Financing Agreement

(Second Community Based Rural Development Project in support of the National Program for Decentralized Rural Development)

between

BURKINA FASO

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated April 16, 2007
FINANCING AGREEMENT

AGREEMENT dated April 16, 2007, entered into between BURKINA FASO (the "Recipient") and INTERNATIONAL DEVELOPMENT ASSOCIATION (the "Association"). 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) constitute an integral 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, on the terms and conditions set forth or referred to in this Agreement, a credit in an amount equivalent to forty nine million and seven hundred thousand Special Drawing Rights (SDR 49,700,000) (variously, the "Credit" and the "Financing") to assist in financing the project described in Schedule 1 to this Agreement (the "Project");

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

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

2.04. The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.

2.05. The Payment Dates are April 1 and October 1 in each year.

2.06. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.

2.07. The Payment Currency is the Euro.
ARTICLE III — PROJECT

3.01. The Recipient declares its commitment to the objectives of the Project and the Program. To this end, the Recipient shall carry out the Project in accordance with the provisions of Article IV of the General Conditions.

3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Recipient and the Association shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV — REMEDIES OF THE ASSOCIATION

4.01. The Additional Event of Suspension consists of the following: as a result of events which have occurred after the date of the Financing Agreement, an extraordinary situation has arisen which makes it improbable that the Program, or a substantial part of the Program, can be carried out.

ARTICLE V — EFFECTIVENESS; TERMINATION

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

(a) The Recipient has appointed an external auditor on the basis of terms of reference, and with qualification and experience satisfactory to the Association.

(b) The Recipient has adopted a Project Manual of Procedures in form and substance satisfactory to the Association.

(c) The Recipient has established a National Coordination Unit for the Project under terms of reference satisfactory to the Association with the following staff, each one with terms of reference, qualification and experience satisfactory to the Association:

(i) a National Coordinator;
(ii) a head of the Technical Assistance Unit;
(iii) a head of the Monitoring and Evaluation Unit;
(iv) a head of the Financial and Administrative Unit;
(v) a Procurement Specialist; and
(vi) an Administrative and Financial Controller.

(d) The Recipient has updated its computerized information system for the financial management of the Project (including software customization, training and short term assistance), in a manner satisfactory to the Association.
5.02. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

6.01. The Recipient’s Representative is the Minister of the Recipient at the time responsible for finance.

6.02. The Recipient’s Address is:

Minister of Finance and Budget
Ministry of Finance and Budget
03 BP 7050
Ouagadougou 03
Burkina Faso

Cable: SEGEGOUV  Telex: 5555  Facsimile: (226) 50-31-27-15

6.03. The Association’s Address is:

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

Cable: INDEVAS  Telex: 248423 (MCI)  Facsimile: 1-202-477-6391
Washington, D.C.
AGREED at the District of Columbia, United States of America, as of the day and year first above written.

BURKINA FASO

By /s/ Jean-Baptiste Marie Pascal Compaoré

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ Mats Karlsson

Authorized Representative
SCHEDULE 1

Project Description

The objective of the Project is to support the Recipient’s rural communes in planning and implementing local development activities in a participatory and sustainable manner.

The Project, which is part of the second phase of the Program, consists of the following parts:

**Part A: Strengthened Capacity for Decentralized Rural Development**

Strengthening capacity for an inclusive, transparent and accountable decentralized rural development which takes into account, *inter alia*, natural resource management, education, health, transport, agriculture and environmental issues, through support to rural communes and villages for the formulation and update of their holistic multi-sector development plans and annual investment programs, their implementation and their supervision, all in a participatory manner.

**Part B: Local Development Financing**

Supporting the financing of rural communes’ and villages’ annual investment programs through the provision of Sub-financing to Beneficiaries for the carrying out of Sub-projects.

**Part C: Rural Land Tenure Reform**

Supporting: (i) consensus building activities for the proposed land tenure policy and reform, at all levels (village, commune, department, province and national) and with all stakeholders (farmer, village chiefs, private sector, parliamentarians, and development partners); (ii) the elaboration of land tenure law and application texts associated with its implementation; and (iii) the development of an action plan for the implementation of said law.

**Part D: Project Coordination, Monitoring and Evaluation**

Supporting: (a) the coordination and efficient administrative, technical and financial management of the Program, and the monitoring and evaluation of the performance, results and impacts of the Program, including through support to the National Forum; and (b) the coordination and efficient administrative, technical and financial management of the Project at the local, regional and national levels, and the monitoring and evaluation of the performance, results and impacts of the Project, including through support to the National Coordination Unit and the Regional Coordination Units.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Implementation and Coordination Arrangements

The Recipient shall, throughout the implementation of the Project, maintain the following implementation and coordination arrangements:

1. The Recipient’s rural communes, through their respective municipal councils, shall be responsible for identifying (through participatory diagnosis, local development planning and annual investment programming) and implementing investments to be financed under Part B of the Project.

2. The Recipient’s provincial Consultation Framework (Cadre de Concertation Provincial) shall, inter alia: (i) provide guidance to staff of sectoral ministries based at provincial and departmental levels; (ii) ensure that the investment activities of the rural communes are coherent with the sector plans elaborated at the regional and national levels, when applicable; and (iii) promote cooperation and dialogue amongst stakeholders.

3. The Recipient’s regional Consultation Framework (Cadre de Concertation Régional) shall, inter alia, (i) assist the rural communes in implementing and coordinating local development activities, including ensuring that development activities conform sector standards set at national level; (ii) promote cooperation and dialogue amongst stakeholders; and (iii) support the implementation of monitoring and evaluation at commune and village levels.

4. In each of the Recipient’s region, a Regional Coordination Unit shall provide support at local level in the areas of monitoring and evaluation, capacity building and financial management.

5. The Recipient’s National Coordination Unit shall be responsible for the overall management and coordination of the Project, including ensuring the technical and fiduciary quality of the activities financed under the Project. It shall work closely with the Recipient’s regional and local administration, on the basis of the Annual Work Program approved by the Project Steering Committee.

6. The Project Steering Committee, composed of representatives from the Recipient’s ministries and agencies involved in the implementation of the Program and civil society, and to which the Beneficiary’s technical and financial partners participate in their capacity as observers, shall ensure overall policy implementation, including: (i) reviewing and approving the Project’s proposed annual consolidated work program and budget
(the “Annual Work Program”); (ii) reviewing the progress towards achieving the Project objectives; and (iii) deciding on necessary corrective actions relative to Project implementation.

7. The Recipient’s National Forum (Cadre National de Coordination et de Concertation du Développement Rural Décentralisé) shall: (i) coordinate the various projects in the area of decentralized rural development; (ii) evaluate experiences; and (iii) harmonize various approaches related to decentralized rural development.

B. Project Manuals and Staff

1. The Recipient shall carry out the Project in accordance with the provisions of the Project Manual of Procedures, and shall not, unless the Association shall otherwise agree, amend or waive any provision thereof which in the opinion of the Association may adversely and materially affect the implementation of the Project.

2. The Recipient shall, throughout the implementation of the Project, maintain sufficient staff with terms of reference, qualification and experience satisfactory to the Association, including:

(a) In the Project National Coordination Unit: (i) a National Coordinator; (ii) a head of the Technical Assistance Unit; (iii) a head of the Monitoring and Evaluation Unit; (iv) a head of the Financial and Administrative Unit; (v) a Procurement Specialist; and (vi) an Administrative and Financial Controller.

(b) In each of the Project Regional Coordination Units: (i) a Regional Coordinator; (ii) a Monitoring and Evaluation Specialist; (iii) a Capacity Building Specialist; and (iv) an Administrative and Financial Controller (who will be responsible for at least two regions).

3. The Recipient shall, throughout the implementation of the Project, maintain the Project Steering Committee with composition and responsibilities as described in Part A above.

C. Sub-projects

1. For the implementation of Part B of the Project, the Recipient shall provide Sub-financing to Beneficiaries in accordance with eligibility criteria and procedures acceptable to the Association detailed in the Project Manual of Procedures, which shall include the following:

(i) The Beneficiary’s development plan (Commune Development Plan) has been adopted by its municipal council;
(ii) The Beneficiary’s Annual Investment Program has been elaborated and approved by the Beneficiary’s Municipal Council, and has been posted in a public place from its approval by the Municipal Council to remain posted throughout the year covered by the Annual Investment Program;

(iii) All activities in the Beneficiary’s Annual Investment Program had been included in the Beneficiary’s *Commune Development Plan*;

(iv) The Sub-project’s activities or assets are not included in the negative list of activities and assets not to be financed under the Project, set forth in the Project Manual of Procedures; and

(v) The Beneficiary has committed to provide not less than a percentage of the estimated cost of the Sub-project agreed with the Association on an annual basis and reflected in the Project Manual of Procedures in the form of cash, materials, labor or other services.

2. For the provision of each Sub-financing, the Recipient shall enter into a Sub-financing Agreement with the respective Beneficiary on terms and conditions approved by the Association, pursuant to which the Recipient shall obtain rights adequate to protect its interests and those of the Association, including the right to: (i) suspend or terminate the right of the Beneficiary to use the proceeds of the Sub-financing, or obtain a refund of all or any part of the amount of the Sub-financing then withdrawn, upon the Beneficiary’s failure to perform any of its obligations under the Sub-financing Agreement; and (ii) require each Beneficiary to: (A) ensure that the Sub-projects are carried out with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the Association; (B) ensure that the resources required for the Sub-projects are provided, promptly as needed; (C) ensure that the goods, works and services to be financed out of the Sub-financing are procured in accordance with the provisions of this Agreement; (D) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the Association, the progress of the Sub-projects and the achievement of its objectives; (E) (1) maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Association, both in a manner adequate to reflect the operations, resources and expenditures related to the Sub-projects; and (2) at the Association’s or the Recipient’s request, have such financial statements audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association, and promptly furnish the statements as so audited to the Recipient and the Association; (F) enable the Recipient and the Association to inspect the Sub-projects, the Beneficiary’s operation and any relevant records and
documents; and (G) prepare and furnish to the Recipient and the Association all such information as the Recipient or the Association shall reasonably request relating to the foregoing.

3. The Recipient shall exercise its rights under each Sub-financing 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 any Sub-financing Agreement or any of its provisions.

D. **Environmental and Social Safeguards**

The Recipient shall implement the Project in accordance with the guidelines, procedures, timetables and other specifications set forth in the Environment and Social Management Framework and the Resettlement Policy Framework.

Except as the Association shall agree in writing, the Recipient shall not abrogate, amend, repeal, suspend, waive or otherwise fail to enforce the provisions of the Environment and Social Management Framework and the Resettlement Policy Framework, when in the opinion of the Association, it may adversely and materially affect the implementation of the Project.

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

A. **Project Reports**

1. (a) The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of indicators agreed with the Association detailed in the Project Manual of Procedures, which shall include those set forth below in sub-paragraph (b) of this paragraph. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the Association not later than one month after the end of the period covered by such report.

(b) The performance indicators referred to above in sub-paragraph (a) consist of the following:

(i) Percentage of households in the area covered by the Project using basic services (primary schools, health centers, potable water sources);

(ii) Percentage of investments financed under Part B of the Project maintained in a satisfactory manner;
(iii) Percentage of rural producers in the area covered by the Project using natural resource management techniques; and

(iv) Percentage of rural Municipal Councils who obtain a “Satisfactory” rating during the annual evaluation of their performance.

2. For purposes of Section 4.08 (c) of the General Conditions, the report on the execution of the Project and related plan required pursuant to that Section shall be furnished to the Association not later than 6 months prior to Closing Date.

B. Financial Management, Financial Reports and Audits

1. The Recipient shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 4.09 of the General Conditions.

2. Without limitation on the provisions of Part A of this Section, the Recipient shall prepare and furnish to the Association not later than forty five (45) days after the end of each calendar quarter, interim unaudited financial reports for the Project covering the quarter, in form and substance satisfactory to the Association.

3. The Recipient shall have its annual Financial Statements audited in accordance with the provisions of Section 4.09 (b) of the General Conditions. Each audit of the annual Financial Statements shall cover the period of one fiscal year of the Recipient. The audited annual Financial Statements for each such period shall be furnished to the Association not later than six months after the end of such period.

Section III. Procurement

A. General

1. Goods and Works. All goods and works required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Section.

2. Consultants’ Services. All consultants’ services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines, and with the provisions of this Section.

3. Definitions. The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Association of
particular contracts, refer to the corresponding method described in the
Procurement Guidelines, or Consultant Guidelines, as the case may be.

B. **Particular Methods of Procurement of Goods and Works**

1. **International Competitive Bidding.** Except as otherwise provided in
   paragraph 2 below, goods and works shall be procured under contracts awarded
   on the basis of International Competitive Bidding.

2. **Other Methods of Procurement of Goods and Works.** The following table
   specifies the methods of procurement, other than International Competitive
   Bidding, which may be used for goods and works. The Procurement Plan shall
   specify the circumstances under which such methods may be used:

<table>
<thead>
<tr>
<th>Procurement Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) National Competitive Bidding</td>
</tr>
<tr>
<td>(b) Shopping</td>
</tr>
<tr>
<td>(c) Direct Contracting</td>
</tr>
<tr>
<td>(d) Community Participation</td>
</tr>
</tbody>
</table>

C. **Particular Methods of Procurement of Consultants’ Services**

1. **Quality- and Cost-based Selection.** Except as otherwise provided in
   paragraph 2 below, consultants’ services shall be procured under contracts
   awarded on the basis of Quality and Cost-based Selection.

2. **Other Methods of Procurement of Consultants’ Services.** The following table
   specifies methods of procurement, other than Quality and Cost-based Selection,
   which may be used for consultants’ services. The Procurement Plan shall
   specify the circumstances under which such methods may be used:

<table>
<thead>
<tr>
<th>Procurement Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Least Cost Selection</td>
</tr>
<tr>
<td>(b) Selection Under a Fixed Budget</td>
</tr>
<tr>
<td>(c) Selection Based on Consultant’s Qualifications</td>
</tr>
<tr>
<td>(d) Single Source Selection</td>
</tr>
</tbody>
</table>

   All terms of reference for Consultants’ services to be procured shall be subject to
   the Association’s prior review.

D. **Review by the Association of Procurement Decisions**

Except as the Association shall otherwise determine by notice to the
Recipient, the following contracts shall be subject to Prior Review
by the Association: (a) each contract for goods or works estimated to cost the
equivalent of $250,000 or more, each contract for goods or works procured on the basis of Direct Contracting, each contract for non consulting services estimated to cost the equivalent of $50,000 or more; and (b) each contract for consultants’ services provided by a firm estimated to cost the equivalent of $100,000 or more, each contract for consultants’ services provided by an individual consultant estimated to cost the equivalent of $50,000 or more, and each contract for consultants’ services (whether provided by a firm or by an individual consultant) procured on the basis of Single Source Selection. All other contracts shall be subject to Post Review by the Association.

Section IV. Withdrawal of the Proceeds of the Financing

A. General

1. The Recipient may withdraw the proceeds of the Financing in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Association shall specify by notice to the Recipient (including the “World Bank Disbursement Guidelines for Projects” dated May 2006, as revised from time to time by the Association and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.

2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Financing (“Category”), the allocations of the amounts of the Credit to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Financing Allocated (expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Works for the Project</td>
<td>140,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Goods for the Project</td>
<td>1,210,000</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Consultants’ services for the Project</td>
<td>16,110,000</td>
<td>100%</td>
</tr>
<tr>
<td>(4) Sub-projects financed under Part (B) of the Project</td>
<td>21,500,000</td>
<td>100% of amount disbursed</td>
</tr>
<tr>
<td>(5) Operating Costs for the Project</td>
<td>5,920,000</td>
<td>100%</td>
</tr>
<tr>
<td>(6) Unallocated</td>
<td>4,820,000</td>
<td></td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>49,700,000</td>
<td></td>
</tr>
</tbody>
</table>
B. **Withdrawal Conditions; Withdrawal Period**

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for payments made prior to the date of this Agreement.

2. The Closing Date is November 30, 2012.

**Section V. Other Undertakings**

A. No later than sixty days after the Effective Date, the Recipient shall have prepared the first Annual Work Program for the running calendar year, in form and substance acceptable to the Association.

B. No later than ninety days after the Effective Date, the Recipient shall establish in each region a Project Regional Coordination Unit, with terms of reference satisfactory to the Association and shall appoint for each such Regional Coordination Unit the key staff with terms of reference, qualification and experience satisfactory to the Association, including the following: (i) a Regional Coordinator; (ii) a Monitoring and Evaluation Specialist; (iii) a Capacity Building Specialist; and (iv) an Administrative and Financial Controller (who will be responsible for at least two regions).

C. No later than November 30 of each calendar year, starting from November 30, 2007, throughout the implementation of the Project, the Recipient shall have prepared an Annual Work Program for the forthcoming year, in form and substance acceptable to the Association.

D. No later than thirty (30) months after the Effective date, or such later date as may be agreed upon by the Recipient and the Association, the Recipient and the Association shall carry out a mid term review of the Project, covering the progress achieved in the implementation of the Project. The Recipient shall prepare under terms of reference satisfactory to the Association, and furnish to the Association about three months prior to the beginning of such mid term review of the Project, a report integrating the results of the monitoring and evaluation activities performed pursuant to this Agreement, on the progress achieved in the carrying out of the Project during the period preceding the date of such report, and setting out the measures recommended to ensure the efficient carrying out of the Project and the achievement of the objectives of the Project during the period following such date.

E. Each year commencing the second year after the Effective Date, the Recipient shall: (i) retain the services of an independent consultant with terms of reference, qualification and experience satisfactory to the Association; (ii) carry out an independent procurement audit of selected Beneficiaries; and (iii) furnish to the Association the audit report and such other information concerning the audit of
the procurement of such activities and such auditors as the Association may from time to time reasonably request.

F. No later than six (6) months after the Effective date, or such later date as may be agreed upon by the Recipient and the Association, the Recipient shall: (i) retain the services of an independent consultant with terms of reference, qualification and experience satisfactory to the Association; (ii) carry out an independent performance evaluation of the following staff of the Project National Coordination Unit: the National Coordinator, the head of the Technical Assistance Unit, the head of the Monitoring and Evaluation Unit, the head of the Financial and Administrative Unit, the Procurement Specialist, and the Administrative and Financial Controller; and (iii) furnish to the Association the evaluation report and such other information concerning the evaluation of the performance and such consultant as the Association may from time to time reasonably request.
SCHEDULE 3

Repayment Schedule

<table>
<thead>
<tr>
<th>Date Payment Due</th>
<th>Principal Amount of the Credit repayable (expressed as a percentage)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>On each April 1 and October 1:</td>
<td></td>
</tr>
<tr>
<td>Commencing April 1, 2017 to and including October 1, 2026</td>
<td>1%</td>
</tr>
<tr>
<td>Commencing April 1, 2027 to and including October 1, 2046</td>
<td>2%</td>
</tr>
</tbody>
</table>

* The percentages represent the percentage of the principal amount of the Credit to be repaid, except as the Association may otherwise specify pursuant to Section 3.03 (b) of the General Conditions.
APPENDIX

Definitions

1. “Annual Work Program” is defined in Section I, Part A, Paragraph 6 of Schedule 2 to this Agreement.

2. “Beneficiary” means an eligible Recipient’s rural commune to which a Sub-financing has been granted for the financing of one or several Sub-projects.

3. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.


7. “Operating Costs” means the incremental operating expenses incurred on account of the Project implementation, management and monitoring including rent for buildings; office, vehicles, office equipment and other operation and maintenance costs; water and electricity utilities, telephone, office supplies, bank charges, additional staff costs, travel and supervision costs, per diem, but excluding the salaries of officials and public servants of the Recipient’s civil service.


9. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated February 14, 2007 and referred to in paragraph 1.16 of the Procurement Guidelines and paragraph 1.24 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.

10. “Program” means the National Program for Decentralized Rural Development (2001-2015) designed to implement a participatory decentralized rural development policy, with representatives of the local governments and institutions planning and managing their own development programs and mobilizing the necessary resources through increased local revenues and
government fiscal transfers, and set forth or referred to in the letter dated August 8, 2000 from the Recipient to the Association.

11. “Project Manual of Procedures” means the Recipient’s guidelines and procedures satisfactory to the Association to be used for the purpose of implementing the Project, including in the areas of administrative, accounting, financial management, procurement, monitoring and evaluation, coordination, support eligibility, social and environment, and other provisions related to the institutional organization, as such guidelines and procedures may be amended from time to time in agreement with the Association, and such term includes any schedule to the Project Manual of Procedures.


13. “Sub-financing” means a grant funded from the proceeds of the Financing provided by the Recipient to a Beneficiary for the financing of one or several Sub-projects carried out by the Beneficiary or by a village in the Beneficiary’s jurisdiction, pursuant to a performance contract entered into between the Beneficiary and the relevant Village Development Committee (Conseil Villageois de Développement).

14. “Sub-financing Agreement” means the agreement entered into between the Recipient and a Beneficiary for the provision of a Sub-financing.

15. “Sub-project” means an eligible activity included in the development plan of a Recipient’s rural commune and the corresponding annual investment program.