

CONFORMED COPY

LOAN NUMBER 2925 UNI

Kogi State Agreement

(Infrastructure Development Fund Project)

between

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

and

KOGI STATE OF NIGERIA

Dated June 16, 1995

LOAN NUMBER 2925 UNI

KOGI STATE AGREEMENT

AGREEMENT, dated June 16, 1995, between INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (the Bank) and KOGI STATE OF NIGERIA (Kogi State).

WHEREAS (A) by the Loan Agreement dated August 4, 1989 between the Federal Republic of Nigeria (the Borrower) and the Bank, the Bank has agreed to make available to the Borrower an amount in various currencies equivalent to sixty-nine million five hundred thousand dollars (\$69,500,000), on the terms and conditions set forth in the Loan Agreement; and

(B) Kogi State has agreed to carry out Urban Projects under the Project with the Borrower's assistance, and the Borrower, as part of such assistance, will relend to Kogi State proceeds of the Loan in an amount equivalent to three million dollars (\$3,000,000) under a subsidiary loan agreement (the Kogi State Subsidiary Loan Agreement) to be entered into between the Borrower and Kogi State;

NOW THEREFORE the parties hereto hereby agree as follows:

ARTICLE I

General Conditions; Definitions

Section 1.01. The "General Conditions Applicable to Development Credit Agreements" of the Association, dated January 1, 1985, with the last sentence of Section 3.02 deleted (the General Conditions), constitute an integral part of this Agreement.

Section 1.02. Wherever used in this Agreement, unless the context otherwise requires, the several terms defined in the General Conditions (as so defined) and in the Preamble to this Agreement have the respective meanings therein set forth.

ARTICLE II

Execution of the Project

Section 2.01. (a) Kogi State declares its commitment to the objectives of the Project as set forth in Schedule 2 to the Loan Agreement and, to this end, shall carry out the Urban Projects with due diligence and efficiency and in conformity with appropriate administrative, financial, engineering and public utility practices and shall provide promptly, as needed, the funds, facilities, services and other resources required for the purpose.

(b) Kogi State shall: (i) provide in its annual budgets amounts sufficient to cover its counterpart contributions to the costs of Kogi State's Urban Projects; and (ii) without any limitation or restriction on any of its other obligations under this Agreement, contribute not less than 15% (or such other percentage as the Borrower, the Bank and Kogi State shall agree) of the funds required to meet the total costs of each such Urban Project.

(c) Kogi State shall: (i) establish and thereafter maintain in a form and with functions satisfactory to the Bank a Project Management Unit to oversee the carrying out of the Project; and (ii) promptly appoint a Project Manager with qualifications and experience satisfactory to the Bank to head the Project Management Unit.

(d) The provisions of the Schedule to this Agreement shall have effect with respect to the Urban Projects which Kogi State shall carry out under the Project.

Section 2.02. 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 the Loan Agreement.

Section 2.03. Kogi State shall duly perform all its obligations under the Kogi State Subsidiary Loan Agreement. Except as the Bank shall otherwise agree, Kogi State shall not take or concur in any action which would have the effect of amending, abrogating, assigning or waiving the Kogi State Subsidiary Loan Agreement or any provision thereof.

Section 2.04. (a) Kogi State shall, at the request of the Borrower or the Bank, exchange views with the Borrower and the Bank with regard to the progress of any of Kogi State's Urban Projects, the performance of its obligations under this Agreement and under the Kogi State Subsidiary Loan Agreement, and other matters relating to the purposes of the Loan.

Section 2.05. Kogi State shall carry out the obligations set forth in Sections 9.04, 9.05, 9.06, 9.07, 9.08 and 9.09 of

the General Conditions (relating to insurance, use of goods and services, plans and schedules, records and reports, maintenance and land acquisition) in respect of this Agreement and any Urban Project carried out in pursuance thereof.

ARTICLE III

Financial Covenants

Section 3.01. (a) Kogi State shall, with respect to the Project, maintain records and accounts adequate to reflect, in accordance with sound accounting practices, its operations and financial condition.

(b) Kogi State shall:

- (i) have the records and accounts referred to in paragraph (a) of this Section including those for the Special Account and the statements of expenditures 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 months after the end of each such year: (A) certified copies of its financial statements for such year as so audited; and (B) 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, accounts and financial statements, as well as the audit thereof, as the Association shall from time to time reasonably request.

ARTICLE IV

Effective Date; Termination; Cancellation and Suspension

Section 4.01. This Agreement shall be deemed to have come into force and effect on the date upon which the Loan Agreement became effective.

Section 4.02. This Agreement and all obligations of the Bank and of Kogi State thereunder shall terminate on the date on which the Loan Agreement shall terminate, in accordance with its terms, and the Bank shall promptly notify Kogi State thereof.

Section 4.03. All the provisions of this Agreement shall continue in full force and effect notwithstanding any cancellation or suspension under the General Conditions.

ARTICLE V

Miscellaneous Provisions

Section 5.01. Any notice or request required or permitted to be given or made under this Agreement and any agreement between the parties contemplated by this Agreement shall be in writing. Such notice or request shall be deemed to have been duly given or made when it shall be delivered by hand or by mail, telegram, cable, telex or radiogram to the party to which it is required or permitted to be given or made at such party's address hereinafter specified or at such other address as such party shall have designated by notice to the party giving such notice or making such request. The addresses so specified are:

For the Bank:

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

Cable address:

Telex:

INTBAFRAD
Washington, D.C.

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

For Kogi State:

The Honourable Commissioner
Ministry of Finance and Economic Planning
Lokoja
Kogi State
Nigeria

Section 5.02. Any action required or permitted to be taken and any document required or permitted to be executed under this Agreement on behalf of Kogi State may be taken or executed by the Chief Executive, Project Implementation Unit of the Governor's Office or such other person or persons as Kogi State shall designate in writing, and Kogi State shall furnish to the Bank sufficient evidence of the authority and the authenticated specimen signature of each such person.

Section 5.03. This Agreement may be executed in several counterparts, each of which shall be an original, and all collectively but one instrument.

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.

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

By /s/ Stephen Denning

Acting Regional Vice President
Africa

KOGI STATE OF NIGERIA

By /s/ Pun Omeruo

Authorized Representative

SCHEDULE

Terms and conditions applicable to Urban Projects

1. Except as the Bank shall otherwise agree, no expenditures for goods and services required for an Urban Project shall be eligible for financing out of the proceeds of the Loan unless such expenditures shall have been made not earlier than 90 days prior to the date on which: (i) with respect to an Urban

Project to be financed out of the proceeds of a Subloan (other than a free-limit Subloan), the Bank shall have received the application and information required under paragraph 2 (a) of this Schedule; or (ii) with respect to an Urban Project to be financed out of the proceeds of a free-limit Subloan, the Bank shall have received the request and information required under paragraph 2 (b) of this Schedule.

2. (a) When presenting an Urban Project to the Bank for financing out of the proceeds of the Loan in an amount exceeding \$2,000,000 equivalent (i.e., the amount of a Subloan other than a free-limit Subloan), Kogi State shall furnish to the Bank an application, in form satisfactory to the Bank, together with: (i) an appraisal of the Urban Project, including a description of the expenditures proposed to be financed out of the proceeds of the Loan; and (ii) such other information as the Bank shall reasonably request.

(b) When presenting an Urban Project to the Bank for financing out of the proceeds of the Loan in an amount equivalent to \$2,000,000 or less (i.e., the amount of a free-limit Subloan), Kogi State shall furnish to the Bank a summary description of the Urban Project, including a description of the expenditures proposed to be financed out of the proceeds of the Loan.

