Financing Agreement

(Sustainable Management of Fish Resources Project)

between

THE REPUBLIC OF SENEGAL

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated June 12, 2009
FINANCING AGREEMENT

AGREEMENT dated June 12, 2009, entered into between REPUBLIC OF SENEGAL ("Recipient") and 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 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 two million three hundred thousand Special Drawing Rights (SDR 2,300,000) (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.

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 The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.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 June 15 and December 15 in each year.
2.06. The principal amount of the Credit shall be repaid in accordance with the 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. To this end, the Recipient shall carry out the Project through the DPM within the Ministry in charge of fisheries and cause Parts 3.1(iii) and 3.2(i) of the Project to be carried out by the Micro-Finance Institution, in accordance with the provisions of Article IV of the General Conditions and the Project Agreement.

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: the Project Implementing Entity’s Legislation has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the Project Implementing Entity to perform any of its obligations under the Project Agreement.

ARTICLE V — EFFECTIVENESS; TERMINATION

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

(a) The Recipient has, in a manner satisfactory to the Association, selected: (i) the Micro-Finance Institution to support implementation of Part 3.1(iii) and 3.2(i) of the Project; the fiduciary capacity of such Micro-Finance Institution has been assessed by the Association and all relevant mitigation measures necessary to enhance the capacity of such entity have been identified by the Association and a corresponding action plan has been adopted by such entity; and (ii) the Technical Support Institution for the implementation of Part 3 of the Project, according to the terms of Section III of Schedule 2 to this Agreement;
(b) A Subsidiary Agreement has been executed on behalf of the Recipient and such Micro-Finance Institution;

(c) the GEF Grant Agreement between the Recipient and the IBRD acting as implementing agency of the GEF has been executed and delivered and all conditions precedent to their respective effectiveness or to the right of the Recipient to make withdrawals under it (other than the effectiveness of the Financing Agreement) have been fulfilled;

(d) The Recipient has finalized the shortlist and obtained the non-objection of the Association for the recruitment of the institution to support implementation of Part 2 of the Project;

(e) The Recipient has adopted the Project Operational Manual and the Administrative and Financial Manual referred to in Section 1.E of Schedule 2 to this Agreement, in form and substance satisfactory to the Association;

(f) The Recipient has selected and obtained the non-objection of the Association for the recruitment within the COMO, of a national co-management specialist referred to in Section I.A2 of Schedule 2 to this Agreement, with qualifications, experience and terms of reference satisfactory to the Association; and

(g) The Recipient has adopted an arrêté defining the mandate for the CLPAs to be established under Part 1.2 of the Project.

5.02. The Additional Legal Matter consists of the following, namely that the Subsidiary Agreement has been duly authorized or ratified by the Recipient and the Micro-Finance Institution and is legally binding upon the Recipient and the Micro-Finance Institution in accordance with its terms.

5.03. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.

5.04. 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 VI — REPRESENTATIVE; ADDRESSES

6.01. The Recipient’s Representative is the Minister in charge of finance.

6.02. The Recipient’s Address is:

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

Cable address: MINIFINANCES
Telex: 3203 G
Fascimile: 221-821-1630

6.03. The Association’s Address is:

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

Cable: INDEVAS
Telex: 248423 (MCI)
Fascimile: 1-202-477-6391

Washington, D.C.
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
Bâ
Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ Benjamin MacDonald
Authorized Representative
SCHEDULE 1

Project Description

The objective of the Project is to empower the communities to reduce fishing pressure on the fish stocks supporting the central coastal fisheries of Senegal (from the Cape Vert peninsula to the Saloum River delta).

The Project consists of the following parts:

**Part 1  Co-Management of Coastal Fisheries (GEF)**

1. **Consolidation and Strengthening of Coastal Fisheries Co-management**

Providing technical assistance, goods and Training and carrying out of works in view of:

(i) Confirmation of the pre-selection of the eight sites of the Project and awareness-raising with their communities in order to replicate the co-management model tested in the four Initial Pilot Sites;

(ii) Replication of co-management initiatives in the selected neighboring communities including appointment of facilitators, establishment of CLPs and CLPAs and provision of support for the identification, formulation, implementation and evaluation of CLP Sub-projects; and

(iii) Development and implementation of local level monitoring, control and surveillance measures for fisheries, including, *inter alia*, the participatory monitoring of fish catches, surveillance and enforcement of regulations.

2. **Institutional support for a system of Local Fisheries Governance**

   (i) Carrying out of a program of activities to strengthen the capacity of the CLPAs for coordination and review of CLP Sub-projects, including brokering agreements among different communities and CLPs; development of national-level management plans; development and implementation of consolidated local fisheries management plans that cover aggregate coastal fisheries in the CLPA area; supporting information exchange through inter-community visits and exchanges.
(ii) Carrying out of a program of activities to enhance the capacity of the CNCPM to discuss and address strategic issues in the sustainable management of fisheries arising at the CLPA level.

Part 2. Rehabilitation of Ecosystems Essential for Coastal Fisheries (GEF)

1. Protected Fishing Zones (ZPPs)

   (i) Contribution to the implementation of the policy for the rehabilitation of maritime ecosystems through the establishment of ZPPs, including, *inter alia*, identification and designation of ZPPs; carrying out awareness campaigns on the management and benefits of ZPPs; building capacity of stakeholders for the co-management of the ZPPs; conducting baseline evaluations of sites and assessments of fish resources and fishing practices.

   (ii) Preparation and implementation of management plans for ZPPs.

   (iii) Carrying out of feasibility studies on sustainable financing mechanisms for ZPPs.

   (iv) Carrying out capacity-building activities aimed at strengthening the capacity of stakeholders and decision makers to replicate ZPPs.

   (v) Development of standards and instruments for monitoring, evaluation and surveillance of the ZPPs.

2. Artificial Reefs

   (i) Carrying out of feasibility studies for the selection of sites for immersion of artificial reefs and based on the findings of such studies and their inclusion in the Co-Management Agreements and the ZPP Management Plans, immersion and management of the artificial reefs in the ZPPs.

   (ii) Provision of technical assistance to the Ministry of the Recipient in charge of fisheries for implementation of the national artificial reef immersion program.

   (iii) Carrying out of feasibility studies on sustainable financing mechanisms for artificial reefs.
(iv) Strengthening of community-based management of artificial reefs through the development and implementation of management and surveillance plans.

(v) Development and implementation of protocols and instruments for participatory monitoring and evaluation of artificial reefs.

3. **Introduction of Access Rights and Instruments for their Management**

   Development of a regime of access rights, and provision of support to communities to test the introduction of a management system based on access rights to resources, areas or coastal fisheries.

4. **Market incentives for sustainable management for targeted fisheries**

   Provision of technical assistance, equipment, goods and Training, and financing of Operating Costs, in view of the creation of market incentives for sustainable management for targeted fisheries, including, *inter alia*, validation and pre-evaluation of selected fisheries; carrying out of a study on the prerequisites for access to eco-certification markets; implementation, monitoring and coordination of action plans for eco-certification of targeted fisheries and restructuring of the sector; and certification and promotion of the targeted fisheries.

**Part 3. Poverty Alleviation Measures for Fishing Communities and Alternative Livelihoods for Fishers and Fish Processors (IDA)**

1. **Poverty Alleviation Initiatives in Project-targeted Communities**

   Piloting of initiatives designed to alleviate and reduce poverty in targeted fishing communities and compensation for the negative impacts caused by local co-management initiatives or initiatives for rehabilitation of ecosystems, through the provision of:

   (i) Through the COMO, AL Sub-grants to fishing communities for specific development activities designed to increase revenues by improving the quality of fish products.

   (ii) Through the COMO, AL Sub-grants to members of the fishing communities targeted under Parts 1 and 2 of the Project for specific development activities designed to expand alternative income-generating activities.
(iii) Through the Micro-Finance Institution, Micro-Credits to women aimed at encouraging small business development and expanded local product development.

2. **Support for Alternative Livelihoods to Fishing for Fishers, Fish Processors and Fish transporters (mareyeurs)**

   (i) Provision of Micro-Credits through the Micro-Finance Institution, for specific development activities designed to support fishers, women fish processors and fish transporters (mareyeurs) in finding alternative income-generating activities outside the fishing sector, including provision of training and technical support in identifying and implementing such activities.

   (ii) Provision of technical assistance through the Technical Support Institution aimed at developing basic skills and small business management training for the Micro-Credit Beneficiaries.

   (iii) Carrying out of a program of activities through the Technical Support Institution aimed at providing on-going support to the Micro-Credit Beneficiaries, including support on organization skills, life-management skills and conflict management skills.

3. **Capacity Building, Monitoring and Evaluation and Communications**

   Strengthening the capacity of the relevant specialists within the DPM to manage and monitor activities supported by Part 3 of the Project through the provision of goods, Training, technical assistance and an allocation for Operating Costs.

**Part 4. Capacity Building, Monitoring and Evaluation and Communications (GEF)**

Strengthening the capacity of the Ministry of the Recipient in charge of fisheries to manage and implement the project through:

   (i) Development of a marine fisheries code, including the development and implementation of the national fisheries management plans;

   (ii) Provision of goods, technical assistance and an allocation for Operating Costs to the DPM, and carrying out of works, for Project coordination and management, monitoring and evaluation of the Project; and
(iii) Provision of technical assistance to support the replication at the regional and sub-regional level of Project activities.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. The Ministry of the Recipient in Charge of Fisheries, through its Directorate of Marine Fisheries (DPM), shall be in charge of overall implementation of the Project. To this end, the Recipient shall, throughout Project implementation, maintain the DPM with adequate financial and human resources for the Project.

2. The Recipient shall, throughout Project implementation:

   (i) maintain the COMO within the DPM, with responsibility for implementing the day-to-day activities of the Project; and

   (ii) ensure that the COMO is assigned with adequate personnel, including a financial management specialist, procurement specialist, and a national co-management specialist, a monitoring and evaluation specialist, a specialist in fisheries management, and a specialist in community participation, all with qualifications and experience satisfactory to the Association.

3. In carrying out the implementation of the Project, the COMO shall be assisted by: (i) facilitators at the community level for implementation of Part 1 of the Project; (ii) an institution selected pursuant to Section 5.01 (d) of this Agreement for implementation of Part 2 of the Project; and (iii) the Micro-Finance Institution and the Technical Support Institution referred to in Section 5.01(a) of this Agreement with responsibility for implementation of Parts 3.1(iii) and 3.2(i) of the Project.

B. Implementation Covenants

The Recipient shall, in a manner satisfactory to the Association, ensure that:

1. A CLP is established, in form and substance satisfactory to the Association, in each of the eight sites selected under Part 1.2 of the Project by not later than eighteen (18) months after the Effective Date.
2. CLPAs are established, in form and substance satisfactory to the Association, in the central coastal region by no later than six months after the Effective Date.

3. A Sub-financing Agreement (i.e. a co-management agreement) for a CLP Sub-Project has been signed between the Ministry of the Recipient in charge of fisheries and a CLP Beneficiary in each of the eight sites selected under Part 1.2 of the Project by no later than 24 months after Effective Date.

4. Consolidated local fisheries management plans referred to in Part 1.2 of the Project have been prepared and submitted to the CNPCM by at least four different CLPAs in the central coastal region by no later than twenty four (24) months after Effective Date.

5. At least one ZPP Management Plan referred to in Part 2.1(i) of the Project has been legally established by no later than twenty four (24) months after Effective Date and a second one by no later than thirty (30) months after Effective Date for the sites of sites de Mballing, Nianing, Pointe-Sarène et Mbodiène, and Ouakam-Carrière.

6. All the small-scale fishing and transport vessels originating from within the central coastal region have been registered in accordance with Part 2.3 of the Project by no later than six (6) months after Effective Date.

7. The Recipient has recruited an external auditor for the Project with qualifications, experience and terms of reference satisfactory to the Association by no later than six (6) months after the Effective Date.

8. The baseline data, satisfactory to the Association, for key performance indicators for the Project has been collected by no later than two (2) months after the Effective Date.

9. The Recipient has recruited within the COMO, the national co-management specialist supporting implementation of Part 1 of the Project, in a manner satisfactory to the Association and in accordance with the terms of Section III of Schedule 2 to this Agreement, by no later than two (2) months after the Effective Date.; and

10. The Recipient has recruited the institution to support implementation of Part 2 of the Project, in a manner satisfactory to the Association and in accordance with the terms of Section III of Schedule 2 to this Agreement, by no later than six (6) months after the Effective Date.
C. **Subsidiary Agreement**

1. To facilitate the carrying out of the Micro-Finance Institution’s Respective Part of the Project, the Recipient shall make part of the proceeds of the Financing available to the Micro-Finance Institution under a subsidiary agreement between the Recipient and the Micro-Finance Institution, 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.

D. **Anti-Corruption**

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

E. **Manuals**

1. The Recipient shall ensure that a Project Operational Manual, in form and substance satisfactory to the Association, is adopted and furnished to the Association for approval setting forth the eligibility criteria and appraisal, approval, contracting and supervision arrangements and procedures for the Sub-grants and Micro-Credits under Part 3 of the Project, including a model Sub-financing Agreement, and the detailed arrangements and procedures for: (i) institutional coordination and day-to-day execution of the Project; (ii) environmental and social safeguards management; and (iii) monitoring, evaluation, reporting and communication.

2. The Recipient shall ensure that an Administrative and Financial Manual, in form and substance satisfactory to the Association, is adopted and furnished to the Association for approval for the Project setting forth the detailed arrangements and procedures for: (i) disbursement and financial management; (ii) procurement; and (iii) such other administrative, financial, technical and organizational arrangements and procedures as shall be required for the Project.

3. The Recipient shall ensure that the Project is carried out in accordance with the Project Operational Manual and the Administrative and Financial Manual (provided, however, that in case of any conflict between the provisions of such manuals and the provisions of this Agreement, the provisions of this Agreement
shall prevail), and shall ensure that none of the provisions of such manuals are amended, abrogated or waived without the prior written approval of the Association.

F. Sub-projects

1. General

The Recipient, through the DPM, shall appraise, approve, and monitor the Sub-projects under Parts 1 and Parts 3.1(i) and 3.1(ii) of the Project in accordance with the provisions of this Section I.F and the Operational Manuals.

2. Eligibility Criteria and Procedures for CLP Sub-projects under Part 1 of the Project.

Except as the Association may otherwise agree in writing, no proposed Sub-project shall be eligible for financing under Part 1 of the Project unless the CNCPM and the relevant CLPA (if operational) have reviewed and concluded, as confirmed by the relevant Co-Management Agreement, on the basis of an appraisal (including an environmental assessment for the CLP Sub-project conducted in accordance with the ESMF) conducted in accordance with guidelines acceptable to the Association, that the proposed Sub-project satisfies the eligibility criteria specified below, and such additional criteria as may be specified in the Project Operational Manual:

(a) the proposed CLP Sub-project shall be prepared and implemented by a CLP, with assistance from a facilitator, which has the necessary experience and qualifications to provide support to the carrying out of the CLP Sub-project, and has prepared an acceptable co-management plan and budget for the CLP Sub-project;

(b) the proposed CLP Sub-project consists of specific development activities set forth in the Project Operational Manual, including, inter alia, establishing: (i) restrictions on fish sizes or on fishing gear that go beyond existing regulations; (ii) limits on daily catch, the number of daily fishing trips, and daily landings; (iii) setting allowable catch within a specific marine area; and (iv) seasonal closures; and

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

3. Eligibility Criteria and Procedures for AL Sub-projects under Parts 3.1(i) and 3.1(ii) of the Project.

Except as the Association may otherwise agree in writing, no proposed AL Sub-project shall be eligible for financing under Part 3 of the Project unless the COMO has reviewed and concluded, on the basis of an appraisal (including an environmental assessment for the Sub-project conducted in accordance with the ESMF), conducted in accordance with guidelines acceptable to the Association, that the proposed AL Sub-project satisfies the eligibility criteria specified below, and such additional criteria as may be specified in the Project Operational Manual:

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

(b) the proposed Sub-project consists of specific development activities set forth in Part 3 of the Project and further elaborated in the Project Operational Manual; and

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

4. Eligibility Criteria and Procedures for Micro-Credit Sub-projects under Parts 3.1(iii) and 3.2(i) of the Project.

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

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

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

5. Terms and Conditions of Sub-financing Agreements

(a) A Sub-Financing shall be made to the Beneficiaries under a Sub-financing Agreement signed between the Ministry of the Recipient in charge of fisheries and a Beneficiary for CLP Sub-projects or an AL Sub-Project, and between the Micro-Finance Institution and Micro-Credit Beneficiary for a Micro-Credit Sub-project, on terms and conditions satisfactory to the Association, including the following, whereby:

(i) (x) For a CLP Sub-project: the Sub-financing shall be made on a grant basis.

(y) For an AL Sub-project: the terms of the Sub-financing shall be described in the Project Operational Manual.

(z) For a Micro-Credit Sub-project: the terms of the Sub-financing shall be described in the Project Operational Manual.

(ii) the Beneficiary shall undertake to: (A) carry out the Sub-project with due diligence and efficiency and in accordance with sound environmental, social, engineering, financial, and managerial standards and practices, including in accordance with the provisions of the Anti-Corruption Guidelines applicable to recipients of Financing proceeds other than the Recipient; (B) maintain adequate records to reflect, in accordance with sound accounting practices, the resources, operations, and expenditures relating to the Sub-project; (C) procure the goods,
works, and services to be financed out of the proceeds of the Sub-financing in accordance with the provisions of Section III of this Schedule 2, and use the same exclusively in the carrying out of the Sub-project; and

(iii) the Recipient shall obtain rights adequate to protect its interests and those of the Association, including the right to: (A) inspect by itself, or jointly with the Association, if the Association shall so request, the goods, works, sites, plants, and construction included in the Sub-project, the operations thereof, and any relevant records and documents; (B) obtain all information as it, or the Association, shall reasonably request regarding the administration, operation, and financial condition of Sub-project and the Beneficiary; and (C) suspend or terminate the right of any Beneficiary to use the proceeds of the Sub-financing upon failure by the Beneficiary to perform any of its obligations under the Sub-financing Agreement.

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

G. Safeguards

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

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. 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 indicators set forth below in sub-paragraph (2) of this paragraph. Each Project Report shall cover the period of one calendar quarter, and shall be furnished to the Association not later than 45 days after the end of the period covered by such report.
2. The performance indicators referred to above in sub-paragraph (1) consist of the following:

(a) Increase in the average size of fish caught for targeted species in co-management sites.

(b) Reduction in the level of fishing effort for targeted species in co-management sites.

(c) 8 new co-management sub-project proposals are approved as legal agreements with the Recipient and implemented by the Closing Date.

(d) 70 percent of community members surveyed in participating communities are satisfied with project activities to rehabilitate coastal fish stocks.

(e) Each targeted community has access to a system of micro-credits and poverty reduction measures have been implemented in at least the four Initial Pilot Sites.

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 forty five (45) days after the end of each calendar quarter, interim unaudited financial reports for the Project covering the quarter, in form and substance satisfactory to the Association.

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 months after the end of such period.
Section III. Procurement

A. General

1. Goods and Works. All goods and works 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 and Works

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

2. Other Methods of Procurement of Goods and Works. The following table specifies the methods of procurement, other than International Competitive Bidding, which may be used for goods and works. 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) Procurement from UN Agencies</td>
</tr>
<tr>
<td>(d) Direct Contracting</td>
</tr>
<tr>
<td>(e) Community Participation</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.

<table>
<thead>
<tr>
<th>Procurement Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Selection Based on Consultants’ Qualifications (CQS)</td>
</tr>
<tr>
<td>(b) Selection under a Fixed Budget (FBS)</td>
</tr>
<tr>
<td>(c) Single Source Selection (SSS)</td>
</tr>
<tr>
<td>(d) Least Cost Selection</td>
</tr>
<tr>
<td>(e) Individual Consultants</td>
</tr>
<tr>
<td>(f) Quality Based Selection</td>
</tr>
</tbody>
</table>

D. Review by the Association of Procurement Decisions

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 estimated to cost the equivalent of $300,000 or more; (b) each contract for works (in case of civil works occurring during implementation) estimated to cost the equivalent of $1,000,000 or more; (c) each contract for consultants’ services provided by a firm estimated to cost the equivalent of $200,000 or more; (d) each contract for services other than consultants’ services estimated to cost the equivalent of $30,000 or more; (e) each contract for individual consultant estimated to cost the equivalent of $50,000 or more; (f) all contract procured on the basis of single source or direct contracting; and (g) the first contract of goods procured through National Competitive Bidding and the first contract of consultant services procured through Selection Based on Quality- and Cost. All other contracts shall be subject to Post Review by the Association.

The procurement plan will be updated annually, including also the prior review thresholds, in agreement with the project team or as required to reflect the actual Project implementation needs and improvements of the procurement performance.

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 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 (inclusive of taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Sub-projects for Part 3 of the Project</td>
<td>900,000</td>
<td>100% of disbursed amounts</td>
</tr>
<tr>
<td>(2) Goods, services, Training and Operating Costs for Part 3 of the Project</td>
<td>1,400,000</td>
<td>100%</td>
</tr>
<tr>
<td>Total Amount</td>
<td>2,300,000</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 1 for any Sub-project, unless the Sub-Financing Agreement for such Sub-project has been made in accordance with eligibility criteria and on terms and conditions set forth or referred to in the Project Operational Manual and the provisions of Schedule 2 to this Agreement;
2. The Closing Date is March 31, 2012.
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 June 15 and December 15:</td>
<td></td>
</tr>
<tr>
<td>commencing June 15, 2019 to and including December 15, 2028</td>
<td>1</td>
</tr>
<tr>
<td>commencing June 15, 2029: to and including December 15, 2048</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

Definitions

1. “Administrative and Financial Manual” means the manual to be adopted by the Recipient, outlining administrative, financial management, and accounting arrangements, as shall have been agreed with the Association for purposes of Project implementation and shall be applied by the Recipient in accordance with the provisions of Section I.E.2 of Schedule 2 to this Agreement, as the same may be amended from time to time with the prior written approval of the Association, and such term includes any schedules to the Administrative, Financial, and Accounting Procedures Manual.

2. “AL Beneficiary” means the individuals, families or community groups whose income from fishing is reduced due to co-management initiatives, or to measures of rehabilitation of maritime ecosystems, that meet the eligibility criteria set out in Section I.F.3 of Schedule 2 to this Agreement and further elaborated in the Project Operational Manual, to whom or for whose benefit an AL Sub-grant or AL Sub-loan is made or proposed to be made.

3. “AL Sub-grants” means a Sub-grant made to an AL Beneficiary.

4. “AL Sub-project” means a specific development activity to be financed under Part 3.1(i) or 3.1(ii) of the Project.


6. “Beneficiary” means either an AL Beneficiary, a CLP Beneficiary, or a Micro-Credit Beneficiary, and “Beneficiaries” means more than one such Beneficiary.

7. “CBO” means a community-based organization established and operating pursuant to the laws of the Recipient.

8. “CLP” means the Comité Local de Pécheurs, a committee established, or to be established, in accordance with relevant laws of the Recipient and consisting of local fishermen and stakeholders, responsible for developing co-management initiatives and CLP Sub-projects for their local communities.
9. “CLP Sub-project” means a specific development activity under Part 1.(i) and (ii) of the Project consisting of proposed co-management initiatives to be carried out by a CLP Beneficiary and financed or to be financed out of the proceeds of the Financing through a Sub-grant.

10. “CLPA” means the Conseil Local de Pêche Artisanale or the Local Artisanal Fisheries Council, a fisheries council, established at supra-community level composed of representatives of the CLPs and the Ministry of the Recipient in charge of fisheries and with responsibility for consolidating and coordinating local co-management initiatives developed or proposed by the CLPs in the CLPAs geographical area.

11. “CLP Beneficiary” means a local community which meets the eligibility criteria set out in Section I.F.2 of Schedule 2 to this Agreement and further elaborated in the Project Operational Manual and to which or for whose benefit a Sub-grant is made or proposed to be made.


13. “COMO” means Cellule Opérationnelle de Mise en Oeuvre, the implementation unit for the Project established within DPM (Direction des Pêches Maritimes).

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

15. “Co-management” means a system of co-management of fishing resources, including area-based co-management, established between the Recipient and local fisheries committees.

16. “Co-management Agreement” means the co-management agreement signed by the Minister in charge of fisheries for each CLP Sub-project.


18. “DPM” means the Direction des Pêches Maritimes, the Directorate for Marine Fisheries within the Ministry of the Recipient in charge of fisheries referred to in Section I.A.1 of Schedule 2 to this Agreement.
19. “Environmental Assessment” means the assessment, dated August 21, 2008 and published by Infoshop on July 8, 2008, in form and substance satisfactory to the Association, describing the potential adverse environmental impact of the Project and measures for offsetting, reducing, or mitigating such impact, and including the Environmental and Social Management Framework.

20. “Environmental and Social Management Framework” or “ESMF” means the framework setting out modalities to be followed in assessing the potential adverse environmental and social impact associated with activities to be implemented under the Project and the specific Sub-Projects, and the measures to be taken to offset, reduce, or mitigate such adverse impact.


22. “GEF Grant” means the grant in the amount of six million Dollars ($6,000,000) to be provided by the Bank, acting as implementing agency of the GEF, to assist in financing the Project.

23. “GEF Grant Agreement” means the agreement between the Bank, acting as implementing agency of the GEF and the Recipient providing for the GEF Grant.

24. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 1, 2005 (as amended through October 15, 2006).


27. “Micro-Credit Sub-project” means a specific development activity to be financed under Part 3.1(iii) or 3.2(i) of the Project.

28. “Micro-Credit Beneficiary” means: (i) the fishers, women fish processors and fish transporters (mareyeurs) who choose to leave the fishing sector to find alternative income-generating activities outside the fishing sector; or (ii) women living in the target sites that choose to obtain a Micro-Credit to start or expand a micro-enterprise, and that meet the eligibility criteria set out in Section I.F.4 of Schedule 2 to this Agreement and further elaborated in the Project Operational Manual, to whom or for whose benefit a Micro-Credit is made or proposed to be made.
29. “Ministry of the Recipient in charge of fisheries” means on the Effective Date, the Ministère de l’Économie Maritime, des Transports Maritimes de la Pêche et de la Pisciculture, the Recipient’s Ministry of Maritime Economy and Transport or, thereafter, any other Ministry of the Recipient in charge of the fishing sector.

30. “Operating Costs” means incremental recurrent expenditures incurred by the COMO on account of the Project implementation including office supplies, fuel and maintenance of vehicles, maintenance of equipment, telephone and other communications charges, office rent and insurance for vehicles, motorcycles and office equipment and furniture, travel and supervision.


32. “Process Framework” means document prepared and adopted by the Recipient on August 21, 2008, and published by Infoshop on July 8, 2008, and satisfactory to the Association, to guide the mitigation of potential negative impacts on the livelihoods on populations resident in the targeted areas, as the same may be modified from time to time by agreement between the Recipient and the Association.


34. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated October 29, 2008 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.

35. “Program” means the program set forth or referred to in the letter of Sector Policy dated April, 2007 from the Recipient to the Association, describing a set of objectives, policies and actions for promoting the Recipient’s fisheries sector to be one of the it’s key drivers of economic growth.

36. “Project Implementing Entity” or “Micro-Finance Institution” means an existing micro-finance agency to be selected by the Recipient pursuant to Section 5.01(a) of this Agreement and complying with at least the following requirements: (i) the micro-finance agency is a well established national agency; (ii) which has the ability to cover at least the geographic intervention area of the Project; and (iii) has prior experience in the micro-finance for the fisheries sector.
“Project Implementing Entity’s Legislation” means the legislation pursuant to which the Project Implementing Entity has been established and is operating.

“Project Operational Manual” means the manual to be adopted pursuant to Section I.E.1 of Annex 2 to this Agreement, setting forth the eligibility criteria and appraisal, approval, contracting and supervision arrangements and procedures for the Sub-grants and Sub-loans under Part 3 of the Project, including a model Sub-financing Agreement, and the detailed arrangements and procedures for: (i) institutional coordination and day-to-day execution of the Project; (ii) disbursement and financial management; (iii) procurement; (iv) environmental and social safeguards management; (v) monitoring, evaluation, reporting and communication; and (vi) such other administrative, financial, technical and organizational arrangements and procedures as shall be required for the Project.

“Sub-financing” means a Sub-grant or a Micro-Credit and “Sub-financings” means, collectively, all such Sub-grants and Micro-Credits.

Sub-financing Agreement” means an agreement concluded between, on the one part, the Recipient or the Micro-Finance Institution and a Beneficiary, on the other part, for the purpose of extending a Sub-financing to such Beneficiary.

“Sub-grant” means a grant to be made out of the proceeds of the Financing for the purpose of financing eligible expenditures required for a Sub-project in accordance with the provisions of Section I.F.2, I.F.3 or I.F.4 of Schedule 2 to this Agreement.

“Sub-project” means either a AL Sub-project, a CLP Sub-project, or a Micro-Credit Sub-project and “Sub-projects” means, collectively, all such Sub-projects.

“Subsidiary Agreement” means the agreement referred to in Section I.C of Schedule 2 to this Agreement pursuant to which the Recipient shall make part of the proceeds of the Financing available to the Micro-Finance Institution.

“Technical Support Institution” means the technical institution to be recruited pursuant to Section 5.01 (a) of this Agreement to support implementation of Part 3 of the Project.

“Training” means the training of persons involved in Project-supported activities, such term including seminars, workshops, and study tours, and costs associated with such activity include travel and subsistence costs for training participants, costs associated with securing the services of trainers, rental of training facilities,
preparation and reproduction of training materials, and other costs directly related to training preparation and implementation.

46. “ZPPs” or “Protected Fishing Zones” means the areas to be established under Part 2.1 of the Project where fishing would be limited in order to protect key habitat of fish stocks.

47. “ZPP Management Plan” means the management plans to be prepared under Part 2.1(ii) of the Project for each ZPP and that will define the management and conservation measures applicable in each ZPP.