FINANCING AGREEMENT

(Urban Water Supply Project)

between

REPUBLIC OF CÔTE D'IVOIRE

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated 20 FEB 2017, 2017
FINANCING AGREEMENT

Agreement dated 20 FEV 2017, entered into between
REPUBLIC OF CÔTE D'IVOIRE ("Recipient") and INTERNATIONAL
DEVELOPMENT ASSOCIATION ("Association"). The Recipient and the Association
hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

1.01. The General Conditions (as defined in the Appendix to this Agreement) constitute
an integral part of this Agreement.

1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement
have the meanings ascribed to them in the General Conditions or in the Appendix
to this Agreement.

ARTICLE II — FINANCING

2.01. The Association agrees to extend to the Recipient, on the terms and conditions set
forth or referred to in this Agreement, a credit in the amount of forty-four million
eight hundred thousand Euros (EUR 44,800,000) (variously, "Credit" and
"Financing"), to assist in financing the project described in Schedule I to this
Agreement ("Project").

2.02. The Recipient may withdraw the proceeds of the Financing in accordance with
Section IV of Schedule 2 to this Agreement.

2.03. The Maximum Commitment Charge Rate payable by the Recipient on the
Unwithdrawn Financing Balance shall be one-half of one percent (1/2 of 1%) per
annum.

2.04. The Service Charge payable by the Recipient on the Withdrawn Credit Balance
shall be equal to the greater of: (a) the sum of three-fourths of one percent (3/4 of
1%) per annum plus the Basis Adjustment to the Service Charge; and (b) three-
fourths of one percent (3/4 of 1%) per annum.
2.05. The Interest Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to the greater of: (a) the sum of one and a quarter percent (1.25%) per annum plus the Basis Adjustment to the Interest Charge; and (b) zero percent (0%) per annum.

2.06. The Payment Dates are June 1 and December 1 in each year.

2.07. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.

2.08. The Payment Currency is Euro.

ARTICLE III — PROJECT

3.01. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out the Project, including through the PCU and ONEP as described in Schedule 2 of this Agreement, in accordance with the provisions of Article IV of the General Conditions.

3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Recipient and the Association shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV — EFFECTIVENESS; TERMINATION

4.01. The Additional Condition of Effectiveness consists of the following, namely a Project Implementation Manual, including financial management and procurement procedures, in a manner and substance satisfactory to the Association, to reflect the specific content and design of the Project and ensure consistency with its objectives, has been adopted by the Recipient.

4.02. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.

4.03. For purposes of Section 8.05(b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty (20) years after the date of this Agreement.
ARTICLE V — REPRESENTATIVE; ADDRESSES

5.01. The Recipient’s Representative is its Minister under the Prime Minister in charge of Economy and Finance, or his or her successor.

5.02. The Recipient’s Address is:

Ministry of Economy and Finance
B.P. V 163
Abidjan
Côte d’Ivoire

Facsimile:
225-20-30-25-25
225-20-30-25-28

5.03. The Association’s Address is:

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

Facsimile:
1-202-477-6391
AGREED at Abidjan, Cote d'Ivoire, as of the day and year first above written.

REPUBLIC OF CÔTE D'IVOIRE

By

Authorized Representative

Name: Adama KONE
Title: ______________________

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Authorized Representative

Name: Pierre Laporte
Title: Country Director
SCHEDULE I

Project Description

The objectives of the Project are to improve quality of, and increase access to, water services in selected urban areas and to strengthen capacity of ONEP for financial planning and financial management of the urban water supply sector.

The Project consists of the following parts:

Part A: Urban Water Supply

Carrying out a program of activities to: (i) construct water treatment plants, boreholes, water intakes and pumping stations in selected urban centers; (ii) construct storage tanks; (iii) construct water transmission lines and expand water distribution networks; (iv) install social water connections; and (v) perform works supervision.

Part B: Institutional support

Carrying out a program of activities to provide: (i) institutional strengthening through the preparation of an inventory of urban water supply sector assets, the development of a financial model for the urban water supply sector and an audit of the Affermage Contract and the ONEP Agreement; (ii) capacity building for ONEP in financial planning and operations monitoring; and (iii) operations and strengthened capacity of the PCU and ONEP in Project management.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Provisions

1. The Recipient shall maintain, throughout Project implementation, a steering committee ("Steering Committee"), to be chaired by the Minister of Economic Infrastructure or his designate, and whose mandate, terms of reference and composition shall be acceptable to the Association: (i) to be responsible for overall oversight and strategic leadership of the Project; and (ii) to verify that activities are consistent with sector strategy and ensure cross-sectoral coordination with other line-ministries. The Steering Committee shall include representatives of the Ministry of Economy and Finance, the Ministry of Budget, the Ministry of Sanitation, and the Union of the Cities and Communes of Cote d'Ivoire.

2. The Recipient shall maintain, throughout Project implementation, a unit with terms of reference and resources acceptable to the Association, headed by a Project coordinator, and supported by qualified and experienced staff in adequate number ("Project Coordination Unit" or "PCU") to be responsible, under the overall oversight and strategic leadership of the Steering Committee, for carrying out the Project, including (i) the day-to-day coordination; (ii) monitoring and evaluation; (iii) safeguards supervision of the Project; (iv) preparation of Annual Work Plans and Budgets; (v) procurement; (vi) financial management matters; (vii) reporting; (viii) communication activities; and (ix) filing and compilation of documents for audit purposes.

3. The Recipient shall ensure that, throughout Project implementation, the PCU is maintained with staff in sufficient number, with experience and qualifications satisfactory to the Association, in carrying out the day-to-day coordination and the monitoring of the Project. To this end, the Recipient shall, no later than three (3) months after the Effective Date, have hired a Project manager, a procurement specialist and a procurement assistant, an accountant and a disbursement assistant, and a social specialist under terms of reference and with qualification and experience satisfactory to the Association.

B. Project Implementation Obligations

1. To facilitate the carrying out of the Project, the Recipient shall, not later than one month after the Effective Date, conclude with the PCU a Project Management Contract ("Project Management Contract"), vesting responsibility in the PCU for the overall management, monitoring and supervision of the Project, and setting out details of the roles and responsibilities of the PCU under the Project.
2. To facilitate the carrying out of the Project, the Recipient shall conclude with ONEP and the PCU, not later than one month after the Effective Date, an implementation support contract ("Implementation Support Contract") acceptable to the Association, vesting responsibility in ONEP for the technical management of Part A of the Project, and specifying its roles and responsibilities.

3. The Recipient shall exercise its rights and carry out its obligations under the Project Management Contract and the Implementation Support Contract in such manner as to protect the interests of the Recipient and the Association, and to accomplish the purposes of the Financing. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive the Project Management Contract and the Implementation Support Contract or any of their provisions.

4. The Recipient shall ensure that, throughout Project implementation, each of the PCU and ONEP maintains a level of institutional resources and capacity adequate and deemed satisfactory to the Association to efficiently carry out its roles and responsibilities under the Project.

C. Project Implementation Manual

The Recipient shall carry out the Project in accordance with the Project Implementation Manual. Except as the Association shall otherwise agree in writing, not amend, abrogate, or waive, or permit to be amended, abrogated, or waived, the aforementioned, or any provision thereof. In the event of any inconsistency between this Agreement and the Project Implementation Manual, the provisions of this Agreement shall prevail.

D. Anti-Corruption

The Recipient shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

E. Annual Work Plans and Budgets

1. The Recipient shall prepare, in accordance with terms of reference acceptable to the Association, and furnish to the Association, no later than November 30 of each Fiscal Year throughout the implementation of the Project, a work plan of activities proposed for inclusion in the Project for the next calendar year, together with a budget for such activities and a timetable for their implementation.

2. The Recipient shall afford the Association a reasonable opportunity to exchange views with the Recipient on such proposed work plan and budget; and, thereafter, carry out such work plan during the period covered by said plan, according to such
budget, both as shall have been approved by the Association ("Annual Work Plan and Budget").

3. Only such activities as shall have been included in the Annual Work Plan and Budget shall be eligible for inclusion in the Project and for financing out of the proceeds of the Credit.

4. For purposes of any proposal for training or workshops to be included under an Annual Work Plan and Budget, the Recipient shall ensure that each such proposal shall include:

   (a) details of: (i) the objective and content of the training or workshop envisaged; (ii) the selection method of institutions or individuals conducting such training or workshop; (iii) the expected duration and an estimate of the cost of the training or workshop; and (iv) the candidates selected to attend the training or workshop; and

   (b) an undertaking on the part of such candidates to submit a brief report indicating what skills have been acquired and how these skills will contribute to enhance their performance or otherwise contribute to the attainment of the objective of the Project.

G. Safeguards

1. The Recipient shall carry out the Project in accordance with the provisions of the Safeguard Instruments.

2. Without limitation on the provisions of paragraph 1 immediately above, the Recipient shall take the following measures:

   (a) If any Project activity would, pursuant to the ESMF, require the preparation of an ESIA (including an ESMP), no such activity shall be implemented unless such ESIA has been: (i) prepared in accordance with such ESMF and furnished to the Association; (ii) disclosed locally as required by the ESMF; and (iii) approved by the Association and publicly disclosed.

   (b) If any Project activity would, pursuant to the RPF, require the preparation of a RAP, no such activity shall be implemented, unless:

      (i) a RAP for such activity has been: (A) prepared in accordance with the requirements of the RPF and furnished to the Association; (B) disclosed as required by the RPF; and (C) approved by the Association and publicly disclosed; and
(ii) (A) all measures required to be taken under said RAP prior to the initiation of said activity have been taken, including, without limitation to the above, providing funds for resettlement compensation when and if required under a RAP; (B) a report, in form and substance satisfactory to the Association, on the status of compliance with the requirements of said RAP has been prepared and furnished to the Association; and (C) the Association has confirmed that the implementation of said activity may be commenced.

3. The Recipient shall not amend or waive, or permit to be waived, any Safeguard Instrument, or any provision of any one thereof, without the prior written approval of the Association.

4. The Recipient shall ensure that all measures for carrying out the recommendations of the Safeguard Instruments are taken in a timely manner.

5. Without limitation upon its other reporting obligations under this Agreement, the Recipient shall:
   (a) include in the Project Reports referred to in Section II.A of this Schedule adequate information on monitoring the measures defined in the Safeguard Instruments, giving details of:
      (i) measures taken in furtherance of such Safeguard Instruments;
      (ii) conditions, if any, which interfere or threaten to interfere with the smooth implementation of such Safeguard Instruments;
      (iii) remedial measures taken or required to be taken to address such conditions and to ensure the continued efficient and effective implementation of such Safeguard Instruments; and
   (b) afford the Association a reasonable opportunity to exchange views with the Recipient on such reports.

6. Each such report referred to in paragraph 5 immediately above shall be furnished to the Association not later than forty-five (45) days after the end of the six (6) months period covered by such report and the first such report shall be furnished to the Association not later than forty-five (45) days after the end of the six (6) months period in which the activities of the Project commenced.
Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of indicators acceptable to the Association and set forth in the Project Implementation Manual. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the Association not later than forty-five (45) days after the end of the period covered by such report.

B. Financial Management, Financial Reports and Audits

1. The Recipient shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 4.09 of the General Conditions.

2. The Recipient shall prepare and furnish to the Association not later than forty-five (45) days after the end of each calendar quarter, interim unaudited financial reports for the Project covering the quarter, in form and substance satisfactory to the Association.

3. The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 4.09(b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one Fiscal Year of the Recipient. The audited Financial Statements for each such period shall be furnished to the Association not later than six (6) months after the end of such period.

4. The Recipient shall, not later than six (6) months after the Effective Date, engage an external auditor, with qualifications and experience and under terms of reference acceptable to the Association.

Section III. Procurement

A. General

1. Goods, Works and Non-consulting Services. All goods, works and non-consulting services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Section.

2. Consultants’ Services. All consultants’ services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines, and with the provisions of this Section.
3. **Definitions.** The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Association of particular contracts, refer to the corresponding method described in Sections II and III of the Procurement Guidelines, or Sections II, III, IV and V of the Consultant Guidelines, as the case may be.

**B. Particular Methods of Procurement of Goods, Works and Non-consulting Services**

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods, works and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.

2. **Other Methods of Procurement of Goods, Works and Non-consulting Services.** The following methods, other than International Competitive Bidding, may be used for procurement of goods, works and non-consulting services for those contracts specified in the Procurement Plan: (a) National Competitive Bidding subject to the following additional provisions: the Recipient shall use the Association’s standard bidding documents or other bidding documents which shall have been found acceptable to the Association prior to their use; (b) Shopping; and (c) Direct Contracting, subject to the Association’s prior written approval.

**C. Particular Methods of Procurement of Consultants’ Services**

1. **Quality- and Cost-based Selection.** Except as otherwise provided in paragraph 2 below, consultants’ services shall be procured under contracts awarded on the basis of Quality and Cost-based Selection.

2. **Other Methods of Procurement of Consultants’ Services.** The following methods, other than Quality and Cost-based Selection, may be used for procurement of consultants’ services for those contracts which are specified in the Procurement Plan: (a) Quality-based Selection; (b) Selection under a Fixed Budget; (c) Least Cost Selection; (d) Selection based on Consultants’ Qualifications; (e) Single-source Selection of consulting firms, subject to the Association’s prior written approval; (f) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants; and (g) Single-source procedures for the Selection of Individual Consultants, subject to the Association’s prior written approval.

**D. Review by the Association of Procurement Decisions**

The Procurement Plan shall set forth those contracts which shall be subject to the Association’s Prior Review. All other contracts shall be subject to Post Review by the Association.
Section IV. Withdrawal of the Proceeds of the Financing

A. General

1. The Recipient may withdraw the proceeds of the Financing in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Association shall specify by notice to the Recipient (including the “World Bank Disbursement Guidelines for Projects” dated May 2006, as revised from time to time by the Association and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.

2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Financing (“Category”), the allocations of the amounts of the Credit to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Credit Allocated (expressed in Euro)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, works, non-consulting services, consultants’ services, Operating Costs and Training under the Project</td>
<td>44,800,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>44,800,000</td>
<td></td>
</tr>
</tbody>
</table>

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for payments that were made prior to the date of this Agreement.

2. The Closing Date is June 30, 2022.
SCHEDULE 3
Repayment Schedule

<table>
<thead>
<tr>
<th>Date Payment Due</th>
<th>Principal Amount of the Credit repayable (expressed as a percentage)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>On each June 1 and December 1, commencing June 1, 2022 to and including December 1, 2031</td>
<td>1.65%</td>
</tr>
<tr>
<td>On each June 1 and December 1, commencing June 1, 2032 to and including December 1, 2041</td>
<td>3.35%</td>
</tr>
</tbody>
</table>

*The percentages represent the percentage of the principal amount of the Credit to be repaid, except as the Association may otherwise specify pursuant to Section 3.03(b) of the General Conditions.
APPENDIX

Section I. Definitions


2. “Annual Work Plan and Budget” means an annual work plan and budget referred to in Section I.E of Schedule 2 to this Agreement.


4. “Basis Adjustment to the Interest Charge” means the Association’s standard basis adjustment to the Interest Charge for credits in the currency of denomination of the Credit, in effect at 12:01 a.m. Washington, D.C. time, on the date on which the Credit is approved by the Executive Directors of the Association, and expressed either as a positive or negative percentage per annum.

5. “Basis Adjustment to the Service Charge” means the Association’s standard basis adjustment to the Service Charge for credits in the currency of denomination of the Credit, in effect at 12:01 a.m. Washington, D.C. time, on the date on which the Credit is approved by the Executive Directors of the Association, and expressed either as a positive or negative percentage per annum.

6. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.


8. “Implementation Support Contract” means the Implementation Support Contract among the Recipient, ONEP and the PCU referred to in Section B.2 of Schedule 2 to this Agreement, as further described in the Project Implementation Manuel, to be responsible for technical implementation of Part A of the Project, including, *inter alia*, the following: (i) all technical management of the conception, construction and rehabilitation works of the Project; and (ii) provision of quality control for infrastructural work and ensuring that appropriate standards are maintained.
9. "Displaced Persons" means one or more persons who, on account of the execution of the Project, have experienced or would experience direct economic and social impacts caused by: (a) the involuntary taking of land, resulting in: (i) relocation or loss of shelter; (ii) loss of assets or access to assets; or (iii) loss of income sources or means of livelihood, whether or not such person must move to another location; or (b) the involuntary restriction of access to legally designated parks and protected areas, resulting in adverse impacts on the livelihood of such person.

10. “Environmental and Social Management Framework” or “ESMF” means the Recipient’s environmental and social management framework, disclosed in country on September 28, 2016 and at the Association’s Infoshop on September 28, 2016 giving details of the policies and procedures designed to maximize the benefits of the Project, eliminate, mitigate or offset any adverse environmental impacts, or reduce such impacts to acceptable levels, along with procedures for the protection of cultural property, as such ESMF may be amended subject to compliance with the same approval formalities as applied to the adoption of the ESMF.

11. “Environmental and Social Impact Assessment” or “ESIA” means an environmental and social impact assessment to be conducted by the Recipient in accordance with the procedures and requirements under the ESMF with the aim of identifying and evaluating environmental impacts and risks associated with the Project activities, as such ESIA may be amended from time to time with the prior written approval of the Association; and “ESIAs” means, collectively, all such ESIA.

12. “Environmental and Social Management Plan” or “ESMP” means an environmental and social management plan to be prepared by the Recipient in accordance with the procedures and requirements under the ESMF, defining: (a) the measures to be taken during the implementation of a particular activity to eliminate or offset adverse environmental or social impacts, or to reduce them to acceptable levels; and (b) the actions needed to implement these measures, as such ESMP may be amended from time to time with the prior written approval of the Association; and “ESMPs” means, collectively, all such ESMP.

13. “Fiscal Year” or “FY” means the Recipient’s fiscal year commencing on January 1 and ending on December 31 of the same year.

14. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 31, 2010, with the modifications set forth in Section II of this Appendix.

15. “ONEP” means Office National de l’Eau Potable, the Recipient’s National Water Supply Agency, a state-owned enterprise established pursuant to Decree No. 2006-274, dated August 23, 2006, and existing and operating pursuant to laws of Recipient, or any successor thereto.
16. "ONEP Agreement" means the *Convention-cadre* between the Ministry of Economic Infrastructure, the Ministry of Budget and ONEP, dated September 3, 2014.

17. "Operating Costs" means incremental recurrent expenditures incurred for purposes of implementation of the Project on account of local contractual support staff salaries; travel expenditures and other travel-related allowances; equipment rental and maintenance; vehicle operation (including fuel), maintenance and repair; office rental and maintenance, materials and supplies; and utilities, media information campaigns and communications' expenses, but excluding the salaries of officials and public servants of the Recipient's civil service.


19. "Procurement Plan" means the Recipient's procurement plan for the Project, dated October 13, 2016 and referred to in paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.

20. "Project Coordination Unit" and "PCU", each means the unit referred to in Section I.A(b) of Schedule 2 to this Agreement.

21. "Project Implementation Manual" means the manual of the Project referred to in Section 4.01 of this Agreement, as the same may be updated or adapted for purposes of this Project or otherwise amended from time to time, with the approval of the Association, and such term includes any schedules and attachments supplemental to the Project Implementation Manual.

22. "Project Management Contract" means the Project Management Contract referred to in Section I.B.1(a) of Schedule 2 to this Agreement.

23. "Resettlement Action Plan" or "RAP" means a resettlement action plan to be prepared by the Recipient in accordance with the procedures and requirements under the RPF, setting out, for a particular activity, actions and measures for compensation and resettlement of Displaced Persons, including the magnitude of displacement, proposed compensation and resettlement arrangements, budget and cost estimates, and sources of funding, together with adequate institutional, monitoring and reporting arrangements capable of ensuring proper implementation of, and regular feedback on compliance with, the RAP, as such plan may be revised from time to time with prior written approval of the Association; and "RAPs" means, collectively, all such RAP.
24. "Resettlement Policy Framework" or "RPF" means the Recipient’s Resettlement Policy Framework disclose in country on September 28, 2016 and at the Association’s Infoshop on September 28, 2016 giving details of the policies and procedures governing compensation, rehabilitation and resettlement assistance in favor of Displaced Persons, as such RPF may be amended subject to compliance with the same approval formalities as applied to the adoption of the RPF.

25. “Safeguard Instruments” means, collectively, the ESMF, RPF, ESIAs, ESMPs and RAPs, and “Safeguard Instrument” means any one such instrument.


27. “Steering Committee” means the Steering Committee referred to in Section I.A.1(a) of Schedule 2 to this Agreement.

28. “Training” means training and training-related activities under the Project, including seminars, workshops and study tours, together with all costs associated with travel and subsistence allowances for training participants, trainers’ fees, rental of training facilities, preparation and reproduction of training materials and other activities reasonably incidental to the preparation and implementation of training activities.

Section II. Modifications to the General Conditions

The General Conditions are hereby modified as follows:

1. Section 3.02 is modified to read as follows:

“Section 3.02. Service Charge and Interest Charge

(a) Service Charge. The Recipient shall pay the Association a service charge on the Withdrawn Credit Balance at the rate specified in the Financing Agreement. The Service Charge shall accrue from the respective dates on which amounts of the Credit are withdrawn and shall be payable semi-annually in arrears on each Payment Date. Service Charges shall be computed on the basis of a 360-day year of twelve 30-day months.

(b) Interest Charge. The Recipient shall pay the Association interest on the Withdrawn Credit Balance at the rate specified in the Financing Agreement. Interest shall accrue from the respective dates on which amounts of the Credit are withdrawn and shall be payable semi-annually in arrears on each Payment Date. Interest shall be computed on the basis of a 360-day year of twelve 30-day months.”
2. Paragraph 28 of the Appendix ("Financing Payment") is modified by inserting the words "the Interest Charge" between the words "the Service Charge" and "the Commitment Charge".

3. The Appendix is modified by inserting a new paragraph 32 with the following definition of "Interest Charge", and renumbering the subsequent paragraphs accordingly:

   "32. "Interest Charge" means the interest charge specified in the Financing Agreement for the purpose of Section 3.02(b)."

4. Renumbered paragraph 37 (originally paragraph 36) of the Appendix ("Payment Date") is modified by inserting the words "Interest Charges" between the words "Service Charges" and "Commitment Charges".

5. Renumbered paragraph 50 (originally paragraph 49) of the Appendix ("Service Charge") is modified by replacing the reference to Section 3.02 with Section 3.02(a).