AFGHANISTAN RECONSTRUCTION TRUST FUND
GRANT AGREEMENT

(Microfinance Fund Project)

between

TRANSITIONAL ISLAMIC STATE OF AFGHANISTAN

and

INTERNATIONAL DEVELOPMENT ASSOCIATION
(acting as Administrator of the Afghanistan Reconstruction Trust Fund)

Dated June 4, 2003
ARTF GRANT AGREEMENT

AGREEMENT, dated June 4, 2003, between TRANSITIONAL ISLAMIC STATE OF AFGHANISTAN (the Recipient) and INTERNATIONAL DEVELOPMENT ASSOCIATION, acting as administrator (the Administrator) of grant funds (the Grant Funds) contributed by various donors (collectively the Donors) to the Afghanistan Reconstruction Trust Fund (ARTF).

WHEREAS (A) the Donors have agreed to provide the Grant Funds to the Recipient in support of its reconstruction program;

(B) the Donors have requested the Administrator, and the Administrator has agreed, to administer the Grant Funds;

(C) the Administrator has established ARTF for purposes of receiving and administering the Grant Funds; and

(D) the Grant Funds shall finance, inter alia, investment and/or sector programs and activities as shall from time to time be recommended by the Minister of Finance of the Recipient and approved by the Management Committee of ARTF;

NOW THEREFORE, the parties hereto hereby agree as follows:

ARTICLE I

General Conditions; Definitions

Section 1.01. (a) The following provisions of the General Conditions Applicable to Development Credit Agreements of the Administrator, dated January 1, 1985 (as amended through October 6, 1999), with the modifications set forth in paragraph (b) of this Section (the General Conditions), constitute an integral part of this Agreement:

(i) Article I;

(ii) Article II;

(iii) Section 3.01;
(iv) Sections 4.01, 4.02, 4.05 and 4.06;
(v) Article V;
(vi) Sections 6.01, 6.02, 6.03, 6.04 and 6.06;
(vii) Article VIII;
(viii) Article IX;
(ix) Article X; and
(x) Article XI.

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

(i) the term “Borrower”, wherever used in the General Conditions, means the Recipient;

(ii) the term “Development Credit Agreement”, wherever used in the General Conditions, means this ARTF Grant Agreement;

(iii) the term “Credit” and “credit”, wherever used in the General Conditions, means the Grant; and

(iv) the term “Credit Account”, wherever used in the General conditions, means the Grant Account.

Section 1.02. Wherever used in this Agreement, unless the context otherwise requires, the several terms defined in the preamble to this Agreement shall have the respective meanings therein set forth; and the following additional terms have the following meanings:

(a) “Project Implementation Plan” means the Project Implementation Plan referred to in Part A. 1 (a) of Schedule 4 to this Agreement;

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

(c) “Financial Monitoring Report” means each report prepared in accordance with Section 4.02 of this Agreement;
(d) “NGO” means a non-profit legal entity, determined by the Recipient and the Administrator as capable of assisting in the fulfillment of the objectives of the Project;

(e) “MRRD” means the Recipient’s Ministry of Rural Reconstruction and Development;

(f) “REDPAL” means the Rural Enterprise Development and Promotion of Alternative Livelihoods Department established in MRRD to promote, among other things, rural non-farm income generating activities and referred to in Part A.2 (a) of Schedule 4 to this Agreement;

(g) “MFI” means a microfinance institution, determined by the Recipient and the Administrator as capable of assisting in the fulfillment of the objectives of the Project, and includes an NGO selected for participation in the Project; and

(h) “MISFA” means the Microfinance Investment and Support Facility for Afghanistan, referred to in Part A.2 (b) of Schedule 4 to this Agreement, which will manage Project funds and provide the required coordination and support.

ARTICLE II

The Grant

Section 2.01. The Administrator agrees to make available to the Recipient, on the terms and conditions set forth or referred to in this Agreement, an amount in various currencies equivalent to one million Dollars ($1,000,000).

Section 2.02. (a) The amount of the Grant may be withdrawn from the Grant Account in accordance with the provisions of Schedule 1 to this Agreement for expenditures made (or, if the Administrator shall so agree, to be made) in respect of the reasonable cost of goods and services required for the Project and to be financed out of the proceeds of the Grant.

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

Section 2.03. The Closing Date shall be June 30, 2005 or such later date as the Administrator shall establish. The Administrator shall promptly notify the Recipient of such later date.
Section 2.04. Disbursement from the proceeds of the Grant (including deposits into the Special Account) shall be made only to the extent that resources adequate to meet such disbursement shall have been transferred from the Donors to the ARTF.

ARTICLE III

Execution of the Project

Section 3.01. (a) The Recipient declares its commitment to the objectives of the Project as set forth in Schedule 2 to this Agreement and, to this end, shall carry out the Project through MRRD with due diligence and efficiency and in conformity with the Project Implementation Plan and appropriate administrative, financial and microfinancing practices, and shall provide, promptly as needed, the funds, facilities, services and other resources required for the Project.

(b) Without limitation upon the provisions of paragraph (a) of this Section and except as the Recipient and the Administrator shall otherwise agree, the Recipient shall carry out the Project in accordance with the Implementation Program set forth in Schedule 4 to this Agreement.

Section 3.02. Except as the Administrator shall otherwise agree, procurement of the goods and consultants’ services required for the Project and to be financed out of the proceeds of the Grant shall be governed by the provisions of Schedule 3 to this Agreement.

Section 3.03. For the purposes of Section 9.06 (c) of the General Conditions and without limitation thereto, the Recipient shall:

(a) prepare, on the basis of guidelines acceptable to the Administrator, and furnish to the Administrator not later than six (6) months after the Closing Date or such later date as may be agreed for this purpose between the Recipient and the Administrator, a plan designed to ensure the continued achievement of the Project’s objectives; and

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

Financial Conditions

Section 4.01. (a) The Recipient shall maintain or cause to be maintained, a financial management system, including records and accounts, and prepare financial statements in a format acceptable to the Administrator, adequate to reflect the operations, resources and expenditures related to the Project.

(b) The Recipient shall: (i) have the records, accounts and financial statements referred to in paragraph (a) of this Section, and the records and accounts for the Special Account for each fiscal year audited, in accordance with auditing standards acceptable to the Administrator, consistently applied, by independent auditors acceptable to the Administrator; (ii) furnish to the Administrator as soon as available, but in any case not later than six months after the end of each such year: (A) certified copies of the financial statements referred to in paragraph (a) of this Section for such year as so audited, and (B) a opinion on such statements, records and accounts and report of such audit, by said auditors, of such scope and in such detail as the Administrator shall have reasonably requested; and (iii) furnish to the Administrator such other information concerning said records and accounts, and the audit thereof as the Administrator shall from time to time reasonably request.

(c) For all expenditures with respect to which withdrawals from the Grant Account were made on the basis of statements of expenditure, the Recipient shall: (i) maintain in accordance with paragraph (a) of this Section, records and separate accounts reflecting such expenditures; (ii) retain, until at least one (1) year after the Administrator has received the audit report for the fiscal year in which the last withdrawal from the Grant Account was made, all records (contracts, orders, invoices, bills, receipts and other documents) evidencing such expenditures; (iii) enable the Administrator’s representatives to examine such records; and (iv) ensure that such records and accounts are included in the annual audit referred to in paragraph (b) of this Section and that the report of such audit contains a separate opinion by said auditors as to whether the statements of expenditure submitted during such fiscal year, together with the procedures and internal controls involved in their preparation, can be relied upon to support the related withdrawals.

Section 4.02. (a) Without limitation upon the Recipient’s progress reporting obligations set out in Part B.3 (b) of Schedule 4 to this Agreement, the Recipient shall prepare and furnish to the Administrator a financial monitoring report, in form and substance satisfactory to the Administrator, which:

(i) sets forth sources and uses of funds for the Project, both cumulatively and for the period covered by said report, showing separately funds
provided under the Grant, and explains variances between the actual and planned Project implementation;

(ii) describes physical progress in Project implementation, both cumulatively and for the period covered by said report, and explains variances between the actual and planned Project implementation; and

(iii) sets forth the status of procurement under the Project, as at the end of the period covered by said report.

(b) The first Financial Monitoring Report shall be furnished to the Administrator not later than 45 days after the end of the first calendar quarter after the Effective Date, and shall cover the period from the incurrence of the first expenditure under the Project through the end of each such first calendar quarter; thereafter, each Financial Monitoring Report shall be furnished to the Administrator not later than 45 days after each subsequent calendar quarter, and shall cover such calendar quarter.

ARTICLE V

Effectiveness

Section 5.01. This Agreement shall become effective upon signature thereof by the parties hereto.

Section 5.02. This Agreement shall continue in effect until the parties to this Agreement have fulfilled all their obligations hereunder.

ARTICLE VI

Representatives of the Recipient; Addresses

Section 6.01. The Minister of Finance of the Recipient shall be the representative of the Recipient for the purposes of Section 11.03 of the General Conditions.

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

For the Recipient:

Ministry of Finance
Transitional Islamic State of Afghanistan
Kabul, Afghanistan
For the Administrator:

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

Cable address:  Telex:  Facsimile
INDEVAS  MCI 24823  (1-202) 477-6391
Washington, D.C.  MCI 64145

IN WITNESS WHEREOF, the parties hereto, acting through their duly authorized representatives, have caused this Agreement to be signed in their respective names in Kabul, as of the day and year first above written.

TRANSITIONAL ISLAMIC STATE OF AFGHANISTAN

/s/ Ashraf Ghani

By

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION
(as Administrator of the Afghanistan Reconstruction Trust Fund)

/s/ William Byrd

By

Country Director
**SCHEDULE 1**

**Withdrawal of the Proceeds of the Grant**

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

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant Allocated (Expressed in U.S. Dollars Equivalent)</th>
<th>% of Expenditures to be Financed</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods</td>
<td>300,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Consultants’ services</td>
<td>200,000</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Training</td>
<td>500,000</td>
<td>100%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>1,000,000</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

2. Notwithstanding the provisions of paragraph 1 above, no withdrawals shall be made in respect of payments made for expenditures prior to the date of this Agreement.

3. The Administrator may require withdrawals from the Grant Account to be made on the basis of statements of expenditure for expenditures for: (i) goods under contracts costing less than $50,000 equivalent each; (ii) services under contracts costing less than (A) $100,000 equivalent for consulting firms, and (B) $50,000 equivalent for individual consultants; and (iii) training, all under such terms and conditions as the Administrator shall specify by notice to the Recipient.
SCHEDULE 2

Description of the Project

The objectives of the Project are to: (i) provide poor and low income people, particularly women, with access to credit and financial services; and (ii) thereby enable them to (A) take advantage of business and other income generating opportunities, (B) raise their income levels and develop skills, and (C) meet emergency needs and reduce their vulnerability and build assets.

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

Part A: Strengthening Microfinance Institutions

1. Development of a sustainable microfinance sector, including: (i) the strengthening of the capacity of selected MFIs to deliver credit and other financial services; (ii) assisting such MFIs to move towards operational and financial self sufficiency; (iii) supporting such MFIs in the planning and carrying out of microfinance programs; and (iv) improving the effectiveness of MFIs to carry out poverty reduction programs.

2. Strengthening the capacity of MRRD to manage and monitor grant funds.

3. The conduct of study tours and training of staff of MRRD, MISFA and MFIs.

Part B: Microfinance Investment and Support Facility for Afghanistan (MISFA)

The establishment of MISFA as an independent and autonomous apex microfinance institution to provide continuity of support to MFIs and ensure long term development and sustainability of the microfinance sector.

* * *

The Project is expected to be completed by December 31, 2004.
SCHEDULE 3

Procurement and Consultants’ Services

Section I. Procurement of Goods

Part A: General

Goods shall be procured in accordance with: (a) the provisions of Section I of the “Guidelines for Procurement under IBRD Loans and IDA Credits” published by the Bank in January 1995 and revised in January and August 1996, September 1997 and January 1999 (the Guidelines); and (b) the provisions of the following Parts of this Section I.

Part B: Procurement Procedures

National Shopping

Goods estimated to cost less than $50,000 equivalent per contract, may be procured under contracts awarded on the basis of national shopping procedures in accordance with the provisions of paragraphs 3.5 and 3.6 of the Guidelines.

Part C: Review by the Administrator of Procurement Decisions

1. Procurement Planning

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

2. Prior Review

With respect to the first contract for goods, irrespective of value, awarded under shopping procedures, the following procedures shall apply:

(i) prior to requesting quotations under shopping procedures, the Recipient shall furnish to the Administrator, for its review, the draft documents requesting such quotations;

(ii) prior to the execution of any contract under shopping procedures, the Recipient shall provide to the Administrator a report on the comparison and evaluation of quotations received; and
(iii) the procedures set forth in paragraphs 2(f), 2(g) and 3 of Appendix 1 to the Guidelines shall apply.

3. **Post Review**

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

**Section II. Employment of Consultants**

**Part A: General**

Consultants’ services shall be procured in accordance with: (a) the provisions of the Introduction and Section IV of the “Guidelines: Selection and Employment of Consultants by World Bank Borrowers” published by the Association in January 1997 and revised in January 1997 and revised in September 1997, January 1999 and May 2002 (the Consultant Guidelines); and (b) the provisions of the following Parts of this Section II.

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

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

2. The following provisions shall apply to consultants’ services to be procured under contracts awarded in accordance with the provisions of the preceding paragraph. The short list of consultants for services for the Project, estimated to cost less than $200,000 equivalent per contract, may comprise entirely national consultants in accordance with the provisions of paragraph 2.7 of the Consultant Guidelines.

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

1. **Selection Based on Consultants’ Qualifications**

Services estimated to cost less than $100,000 equivalent per contract may be procured under contracts awarded in accordance with the provisions of paragraphs 3.1 and 3.7 of the Consultant Guidelines.
2. **Individual Consultants**

Services of individual consultants for tasks that meet the requirements set forth in paragraph 5.1 of the Consultant Guidelines shall be procured under contracts awarded to individual consultants in accordance with the provisions of paragraphs 5.1 through 5.4 of the Consultant Guidelines.

3. **Single Source Selection**

Services which are estimated to cost less than $200,000 equivalent per contract, may, with the Association's prior agreement, be procured in accordance with the provisions of paragraphs 3.8 through 3.11 of the Consultant Guidelines.

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

1. **Selection Planning**

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

2. **Prior Review**

(a) With respect to: (i) the first contract for the employment of consulting firms, irrespective of value; and (ii) each subsequent contract estimated to cost the equivalent of $100,000 or more, the procedures set forth in paragraphs 2, 3 and 5 of Appendix 1 to the Consultant Guidelines shall apply.

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

3. **Post Review**

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

Implementation Program

A. General

1. (a) The Recipient shall maintain a Project Implementation Plan in form and substance satisfactory to the Administrator. The Project Implementation Plan shall set out details of all procedures, guidelines, timetables and criteria required for the Project, including the financial, administrative and operational arrangements relating to the carrying out of the Project.

(b) The Recipient shall carry out the Project in accordance with the Project Implementation Plan and, except as the Administrator shall otherwise agree, the Recipient shall not amend or waive any provision of the Project Implementation Plan if, in the opinion of the Administrator, such amendment or waiver may materially and adversely affect the carrying out of the Project or the achievement of the objectives thereof.

2. (a) The Recipient shall maintain MRRD, REDPAL and MISFA in a form and with functions, membership, staffing and resources satisfactory to the Administrator.

(b) The Recipient shall set up and thereafter maintain MISFA for Project management and support within MRRD in a form and with functions, membership, staffing and resources satisfactory to the Administrator. The membership of MISFA shall include: (i) the Project Manager; (ii) a Field/Monitoring Officer; (iii) a Financial Management/Accountant; and (iv) one Support Staff.

(c) MRRD and MISFA shall be jointly responsible for the day-to-day administration and carrying out of the Project. MISFA shall in particular be responsible for: (i) accounting, disbursement and administrative services related to Project implementation; (ii) the establishment of an accounting and management system for regular and timely reporting; (iii) the monitoring of activities of all MFIs participating in the Project; (iv) the preparation of quarterly progress reports; (v) the coordination of Project activities; and (vi) liaising between MFIs, the Administrator and the departments and line ministries of Recipient.

B. Reports and Reviews

1. The Recipient shall:

(a) maintain policies and procedures adequate to enable it to monitor and evaluate on an ongoing basis, in accordance with indicators set out in Schedule 6 to this
Agreement, the carrying out of the Project and the achievement of the objectives thereof; and

(b) prepare, under terms of reference satisfactory to the Administrator, and furnish to the Administrator on a quarterly basis, commencing October 1, 2003, a report on the progress achieved in the carrying out of the Project and the achievement of the objectives thereof.
SCHEDULE 5

Special Account

1. For the purposes of this Schedule:

   (a) the term “eligible Categories means Categories (1), (2) and (3) set forth in the table in paragraph 1 of Schedule 1 to this Agreement;

   (b) the term “eligible expenditures” means expenditures in respect of the reasonable cost of goods and services required for the Project and to be financed out of the proceeds of the Grant allocated from time to time to the eligible Categories in accordance with the provisions of Schedule 1 to this Agreement; and

   (c) the term “Authorized Allocation” means an amount equivalent to $100,000 to be withdrawn from the Grant Account and deposited into the Special Account pursuant to paragraph 3 (a) of this Schedule, provided, however, that unless the Administrator shall otherwise agree, the Authorized Allocation shall be limited to an amount equivalent to $50,000 until the aggregate amount of withdrawals from the Grant Account plus the total amount of all outstanding special commitments entered into by the Administrator pursuant to Section 5.02 of the General Conditions shall be equal to or exceed the equivalent of the aggregate amount of withdrawals from the Grant Account allocated to plus the total amount of all outstanding special commitments entered into by the Administrator pursuant to Section 5.02 of the General Conditions shall be equal to or exceed the equivalent of $ 200,000.

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

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

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

   (b) (i) For replenishment of the Special Account, the Recipient shall furnish to the Administrator requests for deposits into the Special Account at such intervals as the Administrator shall specify.
(ii) Prior to or at the time of each such request, the Recipient shall furnish to the Administrator the documents and other evidence required pursuant to paragraph 4 of this Schedule for the payment or payments in respect of which replenishment is requested. On the basis of each such request, the Administrator shall, on behalf of the Recipient, withdraw from the Grant Account and deposit into the Special Account such amount as the Recipient shall have requested and as shall have been shown by said documents and other evidence to have been paid out of the Special Account for eligible expenditures. All such deposits shall be withdrawn by the Administrator from the Grant Account under the respective eligible Categories, and in the respective equivalent amounts, as shall have been justified by said documents and other evidence.

4. For each payment made by the Recipient out of the Special Account, the Recipient shall, at such time as the Administrator shall reasonably request, furnish to the Administrator such documents and other evidence showing that such payment was made exclusively for eligible expenditures.

5. Notwithstanding the provisions of paragraph 3 of this Schedule, the Administrator shall not be required to make further deposits into the Special Account:

   (a) if, at any time, the Administrator shall have determined that all further withdrawals should be made by the Recipient directly from the Grant Account in accordance with the provisions of Article V of the General Conditions and paragraph (a) of Section 2.02 of this Agreement;

   (b) if the Recipient shall have failed to furnish to the Administrator, within the period of time specified in Section 4.01 (b) (ii) of this Agreement, any of the audit reports required to be furnished to the Administrator pursuant to said Section in respect of the audit of the records and accounts for the Special Account;

   (c) if, at any time, the Administrator shall have notified the Recipient of its intention to suspend in whole or in part the right of the Recipient to make withdrawals from the Grant Account pursuant to the provisions of Section 6.02 of the General Conditions; or

   (d) once the total unwithdrawn amount of the Grant allocated to the eligible Categories, minus the total amount of all outstanding special commitments entered into by the pursuant to Section 5.02 of the General Conditions with respect to the Project, shall equal the equivalent of twice the amount of the Authorized Allocation.

Thereafter, withdrawal from the Grant Account of the remaining unwithdrawn amount of the Grant allocated to the eligible Categories shall follow such procedures as the Administrator shall specify by notice to the Recipient. Such further withdrawals shall be made only after and to the extent that the Administrator shall have been satisfied
that all such amounts remaining on deposit in the Special Account as of the date of such notice will be utilized in making payments for eligible expenditures.

6. (a) If the Administrator shall have determined at any time that any payment out of the Special Account: (i) was made for an expenditure or in an amount not eligible pursuant to paragraph 2 of this Schedule; or (ii) was not justified by the evidence furnished to the Administrator, the Recipient shall, promptly upon notice from the Administrator: (A) provide such additional evidence as the Administrator may request; or (B) deposit into the Special Account (or, if the Administrator shall so request, refund to the Administrator) an amount equal to the amount of such payment or the portion thereof not so eligible or justified. Unless the Administrator shall otherwise agree, no further deposit by the Administrator into the Special Account shall be made until the Recipient has provided such evidence or made such deposit or refund, as the case may be.

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

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

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

Performance Indicators

The performance indicators for the Project shall include the following, said indicators being subject to modifications by agreement between the Recipient and the Administrator:

1. Increase in outreach with appropriate geographical coverage and particular emphasis on poverty stricken areas and women.

2. Qualitative impact on the more intangible aspects of helping clients rebuild their lives after twenty years of war.

3. Improvements in the types and quality of financial products and services offered to low-income clients.

4. Established systems for microfinance delivery by the microfinance institutions and NGOs (best practices, trained staff, improved services delivery, etc.).

5. Appointment of a Board of Directors and management of MISFA.