

CONFORMED COPY

CREDIT NUMBER 3100 IVC

Development Credit Agreement  
(Transport Sector Adjustment and Investment Project)

between

REPUBLIC OF COTE D'IVOIRE

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated September 16, 1998

CREDIT NUMBER 3100 IVC

DEVELOPMENT CREDIT AGREEMENT

AGREEMENT, dated September 16, 1998, between REPUBLIC OF COTE D'IVOIRE (the Borrower) and INTERNATIONAL DEVELOPMENT ASSOCIATION (the Association).

WHEREAS (A) the Association has received a letter, dated May 13, 1998, (the Letter of Sector Policy or LSP) from the Borrower describing a program of actions, objectives and policies designed to achieve an adjustment of the Borrower's transport sector (the Program) and declaring the Borrower's commitment to the execution of the Program;

(B) the Borrower, having committed itself to the execution of the Program and, as part of the Program, 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 of urgently needed imports required during the execution thereof;

(C) the Borrower has contracted from Agence Française de Développement (AFD) two loans (the AFD Loans) in an amount equivalent to \$55,100,000 to assist in financing part of the Program on the terms and conditions set forth in an agreement (the AFD Loan Agreement) to be entered into between the Borrower and AFD; 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 modifications set forth below (the General Conditions) constitute an integral part of this Agreement:

(a) the last sentence of Section 3.02 is deleted;

(b) Section 4.01 is modified to read: "Except as the Borrower and the Association shall otherwise agree, withdrawals from the Credit Account for payments

made in respect of Category (5) of the table set forth in paragraph 1 of Schedule 1 to the Credit Agreement shall be made in the currency of the deposit account specified in Section 2.02 (a) of the Credit Agreement.";

(c) the second sentence of Section 5.01 is modified to read:

"Except as the Borrower and the Association shall otherwise agree, no withdrawals shall be made: (a) on account of expenditures in the territories of any country which is not a member of the Bank or for goods produced in, or services supplied from, such territories; or (b) for the purpose of any payment to persons or entities, or for any import of goods, if such payment or import, to the knowledge of the Association, is prohibited by a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations;" and

(d) Section 6.03 is modified to read as follows:

"Section 6.03. Cancellation by the Association. If (a) the right of the Borrower to make withdrawals from the Credit Account shall have been suspended with respect to any amount of the Credit for a continuous period of thirty days, or (b) at any time, the Association determines, after consultation with the Borrower, that an amount of the Credit will not be required to finance the Project's costs to be financed out of the proceeds of the Credit, or (c) at any time the Association determines, with respect to any contract to be financed out of the proceeds of the Credit, that corrupt or fraudulent practices were engaged in by representatives of the Borrower or of a beneficiary of the Credit during the procurement or the execution of such contract, without the Borrower having taken timely and appropriate action satisfactory to the Association to remedy the situation, and establishes the amount of expenditures in respect of such contract which would otherwise have been eligible for financing out of the proceeds of the Credit, or (d) at any time, the Association determines that the procurement of any contract to be financed out of the proceeds of the Credit is inconsistent with the procedures set forth or referred to in the Development Credit Agreement and establishes the amount of expenditures in respect of such contract which would otherwise have been eligible for financing out of the proceeds of the Credit, or (e) after the Closing Date, an amount of the Credit shall remain unwithdrawn from the Credit Account, the Association may, by notice to the Borrower, terminate the right of the Borrower to make withdrawals with respect to such amount. Upon the giving of such notice, such amount of the Credit shall be canceled.".

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) "Franc de la Communauté Financière Africaine" and "CFAF" mean the currency of the Borrower;

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

(c) "Special Account" means the account referred to in Section 2.03 (b) of this Agreement;

(d) "Project Preparation Advance" means the project preparation advance granted by the Bank to the Borrower pursuant to an exchange of letters dated July 11, 1991, and September 30, 1991, between the Borrower and the Bank, and the project preparation advance granted by the Association to the Borrower pursuant to an exchange of letters dated October 3, 1997, and October 13, 1997, between the Borrower and the Association;

(e) "CAA" means Caisse Autonome d'Amortissement, a public financial institution of the Borrower;

(f) "Tranche" means any of the following: the First Tranche, the Second Tranche, the Third Tranche, and the Floating Tranche, as defined in this Section;

(g) "First Tranche" means the amount of the proceeds of the Credit allocated to Category (5) (a) of paragraph 1 of Schedule 1 to this Agreement, to be released by the Association on or after the Effective Date;

(h) "Second Tranche" means the amount of the proceeds of the Credit allocated to Category (5) (b) of paragraph 1 of Schedule 1 to this Agreement, to be released by the Association on or after the date on which the conditions referred to in paragraph 5 (a) of Schedule 1 to this Agreement have been met;

(i) "Third Tranche" means the amount of the proceeds of the Credit allocated to Category (5) (c) of paragraph 1 of Schedule 1 to this Agreement, to be released by the Association on or after the date on which the conditions referred to in paragraph 5 (b) of Schedule 1 to this Agreement have been met;

(j) "Floating Tranche" means the amount of the proceeds of the Credit allocated to Category (5) (d) of paragraph 1 of Schedule 1 to this Agreement, to be released by the Association on or after the date on which the conditions referred to in paragraph 6 of Schedule 1 to this Agreement have been met;

(k) "Project Implementation Manual" or "PIM" means the manual adopted by the Borrower on May 5, 1998, describing the Project reporting and monitoring procedures, plans, environmental impact assessment guidelines, and other implementation arrangements and specifying the performance indicators to be followed in assessing the progress achieved in the execution of the Project;

(l) "PAA" means Port Autonome d'Abidjan, a public enterprise of the Borrower established and operating pursuant to the Borrower's Decree No. 92/940, dated December 23, 1992;

(m) "PASP" means Port Autonome de San Pedro, a public enterprise of the Borrower, established and operating pursuant to the Borrower's Decree No. 95/818, dated September 29, 1995;

(n) "SOTRA" means Société des Transports d'Abidjan, a société anonyme established and operating pursuant to the commercial laws of the Borrower;

(o) "MIE" means Ministère des Infrastructures Economiques, the Borrower's Ministry responsible for economic infrastructure;

(p) "MEF" means Ministère de l'Economie et des Finances, the Borrower's Ministry responsible for economy and finance;

(q) "DPPGP" means the Direction de la Programmation, Planification et Gestion des Projets within MIE;

(r) "DRV" means the Direction des Routes et Voiries within MIE;

(s) "DTT" means the Direction des Transports Terrestres within MT;

(t) "SGMTP" means Société de Gestion du Matériel des Travaux Publics, a public enterprise of the Borrower established and operating pursuant to the Borrower's Decree No. 97/534, dated September 11, 1997;

(u) "MT" means Ministère des Transports, the Borrower's Ministry responsible for transport;

(v) "OSER" means the Office de Sécurité Routière, an agency established and operating pursuant to the Borrower's Law No. 78/661, dated August 4, 1978;

(w) "PCU" means the Project Coordination Unit referred to in Section 3.01 (c) of this Agreement;

(x) "Fiscal Year" or "FY" means the fiscal year of the Borrower which runs from January 1 through December 31 of each year; and

(y) "Program Launching Seminars" means the seminars referred to in paragraph 1 (d) of Schedule 4 to this Agreement.

## ARTICLE II

### The Credit

Section 2.01. The Association agrees to lend to the Borrower, on the terms and conditions set forth or referred to in this Agreement, an amount in various currencies equivalent to one hundred thirty million six hundred thousand Special Drawing Rights (SDR 130,600,000).

Section 2.02. (a) The Borrower shall open, prior to furnishing to the Association the first request for withdrawal from the Credit Account of the proceeds of the Credit allocated in support of the Program, and thereafter maintain in its central bank, a deposit account in CFAF on terms and conditions satisfactory to the Association. All proceeds of the Credit allocated to Category (5) of the table set forth in paragraph 1 of Schedule 1 to this Agreement shall be deposited by the Association in the Deposit Account.

(b) Subject to the provisions of paragraph (c) of this Section and the provisions of paragraphs 5, 6, 7 and 8 of Schedule 1 to this Agreement, the Borrower shall be entitled to use the proceeds of the Credit withdrawn from the Credit Account and deposited into the Deposit Account in support of the Program.

(c) The Borrower undertakes that the proceeds of the Credit deposited in the Deposit Account shall not be used to finance expenditures excluded pursuant to the provisions of paragraph 8 of Schedule 1 to this Agreement. If the Association shall have determined at any time that any proceeds of the Credit shall have been used to make a payment for an expenditure so excluded, the Borrower shall, promptly upon notice from the Association: (i) deposit into the Deposit Account an amount equal to the amount of said payment; or (ii) if the Association shall so request, refund such amount to the Association. Amounts refunded to the Association upon such request shall be credited to the Credit Account for cancellation.

Section 2.03. (a) Without any prejudice to the provisions of Section 2.02 of this Agreement, the amount of the Credit (excluding the proceeds allocated to Category (5) of the table set forth in paragraph 1 of Schedule 1 to this Agreement) may be withdrawn from the Credit Account in accordance with the provisions of said Schedule 1 for expenditures made (or, if the Association shall so agree, to be made) in respect of the reasonable cost of goods and services required for the Project described in Schedule 2 to this Agreement and to be financed out of the proceeds of the Credit.

(b) The Borrower may, for the purposes of the Project, open and maintain in CFAF a special deposit account in the CAA 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.

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

Section 2.04. The Closing Date shall be June 30, 2001, or such later date as the Association shall establish. The Association shall promptly notify the Borrower of such later date.

Section 2.05. (a) The Borrower shall pay to the Association a commitment charge on the principal amount of the Credit not withdrawn from time to time at a rate to be set by the Association as of June 30 of each year, but not to exceed the rate of one-half of one percent (1/2 of 1%) per annum.

(b) The commitment charge shall accrue: (i) from the date sixty days after the date of this Agreement (the accrual date) to the respective dates on which amounts shall be withdrawn by the Borrower from the Credit Account or canceled; and (ii) at the rate set as of the June 30 immediately preceding the accrual date and at such other rates as may be set from time to time thereafter pursuant to paragraph (a) above. The rate set as of June 30 in each year shall be applied from the next date in that year specified in Section 2.07 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 2.06. 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 2.07. Commitment and service charges shall be payable semiannually on July 15 and January 15 in each year.

Section 2.08. (a) Subject to paragraphs (b) and (c) below, the Borrower shall repay the principal amount of the Credit in semi-annual installments payable on each July 15 and January 15 commencing July 15, 2008, and ending January 15, 2038. Each installment to and including the installment payable on January 15, 2018, shall be one percent (1%) of such principal amount, and each installment thereafter shall be two percent (2%) of such principal amount.

(b) Whenever (i) the Borrower's per capita gross national product (GNP), as determined by the Association, shall have exceeded for three consecutive years the level established annually by the Association for determining eligibility to access the Association's resources, and (ii) the Bank shall consider the Borrower creditworthy for Bank lending, the Association may, subsequent to the review and approval thereof by the Executive Directors of the Association and after due consideration by the Association of the development of the Borrower's economy, modify the repayment of installments under paragraph (a) above by: (A) requiring the Borrower to repay twice the amount of each such installment not yet due until the principal amount of the Credit shall have been repaid; and (B) requiring the Borrower to commence repayment of the principal amount of the Credit as of the first semiannual payment date referred to in paragraph (a) above falling six months or more after the date on which the Association notifies the Borrower that the events set out in this paragraph (b) have occurred, provided, however, that there shall be a grace period of a minimum of five years on such repayment of principal.

(c) If so requested by the Borrower, the Association may revise the modification referred to in paragraph (b) above to include, in lieu of some or all of the increase in the amounts of such installments, the payment of interest at an annual rate agreed with the Association on the principal amount of the Credit withdrawn and outstanding from time to time, provided that, in the judgment of the Association, such revision shall not change the grant element obtained under the above-mentioned repayment modification.

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

Section 2.09. The currency of the French Republic is hereby specified for the purposes of Section 4.02 of the General Conditions.

### ARTICLE III

#### Execution of the Project

Section 3.01. (a) The Borrower declares its commitment to the objectives of the Project as set forth in Schedule 2 to this Agreement and, to this end, shall carry out the Project with due diligence and efficiency and in conformity with appropriate administrative, financial, engineering, environmental, and technical practices, 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 carry out the Project in accordance with the Implementation Program set forth in Schedule 4 to this Agreement.

(c) The Borrower shall establish the PCU and thereafter maintain it until the completion of the Project with functions and responsibilities and staff in adequate numbers, all satisfactory to the Association.

Section 3.02. Except as the Association shall otherwise agree, procurement of the goods, works, and consultants' services required for the Project and to be financed out of the proceeds of the Credit (except for the proceeds of the Credit allocated to Category 5 of the table set forth in paragraph 1 of Schedule 1 to this Agreement) shall be governed by the provisions of Schedule 3 to this Agreement.

Section 3.03. For the purposes of Section 9.07 of the General Conditions and without limitation thereto, the Borrower shall:

(a) prepare, on the basis of guidelines acceptable to the Association, and furnish to 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 for the future operation of the Project; and

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

#### ARTICLE IV

##### Other Covenants

Section 4.01 (a) The Borrower and the Association shall from time to time, at the request of either party, exchange views on the progress achieved in carrying out the Program and the actions specified in Schedule 6 to this Agreement.

(b) Prior to each such exchange of views, the Borrower shall furnish to the Association for its review and comment a report on the progress achieved in carrying out the Program, in such detail as the Association shall reasonably request.

(c) Without limitation upon the provisions of paragraph (a) of this Section, the Borrower shall exchange views with the Association on any proposed action to be taken after the disbursement of the proceeds of the Credit allocated to Category (5) of the table in paragraph 1 of Schedule 1 to this Agreement which would have the effect of materially reversing the objectives of the Program, or any action taken under the Program, including any action specified in Schedule 6 to this Agreement.

#### ARTICLE V

##### Financial Covenants

Section 5.01. (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 Deposit Account and 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 four months after the end of each such year, the report of such audit by said auditors, of such scope and in such detail as the Association shall have reasonably requested; and

(iii) furnish to the Association such other information concerning said records and accounts and the audit thereof as the Association shall from time to time reasonably request.

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

(i) maintain or cause to be maintained, in accordance with paragraph (a) of this Section, records and accounts reflecting such expenditures;

(ii) retain, until at least one year after the Association has received the audit report for the fiscal year in which the last withdrawal from the Credit Account was made, all records (contracts, orders, invoices, bills, receipts and other documents) evidencing such expenditures;

(iii) 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.

Section. 5.02. Before undertaking any new investment for road construction estimated to cost the equivalent of more than five million dollars (\$5,000,000), the Borrower shall: (a) ensure that any such proposed investment has been included in its rolling public investment program; (b) carry out a feasibility study based on a methodology acceptable to the Association aimed at showing inter alia that the proposed investment will have an economic rate of return of at least 12%; and (c) unless it shall have been agreed otherwise with the Association, refrain from carrying out the proposed investment if its expected economic rate of return is estimated to be less than 12%.

#### ARTICLE VI

##### Remedies of the Association

Section 6.01. Pursuant to Section 6.02 (h) of the General Conditions, the following additional events are specified:

- (a) A situation shall have arisen which shall make it improbable that the Program or a significant part thereof will be carried out.
- (b) The Borrower's Decree No. 0154, dated September 2, 1997, establishing the procedures to be followed in the processing of payment for road maintenance works carried out by small contractors, shall have been amended, abrogated, repealed or waived, in a manner which may materially and adversely affect the implementation of the Project.
- (c)
  - (i) Subject to subparagraph (ii) of this paragraph: (A) the right of the Borrower to withdraw the proceeds of any of any grant or loan made to the Borrower for the financing of the Project shall have been suspended, canceled 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 6.02. Pursuant to Section 7.01 (d) of the General Conditions, the following additional events are specified namely that the events specified in paragraphs (b) or (c) (i) (B) of Section 6.01 of this Agreement shall occur, subject to the proviso of paragraph (c) (ii) of that Section.

#### ARTICLE VII

##### Effective date; Termination

Section 7.01. The following events are specified as additional conditions to the effectiveness of this Agreement within the meaning of Section 12.01 (b) of the General Conditions:

- (a) the Borrower has adopted a road rehabilitation and maintenance program for FY 1998 satisfactory to the Association;
- (b) the Borrower has appropriated in its budget for FY 1998 amounts equivalent to at least: (i) \$26,300,000 for routine road and ferry maintenance; (ii) \$15,200,000 for periodic road maintenance; and (iii) \$8,400,000 to finance DRV's operating costs and acquisition of required equipment;
- (c) the Borrower has established, for the purposes of the Project, an accounting and auditing system satisfactory to the Association;

(d) the Borrower has liquidated all SGMTP's heavy road maintenance equipment. For the purposes of this paragraph, the term "liquidation" means the sale and transfer of equipment to qualified bidders; and

(e) the Borrower has carried out the Program Launching Seminars in accordance with the provisions of paragraph 1(d) of Schedule 4 to this Agreement.

Section 7.02. 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.

Section 7.03. The obligations of the Borrower under Section 5.02 of this Agreement shall cease and determine on the date on which the Development Credit Agreement shall terminate or on the date fifteen years after the date of this Agreement, whichever shall be the earlier.

#### ARTICLE VIII

##### Representative of the Borrower; Addresses

Section 8.01. The Minister of the Borrower responsible for finance is designated as representative of the Borrower for the purposes of Section 11.03 of the General Conditions.

Section 8.02. The following addresses are specified for the purposes of Section 11.01 of the General Conditions:

For the Borrower:

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

Cable address:

Telex:

23747 MINFIN

For the Association:

International Development Association  
1818 H Street, NW  
Washington, DC 20433  
United States of America

Cable address:

Telex:

INDEVAS  
Washington, D.C.

248423 (MCI) or  
64145 (MCI)

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

REPUBLIC OF COTE D'IVOIRE

By /s/ Koumoué Koffi

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ Callisto Madavo

Regional Vice President



## SCHEDULE 1

## Withdrawal of the Proceeds of the Credit

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

Category	Amount of the Credit Allocated (Expressed in SDR Equivalent)	% of Expenditures to be Financed
(1) Civil works under Parts A and B of the Project (excluding those referred to in Category (2))	29,700,000	70%
(2) Civil works for building and facilities under Part B of the Project	2,200,000	70%
(3) Goods, equipment and materials:		80%
(a) under Part B of the Project	600,000	
(b) under Part D.2 of the Project	140,000	
(c) under Part D.4 of the Project	680,000	
(d) under Part E of the Project	80,000	
(4) Consultants' services: materials:		80%
(a) under Part A of the Project	13,000,000	
(b) under Part B of the Project	1,300,000	
(c) under Part C of the Project	500,000	
(d) under Part D of the Project	2,300,000	
(e) under Parts E.1 and E.4 of the Project	400,000	
(f) under Parts E.2 and E.3 of the Project	1,500,000	
(5) Goods required during the execution of the Program:		100% of foreign expenditures
(a) under the First Tranche	36,300,000	
(b) under the Second Tranche	14,500,000	

	(c) under the Third Tranche	14,500,000	
	(d) under the Floating Tranche	7,000,000	
(6)	Refunding of Project Preparation Advance	900,000	Amounts due pursuant to Section 2.03 (c) of this Agreement
(7)	Unallocated	5,000,000	
	TOTAL	130,600,000	

2. For the purposes of this Schedule, 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; provided, however, that if the currency of the Borrower is also that of another country, expenditures in such currency for goods or services supplied from the territory of such other country shall be deemed to be "foreign expenditures".

3. Notwithstanding the provisions of paragraph 1 above, no withdrawals shall be made in respect of payments made for expenditures prior to the date of this Agreement.

4. The Association may require withdrawals from the Credit Account to be made on the basis of statements of expenditure for expenditures: (a) for works under contracts not exceeding \$500,000 equivalent; (b) for goods under contracts not exceeding \$50,000 equivalent; (c) for services provided by consulting firms under contracts not exceeding \$100,000 equivalent; and (d) for services provided by individual consultants under contracts not exceeding \$50,000 equivalent, under such terms and conditions as the Association shall specify by notice to the Borrower.

5. No withdrawal shall be made from the Credit Account:

(a) under Category (5) (b) of the table in paragraph 1 of this Schedule unless the amount specified in Category (5) (a) has been withdrawn by the Borrower and the Association shall be satisfied after an exchange of views as described in Section 4.01 of this Agreement based on evidence satisfactory to it:

- (i) that the requirements of Part A of Schedule 6 to this Agreement have been fulfilled; and
- (ii) that the actions described in Part B of Schedule 6 to this Agreement have been taken in form and substance satisfactory to the Association; and

(b) under Category (5) (c) of the table in paragraph 1 of this Schedule unless the amounts specified in Categories (5) (a) and 5 (b) have been withdrawn by the Borrower and the Association shall be satisfied after an exchange of views as described in Section 4.01 of this Agreement based on evidence satisfactory to it:

- (i) that the requirements of Part A of Schedule 6 to this Agreement have been fulfilled; and
- (ii) that the actions described in Part C of Schedule 6 to this Agreement have been taken in form and substance satisfactory to the Association.

6. Notwithstanding the provisions of paragraph 5 above, withdrawals may be made by the Borrower in respect of Category (5) (d) of the table set forth in paragraph 1 of this Schedule at any time when the Association shall be satisfied after an exchange of views as described in Section 4.01 of this Agreement, based on evidence satisfactory to it that: (a) the requirements of Part A of Schedule 6 to this Agreement have been fulfilled; and (b) the actions described in Part D of Schedule 6 to this Agreement have been taken in form and substance satisfactory to the Association.

7. If, after any of the exchange of views referred to in paragraphs 5 and 6 above, the Association shall have given notice to the Borrower that the requirements of Part A of Schedule 6 to this Agreement, or the actions taken under Parts B, C, or D of Schedule 6 to this Agreement, as the case may be, are not satisfactory and, within ninety (90) days after such notice, the Borrower shall not have met the requirements of Part A of said Schedule 6 or taken the actions under Parts B, C, or D of said

Schedule 6, as the case may be, then the Association may, by notice to the Borrower, cancel the unwithdrawn amount of the Credit or any part thereof.

8. The proceeds of the Credit allocated to Category (5) of the table in paragraph 1 above shall not be used to finance any of the following expenditures:

(a) expenditures in the currency of the Borrower or for goods or services supplied from the territory of the Borrower;

(b) expenditures for goods or services supplied under a contract which any national or international financing institution or agency other than the Bank or the Association shall have financed or agreed to finance, or which the Bank or the Association shall have financed or agreed to finance under another loan, or credit;

(c) expenditures for goods included in the following groups or subgroups of the Standard International Trade Classification, Revision 3 (SITC, Rev.3), published by the United Nations in Statistical Papers, Series M, No. 34./Rev.3 (1986) (the SITC), or any successor groups or subgroups under future revisions to the SITC, as designated by the Association by notice to the Borrower.

Group	Subgroup	Description of Items
112	-	Alcoholic beverages
121	-	Tobacco, unmanufactured, tobacco refuse
122	-	Tobacco, manufactured (whether or not containing tobacco substitutes)
525	-	Radioactive and associated materials
667	-	Pearls, precious and semiprecious stones, unworked or worked
718	718.7	Nuclear reactors, and parts thereof; fuel elements (cartridges), non-irradiated, for nuclear reactors
728	728.43	Tobacco processing machinery
897	897.3	Jewelry of gold, silver or platinum group metals (except watches and watch cases) and goldsmiths' or silversmiths' wares (including set gems)
971	-	Gold, non-monetary (excluding gold ores and concentrates)

(d) expenditures for goods intended for a military or paramilitary purpose or for luxury consumption;

(e) expenditures for environmentally hazardous goods. For purposes of this paragraph the term "environmentally hazardous goods" means goods, the manufacture, use or import of which is prohibited under the laws of the Borrower or international agreements to which the Borrower is a party and any other goods designated as environmentally hazardous by agreement between the Borrower and the Association;

(f) expenditures: (i) in the territories of any country which is not a member of the Bank or for goods procured in, or services supplied from, such territories; or (ii) on account of any payment to persons or entities, or any import of goods, if such payment or import is prohibited by a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations; and

(g) expenditures under a contract in respect of which the Association determines that corrupt or fraudulent practices were engaged in by representatives of the Borrower or of a beneficiary of the Credit during the procurement or execution of such contract, without the Borrower having taken timely and appropriate action satisfactory to the Association to remedy the situation.

## Description of the Project

The objectives of the Project are to: (a) improve the condition and efficiency of the Borrower's transport infrastructure; (b) build capacity for planning, programming and mobilizing funding required for the execution of investments in the Borrower's transport sector; and (c) strengthen the legal and regulatory framework of the Borrower's transport sector.

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: Road Construction, Rehabilitation and Maintenance

Execution of a five-year road works program including:

1. (a) routine maintenance on about 5,300 km of paved roads and about 62,750 km of unpaved roads;  
(b) periodic maintenance on the unpaved road network including: (i) full or spot regravelling for about 14,800 km; (ii) spot improvement on about 59,700 km; and (iii) construction or rehabilitation of about 1,600 small bridges and culverts;  
(c) rehabilitation of about 470 km of paved roads; and  
(d) construction of about 175 km of paved roads and about 30 bridges.
2. (a) Strengthening the capacity of the Borrower's agency responsible for road sector management and maintenance operations.  
(b) Developing and strengthening the capacity of small local contractors to carry out road maintenance works.
3. Carrying out of works supervision and engineering studies required to execute annual road maintenance programs, rehabilitation of paved roads and construction of new roads and bridges.

### Part B: Road Transport Component

1. (a) Updating of the legal, regulatory and institutional framework for the transport sector;  
(b) dissemination of the revised legislation and regulations among the relevant staff of the Borrower responsible for road transport matters; and  
(c) dissemination of the revised legislation and regulations among the general public.
2. (a) Streamlining of road control procedures with a view to improving the flow of road traffic;  
(b) carrying out sensitization and media campaigns aimed at enhancing the transparency of road transport control procedures; and  
(c) rehabilitation and equipping of border control posts and security corridors.
3. (a) Provision of technical advisory services and ad hoc training to professional organizations of road transporters as required to improve their performance; and  
(b) rehabilitation of (i) a specialized driver training center, and (ii) a training center for teachers of driving schools.
4. Carrying out of a study aimed at:
  - (a) formulating technical specifications to be followed for the construction and equipping of road transport stations; and
  - (b) drafting a cahier des charges spelling out the terms and conditions applicable to the concessioning of road transport stations to private operators.

5. Carrying out a study to determine the optimum level of taxes and user charges to be assessed against road users.

Part C: Urban Transport Component

1. Carrying out of a study related the establishment of an agency to be responsible for the institutional coordination of urban transport.
2. Preparation of a possible urban transport improvement project.

Part D: Port Component

1. Updating of the regulatory framework governing port activities and operations.
2. Modernization of infrastructure and acquisition of equipment for PAA and PASP.
3. Carrying out of feasibility and detailed engineering studies required to expand PAA's facilities.
4. Formulation of an action plan and acquisition of equipment required to strengthen the Borrower's capacity to carry out emergency interventions aimed at preventing marine pollution from shipping operations at PAA and PASP.

Part E: Transport Sector Administration Component

1. Provision of logistical and technical support as required to create a transport sector data bank within MIE.
2. Provision of logistical and technical support to the PCU.
3. Preparation of a maritime code.
4. Carrying out of studies aimed at improving the performance of DTT and OSER, respectively.

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The Project is expected to be completed by December 31, 2000.

SCHEDULE 3

Procurement and Consultants' Services

Section I. Procurement of Goods and Works

Part A: General

Goods and works shall be procured in accordance with the provisions of Section I of the "Guidelines for Procurement under IBRD Loans and IDA Credits" published by the Bank in January 1995 and revised in January and August 1996 and September 1997 (the Guidelines) and the following provisions of this Section, as applicable.

Part B: International Competitive Bidding

1. Except as otherwise provided in Part C of this Section, goods and works shall be procured under contracts awarded in accordance with the provisions of Section II of the Guidelines and paragraph 5 of Appendix 1 thereto.

2. The following provisions shall apply to goods and works to be procured under contracts awarded in accordance with the provisions of paragraph 1 of this Part B.

(a) Grouping of contracts

To the extent practicable, contracts for works shall be grouped in bid packages estimated to cost \$1,000,000 equivalent or more each.

(b) Preference for domestic contractors

The provisions of paragraphs 2.54 and 2.55 of the Guidelines and Appendix 2 thereto shall apply to works to be carried out by domestic contractors.

(c) Notification and Advertising

The invitation to bid for each contract estimated to cost \$10,000,000 equivalent or more shall be advertised in accordance with the procedures applicable to large contracts under paragraph 2.8 of the Guidelines.

Part C: Other Procurement Procedures

1. National Competitive Bidding

Works estimated to cost less than \$1,000,000 equivalent per contract, up to an aggregate amount not to exceed \$16,000,000 equivalent, and goods estimated to cost less than \$200,000 equivalent per contract, up to an aggregate amount not to exceed \$2,000,000 equivalent, may be procured under contracts awarded in accordance with the provisions of paragraphs 3.3 and 3.4 of the Guidelines.

2. National or International Shopping

Goods estimated to cost less than \$20,000 equivalent per contract, up to an aggregate amount not to exceed \$100,000 equivalent, may be procured under contracts awarded on the basis of national or international shopping procedures in accordance with the provisions of paragraphs 3.5 and 3.6 of the Guidelines.

Part D: Review by the Association of Procurement Decisions

1. Procurement Planning

Prior to the issuance of any invitations to bid for contracts, the proposed procurement plan for the Project shall be furnished to the Association for its review and approval, in accordance with the provisions of paragraph 1 of Appendix 1 to the Guidelines. Procurement of all goods and works shall be undertaken in accordance with such procurement plan as shall have been approved by the Association, and with the provisions of said paragraph.

2. Prior Review

With respect to each contract for road works, estimated to cost the equivalent of \$500,000 or more, and each contract for goods, estimated to cost the equivalent of \$100,000 or more, the procedures set forth in paragraphs 2 and 3 of Appendix 1 to the Guidelines shall apply.

3. Post Review

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

Section II. Employment of Consultants

Part A: General

Consultants' services shall be procured in accordance with the provisions of the Introduction and Section IV of the "Guidelines: Selection and Employment of Consultants by World Bank Borrowers" published by the Bank in January 1997 and revised in September 1997 (the Consultant Guidelines) and the following provisions of Section II of this Schedule.

Part B: Quality- and Cost-based Selection

1. Except as otherwise provided in Part C of this Section, consultants' services shall be procured under contracts awarded in accordance with the provisions of Section II of the Consultant Guidelines, paragraph 3 of Appendix 1 thereto, Appendix 2 thereto, and the provisions of paragraphs 3.13 through 3.18 thereof applicable to quality- and cost-based selection of consultants.

2. The following provisions shall apply to consultants' services to be procured under contracts awarded in accordance with the provisions of the preceding paragraph. The short list of consultants for services for engineering studies and works supervision, estimated to cost less than \$200,000 equivalent per contract, up to an aggregate amount not to exceed \$3,400,000 equivalent, may comprise entirely national consultants in accordance with the provisions of paragraph 2.7 of the Consultant Guidelines.

Part C: Other Procedures for the Selection of Consultants

1. Single Source Selection

Services for construction of border control posts under Part B.2 (c) of the Project estimated to cost less than \$100,000 equivalent per contract, may, with the Association's prior agreement, be procured in accordance with the provisions of paragraphs 3.8 through 3.11 of the Consultant Guidelines.

2. Individual Consultants

Services for capacity building under Parts A, B and C of the Project may be procured under contracts awarded to individual consultants in accordance with the provisions of paragraphs 5.1 through 5.3 of the Consultant Guidelines.

Part D: Review by the Association of the Selection of Consultants

1. Selection Planning

Prior to the issuance to consultants of any requests for proposals, the proposed plan for the selection of consultants under the Project shall be furnished to the Association for its review and approval, in accordance with the provisions of paragraph 1 of Appendix 1 to the Consultant Guidelines. Selection of all consultants' services shall be undertaken in accordance with such selection plan as shall have been approved by the Association, and with the provisions of said paragraph 1.

2. Prior Review

With respect to each contract for consultants' services, the procedures set forth in paragraphs 1, 2 (other than the third subparagraph of paragraph 2 (a)) and 5 of Appendix 1 to the Consultant Guidelines shall apply.

SCHEDULE 4

Implementation Program

1. Overall Coordination

(a) The Borrower shall implement the Project, in accordance with the procedures set out in the Project Implementation Manual, and, except as the Association shall otherwise agree, the Borrower shall not amend, or waive any provision thereof which, in the opinion of the Association, may materially and adversely affect the implementation of the Project.

(b) The Borrower shall maintain a Project Coordinator with experience and terms of reference, satisfactory to the Association, who shall be responsible for the overall coordination of the Project.

(c) The Borrower shall carry out the Project through the executing agencies (the Executing Agencies) referred to below: (i) Parts A and E.1 of the Project shall be carried out through MIE; (ii) Parts B.1, B.3 (a), B.4, B.5, C, E.3 and E.4 shall be carried out through MT; (iii) Parts B.2 and E.2 shall be carried out through MEF; (iv) Part B.3 (b) shall be carried out through OSER; and (v) Part D shall be carried out through PAA and PASP, respectively.

(d) The Borrower shall, by December 31, 1998, carry out the following seminars and workshops: (i) a seminar to launch the transport sector program; (ii) a seminar to familiarize selected road engineers with appropriate techniques for the programming of road maintenance works; (iii) a seminar to familiarize selected road engineers and staff with appropriate techniques for the procurement of road maintenance works; and (vi) a workshop to familiarize selected staff with relevant techniques for the management of road maintenance contracts.

(e) The Borrower shall: (i) not later than December 31, 1998, carry out the study referred to under Part B.5 of the Project; (ii) not later than December 31, 1998, carry out the study referred to under Part E.4 of the Project; (iii) submit the results and recommendations of said studies to the Association for its review and comments as soon as they become available; and (iv) promptly implement the recommendations of said studies as agreed upon with the Association.

(f) Upon the completion of the studies referred to under Part D.3 of the Project, the Borrower shall organize a donors' round table to disseminate the results of said studies with a view to mobilizing the required funding to further increase the

handling capacity of PAA.

## 2. Quarterly Reports

The Executing Agencies shall prepare and furnish to the Association through the Project Coordinator, for its review and comments, quarterly reports on the progress of Project implementation for their respective parts of the Project, including:

- (a) supervision reports;
- (b) monitoring of the performance indicators as agreed upon with the Association;
- (c) a statement of commitments entered into and disbursements made under the Project; and
- (d) progress in the carrying out of civil works, acquisition of goods, technical studies and institutional accomplishments.

## 3. Annual Reviews

The Borrower shall:

- (a) by October 31 of each year, furnish to the Association for review and comments: (i) the Borrower's three-year rolling public investment program for its transport sector; (ii) the Borrower's draft annual transport sector expenditure program and training program and supporting budget for its road sector (including the road works to be carried out under Part A of the Project) for the following calendar year; (iii) a complete listing of all border control posts and security corridors identifying check points and their geographic locations; and (iv) a technical audit report related to the dismantlement of informal road check points;
- (b) by November 30 of each year: (i) review with the Association the documents referred to in paragraph (a) above; (ii) identify implementation issues and propose appropriate solutions; and (iii) where necessary, update Project timetables and performance indicators accordingly;
- (c) by December 31 of each year, furnish to the Association the investment programs, annual work and training programs and supporting budgets referred to in paragraph (a) above, as such programs and budgets shall have been revised, to the satisfaction of the Association, in the course of the review referred to in paragraph (b) hereof and, except as the Association shall otherwise agree, carry out the Project in the year in question on the basis of said programs and budgets as so revised; and
- (d) by April 30 of each year, furnish to the Association evidence, satisfactory to the Association, that it has carried out the routine road maintenance provided for in the Program for the previous year.

## 4. Midterm Review

- (a) The Borrower shall, not later than 30 months after the Effective Date and not earlier than 18 months after the Effective Date, carry out, jointly with the Association, a review (hereinafter referred to as the Midterm Review) of the progress made in the carrying out of the Project.
- (b) The Midterm Review shall cover, inter alia: (i) overall progress made in the Project implementation, including the extent to which the development and other objectives of the Project have been achieved; (ii) the performance of the Executing Agencies for their respective parts of the Project; (iii) the adequacy of the Borrower's funding and of the level of budgetary allocations and actual expenditure for routine and periodic road maintenance; and (iv) the need to redesign or restructure any Project components experiencing implementation difficulties.
- (c) Not later than one month prior to the Midterm Review, the Borrower shall, through the PCU, furnish to the Association, for its review and comments, a report covering items specified in paragraph (b) above, including an evaluation of the progress achieved in the execution of the Project and recommendations resulting from the studies conducted under the Project.
- (d) Promptly after completing such review, the Borrower shall carry out the recommendations emanating from said review, as agreed between the Borrower and the Association.



SCHEDULE 5

Special Account

1. For the purposes of this Schedule:

(a) the term "eligible Categories" means Categories (1) through (4) set forth in the table in paragraph 1 of Schedule 1 to this Agreement;

(b) the term "eligible expenditures" means expenditures in respect of the reasonable cost of goods and services required for the Project and to be financed out of the proceeds of the Credit allocated from time to time to the eligible Categories in accordance with the provisions of Schedule 1 to this Agreement; and

(c) the term "Authorized Allocation" means an amount equivalent to CFAF 2,500,000,000 to be withdrawn from the Credit Account and deposited into the Special Account pursuant to paragraph 3 (a) of this Schedule, provided, however, that unless the Association shall otherwise agree, the Authorized Allocation shall be limited to an amount equivalent to CFAF 1,250,000,000 until the aggregate amount of withdrawals from the Credit Account plus the total amount of all outstanding special commitments entered into by the Association pursuant to Section 5.02 of the General Conditions shall be equal to or exceed the equivalent of SDR 29,150,000.

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

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

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

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

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

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

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

(a) if, at any time, the Association shall have determined that all further withdrawals should be made by the Borrower directly from the Credit Account in accordance with the provisions of Article V of the General Conditions and paragraph (a) of Section 2.03 of this Agreement;

(b) if the Borrower shall have failed to furnish to the Association, within the period of time specified in Section 5.01 (b) (ii) of this Agreement, any of the audit reports required to be furnished to the Association pursuant to said Section in

respect of the audit of the records and accounts for the Special Account;

(c) if, at any time, the Association shall have notified the Borrower of its intention to suspend in whole or in part the right of the Borrower to make withdrawals from the Credit Account pursuant to the provisions of Section 6.02 of the General Conditions; or

(d) once the total unwithdrawn amount of the Credit allocated to the eligible Categories, minus the total amount of all outstanding special commitments entered into by the Association pursuant to Section 5.02 of the General Conditions with respect to the Project, shall equal the equivalent of twice the amount of the Authorized Allocation. Thereafter, withdrawal from the Credit Account of the remaining unwithdrawn amount of the Credit allocated to the eligible Categories shall follow such procedures as the Association shall specify by notice to the Borrower. Such further withdrawals shall be made only after and to the extent that the Association shall have been satisfied that all such amounts remaining on deposit in the Special Account as of the date of such notice will be utilized in making payments for eligible expenditures.

6. (a) If the Association shall have determined at any time that any payment out of the Special Account: (i) was made for an expenditure or in an amount not eligible pursuant to paragraph 2 of this Schedule; or (ii) was not justified by the evidence furnished to the Association, the Borrower shall, promptly upon notice from the Association: (A) provide such additional evidence as the Association may request; or (B) deposit into the Special Account (or, if the Association shall so request, refund to the Association) an amount equal to the amount of such payment or the portion thereof not so eligible or justified. Unless the Association shall otherwise agree, no further deposit by the Association into the Special Account shall be made until the Borrower has provided such evidence or made such deposit or refund, as the case may be.

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

(c) The Borrower may, upon notice to the Association, refund to the Association all or any portion of the funds on deposit in the Special Account.

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

#### SCHEDULE 6

##### Conditions for Withdrawals under Category (5) of Paragraph 1 of the Table in Schedule 1 to this Agreement

###### Part A: General

1. The Borrower has achieved progress satisfactory to the Association in the carrying out of the Program.
2. The macroeconomic policy framework of the Borrower is consistent with the objectives of the Program.

###### Part B: Actions referred to in paragraph 5 (a) of Schedule 1 to this Agreement

###### (Conditions for Release of Second Tranche)

1. The Borrower has submitted to the Association its transport sector program of investments and public expenditures for FY 1999, which shall be satisfactory to the Association.
2. The Borrower has appropriated in its budget for FY 1999 adequate funds, in amounts acceptable the Association, for the purposes of road rehabilitation and maintenance under a program of works agreed upon with the Association.
3. The Borrower has provided evidence satisfactory to the Association that all funds allocated by the Borrower for road maintenance operations in its budget for FY 1998 have been committed for road maintenance purposes under a program of works agreed

upon with the Association.

4. The Borrower has provided evidence satisfactory to the Association that: (a) the Borrower has ceased to undertake any road maintenance works by force account; and (b) the Borrower has not delayed payments to private contractors for works performed by more than one month after the due date for said payments.

5. The Borrower has furnished to the Association a technical audit report based on terms of reference satisfactory to the Association showing that informal road check points are found only exceptionally.

6. The Borrower has furnished to the Association evidence satisfactory to it showing that vehicles inspection rates have been increased to levels acceptable to the Association as specified in paragraph 2.3 of the LSP.

7. The Borrower has restructured DTT in accordance with the provisions of paragraph 1(e) (iv) of Schedule 4 to this Agreement so as to improve DTT's performance, in a manner satisfactory to the Association.

8. The Borrower has submitted to the Association an action plan including an implementation timetable satisfactory to the Association, based on the recommendations of the study referred to under Part B.5 of the Project.

Part C: Actions referred to in paragraph 5 (b) of Schedule 1 to this Agreement  
(Conditions for Release of Third Tranche)

1. The Borrower has submitted to the Association its transport sector program of investments and public expenditures for FY 2000, which shall be satisfactory to the Association.

2. The Borrower has appropriated in its budget for FY 2000 adequate funds, in amounts acceptable to the Association, for the purposes of road rehabilitation and maintenance under a program of works agreed upon with the Association.

3. The Borrower has provided evidence, satisfactory to the Association, that all funds allocated by the Borrower for road maintenance operations in its budget for FY 1999 have been committed for road maintenance purposes under a program of works agreed upon with the Association.

4. The Borrower has implemented the action plan referred to in paragraph 8 of Part B of this Schedule, in accordance with the timetable set forth in said action plan.

Part D: Actions referred to in paragraph 6 (c) of Schedule 1 to this Agreement  
(Conditions for Release of Floating Tranche)

1. The Borrower has: (a) enacted a law governing road passenger and freight transport activities in a manner satisfactory to the Association; and (b) has published a compendium of updated regulations governing land transport activities.

2. The Borrower has: (a) enacted a Maritime Code satisfactory to the Association; and (b) has amended its port regulations in a manner satisfactory to the Association.

3. The Borrower has established the Urban Transport Agency, with functions and responsibilities satisfactory to the Association, and has appointed the senior officials of said Agency.

4. The Borrower has concluded with a qualified and experienced operator, selected on the basis of procedures satisfactory to the Association, an arrangement satisfactory to the Association for the operation and management of the PAA's ship-to-shore gantry cranes.

5. The Borrower has restructured OSER in a manner satisfactory to the Association in accordance with the provisions of paragraph 1 (e) (iv) of Schedule 4 to this Agreement.

6. The Borrower has concluded with qualified and experienced private operators contractual arrangements satisfactory to the Association for the provision of bus transport services for Abobo and Yopougon suburbs.

