

CONFORMED COPY

INTERIM FUND CREDIT NUMBER N022 IVC

Interim Fund  
Development Credit Agreement

(Rural Land Management and Community Infrastructure Development Project)

between

REPUBLIC OF COTE D'IVOIRE

and

INTERNATIONAL DEVELOPMENT ASSOCIATION  
as Administrator of the interim trust fund  
established with funds contributed  
by certain members of  
International Development Association  
pursuant to Resolution No. IDA 184  
of the Board of Governors of  
International Development Association

Dated July 9, 1997

INTERIM FUND CREDIT NUMBER N022 IVC

INTERIM FUND DEVELOPMENT CREDIT AGREEMENT

AGREEMENT, dated July 9, 1997, between REPUBLIC OF COTE D'IVOIRE (the Borrower) and INTERNATIONAL DEVELOPMENT ASSOCIATION (the Association) as administrator (the Administrator) of the interim trust fund (Interim Fund) established with funds contributed by certain members of the Association pursuant to Resolution No. IDA 184 (the Interim Fund Resolution) of the Board of Governors of the Association, adopted on June 26, 1996.

WHEREAS (A) by the Interim Fund Resolution the Interim Fund has been established, constituted of the funds contributed by certain members of the Association and administered by the Association acting as Administrator of the Interim Fund, in accordance with the provisions of the Interim Fund Resolution;

(B) the Borrower, having satisfied itself as to the feasibility and priority of the Project described in Schedule 2 to this Agreement, has requested the Administrator to assist in the financing of the Project through the provision of resources from the Interim Fund, and the Administrator has determined that such assistance would be in accordance with the provisions of the Interim Fund Resolution;

(C) the Administrator has received a letter dated February 19, 1997, from the Borrower describing a program of actions, objectives and

policies designed to improve rural land management and community infrastructure development (the Program) and declaring the Borrower's commitment to the execution of the Program;

(D) the Borrower intends to contract from Caisse Française de Développement (CFD) a loan (the CFD Loan) in an approximate amount of fifty-nine million French francs (FF 59,000,000) to assist in financing Part A of the Project on the terms and conditions set forth in an agreement (the CFC Loan Agreement) to be entered into between the Borrower and CFD; and

WHEREAS the Administrator has agreed, on the basis, inter alia, of the foregoing, to extend the Interim Fund 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 modifications set forth below (the General Conditions) constitute an integral part of this Agreement:

(a) the term "Association", wherever used in the General Conditions means the International Development Association acting as Administrator of the Interim Fund referred to in the Preamble to the Interim Fund Development Credit Agreement;

(b) the terms "Development Credit Agreement", "Credit" and "Credit Account", wherever used in the General Conditions, are amended to read "Interim Fund Development Credit Agreement", "Interim Fund Credit" and "Interim Fund Credit Account", respectively;

(c) a new paragraph, numbered 15, is added to Section 2.01 to read as follows:

"15. 'Participating Country' means any country that meets the requirements set forth in Section 5(e) of Resolution No. IDA 184 of the Board of Governors of the Association, adopted on June 26, 1996, as determined by the Administrator from time to time; and 'Participating Countries' means, collectively, all such countries.";

(d) the last sentence of Section 3.02 is deleted;

(e) the second sentence of Section 5.01 is modified to read:

"Except as the Borrower and the Administrator shall otherwise agree, no withdrawals shall be made: (a) on account of expenditures in the territories of any country which is not a Participating Country or for goods produced in, or services supplied from, such territories; or (b) for the purpose of any payment to persons or entities, or for any import of goods, if such payment or import, to the knowledge of the Administrator, is prohibited by a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations.";

(f) in Sections 6.02 and 7.01 of the General Conditions, the term "Association" shall also mean the International Development Association acting in its own capacity; and

(g) Section 6.03 is modified to read as follows:

"Section 6.03. Cancellation by the Administrator. If (a)

the right of the Borrower to make withdrawals from the Interim Fund Credit Account shall have been suspended with respect to any amount of the Interim Fund Credit for a continuous period of thirty days, or (b) at any time, the Administrator determines, after consultation with the Borrower, that an amount of the Interim Fund Credit will not be required to finance the Project's costs to be financed out of the proceeds of the Interim Fund Credit, or (c) at any time the

Administrator determines, with respect to any contract to be financed out of the proceeds of the Interim Fund Credit, that corrupt or fraudulent practices were engaged in by representatives of the Borrower or of a beneficiary of the Interim Fund Credit during the procurement or the execution of such contract, without the Borrower having taken timely and appropriate action satisfactory to the Administrator to remedy the situation, and

establishes the amount of expenditures in respect of such contract which would otherwise have been eligible for financing out of the proceeds of the Interim Fund Credit, or (d) at any time, the Administrator determines that the procurement of any contract to be financed out of the proceeds of the Interim Fund Credit is inconsistent with the procedures set forth or referred to in the Interim Fund Credit Agreement and establishes the amount of

expenditures in respect of such contract which would otherwise have been eligible for financing out of the proceeds of the Interim Fund Credit, or (e) after the Closing Date, an amount of the Interim Fund Credit shall remain unwithdrawn from the Interim Fund Credit

Account, the Administrator may, by notice to the Borrower, terminate the right of the Borrower to make withdrawals with respect to such amount. Upon the giving of such notice, such amount of the Interim Fund Credit shall be canceled."

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) "CFA Franc" or "CFAF" means the currency of the Borrower;
- (b) "Special Accounts" means the accounts referred to in Section 2.02 (b) of this Agreement;
- (c) "CAA" means Caisse Autonome d'Amortissement, a public financial institution of the Borrower;
- (d) "Project Accounts" means the accounts referred to in Section 3.02 of this Agreement;
- (e) "Project Preparation Advance" means the project preparation advance granted by the Association to the Borrower pursuant to an exchange of letters dated November 14, 1996 and December 27, 1996 between the Borrower and the Association;
- (f) "Manual of Procedures" means the manual adopted pursuant to Section 6.01 (a) of this Agreement, outlining the procurement, disbursement and other arrangements for the implementation of the Project, including the policies and procedures for carrying out Part C of the Project;
- (g) "MINAGRA" means Ministère de l'Agriculture et des Ressources Animales, the Borrower's ministry responsible for agriculture;
- (h) "MDPDI" means Ministère délégué auprès du Premier Ministre chargé du Plan et du Développement Industriel, the Borrower's ministry responsible for planning;
- (i) "MIIN" means Ministère de l'Intérieur et de l'Intégration Nationale, the Borrower's ministry responsible for interior;

(j) "Rural Land Tenure Services" means the services of MINAGRA responsible for the management of rural land tenure matters (Affaires Domaniales) at the central and regional levels;

(k) "Steering Committee" means the Project steering committee established by the Borrower's Arrêté No. 40 dated December 3, 1996;

(l) "Coordination Unit" means the Project coordination unit established at the Prime Minister's Office by the Borrower's Arrêté No. 39 dated December 3, 1996;

(m) "Office of Cadaster" means the Direction du Domaine, de la Conservation Foncière, du Cadastre, de l'Enregistrement et du Timbre in the Borrower's ministry responsible for economy and finance;

(n) "Project Area" means the Borrower's Departments of Korhogo, Béoumi, Bouaké, Sakassou, Ferkessedougou, Dakabala, Abengourou, Daloa, Soubré, Bondoukou, Daoukro, Odieuné, Bangolo and any other Department as may be agreed from time to time between the Borrower and the Administrator;

(o) "Plan Foncier Rural" or 'PFR" means the operations initiated by the Borrower in December 1988 under a program aimed at strengthening rural land tenure security in its territories within the framework of its policies designed to modernize agriculture;

(p) "LDP" means a community-based local development plan to be designed with the participation of the rural populations to outline the priority needs at the pays rural (as hereinafter defined) level for sustainable management of agricultural, pasture, forest land and water resources and for the development and maintenance of rural infrastructure;

(q) "Community Micro-project" means a small-scale investment project related to integrated agricultural production systems, improved agricultural production, natural resources management and rural infrastructure development, to be carried out under Part C of the Project in accordance with the policies and procedures set forth in the Manual of Procedures and outlined in Section III of Schedule 4 to this Agreement;

(r) "Beneficiaries" means any of the beneficiaries deriving benefits from a Community Micro-project, directly or indirectly, and referred to in paragraph 1 (b) (i) and (ii) of Section III of Schedule 4 to this Agreement, to whom a Grant is made or proposed to be made;

(s) "Grant" means a non-reimbursable contribution made or proposed to be made by MDPDI out of the proceeds of the Credit to Beneficiaries for a Community Micro-project;

(t) "pays rural" means a village or a group of a few villages established as a planning unit by the Borrower;

(u) "Rural Community" means a communauté rurale including one or several adjoining villages, established as a legal entity and governed by the Borrower's Law No. 95-893 dated October 27, 1995;

(v) "Decentralization Policy" means the Borrower's policy supported by the Borrower's Law No. 95-987, dated October 27 1995 on Orientation sur l'organisation générale de l'Administration territoriale to facilitate the delegation or transfer of State prerogatives to local administrations headed by elected representatives in view of the autonomous management of local populations' affairs;

(w) "BNETD" means Bureau National d'Etudes Techniques et de Développement, a state enterprise established and operating pursuant to the Borrower's Decree No. 94-508 dated September 14, 1994, amended to the

date of this Agreement;

(x) "BNETD-MINAGRA Convention" means the agreement dated April 30, 1997 entered into between MINAGRA and BNETD setting forth the implementation arrangements between MINAGRA and BNETD for the carrying out of Part A of the Project;

(y) "ANADER" means "Agence Nationale d'Appui au Développement Rural established and operating pursuant to the Borrower's Decree No. 93-777 dated September 29, 1993;

(z) "ANADER-MINAGRA Convention" means the agreement dated April 30, 1997 entered into between MINAGRA and ANADER setting forth the implementation arrangements between MINAGRA and ANADER for the carrying out of Part B of the Project;

(aa) "FRAR" means Fonds Régionaux d'Aménagement Rural, a financing scheme for rural infrastructure and agricultural development managed by MDPDI's Direction du Développement Régional; and

(bb) "PNGTFR Framework Agreement" means the agreement dated May 2, 1997 entered into between MINAGRA and MDPDI setting forth the respective obligations of MINAGRA, ANADER and MDPDI, for the carrying out of Parts B and C of the Project.

## ARTICLE II

### The Interim Fund Credit

Section 2.01. The Administrator agrees to lend to the Borrower, on the terms and conditions set forth or referred to in the Interim Fund Development Credit Agreement, an amount in various currencies equivalent to twenty-nine million six hundred thousand Special Drawing Rights (SDR 29,600,000).

Section 2.02. (a) The amount of the Interim Fund Credit may be withdrawn from the Interim Fund Credit Account in accordance with the provisions of Schedule 1 to this Agreement: (i) for expenditures made (or, if the Administrator 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 Interim Fund Credit; and (ii) for amounts paid (or, if the Administrator shall so agree, to be made) by the Borrower on account of withdrawals made by Beneficiaries under a Grant to meet the reasonable cost of goods and services required for the Community Micro-project in respect of which the withdrawal from the Interim Fund Credit Account is requested.

(b) The Borrower may, for the purposes of the Project, open and maintain in CFA Francs three special deposit accounts (Special Account A for the purposes of Parts A and B of the Project, Special Account B for the purposes of Part C of the Project and Special Account C for the purposes of Parts D, E and F of the Project) in CAA on terms and conditions satisfactory to the Administrator. 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 Administrator shall, on behalf of the Borrower, withdraw from the Interim Fund Credit Account and pay to the Association 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 canceled.

Section 2.03. The Closing Date shall be June 30, 2004 or such later date as the Administrator shall establish. The Administrator 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 Interim Fund Credit not withdrawn from time to time at a rate to be set by the Administrator 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 Interim Fund Credit Account or canceled; and (ii) at the rate set as of the June 30 immediately preceding the accrual date and 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 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 Administrator shall reasonably request; (ii) without restrictions of any kind imposed by, or in the territory of, the Borrower; and (iii) in the currency specified in this Agreement for the purposes of Section 4.02 of the General Conditions or in such other eligible currency or currencies as may from time to time be designated or selected pursuant to the provisions of that Section.

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

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

Section 2.07. (a) Subject to paragraphs (b) and (c) below, the Borrower shall repay the principal amount of the Interim Fund Credit in semi-annual installments payable on each January 1 and July 1 commencing July 1, 2007 and ending January 1, 2037. Each installment to and including the installment payable on January 1, 2017 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 per capita gross national product (GNP), as determined by the Association, shall have exceeded for three consecutive years the level established annually by the Association for determining eligibility to access the Association's resources; and (ii) the Bank shall consider the Borrower creditworthy for Bank lending, the Administrator may, subsequent to the review and approval thereof by the Executive Directors of the Association and after due consideration by the Administrator of the development of the Borrower's economy, modify the repayment of installments under paragraph (a) above by: (A) requiring the Borrower to repay twice the amount of each such installment not yet due until the principal amount of the Interim Fund Credit shall have been repaid; and (B) requiring the Borrower to commence repayment of the principal amount of the Interim Fund Credit as of the first semiannual payment date referred to in paragraph (a) above falling six months or more after the date on which the Administrator notifies the Borrower that the events set out in this paragraph (b) have occurred, provided, however, that there shall be a grace period of a minimum of five years on such repayment of principal.

(c) If so requested by the Borrower, the Administrator may revise the modification referred to in paragraph (b) above 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 Administrator on the principal amount of the Interim Fund Credit withdrawn and outstanding from time to time, provided that, in the judgment of the Administrator, such revision shall not change the grant element obtained

under the above-mentioned repayment modification.

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

Section 2.08. The currency of the French Republic is hereby specified for the purposes of Section 4.02 of the General Conditions.

### ARTICLE III

#### Execution of the Project

Section 3.01. (a) The Borrower declares its commitment to the objectives of the Project as set forth in Schedule 2 to this Agreement and, to this end, shall carry out Parts A and B of the Project through MINAGRA, Part C of the Project through MDPDI, and Parts D, E and F of the Project through its Prime Minister's Office, all with due diligence and efficiency and in conformity with appropriate administrative, financial, engineering, environmental, and rural land management 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 Administrator 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. Without any limitation upon the provisions of Section 3.01 of this Agreement, the Borrower shall, for the purposes of making available its counterpart contribution for the financing of the Project:

(a) open and thereafter maintain in CFAF in a CAA an account for Parts A and B of the Project (the MINAGRA Project Account), an account for Part C of the Project (the MDPDI Project Account) and an account for Parts D, E and F of the Project (the Coordination Unit Project Account), all on terms and conditions satisfactory to the Administrator;

(b) deposit an initial contribution of: (i) CFAF fifty million (CFAF 50,000,000) into the MINAGRA Project Account, (ii) CFAF one hundred million (CFAF 100,000,000) into the MDPDI Project Account, and (iii) CFAF twenty-five million (CFAF 25,000,000) into the Coordination Unit Project Account;

(c) thereafter, replenish any of said accounts at least on an annual basis, up to the amount of the initial contribution, or whenever its balance shall be less than the equivalent of CFAF twenty-five million (CFAF 25,000,000) for the MINAGRA Project Account, CFAF fifty million (CFAF 50,000,000) for the MDPDI Project Account and CFAF twelve million five hundred thousand (CFAF 12,500,000) for the Coordination Unit Project Account; and

(d) ensure that the amounts deposited into each of said accounts shall be used exclusively for payments made or to be made in respect of the reasonable cost of goods and services for the Project not otherwise financed by the Interim Fund Credit.

Section 3.03. Except as the Administrator 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 Interim Fund Credit shall be governed by the provisions of Schedule 3 to this

Agreement.

Section 3.04. For the purposes of Section 9.07 of the General Conditions and without limitation thereto, the Borrower shall:

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

(b) afford the Administrator a reasonable opportunity to exchange views with the Borrower on said plan.

#### ARTICLE IV

##### Financial Covenants

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

(b) The Borrower shall:

(i) have the records and accounts referred to in paragraph (a) of this Section, including those for the Special Accounts, for each fiscal year audited, in accordance with appropriate auditing principles consistently applied, by independent auditors acceptable to the Administrator;

(ii) furnish to the Administrator as soon as available, but in any case not later than six months after the end of each such year, the report of such audit by said auditors, of such scope and in such detail as the Administrator shall have reasonably requested; and

(iii) furnish to the Administrator such other information concerning said records and accounts and the audit thereof as the Administrator shall from time to time reasonably request.

(c) For all expenditures with respect to which withdrawals from the Interim Fund 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 Administrator has received the audit report for the fiscal year in which the last withdrawal from the Interim Fund Credit Account was made, all records (contracts, orders, invoices, bills, receipts and other documents) evidencing such expenditures;

(iii) enable the Administrator'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 Administrator

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

(a) A situation shall have arisen which shall make it improbable that the Program or a significant part thereof will be carried out.

(b) (i) Subject to subparagraph (ii) of this paragraph:

(A) the right of the Borrower to withdraw the proceeds of any grant or loan made to the Borrower for the financing of the Project shall have been suspended, canceled or terminated in whole or in part, pursuant to the terms of the agreement providing therefor; or

(B) any such loan shall have become due and payable prior to the agreed maturity thereof.

(ii) Subparagraph (i) of this paragraph shall not apply if the Borrower establishes to the satisfaction of the Administrator that:

(A) 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

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

#### ARTICLE VI

##### Effective date; Termination Designation of Administrator

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

(a) the Borrower has adopted the Manual of Procedures in form and substance acceptable to the Administrator;

(b) the Borrower has employed the independent auditors referred to in Section 4.01 (b) of this Agreement in accordance with the provisions of Section II of Schedule 3 to this Agreement;

(c) the Borrower has established an accounting and financial management system for the Project, satisfactory to the Administrator;

(d) the Project Accounts have been opened and the initial contributions of CFAF 50,000,000, CFAF 100,000,000 and CFAF 25,000,000 respectively referred to in Section 3.02 (b) of this Agreement have been

deposited into such Accounts;

(e) the work programs for the Project and corresponding budget for the first twelve months after the Effective Date, referred to in Section I (c) of Schedule 4 of this Agreement, have been received and found satisfactory by the Administrator;

(f) the Borrower has issued the bidding documents for works, goods and services estimated to cost more than \$200,000 equivalent per contract, and expected to be procured during the first twelve months after the Effective Date;

(g) the following staff has been employed and has assumed their functions: the financial controller and the monitoring and evaluation specialist of the Coordination Unit and the financial controllers of the central Rural Land Tenure Services, BNETD, ANADER and MDPDI's Direction du Développement Régional, respectively referred to in paragraphs 3 and 4 of Section II of Schedule 4 to this Agreement; and

(h) the Borrower has published in its Journal Officiel the Arrêté Interministériel No. 1027 MINAGRA/MIIN/MEF dated May 2, 1997 on Comités de Gestion Foncière Rurale.

Section 6.02. The date ninety (90) days after the date of this Agreement is hereby specified for the purposes of Section 12.04 of the General Conditions.

Section 6.03. In the event that the Executive Directors of the Association decide to terminate the functions of the Association as administrator of the Interim Fund pursuant to Section 7 of the Interim Fund Resolution, all of the rights and obligations of the Administrator under this Agreement shall be assumed by the Association in accordance with the Interim Fund Resolution and such decision of said Executive Directors, as of a date to be notified by the Administrator to the Borrower.

#### ARTICLE VII

##### Representative of the Borrower; Addresses

Section 7.01. The Minister of the Borrower responsible for finance 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:

Ministry of Economy and Finance  
B.P. V 125  
Abidjan  
Republic of Côte d'Ivoire

Cable address:	Telex:
MINFIN Abidjan	23747 MINFIN

For the Association and the Administrator:

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

Cable address:  
INDEVAS  
Washington, D.C.

Telex:  
248423 (MCI) or  
64145 (MCI)

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 COTE D'IVOIRE

By /s/ Moise Koumoué Koffi  
Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION  
as Administrator of the interim trust fund  
established with  
funds contributed by certain members of  
International Development Association pursuant to  
Resolution No. IDA 184 of the Board of Governors of  
International Development Association

By/s/ Jean-Louis Sarbib  
Regional Vice President  
Africa

SCHEDULE 1

Withdrawal of the Proceeds of the Interim Fund Credit

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

Category	Amount of the Interim Fund Credit Allocated (Expressed in SDR Equivalent)	% of Expenditures to be Financed
(1) Civil works	900,000	80%
(2) Grants for Community 1005 of amounts disbursed	10,500,000	
(3) Vehicles and equipment foreign for: expenditures and local		100% of  80% of

expenditures

(a)	Parts A and B of the Project	3,500,000	
(b)	Part C of the Project	300,000	
(c)	Parts D, E and F of the Project	300,000	
(4)	Consultants' services and training for:		100%
(a)	Parts A and B of the Project	6,500,000	
(b)	Part C of the Project	300,000	
(c)	Parts D, E and F of the Project	1,800,000	
(5)	Operating costs for:		80%
(a)	Parts A and B of the Project	300,000	
(b)	Part C of the Project	300,000	
(c)	Parts D, E and F of the Project	300,000	
(6)	Refund of Project Preparation Advance	1,600,000	Amounts due pursuant to Section 2.02 (c) of the Agreement
(7)	Unallocated	3,000,000	
	TOTAL	29,600,000	

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;

(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; provided, however, that if the currency of the Borrower is also that of another country from the territory of which goods or services are supplied, expenditures in such currency for such goods or services shall be deemed to be "foreign expenditures"; and

(c) the term "operating costs" means the incremental expenses incurred on account of Project implementation, management and monitoring, including office supplies, vehicle operation, travel and supervision costs but excluding salaries of officials of the Borrower's civil service.

3. Notwithstanding the provisions of paragraph 1 above, no withdrawals shall be made:

(a) in respect of payments made for expenditures prior to the date of this Agreement; and

(b) in respect of a Grant under Category (2) of the table in paragraph 1 unless the Grant has been made in accordance with the procedures and on the terms and conditions set forth or referred to in Section III of Schedule 4 to this Agreement.

4. The Administrator may require withdrawals from the Interim Fund Credit Account to be made on the basis of statements of expenditure for expenditures (a) under contracts for goods and civil works not exceeding \$100,000 equivalent, (b) under contracts for the employment of consulting firms not exceeding \$100,000 equivalent, (c) under contracts for the employment of individual consultants not exceeding \$50,000 equivalent, and (d) for Grants not exceeding \$40,000 equivalent per Grant, under such terms and conditions as the Administrator shall specify by notice to the Borrower.

## SCHEDULE 2

### Description of the Project

The objective of the Project is to assist the Borrower in the development of an enabling environment aimed at raising the living standards of its rural population through: (a) improvement of the land tenure system applicable in the Project Area; (b) strengthening the capacity of the people and institutions in said Area to plan, make decisions, govern and manage their affairs at the local level; and (c) supporting small-scale investments for sustainable management of natural resources, agriculture and rural infrastructure.

The Project consists of the following parts, subject to such modifications thereof as the Borrower and the Administrator may agree upon from time to time to achieve such objectives.

#### Part A: Clarification of Land Tenure

Under the framework of the Plan Foncier Rural, in the Project Area:

(a) (i) the carrying out of land and land rights surveys over some two million hectares to produce maps in paper and digital formats and of land tenure documents certifying rural land tenure status; and

(ii) the dissemination of land tenure information and documents at the local and national levels and transfer of said information and documents from the Rural Land Tenure Services to the Office of Cadaster for the purposes of registration.

(b) Updating and management of land tenure data and records, including the training of villagers and Rural Land Tenure Services personnel, the rehabilitation of offices and the acquisition of equipment for said Services.

#### Part B: Strengthening Local Management Capacity

On the basis of maps and land tenure documents produced under Part A (a) of the Project, the carrying out of a program for the preparation of local development plans (LDPs) designed to strengthen community capacities and to identify and make investment proposals for addressing their development constraints, through multi-disciplinary support teams selected by ANADER and the communities concerned, the acquisition of equipment therefor, the provision of training and of technical advisory services.

Part C: Support to Rural Investments

(a) Provision of Grants for financing, through FRAR, the carrying out of Community Micro-projects.

(b) (i) Rehabilitation of, and acquisition of equipment for, FRAR office facilities;

(ii) provision of technical advisory services for the introduction of performance monitoring and streamlined procedures within FRAR; and

(iii) strengthening FRAR human resources capacity in the areas where Community Micro-projects shall be carried out, through the provision of technical advisory services.

Part D: Support to Decentralization

(a) Improvement of office facilities and the acquisition of small office equipment for Rural Communities.

(b) (i) Provision of technical advisory services to MIIN to support it in the implementation of the Borrower's Decentralization Policy and of the management framework for Rural Communities;

(ii) the carrying out of public information campaigns on the role and financial and administrative functions of Rural Communities; and

(iii) the carrying out of a training program for staff of Rural Communities and local administrations in the Project Area on financial and administrative procedures related to the implementation of the Borrower's Decentralization Policy.

Part E: Project Coordination

Strengthening the operational capacity of the Coordination Unit, through the provision of technical advisory services and the acquisition of equipment for said Unit including the Office of Cadaster.

Part F: Environmental Mitigation Monitoring

Carrying out environmental monitoring activities to ensure that the Project is carried out in an environmentally sound manner, through the provision of technical advisory services.

\* \* \*

The Project is expected to be completed by December 31, 2003.

SCHEDULE 3

Procurement and Consultants' Services

Section I. Procurement of Good and Works

Part A: General

Subject to the eligibility restrictions set forth in Section III of this Schedule, goods and works shall be procured in accordance with the provisions of Section I of the "Guidelines for Procurement under IBRD Loans and IDA Credits" published by the Bank in January 1995 and revised in January and August 1996 (the Guidelines) and the following provisions

of Section I of this Schedule.

Part B: International Competitive Bidding

1. Except as otherwise provided in Part C of this Section, goods and works, including service contracts for aerial surveys under Part A of the Project, shall be procured under contracts awarded in accordance with the provisions of Section II of the Guidelines and paragraph 5 of Appendix 1 thereto.

2. The following provisions shall apply to goods and works to be procured under contracts awarded in accordance with the provisions of paragraph 1 of this Part B:

(a) Grouping of contracts

To the extent practicable, contracts for goods shall be grouped in bid packages estimated to cost \$150,000 equivalent or more each.

(b) Preference for domestically manufactured goods

The provisions of paragraphs 2.54 and 2.55 of the Guidelines and Appendix 2 thereto shall apply to goods manufactured in the territory of the Borrower.

Part C: Other Procurement Procedures

1. National Competitive Bidding

Works estimated to cost more than \$40,000 but less than \$120,000 equivalent per contract, up to an aggregate amount not to exceed \$3,800,000 equivalent, and goods estimated to cost less than \$150,000 equivalent per contract, up to an aggregate amount not to exceed \$1,300,000 equivalent, and service contracts related to field land surveys and community development support under Parts A and B of the Project, estimated to cost less than \$200,000 equivalent per contract, may be procured under contracts awarded in accordance with the provisions of paragraphs 3.3 and 3.4 of the Guidelines.

2. National Shopping

Goods estimated to cost less than \$50,000 equivalent per contract, up to an aggregate amount not to exceed \$1,300,000 equivalent, may be procured under contracts awarded on the basis of national shopping procedures in accordance with the provisions of paragraphs 3.5 and 3.6 of the Guidelines.

3. Community Participation

Works estimated to cost \$40,000 or less equivalent per contract, up to an aggregate amount not to exceed \$14,700,000 equivalent, shall be procured in accordance with procedures acceptable to the Administrator in accordance with the provisions of paragraph 3.15 of the Guidelines.

Part D: Review by the Administrator of Procurement Decisions

1. Procurement Planning

Prior to the issuance of any invitations to prequalify for bidding or to bid for contracts, the proposed procurement plan for the Project shall be furnished to the Administrator for its review and approval, in accordance with the provisions of paragraph 1 of Appendix 1 to the Guidelines. Procurement of all goods and works shall be undertaken in accordance with such procurement plan as shall have been approved by the Administrator, and with the provisions of said paragraph 1.

## 2. Prior Review

(a) With respect to each contract under Parts B and C.1 of Section I of this Schedule, estimated to cost the equivalent of \$100,000 or more, and the first fifteen contracts under Part C.3 of Section I of this Schedule, the procedures set forth in paragraphs 2 and 3 of Appendix 1 to the Guidelines shall apply.

(b) With respect to each contract estimated to cost the equivalent of \$50,000 or more, the following procedures shall apply:

(i) prior to the selection of any supplier/execution of any contract under shopping procedures, the Borrower shall provide to the Administrator a report on the comparison and evaluation of quotations received;

(ii) prior to the execution of any contract procured under direct contracting or shopping procedures, the Borrower shall provide to the Administrator a copy of the specifications and the draft contract; and

(iii) the procedures set forth in paragraphs 2(f), 2(g) and 3 of Appendix 1 to the Guidelines shall apply.

## 3. Post Review

With respect to each contract not governed by paragraph 2 of this Part, the procedures set forth in paragraph 4 of Appendix 1 to the Guidelines shall apply.

## Section II. Employment of Consultants

### Part A: General

Subject to the eligibility restrictions set forth in Section III of this Schedule, consultants' services shall be procured in accordance with the provisions of the Introduction and Section IV of the "Guidelines: Selection and Employment of Consultants by World Bank Borrowers" published by the Bank in January 1997 (the Consultant Guidelines) and the following provisions of Section II of this Schedule.

### Part B: Quality- and Cost-based Selection

1. Except as otherwise provided in Part C of this Section, consultants' services shall be procured under contracts awarded in accordance with the provisions of Section II of the Consultant Guidelines, paragraph 3 of Appendix 1 thereto, Appendix 2 thereto, and the provisions of paragraphs 3.13 through 3.18 thereof applicable to quality- and cost-based selection of consultants.

2. The following provisions shall apply to consultants' services to be procured under contracts awarded in accordance with the provisions of the preceding paragraph. The short list of consultants for services for the Project, estimated to cost less than \$100,000 equivalent per contract, may comprise entirely national consultants in accordance with the provisions of paragraph 2.7 of the Consultant Guidelines.

### Part C: Other Procedures for the Selection of Consultants

#### 1. Selection Under a Fixed Budget

Services for small contracts estimated to cost less than \$50,000 equivalent per contract, related to simple engineering designs and mapping works under Parts A and C of the Project may be procured under contracts awarded in accordance with the provisions of paragraphs 3.1 and 3.5 of the Consultant Guidelines.



## 2. Selection Based on Consultants' Qualifications

Services for contracts to be implemented in rural areas for environmental impact assessment and monitoring and for other contracts where the need for preparing and evaluating a competitive proposal is not justified, under Parts A, B, C and F of the Project, estimated to cost less than \$50,000 equivalent per contract for individual consultants and \$100,000 equivalent per contract for consulting firms, may be procured under contracts awarded in accordance with the provisions of paragraphs 3.1 and 3.7 of the Consultant Guidelines.

## 3. Single Source Selection

Services for institutional conflict resolution, for updating inter-agency collaboration agreements and procedures, and for specialized training in facilitating community development, under Parts A, B, C, D and E of the Project, estimated to cost less than \$50,000 equivalent per contract for individual consultants and \$100,000 equivalent per contract for consulting firms, may, with the Administrator's prior agreement, be procured in accordance with the provisions of paragraphs 3.8 through 3.11 of the Consultant Guidelines.

## 4. Individual Consultants

Services for consultants and other contractual staff employed in Project implementation agencies and units under Parts A, B, C and E of the Project for tasks that meet the requirements set forth in paragraph 5.1 of the Consultant Guidelines may, with the Administrator's prior agreement, be procured under contracts awarded to individual consultants in accordance with the provisions of paragraphs 5.1 through 5.3 of the Consultant Guidelines.

## Part D: Review by the Administrator of the Selection of Consultants

### 1. Selection Planning

Prior to the issuance to consultants of any requests for proposals, the proposed plan for the selection of consultants under the Project shall be furnished to the Administrator for its review and approval, in accordance with the provisions of paragraph 1 of Appendix 1 to the Consultant Guidelines. Selection of all consultants' services shall be undertaken in accordance with such selection plan as shall have been approved by the Administrator, and with the provisions of said paragraph 1.

### 2. Prior Review

(a) With respect to each contract for the employment of consulting firms estimated to cost the equivalent of \$100,000 or more, but less than the equivalent of \$200,000, the procedures set forth in paragraphs 1, 2 (other than the second subparagraph of paragraph 2(a)) and 5 of Appendix 1 to the Consultant Guidelines shall apply.

(b) With respect to each contract for the employment of consulting firms estimated to cost the equivalent of \$200,000 or more and each contract for the employment of individual consultants estimated to cost the equivalent of \$50,000 or more, the procedures set forth in paragraphs 1, 2 (other than the third subparagraph of paragraph 2(a)) and 5 of Appendix 1 to the Consultant Guidelines shall apply.

### 3. Post Review

With respect to each contract not governed by paragraph 2 of this Part, the procedures set forth in paragraph 4 of Appendix 1 to the Guidelines shall apply.

### Section III. Eligibility Restrictions

1. Notwithstanding the provisions of paragraph 1.6 of the Guidelines, the proceeds of the Interim Fund Credit may only be withdrawn on account of expenditures for goods and works provided by nationals of, and produced in or supplied from, Participating Countries; consequently, nationals of countries that are not Participating Countries and bidders offering goods and works from such countries shall be disqualified from bidding for such contracts, and the bidding documents shall so specify.

2. Notwithstanding the provisions of paragraph 1.10 of the Consultant Guidelines, only consultants from Participating Countries shall be eligible to provide services financed out of the proceeds of the Interim Fund Credit.

### SCHEDULE 4

#### Implementation Program

#### Section I: General

(a) For the purposes of carrying out the Project, the Borrower shall apply the policies, procedures and arrangements specified in the Manual of Procedures. Except as otherwise agreed with the Administrator, the Borrower: (i) shall not amend the Manual of Procedures in a manner which, in the opinion of the Administrator, would materially affect the implementation of the Project; and (ii) shall not concur in any action which would have the effect of amending, abrogating, assigning or waiving the BNETD-MINAGRA Convention, the ANADER-MINAGRA Convention or the PNGTER Framework Agreement.

(b) Part A of the Project shall be carried out by MINAGRA through BNETD in accordance with the terms and conditions of the BNETD-MINAGRA Convention and Part B of the Project shall be carried out by MINAGRA through ANADER in accordance with the terms and conditions of the ANADER-MINAGRA Convention.

(c) Not later than October 31 of each year, the Borrower shall furnish to the Administrator, for its review and approval, detailed work programs and budgets in respect of Project activities for the forthcoming year.

(d) The Borrower shall:

(i) maintain policies and procedures adequate to enable it to monitor and evaluate on an ongoing basis, in accordance with the indicators agreed upon between the Borrower and the Administrator, the carrying out of the Project and the achievement of the objectives thereof;

(ii) prepare, under terms of reference satisfactory to the Administrator, and furnish to the Administrator, on or about October 31 of each year, a report integrating the results of the monitoring and evaluation activities performed pursuant to subparagraph (i) of this paragraph, on the progress achieved in the carrying out of the Project during the period preceding the date of said report and setting out the measures recommended to ensure the efficient carrying out of the Project and the achievement of the objectives thereof during the period following such date; and

(iii) review with the Administrator, by December 31 of each year, or such later date as the Administrator shall request, the report referred to in subparagraph (ii) of this paragraph, and, thereafter, take all measures required to ensure the efficient completion of the Project and the achievement of the objectives thereof, based on the

conclusions and recommendations of the said report and the Administrator views on the matter.

(e) Not later than June 30, 2000, the Borrower shall carry out, jointly with the Administrator, a comprehensive review to assess the progress achieved in the execution of the Project. Said review shall cover, inter alia:

(i) the extent to which the institutional arrangements under the Project are suitable to achieve the objectives of the Project;

(ii) an assessment of the impact achieved by the Project so far and the sustainability of its achievements;

(iii) an assessment of the impact of land tenure operations with a particular focus on women and other vulnerable groups;

(iv) compliance with the audit and other obligations of the Borrower included in this Agreement;

(v) procurement under the Project;

(vi) performance as against key indicators, referred to in paragraph (d) of this Section, agreed upon with the Administrator; and

(vii) the Borrower's plan for the future operation of the Project and for related investments.

The Borrower shall furnish to the Administrator, at least six weeks prior to such review, a report, in scope and detail satisfactory to the Administrator, describing the status of progress regarding the items listed above and of Project execution generally. Based on such review, the Borrower shall promptly prepare an action plan acceptable to the Administrator for the future implementation of the Project, and thereafter implement such action plan with due diligence and efficiency.

## Section II: Project Management

1. The Borrower shall maintain the Steering Committee with, inter alia, the following responsibilities: (i) review Project program and overall orientation, while ensuring consistency and coordination of intersectoral policies and Project activities; (ii) review and approval of annual work plans and budgets for the Project, as well as the report referred to in paragraph (d) (ii) of Section I of this Schedule; and (iii) facilitation and problem solving on issues affecting the execution of the Project.

2. The Steering Committee shall be chaired by the Prime Minister's representative. Its membership shall include a MINAGRA representative, a MDPDI representative, a MIIN representative, a representative of the Ministry responsible for finance, a representative of the Ministry responsible for family and woman matters, the Directors General of BNETD and of ANADER or their representatives.

3. The Borrower shall maintain the Coordination Unit which shall be responsible for overall coordination of administrative and financial matters concerning the Project, reporting directly to the Office of the Prime Minister and under the supervision of the Steering Committee. Said Unit shall be headed by a Project Coordinator and shall include a financial controller and a monitoring and evaluation specialist, all employed on a full-time basis in accordance with the provisions of Section II of Schedule 3 to this Agreement.

4. The Borrower shall ensure that:

(i) the central Rural Land Tenure Services are staffed with a coordinator and an informatician officer supporting MINAGRA's operations under Part A of the Project, with terms of reference, qualifications and experience satisfactory to the Administrator, and employ a financial controller, a land tenure operations specialist and a specialist for maintenance, management, update and management of land tenure information, all employed in accordance with the provisions of Section II of Schedule 3 to this Agreement;

(ii) BNETD is staffed with a coordinator for Part A of the Project and a financial controller, with terms of reference, qualifications and experience satisfactory to the Administrator;

(iii) ANADER employs a rural development specialist acting as coordinator for Part B of the Project and a financial controller, both in accordance with the provisions of Section II of Schedule 3 to this Agreement; and

(iv) MDPDI's Direction du Développement Régional is staffed with a coordinator and a financial controller, both with terms of reference, qualifications and experience satisfactory to the Administrator, for the purposes of Part C of the Project.

#### Section III. Policies and Procedures for Community Micro-projects

1. Community Micro-projects shall be appraised and approved in accordance with the policies and procedures set forth in the Manual of Procedures.

(a) Proposals for Microcommunity Projects may be initiated by Rural Communities or other rural community groups and selected on the basis of the priority needs listed in a LDP which shall have been previously approved at the village and pays rural levels.

(b) Proposed Beneficiaries shall be:

(i) one or several villages which is (are) member(s) of a Rural Community or pays rural; and

(ii) a group formally recognized by customary authorities and/or the rural community where it resides, and registered with the Sous-préfectures having jurisdiction.

(c) Appraisal criteria shall include inter alia the following:

(i) the proposed Beneficiaries shall have been predetermined as an eligible target group;

(ii) the proposed Community Micro-project shall: (A) include only activities which are economically, socially and environmentally sustainable; and (B) be of a total estimated cost not exceeding \$40,000 equivalent; any proposed Grant for a Community Micro-project exceeding said amount shall require the Administrator's prior approval;

(iii) the proposed Beneficiaries shall make a contribution in cash or in kind representing on average 35% of the total costs of a Community Micro-project, as provided in the Manual of Procedures; and

(iv) priority shall be given to activities with long-term

economic and  
external support.

environmental returns requiring

(d) Requests for a Grant for financing a Community Micro-project shall be processed by the proposed Beneficiaries with the assistance of ANADER and through FRAR. Without limitation upon the provisions of paragraph (c) (ii) (B) of this Section, said requests shall be approved at the Sous-préfecture, Préfecture, department, region and national levels depending upon the nature of the project and in accordance with the Manual of Procedures. Said requests for approval shall be presented on or before December 31, 2002.

2. The Beneficiaries, once selected, shall enter into written arrangements with MDPDI, on terms and conditions set forth in the Manual of Procedures and satisfactory to the Administrator pursuant to which MDPDI shall, inter alia, obtain rights adequate to protect the interests of the Administrator and the Borrower, including the right of MDPDI to:

(a) require the Beneficiaries to carry out and operate the Community Micro-project with due diligence and efficiency and in accordance with sound technical, financial, managerial and environmental standards and practices, and to maintain adequate records;

(b) require that: (i) the goods, works and consultants' services to be financed out of the proceeds of the Interim Fund Credit shall be procured at a reasonable price, account being taken also of other relevant factors such as time of delivery, efficiency and reliability of the goods and availability of maintenance facilities and spare parts therefor, and, in the case of consultants' services, of their quality and the competence of the parties rendering them, and in accordance with the provisions of Schedule 3 to this Agreement; and (ii) such goods and services shall be used exclusively in the carrying out of the Community Micro-project;

(c) inspect, by itself or jointly with representatives of the Administrator if the Administrator shall so request, such goods and the sites, works, plants and construction included in the Community Micro-project, the operation thereof, and any relevant records and documents;

(d) obtain all such information as the Administrator or the MDPDI shall reasonably request relating to the foregoing and to the administration, operations and financial condition of the Beneficiaries and to the benefits to be derived from the Community Micro-project; and

(e) suspend or terminate the right of the Beneficiaries to the use of the proceeds of the Interim Fund Credit upon failure by such Beneficiaries to perform their obligations under their arrangements with MDPDI.

#### SCHEDULE 5

##### Special Accounts

1. For the purposes of this Schedule:

(a) the term "eligible Categories" means, in the case of Special Account A, Categories (1), (3) (a), (4) (a) and (5) (a) set forth in the table in paragraph 1 of Schedule 1 to this Agreement; in the case of Special Account B, Categories (2), (3) (b), (4) (b) and (5) (b) set forth in the said table; and in the case of Special Account C, Categories (3) (c), (4) (c) and (5) (c) set forth in the said table;

(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 Interim Fund 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 to be withdrawn from the Interim Fund Credit Account and deposited into the Special Account pursuant to paragraph 3 (a) of this Schedule, equivalent, in the case of Special Account A to CFAF 500,000.000; in the case of Special Account B to CFAF 1,000,000,000; and in the case of Special Account C to CFAF 200,000,000; provided, however, that unless the Administrator shall otherwise agree, the Authorized Allocation for:

(i) Special Account A, shall be limited to an amount equivalent to CFAF 250,000,000 until the aggregate amount of withdrawals from the Interim Fund Account plus the total amount of all outstanding special commitments entered into by the Administrator pursuant to Section 5.02 of the General Conditions shall be equal to or exceed the equivalent of SDR 5,600,000;

(ii) Special Account B, shall be limited to an amount equivalent to CFAF 500,000,000 until the aggregate amount of withdrawals from the Interim Fund Account plus the total amount of all outstanding special commitments entered into by the Administrator pursuant to Section 5.02 of the General Conditions shall be equal to or exceed the equivalent of SDR 5,700,000; and

(iii) Special Account C, shall be limited to an amount equivalent to CFAF 100,000,000 until the aggregate amount of withdrawals from the Interim Fund Account plus the total amount of all outstanding special commitments entered into by the Administrator pursuant to Section 5.02 of the General Conditions shall be equal to or exceed the equivalent of SDR 1,200,000;

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

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

(a) For withdrawals of the Authorized Allocation, the Borrower shall furnish to the Administrator a request or requests for deposit into the respective 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 Administrator shall, on behalf of the Borrower, withdraw from the Interim Fund Credit Account and deposit into the respective 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 Administrator requests for deposits into the respective Special Account at such intervals as the Administrator shall specify.

(ii) Prior to or at the time of each such request, the Borrower shall furnish to the Administrator 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 Administrator shall, on behalf of the Borrower, withdraw from the Interim Fund Credit Account and deposit into respective 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 respective Special Account for eligible expenditures.

All such deposits shall be withdrawn by the Administrator from the Interim Fund 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 Administrator shall reasonably request, furnish to the Administrator 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 Administrator shall not be required to make further deposits into the Special Account:

(a) if, at any time, the Administrator shall have determined that all further withdrawals should be made by the Borrower directly from the Interim Fund 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 Administrator, 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 Administrator pursuant to said Section in respect of the audit of the records and accounts for the Special Accounts;

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

(d) once the total unwithdrawn amount of the Interim Fund Credit allocated to the eligible Categories for the respective Special Account, minus the total amount of all outstanding special commitments entered into by the Administrator pursuant to Section 5.02 of the General Conditions with respect to the Parts of the Project related to that Special Account, shall equal the equivalent of twice the amount of the Authorized Allocation for that Special Account.

Thereafter, withdrawal from the Interim Fund Credit Account of the remaining unwithdrawn amount of the Interim Fund Credit allocated to the eligible Categories for that Special Account shall follow such procedures as the Administrator shall specify by notice to the Borrower. Such further withdrawals shall be made only after and to the extent that the Administrator 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 Administrator shall have determined at any time that any payment out any 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 Administrator, the Borrower shall, promptly upon notice from the Administrator: (A) provide such additional evidence as the Administrator may request; or (B) deposit into the respective Special Account (or, if the Administrator shall so request, refund to the Administrator) an amount equal to the amount of such payment or the portion thereof not so eligible or justified. Unless the Administrator shall otherwise agree, no further deposit by the Administrator into any 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 Administrator shall have determined at any time that any amount outstanding in any Special Account will not be required to

cover further payments for eligible expenditures, the Borrower shall, promptly upon notice from the Administrator, refund to the Administrator such outstanding amount.

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

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

