

to US\$100 million. The other US\$900 million will be financed by drawings on existing loans, new bilateral concessional and export credits (under negotiation or discussion), and self-financing (complemented to a minor extent by domestic bank loans).

Ln. 3587-MOR Second Large Scale Irrigation Improvement Project: US\$215 million Loan of June 4, 1993; Effective Date: September 22, 1993; Closing Date: December 31, 2000; Implementing Agencies: Directorate of Rural Equipment (DER) and the nine irrigation authorities (ORMVAs), under the Ministry of Agriculture and Agrarian Reform (MARA). The project would complete system rehabilitation and ORMVA restructuring which was begun under the First Large Scale Irrigation Improvement Project. It includes: (a) infrastructure rehabilitation, including reconstruction, repair or upgrading of canals, drains, feeder roads and pumping stations over the existing irrigated area of 485,000 ha; (b) institutional strengthening involving the nine ORMVAs and the Directorate of Rural Equipment (DER) in MARA through provision of equipment, technical assistance and training to improve O&M procedures, accounting methods and environmental protection, introduce performance monitoring and prepare policy reforms; (c) water use efficiency improvement through pilot demonstrations and on-farm investments; and (d) policy reforms to increase cost recovery, streamline relations between Government, ORMVAs and farmers, adopt a long-term plan for rehabilitation, and revise LSI institutional framework. The Project became effective in September 1993. During a start-up workshop in January 1994, the Borrower was reminded of the need for prompt compliance with covenants and adherence to Bank procedures for procurement. The special account was opened. A three-year action plan for project implementation and various sectoral studies are being completed.

Ln.3616-MOR & Ln. 3617-MOR First Municipal Finance Project: US\$4 Million Loan to the Kingdom and US\$100 Million Loan to the Fonds d'Equipement Communal (FEC) of June 14, 1993; Effective Dates: October 6, 1993 and November 18, 1993 respectively; Closing Date: June 30, 1999; Implementing Agencies: Ministry of the Interior and FEC. The project aims at improving the efficiency of local investments, the distribution of the local share of the value-added tax (VAT) among local governments, the availability and delivery of local services, and the management of the local sector. The project includes: funding for local investments in roads, water and sewerage, solid waste, and productive and recreational facilities; technical assistance, training and equipment to improve FEC's institutional