

CONFORMED COPY

AFRICAN FACILITY CREDIT NUMBER A-35 MLI

African Facility Credit  
Agreement

(Office du Niger Consolidation Project)

between

REPUBLIC OF MALI

and

INTERNATIONAL DEVELOPMENT ASSOCIATION  
as ADMINISTRATOR of the  
SPECIAL FACILITY for SUB-SAHARAN AFRICA

Dated July 11, 1988

AFRICAN FACILITY CREDIT NUMBER A-35 MLI

AFRICAN FACILITY CREDIT AGREEMENT

AGREEMENT, dated July 11, 1988, between REPUBLIC OF MALI (the Borrower) and INTERNATIONAL DEVELOPMENT ASSOCIATION as ADMINISTRATOR of the SPECIAL FACILITY for SUB-SAHARAN AFRICA (the Administrator).

WHEREAS (A) the Executive Directors of the International Development Association (IDA) have established by their Resolution No. IDA 85-1 of May 21, 1985, (the Resolution) , a Special Facility for Sub-Saharan Africa (the African Facility) constituted by the funds which shall be contributed by the International Bank for Reconstruction and Development (the Bank) and other donors and administered by IDA, acting as Administrator of the African Facility, for the purpose of, and in accordance with, the provisions of the Resolution;

(B) the Borrower, having satisfied itself as to the feasibility and priority of the Project described in Schedule 2 to this Agreement, has requested assistance from the resources of the African Facility in the financing of the Project, and the Administrator has determined that such assistance would be in accordance with the provisions of the Resolution;

(C) the Borrower has also requested IDA to provide additional assistance towards the financing of the Project and by an agreement of even date herewith between the Borrower and IDA (the Development Credit Agreement), IDA is agreeing to provide such assistance in an aggregate principal amount equivalent to thirty-one million Special Drawing Rights (SDR 31,000,000) (the IDA Credit);

(D) the Borrower intends to contract from Kreditanstalt fur

Wiederaufbau (KfW) under the Special Joint Financing Agreement for the African Facility a loan (the KfW Loan) in an amount of thirty-seven million nine hundred fifty thousand Deutsche Marks (DM 37,950,000) to assist in the financing of part of the Project on the terms and conditions set forth in an agreement (the KfW Loan Agreement) to be entered into between the Borrower and KfW;

(E) by an agreement dated December 31, 1987 (the FAC Grant Agreement) the French Republic through Fonds d'Aide a la Cooperation (FAC) has agreed to make a grant (the FAC Grant) to the Borrower in an aggregate amount of seven million French francs (FF 7,000,000) to assist in financing part of the Project on the terms and conditions set forth in the FAC Grant Agreement;

(F) by an agreement dated November 11, 1986 (the CCCE Loan Agreement) Caisse Centrale de Cooperation Economique (CCCE) has agreed to make a loan (the CCCE Loan) to the Borrower in an aggregate principal amount of forty million French Francs (FF 40,000,000) to assist in financing part of the Project the terms and conditions set forth in the CCCE Loan Agreement;

(G) the Borrower intends to contract from The Netherlands through the Directoraat General voor Internationale Samenwerking (DGIS) a grant (the DGIS Grant) to the Borrower in an aggregate principal amount of twenty-nine million four hundred fifty thousand Dutch Guilders (DFls 29,450,000) to assist in financing part of the Project on the terms and conditions set forth in an agreement (the DGIS Grant Agreement) to be entered into between the Borrower and DGIS;

(H) the Project will be carried out by the Borrower, ON and BNDA with the Borrower's assistance and, as part of such assistance, the Borrower will make available to ON the proceeds of the African Facility Credit as provided in this Agreement; and

WHEREAS the Administrator has agreed on the basis, inter alia, of the foregoing, to extend the African Facility Credit to the Borrower upon the terms and conditions set forth in this Agreement and in the Project Agreement of even date herewith between IDA, ON and BNDA;

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 International Development Association, dated January 1, 1985, with the modifications set forth below (the General Conditions) constitute an integral part of this Agreement:

(a) the term "Association", when used in the General Conditions, means the International Development Association acting as Administrator of the African Facility, except in the phrase "member of the Association" in Sections 2.01 (5), 4.02 (b) and 6.02 (e) thereof;

(b) the terms "Development Credit Agreement", "Credit" and "Credit Account", when used in the General Conditions, are amended to read "African Facility Credit Agreement", "African Facility Credit" and "African Facility Credit Account", respectively;

(c) the last sentence of Section 3.02 and the second sentence of Section 5.01 are deleted; and

(d) in Sections 6.02 and 7.01, the term "Association" shall also include the International Development Association acting in its own capacity.

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

(a) "Part II member of IDA" means a member of IDA with respect to which the terms and conditions of membership are those prescribed in the Articles of Agreement of IDA for countries whose names are listed in Part II of Schedule A to those Articles;

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

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

(d) "Development Credit Agreement" means the agreement of even date herewith between the Borrower and IDA for the Project, as such agreement may be amended from time to time, and such term includes the "General Conditions Applicable to Development Credit Agreements" of IDA, dated January 1, 1985, as applied to such agreement, and all schedules and agreements supplemental to the Development Credit Agreement.

## ARTICLE II

### The African Facility Credit

Section 2.01. The Administrator agrees to lend to the Borrower on the terms and conditions set forth or referred to in the African Facility Credit Agreement, an amount in various currencies equivalent to seven million one hundred thousand Special Drawing Rights (SDR 7,100,000).

Section 2.02. The amount of the African Facility Credit may be withdrawn from the African Facility Credit Account in accordance with the provisions of Schedule 1 to this Agreement for expenditures made (or, if the Administrator 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 African Facility Credit.

Section 2.03. The Closing Date shall be June 30, 1992 or such later date as the Administrator shall establish. The Administrator shall promptly notify the Borrower of such later date.

Section 2.04. (a) The Borrower shall pay to IDA a commitment charge on the principal amount of the African Facility Credit not withdrawn from to time at a rate to be set by IDA 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 a 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 African Facility 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 as of the next payment date in that year, specified in Section 2.06 of this Agreement, except that the rate set as of June 30, 1988 shall be applied as of July 1, 1988.

(c) The commitment charge shall be paid: (i) at such places as IDA 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 IDA a service charge at the rate of three-fourths of one percent (3/4 of 1%) per annum on the amount withdrawn from the African Facility Credit Account and outstanding from time to time.

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

Section 2.07. The Borrower shall repay to IDA the principal amount of the African Facility Credit in semiannual installments payable on each March 1 and September 1 commencing September 1, 1998 and ending March 1, 2038. Each installment to and including the installment payable on March 1, 2008, shall be one-half of one percent (1/2 of 1%) of such principal amount, and each installment thereafter shall be one and one-half percent (1-1/2%) of such principal amount.

Section 2.08. The currency of the French Republic is hereby specified for the purposes of Section 4.02 of the General Conditions.

Section 2.09. ON is designated as representative of the Borrower for the purposes of taking any action required or permitted to be taken under the provisions of Section 2.02 of this Agreement and Article V 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 Part A.1 of the Project through its Ministry of Agriculture with due diligence and efficiency and in conformity with appropriate administrative, financial and technical irrigation practices, and shall provide, promptly as needed, the funds, facilities, services and other resources required for the Project.

(b) Without any limitation or restriction upon any of its other obligations under the Development Credit Agreement, the Borrower shall cause ON and BNDA to perform in accordance with the provisions of the Project Agreement all the obligations of ON and BNDA 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 ON and BNDA to perform such obligations, and shall not take or permit to be taken any action which would prevent or interfere with such performance.

(c) The Borrower shall: (i) relend the proceeds of the African Facility Credit, which may from time to time be allocated to Categories 1 (a), 2 (a), 2 (b), 2 (d), 3 (a), 3 (c) and 4 of the table set forth in Schedule I to this Agreement, to ON under a Subsidiary Loan Agreement to be entered into between the Borrower and ON, under terms and conditions which shall have been approved by the Administrator and which shall include interest at a rate of three percent (3%) per annum and a thirty year repayment period including a grace period of ten years; and (ii) make the proceeds of the African Facility Credit which may from time to time be allocated to Categories 1 (b), 2 (c), 2 (e), 3 (b), and 5 of the table mentioned above available to ON on a grant basis.

(d) The Borrower shall exercise its rights under the Subsidiary Loan Agreement in such manner as to protect the interests of the Borrower and the Administrator and to accomplish the purposes of the Credit and, except as the Administrator shall otherwise agree, the Borrower shall not assign, amend, abrogate or waive the Subsidiary Loan Agreement or any provision thereof.

Section 3.02. Except as the Administrator 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 African Facility Credit shall be governed by the provisions of Schedule I to the Project Agreement.

Section 3.03. The Borrower shall take all necessary measures required on its part to:

(a) ensure that ON: (i) at all times buys paddy and sells rice in accordance with the provisions of the Contract-plan; (ii) charges custom-mill services at full cost at all times; (iii) collects water charges at the rate of CFAF 28,000 per hectare on all rehabilitated perimeters commencing with the first crop harvested on said perimeters after their rehabilitation; and (iv) increases water charges each year by a percentage agreed upon with

the Association so as to achieve: (A) on any rehabilitated perimeter three years after its rehabilitation an overall increase of 25% over and above the level of charges collected on such perimeters as of the first year of its rehabilitation, plus the required adjustment for inflation determined by the Borrower's consumer price index or any other measure of inflation satisfactory to the Association; and (B) on any rehabilitated perimeter seven years after its rehabilitation an overall increase of 70% over and above the level of charges collected on such perimeter as of the first year of its rehabilitation, plus the required adjustment for inflation determined as provided in subparagraph (A) above;

(b) further to the provisions of sub-paragraph (a) (iv) above cause ON to increase water charges no later than January 1 of each subsequent year so as to generate funds sufficient to cover ON's costs attributable to water distribution operations;

(c) not later than September 30, 1988, conclude with ON an agreement satisfactory to the Administrator to determine the legal, financial and accounting regime of fixed assets belonging to the public domain but whose operation and maintenance is entrusted to ON, including a detailed inventory of such assets;

(d) cause ON to: (i) implement the Contract-plan; and (ii) review with the Borrower and the Administrator no later than November 30 of each year the progress achieved in executing said Contract-plan; and

(e) without any limitation to the provisions of subparagraph (a) (i) above, from time to time, at the request of either party, exchange views with the Administrator on the Borrower's rice pricing policies and its plans in respect of the overall development of the rice sector.

Section 3.04. Not later than September 30, 1988, the Borrower shall cause: (a) ON, DNACOOOP, DNFLA and DNE to conclude an agreement satisfactory to the Administrator to integrate their activities in the Project Area in the training and extension programs devised by ON; and

(b) ON and CAA to conclude an agreement satisfactory to the Administrator to restructure ON's long-term debt due to the Borrower.

Section 3.05. the Borrower shall: (a) not later than December 31, 1988 or any other date agreed upon with the Administrator on the basis of a plan prepared by the Borrower, review with the Administrator all ways and means appropriate for privatizing one or several rice mills; and

(b) take all measures required on its part to implement the results and recommendations derived from the review referred to in paragraph (a) above.

Section 3.06. The Borrower and the Administrator hereby agree that the obligations set forth in Sections 9.03, 9.04, 9.05, 9.06, 9.07 and 9.08 of the General Conditions (relating to insurance, use of goods and services, plans and schedules, records and reports, maintenance and land acquisition, respectively) in respect of Parts A.2, B, C and D of the Project shall be carried out by ON and in respect of Part E by BNDA pursuant to Section 2.04 of the Project Agreement.

Section 3.07. Without limiting the generality of Section 3.06 above, the Borrower shall under arrangements satisfactory to the Administrator cause the Markala and Selingue Dams and all electro-mechanical and regulating structures thereof to be periodically inspected in accordance with sound engineering practice in order to determine whether there are any deficiencies in the condition of such structures, in the quality and adequacy of maintenance or methods of operations of the same which may endanger their safety. To this end, the Borrower shall propose to the Administrator appropriate arrangements for the Administrator's review no later than December 31, 1988.

#### ARTICLE IV

#### Remedies of the Administrator

Section 4.01. Pursuant to Section 6.02 (h) of the General Conditions, the following additional events are specified:

(a) The Borrower shall have failed to perform any of its obligations under the Contract-plan.

(b) ON or BNDA shall have failed to perform any of its obligations under the Project Agreement or in the case of ON under the Contract-plan.

(c) As a result of events which have occurred after the date of the Development Credit Agreement, an extraordinary situation shall have arisen which shall make it improbable that ON or BNDA will be able to perform its obligations under the Project Agreement or in the case of ON under the Contract-plan.

(d) Ordinance No. 81-3/P-RM dated April 28, 1981 relating to ON, or Law No. 81-08 dated February 11, 1981 relating to BNDA, or Decree No. 217 PG-RM dated August 31, 1981 relating to ON, or Decree No. 63-PG-RM dated March 25, 1981 relating to BNDA, shall have been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of ON or BNDA to perform any of their respective obligations under the Project Agreement or, in the case of the Borrower and ON, their respective obligations under the Contract-plan.

(e) The Borrower or any other authority having jurisdiction shall have taken any action for the dissolution or disestablishment of ON or BNDA or for the suspension of their respective operations.

(f) The Borrower or ON shall have amended, suspended, abrogated, repealed or waived the Contract-plan without prior approval of the Administrator.

(g) (i) Subject to subparagraph (ii) of this paragraph:

(A) the right of the Borrower to withdraw the proceeds of any grant or loan made to the Borrower for the financing of the Project shall have been suspended, cancelled or terminated in whole or in part, pursuant to the terms of the agreement providing therefor; or

(B) any such loan shall have become due and payable prior to the agreed maturity thereof.

(ii) Subparagraph (i) of this paragraph shall not apply if the Borrower establishes to the satisfaction of the Administrator 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 4.02. Pursuant to Section 7.01 (d) of the General Conditions, the following additional events are specified:

(a) the events specified in paragraphs (a) and (b) of Section 4.01 of this Agreement shall occur and shall continue for a period of sixty days after notice thereof shall have been given by the Administrator to the Borrower;

(b) the events specified in paragraphs (c), (d) and (e) Section 4.01 of this Agreement shall occur; and

(c) the event specified in sub-paragraph (g) (i) (B) of Section 4.01 of this Agreement shall occur, subject to the proviso of subparagraph (ii) of that paragraph.

ARTICLE V

Effective Date; Termination;  
Designation of Administrator

Section 5.01. The following event is specified as an additional condition to the effectiveness of the African Facility Credit Agreement within the meaning of Section 12.01 (b) of the General Conditions, namely, that all conditions precedent to the effectiveness of, or initial disbursement under, the Development Credit Agreement, KfW Loan Agreement, FAC Grant Agreement, CCCE Loan Agreement and DIGIS Grant Agreement, except for the effectiveness of this Agreement, have been fulfilled.

Section 5.02. The date ninety (90) days after the date of this Agreement is hereby specified for the purposes of Section 12.04 of the General Conditions.

Section 5.03. The obligations of the Borrower under Section 3.03 (a), (b) and (e) of this Agreement and the provisions of paragraphs (a), (b) and (c) of Section 4.02 of this Agreement shall cease and determine on the date on which the African Facility Credit Agreement shall terminate or on the date thirty years after the date of this Agreement, whichever shall be the earlier.

Section 5.04. In the event that the Executive Directors of IDA decide to terminate the functions of IDA as Administrator of the African Facility pursuant to paragraph 10 of the Resolution, the Administrator may, by notice to the Borrower, designate another party which, on the date specified in such notice, shall assume part or all of the rights and obligations of the Administrator under this Agreement in accordance with the Resolution and such decision of the Executive Directors, as specified in such notice.

ARTICLE VI

Representative of the Borrower; Addresses

Section 6.01. Except as provided in Section 2.09 of this Agreement, 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 6.02. The following addresses are specified for the purposes of Section 11.01 of the General Conditions:

For the Borrower:

Ministere des Finances et du Commerce  
Bamako  
Republic of Mali

Cable address:

Telex:

MINIFINANCES  
Bamako

2559 MINFINANCE

For the Administrator:

Administrator of the African Facility  
(International Development Association)  
1818 H Street, N.W.  
Washington, D.C. 20433  
United States of America

Cable address:

Telex:

INDEVAS  
Washington, D.C.

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

IN WITNESS WHEREOF, the parties hereto, acting through their duly authorized representatives, have caused this Agreement to be signed in their

respective names in the District of Columbia, United States of America, as of the day and year first above written.

REPUBLIC OF MALI

By /s/ Nouhoum Samassekou  
Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION  
as ADMINISTRATOR of the SPECIAL FACILITY  
FOR SUB-SAHARAN AFRICA

By /s/ Callisto Madavo  
Acting Regional Vice President  
Africa

SCHEDULE 1

Withdrawal of the Proceeds  
of the African Facility Credit

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

Amount of the African Facility Credit Allocated (Expressed in CategorySDR Equivalent)	% of Expenditures to be Financed	
(1) Civil works:		
(a) maintenance unit under Part B.2 of the Project	235,000	32%
(b) repairs under Part C.2 of the Project	935,000	32%
(2) Vehicles, equip- ment and spare parts:		
(a) maintenance under Part B.1 of the Project	860,000	32%
(b) maintenance unit under Part B.2 of the Project	780,000	32%
(c) ON research under Parts D.1 and D.2 of the Project and water management under Part C.2 (a) of the Project	470,000	32%



(d)	rural works under Part C.4 of the Project	80,000	32%
(e)	Markala Dam (Phase I) under Part C.1 (i) of the Project	940,000	32%
(3)	Consultants' Services:		
(a)	maintenance unit under Part B.2 of the Project	240,000	32%
(b)	Markala Dam (Phase I) under Part C.1 (i) of the Project	240,000	32%
(c)	other parts of the Project	240,000	32%
(4)	Training and studies under Parts A.2 and D.3 of the Project	160,000	32%
(5)	Operating Costs	940,000	16%
(6)	Unallocated	980,000	
	Total	7,100,000	

2. For the purposes of this Schedule, the term "operating costs" means expenditures (except for staff salaries) incurred by ON for operations and maintenance of the Markala Dam and main drains, and for research and extension activities.

3. Notwithstanding the provisions of paragraph 1 above, no withdrawals shall be made in respect of:

(a) payments made for expenditures prior to the date of this Agreement; and

(b) payments for expenditures in respect of Category (2) (b) until the Administrator has approved the results and recommendations of the study referred to in Section 2.07 (c) of the Project Agreement.

## SCHEDULE 2

### Description of the Project

The objectives of the Project are to increase agricultural productivity and farmers' income in the Project Area and to protect investments already made in irrigation and in agriculture, all within the framework of a long-term program to rehabilitate and strengthen the operations of ON.

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: Policy Reforms and Institutional Development

1. Carrying out of a program comprising a package of policy reforms designed to:

- (i) limit the scope of ON's activities during the Project period to the operation and maintenance of the Markala Dam and of the primary and secondary irrigation infrastructures; planning,

development, and management of land entrusted to ON; provision of extension services to farmers in the Project Area; carrying out of applied agricultural research; and purchase and milling of paddy and rice marketing;

- (ii) consolidate farmers' land tenure rights;
- (iii) liberalize paddy and rice pricing and marketing policies;
- (iv) increase access of farmers to agricultural credit; and
- (v) mobilize and attract private investments in the irrigation sector.

2. Strengthening of ON's management capability through:

- (i) streamlining of ON's administrative and operational structure;
- (ii) preparation of staff profiles; assessment of current training needs and formulation of a training program to meet said needs;
- (iii) formulation and execution of: (a) a staff redeployment plan; and (b) a career development plan and policies related thereto;
- (iv) execution of a study to assess staff remuneration and design an appropriate staff compensation and benefits scheme; and
- (v) provision of: (a) in-house and formal training in Mali and abroad of ON's staff responsible for carrying out the Project in matters related to agricultural sciences, civil work, engineering, accounting and finance, and human resources management; (b) job related training in fields such as mechanics, and rural works for ON's staff to be redeployed; and (c) training of farmers and VAs members in activities related to development and maintenance of irrigated perimeters, agricultural and livestock husbandry, and storage and marketing of agricultural inputs and outputs.

3. Strengthening of ON's accounting and financial management systems.

4. Promotion and establishment of Village Associations.

Part B: Maintenance Unit

- 1. (i) Execution of a study to formulate a maintenance program and assess current needs in fleet and workshop equipment and spare parts required to redress the Maintenance Unit;
- (ii) strengthening the technical and managerial capability of the Maintenance Unit to carry out maintenance programs; and
- (iii) acquisition of required equipment and spare parts.

2. Overhaul and refurbishing of workshops and renewal of maintenance equipment.

Part C: Repairs and Maintenance of Irrigation Infrastructure and Perimeters.

1. Overhaul and repair of the Markala Dam in two phases:

- (i) Phase I consisting of overhaul and repair of the electro-mechanical equipment and workshops; and
- (ii) Phase II consisting of the overhaul and repair of the gates and pillars of the dam.

2. Urgent repairs of the Sahel and Molodo Canals, including consolidation of their embankments, repairs of their regulating structures and construction of an access track along said canals.

3. (i) Rehabilitation and modernization of the Gruber-Nord and Siengo canals and Siengo main drain, including a related access track; and
  - (ii) rehabilitation of about 3,100 hectares of perimeters in the Siengo command area.
4. (i) Carrying out of a rural works pilot scheme at the rate of about 500 hectares per year on perimeters not yet rehabilitated; and
  - (ii) acquisition of equipment required for implementing said scheme.
5. (a) Carrying out of:
  - (i) a program to improve water management;
  - (ii) a program to protect the environment, inter alia, through tree planting, periodic water quality controls and implementation of any protective measures required; and
  - (iii) aerial photography and a morphopedological study to update land-use and soil maps with a view to developing a master plan for the Project Area; and
  - (b) computerization of ON's data base and acquisition of equipment required therefor.

Part D: Applied Research and Studies

1. Carrying out of applied research programs designed to increase agricultural production in the Project Area and provision of extension services to farmers in the Project Area.
2. Formulation of a training program for the Agricultural Training Center.
3. Carrying out of studies to:
  - (a) identify:
    - (i) new crops suitable for production in the Project Area and assess the required processing technologies and marketing potential thereof; and
    - (ii) the constraints facing private investments in the irrigation sector and devise appropriate incentives to attract such investments in the said sector;
  - (b) assess the potential for increased taxation of revenues earned by farmers and other economic operators in the Project Area and determine the modalities required to implement such taxation; and
  - (c) prepare follow-up investments required to carry out further rehabilitation programs.

Part E: Agricultural Credit

Provision of short- and medium-term agricultural credit to farmers and VAs.

\* \* \*

The Project is expected to be completed by December 31, 1996.

