

CONFORMED COPY

CREDIT NUMBER 4166-SE

Financing Agreement

(Participatory Local Development Project)

between

REPUBLIC OF SENEGAL

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated July 26, 2006

FINANCING AGREEMENT

AGREEMENT dated July 26, 2006, 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 the Financing 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 thirty-four million nine hundred thousand Special Drawing Rights (SDR 34,900,000) (“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 The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.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 the repayment schedule set forth in Schedule 3 to this Agreement.
- 2.07. The Payment Currency is Euros.

ARTICLE III — PROJECT

- 3.01. The Recipient declares its commitment to the objectives of the Project and the Program.
- 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:

As a result of events which have occurred after the date of this Agreement, an extraordinary situation shall have arisen which shall make it improbable that the Program or a significant part thereof shall be carried out.

- 4.02. The Additional Event of Acceleration consists of the following:

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:
- (a) The Recipient has adopted the PIM and the PAFAM, in form and substance satisfactory to the Association;
 - (b) Heads of departments and financial and procurement specialists, with qualifications, experience and terms of reference satisfactory to the Association, have been recruited to the Executive Secretariat and RDAs;
 - (c) The Recipient has hired an external auditor satisfactory to the Association, under terms and conditions satisfactory to the Association, and consistent with the procurement procedures referred to in Section III of Schedule 2 to this Agreement;
 - (d) The Recipient has duly established the Steering Committee referred to in Section I.A.1 of Schedule 2 to this Agreement;

- (e) The Executive Secretariat and the *Direction Générale de la Comptabilité Publique et du Trésor* have signed a memorandum of understanding, in form and substance satisfactory to the Association, for purposes of Project implementation; and
 - (f) The Recipient has taken all legal action necessary on its part for the effective decentralization of the Consolidated Investment Budget in 2006.
- 5.03. 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 at the time responsible for finance.

6.02. The Recipient's Address is:

Ministry of Economy and Finance
P. O. Box 4017
Rue René N'Diaye
Dakar, Senegal

Cable:	Telex:	Facsimile:
MINIFINANCES	3203 G Dakar	221-821-16-30

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 Washington, D.C.	248423 (MCI) or 64145 (MCI)	1-202-477-6391

AGREED at Dakar, Senegal, as of the day and year first above written.

REPUBLIC OF SENEGAL

By:

/s/ Abdoulaye Diop
Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By:

/s/ Madani M. Tall
Authorized Representative

SCHEDULE 1

Project Description

The objective of the Project, which is part of the Program, is to assist the Recipient in establishing an effective framework for participatory local development, decentralization and resource mobilization and transfer to local governments and communities, for purposes of effective service delivery in rural areas and targeted poorest cities.

The Project consists of the following parts:

1. Support to Decentralization, Devolution and Participatory Local Development Policies

(a) Updating of legal, regulatory and organizational framework for improved articulation of participatory local development strategy and decentralization policy;

(b) Establishment of operational mechanisms for purposes of financing participatory local development; and

(c) Development of tools for use of local governments and communities for purposes of implementation of participatory and decentralized local development.

2. Financing of Local Development

Establishment and operation of participatory local development funding mechanism for local governments for purposes of socio-economic service delivery to local populations.

(a) Financing of basic socio-economic infrastructure and services; and

(b) Provision of technical advisory services in support of development of income-generating activities at local level.

3. Capacity Building for Decentralization, Devolution and Participatory Local Development

Capacity building of:

(a) Recipient's entities for purposes of alignment of their activities with decentralization and participatory local development.

(b) Local governments for purposes of effective implementation of participatory local development;

(c) Community-Based Organizations for purposes of improvement of access to basic services in partnership with local governments; and

(d) Microfinance institutions for purposes of provision of financial services and products adapted to needs of poorest populations.

(e) Local private sector and NGOs for purposes of quality service delivery.

4. Coordination and Communication; Monitoring and Evaluation; Social and Environmental Management

Assistance for the coordination and implementation of Project activities, including:

(a) Project coordination and communication, and monitoring and evaluation; and

(b) Implementation and monitoring of Environmental and Social Management Framework and Resettlement Policy Framework.

SCHEDULE 2

Project Execution

Section I. Institutional and Other Arrangements

A. Project Coordination and Management

1. The Recipient shall establish the Steering Committee of the Program, in form and substance and with resources and functions satisfactory to the Association, and which shall be responsible for the overall coordination and oversight of Project implementation.
2. The Executive Secretariat of the Program, whose resources and functions shall remain at all times satisfactory to the Association, shall be responsible for the implementation, monitoring, and evaluation of the Project with technical support from the RDAs which shall be responsible for Project implementation at the regional level.

B. Project Manuals

The Recipient shall carry out the Project in accordance with the provisions of the PIM and the PAFAM, and shall not, except as the Association shall otherwise agree, amend or waive any provision of the aforementioned if such amendment or waiver may, in the opinion of the Association, adversely and materially affect Project implementation.

C. Environmental and Social Safeguards

1. The Recipient shall carry out the Project in accordance with the provisions of the Environmental and Social Management Framework and the Resettlement Policy Framework, and shall not, except as the Association shall otherwise agree, amend or waive any provision of the aforementioned if such amendment or waiver may, in the opinion of the Association, adversely and materially affect Project implementation.

D. Grants for Subprojects

1. The Recipient shall provide Grants to finance part of the activities under Part B of the Project. Grants shall be provided in accordance with the provisions of the PIM, and such provisions shall include, but not be limited to, the following:
 - (a) Grants shall be provided for any of the activities referred to in Part B of the Project;

- (b) Activities to be financed by Grants shall be in compliance with: (i) applicable laws and regulations of the Recipient; and (ii) criteria and standards set forth in the PIM.
2. To provide Grants, the Recipient shall enter into a Grant Agreement with the Grant Beneficiary in form and substance satisfactory to the Association, which Agreement shall include the following:
- (a) A description of the approved Subproject / s, including its / their budget and performance indicators;
 - (b) A provision requiring the financing to be made on a grant basis;
 - (c) The Grant Beneficiary's obligation to: (i) carry out the Subproject with due diligence and efficiency, and in accordance with sound administrative, technical and financial standards and in accordance with the provisions of the PIM; (ii) maintain adequate records to reflect, in accordance with sound accounting practices defined in the PAFAM, the operations, resources and expenditures in respect of the Subproject; and (iii) maintain adequate reporting in accordance with the standards specified in the PIM and the PAFAM;
 - (d) The Grant Beneficiary's obligation to: (i) carry out the Subproject in accordance with the guidelines, procedures, timetables and other specifications set forth in the ESMF and the RPF, and (ii) not, except as the Association shall otherwise agree, amend or waive any provision of the aforementioned if such amendment or waiver may, in the opinion of the Association, adversely and materially affect Project implementation;
 - (e) The requirements 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 the PIM and the PAFAM; and (ii) such goods and services shall be used exclusively in the carrying out of the activities under Part B of the Project;
 - (f) The right of the Recipient to inspect, by itself, or jointly with the Grant Beneficiary and the Association, if the Association shall so request, the goods, sites and services financed by the Grant, the operations thereof, and any relevant records and documents;
 - (g) The right of the Recipient to obtain all information as the Recipient or the Association shall reasonably request regarding the administration, operations and financial conditions of the Subproject / s financed by the Grant; and

- (h) The right of the Recipient to suspend or terminate the Grant Beneficiary's right to use the proceeds of the Grant upon failure by the Grant Beneficiary to perform any of its obligations under the Grant Agreement.

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 (1) calendar quarter, and shall be furnished to the Association not later than one (1) month 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) At least three (3) development partners have joined the Recipient in financing the Program.
 - (ii) At least 70% of targeted Rural Communities have prepared and implemented Local Development Plans as per the mechanisms established in their respective Partnership Charter.
 - (iii) 320 Rural Communities have established or upgraded at least five (5) infrastructure facilities for provision of basic services under Part B of the Project.
 - (iv) 90% of Subprojects funded under Part B of the Project have been prepared and implemented in accordance with appropriate sectoral, environmental and social norms.
 - (v) At least 75% of the targeted Local Governments have produced their administrative and management accounts, respectively, in a timely fashion, and auditors' opinions on at least 80% of such accounts are unqualified.
- 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 following 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 as part of the Project Report not later than one (1) month after the end of each calendar quarter, interim un-audited 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 (1) 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 (6) months after the end of such period.
4. The Local Governments shall have their 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 (1) fiscal year of the Local Government, commencing with the fiscal year ending in 2007. The audited Financial Statements for each such period shall be furnished to the Association not later than nine (9) months after the end of such period.

Section III. Procurement

A. General

1. **Goods, Works and Services.** All goods, works and services (other than consultants' services) required for the Project 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 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 Consultants' Services)

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods, works and services (other than consultants' services) shall be procured under contracts awarded on the basis of International Competitive Bidding. Domestic preference applies when included in bidding documents.
2. **Other Methods of Procurement of Goods, Works and Services (Other than Consultants' 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 consultants' services). The Procurement Plan shall specify the circumstances under which such methods may be used.

<u>Procurement Method</u>
(a) National Competitive Bidding
(b) Shopping
(c) Direct Contracting
(d) Community Participation
(e) Procurement from UN Agencies

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. 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 Recipient.
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.

Procurement Method
(a) Least Cost Selection (LCS)
(b) Selection Based on the Consultants' Qualifications (SCQ)
(c) Single Source Selection (SSS)
(d) Selection of Individual Consultants

D. Review by the Bank 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 and services (other than consultants' services) estimated to cost the equivalent of \$250,000 or more and \$50,000 or more, respectively, procured on the basis of International Competitive Bidding; (b) the first two (2) contracts procured on the basis of National Competitive Bidding; (c) each contract procured on the basis of Direct Contracting; (d) each contract for consultants' services provided by a firm estimated to cost the equivalent of \$100,000 or more; (e) each contract for consultants' services provided by an Individual Consultant estimated to cost the equivalent of \$50,000 or more; and (f) each contract procured on a sole-source basis.
2. All other contracts shall be subject to Post Review by the Association.

Section IV. Withdrawal of the Proceeds of the Financing

A. General

1. The Recipient may withdraw the proceeds of the Financing in accordance with the provisions of Article II of the General Conditions and of this Section and such additional instructions as the Association shall specify by notice to the Recipient, to: (a) repay the Project Preparation Advance in accordance with Section 2.07 of the General Conditions; and (b) finance other Eligible Expenditures.
2. The Recipient may withdraw the proceeds of the Financing in accordance with the provisions of this Section and such additional instructions as the Bank may specify by notice to the Recipient, to finance Eligible Expenditures as set forth in the table in paragraph 2 below.
3. 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:

	Categories	Amount of the Financing Allocated (Expressed in SDR)	Percentage of Expenditures to be Financed
(1)	Part 1 of Project: Support to Decentralization, Devolution and Participatory Local Development Policies (Goods and Consultants' services, including training)	2,500,000	100% of foreign expenditures and 100% of local expenditures, excluding Value Added Tax
(2)	Part 2 of Project: Financing of Local Development (Grants)	17,970,000	100% of amounts disbursed
(3)	Part 3 of Project: Capacity Building for Decentralization, Devolution and Participatory Local Development (Goods and Consultants' services, including training)	7,110,000	100% of foreign expenditures and 100% of local expenditures, excluding Value Added Tax
(4)	Part 4 of Project: Coordination and Communication; Monitoring and Evaluation; Social and Environmental Management (Goods, Consultants' services, including audits and training, and Operating costs)	2,370,000	100% of foreign expenditures and 100% of local expenditures, excluding Value Added Tax
(5)	Reimbursement of Project Preparation Advance	770,000	Amount payable pursuant to Section 2.07 of the General Conditions
(6)	Unallocated	4,180,000	
	TOTAL AMOUNT	34,900,000	

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; or
- (b) under Category (2) unless Grants have been made in accordance with the provisions set forth or referred to in Part D of Section IV of this Schedule and the PIM.

2. For the purposes of this Schedule:

(a) the term “foreign expenditures” means expenditures in the currency of any country other than that of the Recipient for goods or services supplied from the territory of any country other than that of the Recipient;

(b) the term “local expenditures” means expenditures in the currency of the Recipient or for goods or services supplied from the territory of the Recipient; provided, however, that, if the currency of the Recipient is also that of another country from the territory of which goods or services are supplied, expenditures in such currency for such goods or services shall be deemed to be “foreign expenditures”; and

(c) the term “Operating costs” means incremental recurrent expenditures incurred on account of Project implementation, 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, bank and services fees, travel and supervision, but excluding salaries and bonuses of officials of the Recipient’s civil service.

3. The Closing Date is December 31, 2009.

Section V. Other Undertakings

1. The Recipient shall produce, no later than six (6) months after the Effectiveness Deadline, the minimum package under the Reference Profile of Local Government Capacity (*Profil de référence des capacités des Collectivités locales*).

2. The Recipient shall, no later than March 31 of each of calendar years 2006, 2007 and 2008, make available to the Program in respect of:

(a) the LGIF: CFAF 4,000,000,000, CFAF 5,000,000,000 and CFAF 6,500,000,000, respectively;

(b) the LGOF: CFAF 2,000,000,000, CFAF 1,900,000,000 and CFAF 1,900,000,000, respectively; and

(c) the decentralized Consolidated Investment Budget for health and education: CFAF 4,550,000,000, CFAF 6,846,000,000 and CFAF 5,198,000,000, respectively.

SCHEDULE 3

Repayment Schedule

Date Payment Due	Principal Amount of Financing repayable (Expressed as a percentage)*
On each January 15 and July 15:	
commencing July 15, 2016 to and including January 15, 2026	1%
commencing July 15, 2026 to and including January 15, 2046	2%

*The percentages represent the percentage of the principal amount of the Financing to be repaid, except as the Association may otherwise specify pursuant to Section 3.03 (b) of the General Conditions.

APPENDIX

1. “Affected Persons” means persons who, on account of Project implementation, had or would have their: (i) standard of living adversely affected; or (ii) right, title, interest in any house, land (including premises and agricultural and grazing land) or any other fixed or movable asset acquired or possessed, temporarily or permanently; (iii) access to productive assets adversely affected, temporarily or permanently; or (iv) business, occupation, work, place of residence or habitat adversely affected; and “Affected Person” means any of the Affected Persons.
2. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
3. “CFA Franc” or “CFAF” means the currency of the Recipient.
4. “*Commune*” means an administrative area of the Recipient, established pursuant to the Recipient’s Law No. 96-06 of March 22, 1996, representing a designated area and population within the territory of the Recipient.
5. “Community-Based Organization” (*Organisation Communautaire de Base*) means an entity established and operating as such under the laws of the Recipient.
6. “Consolidated Investment Budget” (*Budget Consolidé d’Investissement*) means the Recipient’s annual budget allocated to investment.
7. “Consultant Guidelines” means the “Guidelines: Selection and Employment of Consultants by World Bank Recipients” published by the Bank in May 2004.
8. “Directorate General of Public Accounts and the Treasury” (*Direction Générale de la Comptabilité Publique et du Trésor*) means the Recipient’s entity responsible for management and disbursement of the Recipient’s financial resources.
9. “Environmental and Social Management Framework” or “ESMF” means the Recipient’s document, dated November 2005, referred to in Section I.C of Schedule 2 to this Agreement, setting forth, *inter alia*, guidelines, procedures, timetables and other specifications designed to offset adverse environmental and social impacts related to Project activities, or to reduce them to acceptable levels, or to enhance positive impacts, including resettlement of Affected Persons.
10. “Executive Secretariat” means the Recipient’s entity established pursuant to the Recipient’s Order No. 001334 of February 22, 2006, and which is responsible for coordination and monitoring of activities under the Program.

11. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 1, 2005.
12. “Grant” means a grant to be made out of the proceeds of the Financing to a Grant Beneficiary (as hereinafter defined) to finance activities under Part B of the Project in accordance with the provisions of Section I.D.1 of Schedule 2 to this Agreement and the Project Implementation Manual (as hereinafter defined).
13. “Grant Beneficiary” means any entity eligible to receive a Grant in accordance with eligibility criteria set forth in the Project Implementation Manual (as hereinafter defined).
14. “Grant Agreement” means an agreement to be entered into between the Recipient and a Grant Beneficiary for the provision of a Grant in accordance with the provisions of Section I.D.2 of Schedule 2 to this Agreement.
15. “Local Development Plan” means a multi-year plan prepared by a Rural Community (as hereinafter defined) outlining and prioritizing potential development activities for the Rural Community (as hereinafter defined).
16. “Local Government” (*Collectivité Locale*) means an administrative organ of the Recipient established pursuant to the Recipient’s Law No. 96-06 of March 22, 1996, and which is responsible for the management of the Recipient’s activities and resources for the benefit of the constituent population.
17. “Local Government Investment Fund” (*Fonds d’Equipement des Collectivités Locales*) or “LGIF” means the fund established pursuant to the Recipient’s Law No. 96-07 of March 22, 1996 for purposes of provision of funding to Local Governments for the carrying out of investments.
18. “Local Government Operating Fund” (*Fonds de Dotation de la Décentralisation*) or “LGOF” means the fund established pursuant to the Recipient’s Law No. 96-07 of March 22, 1996 for purposes of funding of tasks delegated to Local Governments, functioning of the Recipient’s regional administrative organs and support to said organs.
19. “Non-Governmental Organization” or “NGO” means an entity established and operating as such under the laws of the Recipient.
20. “Partnership Charter” means the set of procedures governing relations between participatory local development actors.
21. “Procurement Guidelines” means the “Guidelines for Procurement under IBRD Loans and IDA Credits” published by the Bank in May 2004.

22. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated March 2, 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.
23. “Program” means the program designed to strengthen capacity of local development players to better deliver basic services, support wealth creation, and establish a monitoring and evaluation system of said program and set forth or referred to in the letter dated February 22, 2006 from the Recipient to the Association.
24. “Project Administrative, Financial and Accounting Manual” or “PAFAM” means the manual containing details of the administrative, financial and accounting procedures as shall have been agreed with the Association for purposes of Project implementation, as the same may be amended from time to time in consultation with the Association, and such term includes any annexes thereto.
25. “Project Implementation Manual” or “PIM” means the manual containing details of the procurement arrangements, social monitoring and mitigation arrangements, and other organizational and administrative arrangements, as shall have been agreed with the Association for purposes of Project implementation, as the same may be amended from time to time in consultation with the Association, and such term includes any annexes thereto.
26. “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 June 3, 2005 and on behalf of the Recipient on June 21, 2005.
27. “Reference Profile of Local Government Capacity” (*Profil de référence des capacités des Collectivités locales*) means the list of minimum capacities for purposes of discharge of tasks delegated to Local Governments.
28. “Regional Development Agency” (“*Agence Régionale de Développement*”) or “RDA” means the Recipient’s entity established pursuant to the Recipient’s Law No. 96-06 of March 22, 1996, and which is responsible for provision of assistance to Local Governments in all areas of development activity.
29. “Resettlement Policy Framework” or “RPF” means the Recipient’s document, dated July 2005, setting forth, *inter alia*, guidelines, procedures, timetables and other specifications of the resettlement to be carried out and / or compensation to be made under the Project to Affected Persons and referred to in Section I.C of Schedule 2 to this Agreement.

30. “Rural Community” (*Communauté Rurale*) means an administrative area of the Recipient, established pursuant to the Recipient’s Law No. 96-06 of March 22, 1996, representing a designated area and population within the territory of the Recipient.
31. “Steering Committee” means the entity established by the Recipient under Section I.A.1 of Schedule 2 to this Agreement, and whose responsibilities are set out in said provision.
32. “Subproject” means any activity under Part B of the Project, in respect of which a Grant has been, or may be, provided.