject with due diligence and efficiency, and in accordance with sound technical, administrative, and financial practices, and with due regard to appropriate environmental and public health considerations, including those set out in the PIM, SESA, PF, RPF, and any RAP.

(b) The Beneficiary 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 the Subproject, and achieving the objectives of the Project; and (c) upon completion of the Subproject, such Subproject shall be operated and maintained in accordance with the operation and maintenance plan agreed upon with the Beneficiary.

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

(d) Any enterprise that is a Beneficiary 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 environmental and public health practices.

(e) The Borrower shall have the right to obtain all such information as the Borrower and Association shall reasonably request relating to the administration, operations, and financial condition of each Beneficiary, and the benefits derived from the Subproject.

(f) The right of any Beneficiary to the use of the proceeds of the Credit, or any part thereof, shall be promptly suspended upon failure by such Beneficiary to perform any of its respective obligations under the Subproject Grant Agreement.

C. Safeguards

1. The Borrower shall, through MSMD, take steps to:

(a) comply with and implement the SESA, in accordance with the guidelines, timetable, and other specifications set forth in the SESA; and

(b) submit regular reports to the Association on compliance with the SESA, giving details of measures taken in furtherance of the SESA, conditions, if any, which interfere or threaten to interfere with the smooth implementation of the SESA, and remedial measures taken or required to be taken to address such conditions.

2. The Borrower shall, through MSMD, ensure that the Project is implemented in accordance with the provisions of the SESA, PF, RPF, and any RAP, and, except as the Association shall otherwise agree, the Borrower shall not amend or waive, or permit to be amended or waived, any provision of the aforementioned if such amendment or waiver may, in the opinion of the Association, materially or adversely affect Project implementation.

3. The Borrower shall ensure that RAPs are prepared, as needed, in accordance with the SESA, PF, and RPF, and submitted to the Association for its approval, prior to implementation of such plans.

D. Project Monitoring and Evaluation

Annual Work Plans and Budgets

1. The Borrower shall, through MSMD, furnish to the Association as soon as available, but in any case not later than October 1 of each year, the annual work plan and budget for each subsequent Project Year, of such scope and detail as the Association shall have reasonably requested, except for the annual work plan and budget for Project Year 1, which shall be furnished no later than 30 days after the Effective Date.

Annual Reviews

2. The Borrower shall, through MSMD:

(a) maintain policies and procedures adequate to enable it to monitor and evaluate on an ongoing basis, in accordance with the indicators set forth in Schedule 5 to this Agreement, the carrying out of the Project and the achievement of the objectives thereof;

(b) prepare, under terms of reference satisfactory to the Association, and furnish to the Association, on or about June 1 of each year, a report integrating the results of the monitoring and evaluation activities performed pursuant to paragraph (a) of this Section, on the progress achieved in the carrying out of the Project during the period preceding the date of said report and setting out the measures recommended to ensure the efficient carrying out of the Project and the achievement of the objectives thereof during the period following such date; and

(c) review with the Association, by September 1 or such later date as the Association shall request, the report referred to in paragraph (b) of this Section, and, thereafter, take all measures required to ensure the efficient completion of the Project and the achievement of the objectives thereof, based on the conclusions and recommendations of the said report and the Association's views on the matter.

Midterm Review

3. The Borrower shall, through MSMD:

(a) carry out jointly with the Association, no later than November 30, 2007, a mid-term review to assess the status of Project implementation, as measured against the performance indicators referred to in Schedule 5 to this Agreement. Such review shall include an assessment of the following: (i) overall progress in Project implementation; (ii) results of monitoring and evaluation activities; (iii) annual work plans and budgets; and (iv) progress on procurement and disbursement; and make adjustments to the Project and reallocate funds to improve performance, if needed;

(b) prepare and furnish to the Association, three (3) months before such review, a report, in scope and detail satisfactory to the Association, needed to undertake the review, integrating the results of the monitoring and evaluation activities performed pursuant to paragraph (a) of this Section on the progress achieved in the carrying out of the Project during the period preceding the date of the said report and setting out the measures recommended to ensure the efficient carrying out of the Project and the achievement of the objectives thereof during the period following such date; and

(c) review, jointly with the Association, the report referred to in paragraph (b) of this Section and thereafter take all measures required to ensure the efficient completion of the Project and the achievement of the objectives thereof, based on the conclusions and recommendations of the said report and the Association's views on the matter.

SCHEDULE 5

Performance Indicators

The Recipient shall implement the Project in accordance with the performance indicators set forth below:

A. Project Year 1

1. Industrial minerals

(a) At least 30% of the active population in each Subproject area is organized into cooperatives or associations, operating in accordance with the respective Subproject objective and following sustainable mining and environmental management practices. (If less than 10% of the active population in each Subproject area is organized into cooperatives or associations, the pilot project shall be considered a failure);

(b) Increase in reported production of base commodity of at least 20% compared with the situation before commencement of Subproject. (If no increase in reported production is observed, the Subproject shall be considered a failure); and

(c) Establishment and effectiveness of MSMD field support units, as measured by local stakeholders surveys. (The pilot project shall be considered successful if the respective MSMD field support unit is operational and deemed effective by surveyed stakeholders. If no field support unit is established, the pilot project shall be considered a failure. Midterm Review: If the field support unit is established and functioning, but not considered effective by stakeholders, the pilot project shall be considered a failure.)

2. Gold and gemstones

(a) At least 50 buyers and the same number of sellers use the exchange facility repeatedly during Project Year 1. (If less than 10 buyers and 10 sellers use the exchange facility repeatedly, the pilot project shall be considered a failure.); and

(b) Increase in reported production of precious commodities of at least 20% as compared to the situation before the start up of the pilot project. (If no increase in reported production is observed, the pilot project shall be considered a failure).

B. Midterm Review and Project Completion

1. Increase in annual solid minerals production in the sector (Midterm Review: \$12 million; Project Completion: \$100 million).
2. New private investment in the mining sector since Effective Date (Midterm Review: \$12 million; Project Completion: \$100 million).
3. Adoption into law of new mining law and regulations, including environmental regulations for sector, by Midterm Review.
4. Establishment and effective operation of Mining Cadastre: Backlog of pending applications cleared by Midterm Review, and number of new mining titles issued in a transparent and efficient manner, as evidenced by compliance with procedures and timelines set out in new mining law and regulations (Midterm Review: 1,000; Project Completion: 5,000).
5. Number of artisanal mining associations established and operating in accordance with the law (Midterm Review: 85; Project Completion: 200).
6. Volume of formal employment created during the life of the Project (Midterm Review: 50,000; Project Completion: 200,000).
7. Number of mining operators benefiting from financing and business development assistance and number of mining communities or associations receiving Subproject Grants under the Project (Midterm Review: 25% of artisanal mining associations and formal artisanal miners; Project Completion: 50% of artisanal mining associations and formal artisanal miners).
8. Increase in per capita income in pilot project areas, as measured by village income surveys which shall set the baseline (Midterm Review: 10%; Project Completion: 50%).
9. Area covered by new geological maps, as percentage of total area of the Borrower's territory (Midterm Review: 50%; Project Completion: 100%).
10. Sustainable environmental practices functional in artisanal and small-scale mining communities, as measured by environmental impact assessments in all pilot areas (Midterm Review: 50%; Project Completion: 100%).

