OFFICIAL DOCUMENTS

GRANT NUMBER D343-BJ

Financing Agreement

(Community and Local Government Basic Social Services Project)

between

REPUBLIC OF BENIN

and

INTERNATIONAL DEVELOPMENT ASSOCIATION
FINANCING AGREEMENT

AGREEMENT dated as of the Signature Date between the REPUBLIC OF BENIN ("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) apply to and form part of this Agreement.

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

ARTICLE II—FINANCING

2.01. The Association agrees to extend to the Recipient a grant, deemed by the Association to be on concessional terms, as set forth or referred to in this Agreement, in an amount equivalent to twenty-seven million and six hundred thousand Special Drawing Rights (SDR 27,600,000) ("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 III of Schedule 2 to this Agreement.

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

2.04. The Payment Dates are February 15 and August 15 in each year.

2.05. The Payment Currency is Euro.

ARTICLE III—PROJECT

3.01. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out the Project through the MDGL in accordance with the provisions of Article V of the General Conditions and Schedule 2 to this Agreement.
ARTICLE IV — EFFECTIVENESS; TERMINATION

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

(a) the Project Implementation Manual has been prepared and adopted by the Recipient, in form and substance satisfactory to the Association; and

(b) the Recipient has recruited six (6) finance controllers to support the Project, with qualifications and under terms of reference satisfactory to the Association.

4.02. The Effectiveness Deadline is the date falling one hundred and twenty (120) days after the Signature Date.

4.03. For purposes of Section 10.05(b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty years after the Signature Date.

ARTICLE V — REPRESENTATIVE; ADDRESSES

5.01. The Recipient’s Representative is its minister at the time responsible for finance.

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

(a) the Recipient’s address is:

Ministry of Economy and Finance
B.P. 302
Cotonou
Republic of Benin; and

(b) the Recipient’s Electronic Address is:

Facsimile:
+229-21-30-18-51
+229-21-31-53-56

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

(a) the Association’s address is:

International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America; and
(b) the Association’s Electronic Address is:

Telex: 248423 (MCI)
Facsimile: 1-202-477-6391

AGREED as of the Signature Date.

THE REPUBLIC OF BENIN

By: [Signature]

Name: Romuald Wadagni
Title: Minister of Economy and Finance
Date: September 4, 2018

INTERNATIONAL DEVELOPMENT ASSOCIATION

By: [Signature]

Name: Katrina M. Sharkey
Title: Country Manager for Benin
Date: September 4, 2018
SCHEDULE 1

Project Description

The objectives of the Project are to improve access to decentralized basic social services and social safety nets, and to strengthen the Social Protection System.

The Project consists of the following parts:

Part A: Improving Decentralized Service Delivery

1. Improving the delivery of basic services at the decentralized level; through:

   (a) Provision of Local Community Grants to Local Community Beneficiaries to carry out small scale Subprojects in the areas of education, health, water, transport and market infrastructure.

   (b) Provision of Communal Grants to Communal Beneficiaries to carry out Subprojects in the areas of education, health, water, transport, labor intensive public works and market infrastructure for the benefit of villages within the territory of the Communal Beneficiaries.

2. Carrying out a program of technical assistance and Training to build the capacity for decentralized service delivery; through:

   (a) Strengthening the technical and institutional capacities of MDGL to ensure the quality of Subprojects, including for: (i) targeting and selection method of Subprojects; (ii) promoting the CDD approach in decentralization; and (iii) supervising decentralized service delivery.

   (b) Strengthening the technical and institutional capacities of CONAFIL to strengthen the administration of FADeC in line with national financial management and procurement laws and procedures.

   (c) Improving the Communes’ adherence to national procurement and financial management regulations and enhancing their capacity to implement Subprojects adopting the CDD approach.

3. Provision of Training on grassroots management to selected Local Community Beneficiaries.

Part B: Social Safety Nets and Social Protection Systems

Carrying out a program of activities to support poor and vulnerable households in the Recipient’s territory, through:
1. Carrying out of a safety net program to include: (a) provision of Cash Transfers to support eligible poor and most vulnerable households in selected Communes; (b) provision of CfW Transfers aimed at generating income to eligible poor and most vulnerable households in selected Communes; (c) provision of Training on grassroots management to said targeted households; and (d) payment of transfer fees.

2. Provision of training and micro-entrepreneurial skills to targeted households to encourage lasting improvements in beneficiaries’ livelihoods.

3. Provision of technical assistance and capacity building to:

   (a)  (i) Support a national household data collection exercise to populate the national social registry; (ii) update the national targeting methodology for the poorest and most vulnerable households; (iii) strengthen the administration, IT infrastructure and procedures of the social registry; and (iv) support other aspects of social protections systems, including subproject and Local Community and Communal Beneficiaries’ identification, as well as establishment of a grievance redress mechanisms.

   (b) Strengthen the institutional capacity of the Recipient’s ministry in charge of family and social affairs to enable its decentralized staff in each selected Commune to perform key functions relating to the safety net program and to support the functioning of the National Social Protection Platform Committee.

**Part C: Project Management**

Supporting the Recipient, through SSDCC, through the provision of goods, consultants’ services, auditing, Training and Operating Costs for the purpose of Project coordination, management and monitoring and evaluation.
SCHEDULE 2

Project Execution

Section I. Institutional Arrangements

The Recipient shall, throughout Project implementation, maintain the following institutional arrangements:

1. Designate the MDGL to be responsible for the overall implementation, supervision, and coordination of the Project. To this end, the MDGL shall maintain the Project Implementation Unit with staff, mandate and resources acceptable to the Association.

2. recruit no later than (6) six months after the Effective Date, and thereafter maintain an external auditor, under terms of reference and with qualifications acceptable to the Association.

3. In order to ensure the effective coordination of the Project between implementation partners and governmental entities, ensure that MDGL enters into Memorandums of Understanding with Implementation Partner Agencies under terms and conditions acceptable to the Association.

CONAFIL

1. The Recipient shall maintain, throughout Project implementation, the CONAFIL with functions and resources satisfactory to the Association.

2. Without limitation to the provisions of paragraph (a) above, CONAFIL, shall carry out Part A(1) of the Project, including: (i) setting Subgrant allocations for Communes in line with criteria set forth in the PIM; (ii) ensuring the timeliness, transparency and predictability of transfers through FADeC to Communes; (iii) signing Subgrant Agreements with Communes based on the template to be included in the PIM; and (iv) monitoring and reporting on the use of such funds by Communes.

Secretariat for Decentralized Community Driven Services

1. The Recipient shall maintain, throughout Project implementation, the SSDCC with functions and resources satisfactory to the Association.

2. To this end, the SSDCC shall maintain, throughout Project implementation, staff in adequate numbers with experience and qualifications satisfactory to the Association, including experts in: financial and procurement, Grassroot Management Training, safety nets, monitoring and evaluation, civil engineering,
safeguards and communications, all in accordance with terms of reference acceptable to the Association.

3. Without limitation to the provisions of paragraph (a) above, the SSDCC shall carry out Parts A(2) and (3), Part B, Part C and the technical quality of infrastructure subprojects under Part A(1) of the Project and the fiduciary oversight of the overall Project, including: (i) monitoring the implementation progress at the community level of Subprojects; (ii) coordinating the implementation of the safety net program under Part B of the Project; (iii) overseeing community Training and providing support to Communes through its network of community development agents; and (iv) supporting the MDGL to mainstream CDD, particularly in regard to training communities to engage the CDD approach; and assisting the Recipient’s line ministries and communes to mainstream CDD in their operations.

Steering Committee

1. In order to ensure the Project continues to receive the required support and oversight from the Recipient, the Recipient, through the MDGL shall maintain throughout Project implementation, the Steering Committee with the mission to provide strategic guidance to the MDGL and to ensure effective coordination across various of the Recipient’s concerned ministries, departments and agencies. To this end, the Steering Committee shall be chaired by the an MDGL representative and its composition shall include selected public and private officials, including but not limited to representatives from the ministries in charge of development and planning; economy and finance; sustainable development and living condition; social affairs; primary education; health and infrastructure and transport as well as the national associations of the Communes of Benin.

B. Project Implementation Manual

1. The Recipient shall prepare, under the criteria acceptable to the Association, and furnish to the Association for approval a proposed implementation manual for the Project, setting forth, *inter alia*, the detailed arrangements and procedures for the Project implementation, including in the areas of monitoring and evaluation, procurement, coordination, social and environmental safeguards, financial, administrative and accounting procedures as well as provisions defining eligibility criteria and approval, disbursement, procurement, administration and monitoring arrangements for Subprojects together with a form of Subgrant Agreement, and such other administrative, financial, technical and organizational arrangements and procedures as shall be required for the Project.

2. The Recipient shall afford the Association a reasonable opportunity to exchange views with the Recipient on the proposed Project implementation manual, and shall thereafter adopt such manual as shall have been approved by the Association ("Project Implementation Manual" or "PIM").
3. The Recipient shall carry out the Project in accordance with the Project Implementation Manual, and except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate, or waive the Project Implementation Manual, or any provision thereof.

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

C. Safeguards

1. The Recipient shall, throughout the implementation of the Project, ensure that the Project shall be implemented in accordance with the guidelines, procedures, timetables and other specifications set forth in the Safeguards Documents.

2. Without limitation upon its other reporting obligations under this Agreement, the Recipient shall regularly collect, compile and submit to the Association, in accordance with Section II of this Schedule 2 to this Agreement, reports on the status of compliance with the Safeguards Documents, giving details of:
   (a) measures taken in furtherance of the Safeguards Documents;
   (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of the Safeguards Documents; and
   (c) remedial measures taken or required to be taken to address such conditions.

D. Subprojects

1. The Recipient shall, through CONAFIL, make grants to Communal Beneficiaries for the purpose of: (a) financing Subprojects under Part A.1(b) of the Project; and (b) providing financing to be on-granted by Communal Beneficiaries for Subprojects under Part A.1(a) of the Project and implemented by Local Community Beneficiaries pursuant to Local Community Grants; all in accordance with eligibility criteria, amounts and contributions (if any), and procedures acceptable to the Association and further described in the Project Implementation Manual.

2. Communal Grants: CONAFIL shall, on behalf of the Recipient, make each grant under a Communal Grant Agreement with each Communal Beneficiary in the form of the model agreement attached to the Project Implementation Manual and on terms and conditions described in more details in the Project Implementation Manual, which shall include the following provisions:
   (a) the Communal Grant shall be made on a non-reimbursable grant basis; and
(b) CONAFIL shall, on behalf of the Recipient, obtain rights adequate to protect its interests and those of the Association, including the right to:

(i) suspend or terminate the right of the Communal Beneficiaries to use the proceeds of the grant, or obtain a refund of all or any part of the amount of the grant then withdrawn, upon the Communal Beneficiary's failure to perform any of its obligations under the Communal Grant Agreement; and

(ii) require each Communal Beneficiary to:

(A) carry out the Subproject under Part A.1(b) of the Project (and cause the Local Community Beneficiary to carry out the Subproject under Part A.1(a) of the Project) with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the Association, including, without limitation to the generality of the foregoing, in accordance with the provisions of the Anti-Corruption Guidelines applicable to recipients of Financing proceeds other than the Recipient, and in accordance with the relevant Safeguards Documents, if applicable to this type of Subproject;

(B) provide, promptly as needed, the resources required for the purpose of the Subproject;

(C) procure the goods, works and services to be financed out of the Communal Grant in accordance with the provisions of this Agreement and the PIM;

(D) maintain policies and procedures adequate to enable it to monitor and evaluate, in accordance with indicators acceptable to the Association, the progress of the Subproject and the achievement of its objectives;

(E) when required under the PIM: (1) 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 Subproject; and (2) 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;

(F) enable the Recipient and the Association to inspect the Subproject, its operation and any relevant records and documents;

(G) 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; and

(H) promptly inform the Recipient and the Association of any condition which interferes or threatens to interfere with the progress of the Subproject, or the performance by the Communal Beneficiary of its obligations under the Communal Grant Agreement.

3. The Recipient, through CONAFIL, shall exercise its rights and carry out its obligations under each Communal Grant Agreement in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive any Communal Grant Agreement or any of its provisions.

4. **Local Community Grants**: In order to achieve the objectives of Part A.1(a) of the Project, a Communal Beneficiary shall make Local Community Grants to Local Community Beneficiaries for the purpose of financing Subprojects under Part A.1 (a) of the Project, all in accordance with eligibility criteria and procedures acceptable to the Association and further described in the Project Implementation Manual.

5. For purposes of implementing Local Community Grants to Local Community Beneficiaries, the Communal Beneficiary shall make each Local Community Grant under a Local Community Grant Agreement with each Local Community Beneficiary in the form of the model agreement attached to the Project Implementation Manual and on terms and conditions described in more details in the Project Implementation Manual, as revised, which shall include, *inter alia*, the following provisions:

(a) the Local Community Grant shall be made on a non-reimbursable grant basis; and
the Communal Beneficiary shall obtain rights adequate to protect its interests and those of the Association, including the right to:

(i) suspend or terminate the right of the Local Community Beneficiaries to use the proceeds of the Local Community Grant, or obtain a refund of all or any part of the amount of the Local Community Grant then withdrawn, upon the Local Community Beneficiary’s failure to perform any of its obligations under the Local Community Grant Agreement; and

(ii) require each Local Community Beneficiary to:

(A) carry out the Subproject under Part A.1 (a) of the Project with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the Association, including, without limitation to the generality of the foregoing, in accordance with the provisions of the Anti-Corruption Guidelines applicable to recipients of Financing proceeds other than the Recipient, and in accordance with the relevant Safeguards Documents, if applicable to this type of Subproject;

(B) provide, promptly as needed, the resources required for the purpose of the Subproject;

(C) procure the goods, works and services to be financed out of the Local Community Grant in accordance with the provisions of this Agreement and the PIM;

(D) maintain policies and procedures adequate to enable it to monitor and evaluate, in accordance with indicators acceptable to the Association, the progress of the Subproject and the achievement of its objectives;

(E) if required under the PIM, (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 Subproject; and (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;

(F) enable the Recipient and the Association to inspect the Subproject, its operation and any relevant records and documents;

(G) 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; and

(H) promptly inform the Recipient and the Association of any condition which interferes or threatens to interfere with the progress of the Subproject, or the performance by the Local Community Beneficiary of its obligations under the Local Community Grant Agreement.

6. The Communal Beneficiary shall exercise its rights and carry out its obligations under each Local Community Grant Agreement in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive any Local Community Grant Agreement or any of its provisions.

E. Cash Transfer Program and CfW Program

1. In order to achieve the objectives of Part B.1(a) and (b) of the Project, the Recipient shall provide Cash Transfers (CT) and CfW Transfers to targeted households, respectively, in accordance with eligibility criteria and procedures acceptable to the Association and further detailed in the PIM and as detailed below:

(a) Said eligibility criteria shall include, inter alia, that: (i) the household shall have been identified as a vulnerable household in the National Social Registry; and (ii) said household shall comply with the conditionality of participating in the Recipient’s Social Protection System activities.

(b) Each CT and CfW Transfer shall: (i) be in an amount acceptable to the Association and the Recipient; and (ii) reflect the reasonable cost of decreasing the Beneficiary level of poverty while promoting investment in human capital and defined in the PIM.

2. The Recipient shall ensure that the amount of each CT and CfW Transfer is paid for the targeted household.
3. The Recipient shall conclude and thereafter implement, until it has expired in accordance with its terms, a payment agreement, in form and substance satisfactory to the Association and in accordance with criteria and procedures set forth in the Project Implementation Manual, with one or more Payment Service Provider, selected on the basis of terms of reference, qualifications and experience satisfactory to the Association and in accordance with Procurement Regulations, for the payment of CfW Transfers and CT Transfers to CfW Beneficiaries and Cash Transfer Beneficiaries, respectively (each a “Payment Agreement”). The Recipient shall ensure that each Payment Agreement is: (a) submitted to the Association for its review and approval prior to its signature between the Recipient and a Payment Service Provider; (b) signed and effective before any proceeds of the Financing are transferred to the Payment Service Provider; and (c) carried out with due diligence and efficiency and in accordance with sound technical, financial, and managerial standards and practices acceptable to the Association, including in accordance with the provisions of the Anti-Corruption Guidelines applicable to the recipients of the CfW Transfers and Cash Transfers proceeds other than the Recipient.

Section II. Project Monitoring, Reporting and Evaluation

The Recipient shall furnish to the Association each Project Report not later than forty-five (45) days after the end of each calendar semester, covering the calendar semester.

Section III. Withdrawal of the Proceeds of the Financing

A. General

Without limitation upon the provisions of Article II of the General Conditions and in accordance with the Disbursement and Financial Information Letter, the Recipient may withdraw the proceeds of the Financing to: (a) finance Eligible Expenditures; and (b) repay the Preparation Advance; in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:
### Percentage of Amount of the Expenditures to be Grant Allocated Financed (inclusive of Taxes)

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant Allocated (expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Subprojects under Part A.1(a) of the Project</td>
<td>10,900,000</td>
<td>100% of amounts disbursed under Local Community Grants</td>
</tr>
<tr>
<td>(2) Subprojects under Part A.1(b) of the Project</td>
<td>2,700,000</td>
<td>100% of amounts disbursed under Communal Grants</td>
</tr>
<tr>
<td>(3) Cash Transfers under Part B.1(a) of the Project</td>
<td>3,000,000</td>
<td>100% of amounts disbursed under the respective Cash Transfers.</td>
</tr>
<tr>
<td>(4) CFW Transfers under Part B.1(b) of the Project</td>
<td>2,100,000</td>
<td>100% of amounts disbursed under the respective CFW Transfers.</td>
</tr>
<tr>
<td>(5) Goods, works, non-consulting services, consulting services and Training under the Project except Parts A.1(a) and (b), and Parts B.1(a) and (b).</td>
<td>7,500,000</td>
<td>100%</td>
</tr>
<tr>
<td>(5) Refund of Preparation Advance</td>
<td>1,400,000</td>
<td>Amount payable pursuant to Section 2.07 of the General Conditions</td>
</tr>
</tbody>
</table>

**TOTAL AMOUNT** | 27,600,000

### B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A above, no withdrawal shall be made for payments made prior to the Signature Date, except that withdrawals up to an aggregate amount not to exceed SDR 2,760,000 may be made for payments made prior to this date but on or after October 1, 2017, for Eligible Expenditures under the Project.

2. The Closing Date is June 30, 2022.
APPENDIX

Definitions

1. "Anti-Corruption Guidelines" means, for purposes of paragraph 5 of the Appendix to the General Conditions, the "Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants", dated October 15, 2006 and revised in January 2011 and as of July 1, 2016.

2. "Cash Transfers" or "CT" means the proceeds of the Financing paid to CT Beneficiaries participating in the Social Protection System activities under Part B.1(a) of the Project and referred to in Section I.E of Schedule 2 to this Agreement.

3. "Category" means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.

4. "CFW Beneficiaries" means targeted households that meet the selection criteria as listed in the PIM to receive CFW Transfer under Part B.1(b) of the Project.

5. "CFW Transfers" means cash for work transfers which are the proceeds of the Financing paid to CFW Beneficiaries participating in the Social Protection System activities under Part B.1(b) of the Project and referred to in Section I.E of Schedule 2 to this Agreement.

6. "CT Beneficiaries" means targeted households that meet the selection criteria as listed in the PIM to receive CT transfer under Part B.1(a) of the Project.

7. "CDD" means community driven development.

8. "Communal Beneficiary" means a Commune which has met the eligibility criteria set out in the Project Implementation Manual and, as a result, has received or is entitled to receive a Subgrant.

9. "Communal Grant" means a grant made, or proposed to be made out of the Financing proceeds, by CONAFIL, on behalf of the Recipient to finance a Subproject under Part A.1(b) of the Project.

10. "Communal Grant Agreement" means the subgrant agreement to be entered into between CONAFIL on behalf of the Recipient and a Communal Beneficiary for the purposes of: (a) financing Subprojects under Part A.1(b) of the Project; and (b) providing financing to be on-granted for Subprojects under Part A.1(a) of the Project and implemented by Local Community Beneficiaries pursuant to Local Community Grants made by Communal Beneficiaries.

11. "Commune" means the lowest level of decentralized local government established and operating pursuant to the Commune Laws.

13. "CONAFIL" means (Commission Nationale des Finances Locales), which is the National Commission for Local Finances, established pursuant to the Recipient’s decree No. 2002-365, dated August 22, 2002, and operating under the aegis of MDGL.

14. "Displaced Person" means a person who, on account of the execution of the Project (or any Subproject), 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; or (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 of access to legally designated parks and protected areas, resulting in adverse impacts on the livelihood of such person.

15. "Environmental and Social Management Framework" means the document, dated March 24, 2018, and disclosed in country on March 26, 2018, which: (a) sets out the modalities to be followed by the Recipient in assessing the potential adverse environmental and social impacts of the Project, including any Subproject, and the measures to be taken to offset, reduce or mitigate such adverse impacts; and (b) consists, inter alia, of the following sections: environmental and social screening process for the Project (including Subprojects), guidance for the operation of water management structures, guidance for effective pest management, guidance for preparation of any environmental and social management plan, and any medical waste management plan, if applicable, as the same may be amended from time to time with the Association’s written prior approval.

16. "Environmental and Social Management Plan" means the document to be prepared by the Recipient in connection with any activity under the Project (including any Subproject) pursuant to the Environmental and Social Management Framework: (a) describing the potential adverse environmental and social impacts of such activity during planning, design, construction and operation; and (b) outlining monitoring and mitigation measures, as well as institutional arrangements and budget for carrying out these measures.

17. "FADeC" means Fonds d’Appui au Développement des Communes, which is the Communal Development Support Fund, created pursuant to article 56 of the Recipient’s law No. 98- 007, dated January 15, 1999, establishing a transfer mechanism that seeks to equalize and consolidate all transfers to Communes.

19. "Implementation Partner Agencies" means all the following agencies:

(a) for education related activities under Part A, Agence pour la Construction des Infrastructures de l'Education ("ACISE"); and

(b) for market infrastructure activities under Part A, Agence du Cadre de Vie et du Développoment Territories ("ACVDT").

(c) for activities under Part B, the Recipient’s Ministry of Social Affairs and Microfinance.

(d) for Training activities under Part B, Assurance pour l'Enforcement du Capital Human ("ARCH")'s implementation unit.

20. "IT" means information technology.

21. "Local Community Beneficiary" means a local community-based organization which has met the eligibility criteria set out in the Project Implementation Manual and, as a result, has received or is entitled to receive a Local Community Grant for the carrying out of a Subproject under Part A.1(a) of the Project.

22. "Local Community Grant" means a grant made, or proposed to be made out of the Financing proceeds, by an eligible Communal Beneficiary to a Local Community Beneficiary to finance a Subproject under Part A.1(a) of the Project.

23. "Local Community Grant Agreement" means the Subgrant agreement to be entered into between the Communes, on behalf of the Recipient, and a Local Community Beneficiary for the purposes of carrying out and financing a Subproject under Part A.1(a) of the Project.


25. "National Social Protection Platform Committee" means the committee with responsibility for the technical coordination of the implementation of the Recipient's Holistic Social Protection Policy.

26. "National Social Registry" means the national registry implemented by the Recipient to register the poorest households in its territory which shall include information on the demographic and socio-economic conditions of the households, and provide a basis for targeted programs to identify their beneficiaries.
27. “Operating Costs” means the reasonable incremental expenses incurred on account of Project implementation, management and monitoring, including office supplies, vehicle operation and maintenance, office equipment maintenance, communication costs, rental expenses, utilities expenses, consumables, transport, travel and accommodation, *per diem*, supervision costs and salaries of locally contracted staff, but excluding salaries of officials of the Recipient’s civil service.

28. “Payment Service Provider” means a private or not for profit entity contracted to perform payment service under the Project.

29. “Procurement Regulations” means, for purposes of paragraph 87 of the Appendix to the General Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated July 2016; revised November 2017.

30. “Project Implementation Manual” or “PIM” means the manual referred to in Section IB of Schedule 2 to this Agreement as the same may be modified from time to time with the prior written agreement of the Association, and such term includes any annexes or schedules to such manual.

31. “Resettlement Action Plan” or “RAP” means the document to be prepared by the Recipient in accordance with the Resettlement Policy Framework with respect to the Project (or a Subproject), which shall, *inter alia*: (a) contain a census survey of Displaced Persons and valuation of assets; (b) describe compensation and other resettlement assistance to be provided, consultation to be conducted with Displaced Persons about acceptable alternatives, institutional responsibilities for the implementation and procedures for grievance redress, and arrangements for monitoring and evaluation; and (c) contain a timetable and budget for the implementation of such measures.

32. “Resettlement Policy Framework” or “RPF” means the document, dated March 24, 2018, and disclosed in country on March 26, 2018, containing guidelines, procedures, timetables and other specifications for the provision of compensation, rehabilitation and resettlement assistance to Displaced Persons under the Project, as the same may be amended from time to time with the Association’s written prior approval.

33. “Safeguards Documents” means collectively or individually the Environmental and Social Management Framework and the Resettlement Policy Framework as well as the Environmental and Social Management Plans and the Resettlement Action Plans to be prepared in connection with the Project (or any Subproject), if any.

34. “Signature Date” means the later of the two dates on which the Recipient and the Association signed this Agreement and such definition applies to all references to “the date of the Financing Agreement” in the General Conditions.
35. "Social Protection System" means the national system, which targets the poorest households in the territory of the Recipient and provides them with regular cash transfers.

36. "SSDCC" means the Recipient's Secretariat for Decentralized Community Driven Services, established within the MDGL, referred to in Section I of Schedule 2 to this Agreement.

37. "Subgrant" means a Communal Grant or a Local Community Grant.

38. "Subgrant Agreement" means, individually or collectively, a Local Community Grant Agreement or a Communal Grant Agreement.

39. "Subproject" means specific activities financed, or proposed to be financed, through a Communal Grant under Part A.1(b) of the Project or a Local Community Grant under Part A.1(a) of the Project.

40. "Training" means the reasonable costs of training under the Project attributable to seminars, workshops and study tours, along with travel and subsistence allowances for training participants, services of trainers, rental of training facilities, preparation and reproduction of training materials, and other activities directly related to course preparation and implementation.