

CONFORMED COPY

CREDIT NUMBER 1821 PAK

Development Credit Agreement

(Third Primary Education Project)

between

ISLAMIC REPUBLIC OF PAKISTAN

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated September 10, 1987

CREDIT NUMBER 1821 PAK

DEVELOPMENT CREDIT AGREEMENT

AGREEMENT, dated September 10, 1987, between ISLAMIC REPUBLIC OF PAKISTAN acting by its President (the Borrower) and INTERNATIONAL DEVELOPMENT ASSOCIATION (the Association).

(A) the Borrower, having satisfied itself as to the feasibility and priority of the Project described in Schedule 2 to this Agreement, has requested the Association to assist in the financing of the Project;

(B) by agreement of even date herewith between the Association and the Province of Punjab of the Borrower (hereinafter referred to as the Province), the Province has agreed to undertake certain obligations in respect of carrying out the Project;

(C) the Borrower intends to obtain funds (the Other Funding) from the Canadian International Development Authority (CIDA) and the European Economic Community (EEC) in the following aggregate principal amounts in the following currencies or currency equivalents to assist in financing the Project on the terms and conditions set forth in agreements (the Other Funding Agreements) to be entered into between the Borrower and CIDA and EEC, respectively:

	Equivalent in dollars
CIDA	11,700,000
EEC	17,500,000; 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) "Project Agreement" means the agreement between the Association and the Province of even date herewith, as the same may be amended from time to time, and such term includes all schedules and agreements supplementary to the Project Agreement;

(b) "Special Accounts" means, collectively, the accounts referred to in Section 2.02 (b) of this Agreement and Section 2.01 (c) of the Project Agreement, and "Special Account" means each of the Special Accounts;

(c) "Action Program" means the Primary Education Action Program referred to in Section 3.02 of this Agreement;

(d) "FY" or "Fiscal Year" means the Borrower's fiscal year covering the period July 1 to June 30; and

(e) "Rupees" and "Rs" means the currency of the Borrower.

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 one hundred twelve million eight hundred thousand Special Drawing Rights (SDR 112,800,000).

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 account in the National Bank of Pakistan on terms and conditions satisfactory to the Association. Deposits into, and payments out of, the Special Account shall be made in accordance with the provisions of Schedule 5 to this Agreement.

Section 2.03. The Closing Date shall be December 31, 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 at the rate of one-half of one per cent (1/2 of 1%) per annum on the principal amount of the Credit not withdrawn from time to time. The commitment charge shall accrue from a date sixty days after the date of the Development Credit Agreement to the respective dates on which amounts shall be withdrawn by the Borrower from the Credit Account or shall be cancelled.

(b) 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 per cent (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 June 1 and December 1 in each year.

Section 2.07. The Borrower shall repay the principal amount of the Credit in semiannual installments payable on each June 1 and December 1 commencing December 1, 1997, and ending June 1, 2037. Each installment to and including the installment payable on June 1, 2007 shall be one-half of one per cent (1/2 of 1%) of such principal amount, and each installment thereafter shall be one and one-half per cent (1-1/2%) of such principal amount.

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, or cause the Project to be carried out, with due diligence and efficiency and in conformity with appropriate administrative, financial, educational and engineering practices, and shall provide, promptly as needed, the funds, facilities, services and other resources required for the Project. To that end, the Borrower shall make, and cause the Province to make to the extent of its responsibility for carrying out the Project, adequate and timely budgetary provisions for the implementation of the Project.

(b) Without any limitation or restriction upon any of its other obligations under this Agreement, the Borrower shall cause the Province to perform in accordance with the provisions of the Project Agreement all the obligations therein set forth, shall take and cause to be taken all action, including the provision of funds, facilities, services and other resources, necessary or appropriate to enable the Province to perform such obligations, and shall not take or permit to

be taken any action which would prevent or interfere with such performance.

(c) Without limitation upon the provisions of paragraph (a) of this Section and except as the Borrower (acting in consultation with the Province) and the Association shall otherwise agree, the Borrower shall carry out the Project, or cause the Project to be carried out, in accordance with the Implementation Program set forth in Schedule 4 to this Agreement.

Section 3.02. (a) For the purposes of contributing to the development of the primary education sector of the Borrower, the Borrower shall carry out or cause to be carried out the Project in accordance with a Primary Education Action Program to be agreed upon between the Borrower (acting in consultation with the Province) and the Association.

(b) The Borrower and the Association shall annually exchange views on the progress achieved in carrying out the Project and the Action Program in accordance with criteria and a timetable to be agreed between the Borrower (acting in consultation with the Province) and the Association.

(c) Prior to any of the exchange of views referred to in paragraph (b) above, the Borrower shall furnish to the Association for its review and comments: (i) a report on the progress in the implementation of the Project as well as on the progress achieved in carrying out the Action Program; and (ii) estimated Project expenditures to be incurred by the Borrower in the subsequent fiscal year.

Section 3.03. In order to assist the Province in carrying out those parts of the Project for which the Province is responsible, the Borrower shall make available to the Province part of the proceeds of the Credit, in accordance with procedures, and terms and conditions, mutually satisfactory to the Borrower and the Association.

Section 3.04. Except as the Association shall otherwise agree, procurement of the goods, works and consultants' services required for the Project and to be financed out of the proceeds of the Credit shall be governed by the provisions of Schedule 3 to this Agreement.

Section 3.05. The Borrower and the Association hereby agree that the obligations set forth in Sections 9.03, 9.04, 9.05, 9.06, 9.07 and 9.08 of the General Conditions (relating to insurance, use of goods and services, plans and schedules, records and reports, maintenance and land acquisition, respectively) in respect of the Parts of the Project for which the Province is responsible shall be carried out by the Province pursuant to Section 2.03 of the Project 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 nine 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 completion of the audit for the fiscal year in which the last withdrawal from the Credit Account was made, all records (contracts, orders, invoices, bills, receipts and other documents) evidencing such expenditures;
- (iii) 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) The Province shall have failed to perform any of its obligations under the Project Agreement;

(b) 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 Province will be able to perform its obligations under the Project Agreement; and

- (c) (i) Subject to subparagraph (ii) of this paragraph:
 - (A) The right of the Borrower to withdraw the proceeds of any grant or loan (including the Other Funding) made to the Borrower for the financing of the Project shall have been suspended, cancelled or terminated in whole or in part, pursuant to the terms of the agreement providing therefor; or
 - (B) any such loan shall have become due and payable prior to the agreed maturity thereof.
- (ii) Subparagraph (i) of this paragraph shall not apply if the Borrower establishes to the satisfaction of the Association that:
 - (A) such suspension, cancellation, termination or prematuring is not caused by the failure of the Borrower to perform any of its obligations under such agreement; and
 - (B) adequate funds for the Project are available to the Borrower from other sources on terms and conditions consistent with the obligations of the Borrower under this Agreement.

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

- (a) the event specified in paragraph (a) 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; or
- (b) the event specified in paragraph (c) (i) (B) of Section 5.01 of this Agreement shall occur, subject to the proviso of paragraph (c) (ii) of that Section.

ARTICLE VI

Effective Date; Termination

Section 6.01. 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 Executive Committee of the National Economic Council shall have approved the PC-1 document with respect to the Project;
- (b) all necessary commitments to provide the Other Funding shall have been fulfilled;
- (c) all necessary arrangements shall have been made to establish the Additional Directorate of Public Instruction for the purpose of Section 2.01 (b) of the Project Agreement; and
- (d) the engineering consultants referred to in Section 2.05 (b) of the Project Agreement shall have been

duly selected by the Province and the draft contract for their appointment shall have been furnished to the Association.

Section 6.02. The following is specified as an additional matter, within the meaning of Section 12.02 (b) of the General Conditions, to be included in the opinion or opinions to be furnished to the Association, namely, that the Project Agreement has been duly authorized or ratified by the Province and is legally binding upon the Province in accordance with its terms.

Section 6.03. 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 Secretary to the Government of Pakistan, Economic Affairs Division, or any Additional Secretary, Joint Secretary, Deputy Secretary, or Section Officer in the Economic Affairs Division 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:

The Secretary to the Government of Pakistan
Economic Affairs Division
Islamabad, Pakistan

Cable address:	Telex:
ECONOMIC Islamabad	ECDIV-05-634

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

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

ISLAMIC REPUBLIC OF PAKISTAN

By /s/ C. M. Afzal
Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ W. P. Thalwitz

Regional Vice President
Europe, Middle East and North Africa

SCHEDULE I

Withdrawal of the Proceeds of the Credit
Provided by the Association

1. The table below sets forth the Categories of items to be financed out of the proceeds of the Credit provided by the Association, the allocation of the amounts of the Credit to each Category and the percentage of expenditures for items so to be financed in each Category:

Category	Amount of the Credit Allocated (Expressed in SDR Equivalent)	% of Expenditures to be Financed
(1) Civil Works furniture and professional fees:		
(a) the Province	64,780,000)	
)	
(b) the Borrower	_____)	79%
(2) Books, equipment, and consumable materials:		
(a) the Province	11,380,000)	
)	100% of foreign expenditures
(b) the Borrower	390,000)	
)	100% of local expenditures (ex-factory cost) and 80% of local expenditures for other items pro- cured locally
)	
)	
)	
)	
(3) Salaries of additional staff, opera- tion and maintenance costs, and travel and daily allowances for training:		
(a) the Province	27,150,000)	
)	
(b) the Borrower	630,000)	71%
(5) Unallocated	8,470,000	

TOTAL	112,800,000 =====	

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 "local expenditures" means expenditures in the currency of the Borrower or for goods or services supplied from the territory of the Borrower.

3. Notwithstanding the provisions of paragraph 1 above, no withdrawals shall be made in respect of payments made for expenditures prior to the date of this Agreement, except that withdrawals, in an aggregate amount not exceeding the equivalent of SDR 1,600,000, may be made on account of payments made for expenditures before that date but after September 1, 1986.

SCHEDULE 2

Description of the Project

The objectives of the Project are:

(a) to strengthen institutional capacity to plan and manage primary education programs;

(b) to introduce necessary policy reform measures to strengthen primary education; and

(c) to support innovation in primary education programs and systems.

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:

Strengthening of the primary education management system and the establishment of a monitoring and evaluation capacity therein.

Part B:

Improvement of primary education curricula and the provision of related instructional materials.

Part C:

Provision of teacher training (pre-service in-service stage) and primary education management training, as well as the improvement of teacher career system.

Part D:

Implementation of programs to increase enrollment in primary education.

Part E:

Construction of schools and classrooms for primary education and the implementation of school maintenance programs.

* * * *

The Project is expected to be completed by June 30, 1993.

SCHEDULE 3

Procurement and Consultants' Services

Section I. Procurement of Goods and Works

Part A: International Competitive Bidding

Computers and other equipment 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).

Part B: Preference for Domestic Manufacturers

In the procurement of goods in accordance with the procedures described in Part A hereof, goods manufactured in Pakistan 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: Preference for Domestic Contractors

In the procurement of works in accordance with the procedures described in Part A hereof, the Borrower/Province may grant a margin of preference to domestic contractors in accordance with, and subject to, the provisions of paragraphs 2.55 and 2.56 of the Guidelines and paragraph 5 of Appendix 2 thereto.

Part D: Other Procurement Procedures

Civil works and goods (except those referred in Part A above) may be procured under contracts awarded on the basis of competitive bidding advertised locally, in accordance with procedures satisfactory to the Association.

Part E: 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 for civil works estimated to cost the equivalent of \$500,000 each or more, and each contract for goods estimated to cost the equivalent of \$50,000 each 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 5 to this Agreement.

(c) The provisions of the preceding subparagraphs (a) and (b) shall not apply to contracts on account of which the Association has authorized withdrawals from the Credit Account on the basis of statements of expenditure. Such contracts shall be retained in

accordance with Section 4.01 (c) (ii) of this Agreement.

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 part of the Project for which the Borrower is responsible, 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

Implementation Program

1. The Borrower shall strengthen the Federal Coordinating Unit (hereinafter called FCU) established under the Primary Education Project (Credit No. 892 PAK) to be responsible for carrying out such elements of the parts of the Project for which the Borrower will be responsible and the monitoring of Project activities, through the appointment of qualified staff in sufficient numbers.

2. Employment of Consultants

The consultants to be employed to assist the Borrower/Province in carrying out the Project and whose services are to be financed out of the proceeds of the Other Funding shall have qualifications, experience and terms of reference satisfactory to the Association.

3. Training

The Borrower shall furnish to the Association not less than three months before the end of each Fiscal Year, an annual training plan satisfactory to the Association for the next Fiscal Year.

4. Staff Requirements

The additional staff required for the Project shall be appointed in accordance with a schedule to be agreed between the Borrower and the Association.

5. The Borrower shall: (a) undertake a study to review the existing incentives to teachers; and

(b) by February 28, 1990, implement non-monetary incentives for services in rural areas, in consultation with the Provinces.

6. The Borrower shall take all necessary measures within its power to introduce by April 1, 1988, in all of its Provinces, a flexible scheduling of primary school hours and calendars to be mutually satisfactory to the Borrower, the Provinces, and the Association.

7. The Borrower shall cause to be established, in respect of the following grades, integrated curricula for primary education satisfactory to the Association by the following dates: for the first through third grades, by April 30, 1990; and for the fourth and fifth grades, by April 30, 1993, or such other date as shall be satisfactory to the Association.

SCHEDULE 5

Special Account

1. For the purposes of this Schedule:

(a) the term "eligible Categories" means Categories 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, in respect of the Borrower, an amount equivalent to \$150,000, and in respect of the Province, an amount equivalent to \$10,000,000, to be withdrawn from the respective Credit Accounts and deposited in the Special Account pursuant to paragraph 3 (a) of this Schedule.

2. (a) Except as the Association shall otherwise agree, payments out of the respective Special Accounts shall be made exclusively for eligible expenditures in accordance with the provisions of this Schedule.

(b) All requests for replenishment by the Province pursuant to the provisions of paragraph 3 hereof and all actions incidental thereto shall be made through FCU.

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

(a) On the basis of a request or requests by the Borrower or the Province, as the case may be, for a deposit or deposits which add up to the aggregate amount of the Authorized Allocation, the Association shall, on behalf of the Borrower or the Province, as the case may be, withdraw from the Credit Account and deposit in the Special Account such amount or amounts as the Borrower or the Province, as the case may be, shall have requested.

(b) The Borrower or the Province, as the case may be, shall furnish to the Association requests for replenishment of the respective Special Accounts at such intervals as the Association shall specify. On the basis of such requests, the Association shall withdraw from the Credit Account and deposit into the relevant Special Account such amounts as shall be required to replenish the Special Account with amounts not exceeding the amount of payments made out of such 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 the evidence supporting the request for such deposit furnished pursuant to paragraph 4 of this Schedule.

4. For each payment made by the Borrower or the Province, as the case may be, out of the Special Account for which the Borrower or the Province, as the case may be, requests replenishment pursuant to paragraph 3 (b) of this Schedule, the Borrower or the Province, as the case may be, shall furnish to the Association, prior to or at the time of such request, such documents and other

evidence as the Association shall reasonably request, showing that such payment was made for eligible expenditures.

5. (a) Notwithstanding the provisions of paragraph 3 of this Schedule, no further deposit into the Special Account shall be made by the Association when either of the following situations first arises:

- (i) the Association shall have determined that all further withdrawals should be made by the Borrower or the Province, as the case may be, 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
- (ii) the total unwithdrawn amount of the Credit allocated to the eligible Categories for the parts of the Project to which the respective Special Account relates, minus the amount of any outstanding special commitment entered into by the Association pursuant to Section 5.02 of the General Conditions with respect to such parts of the Project, shall be equal to the equivalent of twice the amount of the relevant Authorized Allocation.

(b) Thereafter, withdrawal from the Credit Account of the remaining unwithdrawn amount of the Credit allocated to the eligible Categories for the parts of the Project to which the Special Account relates shall follow such procedures as the Association shall specify by notice to the Borrower or the Province, as the case may be. 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 any expenditure or in any amount not eligible pursuant to paragraph 2 of this Schedule; or (ii) was not justified by the evidence furnished pursuant to paragraph 4 of this Schedule, the Borrower or the Province, as the case may be, shall, promptly upon notice from the Association, deposit into the relevant 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. No further deposit by the Association into the Special Account shall be made until the Borrower or the Province, as the case may be, has made such deposit or refund.

(b) If the Association shall have determined at any time that any amount outstanding in the relevant Special Account will not be required to cover further payments for eligible expenditures, the Borrower or the Province, as the case may be, shall, promptly upon notice from the Association, refund to the Association such outstanding amount for crediting to the Credit Account.



