

postponed three times to allow for legal opinion on the loan agreement (3283-M OR). Finally it became effective on January 6, 1992. Implementation is processing very well, about 90% of the total loan amount has been committed and disbursements are up to 39% (Loan 3283) and 62% (Loan 3284). Procurement is being carried out on schedule. Project monitoring is adequate. All loan covenants are being complied with.

Ln.3295-MOR Rural Basic Education Project: US\$145.0 Million Loan of September 6, 1991; Effective Date: March 19, 1992; Closing Date: June 30, 1997; Implementing Agency: Ministry of Education. The objectives of the project are: a) to complement the ongoing Bank-financed operation at the lower basic level by increasing participation in upper basic education grades, with special attention to rural areas where the shortage of schooling is most acute; and b) to enhance the teaching-learning environment in this cycle. Rural participation would be increased by: constructing middle schools close to targeted communities; including a canteen and boarding facilities in some of the new schools; providing scholarships to needy students; and providing textbooks free or at nominal user charges to all students. After long start-up delays, construction and related education matters began moving forward in 1994. However, only US\$30 million has been disbursed because of delays in procurement, in paying contractors and in preparing documented disbursement requests. Given current budgeting and procurement procedures, the MOE is unable to speed up procurement to make up for the initial delays. It is expected that the portion of the loan reserved for construction of the third tranche of schools will be cancelled.

Ln.3365-3373-MOR Financial Sector Development Project: US\$125.0 Million Loan to the Kingdom of Morocco signed on August 16, 1991; Effective Date: November 14, 1991; Closing Date: June 30, 1993. US\$110 Package of loans to Moroccan banks signed on November 11, 1991; Effective date (Commercial banks): April 10, 1992; Effective date (BNDE): May 7, 1992; Closing Date: December 31, 1997; Implementing Agency: Moroccan Treasury, the Central Bank, BNDE and 7 Moroccan commercial banks. The project supports a program of reforms in the financial sector and provides term finance to eligible firms for investment sub-projects, mainly in private, export-oriented industries. Co-financing for the investment component (\$110 million) is provided through an IFC-led syndicated loan. Adjustment component: reform program in the financial sector is proceeding satisfactorily, and disbursement of the adjustment