

CONFORMED COPY

LOAN NUMBER 4258 RO

Loan Agreement

(General Cadastre and Land Registration Project)

between

ROMANIA

and

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Dated January 23, 1998

LOAN NUMBER 4258 RO

LOAN AGREEMENT

AGREEMENT, dated January 23, 1998, between ROMANIA (the Borrower) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (the Bank).

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 Bank to assist in the financing of the Project; and

(B) the Bank has agreed, on the basis, inter alia, of the foregoing, to extend the Loan 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 Loan and Guarantee Agreements for Single Currency Loans" of the Bank, dated May 30, 1995, with the modification set forth below (the General Conditions), constitute an integral part of this Agreement:

Section 6.03 is modified to read:

"Section 6.03. Cancellation by the Bank. If (a) the right of the Borrower to make withdrawals from the Loan Account shall have been suspended with respect to any amount of the Loan for a continuous period of thirty days, or

(b) at any time, the Bank determines, after consultation with the Borrower, that an amount of the Loan will not be required to finance the Project's costs to be financed out of the proceeds of the Loan, or (c) at any time, the Bank determines, with respect to any contract to be financed out of the proceeds of the Loan, that corrupt or fraudulent practices were engaged in by representatives of the Borrower or of a beneficiary of the Loan during the procurement or the execution of such contract, without the Borrower having taken timely and appropriate action satisfactory to the Bank to remedy the situation, and establishes the amount of expenditures in respect of such contract which would otherwise have been eligible for financing out of the proceeds of the Loan, or (d) at any time, the Bank determines that the procurement of any contract to be financed out of the proceeds of the Loan is inconsistent with the procedures set forth or referred to in the Loan Agreement and establishes the amount of expenditures in respect of such contract which would otherwise have been eligible for financing out of the proceeds of the Loan, or (e) after the Closing Date, an amount of the Loan shall remain unwithdrawn from the Loan Account, or (f) the Bank shall have received notice from the Guarantor pursuant to Section 6.07 with respect to an amount of the Loan, the Bank may, by notice to the Borrower and the Guarantor, terminate the right of the Borrower to make withdrawals with respect to such amount. Upon the giving of such notice, such amount of the Loan shall be cancelled."

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) "Cadastre Law" means the Borrower's Law on General Cadastre and Real Estate Publicity, No. 7, dated March 13, 1996;

(b) "Decision No. 1038" means the Government Decision No. 1038, dated October 28, 1996, which established ONCGC;

(c) "MoJ" means the Borrower's Ministry of Justice, and includes any successor thereto;

(d) "ONCGC" means the Borrower's National Office for Cadastre, Geodesy and Cartography, and includes any successor thereto;

(e) "PCU" means the Project Coordination Unit, established within the MoJ;

(f) "Special Account A" and "Special Account B" mean the accounts referred to in Section 2.02 (b) of this Agreement, and Special Account A and Special Account B are collectively referred to as "Special Accounts"; and

(g) "technical services" means services for geodetic control, aerial photography, mapping (including digital mapping systems), land registration and cadastral information systems, general cadastre database, urban and rural cadastral surveys, and data entry.

ARTICLE II

The Loan

Section 2.01. The Bank agrees to lend to the Borrower, on the terms and conditions set forth or referred to in the Loan Agreement, an amount equal to twenty-five million five hundred thousand Dollars (\$25,500,000).

Section 2.02. (a) The amount of the Loan may be withdrawn from the Loan Account in accordance with the provisions of Schedule 1 to this Agreement for expenditures made (or, if the Bank 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 Loan.

(b) The Borrower may, for the purposes of the Project, open and maintain in Dollars two special deposit accounts in a commercial bank, satisfactory to the Bank, on terms and conditions satisfactory to the Bank, including appropriate protection against set-off, seizure and attachment. Deposits into, and payments out of, the

Special Accounts shall be made in accordance with the provisions of Schedule 6 to this Agreement.

Section 2.03. The Closing Date shall be December 31, 2003 or such later date as the Bank shall establish. The Bank shall promptly notify the Borrower of such later date.

Section 2.04. The Borrower shall pay to the Bank a commitment charge at the rate of three-fourths of one percent (3/4 of 1%) per annum on the principal amount of the Loan not withdrawn from time to time.

Section 2.05. (a) The Borrower shall pay interest on the principal amount of the Loan withdrawn and outstanding from time to time, at a rate for each Interest Period equal to LIBOR Base Rate plus LIBOR Total Spread.

(b) For the purposes of this Section:

(i) "Interest Period" means the initial period from and including the date of this Agreement to, but excluding, the first Interest Payment Date occurring thereafter, and, after the initial period, each period from and including an Interest Payment Date to, but excluding, the next following Interest Payment Date.

(ii) "Interest Payment Date" means any date specified in Section 2.06 of this Agreement.

(iii) "LIBOR Base Rate" means, for each Interest Period, the London interbank offered rate for six-month deposits in Dollars for value the first day of such Interest Period (or, in the case of the initial Interest Period, for value the Interest Payment Date occurring on or next preceding the first day of such Interest Period), as reasonably determined by the Bank and expressed as a percentage per annum.

(iv) "LIBOR Total Spread" means, for each Interest Period: (A) one half of one percent (1/2 of 1%); (B) minus (or plus) the weighted average margin, for such Interest Period, below (or above) the London interbank offered rates, or other reference rates, for six-month deposits, in respect of the Bank's outstanding borrowings or portions thereof allocated by the Bank to fund single currency loans or portions thereof made by it that include the Loan; as reasonably determined by the Bank and expressed as a percentage per annum.

(c) The Bank shall notify the Borrower of LIBOR Base Rate and LIBOR Total Spread for each Interest Period, promptly upon the determination thereof.

(d) Whenever, in light of changes in market practice affecting the determination of the interest rates referred to in this Section 2.05, the Bank determines that it is in the interest of its borrowers as a whole and of the Bank to apply a basis for determining the interest rates applicable to the Loan other than as provided in said Section, the Bank may modify the basis for determining the interest rates applicable to the Loan upon not less than six (6) months' notice to the Borrower of the new basis. The basis shall become effective on the expiry of the notice period unless the Borrower notifies the Bank during said period of its objection thereto, in which case said modification shall not apply to the Loan.

Section 2.06. Interest and other charges shall be payable May 15 and November 15 in each year.

Section 2.07. The Borrower shall repay the principal amount of the Loan in accordance with the amortization schedule set forth in Schedule 3 to this Agreement.

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 (through the MoJ and ONCGC) the Project with due diligence and efficiency and in conformity with appropriate legal, cadastral, administrative, financial, economic, engineering and managerial practices, and shall provide, promptly as needed, the funds, facilities, services and other resources required for the Project.

(b) Without limitation upon the provisions of paragraph (a) of this Section and except as the Borrower and the Bank shall otherwise agree, the Borrower shall carry out the Project in accordance with the Implementation Program set forth in Schedule 5 to this Agreement.

Section 3.02. Except as the Bank 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 Loan shall be governed by the provisions of Schedule 4 to this Agreement.

Section 3.03. For the purposes of Section 9.08 of the General Conditions and without limitation thereto, the Borrower shall:

(a) prepare, on the basis of guidelines acceptable to the Bank, and furnish to the Bank not later than six (6) months after the Closing Date or such later date as may be agreed for this purpose between the Borrower and the Bank, a plan for the future operation of the Project; and

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

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 Accounts for each fiscal year audited, in accordance with appropriate auditing principles consistently applied, by independent auditors acceptable to the Bank;

(ii) furnish to the Bank as soon as available, but in any case not later than six (6) months after the end of each such year, the report of such audit by said auditors, of such scope and in such detail as the Bank shall have reasonably requested; and

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

(c) For all expenditures with respect to which withdrawals from the Loan 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 Bank has received the audit report for the fiscal year in which the last withdrawal from the Loan Account was made, all records (contracts, orders, invoices, bills, receipts and other documents) evidencing such expenditures;

(iii) enable the Bank'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 Bank

Section 5.01. Pursuant to Section 6.02(1) of the General Conditions, the following additional events are specified:

(a) the Cadastre Law shall have been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the Borrower to carry out, or achieve the objectives of, the Project; and

(b) Decision No. 1038 shall have been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the Borrower to carry out, or achieve the objectives of, the Project.

ARTICLE VI

Termination

Section 6.01. The date one hundred 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 Finance 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:

Ministry of Finance
17, Apolodor Street
Bucharest
Romania

Telex:

11239

For the Bank:

International Bank for
Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Cable address:

INTBAFRAD

Telex:

248423 (MCI)

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

ROMANIA

By /s/ Mircea Geoana

Authorized Representative

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

By /s/ Suman Mehra

Acting Regional Vice President
Europe and Central Asia

SCHEDULE 1

Withdrawal of the Proceeds of the Loan

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

Category	Amount of the Loan Allocated (Expressed in Dollars)	% of Expenditures to be Financed
(1) Works		50%
(a) Under Part A of the Project	35,000	
(b) Under Part B of the Project	760,000	
(2) Goods		100% of foreign expenditures, 100% of local expenditures (ex- factory cost) and 70% local expenditures procured
(a) Under Part A of the Project	550,000	
(b) Under Part B of the Project	850,000	
(c) Under Part C (i) of the Project	40,000	
(3) Technical Services		80%
(a) Under Part A of the Project	13,900,000	
(b) Under Part B of		

	the Project	3,600,000	
(c)	Under Part C (ii) of the Project	90,000	
(d)	Under Part C (iii) of the Project	90,000	
(4)	Consultants' Services and Training		100%
	(i) Consultants' Services		
	(a) Under Part C (ii) of the Project	1,050,000	
	(b) Under Part C (iii) of the Project	1,050,000	
	(ii) Training		
	(a) Under Part A of the Project	95,000	
	(b) Under Part B of the Project	375,000	
(5)	Incremental Operating Costs Under Part C (i) of the Project	40,000	100%
(6)	Unallocated		
	(a) Under Part A of the Project	2,300,000	
	(b) Under Part B of the Project	675,000	
	TOTAL	25,500,000	
		=====	

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; and

(c) the term "incremental operating costs" means salaries of PCU staff other than civil servants' salaries and the costs of office and other materials and supplies utilized in the carrying out of Part C of the Project by the PCU.

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) payment made for expenditures under categories (1)(b), (2)(b), (3)(b) and (d), 4(i)(b) and 4(ii)(b), except after an implementing regulation for the land registration system, satisfactory to the Bank, shall have been issued.

4. The Bank may require withdrawals from the Loan Account to be made on the basis of statements of expenditure for expenditures for: (a) goods under contracts costing

less than \$250,000 equivalent each; (b) technical services under contracts costing less than \$150,000 equivalent each; (c) all works; and (d) services and training under contracts costing less than \$100,000 each for the employment of consulting firms and under contracts costing less than \$50,000 each for the employment of individual consultants, under such terms and conditions as the Bank shall specify by notice to the Borrower.

SCHEDULE 2

Description of the Project

The objectives of the Project (known, in the Borrower's territory, as "General Cadastre and Real Estate Publicity Project") are to develop and implement the Borrower's general cadastre and land registration systems, so as to provide for secure real estate ownership rights and simple, safe and cost-effective procedures for real estate transactions.

The Project consists of the following parts, subject to such modifications thereof as the Borrower and the Bank may agree upon from time to time to achieve such objectives:

Part A: Development and Implementation of General Cadastre System

Development and implementation of the general cadastre system in several administrative districts, by means of: (i) the provision of technical services; (ii) system design and installation of a cadastre information system to manage the general cadastre database; (iii) renovation and expansion of local cadastre offices; (iv) the provision of vehicles, furniture and office equipment for ONCGC and local cadastre offices; and (v) training to strengthen ONCGC and local cadastre offices.

Part B: Development and Implementation of Land Registration System

Development of a land registration system, including support for the systematic registration (namely registration of all immovable property based on complete general cadastre within designated areas) or sporadic registration (namely provisional registration of individual items of immovable property at the request of the owner or other interested party within areas where land book offices are operational but general cadastre has not yet been completed) at the land book offices in several administrative districts, by means of: (i) the provision of technical services; (ii) system design and installation of a computerized land book system; (iii) renovation and expansion of land book offices; (iv) the provision of vehicles, furniture and office equipment for land book offices; and (v) training to the benefit of land book judges, office staff and notaries.

Part C: Institutional Strengthening

Provision of consultants' services to assist the Borrower in strengthening the Project implementation capacity of: (i) the PCU; (ii) ONCGC; and (iii) the MoJ.

* * *

The Project is expected to be completed by June 30, 2003.

SCHEDULE 3

Amortization Schedule

	Payment of Principal Date Payment Due (expressed in Dollars)*
May 15, 2003	535,000
November 15, 2003	550,000
May 15, 2004	565,000
November 15, 2004	585,000
May 15, 2005	600,000
November 15, 2005	620,000
May 15, 2006	640,000

November 15, 2006	655,000
May 15, 2007	675,000
November 15, 2007	700,000
May 15, 2008	720,000
November 15, 2008	740,000
May 15, 2009	765,000
November 15, 2009	785,000
May 15, 2010	810,000
November 15, 2010	835,000
May 15, 2011	860,000
November 15, 2011	885,000
May 15, 2012	915,000
November 15, 2012	940,000
May 15, 2013	970,000
November 15, 2013	1,000,000
May 15, 2014	1,030,000
November 15, 2014	1,060,000
May 15, 2015	1,090,000
November 15, 2015	1,125,000
May 15, 2016	1,160,000
November 15, 2016	1,195,000
May 15, 2017	1,230,000
November 15, 2017	1,260,000
TOTAL	25,500,000
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* The figures in this column represent the amount in Dollars to be repaid, except as provided in Section 4.04 (d) of the General Conditions.

SCHEDULE 4

Procurement and Consultants' Services

Section I: Procurement of Goods and Works

Part A: General

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

Part B: International Competitive Bidding

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

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

Part C: Other Procurement Procedures

1. Limited International Bidding

High precision mapping and survey equipment, which the Bank agrees can only be purchased from a limited number of suppliers, regardless of the cost thereof, may be procured under contracts awarded in accordance with the provisions of paragraph 3.2 of the Guidelines.

2. National Competitive Bidding

Technical services estimated to cost less than \$150,000 equivalent per contract,

up to an aggregate amount not to exceed \$15,100,000 equivalent, and furniture estimated to cost less than \$150,000 equivalent per contract, up to an aggregate amount not to exceed \$1,000,000 equivalent, may be procured under contracts awarded in accordance with the provisions of paragraphs 3.3 and 3.4 of the Guidelines.

3. International Shopping

Goods (other than furniture) estimated to cost less than \$250,000 equivalent per contract, up to an aggregate amount not to exceed \$400,000 equivalent, may be procured under contracts awarded on the basis of international shopping procedures in accordance with the provisions of paragraphs 3.5 and 3.6 of the Guidelines.

4. National Shopping

Goods (other than furniture) estimated to cost less than \$100,000 equivalent per contract, up to an aggregate amount not to exceed \$300,000 equivalent, and technical services estimated to cost less than \$75,000 equivalent per contract, up to an aggregate amount not to exceed \$3,200,000 equivalent, may be procured under contracts awarded on the basis of national shopping procedures in accordance with the provisions of paragraphs 3.5 and 3.6 of the Guidelines.

5. Procurement of Small Works

Works estimated to cost less than \$100,000 equivalent per contract, up to an aggregate amount not to exceed \$1,800,000 equivalent, may be procured under lump-sum, fixed-price contracts awarded on the basis of quotations obtained from three (3) qualified domestic contractors in response to a written invitation. 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 Bank, and relevant drawings, where applicable. The award shall be made to the contractor who offers the lowest price quotation for the required work, and who has the experience and resources to complete the contract successfully.

Part D: Review by the Bank 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 Bank 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 Bank, and with the provisions of said paragraph 1.

2. Prior Review

With respect to: (i) contracts awarded in accordance with the provisions of Section I, Part B, and Section I, Part C.1, of this Schedule; (ii) contracts for goods estimated to cost \$250,000 equivalent or more each; (iii) contracts for technical services estimated to cost \$150,000 equivalent or more each; and (iv) the first two contracts relating, respectively, to Parts A and C of the Project and Part B of the Project, awarded in accordance with the provisions of Section I, Part C.2 of this Schedule, the procedures set forth in paragraphs 2 and 3 of Appendix 1 to the Guidelines shall apply.

3. Post Review

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

Section II. Employment of Consultants

Part A: General

Consultants' services shall be procured in accordance with the provisions of the Introduction and Section IV of the "Guidelines: Selection and Employment of Consultants by World Bank Borrowers" published by the Bank in January 1997 (the

Consultant Guidelines) and the following provisions of Section II of this Schedule.

Part B: Quality- and Cost-based Selection

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.

Part C: Other Procedures for the Selection of Consultants

Individual Consultants

Services for tasks that meet the requirements set forth in paragraph 5.1 of the Consultant Guidelines, up to an aggregate amount not to exceed \$100,000 equivalent, 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 Bank 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 Bank 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 Bank, 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, the qualifications, experience, terms of reference and terms of employment of the consultants shall be furnished to the Bank for its prior review and approval. The contract shall be awarded only after the said approval shall have been given.

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 5

Implementation Program

The provisions of this Schedule shall apply for the purposes of Section 3.01 (b) of this Agreement.

1. Responsibility for the carrying out of the Project shall be assigned as follows:

(a) responsibility for carrying out Part A of the Project shall be assigned to ONCGC and, for this purpose, the Borrower shall ensure that, throughout the implementation of Part A of the Project, ONCGC shall maintain a general cadastre implementation group, and local offices, with a sufficient number of qualified staff, adequate resources and terms of reference satisfactory to the Bank;

(b) responsibility for carrying out Part B of the Project shall be assigned to the MoJ and, for this purpose, the Borrower shall ensure that, throughout the implementation of Part B of the Project, the MoJ shall maintain a land book

implementation group, and local land book offices, with a sufficient number of qualified staff (including a cadastral plan custodian in every local land book office), adequate resources and terms of reference satisfactory to the Bank; and

(c) responsibility for carrying out Part C of the Project, and overall responsibility for coordination in the carrying out of the Project, shall be assigned to the PCU, under the supervision of a steering committee, and, for this purpose, the Borrower shall ensure that, throughout the implementation of the Project, the PCU and said steering committee shall be maintained with a sufficient number of qualified staff, adequate resources and terms of reference satisfactory to the Bank.

2. The Borrower shall:

(a) by December 31, 1999, submit to the Bank, for its review, a draft study with recommendations on the amount of fees to be charged for registration and other cadastral services, and on the measures to be taken, to achieve cost recovery;

(b) immediately thereafter, finalize said study and the recommendations thereof, taking into consideration the Bank's comments thereon; and

(c) carry out the recommendations of said study in accordance with their terms.

3. The Borrower shall take all necessary measures to ensure that any and all security clearances, approvals, licenses, permits and permissions will be provided to allow for: (i) the conduct of aircraft flights, by private firms or individuals, national or foreign, above its territory within its airspace as may be necessary, from time to time, to perform any aerial photography under the Project; and (ii) the surveying, by private surveyors, of the co-ordinates, description of and access to geodetic control points, and copies of existing maps.

4. The Borrower shall take all necessary measures to ensure that ONCGC will have access to the survey data, available at the Borrower's Ministry of Agriculture or at any other ministry, department or agency, required for the carrying out of its responsibilities under Part A of the Project.

5. By September 30, 1998, the Borrower (through ONCGC) shall issue an order to the local offices of ONCGC relating to public access to information upon payment of pre-determined fees.

6. The Borrower shall:

(a) maintain policies and procedures adequate to enable it to monitor and evaluate on an ongoing basis, in accordance with indicators acceptable to the Bank, the carrying out of the Project and the achievement of the objectives thereof;

(b) prepare, under terms of reference satisfactory to the Bank, and furnish to the Bank, on or about June 30, 2000, a report integrating the results of the monitoring and evaluation activities performed pursuant to paragraph (a) of this Section, on the progress achieved in the carrying out of the Project during the period preceding the date of said report and setting out the measures recommended to ensure the efficient carrying out of the Project and the achievement of the objectives thereof during the period following such date; and

(c) review with the Bank, by September 30, 2000, or such later date as the Bank shall request, the report referred to in paragraph (b) of this Section, and, thereafter, take all measures required to ensure the efficient completion of the Project and the achievement of the objectives thereof, on the basis of the conclusions and recommendations of the said report and the Bank's views on the matter.

SCHEDULE 6

Special Accounts

1. For the purposes of this Schedule:

(a) the term "eligible Categories" means Categories (1)(a), (2)(a), (3)(a)

and (c), and (4)(i)(a) and (4)(ii)(a) set forth in the table in paragraph 1 of Schedule 1 to this Agreement in respect of Special Account A and Categories (1)(b), (2)(b) and (c), (3)(b) and (d), (4)(i)(b) and (4)(ii)(b), and (5) set forth in said table in respect of Special Account B;

(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 Loan 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 equal to \$700,000 in respect of Special Account A and an amount equal to \$300,000 in respect of Special Account B, to be withdrawn from the Loan Account and deposited into the respective 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 equal to \$350,000 in respect of Special Account A and an amount equal to \$150,000 in respect to Special Account B, until (i) in respect of Special Account A, the aggregate amount of withdrawals from the Loan Account allocated to Categories (1)(a), (2)(a), (3)(a) and (c), and (4)(i)(a) and (4)(ii)(a) plus the total amount of all outstanding special commitments entered into by the Bank pursuant to Section 5.02 of the General Conditions for Parts A and C(ii) of the Project shall be equal to or exceed the equivalent of \$4,000,000, and (ii) in respect of Special Account B, the aggregate amount of withdrawals from the Loan Account allocated to Categories (1)(b), (2)(b) and (c), (3)(b) and (d), (4)(i)(b) and (4)(ii)(b), and (5) plus the total amount of all outstanding special commitments entered into by the Bank pursuant to Section 5.02 of the General Conditions for Parts B and C(i) and (iii) of the Project shall be equal to or exceed the equivalent of \$2,000,000.

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

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

(a) For withdrawals of the Authorized Allocation, the Borrower shall furnish to the Bank a request or requests for deposit into the respective 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 Bank shall, on behalf of the Borrower, withdraw from the Loan Account and deposit into the respective Special Account such amount or amounts as the Borrower shall have requested.

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

(ii) Prior to or at the time of each such request, the Borrower shall furnish to the Bank 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 Bank shall, on behalf of the Borrower, withdraw from the Loan Account and deposit into the respective 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 respective Special Account for eligible expenditures. All such deposits shall be withdrawn by the Bank from the Loan 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 respective Special Account, the Borrower shall, at such time as the Bank shall reasonably request, furnish to the Bank 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 Bank shall not be required to make further deposits into any Special Account:

(a) if, at any time, the Bank shall have determined that all further withdrawals should be made by the Borrower directly from the Loan 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 Bank, 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 Bank pursuant to said Section in respect of the audit of the records and accounts for the Special Accounts;

(c) if, at any time, the Bank 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 Loan Account pursuant to the provisions of Section 6.02 of the General Conditions; or

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

(ii) once the total unwithdrawn amount of the Loan allocated to the eligible Categories for Special Account B, minus the total amount of all outstanding special commitments entered into by the Bank pursuant to Section 5.02 of the General Conditions with respect to Parts B and C(i) and (iii) of the Project, shall equal the equivalent of twice the amount of the Authorized Allocation for Special Account B.

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

6. (a) If the Bank shall have determined at any time that any payment out of any 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 Bank, the Borrower shall, promptly upon notice from the Bank: (A) provide such additional evidence as the Bank may request; or (B) deposit into the respective Special Account (or, if the Bank shall so request, refund to the Bank) an amount equal to the amount of such payment or the portion thereof not so eligible or justified. Unless the Bank shall otherwise agree, no further deposit by the Bank into any 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 Bank shall have determined at any time that any amount outstanding in any Special Account will not be required to cover further payments for eligible expenditures, the Borrower shall, promptly upon notice from the Bank, refund to the Bank such outstanding amount.

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

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

