

**CONFORMED COPY**

**CREDIT NUMBER 3707 BUR**

# **Development Credit Agreement**

**(Development Learning Center Project)**

**between**

**BURKINA FASO**

**and**

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

**Dated September 9, 2002**

**CREDIT NUMBER 3707 BUR**

**DEVELOPMENT CREDIT AGREEMENT**

AGREEMENT, dated September 10, 2002, between BURKINA FASO (the Borrower) and INTERNATIONAL DEVELOPMENT ASSOCIATION (the Association).

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

(B) Part B of the Project will be carried out by the *Centre d'Enseignement à Distance de Ouagadougou* (CEDO) with the Borrower's assistance and, as part of such assistance, the Borrower will make available to CEDO part of the proceeds of the Credit as provided in this Agreement; and

WHEREAS the Association has agreed, on the basis of, inter alia, of the foregoing, to extend the Credit to the Borrower upon the terms and conditions set forth in this Agreement and in the Project Agreement of even date herewith between the Association and CEDO (the CEDO Project Agreement);

NOW THEREFORE the parties hereto hereby agree as follows:

## ARTICLE I

### General Conditions; Definitions

Section 1.01. The "General Conditions Applicable to Development Credit Agreements" of the Association, dated January 1, 1985 (as amended through October 6, 1999) (the General Conditions), constitute an integral part of this Agreement:

Section 1.02. Unless the context otherwise requires, the several terms defined in the General Conditions and in the Preamble to this Agreement have the respective meanings therein set forth and the following additional terms have the following meanings:

(a) "CEDO" means *Centre d'Enseignement à Distance de Ouagadougou*, the Development Learning Center of Ouagadougou, an educational entity established and operating pursuant to the laws of the Borrower;

(b) "CEDO Assembly" means *Assemblée Générale de CEDO*, the governing body of CEDO, with representatives of the public and private sectors as well as the civil society, and responsible for the oversight and monitoring of CEDO;

(c) "CEDO Project Agreement" means the agreement of even date herewith between the Association and CEDO, as the same may be amended from time to time, and such term includes all schedules and agreements supplemental to the CEDO Project Agreement;

(d) "CEDO Subsidiary Grant Agreement" means the agreement to be entered into between the Borrower and CEDO, pursuant to Section 3.01 (d) of this Agreement, as the same may be amended from time to time, and such term includes all schedules to the CEDO Subsidiary Grant Agreement;

(e) "Financial Monitoring Report" or "FMR" means each report prepared in

accordance with Section 4.02 of the Project Agreement;

(f) “FCFA” means *Franc de la Communauté Financière Africaine*, the currency of the Borrower;

(g) “Fiscal Year” means the fiscal year of the Borrower, starting January 1 and ending December 31 each calendar year;

(h) “IEC” means Information, Education and Communication;

(i) “Initial Deposit” means the deposit referred to in Section 3.04 (b) of this Agreement;

(j) “MEF” means *Ministère de l’Economie et des Finances*, the Borrowers’ Ministry of Economy and Finance ;

(k) “Project Coordination Unit” or “PCU” means the project coordination unit within MEF, in charge of the day-to-day management of the Project;

(l) “Project Implementation Manual” means the manual referred to in paragraph (c) of Section 6.01 of this Agreement, and supporting handbooks, including, *inter alia*, institutional arrangements, work plans, participatory monitoring and performance indicators, model procurement plans and other procedures to be used by the Borrower and CEDO for the purposes of the Project, as the same may be amended from time to time with the approval of the Association, and such term includes any schedules to said Manual;

(m) “Project Preparation Advance” means the project preparation advance granted by the Association to the Borrower, pursuant to the letter agreement signed on behalf of the Association on November 26, 2001, and on behalf of the Borrower on January 14, 2002; and

(n) “Special Account” means the account referred to in Section 2.02 (b) of 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 million nine hundred thousand Special Drawing Rights (SDR 1,900,000).

Section 2.02. (a) The amount of the Credit may be withdrawn from the Credit Account in accordance with the provisions of Schedule 1 to this Agreement for expenditures made (or if the Association shall so agree, to be made) in respect of the reasonable cost of goods, works or services required for the Project 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 FCFA, a special deposit account in a commercial bank acceptable to the Association, on terms and conditions satisfactory to the Association, including appropriate protection against set-off, seizure

or attachment. 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 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 December 31, 2006, 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 and at such other rates as may be set from time to time thereafter pursuant to paragraph (a) above. The rate set as of June 30 in each year shall be applied from the next date in that year specified in Section 2.06 of this Agreement.

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

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

Section 2.06. Commitment charges and service charges shall be payable semiannually on June 1 and December 1 in each year.

Section 2.07. (a) Subject to paragraphs (b), (c) and (d) below, the Borrower shall repay the principal amount of the Credit in semiannual installments payable on each June 1 and December 1, commencing December 1, 2012 and ending June 1, 2042. Each installment to and including the installment payable on June 1, 2022 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 them of the development of the Borrower's economy,

modify the repayment of installments under paragraph (a) above by:

- (A) requiring the Borrower to repay twice the amount of each such installment not yet due until the principal amount of the Credit shall have been repaid; and
- (B) requiring the Borrower to commence repayment of the principal amount of the Credit as of the first semiannual payment date referred to in paragraph (a) above falling six 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 2.08. 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 Parts A and C of the Project, with due diligence and efficiency and in conformity with appropriate administrative, financial, and technical practices, and shall provide, promptly as needed, the funds, facilities, services and other resources required for Parts A and C of 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 Parts A and C of the Project in accordance with the Implementation Program set forth in Schedule 4 to this Agreement.

(c) Without any limitation or restriction upon any of its obligations under this Agreement, the Borrower shall cause CEDO to carry out Part B of the Project with due diligence and efficiency and in conformity with appropriate administrative, financial and technical practices, and in accordance with the provisions of the CEDO Project Agreement and the Implementation Program set forth in Schedule 4 to this Agreement, all the obligations of CEDO therein set forth,

shall take and cause to be taken all action, including the provision of funds, facilities, services and other resources necessary or appropriate to enable CEDO to perform such obligations; and shall not take or permit to be taken any action which would prevent or interfere with such performance.

(d) The Borrower shall make available to CEDO on a non-reimbursable basis out of the proceeds of the Credit the amounts required to carry out Part B of the Project under an agreement to be entered into between the Borrower and CEDO (the CEDO Subsidiary Grant Agreement) under terms and conditions satisfactory to the Association, in an amount not exceeding four hundred fifty thousand Special Drawing Rights equivalent (SDR 450,000).

(e) The Borrower shall exercise its rights under the CEDO Subsidiary Grant Agreement in such manner as to protect the interests of the Borrower and the Association and to accomplish the objectives of the Project, and, except as the Association shall otherwise agree, the Borrower shall not assign, amend, abrogate or waive the Subsidiary Grant Agreement or any provision thereof.

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 and the Association hereby agree that the obligations set forth in Sections 9.03, 9.04, 9.05, 9.06, 9.07 and 9.08 of the General Conditions (relating to insurance, use of goods and services, plans and schedules, records and reports, maintenance and land acquisition, respectively) shall be carried out by CEDO in respect of Part B of the Project pursuant to Section 2.03 of the CEDO Project Agreement.

Section 3.04. Without limitation to its obligations under Section 3.01 of this Agreement, the Borrower shall:

(a) until the completion of the execution of the Project, open and maintain an account in FCFA in the Borrower's Treasury (the Project Account) on terms and conditions satisfactory to the Association;

(b) deposit into the Project Account an initial amount of FCFA fifty million (FCFA 50,000,000), the Initial Deposit, to finance the Borrower's initial contribution to the expenditures required under the Project;

(c) thereafter during each following quarter, deposit into the Project Account such amounts as are estimated to be required for the ensuing three-month period, as shall be agreed upon between the Borrower and the Association; and

(d) ensure that the funds deposited into the Project Account in accordance with paragraphs (b) and (c) of this Section shall be used exclusively to finance expenditures required under the Project other than those financed from the proceeds of the Credit.

Section 3.05. (a) The Borrower shall, until the receipt by the Association of the Financing Monitoring Reports referred to in Section 4.02 (b) of this Agreement, prepare, and furnish to the Association semiannually a report, in such form and detail as the Association shall reasonably

ascertain, pertaining to the carrying out of Parts A and C of the Project;

(b) without limitation to the obligations in paragraph (c) of this Section 3.05, the Borrower and the Association, at the request of either party, shall exchange views on the progress achieved in the carrying out of the Project; and

(c) the Borrower shall cause CEDO to partake in such exchange of views, at the request of the Association.

## **ARTICLE IV**

### **Financial and Other Covenants**

Section 4.01. (a) The Borrower shall maintain or cause to be maintained a financial management system, including records and accounts, and prepare financial statements in a form acceptable to the Association, adequate to reflect the operations, resources and expenditures related to Parts A and C of the Project.

(b) The Borrower shall:

- (i) have the records, accounts and financial statements referred to in paragraph (a) of this Section, and the records and accounts for the Special Account for each Fiscal Year audited in accordance with auditing standards acceptable to the Association, consistently applied, by independent auditors acceptable to the Association;
- (ii) furnish to the Association as soon as available, but in any case no later than six months after the end of each such year: (A) certified copies of the financial statements referred to in paragraph (a) of this Section for such period as so audited; and (B) an opinion on such statements, records and accounts and 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 such records and accounts, and the audit thereof, and concerning said auditors, as the Association may from time to time reasonably request.

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

- (i) maintain or cause to be maintained, in accordance with paragraph (a) of this Section, records and separate 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 annual financial statements or 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 4.02. (a) Without limitation upon the Borrower's progress reporting obligations set out in Schedule 4 to this Agreement, the Borrower shall prepare and furnish to the Association a Financial Monitoring Report, in form and substance satisfactory to the Association, which:

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

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

## **ARTICLE V**

### **Remedies of the Association**

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

(a) CEDO shall have failed to perform any of its obligations under the CEDO Project Agreement.

(b) As a result of events which have occurred after the date of this Agreement, an extraordinary situation shall have arisen which shall make it improbable that CEDO will be able to perform its respective obligations under the Project Agreement.

Section 5.02. Pursuant to Section 7.01 (h) of the General Conditions, the following additional event is specified, namely, that any event specified in paragraph (b) of Section 5.01 of



this Agreement shall occur and shall continue for a period of sixty (60) days after notice thereof shall have been given by the Association to the Borrower.

## 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 adopted the Project Implementation Manual, in form and substance satisfactory to the Association;

(b) the Borrower has appointed the independent auditors referred to in Section 4.01 (b) of this Agreement, under terms and conditions acceptable to the Association and in accordance with the provisions of Section II of Schedule 3 to this Agreement;

(c) CEDO has appointed a General Director and the key staff referred to in paragraph 2 (b) of the Schedule to the Project Agreement in accordance with the provisions of Section II of Schedule 3 to this Agreement;

(d) the CEDO Subsidiary Grant Agreement has been executed by the Borrower and CEDO;

(e) the financial management system for CEDO referred to in paragraph 4 of the Schedule to the Project Agreement has been established and is operational; and

(f) the Borrower and CEDO have furnished to the Association a procurement plan for the carrying out of Parts A and C, and Part B, respectively, for the first twelve months following the Effectiveness Date.

Section 6.02. The following are specified as additional matters, within the meaning of Section 12.02 (b) of the General Conditions, to be included in the opinion or opinions to be furnished to the Association:

(a) the CEDO Project Agreement has been duly authorized or ratified by CEDO and is legally binding upon CEDO in accordance with its terms; and

(b) the CEDO Subsidiary Grant Agreement has been duly authorized or ratified by the Borrower and CEDO and is legally binding upon the Borrower and CEDO in accordance with its terms.

Section 6.03. 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

### Representative of the Borrower; Addresses

Section 7.01. 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 7.02. The following addresses are specified for the purposes of Section 11.01 of the General Conditions:

For the Borrower:

Ministère de l'Economie et des Finances  
03 B.P. 7008  
Ouagadougou 03  
BURKINA FASO

Cable address:	Telex	Facsimile:
SEGEGOUV	5555	(226) 31 27 15 or (226) 31 54 09

For the Association:

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

Cable address:	Telex:	Facsimile:
INDEVAS Washington, D.C.	248423 (MCI) or 64145 (MCI)	(202) 477-6391

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

BURKINA FASO

By /s/ Tertius Zongo

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ Theodore O. Ahlers

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:

<u>Category</u>	<u>Amount of the Credit Allocated (Expressed in SDR Equivalent)</u>	<u>% of Expenditures to be Financed</u>
(1) Civil works	80,000	100% of foreign expenditures and 80% of local expenditures
(2) Goods	80,000	100% of foreign expenditures and 80% of local expenditures
(3) Consultants' services and training	250,000	80%
(4) Operating costs, including Satellite Bandwidth Rent	500,000	80%
(5) Refunding of Project Preparation Advance	990,000	Amount due pursuant to Section 2.02 (c) of this Agreement
TOTAL	1,900,000	

2. For the purposes of this Schedule:

(a) the term "foreign expenditures" means expenditures in the currency of any country other than that of the Borrower for goods or services supplied from the territory of any country other than that of the Borrower;

(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; provided, however, that if the

currency of the Borrower is also that of another country from the territory of which goods or services are supplied, expenditures in such currency for such goods or services shall be deemed to be "foreign expenditures"; and

(c) the term "operating costs" means the incremental expenses incurred on account of implementation of the Project, management and monitoring, including office supplies, administrative support, communication and utility services, travel and supervision costs, salaries of CEDO personnel and audits, but excluding salaries of officials of the Borrower's civil service.

3. Notwithstanding the provisions of paragraph 1 above, no withdrawals shall be made in respect of payments made for expenditures 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 for: (a) goods under contracts costing less than \$100,000 equivalent each; (b) works under contracts costing less than \$100,000 equivalent each; (c) consultants' services under: (i) contracts with firms costing less than \$100,000 each, or (ii) with individuals costing less than \$50,000 equivalent each; and (d) operating costs; all under such terms and conditions as the Association shall specify by notice to the Borrower.

## **SCHEDULE 2**

### **Description of the Project**

The objectives of the Project are to test the effectiveness and sustainability of a distance learning center as part of a global knowledge-sharing network to strengthen the capacity of public, private and civil society decision-makers and implementers to design, plan and manage economic and social development policies.

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: Construction and Establishment of CEDO**

1. Construction of facilities for establishment of CEDO, including: (a) provision of a video-conference room with a 30-person capacity; (b) a computer room outfitted for 30 computer stations (hardware, software and Internet hook-up); (c) a technical and administrative center, including a room for trainers and a conference room; and (d) mechanical outfitting such as installation and/or upgrading of electrical and telephone wiring.

2. Acquisition of equipment for CEDO, including: (a) a Very Small Aperture Terminal (VSAT); (b) a satellite communication center, video, telecommunications and microprocessor equipment; (c) office and classroom furniture; and (d) assessing equipment for CEDO's operations and security.

#### **Part B: Support to CEDO's Operations**

1. Strengthening of: (a) financial and operational management of CEDO; (b) marketing and networking of CEDO services; and (c) project design and operations evaluation at CEDO, through provision of technical advisory services, training to selected staff in CEDO and acquisition of

equipment.

2. Carrying out of IEC and marketing campaigns alerting interested parties to the services available by CEDO, through the provision of technical advisory services

Part C: Monitoring and Evaluation of the Pilot Activities

Monitoring of CEDO's activities and evaluation of the pilot achievements, through the provision of technical advisory services.

\* \* \*

The Project is expected to be completed by June 30, 2006.

## **SCHEDULE 3**

### **Procurement and Consultants' Services**

#### Section I. Procurement of Goods and Works

##### Part A: General

1. 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, September 1997 and January 1999 (the Guidelines).

##### 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:

##### Preference for domestically manufactured goods and domestic contractors

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

##### Part C: Other Procurement Procedures

##### 1. Shopping

Goods estimated to cost less than \$30,000 equivalent per contract, up to an aggregate amount not to exceed \$120,000 equivalent, may be procured under contracts awarded on the basis of shopping procedures in accordance with the provisions of paragraphs 3.5 and 3.6 of the Guidelines.

##### 2. Procurement of Small Works

Works estimated to cost less than \$30,000 equivalent per contract, up to an aggregate amount not to exceed \$120,000 equivalent may be procured under lump-sum, fixed-price contracts awarded on the basis of quotations obtained from three qualified domestic contractors invited in writing to bid. The invitation shall include a detailed description of the works, including basic specifications, the required completion date, a basic form of agreement acceptable to the Association, and relevant drawings, where applicable. The award will be made to the contractors

who offer the lowest price quotation for the required work, provided they demonstrate they have the experience and resources to complete the contract successfully.

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 1.

2. Prior Review

With respect to a contract for goods and works 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

1. 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 and January 1999 (the Consultant Guidelines).

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 estimated to cost less than \$100,000 equivalent per contract, 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. Consultants' Qualifications

Consultants' services for small assignments and the carrying out of training under contracts estimated to cost less than \$50,000 equivalent, may be procured under contracts awarded in accordance with the provisions of paragraphs 3.1 through 3.4 of the Consultant Guidelines.

2. Least-cost Selection

Services for supervision of works and services under contracts estimated to cost less than \$50,000 equivalent and for financial audits may be procured under contracts awarded in accordance with the provisions of paragraphs 3.1 and 3.6 of the Consultant Guidelines.

3. Individual Consultants

Services for small studies and training that meet the requirements set forth in paragraph 5.1 of the Consultant Guidelines shall 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

(a) With respect to each contract for the employment of consulting firms estimated to cost the equivalent of \$100,000 or more, 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.

(b) With respect to each contract for the employment of individual consultants estimated to cost the equivalent of \$50,000 or more, but less than \$100,000, the qualifications, experience, terms of reference and terms of employment of the consultants shall be furnished to the Association for its prior review and approval. The contract shall be awarded only after the said approval shall have been given.

(c) Contracts for audits, all contracts for the employment of consultants in PCU, all contracts under procedures of single source selection and all international training shall be awarded only after prior review and approval of the Association.

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 Consultant Guidelines shall apply.

**SCHEDULE 4**

**Implementation Program**

Part A: General

1. The Borrower shall carry out Parts A and C of the Project in accordance with procedures, guidelines, timetables and criteria set forth in the Project Implementation Manual and, except as the Association shall otherwise agree, the Borrower shall not amend, cancel or waive any provision thereof if, in the opinion of the Association, such amendment cancellation or waiver may materially and adversely affect the implementation of the Project.

Part B: Coordination and Management

2. The Borrower shall maintain policies and procedures adequate to enable it to monitor and evaluate on an ongoing basis, in accordance with the indicators set forth in the Project Implementation Manual and summarized in Schedule 6 to this Agreement, the carrying out of the Project and the achievement of the objectives thereof.

Part C: Annual Reviews and Midterm Review

3. The Borrower shall:

(a) prepare, under terms of reference satisfactory to the Association, and cause CEDO to prepare, and furnish annually to its Board and the Association, for review and comments, without limitation to its obligations under Section 3.05 of this Agreement, a combined report integrating the results of the monitoring and evaluation activities performed pursuant to paragraph 2 of this Schedule 4, on the progress achieved in the carrying out of Part B of the Project during the period preceding the date of said report, and a draft work program and related budget, including the measures recommended to ensure the efficient carrying out of the Project and the achievement of the objectives thereof during the twelve months' period following such date (Annual Review). The first such report shall be furnished to the Association no later than December 31, 2003 or such later date as the Borrower and the Association shall determine; and

(b) review with the Association, within four weeks following the submission of the report referred to in subparagraph (a) of this paragraph, said report, and thereafter take all measures required to ensure the efficient completion of the Project and the achievement of the objectives thereof, based on the conclusions and recommendations of the said report and the views of the Association on the reports.

4. The Borrower shall:

(a) by June 30, 2004, or such other date as the Association shall agree upon, carry out jointly with the Association, a mid-term review of the implementation of operations under the Project (Midterm Review). The Borrower shall cause CEDO to participate and take all actions it considers necessary to ensure the participation of representatives of civil society in such Midterm Review. Such Midterm Review shall cover the progress achieved in the implementation of the Project and, more specifically: (i) the sustainability of Project activities, notably the financing of recurrent maintenance costs; and (ii) the performance of CEDO under the Project;

(b) no later than one month prior to the Midterm Review, furnish to the Association, for its review and comments, a report in such detail as the Association shall reasonably request, on the implementation of Parts A and B of the Project; and

(c) following such Midterm Review, act promptly and diligently to take any corrective action as shall be recommended by the Association, and cause CEDO to act promptly and diligently to take any corrective action as shall be recommended by the Association, to attain the objectives of the Project.

Part D: Specific Actions

5. The Borrower shall, no later than twenty-four months after the Effective Date, or such later date as the Borrower and the Association shall determine, ensure the carrying out of the business plan approved by the executing organs of CEDO and the Association for the first and the second twelve months' period of Project implementation.

**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 FCFA 160,000,000 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 Bank shall otherwise agree, the Authorized Allocation shall be limited to an amount equivalent to FCFA 80,000,000 until the aggregate amount of withdrawals from the GEF 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 990,000.

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 2.02 of this

Agreement;

(b) if the Borrower shall have failed to furnish to the Association, within the period of time specified in Section 4.01 (b) (ii) of this Agreement, any of the audit reports required to be furnished to the Association pursuant to said Section in respect of the audit of 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 GEF Grant Credit Account pursuant to the provisions of Section 6.02 of the General Conditions; or

(d) once the total unwithdrawn amount of the Credit Account 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 and 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**

### **Performance Indicators**

1. Number of project directors, trained in the Development Learning Center program, implementing best practice guidelines on managing development projects.
  2. Number of specific initiatives introduced that impact on PRSP implementation in designated areas covered by distance learning.
  3. Ability to cover operating expenses through fees (60% of operating expenses to be covered by revenue generation by the 3rd year of project implementation).
  4. Number of training institutions using the DLC. All the training institutions members of the DLC Board respond in coherence to the local training needs.
  5. 80 training sessions have been held during the first twelve months of Project Implementation, and 120 such sessions in each twelve months period.
  6. Variance of content offered in the training sessions has covered at least 3 specific sectors during the first twelve months of Project Implementation, and 5 such sectors in each twelve months period thereafter.
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