

CONFORMED COPY

CREDIT NUMBER 2360 NIR

Development Credit Agreement

(Population Project)

between

REPUBLIC OF NIGER

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated May 22, 1992

CREDIT NUMBER 2360 NIR

DEVELOPMENT CREDIT AGREEMENT

AGREEMENT, dated May 22, 1992, between REPUBLIC OF NIGER (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) the Borrower intends to contract from Kingdom of Belgium (Belgium) a grant (the Belgian Grant) in an amount equivalent to two and a half million dollars (\$2,500,000) to assist in financing part of the Project on the terms and conditions set forth in an agreement (the Belgian Grant Agreement) to be entered into between the Borrower and Belgium;

(C) pursuant to the Country Operations Program (1990-94) concluded between the Borrower and the United Nations' Children Fund (UNICEF), the Borrower has agreed with UNICEF to apply the proceeds of a grant (the UNICEF Grant) in an amount equivalent to one million dollars (\$1,000,000) to assist in financing part of the Project on the terms and conditions set forth in the said Country Operations Program; and

WHEREAS the Association has agreed, on the basis, inter alia, of the foregoing, to extend the Credit to the Borrower upon the

terms and conditions set forth in this Agreement;

NOW THEREFORE the parties hereto hereby agree as follows:

ARTICLE I

General Conditions; Definitions

Section 1.01. The "General Conditions Applicable to 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. 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) "CFAF" means the currency of the Borrower;
- (b) "CONAPO" means the commission established under paragraph 2 of Schedule 4 of this Agreement;
- (c) "DFEPS" means Direction de la Formation et de L'Education pour la Sante of MSP;
- (d) "FP" means Family Planning;
- (e) "IEC" means information, education and communication;
- (f) "MCCJS" means Ministere de la Communication, de la Culture, de la Jeunesse et des Sports;
- (g) "MCH" means maternal and child health;
- (h) "MDSPPF" means Ministere du Developement Social, de la Population et de la Promotion de la Femme;
- (i) "MEF" means Ministere de l'Economie et des Finances;
- (j) "MEN" means Ministere de l'Education Nationale;
- (k) "MI" means Ministere de l'Interieur;
- (l) "MSP" means Ministere de la Sante Publiaue;
- (m) "NGO" means non-governmental organization;
- (n) "ORTN" means Office de Radiodiffusion et Television du Niger;
- (o) "PCU" means Project Coordination Unit;
- (p) "Project Preparation Advance" means the project preparation advance granted by the Association to the Borrower pursuant to an exchange of letters, dated July 12, 1988 and September 23, 1988, between the Borrower and the Association; and
- (q) "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 the Development Credit Agreement, an amount in various currencies equivalent to twelve million nine hundred thousand Special Drawing Rights (SDR 12,900,000).

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 and services required for the Project described in Schedule 2 to this Agreement and to be financed out of the proceeds of the Credit.

(b) The Borrower shall, for the purposes of the Project, open and maintain in CFAF a special deposit account in a commercial bank 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 June 30, 1997 or such later date as the Association shall establish. The Association shall promptly notify the Borrower of such later date.

Section 2.04. (a) The Borrower shall pay to the Association a commitment charge on the principal amount of the Credit not withdrawn from time to time at a rate to be set by the Association as of June 30 of each year, but not to exceed the rate of one-half of one percent (1/2 of 1%) per annum.

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

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

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

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

Section 2.07. (a) Subject to paragraphs (b) and (c) below, the Borrower shall repay the principal amount of the Credit in semi-annual installments payable on each April 1 and October 1 commencing October 1, 2002 and ending April 1, 2032. Each installment to and including the installment payable on April 1, 2012 shall be one percent (1%) of such principal amount, and each installment thereafter shall be two percent (2%) of such principal amount.

(b) Whenever (i) the Borrower's gross national product per capita, as determined by the Association, shall have exceeded \$790 in constant 1985 dollars for five consecutive years, and (ii) the Bank shall consider the Borrower creditworthy for Bank lending, the Association may, subsequent to the review and approval thereof by

the Executive Directors of the Association and after due consideration by them of the development of the Borrower's economy, modify the terms of repayment of installments under paragraph (a) above by requiring the Borrower to repay twice the amount of each such installment not yet due until the principal amount of the Credit shall have been repaid. If so requested by the Borrower, the Association may revise such modification to include, in lieu of some or all of the increase in the amounts of such installments, the payment of interest at an annual rate agreed with the Association on the principal amount of the Credit withdrawn and outstanding from time to time, provided that, in the judgment of the Association, such revision shall not change the grant element obtained under the above-mentioned repayment modification.

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

Section 2.08. The currency of the 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 Part A of the Project through MSP and MDSPPF, Part B of the Project through MSP, MDSPPF and MCCJS, and Part C of the Project through MDSPPF, MEF and MI, with due diligence and efficiency and in conformity with appropriate administrative, financial, technical and public health 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 Association shall otherwise agree, the Borrower shall carry out the Project in accordance with the Implementation Program set forth in Schedule 4 to this Agreement.

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. (a) The Borrower and the Association shall, not later than October 31, 1993 and, thereafter, not later than October 31 of each subsequent year, undertake a joint review of the Project or, in the case of the review to be undertaken not later than October 31, 1995, a mid-term review, during which they shall exchange views on all matters relating to the progress of the Project and the performance by the Borrower of its obligations under this Agreement and, in particular, (i) evaluate the activities of the Project for the current fiscal year, (ii) consolidate the proposed work program for the forthcoming fiscal year, and (iii) in the case of the mid-term review, review the institutional arrangements governing MCH/FP services, assess their efficiency and, if need be, agree on any corrective action required to remedy any shortcoming that may have become apparent in this regard.

(b) Not later than one month prior to each such review, the Borrower shall furnish to the Association, for its comments, a report, in such detail as the Association shall reasonably request, on the progress and status of the Project, and on all other related matters due to be addressed during such review.

(c) Following each such review, the Borrower undertakes to

act promptly and diligently, in order to take any corrective action deemed necessary to remedy any shortcoming noted in the implementation of the Project, or to implement such other measures as may have been agreed upon between the parties in furtherance of the objectives of the Project.

(d) Without limitation to the preceding paragraphs (a), (b) and (c) of this Section, the Borrower shall, throughout the period of implementation of the Project, submit to the Association, for its review: (a) semiannual reports on the progress of implementation of the Project; and (b) not later than the end of each fiscal year, the final draft of the annual work program and budget, duly approved by MDSPPF, for activities to be undertaken during the forthcoming fiscal year.

ARTICLE IV

Financial Covenants

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

(b) The Borrower shall:

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

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

- (i) maintain or cause to be maintained, in accordance with paragraph (a) of this Section, records and accounts reflecting such expenditures;
- (ii) retain, until at least one year after the Association has received the audit report for the fiscal year in which the last withdrawal from the Credit Account or payment out of the Special Account was made, all records (contracts, orders, invoices, bills, receipts and other documents) evidencing such expenditures;
- (iii) enable the Association's representatives to examine such records; and
- (iv) ensure that the said accounts and records shall be audited on a semiannual basis by said auditors, who shall prepare audit reports accordingly and furnish them to the Association, not later than three (3) months after the end of such semiannual audit period, along with an opinion as to whether the statements of

expenditure submitted during such period, together with the procedures and internal controls involved in their preparation, can be relied upon to support the related withdrawals.

ARTICLE V

Remedies of the Association

Section 5.01. Pursuant to Section 6.02 (h) of the General Conditions, the following additional event is specified, namely that:

- (a) Subject to paragraph (b) of this Section:
 - (i) the right of the Borrower to withdraw the proceeds of any loan or grant 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 thereof;
 - (ii) any such loan shall have become due and payable prior to the agreed maturity thereof.

(b) Paragraph (a) of this Section shall not apply if the Borrower establishes to the satisfaction of the Association that: (i) 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 (ii) 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 5.02. Pursuant to Section 7.01 (d) of the General Conditions, the following additional event is specified, namely that the event specified in Section 5.01 (a) (ii) of this Agreement shall occur, subject to the proviso of Section 5.01 (b) of this Agreement.

ARTICLE VI

Effective Date; Termination

Section 6.01. The following events are specified as additional conditions to the effectiveness of the Development Credit Agreement within the meaning of Section 12.01 (b) of the General Conditions:

- (a) the Borrower has published an Arrete to define the structure of the proposed decentralized regional health system, including the roles and functions of the departments and districts in the administration and management of the decentralized health program, and has adopted its proposals for a personnel recruitment and redeployment plan for the period 1993-95;
- (b) the Borrower has adopted an action plan, acceptable to the Association, establishing guidelines for the extension of the drug distribution network, as well as procedures for the introduction of the national essential drugs list;
- (c) the Borrower has adopted revised departmental in-service training modules for MCH/FP and nutrition, acceptable to the Association, including the detailed in-service training plan for the first two years of Project implementation;
- (d) the Borrower has adopted a statute, acceptable to the Association, governing the proposed inter-regional family health center in Zinder and giving details of the organizational structure, and the role and functions, of the center, and its proposed staffing plan;
- (e) the Borrower has published an Arrete defining the norms and standards, which shall be acceptable to the Association, for the provision of MCH/FP at each service delivery level;

(f) the Borrower has published an Arrete, (i) authorizing newly-recruited village health workers to provide refills for hormonal contraceptives, as well as supplies of barrier methods, and (ii) defining the revised checklist to be used to screen new FP acceptors and other modalities for its utilization;

(g) the Borrower has (i) adopted the by-laws and regulations governing the administration of the Population Fund, together with the manual of procedures and the standard contract to be entered into with would-be beneficiaries of the Fund, and (ii) established a committee for the selection of sub-projects to be financed under the Fund;

(h) the Arrete establishing the committee referred to in paragraph 1 of Schedule 4 of this Agreement has been duly issued;

(i) the Borrower has submitted to the Association, for review and comments, the draft bidding documents for all bid packages for the first year of implementation of the Project;

(j) the Borrower has concluded a contract with an independent auditor, acceptable to the Association, to audit the Project accounts in accordance with the requirements of Section 4.01 of this Agreement; and

(k) the Borrower has satisfied the Association that it has concluded appropriate agreements with other co-financiers in view of securing all the complementary financing required for the execution of the Project, and has satisfied all the conditions precedent thereof, other than any such condition related to the effectiveness of this Agreement.

Section 6.02. 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.

ARTICLE VII

Representatives of the Borrower; Addresses

Section 7.01. The Minister of Economy and 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:

Ministere de l'Economie et des Finances	
B.P. 862	
Niamey	
Niger	
Cable address:	Telex:
MINIPLAN	5463 NI
Niamey	

For the Association:

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

Cable address:	Telex:
INDEVAS	248423 (RCA)
Washington, D.C.	82987 (FTCC)
	64145 (WUI) or
	197688 (TRT)

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

REPUBLIC OF NIGER

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Regional Vice President
Africa

SCHEDULE 1

Withdrawal of the Proceeds of the Credit

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

Category	Amount of the Credit Allocated (Expressed in SDR Equivalent)	% of Expenditures to be Financed
(1) Civil works	2,600,000	100%
(2) Vehicles, equipment, furniture, materials and supplies, and contraceptives	3,200,000	100%
(3) Service contracts	600,000	100%
(4) Consultancies	1,100,000	100%
(5) Training	2,100,000	100%
(6) Population Fund	400,000	80%
(7) Micro-projects	400,000	80%
(8) Operating costs:		
(a) PCU	380,000	100%
(b) Other	800,000	75%
(9) Refunding of Project Preparation Advance	320,000	Amount due pursuant to Section 2.02 (c) of this Agreement
(10) Unallocated	1,000,000	
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TOTAL	12,900,000	

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2. For the purposes of this Schedule, the term "operating costs" means the incremental costs arising under the Project on account of salaries of local contractual staff, travel and subsistence expenses, operation and maintenance of vehicles and equipment, documentation and office supplies; and including, in the case of PCU only, utilities.

3. Notwithstanding the provisions of paragraph 1 above, no withdrawals shall be made in respect of payments made for expenditures prior to the date of this Agreement.

SCHEDULE 2

Description of the Project

The objectives of the Project are to assist the Borrower in implementing an effective national population program, primarily to accelerate the onset of fertility decline by increasing the contraceptive prevalence rate as rapidly as possible, reduce maternal mortality and promote attitudes favoring a reduction in family size norms.

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: Strengthening of Maternal Health and FP Services

1. Adoption of a program to support measures designed to promote the decentralization process, through: (a) a better definition of the roles and functions of the departments and districts in the administration and management of a decentralized health system, and (b) a personnel redeployment and recruitment plan.

2. Strengthening departmental and district in-service technical and management training capabilities, through implementation of the revised departmental in-service training modules for MCH/FP developed during Project preparation, for the benefit of the majority of personnel assigned to the departments.

3. Increasing access to, and improving the quality of, maternal health and FP services:

(a) at the departmental level, through construction, equipping and staffing of the inter-regional family health center in Zinder, that would take an active part in the implementation, monitoring and evaluation, and periodic review, of MCH/FP and nutrition norms and standards, and training programs;

(b) at the district level, through construction and equipping of new facilities, and the construction and renovation of staff houses, at nine selected medical centers, in order to expand the range of services offered by those centers, in accordance with the new norms of service delivery, to include pre- and post-natal services, FP services, nutrition rehabilitation, and nutrition and health education;

(c) at the dispensary level, through expansion of the functions of rural dispensaries to incorporate early detection of high-risk pregnancies and their referral to medical centers, provision of hormonal contraceptives and barrier methods, and the resupply of contraceptives to village health teams within their catchment area;

(d) by strengthening the village health team system, and organizing adequate back-up care and supervision by para-medical personnel at the dispensary level; and

(e) by encouraging NGOs and other private sector agents to

participate in the provision of FP services, including community participation.

Part B: Promotion of Family Welfare and Women's Status

1. A program designed to increase knowledge and use of modern contraceptive methods, including safe motherhood practices, through:

(a) expanding mass media communication by strengthening the institutional capacity of DFEPS and building a strong partnership with ORTN;

(b) strengthening interpersonal communication organized through para-medical personnel and social workers;

(c) organizing listeners' groups at the village level; and

(d) expanding IEC activities of voluntary associations such as women's associations, youth groups, and other community action groups, including NGOs and other private sector agents

2. Promoting the status of women through:

(a) expanded support for community initiatives and micro-enterprises in selected departments, by improving women's access to appropriate production technologies and reinforcing their capacity for self-management of income-generating activities;

(b) extension of ongoing programs designed to increase functional literacy; and

(c) strengthening the institutional capacity of MDSPPF to plan, coordinate, monitor and evaluate women's programs both at the central level and in the three selected departments.

3. Strengthening of nutrition interventions through training of selected health personnel at the department and district levels in nutrition program planning, coordination, monitoring and evaluation.

Part C: Strengthening of Population Policy Analysis, Research and Coordination

1. Strengthening the capacities of MDSPPF, MEF and MI to collect basic demographic and socioeconomic data on a regular basis, through:

(a) improvement in the coverage of the vital registration system through: (i) in-service training and retraining of registration agents of the Ministry of Interior; (ii) motivation campaigns and awareness building among local administrators and community leaders and the communities in general; and (iii) improving the quality of data obtained from the nomadic population by developing special registration forms in the local languages;

(b) establishment of a national register of localities that would provide basic statistics on all localities in the country, identifying their main features and updated on a regular basis; and support for second-generation analysis of existing data, to improve the information base for planning and to build up an analytical capacity at the central level to undertake quality research; and

(c) strengthening the capacity of planning units in key sectoral ministries, both at the central and at the departmental levels, in the application of demographic data in their sectoral plans.

2. Strengthening the institutional capacity for the promotion and coordination, and for the monitoring and evaluation, of the national population policy, through support for the permanent

secretariat of CONAPO.

3. Establishment of a Population Fund, with an amount of \$1.0 million equivalent, to provide grant financing for activities and programs that contribute to the implementation of the national population policy.

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

SCHEDULE 3

Procurement and Consultants' Services

Section I. Procurement of Goods and Works

Part A: International Competitive Bidding

1. Except as provided in Part C hereof, goods shall be procured under contracts awarded in accordance with procedures consistent with those set forth in Sections I and II of the "Guidelines for Procurement under IBRD Loans and IDA Credits" published by the Bank in May 1985 (the Guidelines).

2. To the extent practicable, contracts for goods shall be grouped into bid packages estimated to cost the equivalent of \$100,000 or more.

3. Goods shall be exempted from preshipment price inspection by a third party inspection firm.

Part B: Preference for Domestic Manufacturers

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

Part C: Other Procurement Procedures

1. Goods estimated to cost the equivalent of \$100,000 or less per contract, up to an aggregate amount equivalent to \$700,000 and civil works up to an aggregate amount equivalent to \$3,900,000, may be procured under contracts awarded on the basis of competitive bidding, advertised locally, in accordance with procedures satisfactory to the Association; provided, however, that (a) no preference shall be allowed in favor of local contractors and suppliers; (b) foreign bidders shall be given an opportunity to participate in the bidding process; (c) all evaluation criteria shall be specified in quantitative terms in the bidding documents; (d) the time period allowed for bid preparation shall not be less than 30 days; and (e) no contract shall be negotiated without the prior approval of the Association.

2. Items or groups of items estimated to cost the equivalent of \$30,000 or less per contract, up to an aggregate amount equivalent to \$300,000, may be procured under contracts awarded on the basis of comparison of price quotations obtained from at least three suppliers eligible under the Guidelines, in accordance with procedures acceptable to the Association.

3. Items or groups of items to be financed under Categories 6 and 7 of Schedule 1 to this Agreement shall be procured under contracts awarded in accordance with procedures acceptable to the Association.

Part D: Review by the Association of Procurement Decisions

1. Review of invitations to bid and of proposed awards and

final contracts:

(a) With respect to each contract for works, goods and services, estimated to cost the equivalent of \$100,000 or more, the procedures set forth in paragraphs 2 and 4 of Appendix 1 to the Guidelines shall apply. Where payments for such contract are to be made out of the Special Account, such procedures shall be modified to ensure that the two conformed copies of the contract required to be furnished to the Association pursuant to said paragraph 2 (d) shall be furnished to the Association prior to the making of the first payment out of the Special Account in respect of such contract.

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

(c) The provisions of the preceding subparagraph (b) shall not apply to contracts on account of which withdrawals from the Credit Account are to be made on the basis of statements of expenditure.

2. The figure of 10% is hereby specified for purposes of paragraph 4 of Appendix 1 to the Guidelines.

Section II. Employment of Consultants

In order to assist the Borrower in carrying out the Project, the Borrower shall employ consultants whose qualifications, experience and terms and conditions of employment shall be satisfactory to the Association. Such consultants shall be selected in accordance with principles and procedures satisfactory to the Association on the basis of the "Guidelines for the Use of Consultants by World Bank Borrowers and by the World Bank as Executing Agency" published by the Bank in August 1981.

SCHEDULE 4

Implementation Program

1. The Borrower shall establish by Arrete an Interministerial IEC Technical Committee, consisting of representatives of MDSPPF, MCCJS, MSP, MEF, MI, MEN and ORTN, to review and approve annual programs for IEC activities, provide a forum for discussing the scheduling of campaigns and media production, and supervise the overall technical progress of IEC activities.

2. The Borrower shall establish a National Commission on Population Activities (CONAPO) to coordinate, monitor and evaluate the national population policy.

3. The Borrower shall adopt, not later than one year after the Effectiveness Date: (a) guidelines, satisfactory to the Association, for the establishment of a nationwide cost recovery program in the health sector; and (b) a five-year plan, which shall also be satisfactory to the Association, for the financing of department and district health operations, including directives for budgetary allocations by departments and districts.

4. The Borrower shall implement, in accordance with the timetable and other modalities specified thereunder: (a) the decentralized health program, and personnel and redeployment plan, referred to in Section 6.01 (a) of this Agreement; (b) the guidelines and procedures referred to in Section 6.01 (b) of this Agreement; and (c) the guidelines and five-year plan referred to

in the preceding paragraph of this Schedule.

5. The Borrower shall (a) make available to the beneficiaries of the Population Fund appropriate portions of the amount allocated to the Fund, to finance activities and programs that contribute to implementation of the national population policy, in accordance with agreements entered into in that regard between the Borrower and the beneficiaries, and on terms and conditions acceptable to the Association; and (b) in the case of any proposed grant in excess of CFAF 3,000,000, submit the corresponding proposal to the Association for its prior review and approval.

6. The Borrower shall ensure at all times that (a) the PCU shall be adequately equipped and staffed, and capable of providing day-to-day coordination of all Project activities, including administrative and financial matters, as well as monitoring and evaluation, and (b) all higher-level positions of the PCU, including that of Project Coordinator, shall be kept filled by the requisite number of staff, all of whom shall have qualifications and experience acceptable to the Association.

SCHEDULE 5

Special Account

1. For the purposes of this Schedule:

(a) the term "eligible Categories" means Categories 1 to 8 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 CFAF 300,000,000 to be withdrawn from the Credit Account and deposited into the Special Account pursuant to paragraph 3 (a) of this Schedule.

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

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

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

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

(ii) Prior to or at the time of each such request, the Borrower shall furnish to the Association the documents and other evidence required pursuant to paragraph 4 of this Schedule for the payment or payments in respect of which

replenishment is requested. On the basis of each such request, the Association shall, on behalf of the Borrower, withdraw from the Credit Account and deposit into the Special Account such amount as the Borrower shall have requested and as shall have been shown by said documents and other evidence to have been paid out of the Special Account for eligible expenditures.

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

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

5. Notwithstanding the provisions of paragraph 3 of this Schedule, the Association shall not be required to make further deposits into the Special Account:

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

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

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

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

