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CREDIT NUMBER 6662-DJ

# **Financing Agreement**

**(Emergency Locust Response Program)**

**between**

**THE REPUBLIC OF DJIBOUTI**

**and**

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

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**CREDIT NUMBER 6662-DJ**

**FINANCING AGREEMENT**

AGREEMENT dated as of the Signature Date between THE REPUBLIC OF DJIBOUTI (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”) for the purpose of assisting in financing the project described in Schedule 1 to this Agreement (“Project”). The Recipient and the Association hereby agree as follows:

**ARTICLE I — GENERAL CONDITIONS; DEFINITIONS**

- 1.01. The General Conditions (as defined in the Appendix to this Agreement) apply to and form part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Agreement.

**ARTICLE II — FINANCING**

- 2.01. The Association agrees to extend to the Recipient a credit, which is deemed as Concessional Financing for purposes of the General Conditions, in an amount equivalent to four million and four hundred thousand Special Drawing Rights (SDR 4,400,000) (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 III of Schedule 2 to this Agreement.
- 2.03. The Maximum Commitment Charge Rate is one-half of one percent (1/2 of 1%) per annum on the Unwithdrawn Financing Balance.
- 2.04. The Service Charge is three-fourths of one percent (3/4 of 1%) per annum on the Withdrawn Credit Balance.
- 2.05. The Payment Dates are May 15 and November 15 in each year.
- 2.06. The principal amount of the Financing shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.
- 2.07. The Payment Currency is Dollar.

### **ARTICLE III — PROJECT**

- 3.01. The Recipient declares its commitment to the objectives of the Project and the MPA Program. To this end, the Recipient shall carry out the Project through its Ministry of Agriculture, Water, Fisheries, Livestock Breeding and Halieutic Resources (MoA), in accordance with the provisions of Article V of the General Conditions and Schedule 2 to this Agreement.

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

- 4.01. The Effectiveness Deadline is the date ninety (90) days after the Signature Date.
- 4.02. For purposes of Section 10.05 (b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty (20) years after the Signature Date.

### **ARTICLE V — REPRESENTATIVE; ADDRESSES**

- 5.01. The Recipient's Representative is its minister in charge of finance.
- 5.02. For purposes of Section 11.01 of the General Conditions: the Recipient's address is:
- (a) Ministry of Economy and Finance in charge of Industry  
BP 13  
Djibouti City  
Republic of Djibouti; and
  - (b) the Recipient's Electronic Address is:  
Facsimile: (253) 21358135
- 5.03. For purposes of Section 11.01 of the General Conditions: The Association's address is:
- (a) International Development Association  
1818 H Street, N.W.  
Washington, D.C. 20433  
United States of America; and
  - (b) the Association's Electronic Address is:  
Telex: 248423 (MCI)                      Facsimile: 1-202-477-6391

AGREED as of the Signature Date.

**REPUBLIC OF DJIBOUTI**

By



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**Authorized Representative**

Ilyas Moussa Dawaleh

**Name:** \_\_\_\_\_

Ministre de l'économie et des Finances

**Title:** \_\_\_\_\_

22-mai-2020

**Date:** \_\_\_\_\_

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

By



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**Authorized Representative**

Marina wes

**Name:** \_\_\_\_\_

**Title:** \_\_\_\_\_ Country Director

**Date:** \_\_\_\_\_ 21-May-2020

## **SCHEDULE 1**

### **Project Description**

The objectives of the Project are to prevent and respond to the threat posed by the locust infestation outbreak and to strengthen Djibouti's systems for preparedness.

The Project is a phase of the MPA Program, and consists of the following parts:

#### **Part 1. Surveillance and Control Measures**

Implement a program of activities to limit the growth of existing desert locust populations and curb their spread, while mitigating the risks associated with control measures and their impacts on human health and the environment, including:

- A. Improving continuous surveillance and monitoring in infected areas, through *inter alia*: (i) acquisition of necessary equipment for land surveillance, including GPS, camp kits, dissection kits and vehicles; (ii) recruitment of necessary staff and Operating Costs to carry out the land surveillance; and (iii) provision of necessary Training.
- B. Support for control measures, through *inter alia*: (i) acquisition of necessary ground equipment, including vehicle-mounted sprayers, portable atomizers, portable rotaries and calibration equipment; (ii) acquisition of a single seater agriculture aircraft for the purpose of pesticide spraying (Agriculture Aircraft) as well as setting up the aerial control operation for the said purpose; (iii) acquisition of pesticide control products; (iv) provision of necessary Training; (v) carrying out of a study setting out the legal framework for pesticide life cycle management; and (vi) setting up of a harmonized registration system with the desert locust-affected neighboring countries.
- C. Risk reduction and management, through *inter alia*: (i) acquisition of pesticide equipment in conformity with FAO directive on pesticide equipment, application and maintenance; (ii) acquisition of certified pesticide products and bio pesticides; (iii) acquisition of cholinesterase test system for the control of acetyl choline esterase and personal protective equipment; (iv) provision of necessary Training; and (v) carrying out of a technical and economic feasibility study to evaluate the establishment of a laboratory for pesticide quality control and pesticide residues analysis.

#### **Part 2. Livelihoods Protection and Rehabilitation**

Implement a program of activities to help protect the poor and vulnerable in locust affected areas from human capital and asset loss, to enhance their access to food, and to rehabilitate livelihoods that have been damaged or destroyed by locust swarms, including:

- A. Safeguarding food security and protecting human capital, through: (i) provision of unconditional Cash Transfers to CT Beneficiaries to mitigate assets loss resulting from the locust emergency; and (ii) payment of transfer fees.
- B. Restoring and rehabilitating agriculture and pastoral livelihoods, through *inter alia*: (i) provision of farmer packets to restart crop and fodder production; (ii) provision of livestock production-related packets with inputs for pasture restoration in pastoralist areas impacted by the invasion, and where needed assisting with animal re-stocking; and (iii) carrying out of vaccination campaigns to prevent disease outbreaks and provision of animal health services.

### **Part 3. Coordination and Early Warning Preparedness**

Implement a program of activities to strengthen the regional and national capacity for locust surveillance and control operations, including:

- A. Strengthening early warning systems, through, *inter alia*, putting in place an integrated IT system to design, test and deploy a Desert Locust Early Response System composed of three sub-systems, namely: Desert Locust Early Warning System, Desert Locust Operation System, and Pesticide Stock Management System.
- B. Supporting coordination at the national and regional level, through *inter alia*: (i) rehabilitation of two existing offices to serve as national desert locust centers in Djibouti city and Obock; (ii) carrying out of civil works to rehabilitate and/or construct storage facilities; and (iii) financing recruitment, equipment, and Operating Costs to ensure continuous desert locust management.

### **Part 4. Project Management**

- A. Provision of support for Project management, including financing of Operating Costs, Training, and costs associated with implementation, financial management, procurement, environmental and social management, communications and knowledge management.
- B. Communication and knowledge management, through *inter alia*: (i) carrying out of a public awareness campaign; and (ii) establishing a grievance redress mechanism.

### **Part 5. Contingent Emergency Response**

Providing immediate response to an Eligible Crisis or Emergency, as needed.

## SCHEDULE 2

### Project Execution

#### Section I. Implementation Arrangements

##### A. Institutional Arrangements.

##### 1. Ministry of Agriculture (MOA)

- (a) The Recipient shall carry out the Project through the MoA shall take all actions including the provision of funding, personnel and other resources necessary to enable the MoA to perform its functions. to this end, the MoA shall maintain, the Project Implementation Unit (“PIU”), to be in charge of overall Project implementation, and with composition, mandate, staffing and other resources satisfactory to the Association, all in accordance with the provisions of the Project Operations Manual.
- (b) In order to ensure effective implementation of Parts 1.B(v), 1.B (vi), 2.B and 3.of the Project, the Recipient, through the General Secretary of the MOA, shall no later than three (3) months, after the Effective Date: (i) enter into a tripartite agreement with the Directorate of Agriculture and Forestry (DAF) and the PIU; (ii) enter into a tripartite agreement with the Directorate of Livestock and Veterinary Services (DLVS) and the PIU (both “Tripartite Agreements”), both under terms and conditions acceptable to the Association and in accordance with the Project Operations Manual. To this end, said agreements shall include obligations and responsibilities of each of the parties, including terms of human and material resources to be made available for Project implementation, as well as the designation of focal persons from DAF and DLVS, to ensure good coordination and implementation of Project activities.
- (c) In order to ensure effective coordination of Part 2.A of the Project, the Recipient, through the MOA, shall no later than one (1) month, after the Effective Date, enter into a memorandum of understanding with the Ministry of Social Affairs and Solidarity, under terms and conditions acceptable to the Association, setting out the collaboration measures to ensure good coordination and implementation of Part 2.A of the Project (Memorandum of Understanding).

##### B. Implementation Covenants

##### 1. Project Operations Manual

- (a) The Recipient shall by no later than one (1) month, after the Effective Date, prepare and adopt a Project operations manual (“Project Operations

Manual” or “POM”) containing detailed guidelines and procedures for the implementation of the Project, including with respect to: administration and coordination, monitoring and evaluation, financial management, procurement and accounting procedures, environmental and social safeguards, corruption and fraud mitigation measures, a grievance redress mechanism, and such other arrangements and procedures as shall be required for the effective implementation of the Project, in form and substance satisfactory to the Association.

- (b) The Recipient shall carry out the Project in accordance with the Project Operations Manual.
- (c) The Recipient shall ensure that the Project Operations Manual is not amended, suspended, repealed or abrogated without the prior written approval of the Association.
- (d) In the event of any conflict between the provisions of the Project Operations Manual and, this Agreement, the provisions of this Agreement shall prevail.

2. Work Plans and Budget

For purposes of implementation of the Project, the Recipient shall:

- (a) by no later than one (1) month after the Effective Date, prepare a draft work plan and budget for Project implementation, setting forth, *inter alia*: (i) a detailed description of the planned activities, including any proposed conferences and Training, under the Project for the period covered by the plan; (ii) the sources and proposed use of funds therefor; (iii) procurement and environmental and social safeguards arrangements therefor, as applicable and; (iv) responsibility for the execution of said Project activities, budgets, start and completion dates, outputs and monitoring indicators to track progress of each activity;
- (b) promptly furnish the draft work plan and budget to the Association for its review, and promptly thereafter finalize the draft work plan and budget, taking into account the Association’s comments thereon; and
- (c) thereafter adopt and carry out such draft work plan and budget for the relevant period as shall have been agreed with the Association (“Work Plan and Budget”), as such plan may be subsequently revised or updated with the prior written agreement of the Association.



3. Agriculture Aircraft

For purposes of implementing Part 1.B(ii) of the Project, the Recipient, through the MoA, shall:

- (a) prepare and thereafter adopt an Aircraft Annex to the Project Operations Manual, which shall include, *inter alia*, the procedures for use of the Agriculture Aircraft, including its operations and records; under terms and conditions acceptable to the Association.
- (b) enter into a Service Contract in accordance with Procurement Regulations, with a competitively selected supplier, to carry out Part 1.B(ii) on behalf of the Recipient, including for: (i) setting up and carrying out crop dusting operations under the selected supplier's Air Operator Certificate and with their aircraft, (ii) carrying out of the procurement and brokerage services of the Agriculture Aircraft for the benefit of MoA, (iii) preparation of operational manuals, including but not limited to flight operations manual, corporate/operational manuals; (iv) certification preparation with the Recipient's civil aviation authority including creation of a new entity to register the Agriculture Aircraft, if deemed necessary; and (v) put in place measures to handover the newly established operations after certification to the MoA or any other governmental entity as agreed upon in writing with the Association; all in accordance with procedures and conditions approved by the Association.

4. Cash Transfer Manual

- (a) The Recipient shall prepare, in accordance with terms of reference acceptable to the Association, and furnish to the Association a Cash Transfer Manual for the Project, in form and substance acceptable to the Association, containing, *inter alia*, detailed arrangements and procedures for identification, eligibility criteria, terms and conditions for CT Beneficiaries and Cash Transfers, including for environmental and social aspects where applicable; and organizational guidelines and detailed procedures for preparation, approval, payment and monitoring and evaluation, and mechanisms for verification of compliance of Cash Transfers.
- (b) The Recipient shall: (i) ensure that the Cash Transfers are carried out in accordance with the Cash Transfer Manual; and (ii) not assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, the Cash Transfer Manual or any provision thereof, without the prior written agreement of the Association.

- (c) Notwithstanding the foregoing, in the event of any inconsistency between the provisions of the Cash Transfer Manual, and those of this Agreement, the provisions of this Agreement shall prevail.

**C. Cash Transfers**

1. In order to achieve the objectives of Part 2.A of the Project, the Recipient shall provide unconditional Cash Transfers to CT Beneficiaries in accordance with eligibility criteria and procedures acceptable to the Association and further detailed in the POM and the Cash Transfer Manual, and shall include, *inter alia*, that said CT Beneficiary shall have been identified as a household affected by the Locust Emergency.
2. Each Cash Transfer shall be in an amount acceptable to the Association and the Recipient shall ensure that the amount of Cash Transfer is paid for its intended CT Beneficiary.
3. The Recipient shall, not later than 1 month after the Effective Date, conclude and thereafter implement, until it has expired in accordance with its terms, a payment agreement, in form and substance satisfactory to the Association and in accordance with criteria and procedures set forth in the Cash Transfer Manual , with a Payment Service Provider, satisfactory to the Association for the payment of Cash Transfers to CT Beneficiaries ( “Payment Agreement”).
4. The Recipient shall ensure that the Payment Agreement is:
  - (a) submitted to the Association for its review and approval prior to its signature between the Recipient and a Payment Service Provider;
  - (b) signed and effective before any proceeds of the Financing are transferred to the Payment Service Provider; and
  - (c) carried out with due diligence and efficiency and in accordance with sound technical, financial, and managerial standards and practices acceptable to the Association, including in accordance with the provisions of the Anti-Corruption Guidelines applicable to the recipients of the Cash Transfers proceeds other than the Recipient.

**D. Contingent Emergency Response Mechanism**

1. In order to ensure the proper implementation of Part 5 of the Project (“CERC Part”), the Recipient shall take the following measures:
  - (a) prepare and furnish to the Association for its review and approval, an operations manual which shall set forth detailed implementation

arrangements for the CERC Part, including: (i) designation of, terms of reference for and resources to be allocated to, the entity to be responsible for coordinating and implementing the CERC Part (“Coordinating Authority”); (ii) specific activities which may be included in the CERC Part, Eligible Expenditures required therefor (“Emergency Expenditures”), and any procedures for such inclusion; (iii) financial management arrangements for the CERC Part; (iv) procurement methods and procedures for Emergency Expenditures to be financed under the CERC Part; (v) documentation required for withdrawals of Emergency Expenditures; (vi) environmental and social standard management frameworks for the CERC Part, consistent with the Association’s policies on the matter; and (vii) any other arrangements necessary to ensure proper coordination and implementation of the CERC Part;

- (b) afford the Association a reasonable opportunity to review said proposed operations manual;
  - (c) promptly adopt such operations manual for the CERC Part as shall have been approved by the Association (“CERC Operations Manual”) no later than six (6) months after the Effective Date;
  - (d) ensure that the CERC Part is carried out in accordance with the CERC Operations Manual; provided, however, that in the event of any inconsistency between the provisions of the CERC Operations Manual and this Agreement, the provisions of this Agreement shall prevail; and
  - (e) not amend, suspend, abrogate, repeal or waive any provision of the CERC Operations Manual without prior approval by the Association.
2. The Recipient shall, throughout the implementation of the CERC Part, maintain the Coordinating Authority, with adequate staff and resources satisfactory to the Association.
3. The Recipient shall undertake no activities under the CERC Part (and no activities shall be included in the CERC Part) unless and until the following conditions have been met in respect of said activities:
- (a) the Recipient has determined that an Eligible Crisis or Emergency has occurred, has furnished to the Association a request to include said activities in the CERC Part in order to respond to said Eligible Crisis or Emergency, and the Association has agreed with such determination, accepted said request and notified the Recipient thereof; and
  - (b) the Recipient has prepared and disclosed all Environmental and Social Standards instruments required for said activities, in accordance with the

CERC Operations Manual, the Association has approved all such instruments, and the Recipient has implemented any actions which are required to be taken under said instruments.

**E. Environmental and Social Standards.**

1. The Recipient shall ensure that the Project is carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Association.
2. Without limitation upon paragraph 1 above, the Recipient shall ensure that the Project is implemented in accordance with the Environmental and Social Commitment Plan (“ESCP”), in a manner acceptable to the Association. To this end, the Recipient shall ensure that:
  - (a) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, and provided in the ESCP;
  - (b) sufficient funds are available to cover the costs of implementing the ESCP;
  - (c) policies and procedures are maintained, and qualified and experienced staff in adequate numbers are retained to implement the ESCP, as provided in the ESCP; and
  - (d) the ESCP, or any provision thereof, is not amended, repealed, suspended or waived, except as the Association shall otherwise agree in writing, as specified in the ESCP, and ensure that the revised ESCP is disclosed promptly thereafter.
3. In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.
4. The Recipient shall ensure that:
  - (a) all measures necessary are taken to collect, compile, and furnish to the Association through regular reports, with the frequency specified in the ESCP, and promptly in a separate report or reports, if so requested by the Association, information on the status of compliance with the ESCP and the environmental and social instruments referred to therein, all such reports in form and substance acceptable to the Association, setting out, inter alia: (i) the status of implementation of the ESCP; (ii) conditions, if any, which interfere or threaten to interfere with the implementation of the ESCP; and (iii) corrective and preventive measures taken or required to be taken to address such conditions; and
  - (b) the Association is promptly notified of any incident or accident related to or having an impact on the Project which has, or is likely to have, a

significant adverse effect on the environment, the affected communities, the public or workers, in accordance with the ESCP, the environmental and social instruments referenced therein and the Environmental and Social Standards.

5. The Recipient shall establish, publicize, maintain and operate an accessible grievance mechanism, to receive and facilitate resolution of concerns and grievances of Project-affected people, and take all measures necessary and appropriate to resolve, or facilitate the resolution of, such concerns and grievances, in a manner acceptable to the Association.
6. The Recipient shall ensure that all bidding documents and contracts for civil works under the Project include the obligation of contractors, subcontractors, and supervising entities, as applicable, to: (a) comply with the relevant aspects of ESCP and the environmental and social instruments referred to therein; and (b) adopt and enforce codes of conduct that should be provided to and signed by all workers, detailing measures to address environmental, social, health and safety risks, and the risks of sexual exploitation and abuse, sexual harassment and violence against children, all as applicable to such civil works commissioned or carried out pursuant to said contracts.

**Section II. Project Monitoring, Reporting and Evaluation**

The Recipient shall furnish to the Association each Project Report not later than one month after the end of each calendar semester, covering the calendar semester.

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

**A. General**

Without limitation upon the provisions of Article II of the General Conditions and in accordance with the Disbursement and Financial Information Letter, the Recipient may withdraw the proceeds of the Financing to finance Eligible Expenditures; in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:

<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, works, Operating Costs, Training, non-consulting services, and consulting services for the Project,	2,860,000	100%

except Parts 1.B (ii) and 2. A(i) of the Project		
(2) Cash Transfers under Part 2.A(i) of the Project	660,000	100%
(3) Goods, Training, non-consulting services, and consulting services for Part 1.B (ii) of the Project	880,000	100%
(4) Emergency Expenditures under Part 5 of the Project.	0	100%
<b>TOTAL AMOUNT</b>	4,400,000	

**B. Withdrawal Conditions; Withdrawal Period**

1. Notwithstanding the provisions of Part A above, no withdrawal shall be made for payments made prior to the Signature Date:
  - (a) except that withdrawals up to an aggregate amount not to exceed SDR 730,000 may be made for payments made prior to this date but on or after February 1, 2020 for Eligible Expenditures, as agreed between the Recipient and the Association; or
  - (b) under Category (2), until and unless, the Recipient, through the MOA, has prepared and adopted the Cash Transfer Manual, under terms and conditions acceptable to the Association;
  - (c) under Category (3), until and unless, the Recipient, through the MOA:
    - (i) executes the Service Agreement for the implementation of Part 1.B(ii), under conditions and terms satisfactory to the Association; and
    - (ii) prepares and adopts the Aircraft Annex to the Project Operations Manual, under conditions and terms satisfactory to the Association; or
  - (d) under Category (4), unless and until the Association is satisfied, and has notified the Recipient of its satisfaction, that all of the following conditions have been met in respect of said activities:

- (i) the Recipient has determined that an Eligible Crisis or Emergency has occurred, has furnished to the Association a request to include said activities in the CERC Part in order to respond to said Eligible Crisis or Emergency, and the Association has agreed with such determination, accepted said request and notified the Recipient thereof;
- (ii) the Recipient has prepared and disclosed all Environmental and Social Standards instruments required for said activities, and the Recipient has implemented any actions which are required to be taken under said instruments, all in accordance with the provisions of Section I.D of Schedule 2 to this Agreement;
- (iii) the Recipient's Coordinating Authority has adequate staff and resources, in accordance with the provisions of Section I.D of Schedule 2 to this Agreement, for the purposes of said activities; and
- (iv) the Recipient has adopted an CERC Operations Manual in form, substance and manner acceptable to the Association and the provisions of the CERC Operations Manual remain or have been updated in accordance with the provisions of Section I.D of Schedule 2 to this Agreement so as to be appropriate for the inclusion and implementation of said activities under the CERC Part.

2. The Closing Date is May 25, 2023.

### SCHEDULE 3

<b>Date Payment Due</b>	<b>Principal Amount of the Credit repayable (expressed as a percentage) *</b>
On each May 15 and November 15, Commencing November 15, 2030 to and including May 15, 2040	<b>1%</b>
Commencing November 15, 2040 to and including May 15, 2060	<b>2%</b>

\* 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 3.05 (b) of the General Conditions.



## APPENDIX

### Section I. Definitions

1. “Agriculture Aircraft” means the aircraft to be selected and procured under Part 1.B(ii) through the Service Contract for the benefit of MoA or any other governmental entity as agreed between the Association and the Recipient.
2. “Aircraft Annex” means the annex to be prepared by the MoA and attached to the Project Operation Manual, which shall include the procedures for use of the Agriculture Aircraft, including its operations, records; under terms and conditions acceptable to the Association.
3. “Air Operator Certificate” means the selected supplier’s regulatory approval granted by civil aviation authorities to an aircraft operator to use aircraft for commercial purposes
4. “Anti-Corruption Guidelines” means, for purposes of paragraph 5 of the Appendix to the General Conditions, the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 and revised in January 2011 and as of July 1, 2016.
5. “Cash Transfer Manual” means the manual to be prepared and adopted by the Recipient in accordance with Section I.B.4 of the Schedule 2 to this Agreement setting forth, *inter alia*: (i) the flow of funds under Category (2) of the Withdrawal Table in Section III.A of Schedule 2 to this Agreement, and (ii) the criteria and procedures of the transfer of funds to CT Beneficiaries, as applicable, all in a manner satisfactory to the Association.
6. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
7. “Cash Transfers” means the emergency unconditional cash transfers to be provided for CT Beneficiaries under Part 2.A of the Project.
8. “CERC Part of the Project” and “CERC Part” each means Part 5 of the Project.
9. “Contingent Emergency Response Operations Manual” and “CERC Operations Manual” each means the operations manual referred to in Section I.D of this Agreement, to be adopted by the Recipient for the CERC Part of the Project in accordance with the provisions of said Section.
10. “Coordinating Authority” the entity or entities designated by the Recipient in the CERC Operations Manual and approved by the Association pursuant to Section I.D of Schedule 2 to this Agreement, to be responsible for coordinating the CERC Part of the Project.

11. “CT Beneficiaries” means the eligible beneficiaries to receive Cash Transfers, in accordance with eligibility criteria provided under the POM and the Cash Transfer Manual.
  12. “Desert Locust Early Response System” means the Recipient’s database on existing aerial and control equipment, trained staff, logistic and pesticides/bio pesticides to trigger a timely control operation to stop locust invasion.
  13. “Desert Locust Early Warning System” means a system that is intended to provide the most recent information on first observation of locust larvae, adults, specific density, geographical area and their potential threat to trigger an early response.
  14. “Desert Locust Operation System” means a system that is intended to provide up to date information on existing logistic, control, protection equipment and trained staff to undertake survey control operation.
  15. “Desert Locust Control Organization” means a regional organization in East Africa that coordinates all activities related to Locust in its member countries, in which Djibouti is a member.
  16. “Eligible Crisis or Emergency” means an event that has caused, or is likely to imminently cause, a major adverse economic and/or social impact to the Recipient, associated with a natural or man-made crisis or disaster.
  17. “Emergency Expenditures” means the eligible expenditures required to finance the cost of the approved list of goods, works, and services necessary to support emergency mitigation, response and recovery, under Part 5 of the Project and set forth in the Emergency Response Operations Manual.
  18. “Emergency Response Operations Manual” means the operations manual to be adopted by the Recipient for Part 5 of the Project in accordance with the provisions of Section I.D of Schedule 2 to this Agreement.
  19. “Environmental and Social Commitment Plan” or “ESCP” means the environmental and social commitment plan for the Project, dated April 23, 2020, as the same may be amended from time to time in accordance with the provisions thereof, which sets out the material measures and actions that the Recipient shall carry out or cause to be carried out to address the potential environmental and social risks and impacts of the Project, including the timeframes of the actions and measures, institutional, staffing, training, monitoring and reporting arrangements, and any environmental and social instruments<sup>1</sup> to be prepared thereunder.
  20. “Environmental and Social Standards” or “ESSs” means, collectively:
    - (i) “Environmental and Social Standard 1: Assessment and Management of
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Environmental and Social Risks and Impacts”; (ii) “Environmental and Social Standard 2: Labor and Working Conditions”; (iii) “Environmental and Social Standard 3: Resource Efficiency and Pollution Prevention and Management”; (iv) “Environmental and Social Standard 4: Community Health and Safety”; (v) “Environmental and Social Standard 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement”; (vi) “Environmental and Social Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources”; (vii) “Environmental and Social Standard 7: Indigenous Peoples/Sub-Saharan Historically Underserved Traditional Local Communities”; (viii) “Environmental and Social Standard 8: Cultural Heritage”; (ix) “Environmental and Social Standard 9: Financial Intermediaries”; (x) “Environmental and Social Standard 10: Stakeholder Engagement and Information Disclosure”; effective on October 1, 2018, as published by the Association.

21. “FAO” means the Food and Agriculture Organization.
22. “General Conditions” means the “International Development Association General Conditions for IDA Financing, Investment Project Financing”, dated December 14, 2018.
23. “Memorandum of Understanding” means the memorandum of understanding to be entered into between the MoA and the Recipient’s ministry of social affairs and solidarity, under terms and conditions acceptable to the Association, setting out the collaboration measures to ensure good coordination and implementation of Part 2.A of the Project.
24. “Ministry of Social Affairs and Solidarity” means the Recipient’s ministry in charge of social affairs, or any successor thereto.
25. “MoA” means the Recipient’s Ministry of Agriculture, Water, Fisheries, Livestock Breeding and Halieutic Resources, or any successor thereto.
26. “MPA Program” means the multiphase programmatic approach program designed to prevent and respond to the threat to livelihoods posed by the desert locust outbreak, and to strengthen national and regional systems for preparedness.
27. “Operating Costs” means the reasonable incremental expenses incurred by the Recipient on account of Project implementation, including costs related to audits, office equipment and supplies, vehicle operation and maintenance, shipping costs, office rentals, communication and insurance costs, office administration costs, bank charges, utilities, transport costs, travel, *per diem* and supervision costs, and salaries of contracted employees, but excluding salaries of officials of the Recipient’s civil service.

28. “Payment Agreement” means an agreement entered or to be entered into between the Recipient and a Payment Service Provider in accordance with Section I.C.3 of Schedule 2 of this Agreement as applicable.
29. “Payment Service Provider” means the agency identified to carry out payment services for Cash Transfers, selected, in accordance with Section I.C.3 of Schedule 2 of this Agreement and of Schedule 2 of this Agreement and the Cash Transfer Manual.
30. “Pesticide Stock Management System” a system that is intended to provide up to date information on quantities, qualities (shelf life, packaging etc.), storage conditions, national map of stores of existing pesticides products in the country.
31. “Procurement Regulations” means, for purposes of paragraph 87 of the Appendix to the General Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated July 2016, revised November 2017 and August 2018.
32. “Project Operations Manual” or “POM” means the manual to be prepared by the Recipient in accordance with Section I.B of Schedule 2 and containing detailed guidelines and procedures for the implementation of the Project, including with respect to: administration and coordination, monitoring and evaluation, financial management, procurement and accounting procedures, environmental and social safeguards, corruption and fraud mitigation measures, a grievance redress mechanism, and such other arrangements and procedures as shall be required for the effective implementation of the Project, in form and substance satisfactory to the Association.
33. “Service Contract” means the contract(s) to be entered into between the MoA and a competitively selected supplier, or more as the need may be for the implementation of Part 1.B(ii) in accordance with Procurement Regulations, Project Operations Manual and this Agreement.
34. “Signature Date” means the later of the two dates on which the Recipient and the Association signed this Agreement and such definition applies to all references to “the date of the Financing Agreement” in the General Conditions.
35. “Tripartite Agreements” means any of the two agreements to be entered into between the Recipient and DAF on one side and DVLS on the other side for the coordination of Part 1.B(v), Part 1.B (vi), 2.B and 3.B of the Project.
36. “Training” means the reasonable costs, as shall have been approved by the Association in each Annual Work Plan and Budget, for training conducted under the Project, including tuition, 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 (but excluding goods and consulting services).