

Public Disclosure Authorized

**CONFORMED**

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**CREDIT NUMBER 4921-MR**

# **Financing Agreement**

**(Skills Development Support Project)**

**between**

**ISLAMIC REPUBLIC OF MAURITANIA**

**and**

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

**Dated June 13, 2011**

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Public Disclosure Authorized

**CREDIT NUMBER 4921-MR**

**FINANCING AGREEMENT**

AGREEMENT dated June 13, 2011, entered into between the ISLAMIC REPUBLIC OF MAURITANIA (“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 ten million two hundred thousand Special Drawing Rights (SDR 10,200,000) (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 The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.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 March 15 and September 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 Dollar.

### **ARTICLE III — PROJECT**

3.01. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient: (a) shall, through the Subsidiary Agreement, cause INAP-FTP to carry out Part 1 of the Project, and (b) shall carry out Part 2 of the Project through MDEFPNT in accordance with the provisions of Article IV of the General Conditions.

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

### **ARTICLE IV — EFFECTIVENESS; TERMINATION**

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

- (a) The Recipient has caused INAP-FTP to recruit in accordance with the provisions of Section III of Schedule 2 to this Agreement a financial management specialist for the Project, with terms of reference, qualifications and experience satisfactory to the Association.
- (b) The Recipient has updated the Project Implementation Manual and the Manual of Procedures of FAP-FTP in form and substance satisfactory to the Association.

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

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

4.04. For purposes of Section 8.05 (b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty years after the date of this Agreement.

**ARTICLE V — REPRESENTATIVE; ADDRESSES**

5.01. The Recipient's Representative is the Recipient's Minister responsible for economy.

5.02. The Recipient's Address is:

*Ministère des Affaires Economiques et du Développement*  
BP 238  
Nouakchott  
Mauritania

Facsimile:

222-45-25-33-35

5.03. The Association's Address is:

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

Cable:

Telex:

Facsimile:

INDEVAS  
Washington, D.C.

248423 (MCI)

1-202-477-6391

AGREED at Nouakchott, Mauritania, as of the day and year first above written.

ISLAMIC REPUBLIC OF MAURITANIA

By //s// Sidi Ould Tah  
Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By //s// Moctar Thiam  
Authorized Representative

## SCHEDULE 1

### Project Description

The objectives of the Project are to improve the quality and efficiency of training institutions and create an enabling environment for a more market-driven technical and vocational education training system.

The Project consists of the following parts:

#### *Part 1: Strengthening and Diversifying Technical and Vocational Education Training*

- 1.1 Improving the quality, effectiveness and relevance of the training provided in eligible TVET Institutions Beneficiaries, through: (a) the provision of goods and technical assistance to eligible TVET Institutions Beneficiaries for the preparation and implementation of their respective School Program Implementation Agreement with INAP-FTP and DFTP; and (b) the provision of Sub-grants to eligible TVET Institutions Beneficiaries for the financing of their respective School Program Implementation Agreement with INAP-FTP.
- 1.2 Increasing apprenticeship and short-term training programs through the provision of goods, technical assistance and Sub-grants for the preparation, implementation and the financing of the following activities: (a) the design and costing of Apprenticeship or Short-term Training Subprojects; (b) the appraisal and selection of proposals for Apprenticeship or Short-term Training Subprojects; (c) the provision of Sub-grants for the financing of Apprenticeship or Short-term Training Subprojects; and (d) the monitoring and evaluation of the results of Apprenticeship or Short-term Training Subprojects.

#### *Part 2: Improving the Institutional Environment of Technical and Vocational Education Training*

- 2.1 Enhancing the capacity of the MDEFNT to create a more demand-driven TVET system, by: (a) updating the TVET regulatory framework; (b) defining a strategic vision for the TVET sector and building capacity in strategic planning and budgeting; (c) monitoring and evaluating the performances of the TVET sector; (d) designing a plan to develop human resources and teacher training; (e) implementing a communication strategy to increase demand for TVET; and (f) conducting a survey to identify bottlenecks for women in terms of training and entering the labor market.

- 2.2 Strengthening the capacity of INAP-FTP to support the TVET system, including to: (a) supervise the expansion of mandate and diversification of the FAP-FTP; (b) monitor and evaluate School Program Implementation Agreements; (c) elaborate modular and competency-based curriculum content for TVET institutions and pedagogical support; (d) elaborate a normative framework for the certification of skills; (e) design teacher training for short-term programs; (f) strengthen the monitoring and evaluation system and financial management capacity of INAP-FTP; and (g) provide technical assistance to TVET institutions to carry out employment tracer studies of their graduates.

## **SCHEDULE 2**

### **Project Execution**

#### **Section I. Implementation Arrangements**

##### **A. Institutional Arrangements**

The Recipient shall maintain the following implementation arrangements throughout the implementation of the Project:

1. The Recipient, through DPEF, shall be responsible for the coordination of the Project activities and the implementation of the fiduciary aspects of the Project, including financial management, accounts management and procurement, preparation of reports and financial statements, monitoring and evaluation.
2. The Recipient shall ensure that personnel in adequate number and with terms of reference, qualifications and experience satisfactory to the Association are assigned to the Project, in DPEF, MDEFNT, and INAP-FTP (including FAP-FTP).

##### **B. Subsidiary Agreement**

1. To facilitate the carrying out of Part 1 of the Project, the Recipient shall make the proceeds of the Financing allocated from time to time to Categories 1, 2, and 4(a) available to INAP-FTP under a subsidiary agreement between the Recipient (through DPEF) and INAP-FTP, under terms and conditions approved by the Association (“Subsidiary Agreement”), which shall include the following provisions:
  - (a) the obligation of the Recipient to:
    - (i) make the proceeds of the Financing allocated from time to time to Categories 1, 2 and 4(a) available to INAP-FTP as a grant under terms and conditions acceptable to the Association; and
    - (ii) take all actions necessary to permit INAP-FTP to carry out Part 1 of the Project, including without limitation to the generality of the foregoing, to provide Sub-grants under Part 1.1(b) and Part 1.2(c) of the Project, and ensure the achievement of the objectives thereof.



- (b) the obligation of INAP-FTP to:
- (i) carry out its activities under Part 1 of the Project, including without limitation to the generality of the foregoing, to provide Sub-grants under Part 1.1(b) and Part 1.2(c) of the Project, in accordance with this Agreement, the Subsidiary Agreement, the Project Implementation Manual, the Manual of Procedures of FAP-FTP, the Anti-Corruption Guidelines and the Annual Work Plans and Budgets;
  - (ii) promptly refund to the Recipient for further refund to the Association any proceeds from the grant not used for purposes of carrying out Part 1 of the Project or for achieving its objectives, or otherwise utilized in a manner inconsistent with the provisions of this Agreement;
  - (iii) at the request of the Recipient or the Association, exchange views with the Recipient and the Association with regard to the progress of its activities under Part 1 of the Project and the achievement of its objectives, and INAP-FTP's (including FAP-FTP's) performance of its obligations under the Subsidiary Agreement, the Project Implementation Manual, the Manual of Procedures of FAP-FTP, the Anti-Corruption Guidelines and the Annual Work Plans and Budgets;
  - (iv) for the implementation of Parts 1.1(b) and 1.2(c) of the Project, enter into the pertinent Sub-grant Agreements as provided in Section I.C.1 of this Schedule 2;
  - (v) take, or cause to be undertaken, all necessary actions to enable the Recipient to comply with its Project implementation obligations under this Agreement; and
  - (vi) promptly inform the Recipient of any condition which interferes or threatens to interfere with the implementation of the Project and the achievement of its objective.
- (c) a provision stipulating that, in case of conflict between any of the provisions contained in the Subsidiary Agreement, the Project Implementation Manual or the Manual of Procedures of FAP-FTP, and those set forth in this Agreement, the provisions of this Agreement shall at all times prevail.

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

**C. Sub-projects**

1. For the implementation of Part 1.1(b) of the Project, the Recipient shall cause INAP-FTP, through FAP-FTP, to make Sub-grants to TVET Institution Beneficiaries for the financing of TVET Institution Subprojects, in each case in accordance with eligibility criteria and procedures acceptable to the Association, all as set forth in the Manual of Procedures of FAP-FTP, which shall include, *inter alia*, the following:
  - (a) there is a strong economic and social demand for the skills for which the TVET institution is offering training;
  - (b) in the opinion of FAP-FTP, the TVET institution has the capacity to implement an SPIA, as demonstrated by its leadership in its area of training, the adoption of a mission statement and an action plan with meaningful performance indicators;
  - (c) an assessment of the TVET institution's past performance has been carried out and its conclusions are satisfactory to FAP-FTP; and
  - (d) it is possible to increase the capacity and improve the quality of the training provided by the TVET institution without new construction works.
2. For the implementation of Part 1.1(b) of the Project, the Recipient shall cause INAP-FTP to enter into agreements with TVET Institutions Beneficiaries and DFTP for the implementation of their training program (in each case a "School Program Implementation Agreement") pursuant to which:
  - (a) INAP-FTP shall, through FAP-FTP, agree to provide a Sub-grant to the TVET Institution Beneficiary for the financing of the activities to be carried out by the TVET Institution Beneficiary under the SPIA; and

- (b) the TVET Institution Beneficiary shall carry out a program of activities to improve the quality, effectiveness and relevance of the training provided by said the TVET Institution Beneficiary, in accordance with the provisions of its SPIA.
- 3. For the implementation of Part 1.2 (c) of the Project, the Recipient shall cause INAP-FTP, through FAP-FTP, to make Sub-grants to Apprenticeship or Short-term Training Beneficiaries, in each case in accordance with eligibility criteria and procedures acceptable to the Association, all as set forth in the Manual of Procedures of FAP-FTP, which shall include, *inter alia*, the following:
  - (a) there is a specific sector, industry or business demand for such Apprenticeship or Short term Training Subproject; and
  - (b) the conclusion of the assessment of the capacities of the TVET institution, the NGO, the in-house services of the business demanding the proposed training, or other entity which would carry out the Apprenticeship or Short term Training Subproject is satisfactory.
- 4. The Recipient shall cause FAP-FTP to make each Sub-grant under a Sub-grant Agreement with the respective Beneficiary on terms and conditions approved by the Association, which shall include the following:
  - (a) The Sub-grant shall be a non reimbursable grant denominated in Ouguiya.
  - (b) The Recipient and FAP-FTP shall obtain rights adequate to protect their interests and those of the Association, including the right to: (i) suspend or terminate the right of the Beneficiary to use the proceeds of the Sub-grant, or obtain a refund of all or any part of the amount of the Sub-grant then withdrawn, upon the Beneficiary's failure to perform any of its obligations under the Sub-grant Agreement; and (ii) require each Beneficiary to: (A) carry out its subproject with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, procurement standards and practices satisfactory to the Association, including in accordance with the provisions of the Anti-Corruption Guidelines applicable to recipients of grant proceeds other than the Recipient, and the Manual of Procedures of FAP-FTP; (B) as the case may be, provide, promptly as needed, the resources required for the subproject; (C) enable to monitor and evaluate in accordance with indicators acceptable to the

Association, the progress of the subproject and the achievement of its objectives; (D) maintain an accounting system adequate to reflect the operations, resources and expenditures related to the subproject; (E) enable the Recipient and the Association to inspect the subproject, its operation and any relevant records and documents; and (F) 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.

5. The Recipient shall cause FAP-FTP to exercise its rights under each SPIA and Sub-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 cause FAP-FTP to refrain from assigning, amending, abrogating, waiving or failing to enforce any Sub-grant Agreement or any of its provisions.

**D. Anti-Corruption**

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

**E. Manuals**

1. (a) The Recipient shall carry out the Project in accordance with the Project Implementation Manual and the Manual of Procedures of FAP-FTP; and (b) except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate, or waive the Project Implementation Manual, the Manual of Procedures of FAP-FTP, or any provision thereof.
2. In the event of any conflict between the provisions of the Project Implementation Manual or the Manual of Procedures of FAP-FTP and those of this Agreement, the provisions of this Agreement shall prevail.

**F. Annual Work Plans and Budgets**

1. The Recipient shall furnish to the Association, for its review, comments and approval, as soon as available, but in any case not later than October 31 of each year, the annual work plan and budget for the Project for each and subsequent years of Project implementation, of such scope and detail as the Association shall have reasonably requested; except for the annual work plan and budget for the Project for the first year of Project

implementation which shall be furnished no later than one (1) month after the Effective Date.

2. Only the activities included in an annual work plan and budget expressly approved by the Association (each an “Annual Work Plan and Budget”) are eligible to a financing from the proceeds of the Financing.
3. Training under Part 2 of the Project shall be carried out on the basis of Annual Work Plans and Budgets, which shall, *inter alia*, identify: (a) particulars of the training envisaged; (b) the personnel to be trained; (c) the selection method of the institution or individuals conducting such training; (d) the institution conducting such training if identified; (e) the purpose and justification for such training; (f) the location and duration of the proposed training; and (g) the estimate of the cost of such training.
4. Annual Work Plans and Budgets may be revised as needed during Project implementation subject to the Association’s prior approval.

**G. Counterpart funds**

1. Without limitation to the provisions of Section 4.03 of the General Conditions, the Recipient shall provide, as counterpart funds for the Project, an amount of not less than one million six hundred thousand Dollars (\$1,600,000) equivalent to be allocated to the financing of Operating Costs and Sub-grants under Part 1.2(c) of the Project (“Counterpart Funds”). The Counterpart Funds shall be disbursed quarterly, no later than March 31, June 30, September 30 and December 31 of the corresponding calendar year, on the basis of the Annual Work Plan and Budget for the corresponding calendar year; except, however, that the first disbursement of the Counterpart Funds shall be in an amount equivalent to one hundred and sixty thousand Dollars (\$160,000) and shall be made no later than two (2) months after the Effective Date.
2. Except as the Recipient and the Association shall otherwise agree, the Recipient shall:
  - (a) establish or designate, and maintain throughout Project implementation, an account in Ouguiyas, in a commercial bank acceptable to the Association, on terms and conditions satisfactory to the Association;
  - (b) starting from 2012, deposit into such account an aggregate amount equivalent to 50% of the amount of Operating Costs and 25% of the Sub-grants under Part 1.2(c) of the Project, as

showed in the Annual Work Plan and Budget for the corresponding calendar year, as counterpart funds; and

- (c) ensure that the funds deposited into such account in accordance with the provisions of subparagraph (b) are used for their intended purposes.

## **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 acceptable to the Association. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the Association not later than forty five (45) days after the end of the period covered by such report.
2. Not later than thirty (30) months after the Effective Date, the Recipient shall, in conjunction with the Association, carry out a mid-term review of the Project (the “Mid-term Review”), covering the progress achieved in the implementation of the Project. The Recipient shall prepare, under terms of reference satisfactory to the Association, and furnish to the Association not less than three (3) months prior to the beginning of the Mid-term Review, a report integrating the results of the monitoring and evaluation activities performed pursuant to this Agreement, on the progress achieved in the carrying out of the Project during the period preceding the date of such report, and setting out the measures recommended to ensure the efficient continued carrying out of the Project and the achievement of the objectives of the Project during the period following such date. Following the Mid-term Review, the Recipient shall act promptly and diligently in order to take, or cause to be taken, any corrective action deemed necessary by the Association to remedy any shortcoming noted in the carrying out of the Project in furtherance of the objectives of the Project.

### **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 and INAP-FTP's (including FAP-FTP's) financial statements audited in accordance with the provisions of Section 4.09 (b) of the General Conditions. Each audit of the Financial Statements and INAP-FTP's (including FAP-FTP's) shall cover the period of one fiscal year of the Recipient, commencing with the fiscal year in which the first withdrawal was made under the Preparation Advance for the Project. 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.
4. In order to ensure the timely carrying out of the audits referred to in Section II. B.3 of this Schedule, the Recipient shall engage independent auditors for the purpose not later than three (3) months after the Effective Date, in accordance with the provisions of Section III of this Schedule.
5. Without limitation to the provisions of paragraph 1 immediately above, the Recipient shall: (a) update for the needs of the Project the financial management software in DPEF, (b) cause INAP-FTP to procure a new software, in accordance with the provisions of Section III below, and (c) take all actions necessary to ensure that such software is effectively used for the Project, in each case no later than one (1) month after the Effective Date.

### **Section III. Procurement**

#### **A. General**

1. **Goods.** All goods 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**

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods shall be procured under contracts awarded on the basis of International Competitive Bidding.
2. **Other Methods of Procurement of Goods.** The following table specifies the methods of procurement, other than International Competitive Bidding, which may be used for goods. The Procurement Plan shall specify the circumstances under which such methods may be used:

<b>Procurement Method</b>
(a) National Competitive Bidding
(b) Shopping
(c) Direct Contracting

**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.

<b>Procurement Method</b>
(a) Quality Based Selection
(b) Selection Based on the Consultant's Qualifications



(c) Least Cost Selection
(d) Selection of Individual Consultants
(e) Single Source Selection

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

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

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

**A. General**

1. The Recipient may withdraw the proceeds of the Financing in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Association shall specify by notice to the Recipient (including the "World Bank Disbursement Guidelines for Projects" dated May 2006, as revised from time to time by the Association and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.
2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Financing ("Category"), the allocations of the amounts of the Financing to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

<b>Category</b>	<b>Amount of the Credit Allocated (expressed in SDR)</b>	<b>Percentage of Expenditures to be Financed (inclusive of Taxes)</b>
(1) Goods and consultants' services for Part 1 of the Project, including Training and audits, but expressly excluding Sub-grants and Operating Costs	4,230,000	100%
(2) Sub-grants under the Project:		
(a) Sub-grants under the Project: Part 1.1(b)	850,000	100% of amount disbursed from Sub-grants for goods and services
(b) Part 1.2(c) of the Project	2,180,000	75% of amount disbursed from Sub-grants for goods and services
(3) Goods and consultants' services for Part 2 of the Project, including Training and audits, but expressly excluding Operating Costs	2,380,000	100%
(4) Operating Costs for the Project:		50%
(a) for Part 1 of the Project	40,000	
(b) for Part 2 of the Project	120,000	
(5) Refund of Preparation Advance	400,000	Amount payable pursuant to Section 2.07 of the General Conditions
<b>TOTAL AMOUNT</b>	<b>10,200,000</b>	

**B. Withdrawal Conditions; Withdrawal Period**

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for payments made prior to the date of this Agreement.
2. The Closing Date is June 30, 2016.

### SCHEDULE 3

#### Repayment Schedule

<b>Date Payment Due</b>	<b>Principal Amount of the Credit repayable (expressed as a percentage)*</b>
On each March 15 and September 15:	
commencing September 15, 2021 to and including March 15, 2031	1%
commencing September 15, 2031 to and including March 15, 2051	2%

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

## APPENDIX

### Section I. Definitions

1. “Annual Work Plans and Budgets” means the annual work plans and budgets for the implementation of the Project approved by the Association, referred to in Section I.F of Schedule 2 to this Agreement.
2. “Anti-Corruption Guidelines” means 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 updated in January 2011.
3. “Apprentice or Short-term Training Beneficiary” means a TVET institution, non-governmental organization, or another type of entity (including an industrial or commercial entity) organized and operating in the Recipient’s territory which has met the eligibility criteria specified in the Manual of Procedures of FAP-FTP and as a result has been extended, or is to be extended, a Sub-grant for the carrying out of a Apprentice or Short-term Training Subproject.
4. “Apprentice or Short-term Training Subproject” means apprentice or short term training activities to be financed from the funds of the Financing under Part 1.2(c) of the Project.
5. “Beneficiary” means either a TVET Institution Beneficiary or an Apprenticeship and Short-term Training Beneficiary, as the case may be.
6. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
7. “Consultant Guidelines” means the “Guidelines: Selection and Employment of Consultants by World Bank Borrowers” published by the Bank in May 2004 and revised in October 2006 and May 2010.
8. “DFTP” means *Direction de la Formation Technique et Professionnelle*, the directorate of technical and vocational training in MDEFPNT.
9. “DPEF” means *Direction des Projets d’Education et de Formation*, the directorate of education and training projects in MOSE.
10. “FAP-FTP” means *Fonds Autonome de Promotion de la Formation Technique et Professionnelle (FAP-FTP)*, the Recipient’s technical and vocational education training fund managed by INAP-FTP in accordance with the provisions of the Recipient’s Decree 2002-053/PM:MEN dated June 16, 2002.

11. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 31, 2010.
12. “INAP-FTP” means *Institut National de la Promotion de la Formation Technique et Professionnelle*, the Recipient’s national institute for the promotion of vocational training, established by and operating in accordance with the Recipient’s Decree 2002-053/PM:MEN dated June 16, 2002.
13. “Manual of Procedures of FAP-FTP” means the undated manual entitled “*Manuel des Procédures du Fonds*”, including any annex to said manual, as updated in accordance with Section 4.01(b) of this Agreement, as amended from time to time in accordance with the provisions of Section I.E.1(b) of Schedule 2 to this Agreement.
14. “MDEFPNT” means *Ministère Délégué à l’Emploi, à la Formation Professionnelle et aux Nouvelles Technologies*, the Recipient’s ministry responsible for employment, technical and vocational training and new technologies, under the coordination of MOSE.
15. “MOSE” means *Ministère d’Etat à l’Education Nationale, l’Enseignement Supérieur et la Recherche Scientifique*, the Recipient’s ministry responsible for national education, higher education and scientific research.
16. “Operating Costs” means the incremental expenses incurred by INAP-FTP, or DPEF, as the case may be, based on the Annual Work Plans and Budgets as approved by the Association, on account of Project implementation, management, and monitoring and evaluation, including the reasonable costs for utilities and office supplies, bank charges, communications, vehicle operation, maintenance, and insurance, office space rental, building and equipment maintenance, public awareness-related expenses, travel and supervision, and salaries of contractual and temporary staff, but excluding salaries, fees, honoraria, and bonuses of members of the Recipient’s civil service.
17. “Ouguiya” means the currency of the Recipient.
18. “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 February 3, 2011 and on behalf of the Recipient on February 14, 2011.
19. “Procurement Guidelines” means the “Guidelines: Procurement under IBRD Loans and IDA Credits” published by the Bank in May 2004 and revised in October, 2006 and May 2010.

20. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated March 15, 2011 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.
21. “Project Implementation Manual” means the undated manual entitled “*Manuel des Procédures Administratives, Comptables et Financières de la DPEF*”, including any annex to said manual, as updated in accordance with Section 4.01(b) of this Agreement, as amended from time to time in accordance with the provisions of Section I.E.1(b) of Schedule 2 to this Agreement.
22. “School Program Implementation Agreement” or “SPIA” means one of the agreements referred to in Section I.C.2 of Schedule 2 to this Agreement.
23. “Sub-grant” means a Sub-grant from INAP-FTP (through FAP-FTP) to a Beneficiary, for the financing of a TVET Institution Subproject or an Apprentice or Short-term Training Subproject, as the case may be, funded from the proceeds of the Financing.
24. “Sub-grant Agreement” means an agreement to be entered into between INAP-FTP (through FAP-FTP) and an Apprentice or Short-term Training Beneficiary for the financing of an Apprentice or Short-term Training Subproject or a TVET Institution Subproject, as the case may be, in accordance with the provisions of Section I.C.4 of Schedule 2 to this Agreement.
25. “Subsidiary Agreement” means the agreement referred to in Section I.B of Schedule 2 to this Agreement pursuant to which the Recipient shall make part of the proceeds of the Financing available to INAP-FTP.
26. “TVET” means technical and vocational education training.
27. “TVET Institution Beneficiary” means a public sector TVET institution organized and operating in the Recipient’s territory which has met the eligibility criteria specified in the Manual of Procedures of FAP-FTP and, as a result, has been extended, or is to be extended, a Sub-grant for the carrying out of a TVET Institutions Subproject.
28. “TVET Institution Subproject” means training activities to be financed from the funds of the Financing under Part 1.1 of the Project.

## **Section II. Modifications to the General Conditions**

The modification to the General Conditions is as follows:

In section 6.02(1), the term “Project Implementing Entity” includes INAP-FTP.

