

CONFORMED COPY

INTERIM FUND CREDIT NUMBER N036 IVC

Interim Fund
Development Credit Agreement

(Urban Land Management and Housing Finance Reforms Technical Assistance 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 December 22, 1997

INTERIM FUND CREDIT NUMBER N036 IVC

INTERIM FUND DEVELOPMENT CREDIT AGREEMENT

AGREEMENT, dated December 22, 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 March 24, 1997 from the Borrower describing a program of actions, objectives and policies designed to reform urban land management and housing finance along market mechanisms (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 amount in French Francs equivalent to one hundred

thousand dollars (\$100,000) to assist in financing Part B.1 (a) (i) of the Project on the terms and conditions set forth in an agreement (the CFD 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 thereof 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 cancelled."

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 Account" means the account 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) "ML" means Ministère du Logement, du Cadre de Vie et de l'Environnement, the Borrower's ministry responsible for housing;
- (e) "MF" means Ministère de l'Economie et des Finances, the Borrower's ministry responsible for finance;
- (f) "MJ" means Ministère de la Justice et des Libertés Publiques, the Borrower's ministry responsible for justice;
- (g) "HSC" means the Project Housing Steering Committee established by the Borrower's Arrêté Interministériel No. 97-436/MLCVE/MEF/MJLP, dated May 30, 1997;
- (h) "Coordination Unit" means the unit established by the Borrower's Arrêté Interministériel No. 97-436/MLCVE/MEF/MJLP, dated May 30, 1997;
- (i) "Service du Domaine Urbain" means the service within ML in charge of the management of the private property of the Borrower in urban areas;
- (j) "Office of Cadaster" means the Directorate responsible for Conservation Foncière, Cadastre, Enregistrement et Timbre within MF;
- (k) "Concession d'Aménagement Foncier" means the concession entrusted by the Borrower or the Borrower's urban communes to a private or public sector developer for developing an area of urban land pursuant to an agreement (convention de concession d'aménagement) setting forth the rights and obligations of the parties thereto and including technical specifications, all in accordance with the provisions of the Law and Decree referred to in Section 6.01 (g) of this Agreement;
- (l) "AGEF" means Agence de Gestion Foncière;
- (m) "SRH" means Société de Refinancement Hypothécaire;
- (n) "Fonds de Caution" means the fund to be established and operated as a security fund;
- (o) "Implementation Manual" means the manual outlining the procurement, disbursement and other arrangements for the implementation of the Project, adopted pursuant to Section 6.01 (a) of this Agreement; and

(p) "Project Account" means the account referred to in Section 3.02 of this Agreement.

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 seven million three hundred thousand Special Drawing Rights (SDR 7,300,000).

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 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.

(b) The Borrower may, for the purposes of the Project, open and maintain in CFA Francs a special deposit account in CAA on terms and conditions satisfactory to the Administrator. Deposits into, and payments out of, the Special Account shall be made in accordance with the provisions of Schedule 5 to this Agreement.

Section 2.03. The Closing Date shall be June 30, 2001 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 Administrator 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 cancelled; 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 Administrator 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 15 and July 15 in each year.

Section 2.07. (a) Subject to paragraphs (b) and (c) below, the Borrower shall repay the principal amount of the Interim Fund Credit in semiannual installments payable on each January 15 and July 15 commencing January 15, 2008 and ending July 15, 2037. Each installment to and including the installment payable on July 15, 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 the Project through ML, MF and MJ, all with due diligence and efficiency and in conformity with appropriate administrative, financial, engineering, environmental, urban land management and housing finance 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 to 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 an account (the Project Account) in CAA on terms and conditions satisfactory to the Administrator;

(b) deposit into the Project Account an initial contribution of CFAF three hundred million (CFAF 300,000,000);

(c) thereafter, replenish said account at least on a quarterly basis, up to the amount of the initial contribution, or whenever its balance shall be less than the equivalent of CFAF one hundred million (CFAF 100,000,000); and

(d) ensure that amounts deposited into the Project Account 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 designed to ensure the continued achievement of the Project objectives; 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 Account 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; or

(b) the Borrower's Law or Decree referred to in Section 6.01 (g) of this Agreement shall have been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the carrying out of any part of the Project;

Section 5.02. Pursuant to Section 7.01 (d) of the General Conditions, the following additional events are specified, namely that the events specified in paragraph (b) of Section 5.01 of this Agreement shall occur.

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 Implementation Manual 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 Project Account has been opened and the initial contribution referred to in Section 3.02 (b) of this Agreement has been deposited therein;

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

(e) the work programs for the Project and corresponding budget referred to in Section I (b) of Schedule 4 to this Agreement, for the period after the Effective Date and covering the calendar year 1998, have been received and found satisfactory by the Administrator;

(f) the following staff of the Coordination Unit referred to in Section II (c) of Schedule 4 to this Agreement have been employed and have assumed their functions: the lawyer, the procurement officer and the accountant;

(g) the Borrower has published in its Journal Officiel its Law on Convention de Concession d'Aménagement Foncier and the Decree portant application of said Law, in form and substance acceptable to the Administrator; and

(h) the Borrower has published in its Journal Officiel, the Arrêté Interministériel No. 97-436/MLCVE/MEF/JMLP, dated May 30, 1997, referred to in Section 1.02 (g) and (h) of this Agreement.

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

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:

MINFIN
Abidjan

Telex:

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 for Part A.3(c) and (d) of the Project	2,000,000	70%
(2) Equipment	300,000	100% of foreign expenditures and 80% of local expenditures
(3) Consultants' services and training	3,500,000	100%
(4) Operating costs	200,000	40%
(5) Unallocated	1,300,000	
TOTAL	7,300,000	

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 incremental expenditures related to mission travel and subsistence allowances for local staff involved in the Project execution, contractual staff salaries, operation and maintenance of Project vehicles and equipment, and office supplies.

3. Notwithstanding the provisions of paragraph 1 above, no withdrawals shall be made in respect of payments made for expenditures prior to the date of this Agreement, except that withdrawals, in an aggregate amount not exceeding the equivalent of SDR730,000, may be made in respect of Category (3) on account of payments made for expenditures before that date but after January 1, 1997.

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, and (c) under contracts for the employment of individual consultants not exceeding \$50,000 equivalent, under such terms and conditions as the Administrator shall specify by notice to the Borrower.

SCHEDULE 2

Description of the Project

The objectives of the Project are to assist the Borrower in the detailed definition and the beginning of implementation of its Program, which aims: (i) to promote the development of a market for the provision of serviced land and housing, especially to moderate and low income households; (ii) to foster private investment in housing by developing a market-oriented housing finance system; and (iii) to

strengthen the capacities of public and private sector institutions participating in urban land development and management and those concerned with housing delivery.

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: Definition and Inception of Reforms in Urban Land Development and Management

1. Design, establishment and launching of the Urban Land Management Agency (Agence de Gestion Foncière, AGEF) to be in charge of constituting urban land reserves to be offered on the market on behalf of Service du Domaine Urbain, including:

(a) definition of AGEF's functions, responsibilities and resource needs, and drafting of AGEF's by-laws and operational procedures;

(b) preparation of model conventions de concession d'aménagement and the specifications (cahier des charges) to be annexed thereto, between AGEF and private developers for the purpose of land and housing development;

(c) preparation of model differed delivery sales contracts (ventes en l'état futur d'achèvement) providing inter alia for installment payments by plot purchasers to developers, so as to permit a reduction of developers' financing needs and of development costs;

(d) definition of the legal arrangements and procedures to permit access by households (through sale or rent) to Borrower-owned serviced land or housing facilities;

(e) definition of the scope of activities of, and the rules and regulations applicable to, private land and housing developers, as well as the rules and regulations for the authority responsible for enforcing said rules and regulations;

(f) development, for ML's use, of service standards compatible with the financial capabilities of targeted households;

(g) development of assessment criteria to be used by AGEF for selecting private developers; and

(h) preparation of a real estate guide for private developers.

2. (a) Streamlining and improving the administration of land management including a redefinition of role and responsibilities of the concerned directorates within ML and MF, through the provision of technical advisory services.

(b) Improving the operational capacity of the Coordination Unit and the technical units established for the purposes of the Project in ML, MF and MJ, through the provision of technical advisory services and the acquisition of equipment.

(c) Developing and carrying out a training program in urban development and real estate laws for ML, MF and MJ staff and law students attending the University of Abidjan, through the provision of technical advisory services and the acquisition of legal documentation.

(d) Designing and establishing a system for the efficient management of community housing developments, through the carrying out of a qualitative survey of households living in housing units held by Société de Gestion et de Financement de l'Habitat (SOGEFIHA), Société Immobilière de Construction et de Gestion de Côte d'Ivoire (SICOGI) and the ML Service des Bâtiments Civils (SBC) and the provision of technical advisory services.

(e) Strengthening the capacity of the Office of Cadaster and Service du Domaine Urbain: (i) to grant final registration notices (immatriculations définitives) to owners of about 95,000 plots in which certifications of edification (constats de mise en valeur) are pending and to holders of plots for which allocation notices (lettres d'attribution) or temporary concessions (concessions provisoires) have been

granted; and (ii) to repossess plots left underdeveloped or insufficiently developed; all through the provision of technical advisory services and the acquisition of equipment.

(f) Designing and establishing a computerized data base covering land and housing, to be used by ML, MF, MJ and professionals in both the public and private sectors involved in urban development, through the provision of technical advisory services and the acquisition of computer equipment.

(g) Preparation and carrying out under the aegis of HSC of a public information campaign on the reform of urban land development and management, through the provision of technical advisory services and the acquisition of equipment.

(h) Carrying out studies: (i) to review the system of taxes on land registration and transfers and develop recommendations for the revision of said taxes; and (ii) to review the procedures for assessing real estate values and taxation and develop recommendations for the rationalization of said procedures.

(i) Designing and establishing a computerized system for the management of real estate taxation, through the provision of technical advisory services and the acquisition of computer equipment.

3. (a) Strengthening the capacity of AGEF to constitute a Borrower-owned land reserve, through the settlement of customary land rights (purge des droits coutumiers), the provision of technical advisory services and the acquisition of equipment.

(b) Strengthening the capacity of ML and MF in land titling regularization in two selected communes within Abidjan, including the survey of land, the testing of improved regularization procedures and the collection of required documentation in connection with said procedures and related processing, through the provision of technical advisory services and the acquisition of equipment.

(c) Carrying out two operations to service land under a convention de concession d'aménagement, with a private sector developer to test the criteria and procedures for the selection of developers and to establish standard procedures for the supervision of developers by AGEF and ML, through the provision of technical advisory and engineering services and the carrying out of civil works.

(d) Carrying out two serviced land operations (lotissements à équipement minimum) for the benefit of households with a monthly income below CFAF 200,000 in 1996 terms, to test the affordability and marketability of plots meeting different service standards, through the provision of technical advisory and engineering services, the carrying out of civil works and the acquisition of equipment.

PART B: Definition and Inception of Reforms in Housing Finance

1. Design of a private sector housing finance system, including the establishment of a secondary mortgage financing facility (Société de Refinancement Hypothécaire, SRH) and of a guarantee fund (Fonds de Caution), both privately managed and with private majority participation, including:

(a) definition of the terms and conditions for the establishment and operation of SRH through: (i) the valuation of the assets of Compte de Mobilisation pour l'Habitat (CDMH), in preparation of the transfer of said assets to SRH; (ii) the assessment of terms under which different constituents of the private sector consider becoming SRH shareholders; (iii) the conditions to be met for the mobilization of long-term resources by SRH, including issuance of bonds; (iv) the terms and conditions of access by the banking system to SRH refinancing; and (v) the definition of prudential standards to be complied with by SRH; and drafting of SRH's by-laws and operational procedures and definition of its resource needs;

(b) definition of the terms and conditions for the establishment of Fonds de Caution, to provide an additional guarantee for serviced land loans and housing loans for low cost units meeting minimum physical standards; and drafting of Fonds de Caution's by-laws and operational procedures and definition of its resource needs; and

(c) definition of the operational rules and procedures to enable developers awarded a convention de concession d'aménagement to use said convention as security to obtain loans from the banking system to help meet the financing needs of said developers.

2. Carrying out studies:

(a) to review the feasibility of tax exemptions on interests on SRH-refinanced housing loans and on SRH profits, to encourage savings for housing investment purposes; and

(b) to analyze the effect of the existing tax regime on the building industry, and development of recommendations for the revision of said taxation.

3. Strengthening the capability of the Borrower's institutions responsible for enforcement of foreclosures, through:

(a) the carrying out of a training program for Court clerks, magistrates, concerned banking staff and MF staff, in the assessment of real estate property values; and

(b) the computerization of Court proceedings in land management and the establishment of information channels between the Courts, the Office of Cadaster and Service du Domaine Urbain, through the provision of technical advisory services and the acquisition of computer equipment.

* * *

The Project is expected to be completed by December 31, 2000.

SCHEDULE 3

Procurement and Consultants' Services

Section I. Procurement of Goods 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 this Section, as applicable.

Part B: International Competitive Bidding

1. Except as otherwise provided in Part C of this Section, goods and works 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 to be procured under contracts awarded in accordance with the provisions of paragraph 1 of this Part 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

Goods estimated to cost \$100,000 or more but less than \$200,000 equivalent per contract, up to an aggregate amount not to exceed \$500,000 equivalent, and works estimated to cost \$200,000 equivalent or less per contract, up to an aggregate amount not to exceed \$500,000 equivalent, 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 \$100,000 equivalent per contract, up to an aggregate amount not to exceed \$400,000 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.

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 for goods and works estimated to cost the equivalent of \$100,000 or more, the procedures set forth in paragraphs 2 and 3 of Appendix 1 to the Guidelines shall apply.

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

(i) prior to the selection of any supplier 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 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 \$20,000 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 Based on Consultants' Qualifications Services requiring the most appropriate qualifications and references and where the need for preparing and evaluating a competitive proposal is not justified under Part B.1 (a) and (b) of the Project, estimated to cost less than \$100,000 equivalent per contract, may be procured under contracts awarded in accordance with the provisions of paragraphs 3.1 and 3.7 of the Consultant Guidelines.

2. Individual Consultants

Services for consultants and other contractual staff employed in Project units under Part A.1 and 2 (b) of the Project for tasks that meet the requirements set forth in paragraph 5.1 of the Consultant Guidelines may 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 \$200,000 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.

(b) 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.

(c) With respect to each contract for the employment of individual consultants estimated to cost the equivalent of \$50,000 or more, the qualifications, experience, terms of reference and terms of employment of the consultants shall be furnished to the Administrator for its prior review and approval. The contract shall be awarded only after the said approval shall have been given.

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 Consultant 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 firms that are registered or incorporated in, and individuals and personal who are nationals of, Participating Countries shall be eligible to compete for 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 Implementation Manual and, except as otherwise agreed with the Administrator, shall not amend the Implementation Procedures in a manner which, in the opinion of the Administrator, would materially affect the implementation of the Project.

(b) Without limitation upon the provisions of Section 6.01 (e) of this Agreement, not later than October 31 of each year, beginning October 31, 1998, the Borrower shall, through HSC, furnish to the Administrator, for its review and approval, detailed work programs and budgets in respect of Project activities for the following year.

(c) With respect to the provision of technical advisory services under Parts A.1. and B.1. of the Project and the carrying out of studies under Parts A.2 (h) and B.2 of the Project, the Borrower shall, through HSC: (i) furnish to the Administrator, for its review and comments, the draft proposals, reports and recommendations made by said services; (ii) finalize said proposals and reports, taking into account the Administrator's comments; and (iii) promptly thereafter, implement such recommendations as determined by agreement between the Borrower and the Administrator.

(d) For the purposes of Part A.1 and Part B.1 (a) and (b) of the Project, the Borrower shall take all necessary measures to ensure that:

(i) AGEF shall be established as an autonomous land management entity and operating pursuant to a Borrower's decree, with functions and operational and management procedures satisfactory to the Administrator, not later than December 31, 1997;

(ii) SRH shall be established as a secondary mortgage financing facility and operating as a private sector entity, with functions and operational and management procedures satisfactory to the Administrator, not later than June 30, 1999; and

(iii) Fonds de caution shall be established and operating as a security fund, on terms and conditions satisfactory to the Administrator, not later than June 30, 1999.

(e) Not later than December 31, 1998, 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 objectives of the Project are being achieved;

(ii) an assessment of the impact achieved by the Project so far on land management and housing finance reforms including a detailed assessment of Part A.3 of the Project, the sustainability of its achievements, and actions required to mitigate possible negative inputs;

(iii) the extent to which the parties concerned in the private and public sectors deem the following factors as permitting the establishment and launching of SRH: land title registration and collateral mortgage taking and realization;

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

(v) timely availability of counterpart funding and disbursement performance under the Project;

(vi) the performance of technical advisory services under the Project;

- (vii) procurement under the Project;
 - (viii) performance as against key indicators, referred to in paragraph (f) of this Section, agreed upon with the Administrator; and
 - (ix) the Borrower's plan for the future operation of the Project and feasibility of the establishment of the reform package.
- (f) The Borrower shall:
- (i) maintain policies and procedures adequate to enable it to monitor and evaluate on an ongoing basis, in accordance with indicators satisfactory to 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 April 30 and October 31 of each year, a report integrating the results of the monitoring and evaluation activities performed pursuant to sub-paragraph (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 May 31 and November 30 of each year, or such later date as the Administrator shall request, the report referred to in paragraph (ii) of this Section 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's views on the matter.

Section II. Project Management

(a) The Borrower shall maintain the Housing Steering Committee (HSC) with, inter alia, the following responsibilities: (i) approval of main Project orientations; (ii) review and approval of annual work programs and budgets for the Project, as well as the report referred to in Section I (f) (iii) of this Schedule; (iii) review and approval of proposals, reports and recommendations under Parts A.1, A.2 (h), B.1 and B.2 of the Project; and (iv) facilitation and problem solving on issues affecting the execution of the Project.

(b) HSC shall be chaired by the ML Minister or his representative. Its membership shall include the MF and MJ Ministers or their representatives, and other members, as deemed appropriate by the ML, MF and MJ Ministers. The Coordinator referred to in paragraph (c) hereunder shall act as secretary of HSC.

(c) The Borrower shall maintain the Coordination Unit which shall be responsible for overall coordination of financial and administrative matters concerning the Project, under the supervision of HSC. Said Unit shall be headed by a Project Coordinator and shall include a financial expert, a lawyer, a procurement officer, an engineer/developer and an accountant, all on a full-time basis and employed in accordance with the provisions of Section II of Schedule 3 to this Agreement.

(d) The Borrower shall maintain a Project technical unit in each of the three following ministries, ML, MF and MJ, headed by a senior officer who shall report on progress activities to the Coordinator referred to in paragraph (c) above. The terms of reference, qualifications and experience of the senior officers shall be satisfactory to the Administrator.

Section III. Execution of Part A.3 (c) and (d) of the Project

(a) For the purpose of servicing land under Part A.3 (c) of the Project, the Borrower shall, through ML, cause AGEF to enter into a convention de concession

d'aménagement, on terms and conditions satisfactory to the Administrator, with private sector developers who shall be responsible for the sale of serviced plots.

(b) For the purpose of servicing land under Part A.3 (d) of the Project, the Borrower shall, through ML, enter into one or several agreement(s) with private sector developers, and be responsible for the sale or lease on a long-term basis (baux emphythéotiques) of serviced lots to low income beneficiaries, all on terms and conditions satisfactory to the Administrator.

(c) The Borrower shall: (i) utilize the proceeds of the Interim Fund Credit allocated to Category (1) of the table set forth in paragraph 1 of Schedule 1 to this Agreement to prefinance in part up to a maximum of 70% of the land development costs for the operations included in Part A. 3 (c) and (d) of the Project; and (ii) ensure that repayments made by plot beneficiaries and/or purchasers are credited to AGEF.

SCHEDULE 5

Special Account

1. For the purposes of this Schedule:

(a) the term "eligible Categories" means Categories (1) through (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 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 equivalent to CFAF 600,000,000 to be withdrawn from the Interim Fund Credit Account and deposited into the Special Account pursuant to paragraph 3 (a) of this Schedule, provided, however, that unless the Administrator shall otherwise agree, the Authorized Allocation shall be limited to an amount equivalent to CFAF 300,000,000 until the aggregate amount of withdrawals from the Interim Fund Credit 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 2,000,000.

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

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

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

(b) (i) For replenishment of the Special Account, the Borrower shall furnish to the Administrator requests for deposits into the 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 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 the Special Account such amount as the Borrower shall have requested and as shall have been shown by said documents and other evidence to have been paid out of the Special Account for eligible expenditures. All such deposits shall be withdrawn by the 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 Account;

(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, 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 Project, shall equal the equivalent of twice the amount of the Authorized Allocation.

Thereafter, withdrawal from the Interim Fund Credit Account of the remaining unwithdrawn amount of the Interim Fund Credit allocated to the eligible Categories 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 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 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 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 the Special Account shall be made until the Borrower has provided such evidence or made such deposit or refund, as the case may be.

(b) If the Administrator shall have determined at any time that any amount outstanding in the Special Account will not be required to cover further payments for eligible expenditures, the Borrower shall, promptly upon notice from the 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.

