Financing Agreement

(Additional Financing for Community and Social Development Project)

between

FEDERAL REPUBLIC OF NIGERIA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated FEBRUARY 25, 2015
CREDIT NUMBER 5407-NG

FINANCING AGREEMENT

AGREEMENT dated FEBRUARY 25, 2015, entered into between FEDERAL REPUBLIC OF NIGERIA ("Recipient") and INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association") for the purpose of providing additional financing for activities related to the Original Project (as defined in the Appendix to this Agreement). The Recipient and the Association hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

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

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

ARTICLE II — FINANCING

2.01. The Association agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a credit in an amount equivalent to ninety-one million three hundred thousand Special Drawing Rights (SDR 91,300,000) (variously, “Credit” and “Financing”), to assist in financing the project described in Schedule 1 to this Agreement (“Project”).

2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section IV of Schedule 2 to this Agreement. The Recipient’s Representative for purposes of taking any action required or permitted to be taken pursuant to this Section is the director or deputy director, department of international economic relations, Federal Ministry of Finance.

2.03. The Maximum Commitment Charge Rate payable by the Recipient on the Unwithdrawn Financing Balance shall be one-half of one percent (1/2 of 1%) per annum.

2.04. The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.

2.05. The Interest Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to one and a quarter percent (1.25%) per annum.

2.06. The Payment Dates are March 1 and September 1 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 Dollar.

ARTICLE III — PROJECT

3.01. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall: (a) carry out Part A of the Project; and (b) cause the Participating States to carry out, within their respective jurisdictions, Parts B, C and D of the Project through their respective CSDAs, in accordance with the provisions of Article IV of the General Conditions.

3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Recipient and the Association shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

3.03. The Recipient shall deposit into FPSU Project Account an initial deposit in the amount of at least fifty million Naira (N50,000,000) and cause each Participating State to require its respective CSDA to: (a) deposit into its CSDA Project Account an initial amount of at least one hundred and fifty million Naira (N150,000,000); (b) replenish its CSDA Project Account by the first day of each calendar semester with an amount of at least twenty-five million Naira (N25,000,000); and (c) ensure that all funds deposited in its CSDA Project Account are used by each CSDA solely to defray the cost of expenditures related to the carrying out of its relevant activities under the Project.

ARTICLE IV — EFFECTIVENESS; TERMINATION

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

(a) at least one Subsidiary Agreement has been executed on behalf of the Recipient and one Participating State, in form and substance satisfactory to the Association; and

(b) the Recipient, through the Federal Ministry of Finance, has restructured the Federal Project Support Unit, in form and substance satisfactory to the Association.

4.02. The Additional Legal Matter consists of the following, namely, that the Subsidiary Agreement has been duly authorized or ratified by the Recipient and one Participating State and is legally binding upon the Recipient and that Participating State in accordance with its terms.
4.03. The Effectiveness Deadline is the date one hundred and twenty (120) days after the date of this Agreement.

4.04. For purposes of Section 8.05(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 years after the date of this Agreement.

ARTICLE V — REPRESENTATIVE; ADDRESSES

5.01. Except as provided in Section 2.02 of this Agreement, the Recipient’s Representative is its minister responsible for finance.

5.02. The Recipient’s Address is:

The Honorable Minister
Federal Ministry of Finance
Ahmadu Bello Way
Abuja, Nigeria

Facsimile:

234-9-6273609

5.03. The Association’s Address is:

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

Cable: Telex: Facsimile:

INDEVAS 248423 (MCI) 1-202-477-6391
Washington, D.C.
AGREED at Abuya, Nigeria, as of the day and year first above written.

FEDERAL REPUBLIC OF NIGERIA

By

Dr. Ngozi Okonjo-Iweala

Authorized Representative

Name: Dr. Ngozi Okonjo-Iweala

Title: Minister of Finance

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Marie Francoise Marie-Nelly

Authorized Representative

Name: Marie Francoise Marie-Nelly

Title: Country Director
SCHEDULE 1

Project Description

The objective of the Project is to increase access by the poor to improved social and natural resource infrastructure services in a sustainable manner throughout the Recipient’s territory.

The Project consists of the following parts:

Part A. Overall Project Support and Coordination

1. Provision of technical support and advisory services to CSDAs in Participating States to enhance their operational and managerial capacity in relevant fields, including procurement, financial management, gender, environment, and community-driven development techniques.

2. Support for establishment of adequate monitoring and evaluation systems and management information systems in the Participating States.

3. Formulation of appropriate policies aimed at fostering and sustaining the agenda for poverty reduction, advancing social protection programs, and disseminating community-driven development approaches throughout the Recipient’s territory.

Part B. Capacity Building and Partnerships Development in State Ministries, LGAs and Communities

1. Provision of technical advisory services and capacity building to selected State Ministries, LGAs and community groups to strengthen their administrative and managerial capacity as required to foster adequate development partnerships between State Ministries, LGAs and the communities within their respective jurisdictions.

2. Provision of training to enhance the expertise of relevant staff of the Participating States and community development workers involved in the execution of any Part of the Project.

3. Acquisition of equipment, materials and supplies required for the Project.

Part C. Community-Driven Investments Facility

Provision of grant support to Beneficiaries for implementation of community-driven micro-projects under approved Community Development Plans.
Part D. **Vulnerable Groups Investments Facility**

Provision of grant support to selected Vulnerable Groups in the community for implementation of welfare enhancing micro-projects in approved VG Plans.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. Federal Project Support Unit

   (a) The Recipient shall maintain FPSU within FMF, at all times during the Project implementation period, with qualified and experienced staff in adequate numbers. To this end, the Recipient shall retain within the FPSU a national coordinator, three accountants, a procurement specialist, an operations specialist and a gender and Vulnerable Groups specialist with qualifications, experience and terms of reference satisfactory to the Association.

   (b) FPSU shall be responsible for: (i) providing overall strategic guidance for Project implementation; (ii) preparing annual work programs and budgets for review and approval by the Association; (iii) ensuring that agreed performance targets and timelines for activities under the different components are met; and (iv) ensuring effective Project implementation and proactively addressing critical issues that could hinder Project implementation.

2. Federal Project Financial Management Division

   (a) The Recipient shall dedicate and retain throughout the implementation of the Project staff from the internal audit unit of the FPFMD, in adequate numbers and with qualifications and terms of reference satisfactory to the Association, to perform internal audit functions for the purposes of Part A of the Project including, but not limited to the application and reliability of managerial, financial, operational and budgetary controls.

   (b) The Recipient shall dedicate and retain throughout the implementation of the Project staff from the internal audit unit of the Project Financial Management Unit, in adequate numbers and with qualifications and terms of reference satisfactory to the Association, to support internal audit functions for the purposes of Part B, C & D of the Project including, but not limited to the application and reliability of managerial, financial, operational and budgetary controls.

3. The Recipient shall cause each Participating State to maintain, at all times during the Project implementation period, a CSDA under relevant legislation or administrative action acceptable to the Association providing, *inter alia*, the
participation of representatives from civil society as rightful members of the Board of each CSDA.

4. The Recipient shall cause each Participating State to maintain, at all times during the Project implementation period a LGRC within each LGA with membership, functions and responsibilities acceptable to the Association.

5. The Recipient shall cause the Participating States to require CSDAs within their respective jurisdictions to: (a) coordinate the carrying out of activities pertaining to Parts B, C and D of the Project; (b) prepare progress reports related to execution of Parts B, C and D of the Project; (c) prepare annual work programs and budgets for review and approval by the Association; and (d) cooperate with the Office of the State Accountant General as provided for in the PIM with a view to enhancing transparency and efficiency in all relevant aspects pertaining to accountability and fiduciary responsibility with regard to financial management for the execution of Parts B, C and D of the Project.

6. The Recipient shall carry out the Project (and cause each Participating State to carry out the Project) all in accordance with the PIM, the ESMF, and the RPF, and shall not amend or waive any provision of any of these documents, without the prior written approval of the Association.

B. Subsidiary Agreement

1. To facilitate the carrying out of the Project, the Recipient shall make the proceeds of the Financing allocated from time to time to Categories 2, 3 and 4 of the table set forth in Section IV.A.2 of this Schedule available to each Participating State under a subsidiary agreement between the Recipient and each Participating State, under terms and conditions approved by the Association ("Subsidiary Agreement").

2. The Recipient shall exercise its rights under the Subsidiary Agreement in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive the Subsidiary Agreement or any of its provisions.

C. Grants

1. The Recipient shall cause each Participating State to provide Grants to Beneficiaries through its CSDA in accordance with the eligibility criteria and the terms and conditions set forth in the PIM and a Grant Agreement to be entered into between its CSDA and the Beneficiary, which shall include the following:
(a) The CSDA shall obtain rights adequate to protect its interests and the interests of the Participating State and those of the Recipient and the Association, including the right to suspend or terminate the right of the Beneficiary to use the proceeds of the Grant and obtain a refund of all or any part of the amount of the Grant then withdrawn, upon the Beneficiary’s failure to perform any of its obligations under the Grant Agreement.

(b) The CSDA shall require each Beneficiary to: (i) carry out Project activities with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices, satisfactory to the Association; (ii) provide, promptly as needed, the resources required for the purpose; (iii) procure the goods, works and services to be financed out of the Grant in accordance with the provisions of this Agreement; and (iv) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the Association, the progress of the Project activities and the achievement of its objectives.

(c) The Participating State shall require each Beneficiary to: (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 Project activities; (ii) at the Association’s or the Recipient’s request, have such financial statements audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association, and promptly furnish the statements as so audited to the Recipient and the Association; (iii) enable the Recipient and the Association to inspect the Project activities, its operation and any relevant records and documents; and (iv) prepare and furnish to the Recipient and the Association all such information as the Recipient or the Association shall reasonably request relating to the foregoing.

2. The Recipient shall cause each Participating State, acting through its CSDA, to exercise its rights under each Grant Agreement in such manner as to protect its interests and the interests of the Recipient and the Association and to accomplish the purposes of the Financing. Except as the Recipient and Association shall otherwise agree, the Participating State shall not assign, amend, abrogate or waive any Grant Agreement or any of its provisions.

D. Anti-Corruption

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

1. The Recipient shall ensure that the Project is carried out in accordance with the provisions of the ESMF, the RPF and any other Safeguard Document prepared or to be prepared by the Recipient in accordance with sub-paragraph 2 below.

2. Whenever a Safeguard Document shall be required for any proposed Project activity in accordance with the provisions of the ESMF and/or the RPF, the Recipient shall:

(a) prior to the commencement of such activity, proceed to have such Safeguard Document: (i) prepared in accordance with the provisions of the ESMF and the RPF, as the case may be; (ii) furnished to the Association for review and approval; and (iii) thereafter adopted and disclosed as approved by the Association, in a manner acceptable to the Association;

(b) thereafter take such measures as shall be necessary or appropriate to ensure compliance with the requirements of such Safeguard Document; and

(c) in the case of any resettlement activity under the Project involving Affected Persons, ensure that no displacement (including restriction of access to legally designated parks and protected areas) shall occur before necessary resettlement measures consistent with the relevant RAP have been executed, including, in the case of displacement, full payment to Affected Persons of compensation and of other assistance required for relocation, prior to displacement.

3. The Recipient shall not amend, abrogate or waive, or permit to be amended, abrogated or waived, the ESMF, the RPF and any Safeguard Document adopted or to be adopted in accordance with the provisions of paragraph 2 of this Part E, unless the Association has provided its prior approval thereof in writing, and the Recipient has complied with the same consultation and disclosure requirements as applicable to the original adoption of the said instruments.

4. Without limitation on its other reporting obligations under this Agreement, the Recipient shall collect, compile and submit to the Association each calendar semester (or at such other frequency as may be agreed with the Association) consolidated reports on the status of compliance with the ESMF, RPF and the Safeguard Documents, as applicable, giving details of: (a) measures taken in furtherance of the said instruments; (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of the said measures; and (c) remedial measures taken or required to be taken to address such conditions.
F. Vulnerable Groups Investments

In order to ensure the proper implementation of Part D of the Project the Recipient shall take the following measures.

1. The Recipient shall:

(a) no later than nine (9) months after Effective Date, prepare and furnish to the Association for its review and approval, an operations manual which shall set forth detailed implementation arrangements for Part D of the Project, including: (i) eligibility criteria for identifying Vulnerable Groups and their members; (ii) specific activities which may be included in Part D and VG Expenditures required therefor and any procedures for such inclusion; (iii) disbursement procedures, procurement methods and procedures, and financial management arrangements; (iv) arrangements for environmental and social monitoring and mitigation (including grievance and redress mechanism); (v) the supervision, monitoring and evaluation procedures (including the indicators to be used in the monitoring and evaluation); (vi) guidelines for the preparation of VG Plans and micro-projects cycle; and (vii) any other arrangements necessary to ensure proper coordination, management and implementation of the Part D of the Project;

(b) afford the Association a reasonable opportunity to review said proposed operations manual;

(c) promptly adopt such operations manual for Part D of the Project as shall have been approved by the Association ("VG Manual");

(d) not amend, suspend, abrogate, repeal or waive any provision of the VG Manual without prior written approval by the Association.

2. The Recipient shall ensure that Part D of the Project is carried out in accordance with the VG Manual provided, however, that in the event of any inconsistency between the provisions of the VG Manual and this Agreement, the provisions of this Agreement shall prevail.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

The Recipient shall cause each Participating State, acting through its CSDA, to monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on
the basis of indicators acceptable to the Association. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the Association not later than forty-five (45) days after the end of the period covered by such report.

B. Financial Management, Financial Reports and Audits

1. The Recipient shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 4.09 of the General Conditions.

2. Without limitation on the provisions of Part A of this Section, the Recipient shall cause each Participating State to prepare and furnish to the Association not later than thirty (30) days after the end of each calendar quarter, interim unaudited financial report for the Project covering the quarter, in form and substance satisfactory to the Association. The Recipient shall consolidate the same and submit them to the Association not later than forty-five (45) days after the end of each calendar quarters.

3. The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 4.09(b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the Association not later than six (6) months after the end of such period.

Section III. Procurement

A. General

1. Goods, Works and Non-consulting Services. All goods, works and non-consulting services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Section.

2. Consultants' Services. All consultants’ services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines, and with the provisions of this Section.

3. Definitions. The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Association of particular contracts, refer to the corresponding method described in the Procurement Guidelines, or Consultant Guidelines, as the case may be.
B. Particular Methods of Procurement of Goods, Works and Non-consulting Services

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

2. **Other Methods of Procurement of Goods, Works and Non-consulting Services.** The following table specifies the methods of procurement, other than International Competitive Bidding, which may be used for goods, works and non-consulting services. The Procurement Plan shall specify the circumstances under which such methods may be used:

<table>
<thead>
<tr>
<th>Procurement Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) National Competitive Bidding</td>
</tr>
<tr>
<td>(b) Shopping</td>
</tr>
<tr>
<td>(c) Community Participation procedures which have been found acceptable to the Association</td>
</tr>
<tr>
<td>(d) Limited International Bidding</td>
</tr>
<tr>
<td>(e) Procurement under Framework Agreements in accordance with procedures which have been found acceptable to the Association</td>
</tr>
<tr>
<td>(f) Direct Contracting</td>
</tr>
<tr>
<td>(g) Well-established Private Sector Procurement Methods or Commercial Practices which have been found acceptable to the Association</td>
</tr>
</tbody>
</table>

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 table specifies methods of procurement, other than Quality and Cost-based Selection, which may be used for consultants’ services. The Procurement Plan shall specify the circumstances under which such methods may be used.
**Procurement Method**

(a) Selection based on Consultants' Qualifications

(b) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants

(c) Least Cost Selection

(d) Single-source procedures for the Selection of Individual Consultants

(e) Quality-based Selection

(f) Single-source Selection of consulting firms

(g) Selection under a Fixed Budget

(h) Well-established Private Sector Procurement Methods or Commercial Practices which have been found acceptable to the Association

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**D. Review by the Association of Procurement Decisions**

The Procurement Plan shall set forth those contracts which shall be subject to the Association's Prior Review. All other contracts shall be subject to Post Review by the Association.

**Section IV. Withdrawal of the Proceeds of the Financing**

**A. General**

1. The Recipient may withdraw the proceeds of the Financing in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Association shall specify by notice to the Recipient (including the “World Bank Disbursement Guidelines for Projects” dated May 2006, as revised from time to time by the Association and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.

2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Financing (“Category”), the allocations of the amounts of the Financing to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:
## Percentage of Expenditures

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Credit Allocated (expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, non-consulting services, consultants’ services, Operating Costs and Training under Part A of the Project</td>
<td>3,800,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Goods, works, non-consulting services, consultants’ services, Operating Costs and Training under Parts B, C and D of the Project</td>
<td>18,000,000</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Grants under Part C of the Project</td>
<td>43,500,000</td>
<td>100% of amounts disbursed</td>
</tr>
<tr>
<td>(4) VG Expenditures under Part D of the Project</td>
<td>26,000,000</td>
<td>100% of amounts disbursed</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>91,300,000</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;

(b) for payments under any Category to be made with respect to any Participating State until the Recipient has furnished to the Association evidence satisfactory to the Association that: (A) the concerned Participating State has duly established its CSDA and has recruited staff into its CSDA in form and substance satisfactory to the Association; (B) the concerned Participating State has deposited in the CSDA Project Account an initial deposit in the amount of at least one hundred and fifty million Naira (N150,000,000); (C) the concerned Participating State has
adopted the PIM; and (D) the Recipient has concluded a Subsidiary Agreement with the concerned Participating State under terms and conditions satisfactory to the Association;

(c) for payments under Category (4) unless and until the Recipient has adopted the VG Manual in the form, substance and manner satisfactory to the Association; and

(d) for payments under Category (1) until the Recipient has furnished to the Association evidence satisfactory to the Association that it has deposited in the FPSU Project Account an initial deposit in the amount of at least fifty million Naira (N50,000,000).

2. The Closing Date is December 31, 2017.

Section V. Amendments to the Original Financing Agreement

1. Schedule I to the Original Financing Agreement is deleted and replaced by Schedule 1 to this Agreement.

2. Section II.A of Schedule 2 to the Original Financing Agreement is deleted and replaced by the following clause:

“The Recipient shall cause each Participating State, acting through its CSDA, to monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of indicators acceptable to the Association. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the Association not later than forty-five (45) days after the end of the period covered by such report.”
### 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 September 1 and March 1:</td>
<td></td>
</tr>
<tr>
<td>commencing September 1, 2019, to and including March 1, 2029</td>
<td>1.65%</td>
</tr>
<tr>
<td>commencing September 1, 2029, to and including March 1, 2039</td>
<td>3.35%</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 3.03(b) of the General Conditions.
APPENDIX

Section I. Definitions

1. “Affected Persons” means any person who, on account of the execution of the Project, has experienced or would experience direct economic and social impacts caused by: (a) the involuntary taking of land, resulting in: (i) relocation or loss of shelter; (ii) loss of assets or access to assets; or (iii) loss of income sources or means of livelihood, whether or not such person must move to another location; or (b) the involuntary restriction or access to legally designated parks and protected areas, resulting in adverse impacts on the livelihood of such person.


3. “Beneficiary” means a community in any Participating State which has met the Grant eligibility criteria as set out in the PIM and as a result, has received, or is entitled to receive a Grant.

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

5. “CDP” means the community development plan required among the eligibility criteria to be met by each Beneficiary for the purposes of Part C of the Project.

6. “CSDA” or “Community and Social Development Agency” means the agency established by, and operating pursuant to enabling legislation acceptable to the Association, enacted by any Participating State, which shall be entrusted with the responsibility to carry out Parts B, C and D the Project within the jurisdiction of the concerned Participating State and “CSDAs” means all of these agencies collectively.


8. “ESIA” or “Environmental and Social Impact Assessment” means an environmental and social impact assessment prepared by the Recipient in accordance with the ESMF pursuant to Section I.E of Schedule 2 to this Agreement, and “ESIAs” means, collectively, all such assessments.

9. “ESMF” means the Recipient’s environmental and social management framework document dated February 1, 2014, and disclosed on infoshop on February 19, 2014, setting forth the modalities for environmental screening and
procedures/actions for the preparation and implementation of environmental and social assessments and management plans under the Project and such term includes any schedule and/or annex to said framework.

10. “ESMP” means, for a given Project activity, an environmental and social management plan prepared by the Recipient in accordance with the ESMF pursuant to Section I.E of Schedule 2 to this Agreement; and “ESMPs” means, collectively, all such plans.

11. “Fiscal Year” means the Recipient’s fiscal year commencing January 1 and ending December 31 in each year.

12. “Federal Ministry of Finance” or “FMF” means the Recipient’s ministry responsible for finance and any successor thereto.

13. “Federal Project Support Unit” or “FPSU” means the unit to be maintained by the Recipient in accordance with the provisions of Section I.A.1 of Schedule 2 to this Agreement.

14. “FPFMD” means the federal project financial management division of the Recipient’s Office of the Accountant General, and any successor thereto.

15. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 31, 2010, with the modifications set forth in Section II of this Appendix.

16. “Grant” means a grant to be made out of the proceeds of the Financing to a Beneficiary.

17. “Grant Agreement” means an agreement, satisfactory to the Association, entered into between a Beneficiary and a Participating State through its CSDA for the provision of a Grant.

18. “LGA” means a local government authority established and operating in the territory of each Participating State pursuant to the laws of the Recipient; and “LGAs” means, collectively, all such local government authorities.

19. “LGRC” means local government review committee, an institutional mechanism designed to establish and nurture a partnership relationship between the LGA and the communities as further detailed in the PIM.

20. “Original Financing Agreement” means the financing agreement for Community and Social Development Project between the Recipient and the Association, dated November 24, 2008, as amended to the date of this Agreement (Credit No. 4496-NG).
21. "Original Project" means the Project described in the Original Financing Agreement.

22. "Operating Costs" means the incremental expenses incurred by the Recipient and the Participating States, based on amounts and budgets approved by the Association, on account of Project implementation, management, and monitoring, including office space rental and utilities, office supplies, bank charges, communications, vehicle operation and maintenance, insurance cost, building and equipment maintenance, travel, supervision, advertising expenses, and salaries of selected support staff, but excluding salaries of consultants and salaries of officials of the Recipient's and Participating States' civil service.

23. "Participating State" means any of the Recipient's States which has entered into a Subsidiary Agreement with the Recipient in accordance with the provision of Section 1.B of Schedule 2 to this Agreement.


25. "Procurement Plan" means the Recipient's procurement plan for the Project, dated February 25, 2014, and referred to in paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.

26. "Project Implementation Manual" or "PIM" means the manual dated March 2011 and adopted by the Recipient, outlining the institutional and operational arrangements for the implementation of the Project, including, inter alia, the monitoring and evaluation arrangements, the grant eligibility criteria for the selection of CDPs and community-driven micro-projects to be supported under Part C of the Project, eligibility criteria for cash transfers under Part D of the Project, and guidelines including environmental safeguard, to be followed in Project implementation, as the same may be amended from time to time with the prior written concurrence of the Association, and such term includes any schedules to the PIM.

27. "RAP" means the resettlement action plan, in form and substance satisfactory to the Association, prepared or to be prepared by the Recipient on the basis of the RPF, and giving details of the specific actions, measures and policies designed to facilitate the achievement of the objectives of the RPF, along with procedural and institutional measures needed to implement such actions, measures and policies.

28. "Resettlement Policy Framework" or "RPF" means the Recipient's resettlement policy framework document dated February 1, 2014, and disclosed on infoshop on February 19, 2014, setting forth the modalities for the compensation,
resettlement and rehabilitation of Affected Persons, acceptable to the Association and such term includes any schedules and/or annexes to said framework.

29. "Safeguard Documents" means collectively or individually the ESMPs, ESIAAs and the RAPs prepared in connection with the Project, if any.

30. "Subsidiary Agreement" means each of the agreements referred to in Section I.B of Schedule 2 to this Agreement pursuant to which the Recipient shall make part of the proceeds of the Financing available to each Participating State, as the same may be amended from time to time with the prior written consent of the Association, and such term includes all schedules to such Subsidiary Agreement.

31. "Training" means the reasonable costs of goods and services required for the participation of personnel involved in training activities, workshops and study tours under the Project, including travel and subsistence costs for training, workshop and study tour participants, costs associated with securing the services of trainers, rental of training and workshop facilities, preparation and reproduction of training and workshop materials, and other costs directly related to training course, workshop or study tour preparation and implementation, but excluding salaries of consultants.

32. "VG Expenditures" means any of the Eligible Expenditures set forth in the VG Manual in accordance with the provisions of Section I.F of Schedule 2 to this Agreement and required for the activities included in the Part D of the Project.

33. "VG Manual" means the manual, which forms part of the Project Implementation Manual, referred to in Section I.F of Schedule 2 to this Agreement, to be adopted by the Recipient for the Part D of the Project in accordance with the provisions of said Section.

34. "VG Plan" means the plan required among the eligibility criteria to be met by each Vulnerable Group for the purposes of Part D of the Project, and "VG Plans" means, collectively, all such plans.

35. "Vulnerable Group" means an extremely poor, and therefore vulnerable, group in the community (including the internally displaced, widows, people with physical disabilities) that is eligible to receive grants for implementing micro-projects under the Part D of the Project; and "Vulnerable Groups" means, collectively, all such groups.
Section II. Modifications to the General Conditions

The modifications to the General Conditions are as follows:

1. Section 3.02 is modified to read as follows:

   "Section 3.02. Service Charge and Interest Charge

   (a) Service Charge. The Recipient shall pay the Association a service charge on the Withdrawn Credit Balance at the rate specified in the Financing Agreement. The Service Charge shall accrue from the respective dates on which amounts of the Credit are withdrawn and shall be payable semi-annually in arrears on each Payment Date. Service Charges shall be computed on the basis of a 360-day year of twelve 30-day months.

   (b) Interest Charge. The Recipient shall pay the Association interest on the Withdrawn Credit Balance at the rate specified in the Financing Agreement. Interest shall accrue from the respective dates on which amounts of the Credit are withdrawn and shall be payable semi-annually in arrears on each Payment Date. Interest shall be computed on the basis of a 360-day year of twelve 30-day months."

2. Paragraph 28 of the Appendix ("Financing Payment") is modified by inserting the words "the Interest Charge" between the words "the Service Charge" and "the Commitment Charge".

3. The Appendix is modified by inserting a new paragraph 32 with the following definition of "Interest Charge", and renumbering the remaining paragraphs accordingly:

   "32. "Interest Charge" means the interest charge specified in the Financing Agreement for the purpose of Section 3.02(b)."

4. Renumbered paragraph 37 (originally paragraph 36) of the Appendix ("Payment Date") is modified by inserting the words "Interest Charges" between the words "Service Charges" and "Commitment Charges".

5. Renumbered paragraph 50 (originally paragraph 49) of the Appendix ("Service Charge") is modified by replacing the reference to Section 3.02 with Section 3.02(a).