OFFICIAL DOCUMENTS

CREDIT NUMBER 6224-CM
GRANT NUMBER D2990-CM

Financing Agreement
(Additional Financing for Community Development Program Support Project-Phase 3 -Response to Forced Displacement)

between

REPUBLIC OF CAMEROON

and

INTERNATIONAL DEVELOPMENT ASSOCIATION
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 and a credit, both deemed by the Association to be on concessional terms, as set forth or referred to in this Agreement (collectively, “Financing”) in the following amounts to assist in financing the project described in Schedule 1 to this Agreement (“Project”):

(a) an amount equivalent to twenty-seven million seven hundred thousand Special Drawing Rights (SDR 27,700,000) (“Grant”); and

(b) an amount of six million six hundred thousand Euros (€6,600,000) (“Credit”).

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 Service Charge is the greater of: (a) the sum of three-fourths of one percent (3/4 of 1%) per annum plus the Basis Adjustment to the Service Charge; and (b) three-fourths of one percent (3/4 of 1%) per annum; on the Withdrawn Credit Balance.
2.05. The Interest Charge is the greater of: (a) the sum of one and a quarter percent (1.25%) per annum plus the Basis Adjustment to the Interest Charge; and (b) zero percent (0%) per annum; on the Withdrawn Credit Balance.

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

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

2.08. 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 carry out the Project 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 Events of Suspension consist of the following:

   (a) A situation shall have arisen which shall make it improbable that the Program or a significant part thereof will be carried out;

   (b) the Project Implementation Arrêté shall have been amended, suspended abrogated, repealed, or waived so as to materially and adversely affect the implementation of the Project; and

   (c) the Recipient’s refugee protection framework is no longer adequate in the opinion of the Association.

ARTICLE V — EFFECTIVENESS; TERMINATION

5.01. The Additional Condition of Effectiveness consists of the following, namely, that the Association is satisfied that the Recipient has an adequate refugee protection framework.

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

5.03. For purposes of Section 10.05 (b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty (20) years after the Signature Date.
ARTICLE VI — REPRESENTATIVE; ADDRESSES

6.01. The Recipient’s Representative is the Minister of Economy, Planning and Regional Development.

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

(a) the Recipient’s address is:

Ministry of the Economy, Planning, and Regional Development
Yaoundé
Cameroon; and

(b) the Recipient’s Electronic Address is:

Facsimile:
237-222-221509

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

(a) the Association’s address is:

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

(b) the Association’s Electronic Address is:

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

REPUBLIC OF CAMEROON

By

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Name: Issa Djam
Title: Acting Country Director
Date: December 17, 2018
SCHEDULE 1

Project Description

The objective of the Project is to strengthen local public finance management and participatory development processes in Communes for the delivery of quality and sustainable social and economic infrastructure.

The Project constitutes the third phase of the Program, and consists of the Original Project as modified below:

Part A: Local Development Support

Implementation of a program of activities to support local development, including, *inter alia*:

1. (a) provision of CDP-Subproject Grants to Participating Communes to finance: (i) social infrastructure sub-projects in sectors, including health education, water and sanitation; and (ii) economic infrastructure sub-projects including, *inter alia*, the construction or rehabilitation of rural markets, community storage facilities, rural roads, small bridges, culverts, and small irrigation schemes, all as identified in the respective Communal Development Plan (CDP) and Annual Investment Plan (AIP);

   (b) provision of CDP Preparation Grants to Eligible Communes for the preparation of Communal Development Plans and CDP Preparation Activities;

   (c) enhancing and improving the inclusion of the needs of refugees in the respective CDP and AIP documents and participatory processes, with particular focus on women and girls, taking into account movement of refugees in the Communes, and inclusion of refugees in the respective village consultation committees; and

   (d) provision of CDP Performance Grants to Eligible Communes to reward the best managed Communes;

2. (a) carrying out of a program of activities to strengthen the level and quality of: (i) social infrastructure in sectors, including health, education, water and sanitation; (ii) economic infrastructure sub-projects or productive investments, including, *inter alia*, the construction and rehabilitation of rural markets communities’ storage facilities, rural roads, small bridges, culverts and small-scale irrigation schemes, all for poor and vulnerable populations through the provision of Poor and Vulnerable Investment Support Grants to Target Communes to finance, *inter alia*, support to
industries involved in the local employment of the target poor and vulnerable populations; and (iii) improving access to essential services, including carrying out targeted activities that will contribute in reduction of gender-based violence (GBV); and

(b) Carrying out a program of activities designed for Communes in the Far North, North, Adamawa and East regions that are hosting refugees.

Part B: Support to the Decentralization Process

1. Provision of institutional support to the Recipient’s institutions responsible for the design and implementation of the decentralization process through, *inter alia*:

   (a) provision of technical assistance and implementation of studies in support of MINATD in connection with the drafting of implementing decrees under the Recipient’s Decentralization Laws and the finalization of the national decentralization strategy;

   (b) organization of workshops and dissemination of the Decentralization Laws and corresponding implementing decrees;

   (c) provision of consultant services and acquisition of small cartographic equipment required for the mapping of Communes;

   (d) organization of study tours on decentralization and local development for the technical secretariat of the Inter-Ministerial Committee on Local Services, National Council for Decentralization and the Mayors’ Association;

   (e) development and deployment by MINATD and MINFI of a financial management and accounting software for Communes; and

   (f) carrying out studies related to refugees’ inclusion, GBV, including sexual violence, and forced displacement.

2. Implementation of capacity building activities for Communes and other local stakeholders, including, *inter alia*:

   (a) For Communes: (i) development of a training manual on the local economy; (ii) promotion of nationwide competitions for local governments on best practices for enhancing good governance and transparency; (iii) acquisition of computer equipment; (iv) strengthening the capacity of communal councils in environmental and social impact monitoring of subprojects; (v) enhancing social accountability and civil society engagement in annual budget planning and execution; and (vi) promotion of inter-communal and decentralized cooperation.
For other local stakeholders, provision of training and organization of workshops and study tours on decentralization and local development, including facilitating knowledge exchange, including conducting relevant approved study tours on refugee crisis management.

Strengthening the operational capacity of Communes hosting refugees to equip them to face related challenges and to implement additional activities, including provision of training and technical assistance on, inter alia: (i) basics of international protection of refugees; (ii) aspects of managing refugee population and peaceful cohabitation; (iii) effective management of risks and opportunities associated with the presence of a large number of refugees; (iv) awareness on protection risks including GBV; and (v) concrete guidelines on interaction with different refugee communities.

Implementation of a program of activities to strengthen the public financial management systems of Communes, including, inter alia:

(a) Expansion of the local integrated financial management information system (SIMBA) to at least 31 Eligible Communes and at least 275 Participating Communes.

(b) Training of auditors of the Recipient's Chambre des Comptes in the utilization of the SIMBA for the auditing of Commune accounts and carrying out of SIMBA awareness workshops for local public accountants and mayors.

(c) Dissemination of the Commune budget to the applicable Commune residents by relevant local means of communication.

Part C: Project Coordination, Management, Monitoring and Evaluation, and Communication

1. Project coordination, management and monitoring, preparation of financial audits and periodic evaluations, including:

(a) preparation of Safeguard Instruments and implementation of Safeguard Instruments-derived mitigation measures associated with the Project; and

(b) strengthening the technical and fiduciary capacity of the NCU and each RCU to manage and implement the Project, including, inter alia: (i) recruitment of requisite staff, purchase of equipment, and provision of Training, audits, and monitoring and evaluation activities; and (ii) support to the Project oversight, regulatory and monitoring and other relevant
institutions in the carrying out of their Project responsibilities and facilitation of strategic Project planning.

2. Monitoring and evaluations, impact evaluations, Beneficiary assessments, outreach and communication activities, coordination among stakeholders and knowledge production and sharing.

3. Carrying out a regular monitoring and evaluation system and knowledge management, including facilitating knowledge management, coordination of interventions at local and national levels, access to the grievance redress mechanism, and hiring of required essential staff in the NCU and RCUs for rapid and effective implementation of the Project.

4. Strengthening the Project Implementation Unit, including:
   
   (a) facilitating regular monitoring and evaluation system and knowledge management, including mainstreaming data collection, sharing and utilization, to include refugee related information, exploring mechanisms for project monitoring such as third-party monitoring and use of information and communication technologies, for hard to reach areas;

   (b) developing a knowledge-management strategy based on the Project database and short studies conducted on refugees;

   (c) establishing a collaboration framework to foster coordination of interventions at local and national levels;

   (f) establishing a harmonized grievance redress mechanism for the Project and other projects that are implementing refugee related activities.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. The Recipient shall implement the Project through its Ministry of Economy, Planning, and Regional Development, which shall be responsible for the overall oversight of the Project.

2. The Recipient shall maintain, throughout Project implementation, the National Steering Committee with composition, functions and resources satisfactory to the Association, and consistent with the requirements of the Project Implementation Arrêté, to be responsible for approving the Annual Work Plans and Budgets as well as for monitoring and providing guidance on the overall implementation of the Project. The National Steering Committee shall meet at least once every calendar semester.

3. The Recipient shall maintain, throughout Project implementation, the following entities, with staffing, functions and resources satisfactory to the Association, to be in charge of the coordination and management of the Project:

   (a) At the national level, the National Coordination Unit within MINEPAT, which shall be responsible for, *inter alia*: (i) coordinating the overall implementation of the Project; (ii) consolidating and submitting to National Steering Committee for approval, annual work plans and budgets and progress reports; and (iii) carrying out of reporting, monitoring and evaluation activities at the national level.

   (b) At the regional level, one Regional Coordination Unit in each Region of the Recipient, which shall be responsible for, *inter alia*: (i) coordinating the overall implementation of the Project within its Region; (ii) preparing work plans, budgets and progress reports for its Region; (iii) carrying out reporting, monitoring and evaluation activities in the Region; (iv) ensuring that CDPs are consistent with the Recipient’s regional development master plans; and (v) signing of Grant Agreements with Beneficiaries.

   (c) At the Commune level, technical support staff which shall be responsible for, *inter alia*, supporting the Beneficiaries in the fulfillment of their obligations under the Project.
4. **Tender Board**

To facilitate the carrying out of all Project procurement activities, the Recipient shall expand the mandate of the Tender Board, and thereafter maintain at all times during the implementation of the Project, the Tender Board with composition, terms of reference and resources satisfactory to the Association.

5. **Steering Committee on Refugees and Technical Secretariat on Refugees**

To facilitate coordination of stakeholders and pertinent activities for refugees under the Project, including monitoring the implementation of such activities, the Recipient shall maintain at all times during the implementation of the Project, the Steering Committee and the Technical Secretariat on Refugees, respectively established in accordance with the Partnership Agreement.

**B. Manuals**

1. The Recipient shall, not later than thirty (30) days after the Effective Date, update the Project Implementation Manual, in form and substance satisfactory to the Association, and thereafter, carry out the Project in accordance with said Project Implementation Manual and shall not amend, abrogate, waive, or permit to be amended, abrogated, or waived, the aforementioned, or any provision thereof, without the prior written consent of the Association.

2. In the event of any conflict between the provisions of the Project Implementation Manual and those of this Agreement, the provisions of this Agreement shall prevail.

**C. CDP Preparation Grants**

1. The Recipient shall provide CDP Preparation Grants for the benefit of Eligible Communes for the preparation or updating of Communal Development Plans and implementation of other CDP Preparation Activities in accordance with the provisions of this Agreement and the Project Implementation Manual, which shall, *inter alia*, include the following:

   (a) all Communes other than those whose CDPs have previously been reviewed, approved and validated in accordance with the provisions of this Section C.1(a) shall be considered eligible for CDP Preparation Grants;

   (b) each CDP: (i) shall include: (A) technical and environmental feasibility studies on the Subprojects proposed to be implemented in the first year of such CDP; and (B) Annual Investment Plans for the duration of the CDP describing the Subprojects to be implemented during a given year of Project implementation; and (ii) shall have been reviewed and approved by
by the Municipal Council and then validated by the Senior Divisional Officer; and

(c) without limitations upon Section C.1.(a) above, the Communes that already have a CDP that has been previously reviewed, approved and validated in accordance with the provisions of this Section C.1.(a), but that have not fulfilled the CDP Preparation Activities for a given year of implementation of such CDP shall be considered eligible for CDP Preparation Grants but only for such CDP Preparation Activities.

2. Each CDP Preparation Grant shall be made on a non-reimbursable grant basis and shall cover the full cost of the preparation of the CDP and other CDP Preparation Activities, except that Communes that are eligible pursuant to Section C.1.(c) shall only receive a grant covering the full cost of CDP Preparation Activities.

D. CDP Subproject Grants

1. The Recipient shall provide CDP Subproject Grants to Participating Communes in accordance with the provisions of this Agreement and the Project Implementation Manual, which shall, inter alia, include the following:

(a) By October 30 of each year, MINEPAT shall: (i) confirm, based on objective criteria laid down in the Project Implementation Manual, the final Annual Allocation of funds to be made available to each Participating Commune as CDP Subproject Grants; and (ii) inform each Participating Commune of its final Annual Allocation.

(b) Based on these allocations and on the priorities laid down in its Communal Development Plan, each Participating Commune shall confirm its Annual Investment Plan, in accordance with the requirements laid down in the Project Implementation Manual, describing a selected number of Subprojects to be financed under the annual investment plan by CDP-Subproject Grants. The final Annual Investment Plan shall be reviewed and approved by the Municipal Council and then validated by the Senior Divisional Officer and included in the relevant CDP Subproject Grant.

2. Without limitation upon the criteria specified in the Project Implementation Manual, no CDP Subproject shall be eligible to be financed by a CDP Subproject Grant unless the relevant RCU shall have determined, on the basis of an initial assessment of the Participating Commune and guidelines and criteria specified in the Project Implementation Manual that such CDP Subproject satisfies the eligibility criteria, which shall include, inter alia, the following:
(a) the CDP Subproject has been included as part of the Communal Development Plan and the Participating Commune's Annual Investment Plan approved under Section I.C.1.(a) of Schedule 2 to this Agreement;

(b) the CDP Subproject shall be implemented by a Participating Commune;

(c) the CDP Subproject does not fall within any of the negative list of ineligible activities set forth in the Project Implementation Manual;

(d) the Participating Commune shall contribute an agreed percentage of the investment cost as specified in the Project Implementation Manual based on the nature of the Subproject;

(e) no other source of financing will support the implementation of the CDP Subproject other than the co-financing to be provided by the Communes;

(f) all relevant Safeguard Instruments have been prepared and relevant activities taken in connection with such CDP Subproject in accordance with the applicable Safeguard Instruments; and

(g) a committee for the management of the CDP Subproject composed of representatives from beneficiaries has been put in place and adequate arrangements have been made for financing the maintenance and other recurrent costs related to the CDP Subproject, upon its completion.

E. Poor and Vulnerable Investment Support Grants

1. The Recipient shall provide Poor and Vulnerable Investment Support ("PVIS") Grants to Target Communes in accordance with the provisions of this Agreement and the Project Implementation Manual, which shall, inter alia, include the following:

   (a) All PVIS Subprojects shall be identified in consultation with the applicable Target Commune.

   (b) No PVIS Subproject shall be eligible for financing unless it serves to strengthen: (i) social infrastructure, including, inter alia, education, health, water, and sanitation facilities; and (ii) economic infrastructure, for the purpose of: (A) supporting agricultural production; and (B) promoting tourism in the region.

2. Each Poor and Vulnerable Investment Support Grant shall be made on a non-reimbursable grant basis and shall cover the full cost of the PVIS Subproject.
F. Provisions Common to Grants

1. No CDP, CDP Preparation Activity, CDP Subproject or PVIS Subproject shall be eligible for financing out of the proceeds of a Grant unless an agreement ("Grant Agreement") has been concluded between the relevant RCU and the applicable Beneficiary, as the case may be, in the form of the standard model form provided in the Project Implementation Manual, and on terms and conditions satisfactory to the Recipient and the Association, as further detailed in this Agreement and the Project Implementation Manual, which shall, inter alia, include the following:

(a) Each Beneficiary shall be required to carry out the activity to be financed by the applicable Grant with due diligence and efficiency, and in accordance with sound administrative, financial and technical practices, including in accordance with the provisions of the Anti-Corruption Guidelines applicable to recipients of Financing proceeds other than the Recipient, and with due regard to appropriate environmental considerations, as reflected in the Safeguards Instruments.

(b) Each Beneficiary shall have the obligation to ensure at all times that:
(i) goods, works and consultants' services to be financed out of the proceeds of the Grant shall be procured in accordance with the provisions of Section III of Schedule 2 to this Agreement; and (ii) in the case of a CDP Subproject: (A) such goods, works and consultants’ services shall be used exclusively for implementing the activities described in the Annual Investment Plan and achieving the objectives of such activities; and (B) upon completion of each CDP Subproject, each such CDP Subproject shall be operated and maintained in accordance with the operation and maintenance plan agreed upon with the Recipient.

(c) Each Beneficiary shall: (i) 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 Grant; and (ii) at the Recipient’s or the Association’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.

(d) The Recipient shall have the right to inspect, by itself or jointly with representatives of the Association, if the Association shall so request, the goods, works and services financed by the Grant, the operation of any CDP Subproject or PVIS Subproject and any relevant records and documents, and obtain any report in connection therewith, of such scope and in such detail as the Association shall reasonably request.
(e) The Recipient shall have the right to obtain all such information as the Recipient or the Association shall reasonably request relating to the administration, operations and financial condition of each Beneficiary, and the benefits derived from the Grant.

(f) The Recipient shall have the right to suspend the right of any Beneficiary to the use of the proceeds of the Grant, or any part thereof, or obtain a refund of all or any part of the amount of the Grant then withdrawn, upon such Beneficiary’s failure to perform any of its obligations under the Grant Agreement.

(g) In the case of a CDP Subproject:

(i) disbursements under each CDP Subproject Grant Agreement shall be in two phases which shall be as follows: (A) 60% of the CDP Subproject Grant, upon signing of the applicable Grant Agreement, and (B) the balance, upon approval by the Recipient of a satisfactory implementation progress report submitted by the applicable Participating Commune to the RCU and the NCU; and

(ii) the CDP Subproject Grant shall be used exclusively to cover all or part of the CDP Subprojects included in the relevant Participating Commune’s Annual Investment Plan for a given year.

4. The Recipient shall exercise its rights under each Grant 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 Recipient and the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive any Grant Agreement or any of its provisions.

G. Annual Work Plans and Budgets

1. Not later than October 31 in each calendar year (or one month after the Effective Date for the first year of Project implementation), the Recipient shall prepare or cause to be prepared for the purpose of forwarding to the Association, a draft annual work plan and budget for the Project (including Training and Operating Costs) for the subsequent calendar year of Project implementation, of such scope and detail as the Association shall have reasonably requested.

2. The Recipient shall afford the Association a reasonable opportunity to review such draft annual work plan and budget, and thereafter shall carry out (or cause to be carried out) such annual work plan and budget during such subsequent calendar year as shall have been approved by the Association (“Annual Work Plan and
Budget"). Only those activities that are included in an Annual Work Plan and Budget shall be eligible for financing out of the proceeds of the Financing.

3. Any Training proposed to be included in an Annual Work Plan and Budget, shall include, inter alia: (a) particulars of the Training envisaged; (b) the criteria for selection of the personnel to be trained, and such personnel if known; (c) the selection method of the institution or individuals conducting such Training; (d) the institution conducting such Training if identified; (e) the purpose and justification for such Training; (f) the location and duration of the proposed training; and (g) the estimate of the cost of such Training.

4. Annual Work Plans and Budgets may be revised as needed during Project implementation, subject to the Association’s prior written approval.

H. Safeguards

1. The Recipient shall implement the Project in accordance with the relevant Safeguard Instruments, and shall, to that end:

   (a) if any activity under the Project would require the adoption of any Supplemental Safeguard Instrument:

      (i) prepare: (A) such Supplemental Safeguard Instrument in accordance with the applicable ESMF or RPF; (B) furnish such Supplemental Safeguard Instrument to the Association for review and approval; and (C) thereafter adopt such Supplemental Safeguard Instrument prior to implementation of the activity; and

      (ii) thereafter take such measures as shall be necessary or appropriate to ensure full compliance with the requirements of such Supplemental Safeguard Instrument; and

   (b) if any activity under the Project would involve Affected Persons, ensure that no displacement (including restriction of access to legally designated parks and protected areas) shall occur before resettlement measures under a Supplemental Safeguard Instrument prepared in accordance with the RPF including, in the case of displacement, full payment to Affected Persons of compensation and of other assistance required for relocation, have been taken.

2. Without limitation upon its other reporting obligations under this Agreement, the Recipient shall, for each Supplemental Safeguard Instrument, on a semester basis as part of the Project Reports (or with more frequency or in a separate report whenever the circumstances warrant), collect, compile and furnish to the Association reports in form and substance satisfactory to the Association, on the
status of compliance with each Supplemental Safeguard Instrument, as part of the Project Reports, giving details of:

(a) measures taken in furtherance of such Supplemental Safeguard Instrument;
(b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of such Supplemental Safeguard Instrument; and
(c) remedial measures taken or required to be taken to address such conditions.

3. In the event that any provision of the Safeguards Instruments shall conflict with any provision under this Agreement, the provisions of this Agreement shall prevail.

4. The Recipient shall ensure that:

(a) all terms of reference for any technical assistance and studies to be carried out under the Project are consistent with the Association’s environmental and social safeguard policies; and
(b) in any Project activity that may support the drafting of regulatory instruments for the purpose of community development planning or other land related reforms, due attention will be given to said policies.

I. Third Party Verification

The Recipient shall recruit, in accordance with Section III of this Schedule 2, third-party verification agents, with qualifications, experience, and terms of reference satisfactory to the Association, for purposes of the technical third-party verification of the Sub-projects to be carried out under Part A of the Project, such verification to include the assessment of budget information dissemination activities to be carried out under Part B.3.(c) of the Project.

Section II. Project Monitoring, Reporting and Evaluation

The Recipient shall furnish to the Association each Project Report not later than forty-five (45) 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:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Credit Allocated (expressed in Euro)</th>
<th>Amount of the Grant Allocated (expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, minor works, non-consulting services, consultants’ services, Operating Costs and Training for the Project except: (a) CDP-Subproject Grants under Part A.1. of the Project; (b) CDP Preparation Grants under Part A.1. of the Project; (c) Poor and Vulnerable Investment Support Grants under Part A.2. of the Project; and (d) CDP Performance Grants under Part A.1 of the Project</td>
<td>6,600,000</td>
<td>3,900,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) CDP-Subproject Grants under Part A.1. of the Project</td>
<td>0</td>
<td>0</td>
<td>100% of amounts paid by the Recipient under the CDP-Subproject Grants</td>
</tr>
<tr>
<td>(3) CDP Preparation Grants under Part A.1 of the Project; and CDP Performance Grants under Part A.1 of the Project</td>
<td>0</td>
<td>4,000,000</td>
<td>100% of amounts paid by the Recipient</td>
</tr>
<tr>
<td>(4) Poor and Vulnerable Investment Support Grants under Part A.2 of the Project</td>
<td>0</td>
<td>19,800,000</td>
<td>100% of amounts paid by the Recipient under the Poor and Vulnerable Investment Support Grants</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>6,600,000</td>
<td>27,700,000</td>
<td></td>
</tr>
</tbody>
</table>
B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A above, no withdrawal shall be made:

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

   (b) under Category (2), unless: (i) the applicable Grant Agreement has been signed in accordance with Section I.F. of Schedule 2 to this Agreement; and (ii) the Beneficiary to such CDP-Subproject Grant has a Receveur Municipal in accordance with Section I.D. of Schedule 2 to this Agreement; or

   (c) under Categories (3) and (4) unless the applicable Grant Agreement has been signed in accordance with Section I.F. of Schedule 2 to this Agreement; or

   (d) in respect of any CDP Performance Grant under Category (3) prior to the date January 1, 2020.

2. Without limitations upon the provisions of this Section III, upon the fulfillment of the obligations under Section III.B.1.(b) of this Schedule 2, the Recipient’s withdrawal of the proceeds of the Financing allocated for CDP Subproject Grants under Section III.A.2. Category (2) of this Schedule 2 shall not exceed sixty percent (60%) of the allocated Financing amount unless the Recipient has obtained satisfactory audits by the third-party verification agent referred to in Section I.I. of this Schedule 2, in form and substance acceptable to the Association.

3. The Closing Date is June 30, 2022.
### 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 15 and October 15:</td>
<td></td>
</tr>
<tr>
<td>commencing April 15, 2023, to and including October 15, 2042</td>
<td>1.65%</td>
</tr>
<tr>
<td>commencing April 15, 2043, to and including October 15, 2047</td>
<td>3.40%</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 3.05 (b) of the General Conditions.
APPENDIX

Definitions

1. “Affected Person” means a person who as a result of: (i) the involuntary taking of land under the Project is affected in any of the following ways: (A) relocation or loss of shelter; (B) loss of assets or access to assets; or (C) loss of income sources or means of livelihood, whether or not the affected person must move to another location; or (ii) the involuntary restriction of access to legally designated parks and protected areas suffers adverse impacts on his or her livelihood; and “Affected Persons” means more than one Affected Person.

2. “Annual Allocation” means the aggregate annual allocation attributed to a Participating Commune for the duration of Project implementation as determined in the PIM for the purposes of CDP-Subproject Grants.

3. “Annual Investment Plan” or “AIP” means the plan that Participating Communes are required to prepare in accordance with Section I.C.1.(b)(ii)(B) of Schedule 2 to this Agreement, for each year of Project implementation as part of the preparation of the Communal Development Plan, and which identifies a selected number of CDP-Subprojects to be financed by a CDP-Subproject Grant during a given year and confirmed every year pursuant to Section I.D.1.(b) of Schedule 2 to this Agreement.

4. “Annual Work Plan and Budget” means the annual work plan and budget as prepared by the Recipient and approved by the Association in accordance with the provisions of Section I.G. of Schedule 2 to this Agreement.

5. “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.

6. “Beneficiary” means an Eligible Commune, a Participating Commune, or a Target Commune as the case may be; and “Beneficiaries” means more than one Beneficiary.

7. “CAA” means Caisse Autonome d’Amortissement du Cameroun or the Recipient’s national debt management agency established pursuant to the Recipient’s Decret No.85/1176 du 28-08-1985 portant creation de la Caisse Autonome d’Amortissement.

8. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
9. "CDP Performance Grant" means a grant in the amount determined in the PIM made, or to be made, to an Eligible Commune out of the proceeds of the Financing to recognize and reward a performing Commune under Part A.1.(d) of the Project.

10. "CDP Preparation Activity" means the activities related to preparation or updating of a Communal Development Plan by an Eligible Commune and/or technical and environmental feasibility studies, Communes' contractual support staff salaries and expenses of CDP approval sessions of the relevant Municipal Council and Commune's procurement commissions, for each year of CDP implementation.

11. "CDP Preparation Grant" means a grant in the amount determined in the PIM made, or to be made, to an Eligible Commune out of the proceeds of the Financing to finance a CDP Preparation Activity under Part A.1.(b) of the Project.

12. "CDP Preparation Grant Agreement" means the agreement, satisfactory to the Association, to be entered into between an Eligible Commune and an RCU for the purpose of financing CDP Preparation Activities under Part A.1.(b) of the Project.

13. "CDP-Subproject" means a subproject to be carried out by a Participating Commune as identified in its Annual Investment Plan and Communal Development Plan, financed, or proposed to be financed through a CDP-Subproject Grant under Part A.1.(a) of the Project; and "CDP-Subprojects" means more than one CDP-Subproject.

14. "CDP-Subproject Grant" means a grant made, or to be made, to a Participating Commune out of the proceeds of the Financing to finance a CDP-Subproject under Part A.1.(a) of the Project.

15. "CDP-Subproject Grant Agreement" means an agreement, satisfactory to the Association, to be entered into between a Participating Commune and a RCU for the purpose of financing CDP-Subprojects under Part A.1.(a) of the Project.


17. "Communal Development Plan" or "CDP" means the five-year development plan to be prepared by Eligible Communes and approved by their Municipal Councils and the Senior Divisional Officers pursuant to the Project Implementation Arrêté; and "CDPs" means more than one CDP.

18. "Commune" means a decentralized local council established and operating under the laws of the Recipient (Law No.74/23 dated December 5, 1974), relating to communal organization and any amendment thereto.

19. "Decentralization Charter" means the legal text defining the rules guiding the partnership between the administration and local government (Regions and Communes).

21. “Eligible Commune” means any Commune within the Recipient’s territory, eligible to implement CDP Preparation Activities under Part A.1.(b) of the Project, or to receive a CDP Performance Grant under Part A.1. of the Project; and “Eligible Communes” means more than one Eligible Commune.

22. “Environmental and Social Management Framework” or “ESMF” means the framework dated March 2017, disclosed in the Recipient’s territory and by the Association on March 26, 2015, as updated by ESMF dated February 2018, and disclosed by the Recipient and the Association on March 8, 2018, setting out modalities to be followed in assessing the potential adverse environmental and social impact associated with the Project activities, (including risks of gender-based violence and sexual exploitation and abuse) and the measures to be taken to offset, reduce or mitigate such adverse impacts (including measures designed to prevent gender-based violence and sexual exploitation and abuse); as well as for the preparation of environmental and social management plans, as such framework may be amended by the Recipient from time to time, with the prior written agreement of the Association.

23. “Environmental and Social Management Plan” and “ESMP” mean a plan, approved by the Association for the Project, to be prepared and adopted by the Recipient, as required by the ESMF, setting out appropriate actions, mitigation, monitoring and institutional measures (including measures designed to prevent gender-based violence and sexual exploitation and abuse) and policies designed to mitigate potential adverse environmental and social impacts, offset them, reduce them to acceptable levels or enhance positive impacts, and as such plan may be amended from time to time, with the prior written approval of the Association.

24. “Financial Management Manual” means the manual dated October 12, 2017, outlining the administrative, financial management and accounting arrangements for the implementation of the Project, as the same may be amended from time to time with the prior written consent of the Association, and such term includes any schedules to such manual.

26. “Grant” means a CDP Preparation Grant, CDP-Subproject Grant, CDP Performance Grant, or Poor and Vulnerable Investment Support Grant, as the case may be; and “Grants” means more than one Grant.

27. “Grant Agreement” means a CDP Preparation Grant Agreement, a CDP-Subproject Grant Agreement or a Poor and Vulnerable Investment Support Grant, as the case may be; and “Grant Agreements” means more than one Grant Agreement.

28. “Inter-Ministerial Committee on Local Services” means the committee established pursuant to the Recipient’s Decree establishing the Inter-Ministerial Committee on Local Services No.2008/014 of January 17, 2008.

29. “Indigenous Peoples Plan” and “IPP” mean the document adopted by the Recipient and disclosed in the Recipient’s territory and by the Association on March 26, 2015, defining specific measures to be implemented for indigenous minorities in order to protect them and to ensure that members of said minorities be granted equal legal, financial and organizational opportunities under the Program.


31. “MINATD” means the Recipient’s Ministry of Territorial Administration and Decentralization, and any successor thereto.

32. “MINFI” means the Recipient’s Ministry of Finance, or any successor thereto.

33. “Ministry of Economy, Planning, and Regional Development” and “MINEPAT” mean the Recipient’s ministry responsible for economy, planning and regional development and any successor thereto.

34. “Monitoring and Evaluation Manual” means the monitoring and evaluation manual which forms part of the PIM, outlining the monitoring and evaluation arrangements for the implementation of the Project, as the same may be amended from time to time with the prior written consent of the Association, and such term includes any schedules to such manual.


36. “National Coordination Unit” and “NCU” means the national coordination unit (Cellule Nationale de Coordination) established and operating pursuant to the Project Implementation Arrêté and referred to in Section I.A.3.(a) of Schedule 2 to this Agreement.
37. "National Council for Decentralization" means the Government entity responsible for coordinating and monitoring the implementation of the decentralization process in Cameroon.

38. "National Steering Committee" means the committee established and operating pursuant to the Project Implementation Arrêté and referred to in Section I.A.2. of Schedule 2 to this Agreement.

39. "Operating Costs" means the reasonable incremental operating costs incurred by NCU, RCUs under the Project, based on annual budgets satisfactory to the Association, on account of local contractual support staff salaries, employment benefits, travel expenditures and other travel-related allowances; equipment rental and maintenance; vehicle operation, maintenance and repair; office rental and maintenance, materials and supplies; and utilities, media information campaigns and communications’ expenses, but excluding the salaries of officials and public servants of the Recipient’s civil service.


41. "Original Project" means the Project described in Schedule 1 to the Original Financing Agreement.

42. "Participating Commune" means any Commune within the Recipient’s territory eligible to implement CDP Subprojects under Part A.1.(a) of the Project; and "Participating Communes" means more than one Participating Commune.


44. "Pest Management Plan" and "PMP" mean the document adopted by the Recipient and disclosed in the Recipient’s territory and at the Association’s Infoshop on March 26, 2015, defining specific measures to be implemented for the management of pesticides under the Project, as the said plan may be amended and/or supplemented from time to time with the prior written consent of the Association, and such term includes any schedules to such document.

45. "PNDP II" means the Community Development Support Project- Phase 2 financed by the Financing Agreement (Credit No. 4593-CM) between the Recipient and the Association, dated September 16, 2009.

46. "Poor and Vulnerable Investment Support Grant" means a grant in the amount determined in the PIM to be made to a Target Commune out of the proceeds of the Financing to finance a PVIS Subproject under Part A.2. of the Project.
47. “Poor and Vulnerable Investment Support Grant Agreement” means an agreement, satisfactory to the Association, to be entered into between a Target Commune and a RCU for the purpose of financing PVIS Subprojects under Part A.2. of the Project.


49. “Program” means the program designed, inter alia, to support the implementation of the Recipient’s rural development strategy and set forth or referred to in the letter dated January 14, 2004, from the Recipient to the Association.

50. “Project Implementation Arrêté” means the Recipient’s arrêté No.002/PM dated January 9, 2004, and revised on October 7, 2009, “Portant organisation du cadre institutionnel d’exécution du Programme National de Développement Participatif”, as amended in accordance with Section 4.01(b) of this Agreement.

51. “Project Implementation Manual” or “PIM” means the manual dated October 12 2017, to be updated in accordance with Section I.B.1 of Schedule 2 to this Agreement, including, an updated Financial Management Manual and Monitoring and Evaluation Manual, outlining: (a) implementation, organizational, disbursement, monitoring and procurement rules and procedures for the purposes of Project implementation; (b) a standard model form of CDP Preparation Grant Agreement, CDP Performance Agreement, CDP-Subproject Grant Agreement and Poor Vulnerable Investment Support Grant Agreement acceptable to the Association; (c) the eligibility criteria for CDP Subprojects and PVIS Subprojects, the provision of CDP Preparation Grants, CDP-Subproject Grants and Poor and Vulnerable Investment Support Grants; (d) the Annual Allocation on of each Commune for the duration of the Project; and (e) an annex setting forth the Simplified Communal Operational Manual; as the same may be amended from time to time with the prior written consent of the Association, and such term includes any schedules to such manual.

52. “PVIS Subproject” means a specific investment project to be carried out by a Target Commune under the criteria set forth in Section 1.F of Schedule 2 to this Agreement and financed, or proposed to be financed through a Poor and Vulnerable Investment Support Grant under Part A.2 of the Project; and “PVIS Subprojects” means more than one PVIS Subproject.

53. “Receveur Municipal” means communal accountant responsible for bookkeeping of accounts.
54. "Recipient’s Contributions" means an amount of approximately US$56 million to be provided by the Recipient as a contribution towards the implementation of the Project.

55. "Region" means a decentralized local government entity established and operating under the laws of the Recipient (Law No.96-06 of January 18, 1996), relating to regional organization and any amendment thereto; and “Regions” means more than one Region.

56. "Regional Coordination Unit" or “RCU” means each of the regional units established pursuant to the Project Implementation Arrêté and referred to in Section I.A.3(b) of Schedule 2 to this Agreement; and “Regional Coordination Units” or “RCUs” means more than one Regional Coordination Unit.

57. "Resettlement Action Plan" and “RAP” mean the plans approved by the Association for the Project, prepared by the Recipient on the basis of the RPF (as hereinafter defined) as the said document may be amended and/or supplemented from time to time with the prior written concurrence of the Association and subject to the initial consultation and disclosure requirements carried out in the RAP.

58. "Resettlement Policy Framework" and “RPF” mean the document dated March 2015, disclosed in the Recipient’s territory and by the Association on March 26, 2015, as updated by the RPF dated February, 2018, and disclosed by the Recipient and the Association on March 8, 2018, outlining the policies and procedures to be implemented in the event that specific activities implemented under the Project have potentially negative impacts on the livelihoods, assets and land of the affected population, as the said framework may be amended and/or supplemented from time to time with the prior written consent of the Association, and such term includes any schedules to such document.

59. “Safeguard Instruments” means the ESMF, the RPF, IPP, PMP, WMP and any Supplemental Safeguard Instruments.

60. “Senior Divisional Officer” means the Préfet of each of the Division (Départements) of the Recipient within which the Communes are located.

61. “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.

62. “Simplified Communal Operational Manual” means the specific operational manual for the Communes, as annexed to the PIM.
63. "Steering Committee on Refugees" means a high-level committee for coordination and monitoring of the refugees related activities, established pursuant to the Partnership Agreement.

64. "Supplemental Safeguard Instruments" means any ESMP, RAP or other supplemental social and environmental safeguard instruments as required under the terms of the ESMF or RPF.

65. "Target Commune" means any Commune within the Recipient’s Adamawa, North, Far North and East Regions eligible to implement PVIS Subprojects under Part A.2 of the Project; and “Target Communes” means more than one Target Commune.

66. "Technical Secretariat on Refugees" means the technical secretariat established pursuant to the Partnership Agreement to facilitate the Steering Committee.

67. "Tender Board" means the tender board established under the Project pursuant to Decree No.006/A/MINMAP on May 8, 2013, and to be revised in accordance with Section I.A.4. of Schedule 2 to this Agreement.

68. "Training" means the training of persons under the Project, including through seminars, workshops, knowledge sharing activities and study tours, and covers the following costs associated with such activity: travel and subsistence costs for training participants, costs associated with securing the services of trainers, rental of training facilities, preparation and reproduction of training materials, and other costs directly related to training preparation and implementation.