Financing Agreement
(Social Safety Net Project)

between

UNION OF COMOROS

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated April 9, 2015
FINANCING AGREEMENT

AGREEMENT dated April 9, 2015, entered into between UNION OF COMOROS (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“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 grant in an amount equivalent to four million two hundred thousand Special Drawing Rights (SDR 4,200,000) (“Financing”), to assist in financing the project described in Schedule 1 to this Agreement (“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 Payment Dates are 15 April and 15 October in each year.

2.05. The Payment Currency is Euro.

ARTICLE III — PROJECT

3.01. The Recipient declares its commitment to the objective of the Project. To this end, the Recipient shall cause the Project to be carried out by the Project Implementing Entity 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 — EFFECTIVENESS

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

The Subsidiary Agreement has been executed on behalf of the Recipient and the PIE.

4.02. The Additional Legal Matters consist of the following:

The Subsidiary Agreement has been duly authorized or ratified by the Recipient and the PIE and is legally binding upon the Recipient and the PIE in accordance with its terms and the Recipient's laws.

4.03. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.

ARTICLE V — REPRESENTATIVE; ADDRESSES

5.01. The Recipient's Representative is the Recipient's Vice President responsible for the Ministry of Finance.

5.02. The Recipient’s Address is:

Vice-Presidency responsible for the Ministry of Finance, Economy, Budget, Investment and Foreign Trade, and for Privatizations.
B.P. 324
Moroni
Union of the Comoros

5.03. The Association’s Address is:

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

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

UNION OF COMOROS

By

Authorized Representative

Name: Soilihi Mohamed Soilihi

Title: Ambassador to the United States

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Authorized Representative

Name: Mark R. Lundell

Title: Country Director for Comoros, Africa Region
SCHEDULE 1

Project Description

The objective of the Project is to increase poor communities' access to safety net and nutrition services.

The Project consists of the following parts:

**Part 1. Establishment of a Productive and Disaster Responsive Safety Net**

Support to the Recipient for the establishment of a productive safety net to strengthen communities' productive capacity while improving community infrastructure through:

1.1 (a) Implementation of a Productive Cash for Work and Direct Transfer Program, aimed at providing income opportunities through Subprojects and training for Selected Poor Households to strengthen their productive capacity while improving the communities' Productive Assets, using transparent targeting, payment and social accountability mechanisms and following updated Local Development Plans.

(b) Carrying out of Small Infrastructure Subprojects for the benefit of Selected Communities, using established appraisal, selection, implementation and supervision mechanisms described in the Project Infrastructure Manual, and including the provision of Community Association Subgrants to Selected Community Associations.

1.2 Implementation of an Early Recovery Response Program consisting of Subprojects involving: (a) Emergency Cash for Work Activities designed to support the Community Disaster Response Activities; and (b) rehabilitation and reconstruction of Small Community Infrastructure damaged by natural disasters.

**Part 2. Improving the nutrition of young children and mothers from poor communities**

2.1 Support to the Recipient to deliver a Minimum Package of IYCF and Women’s Nutrition Services through: (a) Capacity Building Activities for Health Providers and Community Health Workers, *inter alia*; (b) Growth Monitoring and Nutrition Awareness Sessions; (c) procurement of the Necessary Equipment and Materials and Management Tools; (d) Health Referrals to Health Facilities; and (e) supervision and support of CHWs.

2.2 Support to the Recipient to promote the use of a Minimum Package of IYCF and WN Services through, *inter alia*: (a) a Behavior Change Communication Campaign;
(b) Procurement, Printing or Communication Tools; and (c) distribution of Communication Materials.

2.3. Support to the Recipient to strengthen Institutions for Nutrition Service Delivery and Project Management through, inter alia; (a) Periodical Coordination and Planning Meetings at national, regional and local levels; (b) Advocacy with national, regional and local level authorities; (c) mapping of Stakeholders in the area of nutrition; (d) monitoring and evaluation activities; and (e) Operating Costs.


Support to the Recipient to strengthen institutional capacity of FADC, relevant Ministries and other Stakeholders, to build key elements of a Safety Net System, through: (a) the establishment of an effective Management Information Systems (MIS) including a Beneficiary Registry at FADC and efficient Payment Systems; (b) Coordination, workshops, Training, evaluation, communications, capacity building activities and technical advisory services for the Recipient, FADC and Service Providers; and (c) Operating Costs of the Project.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. Ministry of Finance

The Recipient shall vest overall responsibility for the implementation of the Project in the Ministry of Finance.

2. Ministry of Health and Solidarity

The Recipient shall vest responsibility for technical oversight of Part 2 of the Project in the Ministry of Health and Solidarity.

3. Project Implementing Entity

The Recipient shall vest responsibility for the day-to-day implementation, monitoring and supervision of the Project in the Project Implementing Entity.

B. Subsidiary Agreement

1. To facilitate the carrying out of the Project, the Recipient shall enter into a Subsidiary Agreement with the Project Implementing Entity ("PIE") ("Subsidiary Agreement") pursuant to which the Recipient shall make the proceeds of the Financing available to the PIE in the form of a non-reimbursable grant, ("the Subsidiary Financing") under terms and conditions approved by the Association which shall include the following:

   (a) the principal amount of the Subsidiary Financing shall be denominated in Euro;

   (b) the Recipient shall take all necessary action to permit the PIE to carry out the Project;

   (c) the PIE shall carry out the Project in accordance with this Agreement, the Subsidiary Agreement and the Project Manuals, and shall at all times ensure that only Subprojects which comply with the Subsidiary Agreement and Project Manuals will be financed from the proceeds of the Financing;
(d) the PIE shall promptly inform the Recipient of any condition which interferes or threatens to interfere with the implementation of the Project and the achievement of its objectives;

(e) the PIE shall at the request of the Recipient, exchange views with the Recipient on the progress of the Project and the achievement of its objectives, as well as the PIE's performance of its obligations under the Subsidiary Agreement and the Project Manuals;

(f) the PIE and the Recipient shall each comply with the provisions of the Project Manuals, and refrain from any action which would, except as the Association shall otherwise agree, have the effect of amending, abrogating or waiving any provision of such manual;

(g) the PIE shall promptly refund to the Recipient any proceeds of the Financing not used or required for purposes of carrying out the Project or for achieving its objectives, or otherwise utilized in a manner which does not comply with the provisions of this Agreement or the Subsidiary Agreement; and

(h) in the event of a conflict between any of the provisions contained in the Subsidiary Agreement or the Project Manuals, on the one hand, and those set forth in this Agreement, on the other, the provisions of this Agreement shall at all times prevail.

2. 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 of any of its provisions.

C. Memorandum of Understanding

1. In order to facilitate implementation, the activities under Part 1.2 of the Project shall be implemented by the PIE in close coordination with the Direction Générale de la Sécurité Civile (DGSC) under the terms of a Memorandum of Understanding, the form and substance of which shall be satisfactory to the Association.

2. The DGSC shall be responsible for identifying the disaster areas, the activities to be carried out for early recovery, as well as the Eligible Beneficiaries to participate in project activities, in accordance with the terms, criteria and procedures included in the Emergency Response Manual.
3. In the event of a conflict between any of the provisions contained in the Memorandum of Understanding, and those set forth in this Agreement, the provisions of this Agreement shall at all times prevail.

D. Contractual Arrangements

1. To facilitate the carrying out of Part 2 of the Project, the Recipient shall, through the PIE: (a) enter into Service Agreement ("Service Agreement") with UNICEF, whose form and substance shall be satisfactory to the Association; (b) ensure that all Project activities to be undertaken by UNICEF under the Service Agreement shall be carried out with due diligence and efficiency and in accordance with sound technical, financial, and managerial standards and practices and a Nutrition Implementation Manual acceptable to the Association; and (c) ensure that UNICEF shall exercise its rights and carry out its obligations under the Service Agreement in such a manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing.

2. The Recipient shall ensure effective implementation of Part 2 of the Project through the overall guidance of the Ministry of Health which shall provide technical oversight of the carrying out of activities under the Service Agreement, including approving the Annual Implementation Plan for Part 2 of the Project.

3. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive the Service Agreement or any provision thereof, or permit to be assigned, amended, abrogated, or waived, the aforementioned, or any provision thereof.

E. Project Manuals

1. The Recipient shall carry out the Project in accordance with the provisions of manuals satisfactory to the Association (the "Project Manuals" or "PMs"), which shall include, the following:

   (a) the Project Monitoring and Evaluation Manual to include monitoring, evaluation, reporting and communication for the Project;

   (b) the Safety Not Manual to include eligibility criteria, detailed rules and procedures for identification, selection, participation, and accident insurance for Beneficiaries of the Productive Cash for Work and Direct Transfer Programs under Part 1.1 of the Project;

   (c) the Infrastructure Subproject Manual to include the terms under which Small Infrastructure Subprojects shall be carried out under Part 1.1.(b) of the Project, including appraisal, selection, implementation and supervision mechanisms, as well as environmental and social provisions
for implementing the requirements of the applicable Safeguards Documents; said manual shall also include the terms under which Subgrants shall be made available to the Selected Community Associations under Subgrant Agreements based on a template to be included in the Manual;

(d) the Project Financial and Administrative Manual to include details of the PIE’s objective; organization and human resource management; procurement; complaint resolution mechanism; financial management; inventory management, and internal audits;

(e) the Emergency Response Manual to include eligibility criteria, rules and procedures for identification, selection, implementation of the Emergency Cash for Work and Direct Transfer Programs and Small Community infrastructure under Part 1.2 of the Project, as well as collaboration with the Direction Générale de la Sécurité Civile (DGSC), and the terms of the selection and participation of Beneficiaries in the Programs; and

(f) the Project Social Accountability Manual to include the rules and procedures governing the social accountability aspects of Part 1.1 of the Project, including complaint mechanisms, and the rules and procedures for follow-up and monitoring of cases.

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

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

F. Anti-Corruption

The Recipient shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

G. Safeguards

1. The Recipient shall, through the PIE, cause the Project to be implemented, in accordance with the relevant Safeguards Documents, and shall, to that end, if any activity under Part 1 of the Project would require the adoption of Supplemental ESMP or Supplemental RAP after completion of the ESSF:

(a) prepare such Supplemental ESMP or Supplemental RAP in accordance with the applicable ESMF or RPF, and submit it to the Association for
review and approval; and thereafter adopt such Supplemental ESMP or Supplemental RAP prior to implementation of activity;

(b) thereafter take such measures as shall be necessary or appropriate to ensure full compliance with the requirements of such Supplemental ESMP or Supplemental RAP.

2. The Recipient shall ensure that the Project is implemented in accordance with the guidelines, procedures, timetables and other specifications set forth in the Safeguards Documents.

3. Except as the Association shall otherwise agree in writing, and subject to compliance with applicable consultation and public disclosure requirements of the Association, the Recipient shall ensure that no provision of the Safeguards Documents shall be abrogated, amended, repealed, suspended or waived.

4. Without limitation upon its other reporting obligations under this Agreement, the Recipient shall cause the PIE to regularly collect, compile and submit to the Association, on a semi-annual basis, reports on the status of compliance with the Safeguards Documents, giving details of: (a) measures taken in furtherance of the Safeguards Documents; (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of the Safeguards Documents; and (c) remedial measures taken or required to be taken to address such conditions.

5. In the event that any provision of the Safeguards Documents shall conflict with any provision under this Agreement, the terms of this Agreement shall prevail.

II. Community Association Subgrants

1. The Recipient shall, through the PIE, make Subgrants available to Selected Community Associations to finance Small Infrastructure Subprojects, under Part 1.1.(b) of the Project.

2. The Recipient, shall, through the PIE, under Subgrant Agreements, make such Subgrants available to Selected Community Associations, each to be entered into between the Project Implementing Entity (on behalf of the Recipient) and the respective Eligible Beneficiary.

3. Subprojects shall be selected in accordance with eligibility criteria and selection procedures acceptable to the Association, as reflected in the Infrastructure Subproject Manual.

4. The Recipient shall ensure that each such Subgrant Agreement under the Project shall comply with the form and substance of the template included in the Infrastructure Subproject Manual.
5. Each Subgrant Agreement shall include the following terms and conditions and other such conditions as may be specified in the Infrastructure Subproject Manual.

(a) The Subgrant shall be provided on a non-reimbursable grant basis;

(b) the Recipient shall, through the PIE, require each Selected Community Association: (i) carry out its Sub-project with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the Association, (ii) provide, promptly as needed, the resources required for the purpose; (iii) procure the goods, works and services to be financed out of the Subgrant in accordance with the provisions of this Agreement; (v) 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-project and the achievement of its objectives; (v) (A) 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-project; and (3) 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; (vi) enable the Recipient and the Association to inspect the Sub-project, its operation and any relevant records and documents; and (vii) 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; and

(c) the Recipient shall, through the PIE, exercise its rights under each Subgrant 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 Subgrant Agreement or any of its provisions.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

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 acceptable to the Association. Each Project Report shall cover
the period of one calendar semester, and shall be furnished to the Association not later
than forty-five (45) days after the end of the period covered by such report.

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 as part of the Project Report 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 Financial Statements audited in accordance with the
   provisions of Section 4.09(b) of the General Conditions. Each audit of the
   Financial Statements shall cover the period of one fiscal year of the Recipient,
   commencing with the fiscal year in which the first withdrawal has been made
   under the Financing. The audited 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, Works and Non-consulting Services. All goods, works and non-
   consulting 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 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 Sections II
   and III of the Procurement Guidelines, or Sections II, III, IV and V of the
   Consultant Guidelines, as the case may be.
B. Particular Methods of Procurement of Goods, Works and Non-consulting Services

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

2. **Other Methods of Procurement of Goods, Works and Non-consulting Services.** The following methods, other than International Competitive Bidding, may be used for procurement of goods, works and non-consulting services for those contracts specified in the Procurement Plan: (a) National Competitive Bidding, subject to the additional provisions provided for in Section 2 of the Appendix to this Agreement; (b) Shopping; (c) Direct Contracting; (d) Procurement from UNOPS; and (e) Community Participation procedures which have been found acceptable to the Association.

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 methods, other than Quality- and Cost-based Selection, may be used for procurement of consultants' services for those contracts which are specified in the Procurement Plan: (a) Least Cost Selection; (b) Selection based on Consultants' Qualifications; (c) Single-source Selection of consulting firms; (d) Selection of UNICEF; (e) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants; and (f) Single-source procedures for the Selection of Individual Consultants.

D. Review by the Association of Procurement Decisions

The Procurement Plan shall set forth those contracts which shall be subject to the Association's Prior Review. 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 Financing 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) Goods, works, training, non-consulting services, consultants’ services and Operating Costs for the Project</td>
<td>700,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Consultant services under Part 2 of the Project</td>
<td>700,000</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Subprojects under Part 1 of the Project</td>
<td>2,800,000</td>
<td>100% of amounts disbursed</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>4,200,000</strong></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:

   (a) for payments made prior to the date of this Agreement; or

   (b) under Category (2) unless the Service Agreement has been executed on behalf of the Project Implementing Entity and UNICEF, in form and substance acceptable to the Association.

2. The Closing Date is June 30, 2019.
APPENDIX

Section I. Definitions

1. "Advocacy" means awareness raising aimed at strengthening institutional and technical knowledge.

2. "Annual Implementation Plan" means the plan of activities to be carried out annually by UNICEF under Part 2 of the Project.


4. "Behavior Change Communication Campaign" means a communication campaign carried out under the project to improve nutrition outcomes of children.

5. "Beneficiary Registry" means the registry based on socioeconomic data of Beneficiary households.

6. "Capacity Building Activities" means building capacity provided to Health Providers and Community Health Workers in the areas of promotion of IYCF, WN, Reproductive Health and Counseling Techniques.

7. "Category" means a category set forth in the table in Section IV of Schedule 2 to this Agreement.

8. "Communication Materials" means information supplies used for communicating nutrition related content.

9. "Community Association Subgrants" means subgrants provided to Selected Community Associations to implement Small Infrastructure Subprojects for the benefit of Selected Communities under Part 1.1.(b) of the Project.

10. "Community Disaster Response Activities" means activities carried as an early response to disasters.

11. "Community Health Workers" or "CHW" means members of a community chosen by community members or organizations to provide basic health, nutrition and medical care to their community.

13. "Direction Générale de la Sécurité Civile" or "DGSC" means the Recipient's agency responsible for disaster risk management, referred to in Section I.C of Schedule 2 to this Agreement.

14. "Eligible Beneficiary" means a beneficiary eligible to participate in the Productive Cash for Work and Direct Transfer Programs under Part 1.1.(a) of the Project, whose eligibility shall be determined according to criteria specified in the Safety Net Manual, and shall include, inter alia, the level of education of the household head, the number of children under 15 years of age in the household and other poverty related indicators.

15. "Emergency Infrastructure Projects" means small infrastructure projects carried out under Part 1.2 of the Project.

16. "ESMF" means the Environmental and Social Management Framework.

17. "ESMP" means the Environmental and Social Management Plan

18. "ESSF" means the Environmental and Social Screening Form.


21. "Growth Monitoring and Nutrition Awareness Session" means a session conducted by CHW including counseling services, referrals to a health facility, regular weighing and measuring mid-upper arm circumference and culinary demonstration.

22. "Health Providers" means any medical doctors, nurses, midwives or medically trained persons who are providing health services at health facility level or during health outreach missions outside their facilities.

23. "Infant and Young Child Feeding" or "IYCF" means counseling on breastfeeding, complementary feeding and any other nutrition-related matters provided by CHW to the community.


25. "Infrastructure Subprojects Manual" means the manual mentioned in Section I.E.1.(c) of Schedule 2 to this Agreement adopted by the Recipient.
26. "Local Development Plans" means communities’ *Plan de Développement Local* ("PDL") which include disaster risk management (DRM) and social protection activities.

27. "Memorandum of Understanding" means the agreement concluded between the PIE and DGSC on January 14, 2015 referred to in Section I.C of Schedule 2 to this Agreement.

28. "Minimum Package of IYCF and Women’s Nutrition Services" means the package of services provided by UNICEF for the benefit of infants, young children and women’s nutrition under Part 2 of the Project.

29. "Ministry of Health" or “Ministry of Health, Solidarity, Social Cohesion and Gender Promotion” means the Recipient’s ministry responsible for health.

30. "Operating Costs" means the incremental operating costs incurred by the PIE under the Project on account of local contractual support staff salaries, employment benefits travel expenditures and other travel related allowances, rental and maintenance of equipment, vehicle operation, maintenance and repair, office rental and maintenance, materials and supplies; and utilities, media information campaigns and communication expenses.

31. "Periodical Coordination and Planning Meetings" means the meetings held at national, regional and local levels aimed at strengthening institutional and technical capacity of the Ministry of Health.


33. "Procurement Plan" means the Recipient’s procurement plan for the Project, dated January 21, 2015 and referred to in paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.

34. "Productive Assets" means the assets owned by the community or Eligible Beneficiaries which generate income for it directly or indirectly.

35. "Project Emergency Response Manual" means the manual referred to in Section I.E.1.(e) of Schedule 2 to this Agreement adopted by the Recipient.

36. "Project Financial and Administrative Manual" means the manual referred to in Section I.E.1.(d) of Schedule 2 to this Agreement adopted by the Recipient.

37. "Project Social Accountability Manual" means the manual referred to in Section I.E.1.(f) of Schedule 2 to this Agreement adopted by the Recipient.
38. "Project Implementing Entity" or "PIE" means Fonds d'Appui au Développement Communautaire or "FADC".


40. "Project Manuals" means collectively: (i) the Project Monitoring and Evaluation Manual; (ii) the Safety Net Manual; (iii) the Infrastructure Subprojects Manual; (iv) the Project Financial and Administrative Manual; (v) the Project Emergency Response Manual and (vi) the Project Social Accountability Manual.

41. "Relevant Ministries" means ministries of the government of the Recipient whose mandate is connected with social protection.

42. "RPF" means the Resettlement Policy Framework.


44. "Safeguards Documents" means collectively, the ESMF, the ESSF, the ESMP, the RPF and RAP in form and substance satisfactory to the Association, and each consulted upon and disclosed in the territory of the Recipient on December 5, 2014 and in the Infoshop on December 12, 2014.

45. "Safety Net Manual" means the manual mentioned in Section I.E.(b) of Schedule 2 to this Agreement adopted by the Recipient.

46. "Selected Communities" means communities that meet the eligibility criteria in the Safety Nets Manual.

47. "Selected Community Associations" means the entities referred to in Section I.H of Schedule 2 to this Agreement which meet the eligibility criteria in the Subprojects Infrastructure Manual.

48. "Selected Poor Households" means households that meet the requirements stipulated in the Safety Net Manual that include, inter alia, poor households with several children, little education and few assets.

49. "Service Agreement" means the agreement concluded between the PIE (on behalf of the Recipient) and UNICEF referred to in Section I.D of Schedule 2 to this Agreement.

50. "Service Provider" means private or not for profit entities contracted by the PIE to carry out activities under the Project.

51. "Small Infrastructure Subprojects" means the subprojects financed under Parts 1.1.(b) and 1.2 of the Project.
52. “Stakeholders” means institutions and individuals engaged in social protection, safety nets and nutrition policy and programming in the territory of the Recipient.

53. “Subprojects” means activities carried out under Part 1 of the Project, including those financed by Subgrants.

54. “Subgrants” means the grants provided to Community Associations to carry out activities under Part 1.1.(b) of the Project, and governed by the terms of the Project Infrastructure Manual.

55. “Subgrant Agreement” means the agreement referred to in Section I.H of Schedule 2 to this Agreement, based on the template included in the Project Infrastructure Manual.

56. “Subsidiary Agreement” means the agreement referred to in Section I.B of Schedule 2 to this Agreement pursuant to which the Recipient shall make the proceeds of the Financing available to the Project Implementing Entity.

57. “Supplemental ESMF” means a subsequent ESMP adopted after the completion of the initial ESMP or ESMPs carried out pursuant to the ESMF.

58. “Supplemental RAP” means a subsequent RAP adopted after the completion of the initial RAP carried out pursuant to the RAF.

59. “WN” means “Women’s Nutrition”.

Section II

Additional provisions relating to National Competitive Bidding (Based on the Procurement Guidelines as revised July 2014)

The procurement procedure to be followed for National Competitive Bidding (NCB) shall be the Open Competitive Bidding (“Appel d’Offres Ouvert”) set forth in the Law No 11-027/AU of December 29, 2011 portant Passation des Marchés Publics et Délégation des Services Publics (the “PPL”), provided, however, that such procedure shall be subject to the provisions of Section I and Paragraphs 3.3 and 3.4 of Section III of the “Guidelines for Procurement of Goods, Works and Non-Consulting Services under IBRD Loans and IDA Credits & Grants by World Bank Borrowers” (January 2011) (the “Procurement Guidelines”) and the additional modifications described in the following paragraphs.

1. Eligibility

The eligibility of bidders shall be as defined under Section I of the Procurement Guidelines; accordingly, no bidder or potential bidder shall be declared ineligible for
contracts financed by the Association for reasons other than those provided in Section I of the Procurement Guidelines.

Bidding shall not be restricted to domestic bidders and no restriction based on nationality of bidders and/or origin of the goods shall apply. Foreign bidders shall be allowed to participate in NCB and shall not be subject to any unjustified requirement which will affect their ability to participate in the bidding process such as, but not limited to, the submission of evidence of good standing in terms of taxes paid to the Government of Comoros and in terms of social security contributions made in Comoros.

The requirement for local bidders to produce a qualification certificate (certificat de qualification) shall not be interpreted to constitute any sort of prior local registration, license or authorization which is required to participate in a bidding process.

2. Bidding Documents

All standard bidding documents to be used for the Project under NCB shall be found acceptable by the Association and they shall be prepared so as to ensure economy, efficiency, transparency and consistency with the provisions of Section I of the Procurement Guidelines.

3. Participation by Joint Ventures

Participation in a bidding process by joint ventures shall be allowed on condition that all joint venture’s partners are jointly and severally liable for the entire contract.

4. Preferences

No domestic/regional preference, or any other kind of preferential treatment, shall be given to domestic/regional bidders and/or for domestically/regionally manufactured goods, and/or for domestically/regionally originated related services, and/or to foreign bidders forming a joint venture with a national/regional firm or proposing national/regional sub-contractors.

5. Qualification

Qualification criteria shall entirely concern the bidder’s capability and resources to perform the contract taking into account objective and measurable factors. The qualification criteria shall be clearly specified in the bidding documents, and all criteria so specified, and only such criteria so specified shall be used to determine whether a bidder is qualified. Qualification criteria shall be assessed on a “pass or fail” basis, and merit points shall not be used.

Bidders’ qualifications shall be assessed by post-qualification and such an assessment shall be conducted separately from the technical and commercial evaluation of the bids.
6. **Fees for Bidding Documents**

In case a fee is charged for the bidding documents, it shall be reasonable and reflect only the cost of their typing, printing or publishing, and delivery to prospective bidders, and it shall not be so high as to discourage bidders’ participation in the bidding process.

7. **Advertising**

The complete text of advertisement shall be published at least in a national newspaper of wide circulation. A shorter version of the advertisement text, including the minimum relevant information, may be published in a national newspaper of wide circulation provided that the full text is simultaneously published on a widely used website or electronic portal with free national and international access.

8. **Bid Submission and Bid Opening**

Bids may be submitted by electronic means only provided that the Association is satisfied with the adequacy of the system, including inter-alia that the system is secure, maintains the integrity, confidentiality, and authenticity of the bids submitted, and uses an electronic signature system or equivalent to keep bidders bound to their bids. Bids shall be opened in public, immediately after the deadline for their submission in accordance with the procedures stated in the bidding documents. The public bid opening shall take place in only one session. Bids shall not be evaluated as part of the bid opening process, and no bid shall be rejected during the public bid opening session, except for late bids. Bidders shall not be allowed to complete their bids after the deadline for submission of bids has expired.

9. **Bid Validity and Extension of Bid Validity**

The bid validity period required by the bidding documents shall be sufficient to complete the evaluation of bids and obtain any approval that may be required. If justified by exceptional circumstances, an extension of the bid validity may be requested in writing from all bidders before the original bid validity expiration date and it shall cover only the minimum period required to complete the evaluation and award of the contract. The extension of the bid validity requires the Association’s no objection for those contracts subject to prior review, if it is longer than four (4) weeks, and for all subsequent requests for extension, irrespective of the period.

10. **Bid Evaluation**

(a) Evaluation of bids shall be made in strict adherence to the evaluation criteria declared in the bidding documents. Evaluation criteria other than price shall be quantified in monetary terms and the manner in which they will be applied for the purpose of determining the lowest evaluated bid
shall be clearly established in the bidding documents. A weighting/scoring system shall not be used for the evaluation of bids.

(b) A contract shall be awarded to the qualified bidder offering the lowest-evaluated and substantially responsive bid.

(c) Bidders shall not be eliminated on the basis of minor, non-substantial deviations.

(d) Requests for clarification and the bidder’s responses shall be made in writing.

(e) After the public opening of bids, information relating to the examination, clarification, and evaluation of bids and recommendations concerning the awards shall not be disclosed to bidders or other persons not officially concerned with this process until publication of the award of the contract.

11. Rejection of All Bids and Re-bidding

All bids shall not be rejected the procurement process shall not be cancelled, and new bids shall not be solicited without the Association’s prior written concurrence for contracts subject to prior review. For contracts subject to post review, the new bidding process will be conducted efficiently and immediately after the rejection of all bids.

12. Securities

Securities shall be in the format included in the bidding documents.

13. Publication of Contract Award

Information on contract award shall be published at least in a national newspaper of wide circulation within two (2) weeks of receiving the Association’s no objection to the award recommendation for contracts subject to prior review, and within two (2) weeks from the award decision for contracts subject to post review. Publication shall include the following information: (a) the name of each bidder which submitted a bid; (b) bid prices as read out at bid opening; (c) evaluated prices of each bid that was evaluated; (d) the names of bidders whose bids were rejected and the reasons for their rejection, and (e) the name of the winning bidder, the final total contract price, and the duration and summary scope of the contract.


The bid of the successful bidder shall become part of the Contract documents without any modification introduced by the contracting authority.
In the case of contracts subject to prior review, the Association’s no objection shall be obtained before agreeing to: (a) a material extension of the stipulated time for performance of a contract; (b) any substantial modification of the scope of services or other significant changes to the terms and conditions of the contract; (c) any variation order or amendment (except in cases of extreme urgency) which, singly or combined with all variation orders or amendments previously issued, increases the original contract amount by more than 15 percent; or (d) the proposed termination of the contract. A copy of all contract amendments shall be furnished to the Association for its record.

15. Right to Inspect/Audit

In accordance with the Procurement Guidelines, each bidding document and contract shall include provisions stating the Association’s policy with respect to inspection and audit of accounts, records and other documents relating to the bid submission and contract performance.

16. Fraud and Corruption

In accordance with the Procurement Guidelines, each bidding document and contract shall include provisions stating the Association’s policy to sanction firms or individuals found to have engaged in fraud and corruption as set forth in the Procurement Guidelines.