

CONFORMED COPY

CREDIT NUMBER 1772 YAR

Development Credit Agreement

(Southern Regional Agricultural Development Project)

between

YEMEN ARAB REPUBLIC

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated July 17, 1987

CREDIT NUMBER 1772 YAR

DEVELOPMENT CREDIT AGREEMENT

AGREEMENT, dated July 17, 1987, between YEMEN ARAB REPUBLIC (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) in order to assist in the financing of the Project, the Borrower intends to obtain from the International Fund for Agricultural Development (IFAD) a loan in an amount equivalent to SDR 2,000,000 (the IFAD Loan) and a grant from the Swiss Development Cooperation (SDC) of the Swiss Government in the amount of 10,000,000 Swiss Francs (the Swiss Grant), under agreements (the Co-financing Agreements) to be entered into between the Borrower and IFAD and the Borrower and SDC; 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) "Project Area" means the two Governorates of Taiz and Ibb of the Borrower;

(b) "Ministry" means the Ministry of Agriculture and Fisheries of the Borrower;

(c) "SURDU" means the Southern Uplands Rural Development Unit, established under Ministerial Decree No. 26 of 1975, of the Borrower's Minister of Agriculture, to assume the responsibility for the implementation of agricultural and rural development projects in the Project area;

(d) "CACB" means the Cooperative and Agricultural Credit Bank of the Borrower;

(e) "Credit Special Account" and "Grant Special Account" mean the accounts referred to in Section 2.02 (b) of this Agreement;

(f) "Confederation" means the Confederation of Local Councils for Cooperative Development, established and operating under the Borrower's Law Number 12 of 1985; and

(g) "Project Preparation Advance" means the project preparation advance granted by the Association to the Borrower pursuant to an exchange of letters dated July 17, 1986 and August 13, 1986 between the Borrower and the Association.

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 nine million eight hundred thousand Special Drawing Rights (SDR 9,800,000).

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 dollars two special accounts in its Central Bank on terms and conditions satisfactory to the Association. One of such accounts shall be for the Credit (the Credit Special Account) and the other shall be for the Swiss Grant (the Grant Special Account). Deposits into, and payments out of the special accounts 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, 1994 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 at the rate of one-half of one per cent (1/2 of 1%) per annum on the principal amount of the Credit not withdrawn from time to time. The commitment charge shall accrue from a date sixty days after the date of the Development Credit Agreement to the respective dates on which amounts shall be withdrawn by the Borrower from the Credit Account or shall be cancelled.

(b) 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 per cent (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 March 1 and September 1 in each year.

Section 2.07. The Borrower shall repay the principal amount of the Credit in semiannual installments payable on each March 1 and September 1 commencing September 1, 1997, and ending March 1, 2037. Each installment to and including the installment payable on March 1, 2007 shall be one-half of one per cent (1/2 of 1%) of such principal amount, and each installment thereafter shall be one and one-half per cent (1-1/2%) of such principal amount.

Section 2.08. The currency of the United States of America 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 the Project through SURDU with due diligence and efficiency and in conformity with appropriate engineering, agricultural and administrative 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 of 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 and the Swiss Grant shall be governed by the provisions of Schedule 3 to this Agreement.

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 Credit and Grant Special Accounts, 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 completion of the audit for the fiscal year in which the last withdrawal from the Credit Account was made, all records (contracts, orders, invoices, bills, receipts and other documents) evidencing such expenditures;

(iii) enable the Association's representatives to examine such records; and

(iv) ensure that such records and accounts are included in the annual audit referred to in paragraph (b) of this Section. And that the report of such audit contains a separate opinion by said auditors as to whether the statements of expenditure submitted during such fiscal year, together with the procedures and internal controls involved in their preparation, can be relied upon to support the related withdrawals.

Section 4.02. (a) The Borrower shall ensure the allocation of amounts sufficient to meet the full operation and maintenance costs of all facilities and services to be established under the Project.

(b) The Borrower shall cause the Ministry and the Confederation to conclude arrangements whereby the Confederation shall be required to undertake the operation and maintenance of the irrigation works under Part G (2) of the Project and the water supply schemes in the Project area, with the assistance of SURDU and pursuant to its technical guidelines.

ARTICLE V

Remedies of the Association

Section 5.01. (a) Pursuant to Section 6.02 (h) of the General Conditions, the following additional events are specified, namely, that subject to paragraph (b) of this Section:

(i) The right of the Borrower to withdraw the proceeds of the Swiss Grant or the IFAD Loan shall have been suspended, cancelled or terminated in whole or in part, pursuant to the terms of the agreement providing therefor, or

(ii) 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 paragraph (a) (ii) of Section 5.01 of this Agreement shall occur, subject to the proviso of paragraph (b) of that Section.

ARTICLE VI

Effective Date; Termination

Section 6.01. The following event is specified as an additional condition to the effectiveness of the Development Credit Agreement within the meaning of Section 12.01 (b) of the General Conditions, namely that the Co-Financing Agreements providing the Borrower, for purposes of the Project, with the Amount referred to in Recital B of the Preamble to this Agreement have been concluded between the borrower and the IFAD and the Borrower and SDC and that all conditions precedent to the effectiveness of such Co-financing Agreements, except for the effectiveness of this Agreement, have been fulfilled.

Section 6.02. The date 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 Development and Chairman of the Central Planning Organization 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:

Central Planning Organization
P.O. Box 175
Sana'a
Yemen Arab Republic

Cable address:

CENPLAN
SANA'A

Telex:

2266 CENPLAN YE

For the Association:

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

Cable address:

INDEVAS
Washington, D.C.

Telex:

440098 (ITT),
249423 (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.

YEMEN ARAB REPUBLIC

By /s/ M. A. Alaini

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ W. P. Thalwitz

Regional Vice President
Europe, Middle East and North Africa

SCHEDULE 1

Withdrawal of the Proceeds of the Credit and the Swiss Grant

1. The table below sets forth the Categories of items to be financed out of the proceeds of the Credit and the Swiss Grant, the allocation of the amounts of the Credit and of the Swiss Grant 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)	Amount of the Swiss Grant Allocated (Expressed in Swiss Francs) Equivalent	% of Expendi- tures to be Financed
(1) Works:			
(a) under Parts A, D and F of the Project	3,380,000		100%
(b) Training and Inform- ation Center under Part B of the Project	270,000		60%
(c) under Parts G (1) and (2) and H of the Project		5,900,000	100%
(2) Goods:			
(a) under Parts A, C, D, F and G of the Project	1,830,000		100% of foreign expenditures and 80% of local expenditures
(b) under Part H		2,300,000	100% of foreign

	of the Project		expenditures and 80% of local expen- ditures
	(c) under Part E of the Project	1,110,000	100% of foreign expenditures
(3)	Consultants' services:		
	(a) under Parts A, C and G of the Project	1,430,000	100% of foreign expenditures
	(b) under Part H of the Project	1,500,000	100% of foreign expenditures
(4)	Training:		
	(a) under Part A of the Project	480,000	100% of foreign expenditures
	(b) under Part H of the Project	300,000	100% of foreign expenditures
(5)	Refunding of Project Prepa- ration Advance	330,000	
(6)	Unallocated	970,000	
	TOTAL	9,800,000	10,000,000

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; and

(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.

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

4. When the Association shall have approved an application by the Borrower for withdrawal, the Association shall:

(i) pay the amount, if any, which the Borrower is entitled to withdraw from the Credit Account to or on the order of the Borrower in accordance with the provisions of the Development Credit Agreement; and

(ii) promptly notify SDC that it has received such application for withdrawal from the Swiss Grant in the amount specified in such notice, that it has approved the payment of the portion to be

withdrawn from the Credit Account in the amount set forth in such notice, and that the portion to be withdrawn from the Swiss Grant in the amount set forth in such notice is eligible for payment by SDC.

5. Any special commitment in respect to the Swiss Grant shall, once it has been notified to SDC, constitute an obligation on the part of SDC to pay, notwithstanding any subsequent suspension or cancellation of the Swiss Grant, the amount to be disbursed out of the Swiss Grant in fulfillment of such special commitment.

SCHEDULE 2

Description of the Project

The objectives of the Project are to increase agricultural productivity and farm income and to improve the health and nutrition standards in the Project area.

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: Agricultural Extension Services

The establishment of a system for agricultural extension services in each of the Governorates of Taiz and Ibb, including:

- (1) the construction of buildings for extension services and the rehabilitation of existing field extension centers;
- (2) the provision of vehicles and equipment;
- (3) the formulation and the carrying out of extension programs, and the assignment of the required number of extension staff;
- (4) the formulation and adoption, by SURDU and the Agricultural Research Authority of the Borrower, of operational procedures to ensure stronger linkage between research and extension services; and
- (5) the carrying out of a training program for extension staff.

Part B: Rural Development for Women

The carrying out of a rural development program for women in the Project area, including:

- (1) The construction of extension and Training centers, and the establishment in the training center to be constructed in Taiz of a rural information unit.
- (2) The formulation of programs for providing women in the Project area with agricultural extension services and with advice in home economics, including the recruitment of female extension agents.
- (3) The provision of tools for on-farm demonstration, vehicles and office furniture for the training centers, small equipment and materials for home economics demonstration purposes and for the rural information unit.
- (4) Strengthening of monitoring and evaluation through a baseline study of socioeconomic conditions of rural women with a view to formulating measures to improve the planning of rural development programs for women.
- (5) Training of extension agents.

Part C: Veterinary Services

The strengthening and expansion of veterinary services in the Project area through: (a) the provision of necessary materials, equipment and vehicles; and (b) the

recruitment of additional staff and the training of staff.

Part D: Nursery Development

Expansion of tree nursery capacity in the Project area through: (a) rearranging the existing Ibb nursery to specialize mainly in citrus production; (b) expanding production at the Warazan nursery in Taiz with additional capacity for coffee, bananas and other tropical fruits; (c) establishing a new nursery at Yarim in the Ibb Governorate to specialize in the production of deciduous plants; and (d) the provision of necessary farm equipment and staff.

Part E: Fertilizer

Provision of about 7000 tons of phosphate and about 1400 tons of potash for use in the Project area during the period of Project implementation.

Part F: Support to CACB

Establishment of a sub-branch for CACB in the western part and another sub-branch in the eastern part of the Project area, and the provision of vehicles for the operation of CACB in the Project area.

Part G: Irrigation

1. Improving irrigation efficiency, in pump-irrigated areas through the carrying out of on-farm works (installation of pump units, sprinklers, buried PVC pipes and fittings, and land levelling) on 11 pump-irrigated and 11 sprinkler-and drip-irrigated farms to be established for demonstration purposes.
2. Rehabilitation/construction of about 6 small irrigation schemes in the Project area.
3. A study to determine: (a) possible alternative sites for the construction of an irrigation dam in Wadi Bana; and (b) the feasibility of constructing such a dam.

Part H: Operation and Maintenance

Establishment of an operation and maintenance service for buildings, equipment and irrigation and water supply schemes in the Project area. This includes: (a) the construction of buildings; (b) the provision of equipment, vehicles and machinery; (c) the training of staff, including the staff of the confederation concerned with the operation and maintenance of the irrigation and water supply schemes; and (d) assistance to the extension service in the implementation of on-farm irrigation works.

Part I: Agricultural Credit

Provision of short and medium-term agricultural credit through CACB to enable farmers in the Project area to acquire farm inputs, agricultural equipment and livestock and to finance necessary on-farm irrigation work and tree-crop development.

Part J: Technical Assistance

Provision of technical assistance for purposes of Project implementation.

* * *

The Project is expected to be completed by December 31, 1993.

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 and works 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 works and for goods shall be grouped in bid packages estimated to cost the equivalent of not less than \$200,000 and \$50,000, respectively.

Part B: Preference for Domestic Manufacturers

In the procurement of goods in accordance with the procedures described in Part A I hereof, goods manufactured in Yemen Arab Republic 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 I through 4 of Appendix 2 thereto.

Part C: Other Procurement Procedures

1. Contracts for works estimated to cost the equivalent of not more than \$200,000 per contract and \$3,900,000 in the aggregate, or for goods estimated to cost the equivalent of not more than \$50,000 per contract and \$800,000 in the aggregate, may be awarded on the basis of the Borrower's procedures for competitive bidding.

2. In following the bidding procedures described in paragraph (1) of this Part, the Borrower shall ensure (a) that all bidders shall be treated equally in terms of the requirement of furnishing bid or performance security; and (b) that bids arriving after the stipulated deadline for the submission of bids shall not be considered.

3. Vehicles and equipment, estimated in the aggregate to cost the equivalent of not more than \$300,000 and fertilizer under Part E of the Project, may be procured on the basis of price quotations obtained from not less than three qualified suppliers.

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 estimated to cost the equivalent of more than \$200,000, or for goods estimated to cost the equivalent of more than \$100,000, the procedures set forth in paragraphs 2 and 4 of Appendix I to the Guidelines shall apply. Where payments for such contract are to be made out of the Credit or Grant 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 Credit or Grant 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 I to the Guidelines shall apply. Where payments for such contract are to be made out of the Credit or Grant 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 5 to this Agreement.

(c) The provisions of the preceding subparagraphs (a) and (b) shall not apply to contracts on account of which the Association has authorized withdrawals from the Credit Account on the basis of statements of expenditure. Such contracts shall be retained in accordance with Section 4.01 (c) (ii) of this Agreement.

2. The figure of 15% is hereby specified for purposes of paragraph 4 of Appendix I to the Guidelines.

Section II. Employment of Consultants

In order to assist the Borrower in the carrying out of 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

Part A: Implementation Arrangements

1. The borrower shall assign to SURDU the general responsibility for the implementation of the Project and shall enable it to recruit in a timely manner, as shown in the Annex to this Schedule, the local additional staff and consultants required for such implementation.
2. The evidence, required under Section 9.08 of the General Conditions, regarding the availability of land and rights in respect of land for purposes of the Project, shall be provided by the Borrower to the Association as part of the documents for any construction works under the Project.
3. The Borrower shall: (a) cause CACB and SURDU to coordinate, under appropriate operational procedures, the provision of credit facilities in the Project area; and (b) ensure the availability to CACS of funds adequate to cover the credit needs in the Project area.
4. (a) Fertilizer to be financed under Part E of the Project shall be procured by SURDU and shall be sold by it to traders in the Project area. The proceeds of such sale shall be promptly transferred by SURDU to the borrower's Ministry of Finance.

(b) In order to ensure timely utilization of other foreign exchange made available by the Borrower for the import of fertilizer for use in the Project area, the Borrower shall: (i) make arrangements for providing private importers with timely notice of the foreign exchange so made available and of the types and quantities of fertilizer to be imported; and (ii) simplify the procedures for granting licenses for the import of such fertilizer.
5. The Borrower shall cause SURDU:

(a) by December 31, 1987 to transfer the responsibility for animal production, together with the staff assigned thereto, from its veterinary service to its extension service;

(b) to ensure through staff training and other appropriate procedures, the safe transport, storage, handling and application of fertilizer and pesticides; and

(c) to prepare and to provide to the Association, for its review and comments, by April 1, 1988, a program for the carrying out of the training activities included in the Project, and thereafter to carry out such program in accordance with a time schedule satisfactory to the Borrower and the Association.
6. Upon the completion of the first part of the study referred to in Part G (3) of the Project, relating to the identification of sites for the construction of an irrigation dam in Wadi Bana, the Borrower shall: (a) provide to the Association the findings of such part of the study which shall indicate, in particular, any possible impact for the construction of such dam, on any of the identified sites, on existing riparian rights for a State other than the Borrower; and (b) determine, on the basis of such findings, in agreement with the Association, whether to proceed with the implementation of the second part of such study, relating to the detailed feasibility of constructing such a dam.

B. Reporting, Monitoring and Evaluation

The Borrower shall cause SURDU: (a) to prepare quarterly reports on the progress in Project implementation and to furnish each such report to the Association within two months from the end of the period covered by it; (b) by April 1, 1988, to establish, under procedures satisfactory to the Association, with the assistance of an expert to be employed by December 1, 1987, a monitoring and evaluation system; and (c) to annually evaluate the effectiveness of the operation of the agricultural extension service under Part B of the Project.

ANNEX TO SCHEDULE 4

(1) Staffing Needs for SURDU

The following table indicates the total additional numbers of staff required for SURDU, and the timetable for their assignment:

Position	Additional Requirements/Expected Year of Appointment							
	Total	1987	1988	1989	1990	1991	1992	1993
Monitoring and Evaluation Officers	2	-	2	-	-	-	-	-
Director Agricultural Department, SURDU Extension Service	1	-	1	-	-	-	-	-
Management and Senior SMSs	7	-	3	4	-	-	-	-
Supervisors and Block Centers SMSs ³	12	-	3	3	3	2	1	-
Extension Agents	20	-	4	4	4	4	4	-
Clerks and Drivers	10	-	3	5	2	-	-	-
Rural Development for Women Program Management and SMS Supervisors	3	-	1	2	-	-	-	-
Agriculture Agents	2	-	1	1	-	-	-	-
Home Economics Agents	13	-	-	3	3	5	2	-
Clerks and Drivers	5	-	-	2	2	1	-	-
Veterinary Service Veterinarians	16	-	4	1	4	3	4	-
Veterinary Assistants	2	-	1	1	-	-	-	-
Nursery Development Head (Yarim)	9	-	3	2	4	-	-	-
Technicians	1	-	1	-	-	-	-	-
Skilled Workers & Guards	8	-	2	4	2	-	-	-
Operation and Maintenance Engineering staff	8	-	2	-	-	-	-	-
Civil Engineer	1	-	1	-	-	-	-	-
Mechanical Engineer	1	-	1	-	-	-	-	-
Hydrologist	1	-	1	-	-	-	-	-
Mechanics	4	1	1	2	-	-	-	-
Technicians	2	-	2	-	-	-	-	-
Draftsman	1	1	-	-	-	-	-	-
Foreman	2	1	1	-	-	-	-	-
Drivers/Machine Operator	12	2	2	2	2	4	-	-

-
- 1 Begins July 1
 - 2 Ends June 30
 - 3 Five of eight supervisors (Block Centers heads) are from existing personnel.

(2) Consultants

The following table indicates the specialties and numbers of consultants to be employed under the Project and the approximate duration and dates of commencement of their employment:

Expertise	Number	Staff-Years	Date of Employment
Agriculture-Senior Advisor	1	3-1/2	January 1, 19871
Extension Service			
Extension Plan-ning	1	3-1/2	January 1, 19871
Plant Protec-tion	1	3-1/2	January 1, 19871
Irrigation Agronomy	1	2	July 1, 1988
Extension Training	1	3	December 1, 1987
Communication	1	2	July 1, 1989
Monitoring and Evaluation	1	3	December 1, 1987
Horticulture (Associate Expert)	1	3	July 1, 1988
Short-term Consultants	-	1-1/2	December 1, 1987
Sub-total			25
Rural Development for Women			
Women Development Expert	1	3	December 1, 1987
Home Economics (Associate Expert)	1	3	March 1, 1988
Women Development (Associate Expert)	1	3	March 1, 1988
Short-term Consultants (Communication and Base Line Survey)	-	2	December 1, 1987
Sub-total		11	
Veterinary Services			
Veterinarian	1	2-1/2	January 1, 1988
Sub-total		2-1/2	

- 1 Financed under the Project Preparation Advance.

Engineering

Senior Advisor	1	3-1/2	January 1, 19871
Civil Engineer	1	3	January 1, 1988
Associate Civil Engineer	1	3	January 1, 1988
Office Engineer	1	4-1/2	January 1, 19871
Associate Mechanical Engineer	1	1	July 1, 1988
Sub-total		15	
Consultants Phase II		Staff-Months	
Dam Engineer/Team Leader	1	9	June 1, 1987
Irrigation Engineer	1	4	June 1, 1987
Hydrologist	1	2	June 1, 1987
Geologist/Geotech Engineer	1	3	June 1, 1987
Structural Designer	1	3	June 1, 1987
Economist	1	1	June 1, 1987
Surveyor	1	3	June 1, 1987
Sub-total		25 (2-1/2 Years)	
Consultants Phase II			
Dam Engineer Team Leader	1	9	January 1, 1990
Irrigation Engineer	1	6	January 1, 1990
Hydrologist	1	3	January 1, 1990
Geologist/Geotech Engineer	1	4	January 1, 1990
Structural Design Engineer	1	4	January 1, 1990
Economist	1	1	January 1, 1990
Surveyor	1	3	January 1, 1990
Sub-total		30 (2-1/2 Years)	
TOTAL		58 Years	

1. Financed from the Project Preparation Advance.

2. Including operational and maintenance service.

SCHEDULE 5

Credit and Grant Special Accounts

1. For the purposes of this Schedule:

(a) the term "eligible Categories" Categories 1, 2, 3 and 4 set forth in the table in paragraph 1 of Schedule 1 to this Agreement;

(b) the term "eligible expenditures" means expenditures in respect of the reasonable cost of goods and services required for the Project and to be financed out of the proceeds of the Credit or the Swiss Grant allocated from time to time to the eligible Categories in accordance with the provisions of Schedule I to this Agreement; and

(c) the term "Authorized Allocation" means an amount equivalent to SDR 630,000 to be withdrawn from the Credit Account and deposited in the Credit Special Account and an amount of 700,000 Swiss France to be withdrawn from the Swiss Grant and deposited into the Grant Special Account pursuant to paragraph 3 (a) of this Schedule.

2. Except as the Association shall otherwise agree, payments out of the Credit and Grant Special Accounts 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 Credit and Grant Special Accounts have been duly opened, withdrawals of the Authorized Allocation and subsequent withdrawals to replenish the Credit and Grant Special Accounts may be made as follows:

(a) on the basis of a request or requests by the Borrower for a deposit or deposits which add up to the aggregate amount of the Authorized Allocation, the Association shall (i) on behalf of the Borrower, withdraw from the Credit Account and deposit in the Credit Special Account, and (ii) request SDC to deposit into the Grant Special Account such amount or amounts as the Borrower shall have requested.

(b) The Borrower shall furnish to the Association requests for replenishment of the Credit and Grant Special Accounts at such intervals as the Association shall specify. On the basis of such requests, the Association shall withdraw from the Credit Account and deposit into the Credit Special Account and request SDC to deposit into the Grant Special Account such amounts as shall be required to replenish the Credit and Grant Special Accounts with amounts not exceeding the amount of payments made out of them for eligible expenditures. All such deposits shall be withdrawn by the Association from the Credit Account or by SDC from the Swiss Grant account under the respective eligible Categories, and in the respective equivalent amounts, as shall have been justified by the evidence supporting the request for such deposit furnished pursuant to paragraph 4 of this Schedule.

4. For each payment made by the Borrower out of the Credit and the Grant Special Accounts for which the Borrower requests replenishment pursuant to paragraph 3 (b) of this Schedule, the Borrower shall furnish to the Association, prior to or at the time of such request, such documents and other evidence as the Association shall reasonably request, showing that such payment was made for eligible expenditures.

5. (a) Notwithstanding the provisions of paragraph 3 of this Schedule, no further deposit into the Credit or the Grant Special Account shall be made by the Association or SDC when either of the following situations first arises:

(i) 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 from the Swiss Grant account; or

(ii) the total unwithdrawn amount of the Credit and the Swiss Grant allocated to the eligible Categories, minus the amount of any outstanding special commitment entered into by the Association pursuant to Section 5.02 of the General Conditions shall be equal to the equivalent of twice the amount of the Authorized Allocation.

(b) Thereafter, withdrawal from the Credit Account or from the Swiss Grant of the remaining unwithdrawn amount of the Credit or the Swiss Grant 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 Credit or the Grant 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 Credit or the Grant Special Account (i) was made for any expenditure or in any amount not eligible pursuant to paragraph 2 of this Schedule, or (ii) was not justified by the evidence furnished pursuant to paragraph 4 of this Schedule, the Borrower shall, promptly upon notice from the Association deposit into the Credit or the Grant Special Account (or, if the Association shall so request, refund to the Association or to SDC) for crediting to the Credit Account or the Swiss Grant account, as the case may be, an amount equal to the amount of such payment or the portion thereof not so eligible or justified. No further deposit by the Association into the Credit Special Account or by SDC into the Grant Special Account shall be made until the Borrower has made such deposit or refund.

(b) If the Association shall have determined at any time that any amount outstanding in the Credit or the Grant 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 or to SDC such outstanding amount for crediting to the Credit Account or the Swiss Grant account, as the case may be.

