

Document: EB 2009/96/R.3/Rev.1
Agenda: 4
Date: 29 April 2009
Distribution: Public
Original: English

E



Enabling poor rural people
to overcome poverty

Revisions to the General Conditions for Agricultural Development Financing

Executive Board — Ninety-sixth Session
Rome, 29-30 April 2009

For: **Approval**

Note to Executive Board Directors

This document is submitted for approval by the Executive Board.

This document was originally submitted to the ninety-fifth session of the Executive Board in December 2008. In addition to minor technical corrections, amendments have been made to paragraph 9 of the main text, Schedule 2 of the model financing agreement, and sections 4.02(b), 5.01, 5.02, 7.01, and 12.04 of the proposed General Conditions.

Directors are invited to contact the following focal point with any technical questions about this document:

Rutsel Martha

General Counsel

telephone: +39 06 5459 2457

e-mail: r.martha@ifad.org

Queries regarding the dispatch of documentation for this session should be addressed to:

Deirdre McGrenra

Governing Bodies Officer

telephone: +39 06 5459 2374

e-mail: d.mcgrenra@ifad.org

Recommendation for approval

The Executive Board is invited to approve the recommendation contained in paragraph 14.

Revisions to the General Conditions for Agricultural Development Financing

1. The Office of the General Counsel, in collaboration with the Programme Management Department and the Finance and Administration Department, has carried out a comprehensive revision of the model financing agreement and the General Conditions for Agricultural Development Financing (the "General Conditions"). This is the first revision of the General Conditions since 1998, and it accomplishes various important goals, including:
 - Simplifying and standardizing the model financing agreement and the procedures used for administering the Fund's financing;
 - Accommodating the new direct supervision modality;
 - Harmonizing IFAD's legal instruments and procedures with those of other international financial institutions; and
 - Increasing the level of ownership by Member States of IFAD-funded projects and programmes, and encouraging, whenever possible, the use of country systems.
2. The main result of the process is a new model financing agreement (annex I), which, excluding descriptive schedules, is less than two pages long. The new financing agreement and the General Conditions are clearer, less complicated and more flexible, without sacrificing any necessary legal provisions. This will significantly reduce the time needed to prepare, negotiate and implement agreements, which in turn means that more of IFAD's resources, and more of the resources of the recipients of its financing, will go to the projects and programmes themselves. Finally, the descriptive schedules have a revised layout and content, making it easier, for instance, to clarify project or programme objectives, and the mutual responsibilities for effective implementation.
3. Many provisions of the current General Conditions were based on the General Conditions for Loans issued by the International Bank for Reconstruction and Development (IBRD), and the proposed revisions are guided by the revisions to IBRD's General Conditions carried out in 2005. The revisions are also inspired by the commitment made in the Agenda for Action, agreed at the Third High Level Forum on Aid Effectiveness in Accra, Ghana, to "systematically review and address legal or administrative impediments to implementing international commitments on aid effectiveness."
4. The revised General Conditions will apply to all financing agreements¹ for projects approved after the ninety-sixth session of the Executive Board, whereas the current General Conditions will continue to apply to existing agreements according to their terms. The entire negotiated financing agreement will be presented to the Executive Board at the time of approval of projects or programmes: this means that the document entitled "Important assurances included in the negotiated financing agreement" will no longer be prepared.

Summary of key changes

5. The attached comparative analysis of the existing and proposed versions of the General Conditions (annex II) gives details of the proposed changes. The revisions address five objectives:
 - **Standardization:** All provisions of the revised General Conditions will apply to all agreements, unless specifically excluded. Optional matters

¹ Financing agreements will be used for all financing (loans, grants, grant financing under the Debt Sustainability Framework, or any combination thereof) to Member States approved by the Executive Board.

currently dealt with in the loan/financing agreement will be moved to the General Conditions.

- **Simplification:** Definitions have been simplified and language clarified.
 - **Flexibility:** The revised General Conditions accommodate supervision directly by IFAD or through a cooperating institution. The detailed rules governing the special account have been replaced by a more adaptable approach. Changes in bank accounts and other operational issues will no longer require formal amendments to the agreement.
 - **Harmonization:** The provision on the use of IFAD financing to pay taxes has been harmonized with the approach used by the World Bank, which carries out a country-by-country assessment of country financing parameters.
 - **Ownership:** Effectiveness is no longer solely determined by IFAD. Other provisions undermining the concept of national ownership, such as the requirement to display IFAD logos, have been deleted.
6. **Applicability of the General Conditions (section 1.01).** The current General Conditions stipulate that if a provision of an agreement is inconsistent with the General Conditions, the provision of the agreement governs. This leads to the possibility of "implicit" inconsistency and can result in differential treatment of Member States. Under the revised provision, an exception to the General Conditions must be stated explicitly in the agreement.
 7. **Cooperating institution (article III).** Financing agreements for directly supervised projects must currently include language limiting the applicability of the provisions of the General Conditions that mention the cooperating institution. The revisions make the appointment of a cooperating institution an option rather than the rule.
 8. **Special account (section 4.04(d)).** The procedures governing the special account, which can hold advances of loan or grant funds, have been replaced by a general provision allowing the Fund to place limits on amounts withdrawn in advance and to require that they be held in a designated account. As these simpler requirements will be communicated in the letter sent by the Fund to the borrower/recipient, changes in the procedures will no longer require a formal amendment to the agreement.
 9. **Lending terms (section 5.01).** The definitions of the lending terms, previously in the financing agreement, have been moved to the General Conditions and additional clarification has been provided. The maturity period of loans on highly concessional terms is defined as starting from the date of approval by the Executive Board, while for intermediate and ordinary terms it is defined as starting from the date of fulfillment of all general conditions of withdrawal.
 10. **Procurement (section 7.05).** The revised General Conditions adopt a standardized approach to procurement. As a result, the current schedule 4 of the financing agreement will no longer be necessary. The revised provision states that "Procurement of goods, works and services financed by the Financing shall be carried out in accordance with the provisions of the Borrower/Recipient's procurement regulations, to the extent such are consistent with the IFAD Procurement Guidelines." It further provides that "Each Procurement Plan shall identify procedures which must be implemented by the Borrower/Recipient in order to ensure consistency with the IFAD Procurement Guidelines." By specifying that the borrower's or recipient's procurement regulations must be consistent with IFAD's procurement guidelines, and by requiring the borrower/recipient and the Fund to agree on mandatory procedures ensuring such consistency, the new provision

implements a much more predictable and coherent approach to procurement, governed by the Fund's procurement guidelines.

11. The elimination of schedule 4 means that a number of issues related to procurement, such as acceptable methods and review thresholds, will be moved from the agreement to the letter to the borrower/recipient or the procurement plan. This will require several technical amendments to IFAD's procurement guidelines.
12. **Taxation (section 11.01(c)).** IFAD has found itself increasingly out of step with other international financial institutions because of its refusal to finance taxes. In many cases, it has found that excluding taxes from eligible expenditures places a real administrative and accounting burden on the recipient. The revised language in section 11.01(c) aligns IFAD with IBRD, which (following a country-specific assessment) allows financing for taxes that are not "excessive, discriminatory or otherwise unreasonable." Whenever possible, IFAD will follow IBRD's approach with regard to the financing of taxes for specific countries or projects.
13. **Effectiveness (article XIII).** Under the revised General Conditions, agreements will enter into force when signed or, if subject to ratification, when ratified. Withdrawals for start-up costs can be made from the date of entry into force. There will no longer be conditions of effectiveness; only conditions of withdrawal, which can be limited to particular categories of expenditure or project components.

Recommendation

14. In accordance with its power under article 7, section 2(a) of the Agreement Establishing IFAD to define the terms applicable to financing provided by the Fund, the Executive Board is invited to approve and adopt the General Conditions for Agricultural Development Financing, in the form presented in annex II, for application to all agreements for agricultural development projects and programmes submitted for approval by the Executive Board during and subsequent to its ninety-seventh session.

FINANCING AGREEMENT

Loan Number: _____

(Grant Number: _____)

[Project] [Programme] Title: _____ (the ["Project"] ["the Programme"])

The International Fund for Agricultural Development (the "Fund" or "IFAD")

and

_____ (the "Borrower/Recipient")

(each a "Party" and both of them collectively the "Parties")

hereby agree as follows:

[Preamble]

Section A

1. The following documents collectively form this Agreement: this document, the [Project][Programme] Description and Implementation Arrangements (Schedule 1), the Allocation Table (Schedule 2), and the Special Covenants (Schedule 3).

2. The Fund's General Conditions for Agricultural Development Financing dated (_____), as may be amended from time to time (the "General Conditions") are annexed to this Agreement, and all provisions thereof shall apply to this Agreement, except for the provisions identified in Section E paragraph 4 below. For the purposes of this Agreement the terms defined in the General Conditions shall have the meanings set forth therein.

3. The Fund shall provide [a Loan] [and] [a Grant] to the Borrower/Recipient (the "Financing"), which the Borrower/Recipient shall use to implement the [Project][Programme] in accordance with the terms and conditions of this Agreement.

Section B

1 [A. The amount of the Loan is _____.]
[B. The amount of the Grant is _____.]

[2 The Loan is granted on (highly concessionary terms)(intermediate terms)(ordinary terms).]

[3. The Loan Service Payment Currency shall be _____.]

[4. The first day of the applicable Fiscal Year shall be _____.]

[5. Payments of (principal) and (interest)(service charge) shall be payable on each (date) and (date), [commencing on (date)].]

[6. There shall be (a) Project/Programme Account(s) for the benefit of _____ in the _____ Bank(s).]

[7. The Borrower/Recipient shall provide counterpart financing for the Project/Programme in the amount of_____.]

Section C

1. The Lead Project/Programme Agency shall be_____.

[2. The following are designated as additional Project/Programme Parties_____.]

3. The Project/Programme Completion Date shall be the ___ anniversary of the date of entry into force of this Agreement.

Section D

[The Loan will be administered and the Project supervised by _____ as the Cooperating Institution.]

Section E

[1. The following are designated as additional grounds for suspension of this Agreement:]

[2. The following are designated as additional grounds for cancellation of this Agreement]

[3. The following are designated as additional (general/specific) conditions precedent to withdrawal:]

[4. The following provisions of the General Conditions shall not apply to this Agreement:]

[5. This Agreement is subject to ratification by the Borrower/Recipient.]

6. The following are the designated representatives and addresses to be used for any communication related to this Agreement:

For the Fund:

For the Borrower:

(Name)
International Fund for Agricultural Development
Via Paolo di Dono 44
00142 Rome, Italy

(Name)

This agreement, dated _____, has been prepared in the (English) language in six (6) original copies, three (3) for the Fund and three (3) for the Borrower.

For the Fund
(insert name and title)

For the Borrower
(insert name and title)

Schedule 1

Project/Programme Description and Implementation Arrangements

I. Project/Programme Description

1. *Target Population.* The Project/Programme shall benefit _____ in _____ (the "Project Area").
2. *Goal.* The goal of the Project/Programme is:
3. *Objectives.* The objectives of the Project/Programme are:
4. *Components.* The Project/Programme shall consist of the following Components:

II. Implementation Arrangements

Schedule 2

Allocation Table

1. *Allocation of [Loan] [and] [Grant] Proceeds. (a)* The Table below sets forth the Categories of Eligible Expenditures to be financed by [the Loan] [and] [the Grant] and the allocation of the amounts of [the Loan] [and] [and the Grant] to each Category and the percentages of expenditures for items to be financed in each Category:

Category	[Loan Amount Allocated] (expressed in SDR)	[Grant Amount Allocated] (expressed in SDR)	Percentage
----------	---	--	------------

TOTAL

[(b) The terms used in the Table above are defined as follows:]

[2. *Start-up Costs.* Withdrawals in respect of expenditures for start-up costs (in _____ Category(ies)) incurred before the satisfaction of the general conditions precedent to withdrawal shall not exceed an aggregate amount of SDR _____/ the following amounts per category.]

Schedule 3*Special Covenants*

In accordance with Section 12.01(a)(xxiii) of the General Conditions, the Fund may suspend, in whole or in part, the right of the Borrower/Recipient to request withdrawals from [the Loan Account] [and] [the Grant Account] if the Borrower/Recipient has defaulted in the performance of any covenant set forth below, and the Fund has determined that such default has had, or is likely to have, a material adverse effect on the Project/Programme:

General Conditions for Agricultural Development Financing

Comparative analysis

EXISTING GENERAL CONDITIONS	PROPOSED GENERAL CONDITIONS	COMMENTS
<p><u>ARTICLE I - APPLICATION</u></p> <p>SECTION 1.01. <i>Application of General Conditions.</i></p> <p>These General Conditions set forth certain terms and conditions generally applicable to agricultural development financing by the Fund. They apply to the Loan Agreement and any other Loan Document (as such terms are hereinafter defined), if and to the extent such Loan Document expressly so provides.</p> <p>SECTION 1.02. <i>Inconsistency with Loan Documents.</i></p> <p>If any provision of the Loan Agreement or any other Loan Document is inconsistent with a provision of these General Conditions, the provision of such Loan Document shall govern.</p>	<p><u>ARTICLE I - APPLICATION</u></p> <p>SECTION 1.01. <i>Application of General Conditions.</i></p> <p>(a) These General Conditions apply to all Financing Agreements (as such term is defined in Section 2.01). They apply to other agreements only if an agreement expressly so provides.</p> <p>(b) If a particular provision of these General Conditions does not apply to an Agreement, the Agreement must provide explicitly that it does not apply.</p>	<p>STANDARDIZATION - The new General Conditions (GCs) apply automatically to all Financing Agreements. They apply to other agreements if the agreement so provides. To eliminate the possibility of “implicit” inconsistency, all provisions of the GCs apply unless explicitly excluded.</p>
<p><u>ARTICLE II - DEFINITIONS</u></p> <p>SECTION 2.01. <i>General Definitions.</i></p> <p>The following terms have the following meanings wherever used in these General Conditions:</p> <p>"Borrower" means the party designated as such in the Loan Agreement.</p> <p>"Cooperating Institution" means the institution designated as such in the Loan Agreement responsible for the administration of the Loan and the supervision of the implementation of the Project.</p> <p>"Cooperation Agreement" means the agreement or agreements between the Fund and the Cooperating Institution (including, but not limited to, any letter of appointment) by which the Cooperating Institution agrees to act as such with respect to</p>	<p><u>ARTICLE II - DEFINITIONS</u></p> <p>SECTION 2.01. <i>General Definitions.</i></p> <p>The following terms have the following meanings wherever used in these General Conditions:</p> <p>"Borrower" means the party designated as such in an Agreement.</p> <p>"Cooperating Institution" means an institution designated as such in a Financing Agreement as responsible for the administration of the Financing and/or the supervision of the implementation of the Project.</p> <p>"Cooperation Agreement" means an agreement or agreements between the Fund and a Cooperating Institution by which a Cooperating Institution agrees to act as such.</p>	<p>(Definitions in the proposed GCs are rearranged to facilitate comparison)</p> <p>In cases where reference is made only to a Loan, “Borrower” will be used. If reference is made only to a Grant, “Recipient” will be used. Otherwise, “Borrower/Recipient” is used.</p> <p>FLEXIBILITY -The definition of Cooperating Institution accommodates the new supervision modalities.</p> <p>SIMPLIFICATION -Definition simplified.</p>

EXISTING GENERAL CONDITIONS	PROPOSED GENERAL CONDITIONS	COMMENTS
<p>the Loan and the Project.</p> <p>"currency" of a State or a territory means any coin or currency that is legal tender for the payment of public and private debts in such State or territory.</p> <p>"Effective Date" means the date on which the Loan Agreement and any other Loan Document to which the Fund is party becomes effective provided in Section 13.02(a).</p> <p>"Eligible Expenditure" means an expenditure that complies with Section 4.10.</p> <p>"external debt" means any debt payable in a currency other than the currency of the Project Member State.</p> <p>"Fiscal Year" means the twelve-month period designated as such in the Loan Agreement.</p> <p>"freely convertible currency" means any currency so designated by the Fund at any time.</p> <p>"Fund" means the International Fund for Agricultural Development.</p> <p>"Guarantee Agreement" means any agreement between a Member State and the Fund by which such Member State guarantees the performance of the Loan Agreement or any other Loan Document, as such agreement may be amended or otherwise modified from time to time. The term "Guarantee Agreement" includes these General Conditions, to the extent applied thereto, and all schedules, annexes and agreements supplemental to the Guarantee Agreement.</p> <p>"Guarantor" means any Member State designated as such in the Guarantee Agreement.</p> <p>"Lead Project Agency" means the entity or entities designated as such in the Loan Agreement with overall responsibility for the implementation of the Project.</p> <p>"Loan" means the loan extended by the Fund to the Borrower pursuant to the Loan Agreement.</p> <p>"Loan Account" means the account in the books of the Fund opened in the name of the Borrower to which the amount of the</p>	<p>"Currency" of a State or a territory means the currency that is legal tender for the payment of public and private debts in such State or territory.</p> <p>"Eligible Expenditure" means an expenditure that complies with Section 4.08.</p> <p>"Fiscal Year" means the twelve-month period designated as such in an Agreement.</p> <p>"freely convertible currency" means any currency so designated by the Fund at any time.</p> <p>"Fund" means the International Fund for Agricultural Development.</p> <p>"Guarantee Agreement" means an agreement between a Member State and the Fund by which such Member State guarantees the performance of another Agreement.</p> <p>"Guarantor" means any Member State designated as such in a Guarantee Agreement.</p> <p>"Lead Project Agency" means the entity designated as such in an Agreement, which has overall responsibility for the execution of a Project.</p> <p>"Loan" means a loan extended by the Fund to the Borrower pursuant to a Financing Agreement.</p> <p>"Loan Account" means the account in the books of the Fund opened in the name of the Borrower to which the amount of a</p>	<p>SIMPLIFICATION - Reference to "coin" deleted.</p> <p>SIMPLIFICATION -The concept of Effective Date is replaced by "entry into force"- see Section 13.01</p> <p>Unchanged</p> <p>SIMPLIFICATION -Definition deleted</p> <p>Terminology revised</p> <p>Unchanged</p> <p>Unchanged</p> <p>SIMPLIFICATION -Definition simplified.</p> <p>Unchanged</p> <p>STANDARDIZATION - Lead Project Agency is always a single entity. "Execution" instead of "implementation"</p> <p>Terminology revised</p> <p>Unchanged</p>

EXISTING GENERAL CONDITIONS	PROPOSED GENERAL CONDITIONS	COMMENTS
<p>Loan is credited.</p> <p>"Loan Agreement" means the particular project loan agreement, programme loan agreement or other agreement pursuant to which the Fund has agreed to extend a Loan to the Borrower, and to which these General Conditions have been made applicable, as such agreement may be amended or otherwise modified from time to time. The term "Loan Agreement" includes these General Conditions to the extent applied thereto, and all schedules, annexes and agreements supplemental thereto.</p> <p>"Loan Closing Date" means the date specified in the Loan Agreement as the date on which the right of the Borrower to request withdrawals from the Loan Account ends.</p> <p>"Loan Document" means the Loan Agreement, Project Agreement, Guarantee Agreement and other agreement or document entered into by the Fund and any Loan Party or Project Party in connection with the Loan or the Project, as the same may be amended or otherwise modified from time to time. The term "Loan Document" includes these General Conditions to the extent applied thereto, and all schedules, annexes and agreements supplemental thereto.</p> <p>"Loan Party" means each entity responsible, in whole or in part, directly or indirectly, for Loan Service Payments. The term "Loan Party", as applied to any unguaranteed Loan, includes the Borrower and, as applied to any guaranteed Loan, the Borrower and the Guarantor.</p> <p>"Loan Service Payment Currency" means the freely convertible currency defined as such in the Loan Agreement.</p> <p>"Loan Service Payment" means any payment required or permitted to be made by the Loan Parties to the Fund under the Loan Documents, including (but not limited to) any payment of the principal of, or interest, or service charge, on any Loan.</p> <p>"Member State" means any Member State of the Fund.</p> <p>"outstanding" means, in respect of the principal amount of the</p>	<p>Loan is credited.</p> <p>"Financing Agreement" means a Project Financing Agreement or Programme Financing Agreement, pursuant to which the Fund agrees to extend Financing to the Borrower/Recipient.</p> <p>"Financing Closing Date" means the date on which the right of the Borrower/Recipient to request withdrawals from the Loan Account and/or Grant Account ends, <i>which is six (6) months after the Project Completion Date or such later date as the Fund may designate by notice to the Borrower/Recipient.</i></p> <p>"Loan Service Payment Currency" means the freely convertible currency defined as such in a Financing Agreement.</p> <p>"Loan Service Payment" means any payment required or permitted to be made by the Borrower or the Guarantor to the Fund under a Financing Agreement, including (but not limited to) any payment of the principal of, or interest or service charge on any Loan.</p> <p>"Member State" means any Member State of the Fund.</p>	<p>STANDARDIZATION - The term "Financing Agreement" will be used for all agreements with member states involving loans, grants, or any combination thereof which are approved by the Executive Board.</p> <p>STANDARDIZATION -Date is now specified.</p> <p>SIMPLIFICATION - Definition deleted.</p> <p>SIMPLIFICATION – Definition deleted</p> <p>Terminology revised</p> <p>Terminology revised</p> <p>Unchanged</p> <p>SIMPLIFICATION – Definition deleted</p>

EXISTING GENERAL CONDITIONS	PROPOSED GENERAL CONDITIONS	COMMENTS
<p>Loan, the aggregate amount withdrawn from the Loan Account upon request of the Borrower, or by the Fund on behalf of the Borrower, <i>less</i> any previous repayments, prepayments or refunds thereof.</p> <p>"Project" means the agricultural development project or programme described in the Loan Agreement and financed, in whole or in part, by the Loan.</p> <p>"Project Agreement" means any agreement between the Fund and any Project Party relating to the implementation of all or any part of the Project, as such agreement may be amended or otherwise modified from time to time. The term "Project Agreement" includes these General Conditions to the extent applied thereto, and all schedules, annexes and agreements supplemental thereto.</p> <p>"Project Completion Date" means the date specified in the Loan Agreement on which the implementation of the Project is to be completed.</p> <p>"Project Implementation Period" means the period beginning on the Effective Date and ending on the Project Completion Date, during which the Project is to be carried out.</p> <p>"Project Member State" means the Member State in which the Project is carried out. The term "Project Member State" normally applies to the Borrower in unguaranteed Loans and the Guarantor in guaranteed Loans.</p> <p>"Project Party" means each entity responsible for the implementation of the Project or any part thereof. The term "Project Party" includes (but is not limited to) the Lead Project Agency and any entity designated as a Project Party in the Loan Documents.</p> <p>"Special Account" means the account of the Borrower referred to in Section 4.08 for financing the Project.</p> <p>"Special Drawing Rights" or "SDR" mean special drawing rights as valued from time to time by the International Monetary Fund in accordance with its Articles of Agreement.</p> <p>"SDR Equivalent" means, with respect to any amount</p>	<p>"Project" means the agricultural development project or programme described in an Agreement and financed, in whole or in part, by the Financing.</p> <p>"Project Agreement" means any agreement between the Fund and any Project Party relating to the implementation of all or any part of a Project.</p> <p>"Project Completion Date" means the date specified in an Agreement on which the implementation of the Project is to be completed, <i>or such later date as the Fund may designate by notice to the Borrower/Recipient.</i></p> <p>"Project Implementation Period" means the period during which the Project is to be carried out, beginning on the date of entry into force of the Agreement and ending on the Project Completion Date.</p> <p>"Project Member State" means the Member State in which the Project is carried out.</p> <p>"Project Party" means each entity responsible for the implementation of the Project or any part thereof. The term "Project Party" includes (but is not limited to) the Lead Project Agency and any entity designated as a Project Party in an Agreement.</p> <p>"Special Drawing Rights" or "SDR" mean special drawing rights as valued from time to time by the International Monetary Fund in accordance with its Articles of Agreement.</p> <p>"SDR Equivalent" means, with respect to any amount</p>	<p>Terminology revised</p> <p>SIMPLIFICATION – Definition simplified.</p> <p>FLEXIBILITY -<i>Italicized words provide greater flexibility.</i></p> <p>Project Implementation Period begins on signature/ratification of agreement (Section 13.01)</p> <p>SIMPLIFICATION - Second sentence deleted</p> <p>Terminology revised</p> <p>FLEXIBILITY - The concept of the Special Account has been modified – see Section 4.04(d)</p> <p>Unchanged</p> <p>Unchanged</p>

EXISTING GENERAL CONDITIONS	PROPOSED GENERAL CONDITIONS	COMMENTS
<p>expressed in any currency at the time of determination, the equivalent of such amount in SDR, as determined by the Fund in accordance with Article 5.2(b) of the Agreement Establishing IFAD.</p> <p>“Subsidiary Agreement” means any agreement or arrangement (other than the Project Agreement) by which (i) the whole or part of the proceeds of the Loan are made available to any Project Party and/or (ii) any Project Party that undertakes to carry out the Project, in whole or in part, in either case as such agreement or arrangement may be amended or otherwise modified from time to time. The term “Subsidiary Agreement” includes (but is not limited to) any agreement or arrangement designated as such in the Loan Documents.</p> <p>“Taxes” means all imposts, levies, fees, tariffs and duties of any kind imposed, levied, collected, withheld or assessed by or in the territory of any Member State at any time, including (but not limited to) value added, sales, income, property, mortgage, import and stamp taxes, but excluding tax on the overall income of Project employees who are nationals of the Project Member State.</p> <p>“value date” means, in respect of any withdrawal from the Loan Account, the date on which such withdrawal is deemed made in accordance with Section 4.07 and, in respect of any Loan Service Payment, the date on which such Loan Service Payment is deemed made in accordance with Section 5.04.</p>	<p>expressed in any currency at the time of determination, the equivalent of such amount in SDR, as determined by the Fund in accordance with Article 5.2(b) of the Agreement Establishing IFAD.</p> <p>“Subsidiary Agreement” means any agreement or arrangement by which (i) the whole or part of the proceeds of the Financing are made available to a Project Party and/or (ii) a Project Party undertakes to carry out the Project, in whole or in part.</p> <p>“Taxes” means all imposts, levies, fees, tariffs and duties of any kind imposed, levied, collected, withheld or assessed by or in the territory of the Project Member State at any time.</p> <p>“Value Date” means, in respect of any withdrawal from the Loan Account, the date on which such withdrawal is deemed made in accordance with Section 4.06 and, in respect of any Loan Service Payment, the date on which such Loan Service Payment is deemed made in accordance with Section 5.04.</p> <p>“Agreement” means a Financing Agreement or other agreement subject to these General Conditions.</p> <p>“Annual Workplan and Budget” or “AWPB” means the annual workplan and budget for carrying out a Project during a particular Project Year, which includes the Procurement Plan.</p> <p>“Coercive practice” means impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party.</p> <p>“Collusive practice” means an arrangement between two or more parties designed to achieve an improper purpose, including influencing improperly the actions of another party.</p> <p>“Corrupt practice” means offering, giving, receiving or soliciting, directly or indirectly, anything of value to influence improperly</p>	<p>SIMPLIFICATION – Definition simplified</p> <p>SIMPLIFICATION – Definition simplified consistent with changes to Section 11.01(c).</p> <p>Unchanged</p> <p>STANDARDIZATION - New definition.</p> <p>STANDARDIZATION - Implementation of the Project (see Section 7.01(a)) and Eligible Expenditures are now linked to the AWPB.</p> <p>HARMONIZATION - Definitions related to fraud and corruption added.</p> <p>Definitions related to fraud and corruption added.</p> <p>Definitions related to fraud and corruption added.</p>

EXISTING GENERAL CONDITIONS	PROPOSED GENERAL CONDITIONS	COMMENTS
	<p>the actions of another party.</p> <p>“Euro” or “EUR” mean the currency of the European Monetary Union.</p> <p>“Financing” means a Loan, a Grant, or a combination thereof.</p> <p>“Fraudulent practice” means any action or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation.</p> <p>“Grant” means a grant extended to a Recipient pursuant to a Financing Agreement or other Agreement.</p> <p>“Grant Account” means the account in the books of the Fund opened in the name of the Recipient to which the amount of the Grant is credited.</p> <p>“IFAD Procurement Guidelines” means the Procurement Guidelines approved by the Fund’s Executive Board in December 2004, as such guidelines may be amended by the Fund.</p> <p>“IFAD Reference Interest Rate” means the rate determined periodically by the Fund as its reference rate for the computation of interest on its Loans.</p> <p>“Pound sterling” or “GBP” means the currency of the United Kingdom of Great Britain and Northern Ireland.</p> <p>“Procurement Plan” means the Borrower/Recipient’s Procurement Plan covering the initial eighteen (18) month period of Project implementation, as the same shall be updated to cover succeeding twelve (12) month periods.</p> <p>“Project Account” means an account for Project operations as described in Section 7.02(b).</p> <p>“Project Year” means (i) the period beginning on the date of entry into force of an Agreement and ending on the last day of the then-current Fiscal Year, and (ii) each period thereafter beginning on the first day of the Fiscal Year and ending on the last day thereof, <i>provided, however</i>, that if the date of entry into force of the Agreement falls after the midpoint of the Fiscal Year, Project Year 1 shall continue through the following Fiscal Year.</p>	<p>STANDARDIZATION - Term does not appear in the GCs, but is defined here for use in the Agreement or elsewhere.</p> <p>STANDARDIZATION - New definition.</p> <p>HARMONIZATION - Definitions related to fraud and corruption added.</p> <p>SIMPLIFICATION –Definition moved from Section 2.02</p> <p>SIMPLIFICATION –Definition moved from Section 2.02</p> <p>STANDARDIZATION – consistent definition of procurement standards – see Section 7.05</p> <p>STANDARDIZATION –Definition formerly in the Financing Agreement (see Section 5.01).</p> <p>STANDARDIZATION - Term does not appear in the GCs, but is defined here for use in the Agreement or elsewhere.</p> <p>STANDARDIZATION - Definition formerly in the Financing Agreement.</p> <p>STANDARDIZATION - Definition formerly in the Financing Agreement.</p> <p>STANDARDIZATION - Definition formerly in the Financing Agreement.</p>

EXISTING GENERAL CONDITIONS	PROPOSED GENERAL CONDITIONS	COMMENTS
<p>SECTION 2.02. <i>Certain Definitions Applicable to Grants.</i></p> <p>If the Project is financed wholly or partially by a grant made by the Fund, the following terms have the following meanings whenever used in these General Conditions, if appropriate and as the context may require:</p> <p>"Borrower" also includes the party designated as the "Recipient" in any grant agreement.</p> <p>"Grant" means any grant extended to the Borrower pursuant to the Loan Agreement.</p> <p>"Grant Account" means any account opened in the books of the Fund in the name of the Borrower to which the amount of the Grant is credited.</p> <p>"Loan" also includes any Grant made by the Fund.</p> <p>"Loan Account" also includes any Grant Account opened by the Fund in connection with the Project.</p> <p>"Loan Agreement" also includes any grant agreement, financing agreement or other agreement that provides for financing by the Fund wholly or partially on a grant basis.</p> <p>"Loan Party" also includes the party designated as the "Recipient" in any grant agreement.</p> <p>SECTION 2.03. <i>Use of terms.</i></p> <p>As used in these General Conditions and the Loan Documents,</p>	<p>"Recipient" means the party designated as such in an Agreement.</p> <p>"Target Population" means the group of people intended to benefit from a Project.</p> <p>"US dollar" or "USD" means the currency of the United States of America.</p> <p>"Yen" or "JPY" means the currency of Japan.</p> <p>SECTION 2.02. <i>Use of Terms.</i></p> <p>As used in these General Conditions and any Agreement,</p>	<p>Moved from Section 2.02</p> <p>STANDARDIZATION - Definition formerly in the Financing Agreement.</p> <p>STANDARDIZATION - Term does not appear in the GCs, but is defined here for use in the Agreement or elsewhere.</p> <p>SIMPLIFICATION – Definitions have been simplified and clarified - this section is no longer necessary</p> <p>Terminology revised.</p>

EXISTING GENERAL CONDITIONS	PROPOSED GENERAL CONDITIONS	COMMENTS
<p>except as the context otherwise requires, terms in the singular include the plural, terms in the plural include the singular, and masculine pronouns include the feminine.</p> <p>SECTION 2.04. <i>References and Headings.</i></p> <p>Unless otherwise indicated, references in these General Conditions to Articles or Sections refer to Articles or Sections of these General Conditions. The headings of the Articles and Sections and in the Table of Contents of these General Conditions are given for the convenience of reference only and do not form an integral part of these General Conditions.</p>	<p>except as the context otherwise requires, terms in the singular include the plural, terms in the plural include the singular, and masculine pronouns include the feminine.</p> <p>SECTION 2.03. <i>References and Headings.</i></p> <p>Unless otherwise indicated, references in these General Conditions to Articles or Sections refer to Articles or Sections of these General Conditions. The headings of the Articles and Sections and in the Table of Contents of these General Conditions are given for convenience of reference only and do not form an integral part of these General Conditions.</p>	<p>Unchanged.</p>
<p><u>ARTICLE III – THE COOPERATING INSTITUTION</u></p> <p>SECTION 3.01. <i>Appointment of the Cooperating Institution.</i></p> <p>The Fund shall appoint a suitable and competent institution acceptable to the Loan Parties to administer the Loan and supervise the Project. If for any reason a change of the Cooperating Institution becomes necessary, such a change shall be made by agreement between the Loan Parties and the Fund.</p> <p>SECTION 3.02. <i>Responsibilities of the Cooperating Institution.</i></p> <p>The Cooperating Institution shall be responsible for:</p> <ul style="list-style-type: none"> (a) facilitating Project implementation by assisting the Loan Parties and the Project Parties in interpreting and complying with the Loan Documents; (b) reviewing the Borrower's withdrawal applications to determine the amounts which the Borrower is entitled to withdraw from the Loan Account; (c) reviewing and approving the procurement of goods, civil works and services for the Project financed by the Loan; (d) monitoring compliance with the Loan Documents, 	<p><u>ARTICLE III – THE COOPERATING INSTITUTION</u></p> <p>SECTION 3.01. <i>Appointment of the Cooperating Institution.</i></p> <p>A Financing Agreement <i>may provide that</i> a Cooperating Institution will be appointed to administer the Financing and supervise the Project.</p> <p>SECTION 3.02. <i>Responsibilities of the Cooperating Institution.</i></p> <p><i>If appointed</i>, the Cooperating Institution shall be responsible for:</p> <ul style="list-style-type: none"> (a) facilitating Project implementation by assisting the Borrower/Recipient and the Project Parties in interpreting and complying with the Financing Agreement; (b) reviewing the Borrower/Recipient's withdrawal applications to determine the amounts which the Borrower/Recipient is entitled to withdraw from the Loan and/or Grant Account; (c) reviewing and approving on a no-objection basis the procurement of goods, civil works and services for the Project financed by the Financing; (d) monitoring compliance with the Financing 	<p>FLEXIBILITY - Italicized words/phrases make appointment of CI optional. As a result, all references to the CI elsewhere in the GCs have been deleted.</p>

EXISTING GENERAL CONDITIONS	PROPOSED GENERAL CONDITIONS	COMMENTS
<p>bringing any substantial non-compliance to the attention of the Fund and recommending remedies therefor; and</p> <p>(e) carrying out such other functions to administer the Loan and supervise the Project as may be set forth in the Cooperation Agreement.</p> <p>SECTION 3.03. <i>Cooperation Agreement.</i></p> <p>The Fund shall enter into a Cooperation Agreement with the Cooperating Institution setting forth the terms and conditions of its appointment. In the event that any term of the Cooperation Agreement conflicts with Section 3.02, the terms of the Cooperation Agreement shall govern. The Fund or the Cooperating Institution shall furnish the Loan Parties with a copy of the Cooperation Agreement as soon as practicable after signature thereof, but failure to do so shall not impair or excuse the obligations of the Loan Parties or the Project Parties in respect of the Cooperating Institution under the Loan Documents.</p> <p>SECTION 3.04. <i>Actions by the Cooperating Institution.</i></p> <p>Any action by the Cooperating Institution in accordance with the Cooperation Agreement shall be regarded and treated by the Loan Parties and the Project Parties as an action taken by the Fund.</p> <p>SECTION 3.05. <i>Cooperation by the Loan Parties and the Project Parties.</i></p> <p>The Loan Parties and the Project Parties shall take all necessary or appropriate steps to enable the Cooperating Institution to carry out its responsibilities smoothly and effectively.</p>	<p>Agreement, bringing any substantial non-compliance to the attention of the Fund and recommending remedies therefor; and</p> <p>(e) carrying out such other functions to administer the Financing and supervise the Project as may be set forth in the Cooperation Agreement.</p> <p>SECTION 3.03. <i>Cooperation Agreement.</i></p> <p><i>If a Cooperating Institution is appointed,</i> the Fund shall enter into a Cooperation Agreement with the Cooperating Institution setting forth the terms and conditions of its appointment.</p> <p>SECTION 3.04. <i>Actions by the Cooperating Institution.</i></p> <p>Any action by the Cooperating Institution in accordance with a Cooperation Agreement shall be regarded and treated by the Borrower/Recipient, the Guarantor and the Project Parties as an action taken by the Fund.</p> <p>SECTION 3.05. <i>Cooperation by the Borrower/Recipient and the Project Parties.</i></p> <p>The Borrower/Recipient, the Guarantor and the Project Parties shall take all necessary or appropriate steps to enable the Cooperating Institution to carry out its responsibilities smoothly and effectively.</p>	<p>FLEXIBILITY - This clause provides legal basis for actions of CI, if one is appointed, which means that all previous references to CI throughout the GCs are now unnecessary.</p> <p>Terminology revised</p>
<p><u>ARTICLE IV – LOAN ACCOUNT AND WITHDRAWALS</u></p> <p>SECTION 4.01. <i>Loan and Grant Accounts.</i></p> <p>The Fund shall credit the principal amount of the Loan to the Loan Account and the amount of any Grant to the Grant Account.</p>	<p><u>ARTICLE IV – LOAN ACCOUNT AND WITHDRAWALS</u></p> <p>SECTION 4.01. <i>Loan and Grant Accounts.</i></p> <p>Upon the entry into force of a Financing Agreement, the Fund shall open a Loan Account and/or a Grant Account in the name of the Borrower/Recipient and credit the principal amounts of the Loan and the Grant respectively thereto.</p>	<p>STANDARDIZATION – Time of opening accounts added.</p>

EXISTING GENERAL CONDITIONS	PROPOSED GENERAL CONDITIONS	COMMENTS
<p>SECTION 4.02. <i>Withdrawals from the Loan Account.</i></p> <p>The Borrower may from time to time request withdrawals from the Loan Account of amounts paid or amounts to be paid for Eligible Expenditures. The Loan Agreement may specify minimum amounts for withdrawals, in which case the Borrower shall finance Eligible Expenditures less than such minimum amounts by using the Special Account or its own resources.</p> <p>SECTION 4.03. <i>Special Commitments by the Fund.</i></p> <p>Upon the Borrower's request, the Fund may make special commitments to pay amounts in respect of Eligible Expenditures, notwithstanding any subsequent suspension of the Borrower's right to request withdrawals, on such terms and conditions as the Borrower and the Fund may agree.</p> <p>SECTION 4.04. <i>Applications for Withdrawal or Special Commitment.</i></p> <p>(a) When the Borrower wishes to request a withdrawal from the Loan Account or a special commitment, the Borrower shall deliver, by hand or mail, to the Cooperating Institution (with a copy to the Fund) an application in such form and substance as the Cooperating Institution shall reasonably request.</p> <p>(b) The Borrower shall furnish to the Fund and the Cooperating Institution evidence, satisfactory to the Cooperating Institution, of the authority of the person or persons authorised to sign such applications and the authenticated specimen signature of</p>	<p>SECTION 4.02. <i>Withdrawals from the Loan and Grant Accounts.</i></p> <p>(a) <i>Between the date of entry into force of the Agreement and the Financing Closing Date, the Borrower/Recipient may request withdrawals from the Loan Account and/or Grant Account of amounts paid or to be paid for Eligible Expenditures. The Fund shall notify the Borrower/Recipient of the minimum amount for withdrawals.</i></p> <p>(b) No withdrawal shall be made from the Loan and/or Grant Accounts until the first AWPB has been approved by the Fund and the Fund has determined that all other conditions specified in the Financing Agreement as additional general conditions precedent to withdrawal have been fulfilled. The Financing Agreement may also establish additional specific conditions precedent to withdrawal applicable to particular categories or activities. Withdrawals to meet the costs of starting up the Project may be made from the date of entry into force of the Agreement, subject to any limits established in the Financing Agreement.</p> <p>SECTION 4.03. <i>Special Commitments</i></p> <p>Upon the Borrower/Recipient's request, the Fund may agree to make an irrevocable commitment to pay amounts necessary to guarantee a Letter of Credit used to finance Eligible Expenditures (a "Special Commitment") on such terms and conditions as the Borrower/Recipient and the Fund may agree.</p> <p>SECTION 4.04. <i>Applications for Withdrawal, or Special Commitment.</i></p> <p>(a) When the Borrower/Recipient wishes to request a withdrawal from the Loan and/or Grant Accounts or a Special Commitment, the Borrower/Recipient shall deliver to the Fund an application in the form specified therefor by the Fund, together with such documents and other evidence in support of such application as the Fund shall reasonably request.</p> <p>(b) The Borrower/Recipient shall furnish to the Fund satisfactory evidence of the authority of the person or persons authorised to sign such applications and the authenticated specimen signature of each such person.</p>	<p>Italicized language replaces Section 4.04(e)</p> <p>STANDARDIZATION – Minimum amount removed from agreement.</p> <p>STANDARDIZATION/FLEXIBILITY – Concept of conditions of withdrawal is moved from the Financing Agreement to the GCs. Conditions of withdrawal defined. Withdrawals permitted for start up costs before conditions have been met.</p> <p>SIMPLIFICATION -Concept of Special Commitment explained/clarified.</p> <p>Terminology revised</p>

EXISTING GENERAL CONDITIONS	PROPOSED GENERAL CONDITIONS	COMMENTS
<p>each such person.</p> <p>(c) The Borrower shall also deliver to the Cooperating Institution such documents and other evidence in support of such applications as the Cooperating Institution shall reasonably request, whether before or after the Cooperating Institution shall have permitted any withdrawal or special commitment requested in the application.</p> <p>(d) Each such application, and the accompanying documents and other evidence, shall be sufficient in form and substance to satisfy the Cooperating Institution that the Borrower is entitled to a withdrawal from the Loan Account of the amount applied for, and that such amount will be used only for Eligible Expenditures.</p> <p>(e) No such application shall be honoured if received by the Cooperating Institution before the Effective Date or after the Loan Closing Date.</p> <p>(f) After receiving an application complying with this Section 4.04, the Cooperating Institution shall issue a payment request to the Fund for the amount which the Cooperating Institution has determined that the Borrower is entitled to withdraw.</p> <p>SECTION 4.05. <i>Payment by the Fund.</i></p> <p>Upon receipt of an authenticated payment request from the Cooperating Institution, the Fund shall pay to, or to the order of, the Borrower the amount which the Fund has determined that the Borrower is entitled to withdraw.</p> <p>SECTION 4.06. <i>Value Dates of Withdrawals.</i></p> <p>A withdrawal shall be deemed made as of the day on which the relevant financial institution debits the account chosen by the Fund for the purpose of disbursing such withdrawal.</p> <p>SECTION 4.07. <i>Statements of Expenditure.</i></p> <p>(a) The Loan Agreement may provide that the Borrower may request withdrawals from the Loan Account on the basis of statements of expenditure. To the extent that the Borrower does so, the Borrower (or its designee approved by the Fund) shall retain all records evidencing such expenditures until ten years after the Loan Closing Date.</p>	<p>(c) Each such application, and the accompanying documents and other evidence, must be sufficient to satisfy the Fund that the Borrower/Recipient is entitled to such withdrawal or Special Commitment.</p> <p>(d) If the Borrower/Recipient requests a withdrawal from the Loan and/or Grant Accounts for amounts to be paid thereafter for Eligible Expenditures, the Fund may, before transferring such amount to the Borrower/Recipient, require that the Borrower/Recipient provide evidence satisfactory to the Fund showing that previous withdrawals have been properly spent for Eligible Expenditures. The Fund may place reasonable limits on the amount that the Borrower/Recipient may withdraw in advance or the overall balance of such advance withdrawals, and may require that such amounts be held in a freely convertible currency and/or be held in an account designated for that purpose in a bank acceptable to the Fund</p> <p>SECTION 4.05. <i>Transfer by the Fund.</i></p> <p>Upon receipt of an authenticated and satisfactory application for withdrawal from the Borrower/Recipient, the Fund shall transfer to the account specified by the Borrower/Recipient the amount specified therein.</p> <p>SECTION 4.06. <i>Value Dates of Withdrawals.</i></p> <p>A withdrawal shall be deemed made as of the day on which the relevant financial institution debits the account of <i>the Fund</i> chosen for the purpose of disbursing such withdrawal.</p>	<p>SIMPLIFICATION - New (c) merges (c) and (d)</p> <p>(e) is addressed by first sentence of Section 4.02(a)</p> <p>FLEXIBILITY/OWNERSHIP -Replaces Special Account (Section 4.08)</p> <p>Terminology revised, reference to CI deleted.</p> <p>SIMPLIFICATION -Italicized words used for increased clarity.</p> <p>SIMPLIFICATION -Covered by 4.04(c)</p>

EXISTING GENERAL CONDITIONS	PROPOSED GENERAL CONDITIONS	COMMENTS
<p>(b) If the Fund, any auditors of the Project, or the Cooperating Institution determine that any amount so withdrawn was not used for the purposes indicated in the relevant statement of expenditure, the Borrower shall promptly refund such amount to the Fund upon instructions by the Fund. Except as the Fund shall otherwise agree, such refund shall be made in the currency used by the Fund to disburse such withdrawal. The Fund shall credit the Loan Account by the SDR Equivalent of the amount so refunded.</p> <p>SECTION 4.08. <i>Special Account.</i></p> <p>(a) The Loan Agreement may provide that the Borrower open and maintain a Special Account for financing all or a part of the Project, and that the Fund make one or more withdrawals from the Loan Account on behalf of the Borrower in an aggregate amount specified as the Authorized Allocation and deposit such amount in the Special Account.</p> <p>(b) The Borrower shall make payments out of the Special Account exclusively for Eligible Expenditures.</p> <p>(c) The Borrower may from time to time request replenishment of the Special Account for payments made out thereof. The Fund may designate minimum amounts for replenishments, which may be expressed as a percentage of the Authorized Allocation. Prior to or at the time of such request, the Borrower shall furnish to the Cooperating Institution such evidence as the Cooperating Institution shall reasonably request showing that such payments were made for Eligible Expenditures and the respective amounts and categories thereof.</p> <p>(d) After receiving such request and evidence, the Cooperating Institution shall issue a payment request to the Fund for the amount which the Cooperating Institution has determined that the Borrower is entitled for replenishment.</p> <p>(e) Based on such request, the Fund on behalf of the Borrower shall withdraw from the Loan Account and deposit into the Special Account the amount which the Fund determines that the Borrower is entitled for replenishment. The Fund shall debit the respective categories of Eligible Expenditure in the respective amounts indicated in the evidence furnished by the Borrower.</p> <p>(f) The Fund shall make no further deposit into the Special</p>		<p>See Section 4.9.</p> <p>Replaced by 4.04(d)</p>

EXISTING GENERAL CONDITIONS	PROPOSED GENERAL CONDITIONS	COMMENTS
<p>Account when:</p> <ul style="list-style-type: none"> (i) the balance of the Loan Account, <i>less</i> any outstanding special commitment under Section 4.03, equals the SDR Equivalent of twice the Authorised Allocation; (ii) the Borrower has failed to furnish in a timely manner the audit reports required by Section 9.03(b); (iii) the Fund has notified the Borrower under Section 12.01 that its right to request withdrawals from the Loan Account has been suspended; or (iv) the Fund determines that all further withdrawals shall be made directly from the Loan Account. <p>(g) If at any time the Fund determines that any payment out of the Special Account, or any portion thereof, was not made in accordance with this Section, the Borrower shall, promptly upon notice from the Fund, deposit into the Special Account or, if the Fund so requests, refund to the Fund an amount equal to the amount of such payment or such portion thereof. The Fund shall make no further deposit into the Special Account until the Borrower has made such deposit or refund.</p> <p>(h) If at any time the Fund determines that the balance of the Special Account is no longer required or permitted to finance payments for Eligible Expenditures, the Fund may give notice thereof to the Borrower. The Borrower shall refund to the Fund such balance within 30 days after such notice. Upon receipt thereof, the Fund shall credit the Loan Account in the amount of such refund. Except as the Fund shall otherwise agree, such refund shall be made in the currency used by the Fund for the purpose of withdrawals from the Loan Account.</p> <p>SECTION 4.09. <i>Allocations and Reallocations of Loan Proceeds.</i></p> <p>(a) The Loan Documents may allocate the principal amount of the Loan to categories of Eligible Expenditures and specify the percentages of such Eligible Expenditures to be financed by the Loan.</p>	<p>SECTION 4.07. <i>Allocations and Reallocations of Financing Proceeds.</i></p> <p>(a) A Financing Agreement may allocate the amount of the Financing to categories of Eligible Expenditures and specify the percentages of such Eligible Expenditures to be financed by the Financing.</p>	<p>Terminology revised</p>

EXISTING GENERAL CONDITIONS	PROPOSED GENERAL CONDITIONS	COMMENTS
<p>(b) If, upon request by the Borrower, the Fund reasonably estimates that the principal amount of the Loan allocated in the Loan Documents to any category of Eligible Expenditures will be insufficient to finance such Eligible Expenditures, the Fund may, by notice to the Borrower:</p> <p>(i) reallocate to such category amounts of the Loan allocated to another category not needed to meet other Eligible Expenditures, to the extent required to meet the estimated shortfall; and</p> <p>(ii) if such reallocation will not fully meet the estimated shortfall, reduce the percentage of such Eligible Expenditures to be financed by the Loan.</p> <p>(c) In furtherance of its policy set forth in Article XI, the Fund may, by notice to the Borrower, increase or decrease the percentage of such Eligible Expenditures to be financed by the Loan to avoid the use of Loan proceeds to pay Taxes.</p> <p>SECTION 4.10. <i>Eligible Expenditures.</i></p> <p>(a) The Loan shall be used exclusively to finance expenditures meeting each of the following eligibility requirements:</p> <p>(i) The expenditure shall meet the reasonable cost (excluding Taxes) of goods, works and services required for the Project and to be financed by the Loan supplied from the territory of a Member State and procured in accordance with the procedures specified in the Loan Documents.</p> <p>(ii) The expenditure shall be incurred during the Project Implementation Period, except that:</p> <p>(A) expenditures to meet the costs of starting up the Project or fulfilling the conditions</p>	<p>(b) The Fund shall monitor the uses of the Financing in order to determine when the allocation to a category has been depleted or is about to be depleted.</p> <p>(c) If the Fund determines that the amount of the Financing allocated in the Financing Agreement to a category of Eligible Expenditures is or will be insufficient, the Fund may, by notice to the Borrower/Recipient:</p> <p>(i) reallocate to such category amounts of the Financing allocated to another category to the extent required to meet the estimated shortfall; and/or</p> <p>(ii) if such reallocation will not fully meet the estimated shortfall, reduce the percentage of such Eligible Expenditures to be financed by the Financing.</p> <p>SECTION 4.08. <i>Eligible Expenditures.</i></p> <p>(a) The Financing shall be used exclusively to finance expenditures meeting each of the following eligibility requirements:</p> <p>(i) The expenditure shall meet the reasonable cost of goods, works and services required for the Project and covered by the relevant AWPB supplied from the territory of a Member State and procured in conformity with the Fund's Procurement Guidelines.</p> <p>(ii) The expenditure shall be incurred during the Project Implementation Period, except that expenditures to meet the costs of winding up the Project may be incurred after the Project Completion Date and before the Financing Closing Date.</p>	<p>STANDARDIZATION - Introduces monitoring of categories.</p> <p>SIMPLIFICATION -Language changed for increased clarity.</p> <p>Simplified.</p> <p>Terminology revised</p> <p>HARMONIZATION – Deleted -see Section 11.01(c)</p> <p>HARMONIZATION -Reference to Taxes deleted.</p> <p>STANDARDIZATION - Linked to AWPB.</p> <p>SIMPLIFICATION/OWNERSHIP -Simplified due to elimination of concept of effectiveness.</p>

EXISTING GENERAL CONDITIONS	PROPOSED GENERAL CONDITIONS	COMMENTS
<p>precedent to effectiveness of any Loan Document may be incurred before the Effective Date but after the date of the Loan Agreement; and</p> <p>(B) expenditures to meet the costs of winding up the Project may be incurred after the Project Completion Date and before the Loan Closing Date.</p> <p>(iii) The expenditure shall be incurred by a Project Party in a Member State.</p> <p>(iv) The expenditure shall be incurred in accordance with the Loan Documents.</p> <p>(b) The Fund may from time to time exclude generally certain types of expenditure from eligibility.</p> <p>(c) Any payment to persons or entities, or for any import of goods, if such payment or import is prohibited by a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations shall not be eligible for financing by the Loan.</p>	<p>(iii) The expenditure shall be incurred by a Project Party in a Member State.</p> <p>(iv) If the Agreement allocates the amount of the Financing to categories of Eligible Expenditures and specifies the percentages of such Eligible Expenditures to be financed by the Financing, the expenditure must relate to a category whose allocation has not been depleted, and shall be eligible only up to the percentage applicable to such category;</p> <p>(v) The expenditure shall be otherwise eligible in accordance with the terms of the Financing Agreement.</p> <p>(b) The Fund may from time to time exclude certain types of expenditure from eligibility.</p> <p>(c) Any payment prohibited by a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations shall not be eligible for financing by the Financing.</p> <p>(d) Any payments to a person or an entity, or for any goods, works or services, if making or receiving such payment constitutes a coercive, collusive, corrupt or fraudulent practice by any representative of the Borrower/Recipient or any Project Party, shall not be eligible for financing by the Financing.</p> <p>SECTION 4.09. <i>Refund of Withdrawals</i></p>	<p>Unchanged</p> <p>STANDARDIZATION - Links eligibility to categories.</p> <p>SIMPLIFICATION - Previous (iv) was unclear and overly broad, not linked directly to eligibility.</p> <p>SIMPLIFICATION - "Generally" deleted</p> <p>SIMPLIFICATION - Clarified</p> <p>HARMONIZATION/STANDARDIZATION - New section</p>

EXISTING GENERAL CONDITIONS	PROPOSED GENERAL CONDITIONS	COMMENTS
	<p>If the Fund determines that any amount withdrawn from the Loan and/or Grant Accounts was not used for the purposes indicated or will not be needed thereafter to finance Eligible Expenditures, the Borrower/Recipient shall promptly refund such amount to the Fund upon instruction by the Fund. Except as the Fund shall otherwise agree, such refund shall be made in the currency used by the Fund to disburse such withdrawal. The Fund shall credit the Loan and/or Grant Accounts by the SDR Equivalent of the amount so refunded.</p>	<p>SIMPLIFICATION - Obligation to refund (moved from Sections 4.07(b), 4.08(h)) made more general.</p>
<p><u>ARTICLE V - LOAN SERVICE PAYMENTS</u></p> <p>SECTION 5.01. <i>Interest and Other Charges.</i></p>	<p><u>ARTICLE V - LOAN SERVICE PAYMENTS</u></p> <p>SECTION 5.01. <i>Lending Terms.</i></p> <p>Loans provided by the Fund shall be given on highly concessional, intermediate or ordinary terms, as specified in the Financing Agreement:</p> <p>(a) Highly Concessional Terms: Loans granted on highly concessional terms shall be free of interest but bear a service charge of three fourths of one per cent (0.75%) per annum payable semi-annually in the Loan Service Payment Currency, and shall have a maturity period of forty (40) years, including a grace period of ten (10) years starting from the date of approval of the Loan by the Fund’s Executive Board;</p> <p>(b) Intermediate Terms: Loans granted on intermediate terms shall be subject to interest on the principal amount of the Loan outstanding at a rate of one half of the IFAD Reference Interest Rate payable semi-annually in the Loan Service Payment Currency, and shall have a maturity period of twenty (20) years, including a grace period of five (5) years starting from the date that the Fund has determined that all general conditions precedent to withdrawal have been fulfilled in accordance with section 4.02(b).</p> <p>(c) Ordinary Terms: Loans granted on ordinary terms shall be subject to interest on the principal amount of the Loan outstanding at a rate equal to the IFAD Reference Interest Rate, payable semi-annually in the Loan Service Payment Currency, and shall have a maturity period of fifteen (15) to eighteen (18) years, including a grace period of three (3) years starting from the date that the Fund has determined that all general conditions precedent to withdrawal have been fulfilled</p>	<p>STANDARDIZATION - Standard lending terms (established in Lending Policies and Criteria) moved from Financing Agreement. Maturity period is defined as starting from approval by the Executive Board for loans on highly concessional terms and from the fulfillment of general conditions of withdrawal for loans on intermediate and ordinary terms</p> <p>For ordinary terms, Financing Agreement must specify maturity period.</p>

EXISTING GENERAL CONDITIONS	PROPOSED GENERAL CONDITIONS	COMMENTS
<p>(a) The Borrower shall pay any interest, service charge and other charges on the principal amount of the Loan outstanding from time to time at the rate specified in the Loan Agreement. Such interest and other charges shall accrue from the respective value dates on which amounts are deemed withdrawn from the Loan Account until the respective value dates on which amounts are deemed repaid, prepaid or refunded.</p> <p>(b) Interest and other charges shall be computed on the basis of a 360-day year of twelve 30-day months.</p> <p>(c) If the rate specified in the Loan Agreement is variable, the Fund shall notify the Borrower, as soon as practicable, of the interest rate charged on the Loan in each interest period.</p> <p>SECTION 5.02. <i>Repayments and Prepayments of Principal.</i></p> <p>(a) The Borrower shall repay the aggregate principal amount of the Loan withdrawn from the Loan Account by the Borrower, or by the Fund on its behalf, in instalments as specified in the Loan Agreement.</p> <p>(b) The Borrower shall have the right to prepay all or any part of the principal amount of the Loan, as specified by the Borrower upon 45 days' notice to the Fund, provided that the Borrower pays all accrued and unpaid interest and other charges on the prepayment date. All prepayments shall be credited against the remaining Loan instalments in such manner as the Borrower and the Fund shall agree.</p> <p>SECTION 5.03. <i>Manner and Place of Payment.</i></p>	<p>in accordance with section 4.02(b).</p> <p>(d) Interest and service charge shall accrue on the outstanding principal amount of the Loan and shall be computed on the basis of a 360-day year of twelve 30-day months. The Fund shall provide the Borrower with a statement of interest and service charge due at least four (4) weeks prior to the date upon which payment is to be made.</p> <p>(e) The Fund shall publish the IFAD Reference Interest Rate applicable in each interest period.</p> <p>(f) During the grace period, interest and service charge shall accrue on the outstanding principal amount of the Loan and shall be payable semi-annually, but no payments of principal shall be due.</p> <p>SECTION 5.02. <i>Repayments and Prepayments of Principal.</i></p> <p>(a) The Borrower shall repay the aggregate principal amount of the Loan withdrawn from the Loan Account in semi-annual instalments, calculated over the maturity period minus the grace period. The Fund shall inform the Borrower of the dates and amounts of the payments as soon as possible after the start of the period of maturity of the Loan.</p> <p>(b) The Borrower shall have the right to prepay all or any part of the principal amount of the Loan, provided that the Borrower pays all accrued and unpaid interest and service charges on the amount to be prepaid which are due as of the prepayment date. All prepayments shall be credited first against any outstanding interest and service charge and then against the remaining Loan instalments.</p> <p>(c) Any partial cancellation of the Loan shall be applied <i>pro rata</i> to any remaining payment instalments of the principal amount of the Loan. The Fund shall notify the Borrower of such application, specifying the dates and amounts of the remaining instalments after giving effect thereto.</p> <p>SECTION 5.03. <i>Manner and Place of Payment.</i></p>	<p>STANDARDIZATION - The Fund is required to provide a statement of interest and service charge four weeks prior to payment date.</p> <p>STANDARDIZATION - Interest rate defined in Section 2.01.</p> <p>STANDARDIZATION - Grace period now defined</p> <p>STANDARDIZATION - Amortization method defined</p> <p>SIMPLIFICATION - Notice requirement eliminated.</p> <p>Moved from Section 12.04(a)</p>

EXISTING GENERAL CONDITIONS	PROPOSED GENERAL CONDITIONS	COMMENTS
<p>(a) The Borrower shall make all Loan Service Payments in accordance with applicable laws, <i>provided, however</i>, that all Loan Service Payments shall be made without currency or other restrictions of any kind imposed by, or in the territory of, the Project Member State.</p> <p>(b) All Loan Service Payments shall be paid to such account or accounts in such bank or other financial institution as the Fund may designate from time to time.</p> <p>SECTION 5.04. <i>Value Dates of Loan Service Payments.</i></p> <p>Loan Service Payments shall be deemed made as of the day on which the relevant financial institution credits the account designated therefor.</p>	<p>All Loan Service Payments shall be paid to such account or accounts in such bank or other financial institution as the Fund may designate by notice to the Borrower.</p> <p>SECTION 5.04. <i>Value Dates of Loan Service Payments.</i></p> <p>Loan Service Payments shall be deemed made as of the day on which the relevant financial institution credits the account of the Fund designated therefor.</p>	<p>SIMPLIFICATION - Deleted.</p> <p>SIMPLIFICATION</p> <p>SIMPLIFICATION - “of the Fund” added for clarity.</p>
<p><u>ARTICLE VI – CURRENCY PROVISIONS</u></p> <p>SECTION 6.01. <i>Denomination of the Loan.</i></p> <p>The principal amount of the Loan shall be expressed in Special Drawing Rights.</p> <p>SECTION 6.02. <i>Currencies for Withdrawals.</i></p> <p>(a) Withdrawals from the Loan Account shall be made in the respective currencies in which expenditures to be financed out of the proceeds of the Loan have been paid or are payable, or in such currency or currencies as the Fund may from time to time select.</p> <p>(b) The Loan Account shall be debited by the SDR Equivalent of the amount withdrawn determined as of on the value date of withdrawal. If the currency of withdrawal has been purchased by the Fund with another currency, the Loan Account shall be debited by the SDR Equivalent of the amount of such other currency.</p> <p>SECTION 6.03. <i>Loan Service Payment Currency.</i></p> <p>All Loan Service Payments shall be made in the Loan Service Payment Currency specified in the Loan Agreement. The amount of any Loan Service Payment shall be the equivalent in</p>	<p><u>ARTICLE VI – CURRENCY PROVISIONS</u></p> <p>SECTION 6.01. <i>Currencies for Withdrawals.</i></p> <p>(a) Withdrawals from the Loan and/or Grant Accounts shall be made in the respective currencies in which expenditures to be financed out of the proceeds of the Financing have been paid or are payable, or in such currency or currencies as the Fund may select.</p> <p>(b) The Loan and/or Grant Accounts shall be debited by the SDR Equivalent of the amount withdrawn determined as of the value date of withdrawal. If the currency of withdrawal has been purchased by the Fund with another currency, the Loan and/or Grant Accounts shall be debited by the SDR Equivalent of the amount of such other currency.</p> <p>SECTION 6.02. <i>Loan Service Payment Currency.</i></p> <p>All Loan Service Payments shall be made in the Loan Service Payment Currency specified in the Financing Agreement. The amount of any Loan Service Payment shall be the equivalent in</p>	<p>FLEXIBILITY - Deleted.</p> <p>Unchanged</p>

EXISTING GENERAL CONDITIONS	PROPOSED GENERAL CONDITIONS	COMMENTS
<p>Loan Service Payment Currency, as of the due date, of the SDR amount of such Loan Service Payment, as determined by the Fund in its sole discretion.</p> <p>SECTION 6.04. <i>Valuation of Currencies.</i></p> <p>Whenever it is necessary for the purposes of any Loan Document to determine the value of one currency in terms of another, the Fund or the Cooperating Institution shall determine such value based on reasonable criteria. For purposes of this Section, the term “currency” includes the SDR.</p> <p>SECTION 6.05. <i>Discontinuance of SDR as Loan Medium.</i></p> <p>In the event that the nature or composition of the SDR changes so as to make its continued use as a loan medium inappropriate in the view of the Fund, the Fund shall convert the principal amount of the Loan, and all other amounts expressed in SDR, into such other currency or unit of account as the Fund deems appropriate. The Fund shall promptly notify the Borrower of any such conversion. Such notice shall be deemed <i>ipso facto</i> to modify the Loan Documents accordingly.</p>	<p>Loan Service Payment Currency, as of the due date, of the SDR amount of such Loan Service Payment, as determined by the Fund in accordance with Article 5, Section 2(b) of the Agreement Establishing IFAD.</p> <p>SECTION 6.03. <i>Valuation of Currencies.</i></p> <p>Whenever it is necessary to determine the value of one currency in terms of another, the Fund shall determine such value in accordance with Article 5, Section 2(b) of the Agreement Establishing IFAD.</p>	<p>STANDARDIZATION - Revised to conform with Agreement Establishing IFAD.</p> <p>SIMPLIFICATION - Second sentence deleted.</p> <p>SIMPLIFICATION - Deleted.</p>
<p><u>ARTICLE VII – IMPLEMENTATION OF THE PROJECT</u></p> <p>SECTION 7.01. <i>Project Implementation.</i></p> <p>The Lead Project Agency and each of the other Project Parties shall carry out the Project:</p> <ul style="list-style-type: none"> (a) with due diligence and efficiency; (b) in conformity with appropriate administrative, engineering, financial, economic, operational, environmental and agricultural development practices (including rural development practices) and good governance; (c) in accordance with plans, design standards, specifications, procurement and work schedules and construction methods agreed by the Borrower and the Cooperating Institution; (d) in accordance with the provisions of the Loan Agreement, any Project Agreement and any other 	<p><u>ARTICLE VII – IMPLEMENTATION OF THE PROJECT</u></p> <p>SECTION 7.01. <i>Project Implementation.</i></p> <p>(a) The Borrower and each of the Project Parties shall carry out the Project:</p> <ul style="list-style-type: none"> (i) with due diligence and efficiency; (ii) in conformity with appropriate administrative, engineering, financial, economic, operational, environmental and agricultural development practices (including rural development practices) and good governance; (iii) in accordance with plans, design standards, specifications, procurement and work schedules and construction methods agreed by the Borrower/Recipient and the Fund; (iv) in accordance with the provisions of the relevant Agreement, the AWPBs, and the Procurement Plan 	<p>STANDARDIZATION - Implementation now linked to AWPBs and Procurement Plan.</p>

EXISTING GENERAL CONDITIONS	PROPOSED GENERAL CONDITIONS	COMMENTS
<p>Loan Document; and</p> <p>(e) so as to ensure the sustainability of its achievements over time.</p> <p>SECTION 7.02. <i>Availability of Loan Proceeds.</i></p> <p>The Borrower shall make the proceeds of the Loan available to the Project Parties upon terms and conditions specified in the Loan Agreement or otherwise approved by the Fund for the purpose of carrying out the Project.</p>	<p>(v) in accordance with the policies, criteria and regulations relating to agricultural development financing laid down from time to time by the Governing Council and Executive Board of the Fund; and</p> <p>(vi) so as to ensure the sustainability of its achievements over time.</p> <p>(b) (i) Projects shall be implemented on the basis of an Annual Workplan and Budget (AWPB). The Lead Project Agency shall prepare a draft Project AWPB for each Project based, to the extent appropriate, on the draft AWPBs prepared by the various Project Parties. Each draft Project AWPB shall include, among other things, a detailed description of planned Project activities during the coming Project Year, a Procurement Plan, and the sources and uses of funds.</p> <p>(ii) Before each Project Year, the Lead Project Agency shall, if required, submit the draft Project AWPB to the oversight body designated by the Borrower/Recipient for its review. When so reviewed, the Lead Project Agency shall submit the draft Project AWPB to the Fund for comments no later than sixty (60) days before the beginning of the relevant Project Year. If the Fund does not comment on the draft Project AWPB within thirty (30) days of receipt, the AWPB shall be deemed acceptable to the Fund.</p> <p>(iii) The Lead Project Agency shall adopt the Project AWPB in the form accepted by the Fund.</p> <p>(iv) The Lead Project Agency may propose adjustments in the Project AWPB during the relevant Project Year, which shall become effective after acceptance by the Fund.</p> <p>SECTION 7.02. <i>Availability of Financing Proceeds.</i></p> <p>(a) The Borrower/Recipient shall make the proceeds of the Financing available to the Project Parties upon terms and conditions specified in the Financing Agreement or otherwise approved by the Fund for the purpose of carrying out the Project.</p> <p>(b) The Financing Agreement may provide that the Borrower/Recipient open and maintain one or more Project</p>	<p>STANDARDIZATION - References to general policies no longer required.</p> <p>STANDARDIZATION - Moved from Financing Agreement.</p> <p>STANDARDIZATION - Procedure for AWPB approval moved from Financing Agreement.</p> <p>Terminology revised.</p> <p>STANDARDIZATION - Concept of Project Accounts moved</p>

EXISTING GENERAL CONDITIONS	PROPOSED GENERAL CONDITIONS	COMMENTS
<p>SECTION 7.03. <i>Availability of Additional Funds.</i></p> <p>In addition to the proceeds of the Loan, the Borrower shall make available to the Project Parties such funds, facilities, services and other resources as may be required from time to time to carry out the Project in accordance with Section 7.01.</p> <p>SECTION 7.04. <i>Coordination of Activities.</i></p> <p>In order to ensure that the Project is carried out in accordance with Section 7.01, each Loan Party shall ensure that the relevant activities of its ministries, departments and agencies, and those of each Project Party, are conducted and coordinated in accordance with sound administrative policies and procedures.</p> <p>SECTION 7.05. <i>Procurement.</i></p> <p>All goods, civil works and services financed by the Loan shall be procured and engaged in accordance with the procedures specified in the Loan Agreement.</p>	<p>Accounts for Project operations in a bank acceptable to the Fund, and shall identify the Project Party responsible for operating such account or accounts. The operation of such accounts, unless otherwise specified in the Financing Agreement, shall be performed in accordance with the applicable rules and regulations of the Project Party responsible therefor.</p> <p>SECTION 7.03. <i>Availability of Additional Resources.</i></p> <p>(a) In addition to the proceeds of the Financing, the Borrower/Recipient shall make available to the Project Parties such funds, facilities, services and other resources as may be required to carry out the Project in accordance with Section 7.01.</p> <p>(b) In addition to the proceeds of the Financing, the Financing Agreement may provide that the Borrower/Recipient shall make available to the Project Parties during the Project Implementation Period counterpart funds from its own resources in accordance with its customary national procedures for development assistance.</p> <p>SECTION 7.04. <i>Coordination of Activities.</i></p> <p>In order to ensure that the Project is carried out in accordance with Section 7.01, the Borrower/Recipient shall ensure that the relevant activities of its ministries, departments and agencies, and those of each Project Party, are conducted and coordinated in accordance with sound administrative policies and procedures.</p> <p>SECTION 7.05. <i>Procurement.</i></p> <p>(a) Procurement of goods, works and services financed by the Financing shall be carried out in accordance with the provisions of the Borrower/Recipient's procurement regulations, to the extent such are consistent with the IFAD Procurement Guidelines. Each Procurement Plan shall identify procedures which must be implemented by the Borrower/Recipient in order to ensure consistency with the IFAD Procurement Guidelines.</p> <p>(b) By notice to the Borrower/ Recipient, the Fund may require that all bidding documents and contracts for procurement of goods, works and services financed by the Financing include provisions requiring bidders, suppliers, contractors, sub-contractors and consultants to:</p>	<p>from Financing Agreement.</p> <p>FLEXIBILITY - "Resources" replaces "funds"</p> <p>STANDARDIZATION - Concept of counterpart funds moved from/linked to Financing Agreement.</p> <p>Terminology revised</p> <p>SIMPLIFICATION/STANDARDIZATION/ FLEXIBILITY/HARMONIZATION/ OWNERSHIP</p> <p>New provision</p>

EXISTING GENERAL CONDITIONS	PROPOSED GENERAL CONDITIONS	COMMENTS
<p>SECTION 7.06. <i>Use of Goods and Services.</i></p> <p>All goods, services and buildings financed by the Loan shall be used exclusively for the purposes of the Project.</p> <p>SECTION 7.07. <i>Maintenance.</i></p> <p>Each Project Party shall at all times operate, maintain, repair and replace all facilities and civil works used in connection with the Project with due diligence as required to carry out the Project in accordance with Section 7.01.</p> <p>SECTION 7.08. <i>Insurance.</i></p> <p>(a) The Borrower or the Lead Project Agency shall insure all goods and buildings used in the Project against such risks and in such amounts as shall be consistent with sound commercial practice.</p> <p>(b) The Borrower or the Lead Project Agency shall insure the goods imported for the Project and to be financed by the Loan against hazards incident to the acquisition, transportation and delivery thereof to the place of use or installation. For such insurance, any indemnity shall be payable in a freely usable currency to replace or repair such goods.</p> <p>SECTION 7.09. <i>Subsidiary Agreements.</i></p> <p>(a) No Project Party shall enter into any Subsidiary Agreement, or consent to any modification thereof, inconsistent with the Loan Agreement or the Project Agreement.</p> <p>(b) The Borrower and each Project Party shall exercise its</p>	<p>(i) allow full inspection by the Fund of all bid documentation and related records;</p> <p>(ii) maintain all documents and records related to the bid or contract for three years after completion of the bid or contract; and</p> <p>(iii) cooperate with agents or representatives of the Fund carrying out an audit or investigation.</p> <p>SECTION 7.06. <i>Use of Goods, Works and Services.</i></p> <p>All goods, services and buildings financed by the Financing shall be used exclusively for the purposes of the Project.</p> <p>SECTION 7.07. <i>Maintenance.</i></p> <p>The Borrower/Recipient shall ensure that all facilities and civil works used in connection with the Project shall at all times be properly operated and maintained and that all necessary repairs of such facilities shall be made promptly as needed.</p> <p>SECTION 7.08. <i>Insurance.</i></p> <p>(a) The Borrower/Recipient or the Lead Project Agency shall insure all goods and buildings used in the Project against such risks and in such amounts as shall be consistent with sound commercial practice.</p> <p>(b) The Borrower/Recipient or the Lead Project Agency shall insure the goods imported for the Project which are financed by the Financing against hazards incident to the acquisition, transportation and delivery thereof to the place of use or installation in accordance with sound commercial practice.</p> <p>SECTION 7.09. <i>Subsidiary Agreements.</i></p> <p>(a) The Borrower/Recipient shall ensure that no Project Party shall enter into any Subsidiary Agreement, or consent to any modification thereof, inconsistent with the Financing Agreement or the Project Agreement.</p> <p>(b) The Borrower/Recipient and each Project Party shall exercise its rights under any Subsidiary Agreement to which it</p>	<p>FLEXIBILITY - Initial clause adds flexibility; language changed for consistency</p> <p>FLEXIBILITY - Language broadened.</p> <p>SIMPLIFICATION - Simplified.</p> <p>STANDARDIZATION - Obligation of Borrower/Recipient.</p>

EXISTING GENERAL CONDITIONS	PROPOSED GENERAL CONDITIONS	COMMENTS
<p>rights under each Subsidiary Agreement to which it is party so that the interests of the Borrower and the Fund are fully protected and the Project is carried out in accordance with Section 7.01.</p> <p>(c) No provision of any such Subsidiary Agreement shall be assigned, waived, suspended, abrogated, amended or otherwise modified without the prior consent of the Fund.</p> <p>(d) The Borrower shall bear any foreign exchange risk under any Subsidiary Agreement to which it is party, unless such Subsidiary Agreement otherwise expressly provides.</p> <p>SECTION 7.10. <i>Performance of the Project Agreement.</i></p> <p>The Loan Parties shall take all necessary or appropriate action within their powers to enable and assist the Lead Project Agency and any other relevant Project Party to perform its obligations under the Project Agreement. The Loan Parties shall forebear from, and shall not permit any third party to take, any action that would interfere with such performance.</p> <p>SECTION 7.11. <i>Key Project Personnel.</i></p> <p>The Borrower or the Lead Project Agency shall appoint the Project Director and all other key Project personnel in the manner specified in the Loan Documents or otherwise approved by the Fund. All key Project personnel shall have qualifications and experience specified in the Loan Documents or otherwise approved by the Fund. The Borrower shall exercise best efforts to ensure continuity in key Project personnel throughout the Project Implementation Period.</p>	<p>is party to ensure that the interests of the Borrower/Recipient and the Fund are fully protected and the Project is carried out in accordance with Section 7.01.</p> <p>(c) No provision of any Subsidiary Agreement to which the Borrower/Recipient is a party shall be assigned, waived, suspended, abrogated, amended or otherwise modified without the prior consent of the Fund.</p> <p>(d) The Borrower/Recipient shall bear any foreign exchange risk under any Subsidiary Agreement to which it is party, unless otherwise agreed by the Fund.</p> <p>SECTION 7.10. <i>Performance of the Agreements.</i></p> <p>(a) The Borrower/Recipient shall be fully responsible to the Fund for the due and timely performance of all obligations ascribed to it, the Lead Project Agency and all other Project Parties under any Agreement. To the extent any Project Party enjoys legal personality separate from the Borrower/Recipient, any reference to an obligation of such Project Party in an Agreement shall be deemed an obligation of the Borrower/Recipient to ensure that such Project Party performs such obligation. The acceptance by any Project Party of any obligation ascribed to it in an Agreement shall not affect the responsibilities and obligations of the Borrower/Recipient.</p> <p>(b) The Borrower/Recipient shall take all necessary or appropriate action within its powers to enable and assist the Lead Project Agency and any other Project Party to perform its obligations under an Agreement. The Borrower/Recipient shall not take, and shall not permit any third party to take, any action that would interfere with such performance.</p> <p>SECTION 7.11. <i>Key Project Personnel.</i></p> <p>The Borrower/Recipient or the Lead Project Agency shall appoint the Project Director and all other key Project personnel in the manner specified in the Agreement or otherwise approved by the Fund. All key Project personnel shall have qualifications and experience specified in the Agreement or otherwise approved by the Fund. The Borrower/Recipient shall exercise best efforts to ensure continuity in key Project personnel throughout the Project Implementation Period. The Borrower/Recipient or the Lead Project Agency shall insure key Project personnel against health and accident risks to the extent</p>	<p>STANDARDIZATION - Subsection (a) moved from Financing Agreement.</p> <p>STANDARDIZATION - Obligation of Borrower/Recipient.</p>

EXISTING GENERAL CONDITIONS	PROPOSED GENERAL CONDITIONS	COMMENTS
<p>SECTION 7.12. <i>Project Parties.</i></p> <p>Each Project Party shall, as required to carry out the Project in accordance with Section 7.01:</p> <ul style="list-style-type: none"> (a) promptly take all necessary or appropriate action to maintain its corporate existence and to acquire, maintain and renew its rights, properties, powers, privileges and franchises; (b) employ competent and experienced management and personnel; (c) operate, maintain and replace its plant, equipment and other properties; and (d) not sell, lease or otherwise dispose of any of its assets. <p>SECTION 7.13. <i>Allocation of Project Resources.</i></p> <p>The Loan Parties and the Project Parties shall ensure that the resources and benefits of the Project, to the fullest extent practicable, are allocated among the target population using gender disaggregated methods.</p> <p>SECTION 7.14. <i>Land Acquisition.</i></p> <p>The Loan Parties and the Project Parties shall take all such action as shall be necessary or appropriate to acquire, as and when needed, all such land and land rights as shall be required for carrying out the Project and shall furnish to the Fund, promptly upon its request or upon such acquisition, evidence satisfactory to the Fund that such land and land rights are available for Project-related purposes. In carrying out such acquisitions, the Loan Parties and the Project Parties shall observe all applicable national laws.</p> <p>SECTION 7.15. <i>Environmental Factors.</i></p>	<p>consistent with sound commercial practice or its customary practice in respect of its national civil service, whichever is appropriate.</p> <p>SECTION 7.12. <i>Project Parties.</i></p> <p>Each Project Party shall, as required to carry out the Project in accordance with Section 7.01:</p> <ul style="list-style-type: none"> (a) promptly take all necessary or appropriate action to maintain its corporate existence and to acquire, maintain and renew its rights, properties, powers, privileges and franchises; (b) employ competent and experienced management and personnel; (c) operate, maintain and replace its plant, equipment and other properties; and (d) not sell, lease or otherwise dispose of any of the Project's assets, except in the normal course of business or as agreed by the Fund. <p>SECTION 7.13. <i>Allocation of Project Resources.</i></p> <p>The Borrower/Recipient and the Project Parties shall ensure that the resources and benefits of the Project, to the fullest extent practicable, are allocated among the Target Population using gender disaggregated methods.</p> <p>SECTION 7.14. <i>Environmental Factors.</i></p> <p>The Borrower/Recipient and the Project Parties shall take all</p>	<p>STANDARDIZATION - Final sentence moved from Financing Agreement.</p> <p>Unchanged</p> <p>FLEXIBILITY - Final clause added for flexibility.</p> <p>SIMPLIFICATION -“Target population” defined in Section 2.01.</p> <p>SIMPLIFICATION/OWNERSHIP - Deleted</p>

EXISTING GENERAL CONDITIONS	PROPOSED GENERAL CONDITIONS	COMMENTS
<p>The Loan Parties and the Project Parties shall take all reasonable measures to ensure that the Project is carried out with due diligence in regard to environmental factors and in conformity with national environmental laws and any international treaties to which the Project Member State may be party.</p> <p>SECTION 7.16. <i>Relending Rates.</i></p> <p>During the Project Implementation Period, the Project Member State and the Fund shall periodically review the interest rates applicable to any credits extended to Project beneficiaries which are financed (directly or indirectly) by the Loan. These reviews shall be conducted jointly with the objective of reaching or maintaining positive interest rates over time. The Project Member State shall take any appropriate measures, consistent with its policies and the Fund's policies, to achieve that objective. Among such measures, the Borrower and each Project Party extending such credits shall endeavour to minimise its costs. For purposes of this Section, the term "positive interest rate" means, in respect of any credit extended by any Project Party, an interest rate which, after giving effect to inflation, permits such Project Party to recover its costs and achieve sustainability.</p> <p>SECTION 7.17. <i>Use of the Name and Insignia of the Fund.</i></p> <p>To the fullest extent practicable, all Project facilities and vehicles shall bear the name and insignia of the Fund and otherwise identify the Project as being financed by the Fund. Publications by any Loan Party or Project Party concerning the Project shall mention the Fund and its contribution to the Project.</p>	<p>reasonable measures to ensure that the Project is carried out with due diligence in regard to environmental factors and in conformity with national environmental laws and any international treaties to which the Project Member State may be party. In particular, the Project Parties shall maintain appropriate pest management practices under the Project and, to that end, shall comply with the principles of the International Code of Conduct on the Distribution and Use of Pesticides of the Food and Agriculture Organisation of the United Nations (FAO), as amended, and ensure that pesticides procured under the Project do not include any pesticide formulation which would be classified as Extremely Hazardous (Class Ia) or Highly Hazardous (Class Ib) according to the WHO Recommended Classification of Pesticides by Hazard and Classification, as amended.</p> <p>SECTION 7.15. <i>Relending Rates.</i></p> <p>During the Project Implementation Period, the Borrower/Recipient and the Fund shall periodically review the interest rates applicable to any credits extended to members of the Target Population which are financed (directly or indirectly) by the Financing. These reviews shall be conducted jointly with the objective of reaching or maintaining positive interest rates over time. The Borrower/Recipient shall take any appropriate measures, consistent with its policies and the Fund's policies, to achieve that objective. Among such measures, the Borrower/Recipient and each Project Party extending such credits shall endeavour to minimise its costs. For purposes of this Section, the term "positive interest rate" means, in respect of any credit extended by any Project Party, an interest rate which, after giving effect to inflation, permits such Project Party to recover its costs and achieve sustainability.</p>	<p>Terminology revised</p> <p>STANDARDIZATION - Additional sentence moved from Financing Agreement.</p> <p>SIMPLIFICATION - "Project Member State" replaced by "Borrower/Recipient"</p> <p>Obligation of Borrower/Recipient</p> <p>OWNERSHIP -Deleted</p>

EXISTING GENERAL CONDITIONS	PROPOSED GENERAL CONDITIONS	COMMENTS
<p>SECTION 7.18. <i>Project Completion.</i></p> <p>The Project Parties shall complete the implementation of the Project by the Project Completion Date.</p>	<p>SECTION 7.16. <i>Project Completion.</i></p> <p>The Borrower/Recipient shall ensure that the Project Parties complete the implementation of the Project by the Project Completion Date. The Fund and the Borrower/Recipient shall agree on the disposition of the assets of the Project upon its completion.</p>	<p>STANDARDIZATION -Obligation of Borrower/Recipient</p>
<p><u>ARTICLE VIII – IMPLEMENTATION REPORTING AND INFORMATION</u></p> <p>SECTION 8.01. <i>Implementation Records.</i></p> <p>The Project Parties shall maintain records and documents adequate to reflect their operations in implementing the Project (including, but not limited to, copies or originals of all correspondence, minutes of meetings and all documents relating to procurement) until the Project Completion Date, and shall retain such records and documents for at least ten years thereafter.</p> <p>SECTION 8.02. <i>Monitoring of Project Implementation.</i></p> <p>The Project Party so designated in the Loan Documents shall:</p> <p>(a) during the Project Implementation Period, gather all data and other relevant information (including any and all information specified in the Loan Documents or requested by the Fund from time to time) necessary to monitor the progress of the implementation of the Project and the achievement of its objectives; and</p>	<p><u>ARTICLE VIII – IMPLEMENTATION REPORTING AND INFORMATION</u></p> <p>SECTION 8.01. <i>Implementation Records.</i></p> <p>The Borrower/Recipient shall ensure that the Project Parties maintain records and documents adequate to reflect their operations in implementing the Project (including, but not limited to, copies or originals of all correspondence, minutes of meetings and all documents relating to procurement) until the Project Completion Date, and shall retain such records and documents for at least ten (10) years thereafter.</p> <p>SECTION 8.02. <i>Monitoring of Project Implementation.</i></p> <p>The Lead Project Agency shall:</p> <p>(a) establish and thereafter maintain an appropriate information management system in accordance with the Fund’s “Guide for Project Monitoring and Evaluation” with which it shall continuously monitor the Project;</p> <p>(b) during the Project Implementation Period, gather all data and other relevant information (including any and all information requested by the Fund) necessary to monitor the progress of the implementation of the Project and the achievement of its objectives; and</p>	<p>STANDARDIZATION -Obligation of Borrower/Recipient</p> <p>STANDARDIZATION -Obligation of Lead Project Agency</p> <p>STANDARDIZATION -Section moved from Financing Agreement.</p> <p>FLEXIBILITY - Reference to Loan Documents deleted</p>

EXISTING GENERAL CONDITIONS	PROPOSED GENERAL CONDITIONS	COMMENTS
<p>(b) during the Project Implementation Period and for at least ten years thereafter, adequately store such information, and, promptly upon request, make such information available to the Fund and its representatives and agents.</p> <p>SECTION 8.03. <i>Progress Reports.</i></p> <p>The Project Party so designated in the Loan Documents shall furnish to the Fund and the Cooperating Institution progress reports on the Project at such intervals during the Project Implementation Period as shall be specified in the Loan Documents, in such form and substance as may be specified in the Loan Documents or as the Fund or the Cooperating Institution shall reasonably request from time to time. At a minimum, such reports shall address (i) quantitative and qualitative progress made in implementing the Project and achieving its objectives, (ii) problems encountered during the reporting period, (iii) steps taken or proposed to be taken to remedy these problems, and (iv) the proposed programme of activities and the progress expected during the following reporting period.</p> <p>SECTION 8.04. <i>Completion Report.</i></p> <p>As promptly as possible after the Project Completion Date but</p>	<p>(c) during the Project Implementation Period and for at least ten (10) years thereafter, adequately store such information, and, promptly upon request, make such information available to the Fund and its representatives and agents.</p> <p>SECTION 8.03. <i>Progress Report and Mid-Term Reviews.</i></p> <p>(a) The Lead Project Agency, or other party so designated in the relevant Agreement, shall furnish to the Fund periodic progress reports on the Project, in such form and substance as the Fund shall reasonably request. At a minimum, such reports shall address (i) quantitative and qualitative progress made in implementing the Project and achieving its objectives, (ii) problems encountered during the reporting period, (iii) steps taken or proposed to be taken to remedy these problems, and (iv) the proposed programme of activities and the progress expected during the following reporting period.</p> <p>(b) If specified in an Agreement, the Lead Project Agency and the Fund shall jointly carry out a review of Project implementation no later than the midpoint of the Project Implementation Period (the "Mid-Term Review") based on terms of reference prepared by the Lead Project Agency and approved by the Fund. Among other things, the Mid-Term Review shall consider the achievement of Project objectives and the constraints thereon, and recommend such reorientation as may be required to achieve such objectives and remove such constraints.</p> <p>(c) The Borrower/Recipient shall ensure that the recommendations resulting from the Mid-Term Review are implemented within the specified time therefor and to the satisfaction of the Fund. Such recommendations may result in modifications to the Agreement or cancellation of the Financing.</p> <p>SECTION 8.04. <i>Completion Report.</i></p> <p>As promptly as possible after the Project Completion Date but</p>	<p>Unchanged.</p> <p>STANDARDIZATION -Reference to Mid-Term Review moved from Financing Agreement.</p> <p>STANDARDIZATION -Obligation of Lead Project Agency, unless otherwise specified.</p> <p>Mid-term Review.</p> <p>STANDARDIZATION -Date specified</p>

EXISTING GENERAL CONDITIONS	PROPOSED GENERAL CONDITIONS	COMMENTS
<p>in any event no later than the date specified in the Loan Documents, the Project Party so designated in the Loan Documents shall furnish to the Fund and the Cooperating Institution a report on the overall implementation of the Project, in such form and substance as may be specified in the Loan Documents or as the Fund or the Cooperating Institution shall reasonably request. At a minimum, such report shall address (i) the costs and benefits of the Project, (ii) the achievement of its objectives, (iii) the performance by the Loan Parties, the Project Parties, the Cooperating Institution and the Fund of their respective obligations under the Loan Documents, and (iv) lessons learned from the foregoing.</p> <p>SECTION 8.05. <i>Plans and Schedules.</i></p> <p>The Project Parties shall furnish to the Cooperating Institution promptly upon their preparation, and to the Fund promptly upon its request, such plans, design standards, reports, contract documents, specifications and schedules relating to the Project, and any material modifications subsequently made therein.</p> <p>SECTION 8.06. <i>Other Implementation Reports and Information.</i></p> <p>In addition to the reports and information required by the foregoing provisions of this Article:</p> <p>(a) The Loan Parties and the Project Parties shall promptly furnish to the Fund and the Cooperating Institution such other reports and information as the Cooperating Institution or the Fund shall reasonably request on any matter relating to the Project or any Project Party.</p> <p>(b) The Loan Parties and the Project Parties shall promptly inform the Fund and the Cooperating Institution of any condition that interferes with, or threatens to interfere with, the implementation of the Project or the achievement of its objectives.</p>	<p>in any event no later than the Financing Closing Date, the Borrower/Recipient shall furnish to the Fund a report on the overall implementation of the Project, in such form and substance as may be specified in the Financing Agreement or as the Fund shall reasonably request. At a minimum, such report shall address (i) the costs and benefits of the Project, (ii) the achievement of its objectives, (iii) the performance by the Borrower/Recipient, the Project Parties, the Fund of their respective obligations under the Agreement and (iv) lessons learned from the foregoing.</p> <p>SECTION 8.05. <i>Plans and Schedules.</i></p> <p>The Project Parties shall furnish to the Fund promptly upon their preparation, such plans, design standards, reports, contract documents, specifications and schedules relating to the Project, and any material modifications subsequently made therein.</p> <p>SECTION 8.06. <i>Other Implementation Reports and Information.</i></p> <p>In addition to the reports and information required by the foregoing provisions of this Article:</p> <p>(a) The Borrower/Recipient and the Project Parties shall promptly furnish to the Fund such other reports and information as the Fund shall reasonably request on any matter relating to the Project or any Project Party.</p> <p>(b) The Borrower/Recipient and the Project Parties shall promptly inform the Fund of any condition that interferes with, or threatens to interfere with, the implementation of the Project or the achievement of its objectives. In particular, the Borrower/Recipient and the Project Parties shall promptly notify the Fund of any allegations of fraud and/or corruption that are received in relation to any of the Project activities.</p>	<p>Obligation of Borrower/Recipient</p> <p>References to Cooperating Institution deleted.</p> <p>Reference to Cooperating Institution deleted.</p> <p>References to Cooperating Institution and Loan Parties deleted.</p> <p>Reference to fraud and corruption added.</p>
ARTICLE IX- FINANCIAL REPORTING AND INFORMATION	ARTICLE IX- FINANCIAL REPORTING AND INFORMATION	

EXISTING GENERAL CONDITIONS	PROPOSED GENERAL CONDITIONS	COMMENTS
<p>SECTION 9.01. <i>Financial Records.</i></p> <p>The Project Parties shall maintain separate accounts and records in accordance with consistently maintained appropriate accounting practices adequate to reflect the operations, resources and expenditures related to the Project until the Loan Closing Date, and shall retain such accounts and records for at least ten years thereafter.</p> <p>SECTION 9.02. <i>Financial Statements.</i></p> <p>The Project Party so designated in the Loan Documents shall deliver to the Fund and the Cooperating Institution detailed financial statements of the operations, resources and expenditures related to the Project at such intervals as may be specified in the Loan Documents.</p> <p>SECTION 9.03. <i>Audit of Accounts.</i></p> <p>The Project Party so designated in the Loan Documents shall:</p> <p>(a) each Fiscal Year, have the accounts relating to the Project (including the Special Account and statements of expenditure) audited in accordance with appropriate auditing principles consistently applied by independent auditors specified in the Loan Documents.</p> <p>(b) as soon as available after the end of each Fiscal Year but in any event not later than the date specified in the Loan Documents, furnish to the Fund and the Cooperating Institution a certified copy of the audit report. In addition to verifying Project accounts, the report shall address the adequacy of accounting and internal control systems to monitor expenditures and other financial transactions and ensure safe custody of Project assets, the adequacy of documentation maintained by the Project Party on relevant transactions, and such other matters as the Fund or the Cooperating Institution shall reasonably request. To the extent that any withdrawals of Loan proceeds during the Fiscal Year were made on the basis of statements of expenditure, the report shall include a separate</p>	<p>SECTION 9.01. <i>Financial Records.</i></p> <p>The Project Parties shall maintain separate accounts and records in accordance with consistently maintained appropriate accounting practices adequate to reflect the operations, resources and expenditures related to the Project until the Financing Closing Date, and shall retain such accounts and records for at least ten (10) years thereafter.</p> <p>SECTION 9.02. <i>Financial Statements.</i></p> <p>The Borrower/Recipient shall deliver to the Fund detailed financial statements of the operations, resources and expenditures related to the Project for each Fiscal Year prepared in accordance with standards and procedures acceptable to the Fund and deliver such financial statements to the Fund within four (4) months of the end of each Fiscal Year.</p> <p>SECTION 9.03. <i>Audit of Accounts.</i></p> <p>The Borrower/Recipient shall:</p> <p>(a) each Fiscal Year, have the accounts relating to the Project audited in accordance with auditing standards acceptable to the Fund and the Fund's "Guidelines on Project Audits (for Borrowers' Use)" by independent auditors acceptable to the Fund.</p> <p>(b) within six (6) months of the end of each Fiscal Year, furnish to the Fund a certified copy of the audit report. The Borrower/Recipient shall submit to the Fund the reply to the management letter of the auditors within one month of receipt thereof.</p>	<p>Terminology revised</p> <p>STANDARDIZATION -Obligation of Borrower/Recipient</p> <p>STANDARDIZATION -Time limit now specified.</p> <p>STANDARDIZATION -Obligation of Borrower/Recipient</p> <p>FLEXIBILITY - No longer necessary to specify auditors in the Financing Agreement.</p> <p>STANDARDIZATION -Deadline for audit report now standardized.</p> <p>Reference to management letter added.</p>

EXISTING GENERAL CONDITIONS	PROPOSED GENERAL CONDITIONS	COMMENTS
<p>opinion stating that the proceeds of the Loan withdrawn from the Loan Account on the basis of such statements of expenditure were used for the purposes for which they were provided.</p> <p>SECTION 9.04. <i>Other Financial Reports and Information.</i></p> <p>In addition to the reports and information required by the foregoing provision of this Article:</p> <p>(a) The Loan Parties and the Project Parties shall promptly furnish to the Fund and the Cooperating Institution such other reports and information as the Fund or the Cooperating Institution shall reasonably request on any financial matter relating to the Loan or the Project or any Loan Party or Project Party.</p> <p>(b) The Loan Parties shall promptly inform the Fund and the Cooperating Institution of any condition that interferes with, or threatens to interfere with, the maintenance of Loan Service Payments.</p> <p>The Project Member State shall promptly furnish to the Fund all such information as the Fund may reasonably request with respect to financial and economic conditions in its territory, including its balance of payments and its external debt.</p>	<p>(c) If the Borrower/Recipient does not timely furnish any required audit report in satisfactory form and the Fund determines that the Borrower/Recipient is unlikely to do so within a reasonable period, the Fund may engage independent auditors of its choice to audit the accounts relating to the Project. The Fund may finance the cost of such audit by withdrawal from the Loan and/or Grant Accounts.</p> <p>SECTION 9.04. <i>Other Financial Reports and Information.</i></p> <p>In addition to the reports and information required by the foregoing provisions of this Article:</p> <p>(a) The Borrower/Recipient and the Project Parties shall promptly furnish to the Fund such other reports and information as the Fund shall reasonably request on any financial matter relating to the Financing or the Project or any Project Party.</p> <p>(b) The Borrower/Recipient and the Guarantor shall promptly inform the Fund of any condition that interferes with, or threatens to interfere with, the maintenance of Loan Service Payments.</p> <p>The Project Member State shall promptly furnish to the Fund all information that the Fund may reasonably request with respect to financial and economic conditions in its territory, including its balance of payments and its external debt.</p>	<p>New section</p> <p>References to Cooperating Institution and Loan Parties deleted.</p> <p>Terminology revised</p> <p>Unchanged.</p>
<p><u>ARTICLE X - COOPERATION</u></p> <p>SECTION 10.01. <i>Cooperation, Generally.</i></p> <p>The Fund, the Cooperating Institution, each Loan Party and each Project Party shall cooperate fully to ensure that the objectives of the Project are achieved.</p>	<p><u>ARTICLE X - COOPERATION</u></p> <p>SECTION 10.01. <i>Cooperation, Generally.</i></p> <p>The Fund, the Cooperating Institution and each Project Party shall cooperate fully to ensure that the objectives of the Project are achieved.</p>	<p>Reference to CI retained in the context of cooperation; reference to Loan Parties deleted.</p>

EXISTING GENERAL CONDITIONS	PROPOSED GENERAL CONDITIONS	COMMENTS
<p>SECTION 10.02. <i>Exchange of Views.</i></p> <p>The Fund, the Cooperating Institution, the Loan Parties and the Lead Project Agency shall, from time to time at the request of any one of them, exchange views on the Project, the Loan, or any Loan Party or Project Party.</p> <p>SECTION 10.03. <i>Visits, Inspections and Enquiries.</i></p> <p>The Loan Parties and the Project Parties shall enable agents and representatives of the Fund and the Cooperating Institution from time to time to:</p> <ul style="list-style-type: none"> (a) visit and inspect the Project, including any and all sites, works, equipment and other goods used for Project-related purposes; (b) examine the originals and take copies of any data, accounts, records and documents relevant to the Loan, the Project, or any Loan Party or Project Party; and (c) visit, communicate with and make enquiries of all Project personnel and any staff member of any Loan Party or Project Party. <p>SECTION 10.04. <i>Audits Initiated by the Fund.</i></p> <p>The Loan Parties and the Project Parties shall permit auditors designated by the Fund or the Cooperating Institution from time to time to audit the records and accounts relating to the Project. The Loan Parties and the Project Parties shall cooperate fully with such audit and accord the auditors the full rights and privileges of agents or representatives of the Fund under Section 10.03. The Fund shall bear the cost of such audits.</p> <p>SECTION 10.05. <i>Evaluations of the Project.</i></p> <p>(a) The Borrower and each Project Party shall facilitate all evaluations and reviews of the Project that the Fund may carry out during the Project Implementation Period and for ten years thereafter.</p> <p>(b) As used in this Section, the term "facilitate", in addition to</p>	<p>SECTION 10.02. <i>Exchange of Views.</i></p> <p>The Fund, the Borrower/Recipient and the Lead Project Agency shall, from time to time at the request of any one of them, exchange views on the Project, the Financing, or any Project Party.</p> <p>SECTION 10.03. <i>Visits, Inspections and Enquiries.</i></p> <p>The Borrower/Recipient and the Project Parties shall enable agents and representatives of the Fund from time to time to:</p> <ul style="list-style-type: none"> (a) visit and inspect the Project, including any and all sites, works, equipment and other goods used for Project-related purposes; (b) examine the originals and take copies of any data, accounts, records and documents relevant to the Financing, the Project, or any Project Party; and (c) visit, communicate with and make enquiries of all Project personnel and any staff member of any Project Party. <p>SECTION 10.04. <i>Audits Initiated by the Fund.</i></p> <p>The Borrower/Recipient and the Project Parties shall permit auditors designated by the Fund to audit the records and accounts relating to the Project. The Borrower/Recipient and the Project Parties shall cooperate fully with any such audit and accord the auditors the full rights and privileges of agents or representatives of the Fund under Section 10.03. With the exception of audits carried out in accordance with Section 9.03(c), the Fund shall bear the cost of such audits.</p> <p>SECTION 10.05. <i>Evaluations of the Project.</i></p> <p>(a) The Borrower/Recipient and each Project Party shall facilitate all evaluations and reviews of the Project that the Fund may carry out during the Project Implementation Period and for ten (10) years thereafter.</p> <p>(b) As used in this Section, the term "facilitate", in addition to full compliance with Articles VIII, IX and this Article X in respect</p>	<p>Reference to Cooperating Institution and Loan Parties deleted.</p> <p>References to Cooperating Institution and Loan Parties deleted.</p> <p>References to Loan Parties and Cooperating Institution deleted</p> <p>Terminology revised</p>

EXISTING GENERAL CONDITIONS	PROPOSED GENERAL CONDITIONS	COMMENTS
<p>full compliance with Articles VIII, IX and this Article X in respect of such evaluations and reviews, includes providing timely logistical support by making available Project personnel and equipment and promptly taking such other action as the Fund may request in connection with such evaluations and reviews, but does not include incurring out-of-pocket expenses. SECTION 10.06. <i>Country Portfolio Reviews.</i></p> <p>The Project Member State shall permit the agents and representatives of the Fund, in consultation with the Project Member State, to enter its territory from time to time to exchange views with such persons, visit such sites, and examine such data, records and documents as the Fund may reasonably request in order to carry out a general review of all projects and programmes financed, in whole or in part, by the Fund in its territory and all financing extended by the Fund to the Project Member State. The Project Member State shall ensure that all concerned parties cooperate fully in such review.</p>	<p>of such evaluations and reviews, includes providing timely logistical support by making available Project personnel and equipment and promptly taking such other action as the Fund may request in connection with such evaluations and reviews, but does not include incurring out-of-pocket expenses. SECTION 10.06. <i>Country Portfolio Reviews.</i></p> <p>The Project Member State shall permit the agents and representatives of the Fund, in consultation with the Project Member State, to enter its territory from time to time to exchange views with such persons, visit such sites, and examine such data, records and documents as the Fund may reasonably request in order to carry out a general review of all projects and programmes financed, in whole or in part, by the Fund in its territory and all financing extended by the Fund to the Project Member State. The Project Member State shall ensure that all concerned parties cooperate fully in such review.</p>	<p>Unchanged.</p>
<p><u>ARTICLE XI – TAXATION</u></p> <p>SECTION 11.01. <i>Taxation.</i></p> <p>(a) The Loan and all Loan Service Payments shall be exempt from all Taxes, and all Loan Service Payments shall be made free and clear of Taxes.</p> <p>(b) The Loan Documents shall be exempt from any Taxes on signature, delivery or registration.</p> <p>(c) It is the policy of the Fund that Loan proceeds are not to be used to pay Taxes, including (but not limited to) any Taxes levied on the importation, procurement or supply of any goods, civil works or services financed by the Loan.</p> <p>SECTION 11.02. <i>Tax Refunds.</i></p> <p>In furtherance of the policy enunciated in Section 11.01, if the Fund determines at any time that any amount of Loan proceeds have been used to pay Taxes, it may require the Borrower, by written notice, to refund such amount promptly to the Fund.</p>	<p><u>ARTICLE XI – TAXATION</u></p> <p>SECTION 11.01. <i>Taxation.</i></p> <p>(a) The Financing and all Loan Service Payments shall be exempt from all Taxes, and all Loan Service Payments shall be made free and clear of Taxes.</p> <p>(b) The Agreement shall be exempt from any Taxes on signature, delivery or registration.</p> <p>(c) The use of any proceeds of the Financing to pay for Taxes is subject to the Fund's policy of requiring economy and efficiency in the use of its Financing. Therefore, if the Fund at any time determines that the amount of any such Tax is excessive, discriminatory or otherwise unreasonable, the Fund may, by notice to the Borrower/Recipient, reduce the percentages of Eligible Expenditures to be financed by the Financing which are specified in the Financing Agreement.</p> <p>SECTION 11.02. <i>Tax Refunds.</i></p> <p>If the Fund determines at any time that any amount of Financing proceeds have been used to pay Taxes that it has determined to be excessive, discriminatory or otherwise unreasonable, it may require the Borrower/Recipient, by written</p>	<p>Terminology revised</p> <p>Terminology revised</p> <p>HARMONIZATION - Harmonized with IBRD</p> <p>Consistent with 11.01</p>

EXISTING GENERAL CONDITIONS	PROPOSED GENERAL CONDITIONS	COMMENTS
Upon receipt thereof, the Fund shall credit the Loan Account in the amount of such refund.	notice, to refund such amount promptly to the Fund. Upon receipt thereof, the Fund shall credit the Loan and/or Grant Accounts in the amount of such refund.	
<p><u>ARTICLE XII - REMEDIES OF THE FUND</u></p> <p>SECTION 12.01. <i>Suspension by the Fund.</i></p> <p>Whenever any of the following events has occurred and is continuing, the Fund may suspend, in whole or in part, the right of the Borrower to request withdrawals from the Loan Account:</p> <p>(a) the Borrower has failed to make any Loan Service Payment when due, whether or not the Guarantor or any other third party has made such Loan Service Payment;</p> <p>(b) the Borrower has failed to make any payment due under any other loan agreement, guarantee agreement, or other financial obligation of any kind of the Borrower to the Fund, whether or not any third party has made such payment;</p> <p>(c) the Guarantor has failed to make any Loan Service Payment when due;</p> <p>(d) the Guarantor has failed to make any payment due under any other loan or guarantee agreement between the Guarantor and the Fund, or other financial obligation of any kind of the Guarantor to the Fund;</p> <p>(e) the Fund has determined that the Project has failed, or is unlikely, to fulfill timely its purposes as stated in the Loan Documents;</p> <p>(f) the Fund has determined that a situation has arisen which may make it improbable that the Project can be successfully carried out or that any Loan Party or Project Party will be able to perform any of its obligations under any Loan Document;</p> <p>(g) the Project Member State has been suspended from membership in the Fund or ceased to be a</p>	<p><u>ARTICLE XII - REMEDIES OF THE FUND</u></p> <p>SECTION 12.01. <i>Suspension by the Fund.</i></p> <p>(a) Whenever any of the following events has occurred and is continuing, the Fund may suspend, in whole or in part, the right of the Borrower/Recipient to request withdrawals from the Loan and/or Grant Accounts:</p> <p>(i) The Borrower has failed to make any Loan Service Payment when due, whether or not the Guarantor or any other third party has made such Loan Service Payment;</p> <p>(ii) The Borrower/Recipient has failed to make any payment due under any other Financing Agreement, Guarantee Agreement, or other financial obligation of any kind of the Borrower/Recipient to the Fund, whether or not any third party has made such payment;</p> <p>(iii) The Guarantor has failed to make any Loan Service Payment when due;</p> <p>(iv) The Guarantor has failed to make any payment due under any other Financing or Guarantee Agreement between the Guarantor and the Fund, or other financial obligation of any kind of the Guarantor to the Fund;</p> <p>(v) The Fund has determined that the Project has failed to fulfil, or is unlikely to fulfil in a timely manner, its purposes as stated in the Agreement;</p> <p>(vi) The Fund has determined that a situation has arisen which may make it improbable that the Project can be successfully carried out or that any Project Party will be able to perform any of its obligations under any Agreement;</p> <p>(vii) The Project Member State has been suspended from membership in the Fund or ceased to be a</p>	<p>References to Borrower replaced by “Borrower/Recipient throughout, unless the reference is to a Loan only.</p> <p>Unchanged</p> <p>Terminology revised</p> <p>Unchanged</p> <p>Terminology revised</p> <p>Clarified</p> <p>Terminology revised</p> <p>Unchanged</p>

EXISTING GENERAL CONDITIONS	PROPOSED GENERAL CONDITIONS	COMMENTS
<p>Member State; or the Project Member State has delivered a notice of its intention to withdraw from the Fund;</p> <p>(h) any representation made by any Loan Party or Project Party in any Loan Document, or any statement furnished in connection therewith and relied upon by the Fund in making the Loan, is incorrect or misleading in any material respect;</p> <p>(i) if the Borrower is not a Member State, the Fund has determined that any material adverse change in the condition of the Borrower has occurred;</p> <p>(j) the Borrower or the Guarantor has been unable to pay its debts generally as they come due;</p> <p>(k) any competent authority has taken action for the dissolution of the Lead Project Agency or suspension of its operations;</p> <p>(l) any competent authority has taken action for the dissolution of any Project Party (other than the Lead Project Agency) or suspension of its operations, and the Fund has determined that such dissolution or suspension is likely to have a material adverse effect on the Project;</p> <p>(m) the Borrower has failed to make any funds, facilities, services and other resources available to the Project Parties in accordance with Sections 7.02 (Availability of Loan Proceeds) or 7.03 (Availability of Additional Funds);</p> <p>(n) the Fund has not received any audit report or other document referred to in Article VIII (Implementation Reporting and Information) or Article IX (Financial Reporting and Information) within the time prescribed therefor in the Loan Documents, or any Loan Party or Project Party has otherwise failed to perform its obligations under Article VIII or IX;</p>	<p>Member State; or the Project Member State has delivered a notice of its intention to withdraw from the Fund;</p> <p>(viii) Any representation made by the Borrower/Recipient, the Guarantor, or any Project Party in any Agreement, or any statement furnished in connection therewith and relied upon by the Fund in making the Financing, is incorrect or misleading in any material respect;</p> <p>(ix) If the Borrower/Recipient is not a Member State, the Fund has determined that any material adverse change in the condition of the Borrower/Recipient has occurred;</p> <p>(x) Either the Borrower/Recipient or the Guarantor has been unable to pay its debts generally as they come due;</p> <p>(xi) Any competent authority has taken action for the dissolution of the Lead Project Agency or suspension of its operations;</p> <p>(xii) Any competent authority has taken action for the dissolution of any Project Party (other than the Lead Project Agency) or suspension of its operations, and the Fund has determined that such dissolution or suspension is likely to have a material adverse effect on the Project;</p> <p>(xiii) The Borrower/Recipient has failed to make any funds, facilities, services and other resources available to the Project Parties in accordance with Sections 7.02 (Availability of Financing Proceeds) or 7.03 (Availability of Additional Resources);</p> <p>(xiv) The Fund has not received any audit report or other document referred to in Article VIII (Implementation Reporting and Information) or Article IX (Financial Reporting and Information) within the time prescribed therefor in the Agreements, or the audit report is not fully satisfactory to the Fund, or the Borrower/Recipient or any other Project Party has otherwise failed to perform its obligations under Article VIII or IX;</p>	<p>Terminology revised</p> <p>Terminology revised</p> <p>Clarified</p> <p>Unchanged</p> <p>Unchanged</p> <p>Terminology revised</p> <p>Terminology revised</p> <p>FLEXIBILITY - Reference to satisfactory audit report added</p>

EXISTING GENERAL CONDITIONS	PROPOSED GENERAL CONDITIONS	COMMENTS
(o) the Lead Project Agency or any other Project Party has failed to perform any of its obligations under the Project Agreement;	(xv) The Lead Project Agency or any other Project Party has failed to perform any of its obligations under a Project Agreement;	Unchanged
(p) the Borrower or the Lead Project Agency has failed to perform any of its obligations under any Subsidiary Agreement;	(xvi) The Borrower/Recipient or the Lead Project Agency has failed to perform any of its obligations under any Subsidiary Agreement;	Terminology revised
(q) any Project Party (other than the Lead Project Agency) has failed to perform any of its obligations under any Subsidiary Agreement, and the Fund has determined that such failure has had, or is likely to have, a material adverse effect on the Project;	(xvii) Any Project Party (other than the Lead Project Agency) has failed to perform any of its obligations under any Subsidiary Agreement, and the Fund has determined that such failure has had, or is likely to have, a material adverse effect on the Project;	Unchanged
(r) any Subsidiary Agreement or any provision thereof has been assigned, waived, suspended, terminated, amended or otherwise modified without the prior consent of the Fund, and the Fund has determined that such assignment, waiver, suspension, termination, amendment or modification has had, or is likely to have, a material adverse effect on the Project;	(xviii) Any Subsidiary Agreement or any provision thereof has been assigned, waived, suspended, terminated, amended or otherwise modified without the prior consent of the Fund, and the Fund has determined that such assignment, waiver, suspension, termination, amendment or modification has had, or is likely to have, a material adverse effect on the Project;	Unchanged
(s) the Fund has suspended, in whole or in part, the right of any Loan Party to request or make withdrawals under any other loan agreement or other financing agreement with the Fund;	(xix) The Fund has suspended, in whole or in part, the right of the Borrower/Recipient or the Guarantor to request or make withdrawals under any other Agreement with the Fund;	Terminology revised
(t) any event has occurred prior to the Effective Date which would have entitled the Fund to suspend the Borrower's right to request withdrawals from the Loan Account, had the Loan Agreement been effective on the date such event occurred;		Deleted due to elimination of concept of effectiveness.
(u) any Loan Party or Project Party has failed to perform any other obligation under the Loan Agreement or any other Loan Document; or	(xx) The Borrower/Recipient or any Project Party has failed to perform any other obligation under the Financing Agreement or any other Agreement;	Terminology revised
	(xxi) The Fund determines that any amount of the Financing has been used to finance an expenditure other than an Eligible Expenditure;	FLEXIBILITY - Suspension linked to improper use of funds.
	(xxii) The Fund, after consultation with the Borrower/Recipient, has determined that the	STANDARDIZATION -Moved from Financing Agreement.

EXISTING GENERAL CONDITIONS	PROPOSED GENERAL CONDITIONS	COMMENTS
<p>(v) any other event so specified in the Loan Agreement has occurred.</p> <p>Such suspension shall become effective upon dispatch of notice by the Fund to the Loan Parties. Such suspension shall continue until the Fund has notified the Loan Parties that the Borrower's right to request withdrawals has been restored in whole or in part. The Fund shall provide a copy of such notice to the Lead Project Agency, but failure to do so shall not affect its validity.</p> <p>SECTION 12.02. <i>Cancellation by the Fund.</i></p> <p>If any of the following events has occurred, the Fund may</p>	<p>material benefits of the Project are not adequately reaching the Target Population, or are benefiting persons other than the Target Population to the detriment of the Target Population;</p> <p>(xxiii) The Borrower/Recipient has defaulted in the performance of any Special Covenant set forth in the relevant Agreement, and such default has continued unremedied for a period of thirty (30) days, and the Fund has determined that such default has had, or is likely to have, a material adverse effect on the Project;</p> <p>(xxiv) The Fund has given notice to the Borrower/Recipient that credible allegations of coercive, collusive, corrupt or fraudulent practices in connection with the Project have come to the attention of the Fund, and the Borrower/Recipient has failed to take timely and appropriate action to address the matters to the satisfaction of the Fund;</p> <p>(xxv) Procurement has not been or is not being carried out in accordance with the IFAD Procurement Guidelines; or</p> <p>(xxvi) Upon the occurrence or non-occurrence, as the case may be, of any event specified in the relevant Agreement as an additional ground for suspension.</p> <p>Such suspension shall become effective upon dispatch of notice by the Fund to the Borrower/Recipient and the Guarantor. Such suspension shall continue until the Fund has notified the Borrower/Recipient that the Borrower/Recipient's right to request withdrawals has been restored in whole or in part.</p> <p>(b) If the audit report required by Section 9.03 has not been submitted to the Fund within six (6) months of the date on which it is due, the right of the Borrower/Recipient to request withdrawals from the Loan and/or Grant Accounts shall be suspended.</p> <p>SECTION 12.02. <i>Cancellation by the Fund.</i></p> <p>(a) If any of the following events has occurred, the</p>	<p>STANDARDIZATION -Moved from Financing Agreement.</p> <p>STANDARDIZATION - Moved from Financing Agreement.</p> <p>STANDARDIZATION - Moved from Financing Agreement.</p> <p>FLEXIBILITY - clause broadened.</p> <p>Terminology revised</p> <p>SIMPLIFICATION - Last sentence deleted.</p> <p>STANDARDIZATION -Moved from Financing Agreement, clarified.</p> <p>New version uses "cancel", not "terminate".</p>

EXISTING GENERAL CONDITIONS	PROPOSED GENERAL CONDITIONS	COMMENTS
<p>terminate the right of the Borrower to request withdrawal of the following amounts from the Loan Account:</p> <p>(a) the right of the Borrower to request withdrawals from the Loan Account has been suspended under Section 12.01 with respect to any amount of the Loan for a continuous period of at least 30 days;</p> <p>(b) at any time, the Fund determines after consultation with the Borrower that any amount of the Loan will not be required to finance certain costs of the Project;</p> <p>(c) at any time, after consultation with the Borrower, the Fund determines that corrupt or fraudulent practices were engaged in by representatives of any Loan Party, Project Party or beneficiary in respect of any amount of expenditures incurred during the procurement or the carrying out of any contract financed by the Loan, and that the Borrower has failed to take timely and appropriate action to remedy the situation;</p> <p>(d) at any time, the Fund determines that any amount of the Loan proceeds has been used to finance an expenditure other than an Eligible Expenditure;</p> <p>(e) after the Loan Closing Date, any amount of the Loan remains unwithdrawn from the Loan Account;</p> <p>(f) the Fund has received any notice from the Guarantor terminating its obligations under the Guarantee Agreement with respect to any amount unwithdrawn from the Loan Account; or</p> <p>(g) any other event so specified in the Loan Agreement.</p>	<p>Fund may <i>cancel in whole or in part the remaining amounts in the Loan and/or Grant Accounts</i>:</p> <p>(i) The right of the Borrower/Recipient to request withdrawals from the Loan and/or Grant Accounts has been suspended under Section 12.01 with respect to any amount of the Financing for a continuous period of at least thirty (30) days;</p> <p>(ii) The Fund determines after consultation with the Borrower/Recipient that any amount of the Financing will not be required to finance the Project;</p> <p>(iii) After consultation with the Borrower/Recipient, the Fund determines that coercive, collusive, corrupt or fraudulent practices were engaged in by representatives of the Borrower/Recipient or any Project Party in respect of any expenditures incurred during the procurement or the carrying out of any contract financed by the Financing, and that the Borrower/Recipient has failed to take timely and appropriate action to remedy the situation;</p> <p>(iv) The Fund has determined that any amount of the Financing has been used to finance an expenditure other than an Eligible Expenditure and the Borrower/Recipient has failed to promptly refund such amount to the Fund upon the Fund's instructions;</p> <p>(v) The Fund has received any notice from the Guarantor terminating its obligations under the Guarantee Agreement;</p> <p>(vi) The Mid-Term Review has recommended that the Project be terminated; or</p> <p>(vii) Upon the occurrence or non-occurrence, as the case may be, of any event specified in the relevant Financing Agreement as an additional ground for cancellation.</p>	<p>Terminology revised</p> <p>Simplified</p> <p>Terminology revised</p> <p>See Section 12.01(u).</p> <p>See subsection (b) below.</p> <p>Simplified</p> <p>STANDARDIZATION - Moved from Financing Agreement.</p> <p>FLEXIBILITY - Broadened.</p>

EXISTING GENERAL CONDITIONS	PROPOSED GENERAL CONDITIONS	COMMENTS
<p>Such termination shall be effective upon dispatch of notice to the Loan Parties, whereupon such amounts of the Loan shall be cancelled. The Fund shall provide a copy of such notice to the Lead Project Agency, but failure to do so shall not affect its validity.</p> <p>SECTION 12.03. <i>Cancellation by the Borrower.</i></p> <p>After consultation with the Fund and with the concurrence of the Guarantor, the Borrower may by notice to the Fund cancel any unwithdrawn amount of the Loan, except for amounts subject to Special Commitment as provided in Section 4.03. Such cancellation shall become effective upon acknowledgement thereof by the Fund.</p> <p>SECTION 12.04. <i>Applicability of Cancellation or Suspension.</i></p> <p>(a) Any partial cancellation of the Loan shall be applied <i>pro rata</i> to any remaining instalments of the principal amount of the Loan. The Fund shall notify the Borrower of such application, specifying the dates and amounts of the remaining instalments after giving effect thereto. Such notice shall be deemed, <i>ipso facto</i>, to modify the Loan Agreement accordingly.</p> <p>(b) No cancellation or suspension shall apply to amounts subject to any special commitment made by the Fund pursuant to Section 4.03, unless such special commitment expressly provides otherwise.</p> <p>(c) Except as expressly provided in this Article, all provisions of the Loan Documents shall continue in full force and effect notwithstanding any cancellation or suspension.</p> <p>SECTION 12.05. <i>Acceleration of Maturity.</i></p>	<p>Such cancellation shall be effective upon dispatch of notice to the Borrower/Recipient.</p> <p>(b) Any amounts remaining in the Loan and/or Grant Accounts shall be cancelled on the Financing Closing Date, except for any unwithdrawn balances of applications for withdrawal received by the Financing Closing Date and any amounts subject to undischarged Special Commitments, which shall be cancelled upon the full discharge of such Special Commitments.</p> <p>SECTION 12.03. <i>Cancellation by the Borrower/Recipient.</i></p> <p>After consultation with the Fund and with the concurrence of the Guarantor, the Borrower/Recipient may by notice to the Fund cancel any unwithdrawn amount of the Financing, except for amounts subject to Special Commitment. Such cancellation shall become effective upon acknowledgement thereof by the Fund.</p> <p>SECTION 12.04. <i>Applicability of Cancellation or Suspension.</i></p> <p>(a) No cancellation or suspension shall apply to amounts subject to any Special Commitment made by the Fund, unless such Special Commitment expressly provides otherwise.</p> <p>(b) Except as expressly provided in this Article, all provisions of the Financing Agreement shall continue in full force and effect notwithstanding any cancellation or suspension.</p> <p>SECTION 12.05. <i>Acceleration of Maturity.</i></p>	<p>SIMPLIFICATION- Simplified.</p> <p>New provision</p> <p>Terminology revised</p> <p>Moved to Section 5.02(c)</p> <p>Terminology revised</p>

EXISTING GENERAL CONDITIONS	PROPOSED GENERAL CONDITIONS	COMMENTS
<p>If at any time any of the following events has occurred, at any subsequent time during the continuance thereof, the Fund may declare the principal amount of the Loan then outstanding, together with all accrued interest and other charges thereon, to be immediately due and payable:</p> <p>(a) any event specified in paragraphs (e) through (l), inclusive, of Section 12.01 has occurred;</p> <p>(b) the Fund has declared the principal of any other loan to any Loan Party then outstanding to be due and payable immediately;</p> <p>(c) any event specified in paragraphs (a) through (d), inclusive, of Section 12.01 has occurred and continues for a period of 30 days;</p> <p>(d) any event specified in paragraphs (m) through (u), inclusive, of Section 12.01 has occurred and continues for a period of 60 days after notice thereof has been given by the Fund to the Loan Parties; or</p> <p>(e) any other event specified in the Loan Agreement for the purposes of this Section has occurred and continues for the period, if any, specified in the Loan Agreement.</p> <p>Such declaration shall be effective upon dispatch of notice to the Loan Parties, whereupon such principal, interest and other charges shall become due and payable immediately.</p>	<p>If at any time any of the following events has occurred, at any subsequent time during the continuance thereof, the Fund may declare the principal amount of the Loan then outstanding, together with all accrued interest and other charges thereon, to be immediately due and payable:</p> <p>(a) any event specified in paragraphs (v) through (xii), inclusive, of Section 12.01 has occurred;</p> <p>(b) the Fund has declared the principal of any other loan to the Borrower/Recipient or the Guarantor then outstanding to be immediately due and payable;</p> <p>(c) any event specified in paragraphs (i) through (iv), inclusive, of Section 12.01 has occurred and continues for a period of thirty (30) days;</p> <p>(d) any event specified in paragraphs (xiii) through (xxvi), inclusive, of Section 12.01 has occurred and continues for a period of sixty (60) days after notice thereof has been given by the Fund to the Borrower/Recipient and the Guarantor; or</p> <p>(e) any other event specified in the Financing Agreement for the purposes of this Section has occurred and has continued for the period, if any, specified in the Financing Agreement.</p> <p>Such declaration shall be effective upon dispatch of notice to the Borrower/Recipient and the Guarantor, whereupon such principal, interest and other charges shall become due and payable immediately.</p> <p>SECTION 12.06. <i>Other Remedies</i></p> <p>The remedies of the Fund set forth in this Article shall not limit or otherwise prejudice any rights or remedies available to the Fund otherwise.</p>	<p>Unchanged – applies only to Loans.</p> <p>Unchanged</p> <p>Terminology revised</p> <p>Unchanged</p> <p>Linked to additional grounds for suspension</p> <p>Terminology revised</p> <p>Terminology revised</p> <p>Terminology revised</p> <p>STANDARDIZATION - Moved from Financing Agreement.</p>
<p><u>ARTICLE XIII - EFFECTIVENESS AND TERMINATION</u></p> <p>SECTION 13.01. <i>Conditions Precedent to Effectiveness.</i></p>	<p><u>ARTICLE XIII - ENTRY INTO FORCE AND TERMINATION</u></p> <p>SECTION 13.01. <i>Entry into Force.</i></p>	

EXISTING GENERAL CONDITIONS	PROPOSED GENERAL CONDITIONS	COMMENTS
<p>The Loan Documents shall not become effective until evidence satisfactory to the Fund has been furnished to the Fund that the conditions precedent specified therein have been fulfilled.</p> <p>SECTION 13.02. <i>Effective Date.</i></p> <p>(a) The Loan Documents shall become effective on the date that the Fund dispatches notice thereof to the Loan Parties, or such other date as the Fund may designate in such notice.</p> <p>(b) The Fund shall dispatch such notice promptly after its acceptance or waiver of the evidence required by Section 13.01. If any event of suspension specified in Section 12.01 has occurred, however, the Fund may postpone dispatch of such notice until such event has ceased to exist.</p> <p>SECTION 13.03. <i>Termination before Effectiveness.</i></p> <p>The Fund may terminate the Loan Documents and all rights and obligations of the parties thereunder if:</p> <p>(a) before the Effective Date, any event of suspension specified in Section 12.01 has occurred;</p> <p>(b) before the Effective Date, any Loan Party or Project Party has taken any action inconsistent with the object and purpose of any Loan Document; or</p> <p>(c) the Loan Agreement does not become effective on or before the last date specified therefor in the Loan Agreement, unless the Fund establishes a later date therefor. The Fund shall notify the Loan Parties of such later date.</p> <p>SECTION 13.04. <i>Termination upon Full Payment.</i></p> <p>The Loan Documents and all obligations of the parties thereunder shall terminate when the entire principal amount of the Loan withdrawn from the Loan Account, and all interest and other charges which shall have accrued on the Loan, have been finally and undefeasibly paid.</p>	<p>An Agreement or amendment thereto shall enter into force on the date when both the Fund and the Borrower/Recipient have signed it, unless the Agreement states that it is subject to ratification, in which case the Agreement shall enter into force on the date the Fund receives an instrument of ratification.</p> <p>SECTION 13.02. <i>Termination before Withdrawal.</i></p> <p>The Fund may terminate the Agreement and all rights and obligations of the parties thereunder if:</p> <p>(a) before the date of first withdrawal from the Loan and/or Grant Accounts, any event of suspension specified in Section 12.01 has occurred; or</p> <p>(b) before the date of first withdrawal from the Loan and/or Grant Accounts, the Borrower/Recipient, the Guarantor or any other Project Party has taken any action inconsistent with the object and purpose of any Agreement.</p> <p>SECTION 13.03. <i>Termination upon Full Performance.</i></p> <p>An Agreement and all obligations of the parties thereunder shall terminate when the entire principal amount of the Loan withdrawn from the Loan Account and all interest and other charges which shall have accrued on the Loan have been paid and when all other obligations of the Parties have been fully</p>	<p>Concept of effectiveness is replaced by entry into force.</p> <p>Without effectiveness, the relevant event is the first withdrawal.</p> <p>Terminology revised</p> <p>Adds the fulfilment of other obligations as a prerequisite for termination.</p>

EXISTING GENERAL CONDITIONS	PROPOSED GENERAL CONDITIONS	COMMENTS
	performed, or when agreed by the Parties.	
<p><u>ARTICLE XIV - ENFORCEABILITY AND RELATED MATTERS</u></p> <p>SECTION 14.01. <i>Enforceability.</i></p> <p>(a) The Loan Documents, and the rights and obligations of the parties thereunder, shall be valid and enforceable in accordance with their terms, regardless of any law to the contrary in the territory of the Project Member State.</p> <p>(b) Neither the Fund nor any Loan Party or Project Party shall be entitled in any legal proceedings to assert any claim for any reason that any provision of these General Conditions or the Loan Documents is invalid or unenforceable.</p> <p>SECTION 14.02. <i>Failure to Exercise Rights.</i></p> <p>No delay in exercising, or omission to exercise, any right, power or remedy of any party under the Loan Documents shall impair any such right, power or remedy, or be construed as a waiver thereof. No action or omission of any party in respect of any default under the Loan Documents shall impair any right, power or remedy of such party in respect of any subsequent default.</p> <p>SECTION 14.03. <i>Rights and Remedies Cumulative</i></p> <p>The rights and remedies of any party under the Loan Documents are cumulative and (except as otherwise expressly provided) not exclusive of any right or remedies that such party would otherwise have.</p> <p>SECTION 14.04. <i>Arbitration.</i></p> <p>(a) The parties to the Loan Documents shall endeavour to settle through amicable means any controversy between them in respect of such Loan Documents.</p> <p>(b) Failing the settlement of a controversy through amicable means, the controversy shall be submitted to arbitration for settlement. The parties to the arbitration shall be the parties to the Loan Document in controversy, except that the Guarantor may intervene or be interpleaded in any controversy that may affect its rights or obligations under the Guarantee Agreement.</p>	<p><u>ARTICLE XIV - ENFORCEABILITY AND RELATED MATTERS</u></p> <p>SECTION 14.01. <i>Enforceability.</i></p> <p>The Agreement and the rights and obligations of the parties thereunder shall be valid and enforceable in accordance with their terms, regardless of any law to the contrary in the territory of the Project Member State.</p> <p>SECTION 14.02. <i>Failure to Exercise Rights.</i></p> <p>No delay in exercising, or failure to exercise, any right, power or remedy of any party under an Agreement shall impair any such right, power or remedy, or be construed as a waiver thereof. No action or omission of any party in respect of any default under an Agreement shall impair any right, power or remedy of such party in respect of any subsequent default.</p> <p>SECTION 14.03. <i>Rights and Remedies Cumulative</i></p> <p>The rights and remedies of any party under an Agreement are cumulative and (except as otherwise expressly provided) not exclusive of any right or remedies that such party would otherwise have.</p> <p>SECTION 14.04. <i>Arbitration.</i></p> <p>(a) The parties to an Agreement shall endeavour to settle through amicable means any controversy between them in respect of such Agreement.</p> <p>(b) Failing the settlement of a controversy through amicable means, the controversy shall be submitted to arbitration for settlement. The parties to the arbitration shall be the parties to the Agreement in controversy, except that the Guarantor may intervene or be interpleaded in any controversy that may affect its rights or obligations under the Guarantee Agreement.</p>	<p>Terminology revised</p> <p>Deleted.</p> <p>Terminology revised</p> <p>Terminology revised</p> <p>Terminology revised</p>

EXISTING GENERAL CONDITIONS	PROPOSED GENERAL CONDITIONS	COMMENTS
<p>(c) The Arbitral Tribunal shall consist of a single arbitrator appointed by agreement of the parties or, if they do not agree within three months after proceedings are instituted under paragraph (d) below, by the President of the International Court of Justice or, failing appointment by him, by the Secretary-General of the United Nations. If the arbitrator shall resign, die or become unable to act, a successor arbitrator shall have all the powers and duties of such original arbitrator.</p> <p>(d) An arbitration proceedings may be instituted under this Section upon notice by the party instituting such proceeding to the other party or parties. Such notice shall contain a statement setting forth the nature of the controversy or claim to be submitted to arbitration.</p> <p>(e) The arbitration proceedings shall take place at such time and place as shall be fixed by the arbitrator.</p> <p>(f) Subject to the provisions of this Section and except if the parties shall otherwise agree, the arbitrator shall decide all questions relating to his competence and shall determine the procedure for the arbitration proceedings.</p> <p>(g) The arbitrator shall afford to all parties a fair hearing and shall render his award in writing. Such award may be rendered by default. A signed counterpart of the award shall be transmitted to each party. Any such award rendered in accordance with the provisions of this Section shall be final and binding upon the parties. Each party shall abide by and comply with any such award rendered by the arbitrator in accordance with the provisions of this Section.</p> <p>(h) The parties shall fix the amount of the remuneration of the arbitrator and such other persons as shall be required for the conduct of the arbitration proceedings. If the parties shall not agree on such amount before the arbitration proceedings begin, the arbitrator shall fix such amount as shall be reasonable under the circumstances. Each party shall defray its own expenses in the arbitration proceedings. The costs of the arbitrator shall be divided between and borne equally by the Fund on the one side and the other parties, on the other side. Any question concerning the division of the arbitrator's costs among the parties or the procedure for payment of such costs shall be determined by the arbitrator.</p>	<p>(c) The Arbitral Tribunal shall consist of a single arbitrator appointed by agreement of the parties or, if they do not agree within three (3) months after proceedings are instituted under paragraph (d) below, by the President of the International Court of Justice or, failing appointment by him, by the Secretary-General of the United Nations. If the arbitrator shall resign, die or become unable to act, a successor arbitrator shall have all the powers and duties of such original arbitrator.</p> <p>(d) An arbitration proceedings may be instituted under this Section upon notice by the party instituting such proceedings to the other party or parties. Such notice shall contain a statement setting forth the nature of the controversy or claim to be submitted to arbitration.</p> <p>(e) The arbitration proceedings shall take place at such time and place as shall be fixed by the arbitrator.</p> <p>(f) Subject to the provisions of this Section and except if the parties shall otherwise agree, the arbitrator shall decide all questions relating to his competence and shall determine the procedure for the arbitration proceedings.</p> <p>(g) The arbitrator shall afford to all parties a fair hearing and shall render his award in writing. Such award may be rendered by default. A signed counterpart of the award shall be transmitted to each party. Any such award rendered in accordance with the provisions of this Section shall be final and binding upon the parties. Each party shall abide by and comply with any such award rendered by the arbitrator in accordance with the provisions of this Section.</p> <p>(h) The parties shall fix the amount of the remuneration of the arbitrator and such other persons as shall be required for the conduct of the arbitration proceedings. If the parties shall not agree on such amount before the arbitration proceedings begin, the arbitrator shall fix such amount as shall be reasonable under the circumstances. Each party shall defray its own expenses in the arbitration proceedings. The costs of the arbitrator shall be divided between and borne equally by the Fund on the one side and the other parties on the other side. Any question concerning the division of the arbitrator's costs among the parties or the procedure for payment of such costs shall be determined by the arbitrator.</p>	

EXISTING GENERAL CONDITIONS	PROPOSED GENERAL CONDITIONS	COMMENTS
<p>(i) The provisions for arbitration set forth in this Section shall be instead of any other procedure for the settlement of controversies between the parties, and any claim by either party against the other party arising thereunder.</p> <p>(j) If the award has not been complied with within 30 days after the counterparts of the award have been delivered to the parties, any party may enter judgement upon, or institute a proceeding to enforce, the award in any court of competent jurisdiction against any other party. Such party may enforce such judgement by execution or may pursue any other appropriate remedy against such other party for the enforcement of the award.</p> <p>(k) Service of any notice or process in connection with any proceeding under this Section or (to the extent that such remedy shall be available) in connection with any proceeding to enforce any award rendered pursuant to this Section may be made in the manner provided in Section 15.01. The parties may waive any and all other requirements for the services of any such notice or process.</p>	<p>(i) The provisions for arbitration set forth in this Section shall be instead of any other procedure for the settlement of controversies between the parties, and any claim by either party against the other party arising thereunder.</p> <p>(j) If the award has not been complied with within thirty (30) days after the counterparts of the award have been delivered to the parties, any party may enter judgement upon, or institute a proceeding to enforce, the award in any court of competent jurisdiction against any other party. Such party may enforce such judgement by execution or may pursue any other appropriate remedy against such other party for the enforcement of the award.</p> <p>(k) Service of any notice or process in connection with any proceeding under this Section or (to the extent that such remedy shall be available) in connection with any proceeding to enforce any award rendered pursuant to this Section may be made in the manner provided in Section 15.01. The parties may waive any and all other requirements for the service of any such notice or process.</p>	
<p><u>ARTICLE XV - MISCELLANEOUS PROVISIONS</u></p> <p>SECTION 15.01. <i>Communications.</i></p> <p>All notices, requests and other communications given or made under the Loan Documents shall be in writing. Except as otherwise expressly provided, any such notice, request or other communication shall be deemed duly given or made when delivered by hand, mail, telegram, cable, telex or facsimile to the party to which it is given or made at such party's address specified in the particular Loan Document, or at such other address as such party may designate by notice to the other parties thereto. Delivery of any such notice, request or other communication by facsimile transmission shall be followed promptly by mail delivery of the original thereof.</p> <p>SECTION 15.02. <i>Language of Reporting.</i></p> <p>The Loan Parties and the Project Parties shall deliver all reports and information to the Fund and the Cooperating Institution in the language specified in the Loan Documents, or in any other language agreed by the Fund.</p> <p>SECTION 15.03. <i>Authority to Take Action.</i></p>	<p><u>ARTICLE XV - MISCELLANEOUS PROVISIONS</u></p> <p>SECTION 15.01. <i>Communications.</i></p> <p>All notices, requests and other communications given or made under an Agreement shall be in writing. Except as otherwise expressly provided in the Agreement, any such notice, request or other communication shall be deemed duly given or made when delivered by hand, mail, telegram, cable, facsimile or email to the party to which it is given or made at such party's address specified in the particular Agreement, or at such other address as such party may designate by notice to the other parties thereto.</p> <p>SECTION 15.02. <i>Language of Reporting.</i></p> <p>The Borrower/Recipient and the Project Parties shall deliver all reports and information to the Fund in the language of the Agreement, or in any other language agreed by the Parties.</p> <p>SECTION 15.03. <i>Authority to Take Action.</i></p>	<p>FLEXIBILITY - Reference to email replaces telex. Final sentence deleted.</p> <p>OWNERSHIP - The Parties, not the Fund.</p>

EXISTING GENERAL CONDITIONS	PROPOSED GENERAL CONDITIONS	COMMENTS
<p>The representative or agent so designated in any Loan Document, or another person duly authorized in writing by such representative or agent, may take any action and sign any document in connection with such Loan Document on behalf of any Loan Party or Project Party. Such representative, agent or other person may agree to any modification of the terms and conditions of such Loan Document on behalf of such Loan Party or Project Party by written instrument signed by him; <i>provided</i> that, in the opinion of such representative, agent or other person, such modification is reasonable in the circumstances and will not substantially increase the obligations of such Loan Party or Project Party thereunder. The Fund shall be entitled to accept the signature by such representative, agent or other person as conclusive evidence that he is of such opinion.</p> <p>SECTION 15.04. <i>Evidence of Authority.</i></p> <p>Within 30 days after request by the Fund, any Loan Party or Project Party shall furnish to the Fund sufficient evidence of the authority of the person or persons referred to in Section 15.03, and the authenticated specimen signature of each such person.</p> <p>SECTION 15.05. <i>Modifications of the Loan Documents.</i></p> <p>The Fund and the relevant Loan Party or Project Party may agree from time to time to modify the terms and conditions of the Loan Documents (including, but not limited to, the terms and conditions of these General Conditions as applied thereto) or the application of the Loan Documents. The Fund shall determine the form, and any conditions precedent for the effectiveness, of any such agreement in accordance with its internal regulations.</p> <p>SECTION 15.06. <i>Change of Entity or Representative.</i></p> <p>If the Borrower wishes to appoint any successor to, reassigns the responsibilities of, or changes the designation or address of, any of the entities specified in the Loan Documents, the Borrower shall promptly give notice thereof to the Fund. By notice to the Borrower, the Fund may accept such new entity as constituting the entity fully responsible for carrying out the functions assigned to its predecessor under the Loan Documents. Upon such acceptance, the Loan Documents shall</p>	<p>The representative or agent so designated in any Agreement, or another person duly authorized in writing by such representative or agent, may take any action and sign any document in connection with such Agreement on behalf of such party.</p> <p>SECTION 15.04. <i>Evidence of Authority.</i></p> <p>Upon request by the Fund, the Borrower/Recipient, the Guarantor and any Project Party shall furnish to the Fund sufficient evidence of the authority of the person or persons referred to in Section 15.03, and the authenticated specimen signature of each such person.</p> <p>SECTION 15.05. <i>Modifications of the Agreement.</i></p> <p>The parties may agree from time to time to modify the terms and conditions of an Agreement (including, but not limited to, the terms and conditions of these General Conditions as applied thereto) or the application of the Agreement. Any amendment to an Agreement shall enter into force in accordance with the provisions of Section 13.01 hereof, unless the parties agree otherwise.</p> <p>SECTION 15.06. <i>Change of Entity or Representative.</i></p> <p>If a party wishes to appoint any successor to, reassigns the responsibilities of, or changes the designation or address of any of the entities specified in an Agreement, such party shall give notice thereof to the other parties. Upon acceptance by the other parties, such new entity shall constitute the entity fully responsible for carrying out the functions assigned to its predecessor under the Agreement.</p>	<p>SIMPLIFICATION - Simplified.</p> <p>Terminology revised</p> <p>Simplified</p> <p>OWNERSHIP - International law, not the Fund's internal regulations, applies.</p> <p>OWNERSHIP - Made reciprocal</p>

EXISTING GENERAL CONDITIONS	PROPOSED GENERAL CONDITIONS	COMMENTS
<p>be deemed <i>ipso facto</i> modified accordingly.</p> <p>SECTION 15.07. <i>Signature of the Loan Documents.</i></p> <p>(a) The signature of any Loan Document by a Loan Party or Project Party shall constitute the expression of such party's consent to be bound thereby, subject only to any ratification or authorisation required by a rule of internal law of fundamental importance and disclosed to the Fund in writing before such Loan Document becomes effective.</p> <p>(b) The Loan Documents may be signed in several counterparts, each of which shall be an original.</p>	<p>SECTION 15.07. <i>Signature of the Agreement.</i></p> <p>The signature of an Agreement by a party shall constitute the expression of such party's consent to be bound thereby, subject only to any ratification or authorisation required by a rule of internal law of fundamental importance and disclosed to the other party in writing before such signature.</p>	<p>OWNERSHIP - Made reciprocal</p> <p>Deleted</p>