Financing Agreement

Second Nutrition Enhancement Project

between

REPUBLIC OF SENEGAL

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated December 5, 2006
FINANCING AGREEMENT

AGREEMENT dated December 5, 2006, between the REPUBLIC OF SENEGAL ("Recipient") and the INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association"). The Recipient and the Association hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

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

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

ARTICLE II — FINANCING

WHEREAS:

(A) the Association has received a letter, dated January 25, 2002 and updated in June 2006, from the Recipient describing a program of actions, objectives and policies designed to improve the nutritional status of the most vulnerable groups of the Recipient’s population (referred to as the Program), and declaring the Recipient’s commitment to the execution of the Program;

(B) the Recipient has requested that the Association support its execution of the Program through a series of Credits over a period of 10 years, the proceeds of such Credits to be utilized by the Recipient for implementing the Program;

(C) the Recipient, having satisfied itself as to the feasibility and priority of the Project described in Schedule 1 to this Agreement, which constitutes the second phase of the Program, has requested the Association to assist in the financing of the Project; and
the Recipient and the Association have entered into a Development Credit Agreement dated March 22, 2002 under which the Association has provided an amount equivalent to SDR 11,800,000, in support of the first phase of the Program (the First Credit).

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 ten million one hundred thousand Special Drawing Rights (SDR 10,100,000) (“Credit”) 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.

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 Payment Dates are January 15 and July 15, in each year.

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

2.07. The Payment Currency is the Euro.

ARTICLE III — PROJECT

3.01. The Recipient declares its commitment to the objectives of the Project and the Program. To this end, the Recipient shall carry out the Project 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.
ARTICLE IV — REMEDIES OF THE ASSOCIATION

4.01. The Additional Event of Suspension consists of the following, namely, that a situation has arisen which shall make it improbable that the Program or a significant part thereof will be carried out.

4.02. The Additional Event of Acceleration consists of the following, namely, that the event specified in Section 4.01 of this Agreement occurs and is continuing for a period of 60 days after notice of the event has been given by the Association to the Recipient.

ARTICLE V — EFFECTIVENESS; TERMINATION

5.01. The Additional Conditions of Effectiveness consist of the following, namely that the Recipient has updated the Project Implementation Manual in form and substance acceptable to the Association.

5.02. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.
ARTICLE VI — REPRESENTATIVE; ADDRESSES

6.01. The Recipient’s Representative is the Minister of the Recipient at the time responsible for finance.

6.02. The Recipient’s Address is:

Minister of Economy and Finance
Ministry of Economy and Finance
Rue René N’Diaye
B.P. 4017
Dakar
Senegal

Cable:       Telex:
              MINIFINANCES  3203 G
              Dakar

6.03. 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) or 1-202-477-6391
Washington, D.C. 64145 (MCI)
AGREED in the District of Columbia, United States of America, as of the day and year first above written.

REPUBLIC OF SENEGAL

By:       /s/ Amadou Lamine Ba
Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By:       /s/ Madani M. Tall
Authorized Representative
SCHEDULE 1

Project Description

The objective of the Project is to improve nutritional conditions of vulnerable populations, in particular children under five years of age in poor urban and rural areas.

The Project constitutes the second phase of the Program, and consists of the following parts:

Part 1: Community-based Nutrition

(a) Community-based growth monitoring and promotion of c-IMCI

Promotion of community-based ICMI and monitoring of growth through:

(i) carrying out of monthly evaluation of growth of children under two years of age with counseling feedback to mothers, home visits to children requiring special attention, and cooking demonstrations; and

(ii) promotion of recommended infant and young child feeding practices, disease preventive measures, particularly malaria prevention, by distribution of impregnated bed nets and promotion of their use by children and pregnant women, home-based care, recognition of danger signs and timely care-seeking for sick children.

(b) Micronutrients

Promotion of micronutrients through:

(i) dissemination of information on dietary diversification, vitamin supplements, fortified foods such as iodized salt, and de-worming medication;

(ii) referral of children at risk to health centers; and

(iii) support for the intake of iron supplements by pregnant and post-partum women.
Part 2: Multi-sectoral Support for Nutrition

Enhancing multi-sectoral support for nutrition through:

(a) updating and strengthening of the annual work plan of MOHP and MOE with nutrition-relevant actions;

(b) identification of areas of collaboration between MOHP and MOE, with an emphasis on: (i) enhancing planning capacity by the elaboration of strategic annual work plans; (ii) updating of nutrition-relevant norms for the promotion of a strategy to fight anemia; (iii) advocacy for nutrition within the health and education sectors; (iv) health and nutrition education; and (v) delivery of essential health and nutrition services (including supervision by MOHP of community activities implemented under Part 1 (a) and (b) of the Project);

(c) technical assistance to, and coordination with Sector Ministries towards creating the right conditions for child growth at community level; and

(d) support to the HIV/AIDS and nutrition strategy.

Part 3: Support for Implementation, Monitoring and Evaluation of the Nutrition Development Policy

Support for implementation, monitoring and evaluation of the NDP through:

(a) updating of the monitoring system and of community nutrition activities and its tools to include the role of LG and sectoral ministries;

(b) institutionalization of ad-hoc studies, both quantitative and qualitative, regarding child growth, the hungry season, and client satisfaction within the monitoring system; and

(c) strengthening of the decision-making process by enhancing analytic capacity and accountability at local, district and central levels.
SCHEDULE 2

Project Execution

Section I. Institutional and Other Arrangements

A. General

1. The Recipient shall: (i) maintain the PIM for the implementation of the Project; (ii) take all measures necessary to ensure that the Project is carried out in conformity with the PIM; and (iii) not assign, amend, abrogate or waive the PIM or any provision thereof if, in the opinion of the Association, such assignment, amendment or waiver will materially affect the implementation of the Project.

2. The Recipient shall ensure that its concerned ministries, departments and agencies collaborate, among other things, for purposes of the implementation of parts of the Project that fall within their respective sectors.

B. Central level

1. CLM

(a) The Recipient shall maintain the CLM with composition, missions and resources satisfactory to the Association. Except as the Association shall otherwise agree, the CLM shall be composed of, among others, representatives of the MOHP, MEF, MOE, the Ministry of Agriculture, the Ministry of Local Government, the Ministry of Planning, and LG Associations.

(b) The Recipient shall cause CLM to be responsible for policy development and implementation coordination and oversight. Without limitation to the generality of the foregoing, the CLM shall assist the Prime Minister with the elaboration of a policy and strategies for nutrition; monitor and coordinate implementation; review and approve proposals from implementing partners (CEAs and Sector Ministries); and review and approve annual work plans and budgets of BEN.
2. BEN

(a) The Recipient shall maintain BEN in form and substance and with resources and functions satisfactory to the Association. BEN shall be headed by a national coordinator, assisted by competent staff in adequate numbers, including, among others, a financial management specialist, an internal auditor, an accountant, a senior finance officer, an operations and monitoring officer, a procurement specialist, a communication specialist, a public health nutrition specialist, and a program assistant.

(b) (i) The Recipient shall cause BEN to act as the secretariat of CLM and be responsible for day-to-day activities. BEN will coordinate and consolidate annual work plans and budgets, and oversee financial management, procurement and monitoring and evaluation of activities. BEN shall station representatives at the regional level to oversee, guide and coordinate the implementation of community-based activities between the various stakeholders and partner institutions, sign contractual agreements with LG and “Lettre d’Exécution” with Sector Ministries after their approval by the CLM, oversee the day-to-day management of the Program; provide technical assistance, in collaboration with Sector Ministries elaborate guidelines and other reference documents, liaise with donors of the program, and conduct studies and surveys on nutrition.

(ii) The financial management staff of BEN will report periodically to the director in charge of debt and investment in the MEF, and be responsible for collection of invoices; keeping of books of account; entering of data in the accounting software; monitoring of the Designated Account; preparation of IFRs as well as the annual Financial Statements; and ensuring that annual audits are carried out in a timely manner.

C. Regional level

1. BER

(a) The Recipient shall maintain BERs in form and substance and with resources and functions satisfactory to the Association. Each BER shall be comprised, among others, of an accountant, a finance officer and an administrative assistant.
(b) The Recipient shall ensure that regional representatives of BEN guide and assist LG in the performance of their duties, monitor day-to-day operations, including financial management, and coordinate partners at regional level including CEA, LG, public services and regional authorities.

D. Local level

1. Local Governments

The Recipient shall ensure that LGs: (i) incorporate nutrition and nutrition indicators in the LDP; (ii) select the villages in which interventions will be carried out; (iii) select one CEA to which it will contract out the community-based nutrition interventions; (iv) prepare Subproject proposals and send the same to CLM for approval; and (v) monitoring activities and reporting to the CLM.

2. Communities

Under the supervision of a CEA, each community shall set up a Management Committee to oversee the activities under Part 1 of the Project. The Community Management Committee shall: (i) identify and mobilize members of the community to operate as Nutrition Aides; (ii) allocate appropriate sites for Nutrition Aides to conduct monthly growth promotion activities and provide other support, as necessary; and (iii) strengthen its capacity to analyze and respond to local nutrition problems.

E. Subprojects

1. General

Without limitation upon the provisions of Part A of this Schedule, the Recipient shall cause each LG to appraise, approve and monitor the implementation of Subprojects under Part 1 of the Project in accordance with the provisions of this Part E and the Implementation Manual.

2. Eligibility Criteria for Subprojects

No proposed Subproject shall be eligible for financing under Part 1 of the Project unless the CLM concerned shall have determined, on the basis of an appraisal conducted in accordance with this Section and the guidelines set forth in the
Implementation Manual, that the proposed Subproject satisfies the eligibility criteria set forth in the Implementation Manual, including, but not limited to, the following:

(a) the Subproject shall, as set forth in Part 1 of Schedule 1 to this Agreement, be for community-based nutrition interventions;

(b) the Subproject shall be initiated by a Beneficiary which shall facilitate the establishment of a Community Management Committee to act on its behalf and the selection of nutrition aides to implement the activities at community level;

(c) the Subproject Beneficiary must have legal status, so that it may enter into a Grant Agreement with the LG, open and manage a bank account and enter into contracts with private sector operators, as required;

(d) the Subproject shall be economically, financially and technically viable in accordance with the standards specified in the Implementation Manual;

(e) the Subprojects will be financed on a grant basis as specified in the PIM, except as otherwise agreed by the Association; and

(f) the Subproject shall be in compliance with the standards set forth in the applicable laws and regulations of the Recipient relating to health, safety and environmental protection.

3. Terms and Conditions of Grant Agreements

(i) A Subproject shall be carried out pursuant to a Grant Agreement, to be concluded between the LG concerned and a Beneficiary, under terms and conditions satisfactory to the Association, and described in further detail in the PIM which, *inter alia*, shall include the following:

(a) the Grant shall be provided on a non-reimbursable grant basis;

(b) the obligation to carry out the Subproject in accordance with the PIM, with due diligence and efficiency and in accordance with sound technical, financial, social, environmental and managerial standards;
(c) the obligation to maintain adequate records to reflect, in accordance with sound accounting practices, the operations, resources and expenditures in respect of the Subproject;

(d) the requirement that: (i) the goods, works and services to be financed from the proceeds of the Grant shall be procured in accordance with the procedures set forth in Section III of Schedule 2 to this Agreement and as further specified in the PIM, and (ii) such goods, works and services shall be used exclusively in the carrying out of the Subproject;

(e) the requirement that the CMC shall be maintained throughout Subproject implementation;

(f) the requirement that CEAs regularly conduct KPC Surveys at the beginning and end of the Project, using tools, sampling and data collection methods satisfactory to the Association;

(g) the requirement that the Beneficiary open a bank account for the deposit of Subproject funds in a commercial bank of its choice, and provide the account details to the LG concerned;

(h) the right of the LG and/or CLM to inspect by themselves or jointly with the Association, if the Association shall so request, the goods, works, sites, plants and construction included in the Subproject, the operations thereof, and any relevant records and documents;

(i) the right of the LG and/or CLM to obtain all information as they, and/or the Association, shall reasonably request regarding the administration, operation and financial conditions of the Subproject; and

(j) the right of the LG concerned to suspend or terminate the right of the Beneficiary to use the proceeds of the Grant for the Subproject upon the failure by the Beneficiary to perform any of its obligations under the Grant Agreement.

(ii) the LG shall exercise its rights under the Grant Agreement in such manner as to protect its interests and the interests of the Association and to achieve the Project objectives, and, except as the Association shall otherwise agree, the LG shall not assign, amend, abrogate or waive the Grant Agreement or any substantive provision thereof.
Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. (a) The Recipient shall 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 the indicators set forth below in sub-paragraph (b) of this paragraph. Each Project Report shall cover the period of one calendar year, and shall be furnished to the Association not later than 90 days after the end of the period covered by such report.

(b) The performance indicators referred to above in sub-paragraph (a) consist of the following:

(i) There is an increase in the overall program coverage of children under five years of age in rural areas from fifteen percent (15%) in 2006 to forty percent (40%) in 2011.

(ii) There is an increase in the prevalence of exclusive breastfeeding of children aged up to six (6) months by thirty percent (30%) in the intervention areas.

(iii) At least forty percent (40%) of pregnant women and children under five years of age sleep under insecticide-treated bed-nets in the intervention areas.

(c) Without limitation to the generality of sub-paragraph (a) above, the Recipient shall carry out jointly with the Association, on or about the date thirty (30) months after the Effective Date, a comprehensive midterm review to assess the status of Project implementation. The Recipient shall, not later than one (1) month before such review, prepare and furnish to the Association a report, in scope and detail satisfactory to the Association, needed to undertake the review.

2. For purposes of Section 4.08 (c) of the General Conditions, the report on the execution of the Project and related plan required pursuant to that Section shall be furnished to the Association not later than six (6) months after the Closing Date.
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 prepare and furnish to the Association not later than 45 days after the end of each calendar quarter, IFRs for the Project covering the quarter, in form and substance satisfactory to the Association. The first un-audited financial report shall be furnished to the Association not later than 45 days after the end of the first calendar quarter after the Effective Date, and shall cover the period from the incurrence of the first expenditure under the Project through the end of such first calendar quarter; thereafter, each un-audited financial report shall be furnished to the Bank not later than 45 days after each subsequent calendar quarter, and shall cover such calendar quarter.

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, commencing with the fiscal year in which the first withdrawal under the Project Preparation Advance was made. The audited Financial Statements for each such period shall be furnished to the Association not later than six months after the end of such period. In addition to expressing an opinion on the Project Financial Statements, the auditors shall prepare: (i) a report on internal controls; and (ii) management letters with observations and recommendations for improvement in accounting records, systems, controls and compliance with financial covenants in this Agreement.

Section III. Procurement

A. General

1. Goods, Works and Services (other than consultant services). All goods, works and services (other than consultant 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 Schedule.

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 Schedule.

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 Services (other than consultant services)**

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods, works and services (other than consultant services) shall be procured under contracts awarded on the basis of International Competitive Bidding.

2. **Other Methods of Procurement of Goods, Works and Services (other than consultant services).** The following table specifies the methods of procurement, other than International Competitive Bidding, which may be used for goods, works and services (other than consultant 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) Direct Contracting</td>
</tr>
<tr>
<td>(c) Procurement from the United Nations Agencies</td>
</tr>
<tr>
<td>(d) Shopping</td>
</tr>
<tr>
<td>(e) Community participation in procurement.</td>
</tr>
</tbody>
</table>

C. **Particular Methods of Procurement of Consultants’ Services**

1. **Quality- and Cost-based Selection.** Except as otherwise provided in paragraph 3 below, consultants’ services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.

2. For the purposes of paragraph 2.7 of the Consultant Guidelines, the short list of consultants for consulting services estimated to cost less than $100,000 equivalent, per contract, may include only consultants from the country of the Borrower
3. **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.

<table>
<thead>
<tr>
<th>Procurement Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Selection based on consultant qualification</td>
</tr>
<tr>
<td>(b) Least Cost Selection</td>
</tr>
<tr>
<td>(c) Single Source Selection</td>
</tr>
<tr>
<td>(d) Fixed Budget Selection</td>
</tr>
<tr>
<td>(e) Selection of Individual Consultants</td>
</tr>
</tbody>
</table>

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

1. Except as the Association shall otherwise determine by notice to the Recipient, the following contracts shall be subject to Prior Review by the Association: (a) each contract for goods or works or services (other than consultant services) estimated to cost the equivalent of US$250,000; US$500,000; US$50,000, respectively, procured on the basis of International Competitive Bidding, Limited International Bidding, or Direct Contracting; and (b) each contract for consultants’ services provided by a firm or an individual estimated to cost the equivalent of US$200,000 and US$75,000 or more respectively or direct selection of consultant. 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 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 Credit 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 Credit Allocated (expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Drugs and pharmaceutical equipment</td>
<td>2,690,000</td>
<td>100% of foreign expenditures and 90% of local expenditures</td>
</tr>
<tr>
<td>(2) Grants Subprojects</td>
<td>3,500,000</td>
<td>100% of amounts disbursed</td>
</tr>
<tr>
<td>(3) Consultants services, training and audits</td>
<td>1,950,000</td>
<td>100%</td>
</tr>
<tr>
<td>(4) Operating Costs</td>
<td>470,000</td>
<td>100%</td>
</tr>
<tr>
<td>(5) Refund of Project Preparation Advance</td>
<td>410,000</td>
<td>Amount payable pursuant to Section 2.07 of the General Conditions</td>
</tr>
<tr>
<td>(6) Unallocated</td>
<td>1,080,000</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>10,100,000</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) under Category (2), unless the Grant Agreements entered into between CLM and CEA shall have been made in accordance with the procedures and the terms and conditions referred to in Schedule 2 to this Agreement and set forth in detail in the PIM, as shall be evidenced by the first Grant Agreement furnished to the Association for its prior approval.

2. The Closing Date is May 14, 2012.
Section V. Other Undertakings

A. Project Account

Without limitation to Section 4.03 of the General Conditions, the Recipient shall, for purposes of making the counterpart contribution to the financing of the Project:

(a) open and thereafter maintain, until the completion of the Project, a Project Account in FCFA in a commercial bank on terms and conditions satisfactory to the Association;

(b) not later than six months after the Effectiveness Date, deposit into the Project Account an initial contribution of the equivalent of CFAF 1,172,000,000 and thereafter replenish the said account by the same amount by June 30 in each subsequent year of Project implementation until the completion of the Project; and

(c) ensure that amounts deposited into the Project Account shall be used exclusively to make payments to meet expenditures made or to be made in respect of the reasonable cost of goods, works and services for the Project in addition to those financed from the proceeds of the Credit.
**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 January 15 and July 15:</td>
<td></td>
</tr>
<tr>
<td>commencing January 15, 2017 to and including July 15, 2026</td>
<td>1%</td>
</tr>
<tr>
<td>commencing January 15, 2027 to and including July 15, 2046</td>
<td>2%</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. “BEN” means *Bureau Exécutif National*, the executive bureau of the CLM, responsible for the management of all activities under the Project and established by *Arrêté* No. 010062/PM/Cab/DC dated December 26, 2001 of the Prime Minister.

2. “BEN Work Program” means the work program prepared annually by BEN and approved by CLM for the carrying out of BEN’s management activities under the Project, including the regional implementation to be carried out by BERs.

3. “BER” means *Bureau Exécutif Régional*, the regional branch of BEN responsible for supporting and coordinating the implementation of nutrition and growth promotion interventions within the assigned region.

4. “c-IMCI” means community-based Integrated Management of Childhood Illnesses at community level, one of three pillars of ICMI promoted by the World Health Organization.

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

6. “CBO” means a community-based organization established and operating under the Recipient’s laws.

7. “CLM” means *Cellule de Lutte contre la Malnutrition*, the multi-sectoral coordination unit within the Office of the Prime Minister and responsible for implementation, coordination and monitoring of the Program in the Recipient’s territory.

8. “Community Executing Agency” and “CEA” mean a CBO, NGO, parastatal, public or private sector entity, association, or institution, selected to enter into a Grant Agreement with LG for the carrying out of nutrition related activities, growth promotion and small-scale food security interventions approved under a Subproject.

9. “Community Management Committee” or “CMC” means the committee of the community which under the supervision of the community leader provides support to the Nutrition Aides in conducting their activities.


14. “Grant” means a grant made out of the proceeds of the Credit to an Executing Agency for the carrying out of a CLM-approved Subproject in: (i) nutrition related and growth promotion activities and services to Beneficiaries; and (ii) household food security interventions.

15. “Interim un-audited Financial Report” or “IFR” means the report on the basis of which disbursements will take place, as referred to in Part B (2) of Section II of Schedule 2 to this Agreement, and which: (i) sets forth the sources and uses of funds for the Project, both cumulatively and for the period covered by said report, showing funds provided under the Designated Account, and Project Account, and explains variances between the actual and planned uses of such funds; (ii) describes physical progress in Project implementation, both cumulatively and for the period covered by said report, and explains variances between the actual and planned Project implementation; (iii) sets forth the status of procurement under the Project, as at the end of the period covered by said report; and (iv) contains financial forecasts for the subsequent two quarters.

16. “LDP” or “Local Development Plan” means an investment plan for local development of rural administrative units (*communauté rurale*) and urban administrative units (*commune*) of the Recipient over a five-year period, and elaborated by the LG as part of the decentralization process, as such plan may be amended from time to time.

17. “LE” means *Lettre d’Exécution*, the Implementation Agreement entered into between CLM and each Line Ministry and setting forth nutrition related activities and services and financial arrangements thereof, to be carried out by the respective Line Ministry in accordance with a Work Program approved by CLM.
18. “Ministry of Economy and Finance” or “MEF” means the Recipient’s ministry responsible for the economy and finance.

19. “Ministry of Education” or “MOE” means the Recipient’s ministry responsible for education.

20. “Ministry of Health and Prevention” or “MOHP” means the Recipient’s ministry responsible for health and disease prevention.

21. “NGO” means a non-governmental organization established and operating under the laws of the Recipient.

22. “Nutrition Aide” means a person selected by the community to provide preventive nutrition and child growth promotion assistance under the Project.

23. “Operating Costs” means the incremental expenses incurred on account of Project implementation, including audit costs, office rental fees, equipment and supplies, office administration costs, utilities, communication and insurance costs, vehicle operation and maintenance, travel, per diem and supervision costs, salaries of locally contracted employees but excluding salaries of officials of the Recipient's civil service.


25. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated September 14, 2006 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.

26. “Program” means the program designed to improve the nutritional status of the most vulnerable groups of the Recipient’s population with a view to: (i) strengthening poverty reduction strategy and efforts, and (ii) facilitating economic development, and set forth or referred to in the letter dated January 25, 2002 and updated in June 2006 from the Recipient to the Association.

27. “Project Implementation Manual” or “PIM” means the manual referred to in Section I A of Schedule 2 to this Agreement setting forth, among other things, eligibility criteria for the selection of Subprojects, terms and conditions for Grant Agreements, Work Programs, including procurement and accounting procedures thereof, the procedures and guidelines for the coordination, management,
monitoring and evaluation of the Project, including detailed performance indicators, training plans and capacity building programs and other activities and arrangements to be used for the purposes of implementing the Project, as such manual may be amended from time to time with the Association’s prior written consent, and such term includes any schedules to the PIM.

28. “Project Preparation Advance” means the advance referred to in Section 2.07 of the General Conditions, granted by the Association to the Recipient pursuant to the letter agreement signed on behalf of the Association on May 12, 2006 and on behalf of the Recipient on May 23, 2006.

29. “Project Year” and “PY” mean each twelve month period during Project implementation, starting from the day after the Effective Date and ending twelve months thereafter and each subsequent twelve month period after it.

30. “Sector Ministries” means, for purposes of the Project, any ministry representing a sector such as health, education, agriculture or commerce, which have a role in nutrition.

31. “Strategic Work Plan” means the preventive nutritional activities and services and the information, education and communication campaigns included in a work program prepared by each Sector Ministry, and approved by CLM, and to be financed under the Project.

32. “Subproject” means: (i) a nutrition-related service or activity, including child growth promotion, and (ii) a small-scale household food security related activity, to be carried out by an Executing Agency utilizing the proceeds of the Credit.