Financing Agreement

(Social Safety Net System Project II)

between

ISLAMIC REPUBLIC OF MAURITANIA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION
AGREEMENT dated as of the Signature Date between the ISLAMIC REPUBLIC OF MAURITANIA ("Recipient") and the INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association") for the purpose of assisting in financing the project described in Schedule 1 to this Agreement ("Project").

WHEREAS, the Recipient intends to obtain from the Sahel Adaptive Social Protection Program Trust Fund, administered by the International Bank for Reconstruction and Development and the Association, a grant in an amount of seven million United States Dollars in support of activities related to the Project pursuant to a grant agreement ("the SASPP Grant Agreement").

WHEREAS, the Association has decided to provide this financing on the basis, inter alia, of the existence of an adequate refugee protection framework. 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) apply to and form 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 a grant, which is deemed as Concessional Financing for purposes of the General Conditions, in an amount equivalent to thirty-two million six hundred thousand Special Drawing Rights (SDR 32,600,000) ("Financing"), to assist in financing the Project.

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

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

2.04. The Payment Dates are April 15 and October 15 in each year.

2.05. The Payment Currency is Dollar.
ARTICLE III — PROJECT

3.01. The Recipient declares its commitment to the objective of the Project. To this end, the Recipient, through the PIE, shall carry out the Project in accordance with the provisions of Article V of the General Conditions and Schedule 2 to this Agreement. Coordination, fiduciary, and environmental and social aspects shall be the responsibility of the PIE. Technical aspects of Parts 1, 2 and 4 shall be carried out through the PIE, and technical aspects of Part 3 through the Food Security Office.

ARTICLE IV — REMEDIES OF THE ASSOCIATION

4.01. The Additional Event of Suspension consists of the following, namely that the Recipient no longer has an adequate refugee protection framework.

ARTICLE V — EFFECTIVENESS; TERMINATION

5.01. The Additional Conditions of Effectiveness consist of the following:

(a) the Association is satisfied that the Recipient has an adequate refugee protection framework;

(b) the SASPP Grant Agreement has been executed and delivered and all conditions precedent to its effectiveness or to the rights of the Recipient to make withdrawals under it (other than the effectiveness of this Agreement) have been fulfilled;

(c) the Subsidiary Agreement has been duly authorized or ratified and executed by the Recipient and the Project Implementing Entity and is legally binding upon the Recipient and the Project Implementing Entity in accordance with its terms;

(d) the Project Manuals have been adopted in form and substance satisfactory to the Association; and

(e) the Recipient has: (i) established the Project Steering and Monitoring Committee; and (ii) appointed the National Project Coordinator, with terms of reference, qualifications and experience satisfactory to the Association; both conditions in accordance with Section I.A. of Schedule 2 to this Agreement.

5.02. The Effectiveness Deadline is the date ninety (90) days after the Signature Date.

5.03. For purposes of Section 10.05(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 Signature Date.
ARTICLE VI — REPRESENTATIVE; ADDRESSES

6.01. The Recipient's Representative is its minister in charge of economy.

6.02. For purposes of Section 11.01 of the General Conditions:

(a) the Recipient's address is:

Ministère de l'Économie et de l'Industrie
Avenue Nelson Mandela
BP 238
Nouakchott
Mauritania; and

(b) the Recipient's Electronic Address is:

Facsimile:

222-45-25-33-35

6.03. For purposes of Section 11.01 of the General Conditions:

(a) the Association's address is:

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

(b) the Association's Electronic Address is:

Telex: Facsimile:

248423 (MCI) 1-202-477-6391
AGREED as of the Signature Date.

ISLAMIC REPUBLIC OF MAURITANIA

By:

[Signature]

Authorized Representative

Name: Abdel Aziz DAHE

Title: MINISTER OF ECONOMY AND INDUSTRY

Date: 01-Apr-2020

INTERNATIONAL DEVELOPMENT ASSOCIATION

By:

[Signature]

Authorized Representative

Name: Laurent Msellati

Title: Country Manager

Date: 01-Apr-2020
SCHEDULE 1

Project Description

The objective of the Project is to increase the effectiveness and efficiency of the nationwide adaptive social safety net system and its coverage of poor and vulnerable households with targeted social transfers, including in refugee and host communities.

The Project consists of the following parts:

**Part 1: Updated and Enhancing the Social Registry**

1.1 Updating and expanding the Social Registry to selected households throughout the Recipient's territory, through the financing of costs related to: (a) community targeting; (b) the collection of related socio-economic data; and (c) quality control.

1.2 Promoting the operational and strategic use of the Social Registry through the financing of costs related to: (a) the pilot and possibly scaled-up introduction of household identification cards; (b) communication and outreach activities; and (c) studies, Training and related capacity-building for the promotion of the Social Registry as a social program coordination tool.

**Part 2: Enhancing the Socio-Economic Inclusion of Extreme Poor Households**

2.1 Support to the Recipient for the scale-up of the National Social Transfer Program (Tekavoul Program) through the payment of: (a) Cash Transfers to Eligible Beneficiaries; (b) financial fees associated with the Cash Transfers; and (c) Operating Costs related to said Program.

2.2 Re-certification and development of an exit strategy from the Tekavoul Program for selected beneficiaries through the financing of costs related to: (a) the development of materials towards economic inclusion in social promotion; and (b) related mentoring packages, including Cash Transfers, and referral services.

2.3 Facilitating civil registration of Eligible Beneficiaries for purposes of access to identification for purposes of public and financial services through the financing of costs related inter alia to: (a) vehicle and associated expenditures necessary to facilitate civil registration; (b) top-up Cash Transfers; and (c) communication, evaluation and studies.
Part 3: Strengthening the Shock Response System for Households Vulnerable to Climate Shocks

3.1 Enhancing the Early Warning System and the Shock Response Programs coordination through the financing of costs related to: (a) strengthening the capacity of the Food Security Office through: (i) regular data collection and analysis; (ii) development of a communication platform and related dissemination activities; and (iii) capacity-building activities; and (b) establishing the Shock Response Programs coordination framework through: (i) a review of the institutional and regulatory framework; and (ii) the operationalization of said framework through Training and Operating Costs.

3.2 Supporting the implementation of shock-responsive safety net programs (the Shock Response Programs, the Elmaouna Program) in cases of climate-related shocks through: (a) support to the roll-out of the Elmaouna Program, including *inter alia* a strengthened management information system and a grievance mechanism; (b) payment of Cash Transfers to Eligible Beneficiaries and associated financial fees and Operating Costs; and (c) foster the use by actors involved in the Shock Response Program of the common electronic payment platform developed by the Tekavoul Program.

3.3 Designing a financing strategy to respond to shocks leading to food and nutrition insecurity through: (a) the development of a financing strategy related to shocks affecting food and nutrition security; and (b) the establishment of a Common Financial Vehicle through, *inter alia* the development of the legal, financial and institutional framework for the CFV, including a business plan, investment policy, institutional arrangements, financial model and CFV Operational Guidelines.

3.4 Contingency Emergency Response to provide immediate response to an Eligible Crisis or Emergency, as needed.

Part 4: Project Coordination and Management

Supporting Project management and implementation, including for fiduciary matters, environmental and social standards, procurement, communication, planning, audits, monitoring and evaluation, Project management support to the Recipient and the PIE, Training and Operating Costs.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. Ministry of Economy and Industry

   The Recipient shall vest overall responsibility for the implementation of the Project in the Ministry of Economy and Industry.

2. National Social Protection Strategy Steering Committee

   (a) The Recipient shall vest responsibility for strategic guidance and oversight of the Project’s implementation in the National Social Protection Strategy Steering Committee (CP-SNPS).

   (b) The CP-SNPS shall be co-chaired by the Principal Secretaries (Secrétaires Généraux) of the Ministry of Social Affairs, of the Child and of the Family (Ministère des Affaires Sociales, de l’Enfance et de la Famille, MASEF) and of the Ministry of Economy and Industry.

   (c) The CP-SNPS shall include representatives from, inter alia, MASEF; the Ministry of Economy and Industry - MEI; the Health Ministry (Ministère de la Santé, MS); the Ministry of National Education (Ministère de l’Education Nationale, MEN); the Ministry for Employment, Youth and Sport (Ministère de l’Emploi, de la Jeunesse et des Sports); Ministry of Justice (Ministère de la Justice); the Ministry of Civil Service, Labor and the Modernization of Public Administration (Ministère de la Fonction Publique, du Travail et de la Modernisation de l’Administration); Food Security Office (Commissariat à la Sécurité Alimentaire, CSA); the Commission on Human Rights and Humanitarian (Commissariat aux Droits de l’Homme, l’Action Humanitaire et aux Relations avec la Société Civile - CDHARSC); the Taazour General Delegation; civil society; and key technical and financial partners.

   (d) The CP-SNPS shall be responsible for approving technical documents and tools for social safety nets; mobilizing resources for the implementation of the SNPS; ensuring the coordination and the collaborative implementation of all actors involved in the implementation of social safety nets; validating and monitoring activities, budgets and the monitoring and evaluation (M&E) plans for the Social Registry Direction of the Taazour General Delegation, and support sectoral actors in their contributions to social protection.
3. National Social Protection Strategy Technical Committee
   (a) The Recipient shall, at all times during Project implementation, maintain a National Social Protection Strategy Technical Committee (Comité Technique de la Stratégie de Protection Sociale, CT-SPS).
   (b) The CT-SPS shall provide regular technical oversight to the CP-SNPS for the effective implementation of the National Social Protection Strategy, and shall be responsible for, \textit{inter alia}: (a) the preparation of the policy options; (b) the elaboration of technical tools for the SNPS implementation; (c) the design of financing mechanisms for the social sector; (d) the coordination of activities; (e) the supervision of evaluation studies; and (f) the coordination of social sector actors.

4. Project Steering and Monitoring Committee
   (a) The Recipient shall establish and maintain at all times during Project implementation, under the presidency of the General Secretary of the Taazour General Delegation, a Project Steering and Monitoring Committee (“PSMC”), with terms of reference, composition and resources satisfactory to the Association.
   (b) The PSMC shall be responsible for the oversight, operational planning and monitoring of the Project, and shall be responsible for validating the Social Registry Manual, the Shock Response Programs Manual, the CFV Operational Guidelines, and the National Social Transfer Program Manual, validating Annual Work Plans and Budget, and monitoring the implementation of the Project.
   (c) The PSMC shall regularly report to the CP-SNPS on progress in Project implementation and shall seek CP-SNPS guidance on core strategic decisions.

5. National Project Coordinator
   The National Project Coordinator within the Taazour General Delegation shall, at all times during Project implementation, be responsible for the coordination of the Project and regular reporting on implementation.

6. Project Implementing Entity (Tazour General Delegation)
   (a) The Recipient shall vest responsibility for the overall coordination, fiduciary and environmental and social aspects, and day-to-day implementation of the Project in the Project Implementing Entity (“PIE”) in accordance with the Project Manuals.
(b) The PIE shall, at all times during Project implementation, carry out the National Social Transfer Program in close coordination with key sectoral actors responsible for the definition of the package of promotion services.

(c) The PIE shall, at all times during Project implementation, retain inter alia a social and gender specialist, at least one focal point on refugees in Bassikounou, a procurement specialist, and an accountant, under terms of reference, qualifications and experience acceptable to the Association.

(d) No later than four (4) months after the Effective Date or any other later date agreed upon in writing with the Association, the PIE shall recruit for the Project: (A) (i) a procurement specialist; (ii) a financial and accounting officer; (iii) an internal auditor; and (iv) a social and gender specialist; all with terms of reference, qualifications and experience acceptable to the Association; and (B) an external auditor in accordance with the Procurement Regulations.

B. Counterpart Funding

1. The Recipient shall, within three (3) months after the Effective Date or at a later date agreed upon in writing with the Association, open a separate treasury account or Bank account (Project Account B) and shall maintain the Project Account B open for a period of not less than eight (8) months after the Closing Date, for the exclusive purpose of depositing funds provided by the Recipient for the financing of the Project ("Counterpart Funding"), in an amount not to exceed twenty (20) million United States dollars (US$20,000,000).

2. The Recipient shall, no later than March 1 in each year of Project implementation, deposit the sum of four (4) million United States dollars (US$4,000,000), in Project Account B, with the final payment deposited no later than March 1, 2025.

C. Subsidiary Agreement

1. To facilitate the carrying out of the Project, the Recipient shall make the proceeds of the Financing available to the Project Implementing Entity under a subsidiary agreement between the Recipient and the Project Implementing Entity, under terms and conditions approved by the Association ("Subsidiary Agreement").

2. The principal amount of the Grant made available under the Subsidiary Agreement shall be on the same terms as those of the Financing.

3. The Recipient shall exercise its rights under the Subsidiary Agreement 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 Subsidiary Agreement or any of its provisions.

D. Project Manuals

1. The Recipient shall carry out the Project in accordance with the provisions of the Project Manuals which shall be elaborated in a manner and substance satisfactory to the Association, and shall include details of all aspects of Project implementation, fiduciary functions and requirements, organization and human resource management; environmental and social standards; procurement, financial management, accounting and disbursements; inventory management; monitoring, evaluation and internal audits.

2. Without limitation to the generality of paragraph 1 above, the National Social Transfer Program Manual shall contain detailed arrangements and procedures for: (a) eligibility criteria, detailed rules and procedures for identification, registration and selection of Eligible Beneficiaries; (b) requirements to be fulfilled by Eligible Beneficiaries as conditions for the provision of Cash Transfers under Part 2 of the Project; (c) privacy safeguards for the processing of personal data collected from Eligible Beneficiaries through the Social Registry or during Project implementation; (d) the mechanisms for verification of compliance with Cash Transfers conditions, including spot checks and external verification; and (e) rules and procedures governing a redress mechanism for Cash Transfers.

3. Without limitation to the generality of paragraph 1 above, the Shock Response Programs Manual shall contain detailed arrangements and procedures for: (a) the description of the Early Warning System, mechanisms, institutional arrangements, protocols and triggers; (b) eligibility criteria, detailed rules and procedures for identification, registration and selection of Eligible Beneficiaries; (c) privacy safeguards for the processing of personal data collected from Eligible Beneficiaries through the Social Registry or during Project implementation; and (d) procedures for implementing Cash Transfers under Part 3.2 of the Project, including spot checks and external verification mechanisms.

4. The Recipient shall not amend, abrogate, waive or permit to be amended, abrogated or waived, the Project Manuals, or any provision thereof, without the prior written consent of the Association.

5. In the event of any inconsistency between this Agreement and the Project Manuals the provisions of this Agreement shall prevail.

E. Cash Transfers

1. In order to achieve the objectives of Parts 2 and 3.2 of the Project, the Recipient shall provide Cash Transfers to Eligible Beneficiaries in accordance with
eligibility criteria and procedures acceptable to the Association and further detailed in the National Social Transfer Program Manual and the Shock Response Programs Manual.

2. Said eligibility criteria shall include, *inter alia*, that: (a) with regard to the National Social Transfer Program: (i) the Eligible Beneficiary shall have been identified as an extreme poor household in the Social Registry; and (ii) said household shall comply with the conditionality of participating in the National Social Transfer Program; and (b) with regard to the Shock Response Programs that the Eligible Beneficiary shall have been identified as a vulnerable household in the Social Registry.

3. Cash Transfers shall: (a) be in an amount acceptable to the Association and the Recipient; and (b) reflect the reasonable cost of decreasing the Eligible Beneficiary level of poverty while promoting investment in human capital as defined in the Project Manuals.

4. The Recipient shall ensure that the amount of each Cash Transfer is paid for its intended Eligible Beneficiary.

5. The Recipient shall, for the administering of Cash Transfers, conclude and thereafter implement, until it has expired in accordance with its terms, a payment agreement, in form and substance satisfactory to the Association and in accordance with criteria and procedures set forth in the National Social Transfer Program Manual, with one or more Payment Service Providers, selected on the basis of terms of reference, qualifications and experience satisfactory to the Association and in accordance with the provisions of Section III of Schedule 2 of this Agreement, for the payment of Cash Transfers to Eligible Beneficiaries (each a “Payment Agreement”). The Recipient shall ensure that each Payment Agreement is: (a) submitted to the Association for its review and approval prior to its signature between the Recipient and a Payment Service Provider; (b) signed and effective before any proceeds of the Financing are transferred to the Payment Service Provider; and (c) carried out with due diligence and efficiency and in accordance with sound technical, financial, and managerial standards and practices acceptable to the Association, including in accordance with the provisions of the Anti-Corruption Guidelines applicable to the recipients of the Cash Transfers proceeds other than the Recipient.

**F. Establishment of the CFV**

1. In order to achieve the objectives of Part 3.3 of the Project, the Recipient shall establish the CFV, in accordance with the Financial Sector Laws and the provisions in this Section.
2. For purposes of carrying out Part 3.3 of the Project, the Recipient shall ensure that the CFV can operate in accordance with the provisions and requirements of a set of guidelines satisfactory to the Association ("CFV Operational Guidelines"), which shall include, \textit{inter alia}, the following:

(a) the governance, object, resources and principles of the CFV, including its functions, responsibilities and roles for its strategic orientation;

(b) the administrative and financial terms of the CFV, including sustainability measures, risk management considerations, business model, investment policy, governance structure and other specific matters relevant for the adequate functioning and sustainability of the CFV;

(c) the obligation for the Recipient to ensure that the CFV’s corporate governance is composed by professionals with qualifications and experience satisfactory to the Association and have the capacity to exercise control over the use of the funds assigned to the CFV;

(d) the terms, conditions and eligibility criteria for the selection of Eligible Beneficiaries;

(e) early warning mechanisms, protocols and triggers, as well as mechanisms to support ex-ante and ex-post responses;

(f) environmental and social screening, evaluation and supervision procedures and guidelines;

(g) the disbursement, auditing and reporting requirements, including the types of eligible expenditures;

(h) monitoring and evaluation requirements;

(i) transparency and anticorruption provisions, compatible with the Anti-Corruption Guidelines;

(j) the obligation of the Recipient and the CFV not to assign, amend, abrogate or waive any provisions of the CFV Operational Guidelines without the prior approval of the Association; and

(k) the provision that in the event of any conflict between the provisions of the CFV Operational Guidelines and those of this Agreement, the terms of this Agreement shall prevail.
G. Environmental and Social Standards

1. The Recipient shall, and shall cause the Project Implementing Entity to, ensure that the Project is carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Association.

2. Without limitation upon paragraph 1 above, the Recipient shall, and shall cause the Project Implementing Entity to ensure that the Project is implemented in accordance with the Environmental and Social Commitment Plan ("ESCP"), in a manner acceptable to the Association. To this end, the Recipient shall, and shall cause the Project Implementing Entity to, ensure that:

   (a) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, and as further specified in the ESCP;

   (b) sufficient funds are available to cover the costs of implementing the ESCP;

   (c) policies, procedures and qualified staff are maintained to enable it to implement the ESCP, as further specified in the ESCP; and

   (d) the ESCP or any provision thereof, is not amended, revised or waived, except as the Association shall otherwise agree in writing and the Recipient has, thereafter, disclosed the revised ESCP.

In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.

2. The Recipient shall, and shall cause the Project Implementing Entity to:

   (a) take all measures necessary on its part to collect, compile, and furnish to the Association through regular reports, with the frequency specified in the ESCP, and promptly in a separate report or reports, if so requested by the Association, information on the status of compliance with the ESCP and the management tools and instruments referred to therein, all such reports in form and substance acceptable to the Association, setting out, *inter alia*: (i) the status of implementation of the ESCP; (ii) conditions, if any, which interfere or threaten to interfere with the implementation of the ESCP; and (iii) corrective and preventive measures taken or required to be taken to address such conditions; and

   (b) promptly notify the Association of any incident or accident related to or having an impact on the Project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers, including, in accordance with the ESCP, the instruments referenced therein and the Environmental and Social Standards.
3. The Recipient shall, and shall cause the Project Implementing Entity to maintain and publicize the availability of a grievance mechanism, in form and substance satisfactory to the Association, to hear and determine fairly and in good faith all complaints raised in relation to the Project, and take all measures necessary to implement the determinations made by such mechanism in a manner satisfactory to the Association.

H. Contingent Emergency Response

1. In order to ensure the proper implementation of contingent emergency response activities under Part 3.4 of the Project ("Contingency Emergency Response" or "CERC"), the Recipient shall:

   (a) prepare and furnish to the Association for its review and approval, the CERC Manual, which shall set forth detailed implementation arrangements for the Emergency Response Part, including: (i) any additional institutional structures or arrangements for coordinating and implementing the CERC; (ii) specific activities which may be included in the Emergency Response Part, Eligible Expenditures required therefor ("Emergency Expenditures"), provided that due regard is given through these activities to refugees and host communities for purposes of this Financing, and any procedures for such inclusion; (iii) financial management arrangements for the CERC; (iv) procurement methods and procedures for the CERC; (v) documentation required for withdrawals of Emergency Expenditures; (vi) environmental and social management arrangements and instruments the CERC; and (vii) any other arrangements necessary to ensure proper coordination and implementation of the CERC;

   (b) afford the Association a reasonable opportunity to review the proposed CERC Manual;

   (c) promptly adopt the CERC Manual for the CERC as accepted by the Association and integrate it as an annex to the Project Implementation Manual;

   (d) ensure that the CERC is carried out in accordance with the CERC Manual; provided, however, that in the event of any inconsistency between the provisions of the CERC Manual and this Agreement, the provisions of this Agreement shall prevail; and

   (e) not amend, suspend, abrogate, repeal or waive any provision of the CERC Manual without the prior written approval by the Association.
3. The Recipient shall, throughout the implementation of the CERC, maintain the institutional structures and arrangements established in accordance with the CERC Manual, with adequate staff and resources satisfactory to the Association.

4. The Recipient shall undertake no activities under the CERC unless and until the following conditions have been met in respect of said activities:

(a) the Recipient has determined that an Eligible Crisis or Emergency has occurred, has furnished to the Association a request to include said activities in the CERC in order to respond to said Eligible Crisis or Emergency, and the Association has agreed with such determination, accepted said request and notified the Recipient thereof; and

(b) the Recipient has ensured the preparation and disclosure of all environmental and social standards instruments as may be required for said activities in accordance with the CERC Manual, the Association has approved all said instruments, and the Recipient has ensured the implementation of any actions which are required to be taken under said instruments.

I. Annual Work Plans and Budget (AWP&B)

1. The Recipient shall:

(a) prepare a draft AWP&B for each Fiscal Year, setting forth, inter alia: (i) a detailed description of planned Project activities for the following Fiscal Year; (ii) the sources and uses of funds therefor; and (iii) responsibility for execution of said Project activities, budgets, start and completion date, outputs, and monitoring indicators to track progress of each activity;

(b) on or about November 15 of each Fiscal Year and after considering the comments provided by the Association, furnish to the Association for its comments and approval, the draft AWP&B and, promptly thereafter, finalize the AWP&B, taking into account the Association’s views and recommendations thereon; and

(c) adopt the final version of the AWP&B in the form approved by the Association not later than December 31 of such Fiscal Year.

Section II. **Project Monitoring, Reporting and Evaluation**

The Recipient shall furnish to the Association each Project Report not later than one month after the end of each calendar semester, covering the calendar semester.
Section III. **Withdrawal of the Proceeds of the Financing**

A. **General**

Without limitation upon the provisions of Article II of the General Conditions and in accordance with the Disbursement and Financial Information Letter, the Recipient may withdraw the proceeds of the Financing to finance Eligible Expenditures, in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant Allocated (expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, works, non-consulting services, and consulting services under Part 1 of the Project</td>
<td>3,600,000</td>
<td>84% until September 30, 2024 and 100% thereafter</td>
</tr>
<tr>
<td>(2) Goods, works, non-consulting services, consulting services, Cash Transfers, Operating Costs and Training for Parts 2 and 4 of the Project</td>
<td>25,400,000</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Goods, works, non-consulting services, consulting services, Cash Transfers, Operating Costs and Training under Parts 3.1, 3.2 and 3.3 of the Project</td>
<td>3,600,000</td>
<td>45% until September 30, 2024 and 100% thereafter</td>
</tr>
<tr>
<td>(4) Emergency Expenditures for Part 3.4 of the Project</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>32,600,000</strong></td>
<td></td>
</tr>
</tbody>
</table>

B. **Withdrawal Conditions; Withdrawal Period**

1. Notwithstanding the provisions of Part A above, no withdrawal shall be made:
   
   (a) for payments made prior to the Signature Date; or
   
   (b) under Category (4), unless and until the Association is satisfied, and notified the Recipient of its satisfaction, that all of the following conditions have been met in respect of said expenditures:
(i) the Recipient has determined that an Eligible Crisis or Emergency has occurred, has furnished to the Association a request to include the proposed activities in the CERC in order to respond to said crisis or emergency, and the Association has agreed with such determination, accepted said request and notified the Recipient thereof;

(ii) the Recipient has ensured that all environmental and social standards instruments required for said activities have been prepared and disclosed, and the Recipient has ensured that any actions which are required to be taken under said instruments have been implemented, all in accordance with the provisions of Section I.H. of this Schedule;

(iii) the entities in charge of coordinating and implementing the CERC have adequate staff and resources, in accordance with the provisions of Section I.H. of this Schedule, for the purposes of said activities; and

(iv) the Recipient has adopted the CERC Manual, in form and substance acceptable to the Association, and the provisions of the CERC Manual remain, or have been updated in accordance with the provisions of Section I.H. of this Schedule so as to be appropriate for the inclusion and implementation of the CERC.

2. The Closing Date is September 30, 2025.
APPENDIX

Section I. Definitions

1. “Administrative and Financial Management, Procurement, Project Implementation Manual” means one of the Project Manuals, providing for all administrative and fiduciary procedures to be followed to implement all Project activities, and referred to in Section I.D. of Schedule 2 to this Agreement.

2. “Anti-Corruption Guidelines” means, for purposes of paragraph 5 of the Appendix to the General Conditions, the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 and revised in January 2011 and as of July 1, 2016.

3. “Cash Transfers” means the proceeds of the Financing paid to Eligible Beneficiaries either (a) participating in the National Social Transfer Program, or (b) the Shock Response Programs, and referred to in Section I.E. of Schedule 2 to this Agreement.

4. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.

5. “CFV Operational Guidelines” means the operational guidelines for the Common Financial Vehicle referred to in Section I.F. of Schedule 2 to this Agreement.

6. “Common Financial Vehicle” or “CFV” means the legal entity to be established pursuant to the Recipient’s Financial Sector Laws for purposes of Part 3.3 of the Project.

7. “Contingency Emergency Response Manual” and the acronym “CERC Manual” means the manual referred to in Section I.H. of Schedule 2 to this Agreement, to be adopted by the Recipient for the CERC in accordance with the provisions of said Section.

8. “Contingency Emergency Response” or “CERC” means a specific activity or activities to be carried out in the event of an Eligible Crisis or Emergency under Part 3.4 of the Project.

9. “Counterpart Funding” means the financing provided by the Recipient for the purposes of implementing the Project, referred to in Section I.B. of Schedule 2 to this Agreement.

10. “Early Warning System” means the system which monitors the evolution of key indicators related to shocks, as well as economic and social indicators which can trigger emergency plans.
11. “Eligible Beneficiaries” means persons, including refugees and from host communities, who meet the eligibility criteria stipulated in the Project Manuals to participate in the National Social Transfer Program and the Shock Response Programs; each an “Eligible Beneficiary”.

12. “Eligible Crisis or Emergency” means an event that has caused, or is likely to imminently cause, a major adverse economic and/or social impact to the Recipient, associated with a natural or man-made crisis or disaster.


14. “Emergency Expenditure” means any of the eligible expenditures set forth in the CERC Manual in accordance with the provisions of Section I.H. of Schedule 2 to this Agreement and required for the CERC.

15. “Environmental and Social Commitment Plan” or the acronym “ESCP” means the Recipient’s and the Project Implementing Entity’s environmental and social commitment plan, acceptable to the Association, dated January 24, 2020, which sets out a summary of the material measures and actions to address the potential environmental and social risks and impacts of the Project, including the timing of the actions and measures, institutional, staffing, training, monitoring and reporting arrangements, and any instruments to be prepared thereunder; as the ESCP may be revised from time to time, with prior written agreement of the Association.


17. “Financial Sector Laws” means the Recipient’s Law governing and regulating the creation, operation and functioning of financial institutions, as shall be further defined in the Project Manuals, or its legal equivalent.
18. "Fiscal Year" means the Recipient’s fiscal year commencing on January 1 and ending on December 31 of the same year.

19. "Food Security Office" means the Recipient’s national food and nutrition agency (Commissariat à la Sécurité Alimentaire), which includes inter alia the Food Security Observatory, established pursuant to Decree No. 192-2008, of October 19, 2008, as amended.


22. “National Project Coordinator” means the coordinator referred to in Section I.A.5. of Schedule 2 to this Agreement.

23. “National Social Transfer Program” or “Tekavoul Program” means the national program, which targets the poorest households in the territory of the Recipient and provides them with Cash Transfers and promotion activities, in order to provide basic support in the medium-term and promote investments in the human capital of their children and women.

24. “National Social Transfer Program Manual” or “Tekavoul Manual” means one of the Project Manuals, detailing the objectives of the Program, its methodology, and the procedures to be followed for its implementation, including institutional coordination and day-to-day execution of the Project, as well as monitoring, evaluation, reporting and communication, and referred to in Section I.D. of Schedule 2 to this Agreement.

25. “Operating Costs” means the incremental expenses incurred by the Recipient based on the Project’s annual work plans and budgets as approved by the Association, on account of Project implementation, management, and monitoring and evaluation, including the reasonable costs for utilities and supplies, bank charges, communications, vehicle operation, maintenance, and insurance, equipment maintenance, public awareness-related media expenses, travel and supervision, and salaries of contractual and temporary staff, but excluding salaries, fees, honoraria, and bonuses of members of the Recipient’s civil service.

26. “Payment Service Provider” means a private or not for profit entity contracted to perform payment service under the Project.
27. “Procurement Regulations” means, for purposes of paragraph 87 of the Appendix to the General Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated July 2016, revised November 2017 and August 2018.

28. “Project Implementing Entity” means the Taazour General Delegation (Délégation Générale TAAZOUR à la Solidarité Nationale et à la Lutte contre l’Exclusion), established pursuant to Decree No. 385-2019 of December 1, 2019, or its successor as may have been agreed upon in writing with the Association.

29. “Project Manuals” means collectively: (a) the Administrative and Financial Management, Procurement, and Project Implementation Manual; (b) the Social Registry Manual; (c) the National Social Transfer Program Manual; and (d) the Shock Response Programs Manual and referred to in Section I.D. of Schedule 2 to this Agreement.

30. “SASPP Grant Agreement” means the grant agreement No. SASPP-MDTF TFB-2030, of or around the same date as this Financing Agreement to support the implementation of the Project.

31. “Shock Response Programs” or “Elmaouna Program” means Recipient’s programs, which target the vulnerable households affected by covariate shocks and provides them with Cash Transfers in order to mitigate the shock impact on the household welfare.

32. “Shock Response Programs Manual” or “Elmaouna Manual” means one of the Project Manuals, detailing the objectives of the Shock Response Programs, its methodology, and the procedures to be followed for its implementation, including institutional coordination and day-to-day execution of the Project, as well as monitoring, evaluation, reporting and communication, and referred to in Section I.D. of Schedule 2 to this Agreement.

33. “Signature Date” means the later of the two dates on which the Recipient and the Association signed this Agreement and such definition applies to all references to “the date of the Financing Agreement” in the General Conditions.

34. “Social Registry” means the national registry established pursuant to the Recipient’s Decree No. 029-2016, implemented by the then-Ministry of Economy and Finance inter alia through Grant No. D0540-MR and this Financing, to register the poorest households in the territory of the Recipient following a targeting methodology that combines geographic targeting, and community targeting, and which shall include information on the demographic and socio-economic conditions of the households, and provide a basis for targeted programs to identify their beneficiaries.
35. "Social Registry Manual" means one of the Project Manuals, detailing the objectives of the Social Registry, its methodology, and the procedures to be followed for its implementation, including rules and procedures governing a redress mechanism for the Social Registry, as well as institutional coordination and day-to-day execution of the Project, as well as monitoring, evaluation, reporting and communication, and referred to in Section I.D. of Schedule 2 to this Agreement.

36. "Tekavoul Program" means the National Social Transfer Program.

37. "Training" means the reasonable cost of training under the Project, based on Annual Work Plans and Budgets as approved by the Association, including costs associated with seminars, workshops, conference and study tours, travel and subsistence costs for training participants, services of trainers, rental of training facilities, preparation and reproduction of training materials and other activities directly related to course preparation and implementation.