Financing Agreement
(The Gambia Social Safety Net Project)

between

REPUBLIC OF THE GAMBIA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION
FINANCING AGREEMENT

AGREEMENT dated as of the Signature Date between REPUBLIC OF THE GAMBIA ("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) 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 twenty-one million seven hundred thousand Special Drawing Rights (SDR 21,700,000) ("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 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 March 15 and September 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 shall carry out Part A of the Project through the Social Protection Secretariat (SPS) and Parts B and C of the Project through the National Nutrition Agency (NaNA) in accordance with the provisions of Article V of the General Conditions and Schedule 2 to this Agreement.
ARTICLE IV — REMEDIES OF THE ASSOCIATION

4.01. The Additional Event of Suspension consists of the following, namely that the Payment Service Provider has breached any of its obligations under the contracts to which it is a party, in a manner which, in the opinion of the Association, has or may have an adverse impact on the compliance by the Recipient with its obligations under this Agreement, the implementation of the Project or the achievement of its objective.

ARTICLE V — EFFECTIVENESS; TERMINATION

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

5.02. 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 responsible for Finance and Economic Affairs.

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

(a) the Recipient’s address is:

Ministry of Finance and Economic Affairs
The Quadrangle,
Banjul, The Gambia; and

(b) the Recipient’s Electronic Address is:

Facsimile:
+2204227954

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: 248423 (MCI)  
Facsimile: 1-202-477-6391

AGREED as of the Signature Date.

REPUBLIC OF THE GAMBIA

By

[Signature]

Authorized Representative

Name: MOD A K. SECKA
Title: PERMANENT SECRETARY
Date: 11/6/19

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

[Signature]

Authorized Representative

Name: ELENE TMNADZC
Title: COUNTRY REPRESENTATIVE
Date: 11/6/19
SCHEDULE 1

Project Description

The objective of the Project is to improve the coordination of social assistance activities and increase inclusion of the extreme poor in the Nafa Program.

The Project consists of the following parts:

Part A: Development of Coordination Mechanisms for the Social Assistance Sector

Supporting coordination mechanisms for the social assistance sector by, inter alia: (1) establishing the SPS to support the National Social Protection Steering Committee in providing leadership and coordination across the social assistance sector, including developing a national monitoring and evaluation framework for the social assistance sector to allow for aggregation of social assistance program results at a national level and to support the principles and practice of evaluation; and (2) developing and operationalizing the Social Registry, including a feedback and update mechanism, to provide robust data on key household characteristics to facilitate assessment and eligibility determination for social assistance programs.

Part B: Implementation of Nafa Program of Cash Transfers to the Eligible Extreme Poor and Social and Behavioral Change Communication (SBCC)

Implementing the Nafa Program of unconditional cash transfers (Cash Transfers) to eligible extreme poor households and SBCC, including: (1) carrying out validation exercises, registration, training, and impact evaluation, and developing a grievance redress mechanism and (2) providing the Cash Transfers.

Part C: Project Management and Capacity Building

Supporting Project coordination and management through: (1) provision of the Management Fees to NaNA; and (2) capacity building of relevant entities involved in the Project implementation.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. National Social Protection Steering Committee

The Recipient shall maintain, at all times during the implementation of the Project, a national social protection steering committee, with mandate, resources, and functions satisfactory to the Association and elaborated in the Project Operations Manual, to be responsible for providing overall strategic oversight and policy coordination to the Project.

2. Social Protection Secretariat

The Recipient shall establish and maintain, at all times during the implementation of the Project, the SPS and vest in SPS the responsibility of implementing Part A of the Project.

3. Project Steering Committee

The Recipient shall establish and maintain, at all times during the implementation of the Project, a Project steering committee with mandate, resources, and functions satisfactory to the Association and elaborated in the Project Operations Manual, to be responsible for providing oversight and guidance on the implementation of the Project.

4. NaNA

(a) The Recipient shall maintain, at all times during the implementation of the Project, NaNA with adequate staff and resources and terms of reference acceptable to the Association and enter into an agreement with NaNA with terms and conditions acceptable to the Association for the purpose of carrying out the responsibilities set forth below in paragraph 4(b).

(b) The NaNA shall, inter alia, be responsible for: (i) overall planning, implementation and coordination of activities under Part B of the Project in collaboration with DCD and DSW and with oversight and guidance from the Project Steering Committee, and Part C of the Project; and (ii) fiduciary management of the Project, including managing the Project’s designated accounts.
Without limitation to the provisions of paragraph 4(b) immediately above, the Recipient shall maintain at all times during the implementation of the Project, a Project management team within NaNA, with composition, resources and terms of reference acceptable to the Association and as set forth in the Project Operations Manual. The Project management team shall, inter alia, be responsible for: (i) preparing the annual work plan and budget for the Project; (ii) reviewing the progress of Project implementation; (iii) providing implementation support, including carrying out periodic monitoring and supervision of all Project activities; and (iv) such other functions as set forth or elaborated in the Project Operations Manual.


   (a) The Recipient shall maintain, at all times during the implementation of the Project, the DCD and the DSW in the respective ministries, with adequate staff and resources and terms of reference acceptable to the Association, for the purpose of ensuring prompt and efficient implementation of Part B of the Project.

   (b) The DCD and DSW, in collaboration with NaNA, shall carry out all such functions as detailed in the Project Operations Manual, including the implementation of activities in Part B of the Project.

6. **Technical Advisory Committees, Multi-Disciplinary Facilitation Teams, and the Village Development Committees**

   The Recipient shall maintain, at all times during the implementation of the Project, Technical Advisory Committees (TACs), Multi-Disciplinary Facilitation Teams (MDFTs), and the Village Development Committees (VDCs) in adequate number to provide implementation support to, among others, the SPS, NaNA, DCD, and DSW, at the regional, district, ward, and community levels, respectively, and carry out such other functions as outlined in the Project Operations Manual.

**B. Project Operations Manual**

1. The Recipient shall carry out the Project in accordance with the Project Operations Manual, containing detailed arrangements and procedures, including provisions for: (i) institutional coordination and day-to-day implementation of the Project; (ii) Project budgeting, disbursement and financial management; (iii) procurement; (iv) monitoring, evaluation, reporting and communications; (v) implementation procedures and eligibility criteria for the Nafa Program; and (vi) such other administrative, financial, technical and organizational arrangements and procedures as shall be required for purposes of implementation of the Project.
2. The Recipient shall not amend, abrogate, or waive or permit to be amended, abrogated or waived, the Project Operations Manual or any provision thereof without the prior written consent of the Association; provided, however, that in the event of any conflict between the provisions of the Project Operations Manual and the provisions of this Agreement, the provisions of this Agreement shall prevail.

C. Annual Work Plan and Budget

1. The Recipient shall:

   (a) prepare a draft AWP&B for each Fiscal Year, setting forth: (i) a detailed description of planned activities for the Project 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 dates, outputs, and monitoring indicators to track progress of each activity;

   (b) not later than November 30 of each Fiscal Year, furnish to the Association for its comments and approval, a Project Steering Committee-approved AWP&B; 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. The AWP&B may be revised as needed during Project implementation, subject to the Association’s prior approval.

D. Nafa Program (Cash Transfers and SBCC)

1. The Recipient shall ensure that Cash Transfers under Part B of the Project are made only to the intended Beneficiaries, in accordance with the procedure and eligibility criteria set out in the Project Operations Manual.

2. Cash Transfers and SBCC shall be provided under terms and conditions acceptable to the Association and detailed in the Project Operations Manual.

3. For the purposes of Part B of the Project, the Recipient shall select and retain a Payment Service Provider to facilitate payments of Cash Transfers, with qualifications and experience acceptable to the Association and on such terms and conditions as shall be specified in the Project Operations Manual.

4. The Recipient, through NaNA, shall make the proceeds of the Grant allocated to Category (3) of the table set forth in Section III.A of this Schedule available to the Payment Service Provider under a contract to be entered into between NaNA and the Payment Service Provider under terms and conditions approved by the Association as set forth in the Project Operations Manual.
5. The Recipient shall exercise its rights under such contracts in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Grant. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate or waiver any of said contracts or any provisions thereof.

6. The NaNA, in collaboration with the DCD and DSW, shall oversee the Cash Transfers and SBCC in all selected regions, districts, wards, and communities, as well as monitor and evaluate the activities of the participating households to ensure that the Cash Transfers and SBCC are provided in accordance with the provisions of this Section I.D and the terms, conditions and procedures contained in the Project Operations Manual, and in a manner consistent with the objective of the Project.

E. Counterpart Funding

The Recipient shall: (a) open and maintain an account (the Project Account); (b) replenish said account with an amount up to 1,000,000 (one million) Dollars over the life of the Project; (c) annually, deposit into the Project Account, the amount representing the Recipient’s counterpart contribution for the current Fiscal Year consistent with the AWP&B; and (d) ensure that the amounts deposited into the Project Account shall be used exclusively for the purposes of defraying the cost of expenditures incurred for the execution of the Project, and not otherwise financed out of the proceeds of the Financing.

Section II. Project Monitoring, Reporting and Evaluation

The Recipient shall furnish to the Association each Project Report not later than forty-five (45) calendar days 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:
### Category | Amount of the Grant Allocated (expressed in SDR) | Percentage of Expenditures to be Financed (inclusive of Taxes)
--- | --- | ---
(1) Goods, non-consulting services, consulting services, Operating Costs, and Training for Part A of Project | 4,320,000 | 100%
(2) Goods, non-consulting services, consulting services, Operating Costs, and Training for Parts B.1 and C.2 of the Project | 3,690,000 | 100%
(3) Cash Transfers under Part B.2 of the Project | 12,250,000 | 100% of amount disbursed
(4) Management Fees under Part C.1 of the Project | 1,440,000 | 100%
TOTAL AMOUNT | 21,700,000 |

#### 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, except that withdrawals up to an aggregate amount not to exceed $6,000,000 may be made for payments made prior to this date but on or after April 1, 2019, for Eligible Expenditures under Categories (1), (2), (3), and (4); or

   b. for payments made under Category (3), until and unless: (i) the Recipient has hired and entered into a contract with a Payment Service Provider as set forth in Section I.D.4 of this Schedule; and (ii) the payments are made in accordance with the procedures and eligibility criteria set forth in the Project Operations Manual and the contracts with the Payment Service Provider; or

   c. for payments made under Category (4), until and unless the Recipient has entered into an agreement with NaNA, with the terms and conditions acceptable to the Association.
2. The Closing Date is March 29, 2024.

Section IV. Other Undertakings

1. The Recipient shall, no later than one (1) month after the Effective Date, recruit an accountant assistant and a procurement officer, with qualifications and under terms of reference acceptable to the Association.

2. The Recipient shall, no later than three (3) months after the Effective Date: (a) recruit an internal auditor, with qualifications and under terms of reference acceptable to the Association; and (b) customize the existing accounting software to include the book keeping for the Project.

3. The Recipient shall, no later than six (6) months after the Effective Date, recruit an external auditor, with qualifications and under terms of reference acceptable to the Association.
APPENDIX

Section I. Definitions

1. “Annual Work Plan and Budget” or “AWP&B” means each annual work plan, together with the related budget, for the Project approved by the Association pursuant to the provisions of Section 1.C 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. “Beneficiaries” means any of the eligible recipients of the Cash Transfer and SBCC under Part B of the Project.

4. “Cash Transfer” means a transfer of funds in the form of grants on behalf of the Recipient to Beneficiaries, made or to be made in accordance with the provisions of the Project Operations Manual and a contract between the Recipient and the Payment Service Provider, under Part B of the Project.

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

6. “DCD” means the Department of Community Development of MLRGRA, or any successor thereto.

7. “DSW” means the Department of Social Welfare in MWCSW, or any successor thereto.

8. “Fiscal Year” or “FY” means the Recipient’s Fiscal Year, starting January 1st and ending December 31st.


10. “Management Fees” means the incremental Operating Costs incurred, based on the Annual Work Plans and Budget as approved by the Association, including other Operating Costs such as costs of performance contracts with DCD, DSW and the Gambia Bureau of Statistics, fiduciary functions, and day to day operation of the Project management team and the Project Steering Committee.

12. “Multi-Disciplinary Facilitation Teams” or “MDFTs” mean institutions and agencies that coordinate social assistance activities at the ward level.


14. “Nafa Program” means the Recipient’s program of providing Cash Transfer and SBCC to eligible Beneficiaries under Part B of the Project.

15. “NaNA” means the Recipient’s National Nutrition Agency established pursuant to the Food Act No. 9 of 2005 and referred to in Section I.A.4 of Schedule 2 to this Agreement.

16. “National Social Protection Steering Committee” means the Recipient’s inter-Ministerial body that provides coordination of social protection activities referred to in Section I.A.1 of Schedule 2 to this Agreement.

17. “Operating Costs” means the incremental expenses incurred by the Recipient, based on the Annual Work Plans and Budget 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, office space rental, building and equipment maintenance, travel (including per diem) and supervision, and salaries of contractual and temporary staff, but excluding salaries, fees, honoraria, and bonuses of members of the Recipient’s civil service.

18. “Payment Service Provider” means an entity that has entered into a contract with NaNA in accordance with the provisions of Section I.D.4 of Schedule 2 to this Agreement.

19. “Procurement Plan” means the Recipient’s procurement plan for the Project, and provided for under Section IV of the Procurement Regulations, as the same may be updated from time to time in agreement with the Association.

20. “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.

21. “Project Steering Committee” means the Project’s steering committee referred to in Section I.A.3 of Schedule 2 to this Agreement.

22. “SBCC” means the social and behavioral change communication provided to eligible Beneficiaries under Part B of the Project.
23. "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.

24. "Social Protection Secretariat" or "SPS" means a secretariat that was established by the Executive Order of May 7, 2018, in the Office of the Vice President, and referred to in Section I.A.2 of Schedule 2 to this Agreement.

25. "Social Registry" means a registry to be established and housed in and managed by the SPS, which aims to provide data for social assistance programs.

26. "Technical Advisory Committees" or "TACs" means committees that coordinate social assistance activities at the regional level.

27. "Training" means the reasonable cost of training under the Project, based on Annual Work Plans and Budget, 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.

28. "Village Development Committees" or "VDCs" means community institutions involved in social assistance activities at the community level.