

CONFORMED COPY

CREDIT NUMBER 2707 NIR

Development Credit Agreement  
(Pilot Private Irrigation Promotion Project)

between

REPUBLIC OF NIGER

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated July 24, 1995

CREDIT NUMBER 2707 NIR

DEVELOPMENT CREDIT AGREEMENT

AGREEMENT, dated July 24, 1995, between REPUBLIC OF NIGER (the Borrower) and INTERNATIONAL DEVELOPMENT ASSOCIATION (the Association).

WHEREAS 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;

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 have the respective meanings therein set forth and the following additional terms have the following meanings:

(a) "ANPIP" means Agence Nigerienne pour la Promotion de l'Irrigation Privee, an association created on July 1, 1992, in accordance with the Borrower's Ordonnance, No. 84-06, of March 1, 1984;

(b) "CFAF" means the currency of the Borrower;

(c) "Convention" means the agreement between the Borrower and ANPIP for the implementation of Parts A, B, C and E of the Project as referred to in Section 3.02 of this Agreement;

(d) "Initial Deposit" means the deposit referred to in Section 3.04;

(e) "Procedures Manual" means the manual of procedures that is attached to the Convention, forms an integral part thereof, and sets out the procedures governing the implementation of Parts A, B, C and E of the Project;

(f) "Project Preparation Advance" means the project preparation advance granted by the Association to the Borrower by letter dated June 29, 1990; and

(g) "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 four million six hundred thousand Special Drawing Rights (SDR 4,600,000).

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 may, 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, 2000 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 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 January 15 and July 15 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 January 15 and July 15 commencing July 15, 2005 and ending January 15, 2035. Each installment to and including the installment payable on January 15, 2015 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. The Borrower declares its commitment to the objectives of the Project as set forth in Schedule 2 to this Agreement and, to this end:

- (i) shall carry out Part D of the Project with due diligence and efficiency and in conformity with appropriate financial, administrative and environmental practices, and shall provide, promptly as needed, the funds, facilities, services and other resources required for Part D of the Project;
- (ii) shall cause ANPIP to carry out Parts A, B, C and E of the Project with due diligence and efficiency and in conformity with the Convention and appropriate financial, administrative and irrigation practices; and
- (iii) shall take or cause to be taken all action, including the provision of funds, facilities, services and other resources, necessary or appropriate to enable ANPIP to carry out Parts A, B, C and E of the Project, and shall not take or permit to be taken any action which would prevent or interfere with the carrying out of Parts A, B, C and E of the Project by ANPIP.

Section 3.02 Without limitation upon the provisions of Section 3.01 above, the Borrower shall enter into an agreement with ANPIP (the Convention) for the implementation by ANPIP of Parts A, B, C and E of the Project on terms and conditions satisfactory to the Association which shall include the terms set forth in Schedule 4 to this Agreement.

Section 3.03. Except as the Association shall otherwise agree, procurement of the goods 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 3.04. Without limitation on the provisions of Section 3.01, the Borrower shall: (i) provide in its budget amounts sufficient to cover its counterpart contributions to the costs of the Project; (ii) open and maintain until the completion of the Project, an account (the Project Account) in a commercial bank acceptable to the Association and on terms and conditions acceptable to the Association; (iii) deposit into the Project Account an initial amount in CFAP equivalent to \$175,000 (the Initial Deposit); (iv) thereafter at annual intervals following the deposit of the Initial Deposit, deposit into the Project Account an amount equivalent to the Initial Deposit or any other amount required for further implementation of the Project as agreed between the Borrower and the Association; and (v) ensure that the amounts deposited in the Project Account will be used exclusively for the Borrower's counterpart expenditures under the Project and are included in the Borrower's public expenditure program.

Section 3.05. The Borrower (i) shall present and shall cause ANPIP to present, each for those Parts of the Project for the implementation of which it is responsible, not later than June 30 of each year, present a work program and budget for the coming calendar year, to the Association for approval, and (ii) shall take and cause ANPIP to take all necessary action required for the implementation of said work programs and budgets as approved by the Association.

Section 3.06. The Borrower shall monitor and cause ANPIP to monitor the implementation of the Project and in particular shall, and shall cause ANPIP to, each for those Parts of the Project for the implementation of which it is responsible:

- (i) submit to the Borrower (for ANPIP only) and the Association within two months from the end of each calendar quarter a progress report on the implementation of the relevant Parts of the Project in a format approved by the Association.
- (ii) organize and carry out semi-annual joint review meetings with the Borrower (for ANPIP only) and the Association. The quarterly progress reports shall provide the basic inputs for a semi-annual progress report to be presented to the Association in a format acceptable to the Association and to be reviewed at these meetings. As part of each review the Borrower and ANPIP shall prepare a program of action, satisfactory to the Association, to deal with deficiencies in Project implementation identified during the review.
- (iii) promptly after each review mentioned in paragraph (ii) above, take all necessary action required for the implementation of the program of action referred to in said paragraph.

Section 3.07. (a) The Borrower and the Association shall carry out a mid-term review of the Project towards the end of the second twelve month period following the Effective Date, or at any other time as agreed between the Borrower and the Association. At least two weeks prior to such review the Borrower shall prepare and submit to the Association all necessary documentation for the evaluation of the Project. The terms of reference of this review shall be acceptable to the Association and shall include an assessment of inter alia: (i) progress made in achieving key Project objectives; (ii) implementation of the adapted technology program; (iii) the rural credit program; (iv) the performance of ANPIP; (v) the performance of the technical assistance; and (vi) the need to adjust Project design in the light of the implementation experience.

In addition, as part of the review, the Borrower shall prepare a program of action, satisfactory to the Association, to deal with deficiencies in Project implementation identified during the review.

(b) Promptly after the review mentioned in paragraph (a) above, the Borrower shall take, or shall cause to be taken, all necessary action required for the implementation of the program of action referred to in paragraph (a) above.

Section 3.08. Without limitation upon the provisions of Article IX of the General Conditions, the Borrower shall:

(a) prepare, on the basis of guidelines acceptable to the Association, and furnish to the Association 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 Association, a plan for the future operation of the Project;

(b) afford the Association a reasonable opportunity to exchange views with the Borrower on said plan; and

(c) thereafter, carry out said plan with due diligence and efficiency and in accordance with appropriate practices, taking into account the Association's comments thereon.

## ARTICLE IV

### Financial Covenants

Section 4.01. (a) The Borrower shall cause ANPIP to maintain records and accounts adequate to reflect in accordance with sound accounting practices the operations and financial condition of ANPIP.

(b) The Borrower shall cause ANPIP to:

- (i) have the records and accounts referred to in paragraph (a) of this Section including those for the Special Account for each quarter of the 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 three months after the end of each such quarter, 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 for Parts A, B, C and E of the Project 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 quarter 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 such records and accounts are included in each quarterly 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 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 Part D of the Project of the departments or agencies of the Borrower responsible for carrying out Part D of the Project.

(b) The Borrower shall:

- (i) have its records, accounts and financial statements (balance sheets, statements of income and expenses and related statements) and the records and accounts 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 three 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 Association shall have reasonably requested; and
- (iii) furnish to the Association such other information concerning such records, accounts, financial statements 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 for Part D of the Project were made on the basis of statements of expenditure, the Borrower shall:

- (i) maintain, 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 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 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 Association

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

- (a) the Borrower or ANPIP shall have failed to perform any of their respective obligations under the Convention;
- (b) As a result of events which have occurred after the date of the Development Credit Agreement, an extraordinary situation shall have arisen which shall make it improbable that the Borrower or ANPIP will be able to perform their respective

obligations under the Convention;

(c) Any of the following shall have been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of ANPIP to implement Parts A, B, C, and E of the Project in accordance with this Agreement:

- (i) ANPIP's statutes dated July 1, 1992;
- (ii) the Convention; and
- (iii) the Borrower's Ordonnance, No. 84-06, of March 1, 1984; and

(d) The Borrower or any other authority having jurisdiction shall have taken any action for the dissolution or disestablishment of ANPIP or for the suspension of its operations.

Section 5.02. Pursuant to Section 7.01 (d) of the General Conditions, the following additional event is specified, namely that any event specified in paragraphs (a) through (d) of Section 5.01 of this Agreement shall occur and shall continue for a period of 30 days after notice thereof shall have been given by the Association to the Borrower.

#### 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 shall have enacted and promulgated legislation establishing a legal regime for Groupements d'Interet Economique enabling the organization of farmers into economic interest groups;

(b) the Convention in form and substance acceptable to the Association shall have been signed by the Borrower and ANPIP;

(c) the Borrower and ANPIP shall each have established a financial management and accounting system for the Project, acceptable to the Association;

(d) the Borrower and ANPIP shall each have submitted to the Association their annual work program and budget for the first twelve months after the Effective Date and acceptable to the Association;

(e) the Borrower and ANPIP shall have signed a multi-year contract with an auditor for the auditing of the Project and ANPIP's accounts, acceptable to the Association;

(f) the Borrower shall have opened the Project Account and deposited the Initial Deposit therein; and

(g) the Borrower and ANPIP shall have submitted to the Association a procurement plan, acceptable to the Association, covering the procurement required for the implementation of the Project.

Section 6.02. The following is specified as an additional matter, within the meaning of Section 12.02 (b) of the General Conditions, to be included in the opinion or opinions to be furnished to the Association namely, that the Convention has been duly authorized or ratified by the Borrower and ANPIP, and is legally binding upon the Borrower and ANPIP in accordance



with its terms.

Section 6.03. 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

Representatives of the Borrower; Addresses

Section 7.01. The minister responsible for 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 des Finances  
et du Plan  
B.P. 389  
Niamey  
Niger

Telex:

5463  
5337

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

By /s/ Amadou Seydou  
Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ Edward V.K. Jaycox  
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) Vehicles, equipment, materials and spare parts	270,000	100%
(2) Consultants' services, training and studies	3,020,000	100%
(3) Operating costs	340,000	60%
(4) Refunding of Project Preparation Advance	470,000	Amounts due pur- suant to Section 2.02 (c) of this Agreement
(5) Unallocated	500,000	
TOTAL	<hr style="width: 20%; margin: 0 auto;"/> 4,600,000 =====	

2. For the purposes of this Schedule, the term "Operating costs" means incremental Project related recurrent costs for, inter alia, travel allowances, materials, supplies as well as the operation and maintenance of vehicles, equipment and offices.

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. The Association may require withdrawals from the Credit Account to be made on the basis of statements of expenditure for expenditures under contracts for goods not exceeding \$100,000 equivalent, under such terms and conditions as the Association shall specify by notice to the Borrower.

SCHEDULE 2

Description of the Project

The objectives of the Project are to promote the development of private irrigation.

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: ANPIP/Studies

1. The development of the organization of ANPIP with a view to its delivery of a package of services to private irrigators.

2. The carrying out of the following studies:

(a) a review of the existing legal and regulatory framework of land tenure and the design of a user's guide on

how to strengthen tenurial security;

(b) the design of improved price and market information systems, including follow-up actions to establish such a system in ANPIP;

(c) a comprehensive review of over-all Project performance to be used as an input for the mid-term review and the final evaluation of the Project; and

(d) a pre-feasibility study on future investment opportunities in the irrigation subsector including an assessment of the impact of irrigation production on the fauna and flora and potential riparian issues.

Part B: Small-scale Mechanized Irrigation

The testing and dissemination of simple, low-cost mechanized irrigation technologies.

Part C: Manual Irrigation

The testing and dissemination of manual irrigation technology packages and the strengthening of local capacity to manufacture, maintain and repair these technologies and related irrigation equipment.

Part D: Environmental Protection

The monitoring of shallow aquifer levels and soil and water quality.

Part E: Savings and Credit Schemes

The design, testing and promotion of instruments for the provision of financial services to rural clients.

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The Project is expected to be completed by December 31, 1999.

SCHEDULE 3

Procurement and Consultants' Services

Section I. Procurement of Goods

Part A: Procurement Procedures

1. Contracts for vehicles, office equipment and furniture, up to an aggregate amount equivalent to \$400,000, may be procured: (a) through the United Nations Inter-Agency Procurement Services Office; or (b) under contracts, estimated to cost less than the equivalent of \$100,000 per contract, awarded on the basis of comparison of price quotations solicited from a list of at least three suppliers from at least three different countries eligible under the Guidelines, in accordance with procedures acceptable to the Association.

2. Contracts for equipment, materials and supplies estimated to cost less than the equivalent of \$50,000 per contract, up to an aggregate amount not to exceed the equivalent of \$400,000, may be procured under contracts awarded on the basis of comparison of price quotations solicited from a list of at least three suppliers eligible under the Guidelines, in accordance with procedures acceptable to the Association.

3. Contracts for materials, supplies as well as for the operation and maintenance of vehicles, equipment and offices estimated to cost the equivalent of \$20,000 or less per contract, may, up to an aggregate amount equivalent to \$200,000, be awarded after direct negotiations with suppliers,

in accordance with procedures acceptable to the Association.

Part B: 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 goods 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 5 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 15% is hereby specified for purposes of paragraph 4 of Appendix 1 to the Guidelines.

Section II. Employment of Consultants

1. 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 (the Consultant Guidelines). For complex, time-based assignments, the Borrower shall employ such consultants under contracts using the standard form of contract for consultants' services issued by the Bank, with such modifications as shall have been agreed by the Association. Where no relevant standard contract documents have been issued by the Bank, the Borrower shall use other standard forms agreed with the Association.

2. Notwithstanding the provisions of paragraph 1 of this Section, the provisions of the Consultant Guidelines requiring prior Bank review or approval of budgets, short lists, selection procedures, letters of invitation, proposals, evaluation reports and contracts, shall not apply to: (a) contracts for the employment of consulting firms estimated to cost less than \$100,000 equivalent each; or (b) contracts for the employment of individuals estimated to cost less than \$50,000 equivalent each. However, said exceptions to prior Bank review shall not apply to: (a) the terms of reference for such contracts; (b) single-source selection of consulting firms; (c) assignments of a critical nature, as reasonably determined by the Bank; (d) amendments to contracts for the employment of consulting firms raising the contract value to \$100,000 equivalent or above; or (e) amendments to contracts for the employment of individual consultants raising the contract value

to \$50,000 equivalent or above.

#### SCHEDULE 4

##### Terms of the Convention Required Pursuant to Section 3.02

The Convention shall be for a term of four years and shall include the following:

1. The obligation of the Borrower to transfer the proceeds of the Credit required for the implementation of Parts A, B, C and E of the Project on a non-reimbursable basis to ANPIP;

2. the obligation of ANPIP to: (i) carry out Parts A, B, C, and E of the Project in accordance with the Convention; (ii) to restrict the implementation to aforementioned Parts of the Project to the departments of Tillaberi, Dosso, Maradi and Zinder unless the Borrower and the Association agree otherwise; and (iii) adopt, not later than September 30, 1995, a time-bound action program, acceptable to the Borrower and the Association, for the implementation of Part E of the Project, and subsequently take, or cause to be taken, all necessary action required for the implementation of said action program, unless the Borrower and the Association agree otherwise;

3. the obligation of ANPIP to: (i) comply with the recordkeeping, accounting, auditing and reporting requirements set out in Article IV of this Agreement; (ii) maintain, for the duration of the Project, the financial management and accounting system referred to in Section 6.01 (c) of this Agreement; (iii) retain, for the duration of the Project an independent auditor under terms of reference acceptable to the Association; and (iv) submit to an "inspection d'etat" or financial inspection to be undertaken by the Borrower, at its request, in connection with irregularities as revealed by an audit report drawn up in accordance with Article IV of this Agreement;

4. the obligation of ANPIP to comply with the procedures for the procurement of goods and consultant's services set out in Section 3.03 of this Agreement;

5. the obligation of ANPIP to carry on its operations and conduct its affairs in accordance with sound administrative, financial and engineering and irrigation practices under the supervision of qualified and experienced management assisted by competent staff in adequate numbers and acceptable to the Association, and ANPIP's specific commitment to not replace its Director without the prior approval of the Association;

6. the obligation of ANPIP to promptly inform the Borrower and the Association of any condition which interferes or threatens to interfere with the implementation of Parts A, B, C, and E of the Project and the accomplishment of its purposes;

7. the commitment of ANPIP to, at the request of the Association, exchange views with the Association with regard to the progress of the Project and ANPIP's performance of its obligations under the Convention;

8. the obligation of ANPIP to: (i) prepare and submit work programs, budgets and reports and fully cooperate and participate in the semi-annual reviews and the mid-term review, in accordance with Sections 3.05, 3.06 and 3.07 of this Agreement; (ii) provide all relevant information required for the evaluation of the Project; and (iii) promptly implement the work programs, budgets and programs of action referred to in said Sections;

9. the obligation of ANPIP to prepare and submit to the Borrower information relating to Parts A, B, C and E, of the

Project, in respect of the obligations set forth in Sections 9.03, 9.04, 9.05, 9.06, 9.07 and 9.08 of the General Conditions, (relating to insurance, use of goods and services, plans and schedules, records and reports, maintenance and land acquisition, respectively);

10. the obligation of ANPIP to at all times operate and to maintain its plants, machinery, equipment and other property, and from time to time, promptly as needed, to make all necessary repairs and renewals thereof, all in accordance with sound engineering, financial and irrigation practices;

11. the obligation of ANPIP to take out and maintain with responsible insurers, or to make other provision satisfactory to the Association for, insurance against such risks and in such amounts as shall be consistent with appropriate practice;

12. the obligation of ANPIP to refund to the Borrower any proceeds from the Credit not used for purposes of carrying out Parts A, B, C and E of the Project; and

13. a provision stipulating that in case of conflict between the Convention and this Agreement, the latter shall apply.

#### SCHEDULE 5

##### Special Account

1. For the purposes of this Schedule:

(a) the term "eligible Categories" means Categories 1 through 3 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 in CFAF equivalent to \$500,000 to be withdrawn from the Credit Account and deposited into the Special Account pursuant to paragraph 3 (a) of this Schedule, provided, however, that unless the Association shall otherwise agree, the Authorized Allocation shall be limited to an amount equivalent to \$250,000 until the aggregate amount of withdrawals from the Credit Account plus the total amount of all outstanding special commitments entered into by the Association pursuant to Section 5.02 of the General Conditions shall be equal to or exceed the equivalent of SDR 2,300,000.

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 deposit into the 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 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;

- (b) if the Borrower shall have failed to furnish to the Association, 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 Association pursuant to said Section in respect of the audit of the records and accounts for the Special Account;

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

- (d) once the total unwithdrawn amount of the Credit allocated to the eligible Categories, minus less the total amount of all 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 paragraph 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.

