



SOUMYA CHATTOPADHYAY,
Under Secretary (FB)
Tel:23093404/Fax:23092477

भारत सरकार Government of India
वित्त मंत्रालय Ministry of Finance
आर्थिक कार्य विभाग Department of Economic Affairs

नई दिल्ली / New Delhi,3rd April, 06

Dear Mr. Carter,

Enclosed please find Letter Agreement (No.P4270), in original, duly signed by Shri M. Prasad, Joint Secretary(FB), Department of Economic Affairs for providing an advance not exceeding US\$ 3,000,000 for the preparation of the proposed Orissa State Roads Project.

With regards,

Yours sincerely,

Encl: A/A

(SOUMYA CHATTOPADHYAY)

Mr. Michael F. Carter
Country Director,
World Bank,
70 Lodi Estate,
New Delhi.
Fax: 24619393.

CD'S Incoming Mail	
Date:	Apr 4
For action	Legal — original
cc:	Tharakan/Raja/Chen Benmessard @man-

World Bank

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION

New Delhi Office
70 Lodi Estate
New Delhi – 110 003
India

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March 8, 2006

Mr. Madhusudan Prasad
Joint Secretary
Department of Economic Affairs
Ministry of Finance
Government of India
New Delhi

Dear Mr. Prasad:

***Re: India: Advance for Preparation of Orissa State Roads Project
PPF Letter Agreement No. P4270***

I am writing on behalf of the International Bank for Reconstruction and Development (referred to variously as the World Bank and IBRD) to indicate the World Bank's agreement to provide to India (the Recipient) an advance in an amount not exceeding three million United States Dollars (US\$3,000,000) (the Advance). The purpose of the Advance is to finance certain expenditures required for the preparation of the Orissa State Roads Project in the State of Orissa, which has as its main objective, for businesses and households to utilize cost-effective road infrastructure and observe significant reduction in transportation costs (the Project). The Recipient has requested financial assistance (the Financing) of the World Bank under a legal agreement to be entered into between the Recipient and the World Bank (the Financing Agreement) for the carrying out of certain expenditures under the Project.

The Advance is provided on the terms and conditions set forth in the Annex to this Letter Agreement, and the Recipient represents, by confirming its agreement below, that it is authorized to contract, withdraw, and repay the Advance for the said purpose and on the said terms and conditions. The provision of the Advance does not constitute or imply any commitment on the part of the World Bank to assist in the financing of the Project.

Please confirm your agreement with the foregoing, on behalf of the Recipient, by signing, dating, and returning to us the enclosed copy of this Letter Agreement. This Letter Agreement shall become effective as of the date of countersignature. Please note that it is the World Bank's policy to make publicly available this Letter Agreement after it has become effective.


Very truly yours,

**INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT**



Michael F. Carter
Country Director, India
South Asia Region

**AGREED:
INDIA**

By 

Name: _____

Title: _____

Date: _____

(ए. प्रसाद/म. PRASAD)
संयुक्त सचिव/Joint Secretary
वित्त मन्त्रालय/Min. of Finance
आर्थिक कार्य विभाग/Deptt. of Eco. Affairs
नई दिल्ली/New Delhi.

30-3-2006

Attachments: Annex Terms and Conditions of the Advance
Attachment I Procurement
Attachment II Special Account

ANNEX

Terms and Conditions of the Advance

1. Activities

The activities (the Activities) for which the Advance is given are as follows:

- (a) Construction of boundary pillars for Project road corridors;
- (b) Technical assistance for social development and environmental impact management activities;
- (c) Updating Project monitoring software;
- (d) Technical assistance for the establishment of asset management system;
- (e) Technical assistance for the promotion of public-private partnership in road infrastructure, development and management;
- (f) Technical assistance for the preparation of next phase of Project roads;
- (f) Provision of communications system, computers, printers and software to facilitate Project preparation; and
- (g) Capacity building and training activities for Project implementation unit.

2. Implementation Generally

2.1. The Recipient, through Orissa and OWD shall: (a) carry out the Activities with due diligence and efficiency; (b) promptly provide the funds, facilities, services and other resources required for that purpose; (c) furnish to the World Bank all information concerning the Activities and the use of the proceeds of the Advance as the World Bank shall reasonably request; (d) from time to time exchange views with the World Bank's representatives on the progress and results of the Activities; and (e) take all necessary measures required to enable the World Bank's representatives to visit the territory of India for purposes related to the Advance.

2.2. India shall make the proceeds of the Grant available to Orissa in accordance with the standard arrangements for developmental assistance to the States of India.

3. Procurement

3.1. Except as the World Bank shall otherwise agree, procurement of the goods, works and services required for the carrying out of the Activities and to be financed out of the proceeds of the Advance shall be governed by the provisions of Attachment I to this Annex, as said provisions may be further elaborated in a procurement plan approved by the World Bank (the Procurement Plan), covering the initial 18 month (or longer) period of implementation of the Activities. The Recipient shall update the Procurement Plan in accordance with guidelines acceptable to the World Bank, and furnish such update to the World Bank not later than 12 months after the date of the preceding Procurement Plan for the World Bank's approval.

3.2. The Recipient shall ensure that all imported goods to be financed out of the proceeds of the Advance shall be insured against hazards incident to the acquisition, transportation and delivery thereof to the place of use or installation, and that any indemnity for such insurance is payable in a freely usable currency to replace or repair such goods. The Recipient shall ensure that any facilities relevant to the Activities are at all times operated and maintained in accordance with appropriate practices and that any repairs or renewals of such facilities are promptly made as needed.

4. Withdrawal of Advance Proceeds

4.1. The expenditures for the following Category of items may be financed out of the proceeds of the Advance and shall be used exclusively in the carrying out of the Activities:

<u>Category</u>	<u>Amount of the Advance Allocated (in U.S. Dollars)</u>	<u>% of Expenditures to be Financed</u>
Goods, Works, Consultants' Services, Training and Operating Costs	3,000,000	100%
TOTAL	3,000,000 =====	

For purposes of this paragraph, the term "Operating Costs" means the incremental costs incurred by Project implementing unit for the operation and maintenance facilities, vehicles and equipment used for Project preparation (including without limitation, vehicle rental, office rental, fuel costs and stationeries), and salaries and allowances of incremental staff assigned to Project implementation unit for Project preparation, but excluding salaries of the Recipient's civil servants.

4.2. Notwithstanding the provisions of paragraph 4.1 above:

(a) No withdrawals of the proceeds of the Advance shall be made: (i) for payments made for expenditures prior to the date of signature of this Letter Agreement by the World Bank, except that withdrawals, in an aggregate amount not exceeding \$30,000, may be made on account of payments made for expenditures before that date but after October 1, 2005; or (ii) for the purpose of any payment to persons or entities, or for any import of goods, if such payment or import, to the World Bank's knowledge, is prohibited by a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations.

(b) No withdrawals of the proceeds of the Advance shall be made after April 30, 2007, or such later date as the World Bank may establish by notice to the Recipient (the Refinancing Date). Any amount of the Advance remaining unwithdrawn after the Refinancing Date shall be canceled.

4.3. When the Recipient shall desire to withdraw any amount of the Advance, it shall deliver to the World Bank a written application for withdrawal of such amount in the form specified by the World Bank. Withdrawal applications shall be: (a) signed on behalf of the Recipient by authorized Government official or such other person as he or she shall have authorized in writing; and (b) accompanied by such evidence in support of the application as the World Bank shall reasonably request. Authenticated specimen signatures of the person authorized to sign withdrawal applications shall be provided with the first application bearing his or her signature. Each withdrawal application for an amount of the Advance and its supporting evidence must be sufficient in form and substance to satisfy the World Bank that the Recipient is entitled to withdraw such amount of the Advance and that such amount is to be used in the carrying out of the Activities. The World Bank shall pay the amounts withdrawn by the Recipient only to or on the order of the Recipient.

4.4. To facilitate the carrying out of the Activities, the Recipient may open and maintain a special deposit account (the Special Account) in U.S. Dollars in a commercial bank on terms and conditions satisfactory to the World Bank, including appropriate protection against set-off, seizure or attachment. Deposits into, and payments out of, the Special Account shall be made in accordance with the provisions of Attachment II to this Annex.

4.5. The World Bank may require that withdrawals of the proceeds of the Advance be made on the basis of statements of expenditure for expenditures for: (a) services of consulting firms costing less than the equivalent of US\$100,000 each; (b) services of individual consultants costing less than the equivalent of US\$50,000 each; (c) goods costing less than the equivalent of US\$200,000 each; (d) works costing less than the equivalent of US\$500,000 each; (e) training; and (f) operating costs, all under such terms and conditions as the World Bank shall specify by notice to the Recipient.

4.6. Withdrawals of the proceeds of the Advance shall be made in U.S. dollars. However, the World Bank, at the Recipient's request and acting as an agent of the Recipient, shall purchase with US dollars withdrawn from the proceeds of the Advance such currencies as shall be required to pay for expenditures to be financed out of the proceeds of the Advance. Whenever it shall be necessary, for the purposes of this Letter Agreement, to determine the value of one currency in terms of another, such value shall be as reasonably determined by the World Bank.

5. Interest

The amounts of the Advance withdrawn and not repaid shall carry interest at a rate calculated and charged as follows:

- (a) The Recipient shall pay interest on the principal amount of the Advance withdrawn and outstanding from time to time, at a variable rate for each Interest Period equal to LIBOR plus the Fixed Spread.
- (b) For the purposes hereof:
 - (i) "Interest Period" means the initial period from and including the date of signature of this Letter Agreement by the World Bank to but excluding the first Interest Payment Date occurring thereafter, and after such initial period, each period from and including an Interest Payment Date to but excluding the next following Interest Payment Date.
 - (ii) "Interest Payment Date" means each March 15th and September 15th, occurring on or after the date of signature this Letter Agreement by the World Bank on which interest is payable.
 - (iii) "Fixed Spread" means IBRD's fixed spread in respect of US Dollars in effect at 12:01 a.m. Washington, D.C. time, one calendar day prior to the date of signature of this Letter Agreement by the World Bank.
 - (iv) "LIBOR" means, in respect of any Interest Period, the London interbank offered rate for six-month deposits in US Dollars, expressed as a percentage per annum, that appears on the Telerate Page as of 11:00 a.m., London time, on the LIBOR Reset Date for said Interest Period. If such rate does not appear on the Telerate Page, IBRD shall request the principal London office of each of four major banks to provide a quotation of the rate at which it offers six-month deposits in US Dollars to leading banks in the London interbank market at approximately 11:00 a.m. London time on the LIBOR Reset Date for said Interest Period. If at least two such quotations are provided, the rate in respect of said Interest Period shall be the arithmetic mean (as determined by IBRD) of the quotations. If less than two quotations are provided as requested, the rate in respect of said Interest Period shall be the arithmetic mean (as determined by IBRD) of

the rates quoted by four major banks selected by IBRD in New York, NY, at approximately 11:00 a.m. in New York, NY, on the LIBOR Reset Date for said Interest Period for loans in US Dollars to leading banks for a period of six months. If less than two of the banks so selected are quoting such rates, LIBOR in respect of said Interest Period shall be equal to LIBOR in effect for the Interest Period immediately preceding said Interest Period.

- (v) "LIBOR Reset Date" means, in respect of any Interest Period, the day two London Banking Days prior to January 1 or July 1, whichever day immediately precedes said Interest Period.
- (vi) "London Banking Day" means any day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in London.
- (vii) "Telerate Page" means page 3750 on the Dow Jones Telerate Service, which displays LIBOR for deposits in US Dollars (or such other page as may replace such page on such service, or such other service as may be selected by IBRD as the information vendor, for the purpose of displaying rates or prices comparable to LIBOR).

6. Accounts and Audits

6.1. The Recipient shall maintain or cause to be maintained a financial management system, including records and accounts, and prepare financial statements in accordance with consistently applied accounting standards acceptable to the World Bank, adequate to reflect the operations, resources and expenditures related to the Activities.

6.2. The Recipient shall have the financial statements referred to in paragraph 6.1 audited as follows:

- (a) if the Financing Agreement shall have become effective on or before a date two years after the date of the first withdrawal of proceeds of the Advance, the Recipient shall have the said financial statements included in the first audit that would be required under the Financing Agreement;
- (b) if the Financing Agreement shall not have become effective on or before a date two years after the date of the first withdrawal of proceeds of the Advance, the Recipient shall:
 - (i) have the said financial statements for each such fiscal year (or other period agreed to by the World Bank) audited, in accordance with consistently applied auditing standards acceptable to the World Bank, by independent auditors acceptable to the World Bank;

- (ii) furnish to the World Bank as soon as available, but in any case not later than six months after the end of each such year (or such other period agreed to by the World Bank), (1) certified copies of the financial statements referred to in subparagraph (a) above for such year (or such other period agreed to by the World Bank), as so audited, and (2) an opinion on such statements by said auditors, in scope and detail satisfactory to the World Bank; and
- (iii) furnish to the World Bank such other information concerning such records and accounts, and the audit of such financial statements, and concerning said auditors, as the World Bank shall have reasonably requested.

6.3. For all expenditures with respect to which withdrawals of proceeds of the Advance were made on the basis of statements of expenditure, the Recipient shall: (i) retain, until at least one year after the World Bank has received the audit report for or covering the fiscal year in which the last withdrawal of proceeds of the Advance was made, all records (contracts, orders, invoices, bills, receipts and other documents) evidencing such expenditures; (ii) enable the World Bank's representatives to examine such records; and (iii) ensure that such statements of expenditure are included in any audit that the World Bank may have requested pursuant to paragraph 6.2.

7. Suspension and Cancellation

7.1. The World Bank may at any time, by notice to the Recipient, suspend the right of the Recipient to make further withdrawals of proceeds of the Advance if any of the following events has occurred and is continuing: (a) the Recipient has failed to comply with any of its obligations specified in this Letter Agreement; (b) the right of the Recipient, or any other entity to which the World Bank has extended a loan, credit and/or grant with the guarantee or agreement of the Recipient, to make withdrawals under any loan, credit and/or grant agreement with the World Bank has been suspended; (c) the World Bank has decided at any time, after consultation with the Recipient, to withdraw its support to the Project; or (d) the Recipient has withdrawn its request for the Financing.

7.2. World Bank may, by notice to the Recipient, terminate the right of the Recipient to make further withdrawals of proceeds of the Advance and shall cancel any amount of the Advance remaining unwithdrawn at any time after withdrawals of proceeds of the Advance have been suspended pursuant to the provisions of paragraph 7.1.

8. Repayment

8.1. The amount of the Advance withdrawn, together with interest accrued thereon shall be repaid by the Recipient to the World Bank as follows:

- (a) If, on or before the Refinancing Date, the Financing shall have been extended by the World Bank, then the full amount of the Advance withdrawn and outstanding shall be repaid to the World Bank as soon as the Financing Agreement shall have become

effective. Such repayment shall include accrued interest on the Advance to the date of repayment. The repayment shall be made by means of a withdrawal of the proceeds of the Financing in accordance with the provisions of the Financing Agreement, as soon as said agreement shall have become effective.

- (b) If, on or before the Refinancing Date, no such Financing shall have been extended, or if, by such date or at any time thereafter, the Financing Agreement shall have been terminated without becoming effective, then:
- (i) if the amount of the Advance withdrawn shall not exceed US\$50,000, such amount shall be repaid by the Recipient to the World Bank, together with accrued interest thereon to the date of repayment, on such date as the World Bank shall specify in a notice to the Recipient, which shall in no event be earlier than 60 days following the date of dispatch of such notice; and
 - (ii) if the amount of the Advance withdrawn shall exceed US\$50,000, the aggregate of such amount shall be paid by the Recipient to the World Bank in ten approximately equal semiannual installments of principal, together with interest accrued on such aggregate amount outstanding from time to time in the amounts and on the dates specified by the World Bank in a notice to the Recipient. In no event shall the first installment date be earlier than 60 days following the date of dispatch of such notice.

8.2. All payments to the World Bank shall be made in U.S. Dollars at such places and with such depositories as the World Bank shall specify.

Attachment I

Procurement

Section I. General

A. All goods, works and services (other than consultants' services) shall be procured in accordance with the provisions of Section I of the "Guidelines for Procurement under IBRD Loans and IDA Credits" dated May 2004 (the Procurement Guidelines), and with the provisions of this Attachment.

B. All consultants' services shall be procured in accordance with Sections I and IV of the "Guidelines: Selection and Employment of Consultants by World Bank Borrowers" dated May 2004 (the Consultant Guidelines), and with the provisions of this Attachment.

C. The capitalized terms used below in this Attachment to describe particular procurement methods or methods of review by the World Bank of particular contracts, have the meanings ascribed to them in the Procurement Guidelines or Consultant Guidelines as the case may be.

Section II. Particular Methods of Procurement of Goods, Works and Services (other than Consultants' Services)

A. National Competitive Bidding Goods estimated to cost less than \$200,000 equivalent per contract and works estimated to cost less than \$500,000 equivalent per contract, may be procured under contracts awarded in accordance with the provisions of paragraphs 3.3 and 3.4 of the Guidelines.

B. Shopping Goods estimated to cost less than \$30,000 equivalent per contract and works estimated to cost less than \$50,000 equivalent per contract, may be procured under contracts awarded on the basis of Shopping.

C. Direct Contracting Goods, which the World Bank agrees meet the requirements for Direct Contracting, may be procured in accordance with the provisions of paragraph 3.6 of the Procurement Guidelines.

Section III. Particular Methods of Procurement of Consultants' Services

A. Quality- and Cost-based Selection. Except as otherwise provided in Part B of this Section, consultants' services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection. For purposes of paragraph 2.7 of the Consultant Guidelines, the short list of consultants for services estimated to cost less than \$500,000.00 equivalent per contract may comprise entirely national consultants.

B. Other Procedures

1. Quality-based Selection. Services for assignments which the World Bank agrees meet the requirements set forth in paragraph 3.2 of the Consultant Guidelines may be procured under contracts awarded on the basis of Quality-based Selection in accordance with the provisions of paragraphs 3.1 through 3.4 of the Consultant Guidelines.
2. Selection Under a Fixed Budget. Services for assignments which the World Bank agrees meet the requirements of paragraph 3.5 of the Consultant Guidelines may be procured under contracts awarded on the basis of a Fixed Budget in accordance with the provisions of paragraphs 3.1 and 3.5 of the Consultant Guidelines.
3. Least-cost Selection. Services for assignments which the World Bank agrees meet the requirements of paragraph 3.6 of the Consultant Guidelines may be procured under contracts awarded on the basis of Least-cost Selection in accordance with the provisions of paragraphs 3.1 and 3.6 of the Consultant Guidelines.
4. 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, 3.7 and 3.8 of the Consultant Guidelines.
5. Single Source Selection. Services for tasks in circumstances which meet the requirements of paragraph 3.10 of the Consultant Guidelines for Single Source Selection, may, with the World Bank's prior agreement, be procured in accordance with the provisions of paragraphs 3.9 through 3.13 of the Consultant Guidelines.
6. Individual Consultants. Services for assignments that meet the requirements set forth in the first sentence of paragraph 5.1 of the Consultant Guidelines may be procured under contracts awarded to individual consultants in accordance with the provisions of paragraphs 5.2 through 5.3 of the Consultant Guidelines. Under the circumstances described in paragraph 5.4 of the Consultant Guidelines, such contracts may be awarded to individual consultants on a sole-source basis.

Section III. Review by the World Bank of Procurement Decisions

1. Except as the World Bank shall otherwise determine by notice to the Recipient, each contract for consultants' services provided by a firm estimated to cost the equivalent of \$100,000 or more shall be subject to Prior Review by the World Bank. In addition, with respect to each contract for the employment of individual consultants estimated to cost the equivalent of \$50,000 or more, the report on the qualifications and experience of all evaluated candidates, the terms of reference and the terms of employment of the consultants shall be subject to prior approval by the World Bank.
2. With respect to each contract for goods estimated to cost the equivalent of \$200,000 or more shall be subject to prior approval by the World Bank. In addition, with

respect to each contract for works estimated to cost the equivalent of \$500,000 or more shall be subject to prior approval by the World Bank.

3. All other contracts shall be subject to Post Review by the World Bank.

Attachment II

Special Account

1. For the purposes of this Attachment:

(a) the term "eligible category" means the category set forth in paragraph 4.1 of the Annex to this Letter Agreement;

(b) the term "eligible expenditures" means expenditures in respect of the reasonable cost of goods and services required for the Activities and to be financed out of the proceeds of the Advance; and

(c) the term "Authorized Allocation" means the amount of \$500,000 Dollars of the Advance to be withdrawn and deposited in the Special Account pursuant to paragraph 3 (a) of this Attachment.

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

3. After the World Bank 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) The Recipient shall furnish to the World Bank 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 World Bank shall, on behalf of the Recipient, deposit into the Special Account such amount or amounts out of the proceeds of the Advance as the Recipient shall have requested.

(b) (i) For replenishment of the Special Account, the Recipient shall furnish to the World Bank requests for deposits into the Special Account at such intervals as the World Bank shall specify.

(ii) Prior to or at the time of each such request, the Recipient shall furnish to the World Bank the documents and other evidence required pursuant to paragraph 4 of this Attachment for the payment or payments in respect of which replenishment is requested. On the basis of each such request, the World Bank shall, on behalf of the Recipient, deposit into the Special Account such amount of the Advance 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 made by the World Bank under the eligible category 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 World Bank shall reasonably request, furnish to the World Bank such documents and other evidence showing that such payment was made exclusively for eligible expenditures.

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

(a) if, at any time, the World Bank shall have determined that all further withdrawals of proceeds of the Advance should be made by the Recipient directly from the account opened by the World Bank on its books in the name of the Recipient to which the amount of the Advance is credited;

(b) if, at any time, the World Bank shall have notified the Recipient of its intention to suspend in whole or in part the right of the Recipient to make withdrawals of proceeds of the Advance pursuant to the provisions of paragraph 7.1 of this Letter Agreement; or

(c) once the total unwithdrawn amount of the Advance allocated to the eligible category shall equal the equivalent of twice the amount of the Authorized Allocation.

Thereafter, withdrawal of the remaining unwithdrawn amount of the Advance allocated to the eligible category shall follow such procedures as the World Bank shall specify by notice to the Recipient. Such further withdrawals shall be made only after and to the extent that the World Bank 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 World Bank 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 Attachment; or (ii) was not justified by the evidence furnished to the World Bank, the Recipient shall, promptly upon notice from the World Bank: (A) provide such additional evidence as the World Bank may request; or (B) deposit into the Special Account (or, if the World Bank shall so request, refund to the World Bank) an amount equal to the amount of such payment or the portion thereof not so eligible or justified. Unless the World Bank shall otherwise agree, no further deposit by the World Bank 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 World Bank 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 World Bank, refund to the World Bank such outstanding amount.

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

(d) Refunds to the World Bank made pursuant to paragraphs 6 (a), (b) and (c) of this Attachment shall be made available to the Recipient for subsequent withdrawals, or may be canceled in accordance with the provisions of paragraph 7.2 of this Letter Agreement.