Project Agreement

(Sustainable Management of Fish Resources Project)

between

INTERNATIONAL DEVELOPMENT ASSOCIATION

and

CREDIT MUTUEL DU SENEGAL

Dated September 30, 2009
PROJECT AGREEMENT

Agreement dated September 30, 2009, entered into between INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association") and Crédit Mutuel du Sénégal ("Project Implementing Entity") ("Project Agreement") in connection with the Financing Agreement ("Financing Agreement") of same date between the Republic of Senegal ("Recipient") and the Association, and the Global Environment Facility Grant Agreement between the Recipient and the International Bank for Reconstruction and Development, acting as an Implementing Agency (the "GEF Grant"). The Association and the Project Implementing Entity hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

1.01. The General Conditions (as defined in the Appendix to the Financing Agreement) constitute an integral part of this Agreement.

1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Financing Agreement or the General Conditions.

ARTICLE II — PROJECT

2.01. The Project Implementing Entity declares its commitment to the objectives of the Project. To this end, the Project Implementing Entity shall carry out Parts 3.1(iii) and 3.2(i) of the Project in accordance with the provisions of Article IV of the General Conditions, and shall provide promptly as needed, the funds, facilities, services and other resources required for its Respective Part of the Project.

2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Association and the Project Implementing Entity shall otherwise agree, the Project Implementing Entity shall carry out its Respective Part of the Project in accordance with the provisions of the Schedule to this Agreement.

ARTICLE III — TERMINATION

3.01. For purposes of Section 8.05 (c) of the General Conditions, the date on which the provisions of this Agreement shall terminate is twenty years after the date of this Agreement.
ARTICLE IV — REPRESENTATIVE; ADDRESSES

4.01. The Project Implementing Entity’s Representative is its Director General.

4.02. The Association’s Address is:

International Development Association
1818 H Street, NW
Washington, DC 20433
United States of America

Cable: INDEVAS Telex: 248423(MCI) Facsimile: 1-202-477-6391
Washington, D.C.

4.03. The Project Implementing Entity’s Address is:

Crédit Mutuel du Sénégal
Point E, Rue de Fatick (PE-17)
B.P. 28052
Dakar-Médina
Republic of Senegal

Facsimile:

221 33 869-4849
AGREED at Dakar, Republic of Senegal, as of the day and year first above written.

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ Habib M. Fetini
Authorized Representative

CREDIT MUTUEL DU SENEGAL

By /s/ Mamadou Touré
Authorized Representative
SCHEDULE

Execution of the Project Implementing Entity’s Respective Part of the Project

Section I. Implementation Arrangements

A. Institutional Arrangements

The Project Implementing Entity shall ensure that its Respective Part of the Project is carried out in accordance with the provisions of Schedule 2 of the Financing Agreement, the GEF Grant Agreement, the Project Operational Manual, the Administrative and Financial Manual and the Subsidiary Agreement.

B. Manuals

1. Unless the Association otherwise consents, the Project Implementing Entity shall ensure that the Project is carried out in accordance with the Project Operational Manual and the Administrative and Financial Manual, and, shall ensure that none of the provisions of such manuals are amended, abrogated or waived without the prior written approval of the Association.

2. In case of any conflict between the provisions of such manuals and the provisions of this Agreement or the Financing Agreement, the provisions of the Financing Agreement shall prevail.

C. Anti-Corruption

The Project Implementing Entity shall ensure that its Respective Part of the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

D. Safeguards

The Project Implementing Entity shall ensure that the Project is implemented in accordance with the provisions of the Environmental Assessment, Environmental and Social Management Framework, and the Process Framework in a manner satisfactory to the Association, and the Project Implementing Entity shall not amend or waive any provision of the aforementioned without the prior written agreement of the Association.

E. Sub-projects

1. Eligibility Criteria and Procedures for Micro-Credit Sub-projects under Parts 3.1(iii) and 3.2(i) of the Project.
Except as the Association may otherwise agree in writing, no proposed Micro-Credit Sub-project shall be eligible for financing under Parts 3.1(iii) and 3.2(i) of the Project unless the Micro-Finance Institution has reviewed and concluded, on the basis of an appraisal (including an environmental assessment for the Sub-project conducted in accordance with the ESMF), conducted by the Technical Support Institution and the relevant CLP in accordance with guidelines acceptable to the Association, that the proposed Micro-Credit Sub-project satisfies the eligibility criteria specified below, and such additional criteria as may be specified in the Project Operational Manual:

(a) the proposed Sub-project shall be prepared and implemented by a Micro-Credit Beneficiary, with assistance from the Technical Support Institution;

(b) the proposed Sub-project consists of specific development activities set forth in the Project Operational Manual; and

(c) if, on the basis of the environmental assessment conducted for the Micro-Credit Sub-project, an environmental management plan and/or resettlement plan are or is required, such plan or plans have been prepared pursuant to the ESMF and the Process Framework and have been approved by the Association.

2. Terms and Conditions of Sub-financing Agreements

(a) A Sub-Financing shall be made to the Beneficiaries under a Sub-financing Agreement signed between the Micro-Finance Institution and Micro-Credit Beneficiary for a Micro-Credit Sub-project, on terms and conditions satisfactory to the Association, including the following, whereby:

(i) the terms of the Sub-financing shall be described in the Project Operational Manual.

(ii) the Micro-Credit Beneficiary shall undertake to: (A) carry out the Sub-project with due diligence and efficiency and in accordance with sound environmental, social, engineering, financial, and managerial standards and practices, including in accordance with the provisions of the Anti-Corruption Guidelines applicable to recipients of Financing proceeds other than the Recipient; (B) maintain adequate records to reflect, in accordance with sound accounting practices, the resources, operations, and expenditures relating to the Sub-project; (C) procure the goods, works, and services to be financed out of the proceeds of the Sub-financing in accordance with the provisions of Section III of this Schedule, and use the same exclusively in the carrying out of the Sub-project; and
(iii) the Recipient shall obtain rights adequate to protect its interests and those of the Association, including the right to: (A) inspect by itself, or jointly with the Association, if the Association shall so request, the goods, works, sites, plants, and construction included in the Sub-project, the operations thereof, and any relevant records and documents; (B) obtain all information as it, or the Association, shall reasonably request regarding the administration, operation, and financial condition of Sub-project and the Beneficiary; and (C) suspend or terminate the right of any Beneficiary to use the proceeds of the Sub-financing upon failure by the Beneficiary to perform any of its obligations under the Sub-financing Agreement.

(b) The Recipient shall exercise its rights under the Sub-financing Agreement in such manner as to protect its interests and the interests of the Association and to achieve the Project’s objective, and, except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate, or waive the Sub-financing Agreement or any of its provisions.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

The Project Implementing Entity shall monitor and evaluate the progress of its Respective Part of the Project and prepare Project Reports for its Respective Part of the Project in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of the indicators set forth below in the Financing Agreement. Each such Project Report shall cover the period of one calendar semester, and shall be furnished to the Recipient not later than 30 days after the end of the period covered by such report for incorporation and forwarding by the Recipient to the Association of the overall Project Report.

B. Financial Management, Financial Reports and Audits

1. The Project Implementing Entity shall 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 and financial condition of the Project Implementing Entity, including the operations, resources and expenditures related to its Respective Part of the Project.

2. The Project Implementing Entity shall have its financial statements referred to above audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association. Each audit of these financial statements shall cover the period of one fiscal year of the Project Implementing Entity. The audited financial statements for each period shall be furnished to the Association not later than six months after the end of the period.
Section III. **Procurement**

All goods, works and services required for the Project Implementing Entity’s Respective Part of the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the provisions of Section III of Schedule 2 to the Financing Agreement.

Section IV. **Other Undertakings**

- No later than three (3) months after the Effective Date, the Project Implementing Entity has granted microfinancing to the target communities.

- The Project Implementing Entity will provide microfinance coverage to all of the Project’s target communities.

- The Project Implementing Entity will have continuing close and effective collaboration with the Technical Support Institution to ensure effective support for microfinance beneficiaries for the duration of the Project.