

CONFORMED COPY

CREDIT NUMBER 2272 RW

(Population Project)

between

RWANDESE REPUBLIC

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated July 3, 1991

CREDIT NUMBER 2272 RW

DEVELOPMENT CREDIT AGREEMENT

AGREEMENT, dated July 3, 1991, between RWANDESE REPUBLIC (the Borrower) and INTERNATIONAL DEVELOPMENT ASSOCIATION (the Association).

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

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 Develop-

ment 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, whenever used in this Agreement, the several terms defined in the General Conditions have the respective meanings therein set forth and the following additional terms have the following meanings:

(a) "MOH" means the Borrower's Ministry of Health, its Ministcre de la Sante;

(b) "ONAPO" means Office National de la Population, a parastatal agency of the Borrower having financial and administrative autonomy created by the Borrower's Decret No. 03/81 dated January 16, 1981;

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

(d) "Project Account" means the account referred to in Section 3.04 (a) of this Agreement;

(e) "Project Preparation Advance" means the advance granted by the Association to the Borrower pursuant to an exchange of letters dated March 25, 1991 and May 3, 1991 between the Borrower and the Association; and

(f) "Francs Rwandais" and "FRW" mean 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 this Agreement, an amount in various currencies equivalent to fourteen million five hundred thousand Special Drawing Rights (SDR 14,500,000).

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 (a) The amount of the Credit may be withdrawn from the Credit Account in accordance with the provisions of Schedule 1 to this Agreement for expenditures made (or, if the Association shall so agree, to be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 described in Schedule 2 to this Agreement and to be financed out of the proceeds of the Credit.

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

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

Section 2.03. The Closing Date shall be June 30, 1998 or such later date as the Association shall establish. The Association shall promptly notify the Borrower of such later date.

Section 2.04. (a) The Borrower shall pay to the Association a commitment charge on the principal amount of the Credit not withdrawn from time to time at a rate to be set by the Association

as of June 30 of each year, but not to exceed the rate of one-half of one percent (1/2 of 1%) per annum.

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

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

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

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

Section 2.07. (a) Subject to paragraphs (b) and (c) below, the Borrower shall repay the principal amount of the Credit in semi-annual installments payable on each February 15 and August 15 commencing August 15, 2001 and ending February 15, 2031. Each installment to and including the installment payable on February 15, 2011 shall be one percent (1%) of such principal amount, and each installment thereafter shall be two percent (2%) of such principal amount.

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

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

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

### ARTICLE III

#### Execution of the Project

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

Section 3.02. Except as the Association shall otherwise agree, procurement of the goods, works and consultants' services required for the Project and to be financed out of the proceeds of the Credit shall be governed by the provisions of Schedule 3 to this Agreement.

Section 3.03. The Borrower shall, for the purposes of carrying out the Project:

(a) establish in ONAPO, and thereafter maintain for the duration of the Project, a project administrative unit (the PAU) with competent staff in adequate numbers, all with qualifications, experience and terms, including terms of reference, and conditions of employment satisfactory to the Association, including: (i) a full time Project Coordinator to head the PAU; (ii) an accountant; and (iii) a procurement specialist; and

(b) appoint a technical advisor to advise the PAU on project implementation on a contract with a duration of three years.

Section 3.04. Without limitation upon the generality of the provisions of Section 3.01 of this Agreement with regard to the provision of funds, the Borrower shall, for the purposes of the Project:

(a) open and thereafter maintain for the duration of the Project in Francs Rwandais and in the name of ONAPO an account (the Project Account) in a bank acceptable to the Association on terms and conditions acceptable to the Association;

(b) deposit into the Project Account an initial amount equivalent to seven hundred thousand Francs Rwandais (FRW 700,000) in constant 1991 Franc Rwandais;

(c) thereafter deposit into the Project Account not later than March 31, June 30, September 30, and December 31 in each year during Project implementation, the amount necessary to replenish the Project Account to the initial amount referred to in the preceding sub-paragraph; and

(d) ensure that amounts deposited into the Project Account pursuant to paragraphs (b) and (c) above shall be used only to make payments to meet expenditures made or to be made in respect of the reasonably cost of goods and services for the Project and not eligible to be financed out of the proceeds of the Credit.

Section 3.05. (a) The Borrower and the Association shall, from time to time and in any case not later than November 30 in each year during Project implementation, starting in 1992, exchange views on ONAPO's program, plans of action and budget for the following fiscal year and, without limitation upon the generality of the provisions of Section 9.01 of the General Conditions, jointly review the progress achieved in carrying out the Project.

(b) The Borrower shall furnish to the Association: (i) prior to each such exchange of views as specified in paragraph (a) of this Section, and in any case not later than October 31 in each year, ONAPO's draft program, plans of action and budget for the following fiscal year; and (ii) as soon as practicable after such exchange of views, and in any case not later than December 31 in each year, ONAPO's detailed program, plans of action and budget for the following year in form and substance satisfactory to the Association.

(c) As one of the joint reviews referred in paragraph (a) of

this Section, the Borrower and the Association shall, in 1994, carry out a joint in-depth mid term review of the Project and its implementation arrangements. Without limitation upon the generality of the foregoing, the joint review shall include a detailed examination of (a) the impact of Parts B.2 and B.3 (a) of the Project; (b) the overall efficiency of the family planning posts referred to under Part B.1 of the Project; (c) the efficiency of the training carried out under the Project; (d) ONAPO's managerial performance; (e) any technical problems encountered; (f) the need for additional technical assistance; and (g) financing options for project recurrent costs.

Section 3.06. The Borrower shall, by March 1, 1992 establish curricula satisfactory to the Association for the training described in Part A of the Project.

#### ARTICLE IV

##### Financial Covenants

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

(b) The Borrower shall:

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

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

- (i) maintain or cause to be maintained, in accordance with paragraph (a) of this Section, records and accounts reflecting such expenditures;
- (ii) retain, until at least one year after the Association has received the audit report for the fiscal year in which the last withdrawal from the Credit Account or payment out of the Special Account was made, all records (contracts, orders, invoices, bills, receipts and other documents) evidencing such expenditures;
- (iii) enable the Association's representatives to examine such records; and
- (iv) ensure that such records and accounts are included in the annual audit referred to in

paragraph (b) of this Section and that the report of such audit contains a separate opinion by said auditors as to whether the statements of expenditure submitted during such fiscal year, together with the procedures and internal controls involved in their preparation, can be relied upon to support the related withdrawals.

#### ARTICLE V

##### Remedies of the Association

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

(a) the Borrower's Decret No. 03/81 dated January 16, 1981 shall have been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the operations or financial and administrative condition or autonomy of ONAPO or its ability to carry out the Project; and

(b) that the Borrower or any other authority having jurisdiction shall have taken any action for the dissolution or disestablishment of ONAPO or for the suspension of its operations.

Section 5.02. Pursuant to Section 7.01 (d) of the General Conditions, the following additional event is specified, namely that any of the events specified in paragraphs (a) or (b) of Section 5.01 of this Agreement shall occur.

#### ARTICLE VI

##### Effective Date; Termination

Section 6.01. 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 appointed to the PAU the staff referred to in Section 3.03 (a) of this Agreement and has contracted the advisor referred to in Section 3.03 (b) of this Agreement;

(b) the initial deposit referred to in Section 3.04 (b) of this Agreement has been made into the Project Account; and

(c) the Borrower has furnished to the Association a master plan for the training to be carried out under the Project.

Section 6.02. The date one hundred and twenty (120) 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 Minister responsible for health 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:

Ministcre de la Sante  
B.P. 84  
Kigali, Rwanda

For the Association:

International Development Association

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

Cable address:

Telex:

INDEVAS  
Washington, D.C.

248423 (RCA)  
82987 (FTCC)  
64145 (WUI) or  
197688 (TRT)

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

RWANDESE REPUBLIC

By /s/ Aloys Uwimana  
Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ Callisto Madavo  
Acting Regional Vice President  
Africa

SCHEDULE 1

Withdrawal of the Proceeds of the Credit

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

Category	Amount of the Credit Allocated (Expressed in SDR Equivalent)	% of Expenditures to be Financed
(1) Contraceptives	3,180,000	100%
(2) Equipment, vehicles, teaching materials and supplies	1,700,000	100% of foreign expenditures and 85% of local expenditures
(3) Consultants' services, training, studies and re- search	5,770,000	100% of foreign expenditures and 85% of local expenditures
(4) Incremental operating costs	1,410,000	100% of foreign expenditures and 85% of local expenditures
(5) Refunding of Project Preparation Advance	520,000	Amount due pur- suant to Section 2.02 (c) of this Agreement
(6) Unallocated	1,920,000	

TOTAL 14,500,000  
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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;

(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; and

(c) the term "incremental operating costs" means the incremental operating costs of ONAPO and the PAU related to the Project and in respect of vehicle maintenance and fuel, field travel and equipment maintenance, utilities and communications but excluding salaries and stipends.

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.

#### SCHEDULE 2

##### Description of the Project

The objectives of the Project are: (a) to reduce the total fertility rate in the territory of the Borrower by increasing demand for, and access to, family planning services and by improving the quality and efficiency of family planning service delivery; (b) to improve maternal and child health and decrease maternal and child mortality and morbidity related to low birth intervals and to extremes of maternal age (below 15 years and above 35 years); and (c) to integrate demographic and family planning issues into cross-sectoral development activities.

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: Improvement of Quality and Efficiency of Family Planning Services

1. Training MOH's and ONAPO's health personnel such as medical assistants, nurses, nurse-aids and auxiliary staff in:

(a) managerial techniques to be used in establishing family planning clinics in health centers;

(b) communication techniques such as first interviews with potential contraceptive users, counselling, follow-up of users, strategies for promotion of contraceptive use and other one-on-one communication skills;

(c) appropriate use of modern contraceptive technologies;

(d) outreach activities including supervision of community based volunteers; and

(e) integration of family planning services into maternal and child health services.

2. Strengthening supervision of family planning services delivery and acquisition of vehicles and supplies for this purpose.

3. Strengthening MOH's health and family planning education services at its health facilities by reorganizing education sessions in such facilities, developing health and population messages using



a marketing approach, and acquisition of teaching materials, equipment and supplies.

4. Improving contraceptive supply and management through:

- (a) acquisition of contraceptives; and
- (b) strengthening of ONAPO's and MOH's management of contraceptive procurement and storage.

Part B: Expansion and Promotion of Family Planning Services

1. Strengthening existing, and establishing new, family planning posts including acquisition of equipment, contraceptives and medical supplies; and training of staff of such posts.

2. Utilization of a network of community based volunteers for promoting demand for family planning services and for community based distribution of contraceptives including training of such volunteers and acquisition of vehicles and motor bicycles for supervision of such volunteers.

3. Design and implementation of targeted information, education and communication (IEC) strategies including:

- (a) introducing population and family planning issues in the curricula of preschool, primary school, secondary school and higher education establishments;

- (b) introducing population issues in women's groups and associations through organization of workshops and seminars;

- (c) training ONAPO staff and multisectoral personnel including teachers and social workers in population and family planning issues; and

- (d) organizing "Population Week", an annual event during which the general public will be sensitized to population and family planning issues through, among other things, media events, songs, plays, banners, brochures and contests.

Part C: Studies, Research and Multisectoral Activities

1. Consolidation of ONAPO's data base through research on, among other things, migration patterns, and post-census surveys on maternal mortality and development of an information system to access and monitor the impact of family planning activities.

2. Developing multisectoral activities, including, but not limited to, seminars and workshops for higher level staff involved in development activities, associations, labor groups, youth organizations and agricultural extension workers in order to sensitize and educate the public on population and family planning issues.

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The Project is expected to be completed by December 31, 1997.

SCHEDULE 3

Procurement and Consultants' Services

Section I. Procurement of Goods

Part A: International Competitive Bidding

1. Except as provided in Part C hereof, goods shall be procured under contracts awarded in accordance with procedures consistent with those set forth in Sections I and II of the "Guidelines for Procurement under IBRD Loans and IDA Credits" published by the Bank

in May 1985 (the Guidelines).

2. To the extent practicable, contracts for equipment, educational and training materials shall be grouped into bid packages estimated to cost the equivalent of \$150,000 or more.

Part B: Preference for Domestic Manufacturers

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

Part C: Other Procurement Procedures

1. Goods estimated to cost the equivalent of less than \$300,000 per contract, up to an aggregate amount equivalent to \$600,000, may be procured under contracts awarded on the basis of competitive bidding, advertised locally, in accordance with procedures satisfactory to the Association.

2. Goods estimated to cost the equivalent of \$100,000 or less per contract, up to an aggregate amount equivalent to \$700,000, may be procured under contracts awarded on the basis of comparison of price quotations obtained from at least three suppliers eligible under the Guidelines, in accordance with procedures acceptable to the Association, provided that procurement of vehicles shall be limited to contractors for having facilities for after-sale servicing and able to supply spare parts.

Part D: Review by the Association of Procurement Decisions

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

(a) With respect to each contract estimated to cost the equivalent of \$50,000 or more, the procedures set forth in paragraphs 2 and 4 of Appendix 1 to the Guidelines shall apply. Where payments for such contract are to be made out of the Special Account, such procedures shall be modified to ensure that the two conformed copies of the contract required to be furnished to the Association pursuant to said paragraph 2 (d) shall be furnished to the Association prior to the making of the first payment out of the Special Account in respect of such contract.

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

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

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

Section II. Employment of Consultants

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

Agency" published by the Bank in August 1981.

#### SCHEDULE 4

##### Special Account

1. For the purposes of this Schedule:

(a) the term "eligible Categories" means Categories (1) to (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 \$500,000 to be withdrawn from the Credit Account and deposited into the Special Account pursuant to paragraph 3 (a) of this Schedule.

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

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

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

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

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

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

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

5. Notwithstanding the provisions of paragraph 3 of this

Schedule, the Association shall not be required to make further deposits into the Special Account:

(a) if, at any time, the Association shall have determined that all further withdrawals should be made by the Borrower directly from the Credit Account in accordance with the provisions of Article V of the General Conditions and paragraph (a) of Section 2.02 of this Agreement; or

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

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

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

