Global Environment Facility
Grant Agreement

(Market Led Smallholder Development in the Zambezi Valley Project)

between

REPUBLIC OF MOZAMBIQUE

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

acting as an Implementing Agency of the Global Environment Facility

Dated September 21, 2007
GLOBAL ENVIRONMENT FACILITY
GRANT AGREEMENT

AGREEMENT dated September 21, 2007, entered into between REPUBLIC OF MOZAMBIQUE ("Recipient"); and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("World Bank"), acting as an implementing agency of the Global Environment Facility ("GEF").

The Recipient and the World Bank hereby agree as follows:

Article I

Standard Conditions; Definitions

1.01. The Standard Conditions for Grants Made by the World Bank Out of Various Funds, dated July 20, 2006 ("Standard Conditions"), 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 Standard Conditions or in the Appendix to this Agreement.

Article II

The Project

2.01. The Recipient declares its commitment to the objectives of the project described in Schedule 1 to this Agreement (“Project”). To this end, the Recipient shall carry out the Project in accordance with the provisions of Article II of the Standard Conditions, and with the United Nations Convention to Combat Desertification (UNCCD, 1997), the Convention on Biological Diversity (CBD, 1995), the United Nations Framework Convention on Climate Change (UNFCCC, 1995) and the Stockholm Convention on Persistent Organic Pollutants (2005).

2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Recipient and the World Bank 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 III

The Grant

3.01. The World Bank agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a grant in an amount equal to six million two hundred thousand United States Dollars ($ 6,200,000) (“Grant”) to assist in financing the Project.

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

Article IV

Effectiveness; Termination

4.01. This Agreement shall not become effective until evidence satisfactory to the World Bank has been furnished to the World Bank that the conditions specified below have been satisfied, namely that:

(a) the execution and delivery of this Agreement on behalf of the Recipient have been duly authorized or ratified by all necessary governmental action; and

(b) the financial management system for the Project has been adjusted for the purpose of the Grant in a manner satisfactory to the World Bank.

4.02. As part of the evidence to be furnished pursuant to Section 4.01, there shall be furnished to the World Bank an opinion or opinions satisfactory to the World Bank of counsel acceptable to the World Bank or, if the World Bank so requests, a certificate satisfactory to the World Bank of a competent official of the Recipient, showing the following matters, namely that on behalf of the Recipient, that this Agreement has been duly authorized or ratified, and executed and delivered on its behalf and is legally binding upon it in accordance with its terms.

4.03. Except as the Recipient and the World Bank shall otherwise agree, this Agreement shall enter into effect on the date upon which the World Bank dispatches to the Recipient notice of its acceptance of the evidence required pursuant to Section 4.01 (“Effective Date”). If, before the Effective Date, any event has occurred which would have entitled the World Bank to suspend the right of the Recipient to make withdrawals from the Grant Account if the Grant Agreement had been effective, the World Bank may postpone the dispatch of the notice referred to in this sub-paragraph until such event (or events) has (or have) ceased to exist.
4.04.  *Termination for Failure to Become Effective.*  This Agreement and all obligations of the parties under it shall terminate if it has not entered into effect by the date 90 days after the date of this Agreement, unless the World Bank, after consideration of the reasons for the delay, establishes a later date for the purpose of this Section. The World Bank shall promptly notify the Recipient of such later date.

**Article V**

**Recipient’s Representative; Addresses**

5.01.  The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is the Minister of Planning and Development.

5.02.  The Recipient’s Address referred to in Section 7.01 of the Standard Conditions is:

Ministry of Planning and Development
Av. Ahmed S. Toure, 21 - 4o. floor
Maputo, Mozambique

Cable:  Telex:  Facsimile:
MOBANCO  (258) 21 492-268  (258) 21 492-625
Maputo

5.03.  The World Bank’s Address referred to in Section 7.01 of the Standard Conditions is:

International Bank for Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Cable:  Telex:  Facsimile:
INTBAFRAD  248423 (MCI) or 1-202-477-6391
Washington, D.C.  64145 (MCI)
AGREED at Maputo, Republic of Mozambique, as of the day and year first above written.

REPUBLIC OF MOZAMBIQUE

By /s/ Aiuba Cuereneia

Authorized Representative

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
As an Implementing Agency of the
Global Environment Facility

By /s/ Michael Baxter

Authorized Representative
SCHEDULE 1

Project Description

The objective of the Project is to increase the income of smallholder farmers in the Project Area.

The Project consists of the following Parts:

Part A: Community Based Organizations and Local Institutional Strengthening

(a) CBOs’ institutional capacity

Strengthening of CBO’s institutional capacity to:

(i) participate in District planning processes;

(ii) efficiently provide services to members;

(iii) identify, design and implement demand-driven Subprojects;

(iv) carry out participatory monitoring and evaluation activities; and

(v) reflect and carry out organizational change, including the formation of larger groups and higher level farmers’ associations, and networks.

(b) Rural financial services.

Facilitate access to rural financial services, including in the following areas:

(i) establishment of savings and loans groups; and

(ii) expansion of a financial institution’s activities into the Project Area to provide financial services to the SLGs and to other relevant Project Beneficiaries.

(c) District agricultural planning, coordination and management capacity.

Support District staff to carry out participatory planning process that respond to relevant Project Beneficiaries’ demands in the field of agriculture and related activities.

(d) Participatory land and natural resources planning

Support the District planning process towards the achievement of sustainable land and natural resources management in the Project Area.
Part B: Agricultural Production and Marketing Development

(a) **Agribusiness and market development:**

Support to relevant Project Beneficiaries to facilitate agribusiness and market development, including, but not limited to, the following areas:

(i) the design and implementation of out-grower partnerships;

(ii) the design and implementation of District market fora; and

(iii) the design and establishment of local market information and agribusiness services.

(b) **Agricultural extension services:**

Support to the District Agricultural Directorate in its provision of agricultural extension services, including, but not limited to, the following areas:

(i) appropriate facilities for extension staff, including housing and equipment; and

(ii) crop demonstrations and the preparation of communication materials.

(c) **Applied demand-led research, studies and training:**

Support to the District Agricultural Directorate in its design, implementation and monitoring of applied research, including, but not limited to, the following areas:

(i) improvement of agriculture and food supply chain linkages;

(ii) agricultural innovation; and

(iii) diversified cropping systems.

(d) **Sustainable management of land and natural resources:**

(i) Support to relevant Project Beneficiaries to investigate and implement sustainably managed agricultural and agro-forestry systems.

(ii) Support to Directorate of Agriculture Development in its provision of training for sustainable management of land and natural resources.
Part C: Community Agricultural and Environment Investment Fund

Support to eligible Project Beneficiaries in their endeavor to improve the efficient functioning of the value chains of agricultural produce, and the sustainable management of natural resources, including in the following areas:

(a) Agriculturally related infrastructure Subprojects, both for publicly and for community owned and maintained infrastructure;

(b) Small-scale agricultural investment Subprojects; and

(c) Subprojects addressing sustainable natural resources management.

Part D: Project Management, Coordination and Monitoring

Support to DNPDR at national and provincial levels, and the District administration, district level, to enable them to effectively carry out Project coordination; technical and financial management; procurement; and monitoring and evaluation, including, but not limited to, the following areas:

(a) capacity building of staff;

(b) undertaking the monitoring and evaluation for the Project, including external process monitoring, and impact evaluations;

(c) design and implementation of a monitoring and evaluation framework;

(d) carrying out of audits;

(e) design and implementation of a remote sensing and Geographical Information System (GIS) database to monitor local and global environmental indicators;

(f) the design and implementation of a community-based monitoring system linked to the GIS database; and

(g) design and implementation of communication strategies.
SCHEDULE 2

Project Execution

Section I. Institutional and Other Arrangements

1. The Recipient shall carry out the Project, under the overall:

(a) strategic direction of the following three institutions: the Inter-Ministerial Steering-Committee at the national level; the Provincial Steering Committees at the provincial level; and the District Consultative Councils at the district level; and

(b) responsibility for implementation and coordination of the following Implementing Institutions: the DNPDR of the MPD at the national level; the Rural Development Department of the MPD, supported by the FMA and the environmental advisor at the provincial level; and the District administration, supported by the DTT and the DF, at the District level;

all with due diligence and efficiency and in conformity with appropriate economic, administrative, financial, social and environmental standards and practices and shall provide, promptly as needed, the funds, facilities, services and other resources required for the Project.

2. The Recipient shall:

(a) maintain the DNPDR, and the District and Province administrations/Implementing Institutions, during Project implementation, with functions, staffing and resources satisfactory to the World Bank, in accordance with the Project Operations Manual; and

(b) cause the Implementing Institutions to carry out the daily facilitation, implementation, monitoring, evaluation and coordination of the Project at their respective level.

3. The Recipient shall:

(a) No later than December 31, 2009 carry out jointly with the World Bank, a Mid-Term Review of the progress made in carrying out the Project.

(b) No later than thirty days after the completion of the Mid-Term Review, start to implement the recommendations of the Mid-Term Review as agreed with the World Bank.

(c) The Mid-Term Review shall assess, inter alia: (i) the overall progress made during the implementation of the Project; and (ii) the results of the monitoring and evaluation activities.
4. The Recipient shall carry out the Project in accordance with the Project Operations Manual which includes, *inter alia*, the terms of reference and mandate of the Inter-Ministerial Steering Committee, the Provincial Steering Committees; and the District Consultative Councils,, and key staff to be recruited under the Project.

5. To be eligible for financing, a Subproject shall be:

(a) an investment activity, or related technical assistance, acceptable to the World Bank, initiated and identified by the relevant Project Beneficiary,

(b) appraised, implemented, monitored and evaluated in accordance with the conditions, criteria and procedures set forth in the OM;

(c) economically and technically viable, in accordance with the standards specified in the OM;

(d) in compliance with the standards set forth in the ESMF and the RPF; and

(e) satisfy any other requirements specified in the OM.

6. For each approved Subproject, the Recipient, through the relevant Implementing Institutions at Province and District levels, shall conclude a Subproject Agreement with the relevant Project Beneficiary, whereby the Recipient shall agree to provide to the Project Beneficiary, a Subproject Grant from the proceeds of the Grant, on terms and conditions satisfactory to the World Bank, including the eligibility terms and conditions set forth in Paragraph 5 of this Schedule, and the following additional terms and conditions:

(a) require the relevant Implementing Institutions at Province and District levels to ensure the execution of each Subproject by the relevant Project Beneficiary, with due diligence and efficiency and in accordance with sound technical, financial, managerial and social and environmental standards and practices and to maintain adequate records;

(b) require that the goods, works and services to be financed from the proceeds of the relevant Subproject Grant shall be procured in accordance with the provisions of this Agreement and used exclusively in carrying out the Subproject concerned;

(c) maintain the right to inspect by itself, or jointly with the World Bank, if the World Bank shall so request, the goods, works, sites and plants included in each Subproject, the operations thereof and any relevant records and documents;

(d) obtain from the Project Beneficiary and the relevant Implementing Unit(s), all such information as the World Bank shall reasonably request relating to the implementation of a Subproject, including the performance of the Project Beneficiary and/or relevant Implementing Unit(s) in executing the Subproject; and
(e) suspend or terminate the right of the Project Beneficiary and/or the relevant Implementing Unit(s) to the use of the proceeds of the Subproject Grant under the Project upon failure by such Project Beneficiary and/or relevant Implementing Unit(s) to perform its obligations under the Subproject Agreement.

7. The Recipient shall furnish to the World Bank for its approval, as soon as available, but in any case not later than July 31 of each year, the annual work plan and budget for the Project for each subsequent Recipient’s fiscal year following 2007, in form and substance satisfactory to the World Bank and of such scope and in such detail as the World Bank shall have reasonably requested. The annual work plan and budget for FY 2007 shall be furnished to the World Bank no later than 2 months after the Effective Date, whichever is earlier.

8. The Recipient shall ensure that: (a) the Project is implemented in accordance with the terms and conditions of the ESMF and the RPF; and (b) a screening procedure be carried out to determine if a resettlement plan is required for the implementation of any Subproject.

9. The Recipient shall ensure that two agricultural extension staff per administrative post be recruited, in the Second Phase Project Districts and Provinces by January 31, 2008.

10. The Recipient shall ensure that implementation of the Project shall start in the First Phase Project Districts and Provinces.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports; Completion Report

1. The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of the indicators set forth below in Schedule 3 to this Agreement. Each Project Report shall cover the period of one calendar quarter, and shall be furnished to the World Bank not later than forty five days after the end of the period covered by such report.

2. The Recipient shall prepare the Completion Report in accordance with the provisions of Section 2.06 of the Standard Conditions. The Completion Report shall be furnished to the World Bank not later than six months after the Closing Date.

B. Financial Management; Financial Reports; Audits

1. The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.
2. The Recipient shall ensure that interim unaudited financial reports for the Project are prepared and furnished to the World Bank as part of the Project Report not later than one month after the end of each calendar quarter, covering the quarter, in form and substance satisfactory to the World Bank.

3. The Recipient shall have its Financial Statements for the Project audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Each such audit of the Financial Statements shall cover the period of one fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the World Bank not later than six months after the end of such period.

Section III. Procurement

A. General

1. **Procurement and Consultant Guidelines.** All goods, works and services required for the Project and to be financed out of the proceeds of the Grant shall be procured in accordance with the requirements set forth or referred to in:

   (a) Sections I and IV of the “Guidelines: Selection and Employment of Consultants by World Bank Borrowers” published by the World Bank in May 2004 (“Consultant Guidelines”) in the case of consultants’ services; and

   (b) the provisions of this Section III, as the same shall be elaborated in the procurement plan prepared and updated from time to time by the Recipient for the Project in accordance with paragraph 1.16 of the Procurement Guidelines and paragraph 1.24 of the Consultant Guidelines (“Procurement Plan”).

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

B. Particular Methods of Procurement of Goods and Works

1. **International and National Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods and works shall be procured under contracts awarded on the basis of International Competitive Bidding, subject to the following additional procedures, namely domestic preference for locally manufactured goods shall be applied without limitation to the nationality of the goods’ manufacturer and foreign bidders shall not be excluded from participating in NCB.
2. **Other Methods of Procurement of Goods and Works.** The following methods, other than International and National Competitive Bidding, which may be used for procurement of goods and works for those contracts specified in the Procurement Plan: (a) Shopping; and (b) Community Participation procedures which have been found acceptable to the World Bank.

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 assignments which are specified in the Procurement Plan: (a) Selection based on Consultants’ Qualifications; (b) Least Cost Selection; (c) Single-source Selection; (d) Selection of Individual Consultants; and (e) Sole Source Procedures for the Selection of Individual Consultants.

D. **Review by the World Bank of Procurement Decisions**

1. Except as the World Bank shall otherwise determine by notice to the Recipient, the following contracts shall be subject to Prior Review by the World Bank: (a) each contract for goods or works estimated to cost the equivalent of $150,000 or more; and (b) each contract for consultants’ services provided by a firm, and each contract for individual consultants, estimated to cost the equivalent of $100,000 or more, and $50,000 or more, respectively. All other contracts shall be subject to Post Review by the World Bank.

Section IV. **Withdrawal of Grant Proceeds**

A. **General**

1. The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) Article III of the Standard Conditions, (b) this Section, and (c) such additional instructions as the World Bank may 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 World Bank 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 Grant (“Category”), the allocations of the amounts of the Grant 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 Grant Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, consultants’ services and training for Part A (d) of the Project</td>
<td>900,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Works, goods, consultants’ services, training and operating costs for Part B (d) of the Project</td>
<td>2,500,000</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Subproject Grants for:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) First Phase Districts and Provinces for Part C (c) of the Project;</td>
<td>700,000</td>
<td>100%</td>
</tr>
<tr>
<td>(b) Subproject Grants for Second Phase Districts and Provinces for Part C (c) of the Project;</td>
<td>900,000</td>
<td>100%</td>
</tr>
<tr>
<td>(c) Consultants’ Services for Part C (c) of the Project</td>
<td>300,000</td>
<td>100%</td>
</tr>
<tr>
<td>(4) Goods, consultants’ services, training and operating costs for Parts D (e), (f) and (g) of the Project</td>
<td>900,000</td>
<td>100%</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>6,200,000</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, except that withdrawals up to an aggregate amount not to exceed $100,000 equivalent may be made for payments made prior to this date but on or after April 1, 2007, for Eligible Expenditures; or

(b) with respect to Categories 3 (a) and 3 (b) of the Table under paragraph A.2 above to: (i) any Province or District, until the Recipient shall have ensured that the following staff have been recruited and are in place: (A) one accountant per Province; and (B) one accountant and one procurement officer per District; and (C) one regional procurement adviser; and (ii) any Project Beneficiary until the related Project Beneficiary shall have concluded a Subproject Agreement referred to in paragraph 6 of Section I of this Schedule.

2. The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is September 30, 2013.
# SCHEDULE 3

## Performance Indicators

<table>
<thead>
<tr>
<th></th>
<th>Mid-Term</th>
<th>Project Completion</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>30% average increase in agricultural income of participating Project Beneficiaries smallholder farmer households (compared with non-participating households (HHs).</strong></td>
<td>15%</td>
<td>30%</td>
</tr>
<tr>
<td><strong>Intermediate Outcome Indicators</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase in area with improved sustainable land management and natural resources management practices in Project Area by at least.</td>
<td>8000</td>
<td>20000</td>
</tr>
<tr>
<td>Cumulative number of Project Beneficiaries smallholder farmers’ groups active in at least one natural resource management Subproject supported by the CAEIF under Part C (c) of the Project described in Schedule 1 of this Agreement.</td>
<td>25</td>
<td>250</td>
</tr>
<tr>
<td>Predictive and Basin specific scenarios for land-use land cover change impacts over on hydrology (Flooding and drought) under changing rainfall and evapo-transpiration regimes.</td>
<td>2</td>
<td>4</td>
</tr>
</tbody>
</table>
APPENDIX

Section I. Definitions

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


c) “CBO” means community based organizations, including production, marketing and savings and loan groups.

d) “CAEIF” means Community Agricultural and Environmental Investment Fund.

e) “DF” means District Facilitator, referred to in paragraph 1 b), Section I of Schedule 2 of this Agreement.

f) “District” means the administrative unit of the Recipient’s Provinces (as hereinafter defined) participating in the implementation of the Project, or any successor administrative unit, satisfactory to the World Bank for the purposes of the execution of the Project and “Districts” means, collectively, all or more than one District, as appropriate.

g) “District Agriculture Directorate” means the entity within the District administration in charge of dealing with agriculture services and the administration of related natural resources.

h) “District Consultative Council” means a participatory entity encompassing community leaders, selected District public civil servants and representatives of the local private sector in charge of deliberation and decision-making regarding public investments at District level; and “District Consultative Council” means collectively all such councils.

i) “DNHDR” means the Recipient’s National Directorate for the Promotion of Rural Development.

j) “DTT” means District Technical Team, referred to in paragraph 1 b) Section I of Schedule 2 of this Agreement.

k) “ESMF” means Environmental and Social Management Framework, referred to in paragraph 8 of Section I of Schedule 2 of this Agreement, dated June 2006.

l) “Financing Agreement” means the credit agreement for the Project between the Recipient and the International Development Association, dated August 9, 2006.
as such financing agreement may be amended from time to time and includes all appendices and schedules to the Financing Agreement.

m) “First Phase Project Districts and Provinces” means the districts and provinces where Project implementation has started i.e. the Districts of Mutarara (Tete Province) and Morrumbala (Zambezia Province).

n) “FMA” means the field management technical assistant referred to in Section 4.01 c)(iv) of the Financing Agreement and 1(b) of Section I to this Agreement.

o) “FMS” means financial management system referred to in Section 4.01(b) of the Financing Agreement.

p) “Implementing Institutions” means the institutions responsible for Project implementation at district, provincial and national levels, referred to in Section I of Schedule 2 of this Agreement.

q) “Inter-Ministerial Steering Committee” means the committee, composed by technical representatives from the relevant ministries involved in the implementation of the Project, referred to in paragraph 1 a), Section I of Schedule 2 of this Agreement.

r) “OM” means Project Operations Manual, the manual to be used for Project implementation referred to in Section 4.01 a) of the Financing Agreement and related paragraphs of Schedule 2 of this Agreement.

s) “Operating Costs” means incremental expenses, which would not exist absent the Project, incurred by the Recipient on account of the Project implementation, management and monitoring, including maintenance of information system, office supplies, insurance for, and maintenance and operation of vehicles, travel and salaries of support staff, and travel of civil servants involved in Project supported activities, excluding salaries of civil servants.

t) “Procurement Guidelines” means the “Guidelines for Procurement under IBRD Loans and IDA Credits” published by the Bank in May 2004 and amended in October 2006.

u) “Procurement Plan” means the Recipient’s procurement plan for the Project, dated May 28, 2007 and referred to in paragraph 1.16 of the Procurement Guidelines and paragraph 1.24 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.

v) “Project Area” means the selected districts within the Recipient’s Zambezi Valley Region, as may be amended by agreement between the Recipient and the World Bank.
w) “Project Beneficiary” means smallholder farmers (individuals and groups) and other agriculture and food supply chain participants (including input supply providers, agro-processors, traders, agri-businesses), and district administrations, operating in the Project Area.

x) “Province” means an administrative unit division of the Recipient created under the Recipient’s Constitution of December 2004, participating in the implementation of the Project, and “Provinces” means, collectively, all or more than one Province, as appropriate.

y) “Provincial Steering Committee” means the committee with the mandate of guiding the strategic direction and coordination of the Project at provincial level, referred to in paragraph 1 a), Section I of Schedule 2 of this Agreement.

z) “RPF” means Resettlement Policy Framework referred to in paragraph 8 of Section I of Schedule 2 to this Agreement, dated April 7, 2006.

aa) “Second Phase Project Districts and Provinces” means the districts of Mopeia in Zambezia Province, Maringue and Chemba in Sofala Province, as may be amended by agreement between the Recipient and the World Bank.

bb) “Senior Financial Management Specialist” means the senior financial technical assistant referred to in Section 4.01 c) (i) of the Financing Agreement.

c) “Senior Procurement Specialist” means the senior procurement technical assistant referred to in Section 4.01 c) (ii) of the Financing Agreement.

dd) “SLG” means Savings and Loans Group and “SLGs” means, collectively, all such groups referred to in Schedule 1 to this Agreement.

e) “Subproject” means an investment and/or related technical assistance financed through Subproject Grants (as defined here below) under Part C of the Project, and which satisfies the criteria, terms and conditions set forth in the Project Operations Manual, and “Subprojects” means, collectively, all such subprojects.

ff) “Subproject Agreement” means the agreement to be entered into further to Section I 6 of Schedule 2 to this Agreement.

gg) “Subproject Grant” means the grant provided under the Part C of the Project for financing Subprojects and “Subproject Grants” means, collectively, all such grants.

hh) “Training” means programs financed under Project activities, including purchase of training materials, rental of training facilities, course fees, per diem and related travel costs.