

CONFORMED COPY

GET GRANT NUMBER TF028641

Global Environment Trust Fund
Grant Agreement

(El Kala National Park and Wetland
Complex Management Project)

between

DEMOCRATIC AND POPULAR REPUBLIC OF ALGERIA

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

acting as Trustee of the Global Environment
Trust Fund

Dated May 6, 1994

GET GRANT NUMBER TF028641

GLOBAL ENVIRONMENT TRUST FUND GRANT AGREEMENT

AGREEMENT, dated May 6, 1994, between DEMOCRATIC AND POPULAR REPUBLIC OF ALGERIA (the Recipient) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT acting as Trustee of grant funds provided by Participants of the Global Environment Facility into the Global Environment Trust Fund (GET) (the Trustee).

WHEREAS (A) the International Bank for Reconstruction and Development (the Bank) pursuant to Resolution No. 91-5 of March 14, 1991, of the Executive Directors of the Bank (the Resolution), established the Global Environment Facility consisting of the GET, Cofinancing Arrangements with the GET and the Ozone Projects Trust Fund, to assist in the protection of the global environment and promote thereby environmentally sound and sustainable economic development;

WHEREAS (B) certain members of the Bank (the Participants) have provided resources by way of grant into the GET and the Participants have requested and the Bank has agreed, to administer such grant funds as Trustee, for the purposes of, and in accordance with, provisions of the Resolution;

WHEREAS (C) the Recipient and the Trustee have entered into an agreement dated December 4, 1992, as amended, pursuant to which the Trustee extended a Project Preparation Advance to the Recipient in an amount in various currencies equivalent to eighty four thousand six hundred Special Drawing Rights (SDR 84,600) to assist the Recipient in the preparation of the Project;

WHEREAS (D) the Recipient, having satisfied itself as to the feasibility and priority of the Project described in Schedule 2 to this Agreement, has requested

assistance from the resources of the GET in the financing of the Project, and the Trustee has determined that such assistance would be in accordance with the provisions of the Resolution; and

WHEREAS the Trustee has agreed, on the basis, inter alia, of the foregoing, to extend the GET Grant to the Recipient 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. (a) The following provisions of the General Conditions Applicable to Loan and Guarantee Agreements of the Bank, dated January 1, 1985, with the modifications set forth in paragraph (b) of this Section (the General Conditions) constitute an integral part of this Agreement:

- (i) Article I;
- (ii) Sections 2.01 (1), (2), (3), (4), (6), (8), (9), (10), (11), (15), (18) and (20), 2.02 and 2.03;
- (iii) Section 3.01;
- (iv) Section 4.01 and the first sentence of Section 4.09;
- (v) Article V;
- (vi) Sections 6.01, 6.02 (a), (c), (d), (e), (f), (i) and (k), 6.03, 6.04 and 6.06;
- (vii) Section 8.01 (b);
- (viii) Sections 9.01 (a) and (c), 9.04, 9.05, 9.06, 9.07, 9.08 and 9.09;
- (ix) Sections 10.01, 10.03 and 10.04;
- (x) Article XI; and
- (xi) Section 12.04.

(b) The General Conditions shall be modified as follows:

- (i) a new paragraph shall be added to the end of Section 2.01 to read as follows: "the term "Special Drawing Rights" and the symbol "SDR" mean special drawing rights as valued by the International Monetary Fund in accordance with its Articles of Agreement";
- (ii) the term "Bank", wherever used in the General Conditions, other than in Sections 2.01 (8) and 6.02 (f) thereof and the last use of such term in Section 5.01 thereof, means the Trustee;
- (iii) the term "Borrower", wherever used in the General Conditions, means the Recipient;
- (iv) the term "Loan Agreement", wherever used in the General Conditions, means this Agreement;
- (v) the term "Loan" and "loan" wherever used in the General Conditions, means the GET Grant; and
- (vi) the term "Loan Account" wherever used in the General Conditions, means the GET Grant Account.

Section 1.02. Wherever used in this Agreement, 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) "ANN" means the National Agency for the Conservation of Nature of the

Recipient (Agence Nationale pour la Conservation de la Nature), a public authority of the Recipient established pursuant to Executive Decree No. 91-33 of the Recipient, dated February 9, 1991, as the same may be amended from time to time;

(b) "Banque d'Algérie" means the Bank of Algeria, the Recipient's central bank, established and operating pursuant to Law No. 90-10 of the Recipient, dated April 14, 1990, as the same may be amended from time to time;

(c) "Beneficiaries" means the farmers and livestock owners currently domiciled in the Project Area, as this term is hereafter defined;

(d) "COP" means the steering committee for EKNP, as this term is hereafter defined (Conseil d'Orientation du Parc), a committee established pursuant to Decree No. 83-458 of the Recipient, dated July 23, 1983, as the same may be amended from time to time;

(e) "EID" means the Department of Environmental Inspection within the El-Tarf Wilaya established pursuant to Executive Decree No. 93-183 of the Recipient, dated July 27, 1993, as the same may be amended from time to time;

(f) "EKNP" means El Kala National Park, a public authority of the Recipient operating pursuant to Decree No. 83-458 of the Recipient, dated July 23, 1983, as the same may be amended from time to time;

(g) "Fiscal Year" means the fiscal year of the Recipient commencing on January 1 and ending on December 31;

(h) "Interministerial Committee" means the interministerial committee established pursuant to Decree No. 277-SM of the Recipient, dated December 29, 1991, as the same may be amended from time to time;

(i) "Management Plan" means the plan referred to in Section 3.03 (a) of this Agreement;

(j) "PIU" means the Project Implementation Unit established pursuant to Order No. 2105 of the Director General of ANN, dated October 30, 1993, as the same may be amended from time to time;

(k) "Project Area" means the area of the Recipient's territory where EKNP and the Wetland Complex, as the latter term is hereafter defined, are located;

(l) "Ramsar Convention" means the Convention on Wetlands of International Importance Especially as Waterfowl Habitat, signed in Ramsar, Islamic Republic of Iran, on February 2, 1971, as amended by the Paris Protocol dated March 12, 1982, and to which the Recipient is a Contracting Party;

(m) "Special Account" means the account referred to in Section 2.02 (b) of this Agreement;

(n) "UNESCO Action Plan" means the UNESCO Action Plan for Biosphere Reserves agreed upon between the United Nations Educational, Scientific and Cultural Organization and the Recipient on March 4, 1984;

(o) "Wetland Complex" means the wetland and hydrological complex adjacent to EKNP; and

(p) "Wilaya" means an administrative division of the Recipient organized pursuant to the Recipient's Wilaya Law (Loi Relative à la Wilaya) No. 90-09, dated April 7, 1990, as the same may be amended from time to time.

ARTICLE II

The GET Grant

Section 2.01. The Trustee agrees to make available to the Recipient, on the terms and conditions set forth or referred to in this Agreement, the GET Grant in an amount in various currencies equivalent to six million seven hundred thousand Special Drawing Rights (SDR 6,700,000).

Section 2.02. (a) The amount of the GET Grant may be withdrawn from the GET Grant Account in accordance with the provisions of Schedule 1 to this Agreement for expenditures made (or, if the Trustee shall so agree, to be made) in respect of the

reasonable cost of goods and services required for carrying out the Project and to be financed out of the proceeds of the GET Grant.

(b) The Recipient shall, for the purposes of the Project, open and maintain in dollars a special deposit account in Banque d'Algérie on terms and conditions satisfactory to the Trustee. Deposits into, and payments out of, said deposit account shall be made in accordance with the provisions of Schedule 5 to this Agreement.

Section 2.03. The Closing Date shall be December 31, 1997, or such later date as the Trustee shall establish. The Trustee shall promptly notify the Recipient of such later date.

ARTICLE III

Execution of the Project

Section 3.01. (a) The Recipient 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 ANN, with due diligence and efficiency and in conformity with appropriate administrative, financial, engineering and economic practices and with due regard to ecological and environmental factors, 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 Recipient and the Trustee shall otherwise agree, the Recipient 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 Trustee 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 GET Grant shall be governed by the provisions of Schedule 3 to this Agreement.

Section 3.03. (a) The Recipient shall prepare and furnish to the Trustee for its review and comments, not later than June 30, 1995, a plan to update, on the basis of preservation and developmental criteria, the zoning of EKNP and the Wetland Complex, and to assign to each zone within EKNP and the Wetland Complex (i) objectives; (ii) human, financial and technical resources to meet said objectives; and (iii) a supervising authority.

(b) The Recipient shall take all measures necessary to ensure that contracts for the provision of goods and consultants' services under Parts A.4 and A.5 of the Project shall be awarded only after the Recipient has completed, to the satisfaction of the Trustee, the preparation of the plan referred to under Section 3.03 (a).

Section 3.04. The Recipient and the Trustee shall, not later than October 31, 1995, jointly carry out a mid-term review to assess the progress in the implementation of the Project, and, thereafter, the Recipient shall take all action which the Recipient and the Trustee shall have agreed is required on the Recipient's part for the attainment of the objectives of the Project.

Section 3.05. Without prejudice to the provisions of Section 9.07 of the General Conditions, the Recipient shall prepare and furnish to the Trustee, not later than January 31 and July 31 in each Fiscal Year until completion of the Project, a report describing, in such detail as the Trustee shall reasonably request, the progress achieved in the implementation of the Project.

Section 3.06. The Recipient shall prepare, under terms of reference which shall have been agreed with the Trustee, and furnish to the Trustee, not later than October 31, 1995, a study to identify and evaluate alternative means to recover EKNP's recurrent costs.

ARTICLE IV

Financial Covenants

Section 4.01. (a) The Recipient shall maintain records and separate accounts adequate to reflect in accordance with sound accounting practices the operations, resources and expenditures in respect of the Project.

(b) The Recipient 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 Trustee;
 - (ii) furnish to the Trustee, as soon as available, but in any case not later than nine 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 Trustee shall have reasonably requested; and
 - (iii) furnish to the Trustee, such other information concerning said records and accounts and the audit thereof as the Trustee shall from time to time reasonably request.
- (c) For all expenditures with respect to which withdrawals from the GET Grant Account were made on the basis of statements of expenditure, the Recipient 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 Trustee has received the audit report for the Fiscal Year in which the last withdrawal from the GET Grant Account was made, all records (contracts, orders, invoices, bills, receipts and other documents) evidencing such expenditures;
 - (iii) enable the Trustee'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

Effectiveness; Termination

Section 5.01. The following events are specified as conditions to the effectiveness of the GET Grant Agreement:

- (a) the Special Account has been opened in accordance with the provisions of Section 2.02 (b) of this Agreement; and
- (b) twenty (20) individuals have been recruited to work as forest rangers at EKNP.

Section 5.02. 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 VI

Representatives of the Recipient; Addresses

Section 6.01. The Minister of Finance of the Recipient is designated as representative of the Recipient for the purposes of Section 11.03 of the General Conditions.

Section 6.02. The following addresses are specified for the purposes of Section 11.01 of the General Conditions:

For the Recipient:

Ministry of Finance
Zighout Youssef Palace
Algiers
Democratic and Popular Republic of Algeria

Telex:

67073

For the Trustee:

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

Cable address:

INTBAFRAD
Washington, D.C.

Telex:

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

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.

DEMOCRATIC AND POPULAR REPUBLIC OF ALGERIA

By /s/ Nourredine Zerhouni

Authorized Representative

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT as Trustee of
the Global Environment Trust Fund

By /s/ Daniel G. Ritchie

Acting Regional Vice President
Middle East and North Africa

SCHEDULE 1

Withdrawal of the Proceeds of the GET Grant

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

Category	Amount of the Get Grant Allocated (Expressed in SDR Equivalent)	% of Expenditures to be Financed
(1) Civil works	2,244,700	70%
(2) Goods under Parts A, B, C.1 and D of the Project	1,614,700	100% of foreign expenditures, 100% of local expenditures (ex-factory cost) and 85% of local expenditures for

other items
procured locally

(3)	Consultants' services and training	2,136,000	100%
(4)	Goods, per diem and travel allowances under Part C.2 of the Project	72,400	100%
(5)	Unallocated	632,200	
	TOTAL	6,700,000	

2. 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.

3. If the Trustee shall have determined at any time that any payment made from the GET Grant Account was used for any expenditure not consistent with the provisions of this Agreement, the Recipient shall, promptly upon notice from the Trustee, refund to the Trustee for deposit into the GET Grant Account an amount equal to the amount so used or the portion thereof as specified by the Trustee.

SCHEDULE 2

Description of the Project

The objectives of the Project are to: (a) mitigate the degradation of biodiversity within EKNP and the Wetland Complex; (b) assist the El-Tarf Wilaya in the establishment of a methodology and procedures for the preparation of environmental impact assessment studies; and (c) develop a model approach for the management and rational use of natural resources in populated protected areas of the Recipient.

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

Part A: Protected Areas Management

1. Carrying out studies designed to improve EKNP's management and monitoring of lake hydrology, biological inventories, water pollution, eco-tourism and agricultural and forestry systems.
2. Carrying out studies to evaluate the sustainability of future use of the Recipient's natural resources.
3. Carrying out priority rehabilitation works at EKNP and the Wetland Complex to prevent further environmental degradation.
4. Upgrading EKNP's infrastructure through the construction of a main building, three (3) visitor houses and marine park headquarters, and the rehabilitation of twenty one (21) existing forest warden houses.
5. Training the staff of EKNP in natural resource management and protected area conservation and management.
6. Provision of necessary equipment and vehicles to the staff of EKNP.

Part B: Environmental Monitoring and Adaptive Research

1. Establishment of a geographical information system to enhance the environmental monitoring capabilities of ANN, EKNP, and the El-Tarf Wilaya, and to promote the use of environmental data.
2. Strengthening the environmental impact assessment capabilities of the El-Tarf Wilaya.
3. Carrying out an adaptive research program to educate the Beneficiaries on sustainable use of natural resources, such program to include the rehabilitation of a

biology research center, including the housing facilities related thereto, and the construction of an environmental observatory in Cap Segleb.

Part C: Environmental Education Programs

1. Development and carrying out of environmental education and public awareness programs to educate the staff of the Recipient's agencies, as well as the Beneficiaries and the local population residing in the Project Area, about the environment. Said programs shall include the rehabilitation of an ecomuseum and the construction of five (5) information centers and a visitor center.

2. Carrying out specific environmental conservation sub-projects through Beneficiaries and non-governmental organizations.

Part D: Institutional Strengthening

1. Strengthening the capabilities of ANN, EKNP and the El-Tarf Wilaya to assess and monitor the impact on the environment of developmental projects located in the Project Area.

2. Carrying out a review of the Recipient's legal framework governing national resources.

* * *

The Project is expected to be completed by March 31, 1997.

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 1992 (the Guidelines).

(a) For fixed-price contracts, the invitation to bid referred to in paragraph 2.13 of the Guidelines shall provide that, when contract award is delayed beyond the original bid validity period, the successful bidder's bid price will be increased for each week of delay by two predisclosed correction factors set forth in the bidding documents and acceptable to the Trustee, one to be applied to all foreign currency components and the other to the local currency component of the bid price. Such an increase shall not be taken into account in the bid evaluation.

(b) In the procurement of goods in accordance with Part A.1, the Recipient shall use the relevant standard bidding documents issued by the Trustee, with modifications thereto as the Trustee shall have agreed to be necessary for the purposes of the Project. Where no relevant standard bidding documents have been issued by the Trustee, the Recipient shall use bidding documents based on other internationally recognized standard forms agreed by the Trustee.

2. To the extent practicable, contracts for the procurement of goods shall be grouped into bid packages estimated to cost the equivalent of \$300,000 or more.

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 the territory of the Recipient 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. Civil works estimated to cost the equivalent of \$3,100,000, and goods estimated to cost less than the equivalent of \$200,000 per contract, up to an aggregate amount not to exceed the equivalent of \$500,000, may be procured under contracts awarded on the basis of competitive bidding, advertised locally, in accordance with procedures satisfactory to the Trustee.

2. Scientific and office equipment, and vehicles' spare parts, estimated to cost less than the equivalent of \$100,000 per contract, up to an aggregate amount not to exceed the equivalent of \$200,000, may be procured under contracts awarded on the basis of comparison of price quotations solicited from a list of at least three suppliers from at least two different countries eligible under the Guidelines, in accordance with procedures acceptable to the Trustee.

Part D: Review by the Trustee of Procurement Decisions

1. Review of invitations to bid and of proposed awards and final contracts:

(a) With respect to each contract for goods procured pursuant to the provisions of Part A.1 hereof, 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 Trustee pursuant to said paragraph 2 (d) shall be furnished to the Trustee 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, said 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 Trustee pursuant to said paragraph 3 shall be furnished to the Trustee 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 GET Grant 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 Recipient in carrying out the Project, the Recipient shall employ consultants whose qualifications, experience and terms and conditions of employment shall be satisfactory to the Trustee. Such consultants shall be selected in accordance with principles and procedures satisfactory to the Trustee 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 "Consultants Guidelines"). For complex, time-based assignments, the Recipient shall employ such consultants under contracts using the standard form of contract for consultants' services issued by the Trustee, with such modifications as shall have been agreed with the Trustee. Where no relevant standard contract documents have been issued by the Trustee, the Recipient shall use other standard forms agreed with the Trustee.

2. Notwithstanding the provisions of paragraph 1 of this Section, the provisions of the Consultants' Guidelines requiring prior Trustee approval of budgets, short lists, selection procedures, letters of invitation, proposals, evaluation reports and contracts shall not apply to contracts estimated to cost less than \$50,000 equivalent each. However, this exception to prior Trustee review shall not apply to the terms of reference of such contracts nor to the employment of individuals, to single source selection of firms, to assignments of critical nature as reasonably determined by the Trustee and to amendments of contracts raising the contract value to \$50,000 or above.

SCHEDULE 4

Implementation Program

A. Project Implementation

The Recipient shall vest ANN with the overall responsibility for implementation of the Project and shall, for this purpose, maintain PIU within ANN to assist the latter in the implementation of the Project.

B. Project Coordination

The Recipient shall ensure that the Interministerial Committee and COP shall be responsible for coordinating the implementation of the Project at the national level

and local level, respectively.

C. Parts A.1, A.2 and A.3 of the Project

The Recipient shall ensure that Parts A.1, A.2 and A.3 of the Project shall be carried out in accordance with applicable international guidelines provided for under the Ramsar Convention and the UNESCO Action Plan.

D. Part B.2 of the Project

In order to achieve the objectives of Part B.2 of the Project, the Recipient shall, not later than June 30, 1995, expand the composition of EID in accordance with guidelines satisfactory to the Trustee.

E. Part C.2 of the Project

In order to achieve the objectives of Part C.2 of the Project, the Recipient shall ensure that proposals to carry out environmental conservation sub-projects shall be evaluated and awards shall be made in accordance with criteria agreed upon between the Recipient and the Trustee.

F. Forest Guides

The Recipient shall, not later than June 30, 1994, take all measures necessary, to recruit fifteen (15) individuals to work as forest guides at EKNP.

SCHEDULE 5

Special Account

1. For the purposes of this Schedule:

(a) the term "eligible Categories" means 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 GET Grant 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 \$500,000 to be withdrawn from the GET Grant 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 Trustee 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 Recipient shall furnish to the Trustee 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 Trustee shall, on behalf of the Recipient, withdraw from the GET Grant Account and deposit in the Special Account such amount or amounts as the Recipient shall have requested.

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

(ii) Prior to or at the time of each such request, the Recipient shall furnish to the Trustee 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 Trustee shall, on behalf of the Recipient, withdraw from the GET Grant Account and deposit into the Special Account such amount as the Recipient 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 Trustee

from the GET Grant 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 Recipient out of the Special Account, the Recipient shall, at such time as the Trustee shall reasonably request, furnish to the Trustee 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 Trustee shall not be required to make further deposits into the Special Account:

(a) if, at any time, the Trustee shall have determined that all further withdrawals should be made by the Recipient directly from the GET Grant 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 GET Grant allocated to the eligible Categories, less the amount of any outstanding special commitment entered into by the Trustee 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 GET Grant Account of the remaining unwithdrawn amount of the GET Grant allocated to the eligible Categories shall follow such procedures as the Trustee shall specify by notice to the Recipient. Such further withdrawals shall be made only after and to the extent that the Trustee 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 Trustee 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 Trustee, the Recipient shall, promptly upon notice from the Trustee: (A) provide such additional evidence as the Trustee may request; or (B) deposit into the Special Account (or, if the Trustee shall so request, refund to the Trustee) an amount equal to the amount of such payment or the portion thereof not so eligible or justified. Unless the Trustee shall otherwise agree, no further deposit by the Trustee into the Special Account shall be made until the Recipient has provided such evidence or made such deposit or refund, as the case may be.

(b) If the Trustee 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 Recipient shall, promptly upon notice from the Trustee, refund to the Trustee such outstanding amount.

(c) The Recipient may, upon notice to the Trustee, refund to the Trustee all or any portion of the funds on deposit in the Special Account.

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

