

CONFORMED COPY

EU FCRR TF GRANT NUMBER TF096893-BJ

**European Union Food Crisis
Rapid Response Facility Trust Fund
Grant Agreement**

(Emergency Support to Enhance Food Security Project)

between

REPUBLIC OF BENIN

and

**INTERNATIONAL DEVELOPMENT ASSOCIATION
in its capacity as administrator of the European Union Food Crisis
Rapid Response Facility Trust Fund**

Dated May 25, 2010

EU FCRR TF GRANT NUMBER TF096893-BJ

**EUROPEAN UNION FOOD CRISIS RAPID
RESPONSE FACILITY TRUST FUND
GRANT AGREEMENT**

THIS GRANT AGREEMENT (“Agreement”) dated May 25, 2010, entered into between the REPUBLIC OF BENIN (the “Recipient”), and the INTERNATIONAL DEVELOPMENT ASSOCIATION, in its capacity as administrator of the European Union Food Crisis Rapid Response Facility Trust Fund (in such capacity, the “World Bank”).

Preamble

WHEREAS:

(A) the Recipient has recognized the necessity of undertaking rapid response activities under its EFSSP, which is aimed at alleviating the negative impact of high food prices, especially on the lives of the poor, in the territory of the Recipient;

(B) the IBRD and IDA, with support from the European Commission (the “Donor”), have established the European Union Food Crisis Rapid Response Facility Trust Fund (TF No. 071341) (the “EU FCRR TF”) to assist low income member countries of the World Bank (in its own capacity) in the carrying out of activities aimed at reducing the negative impact of high food prices on the lives of the poor in a timely manner;

(C) the Recipient has requested the World Bank to assist in the financing of the Project set forth in Schedule 1 of this Agreement (the “Project”) through resources available under the EU FCRR TF; and

(D) the World Bank has agreed, on the basis, *inter alia*, of the foregoing, to extend a grant to the Recipient upon the terms and conditions set forth in this Agreement.

The Recipient and the World Bank hereby agree as follows:

Article I
Standard Conditions; Definitions

- 1.01. The Standard Conditions for Grants Made by the World Bank Out of Various Funds, dated July 1, 2008 (“Standard Conditions”), 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 Standard Conditions or in the Appendix to this Agreement.

Article II
The Project

- 2.01. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out the Project through the MoA in accordance with the provisions of Article II of the Standard Conditions.
- 2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Recipient and the World Bank 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 III
The Grant

- 3.01. The World Bank agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a grant in an amount equal to up to six million five hundred thousand Euro (€6,500,000) (“Grant”) to assist in financing the Project.
- 3.02. The Recipient may withdraw the proceeds of the Grant in accordance with Section IV of Schedule 2 to this Agreement.
- 3.03. The Grant is funded out of the EU FCRR TF for which the World Bank receives periodic contributions. In accordance with Section 3.02 of the Standard Conditions, the Recipient may withdraw the Grant proceeds subject to the availability of such funds.

**Article IV
Additional Remedies**

- 4.01. The Additional Event of Suspension referred to in Section 4.02 (i) of the Standard Conditions consists of the following, namely that as a result of events which have occurred after the date of this Agreement, an extraordinary situation has arisen which makes it improbable that the Recipient will be able to implement its EFSSP.

**Article V
Recipient's Representative; Addresses**

- 5.01. The Recipient's Representative referred to in Section 7.02 of the Standard Conditions is the Recipient's minister responsible for finance.
- 5.02. The Recipient's Address referred to in Section 7.01 of the Standard Conditions is:

Ministère de l'Economie et des Finances
B.P. 302
Cotonou
Republic of Benin

Cable address:	Telex:	Facsimile:
MINFINANCES Cotonou	5009 MINFIN or 5289 CAA	(229) 21 30 18 51 (229) 21 31 53 56

- 5.03. The World Bank's Address referred to in Section 7.01 of the Standard Conditions 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	1-202-477-6391 (MCI)

AGREED at Cotonou, Republic of Benin, as of the day and year first above written.

REPUBLIC OF BENIN

By /s/ Idriss L. Daouda

Authorized Representative

**INTERNATIONAL DEVELOPMENT ASSOCIATION
in its capacity as administrator of the European Union Food
Crisis Rapid Response Facility Trust Fund**

By /s/ Joseph Baah-Dwomoh

Authorized Representative

SCHEDULE 1

Project Description

The objective of the Project is to increase the domestic production of food crops (mainly maize and rice) in selected areas of the Recipient's territory.

The Project consists of the following parts:

Part A: Delivery of Agricultural Inputs

1. Providing support for the procurement and delivery of fertilizers to the Beneficiaries.
2. Providing support for the piloting (through training and capacity building) of market-based input delivery mechanisms to serve food crop producers and other supply chain participants involved in the distribution of inputs in the Recipient's territory.

Part B: Promotion of Small Scale Irrigation Infrastructure

1. Provision of Sub-Grants for the financing of specific community-driven development projects in Targeted Areas relating to the development or rehabilitation of small scale irrigation perimeters.
2. Providing support for the procurement and delivery of irrigation equipment, (namely water pumps) to the Sub-Project Beneficiaries.
3. Supporting the construction of (i) artisanal wells for small scale irrigation perimeters, and (ii) post-harvest infrastructure in Targeted Areas, including storehouses and drying areas.

Part C: Institutional Support

Strengthening the capacity of (i) the Recipient (including, strengthening the Project Management Unit) in the areas of Project management, coordination, administration, monitoring and evaluation, including financial and technical audits, environmental impact assessment (and other safeguard related assessments) and (ii) the Beneficiaries and Sub-Project Beneficiaries in the areas of fertilizer use and development of small scale irrigation perimeters, through provision of technical advisory services and training, and acquisition of equipment and materials.

1.

SCHEDULE 2**Project Execution****Section I. Institutional and Other Arrangements****A. General Institutional and Implementation Arrangements**

1. The Recipient shall maintain the Project Steering Committee, until completion of the Project, under terms of reference and composition satisfactory to the World Bank, comprised of representatives from the MoF, MoD, MoA and key ministries and governmental and non-governmental entities; and other representatives as determined by the Recipient. The Project Steering Committee shall be responsible for reviewing the progress achieved under the Project, overseeing the Project operations, ensuring the inter-ministerial coordination of the Project and approving annual work plans, annual budgets, and annual assessment reports.
2. The Recipient shall (i) maintain, throughout the period of implementation of the Project, the PMU with structure, functions and responsibilities acceptable to the World Bank, and with competent staff in adequate numbers and with qualifications satisfactory to the World Bank, and (ii) recruit, not later than 45 calendar days after the effectiveness of this Agreement, a procurement specialist and a financial audit specialist for the PMU. The PMU shall have overall responsibility for the day-to-day implementation and management of the Project (with additional technical support from AGEFIB, as needed), as set forth in the PIM, including:
 - (a) preparation of withdrawal applications under the Grant;
 - (b) management of the Operational Account;
 - (c) maintenance of records and accounts related to the Project and arranging for the audit thereof;
 - (d) preparation of financial reports for the Project;
 - (e) participation in administration of bidding procedures and of contracts under the Project; and

- (f) preparation of Project Reports in accordance with Section II.A of this Schedule 2.

B. Safeguards

1. The Recipient shall (i) carry out the Project in accordance with the ESMF throughout the period of implementation of the Project, and (ii) within 60 calendar days of the effectiveness of this Agreement, prepare, adopt and disclose an updated ESMF in a manner acceptable to the World Bank.
2. The Recipient shall ensure that (a) all measures necessary for the carrying out of the ESMF are taken in a timely manner; and (b) the Project Reports referred to in Section II of this Schedule 2 will include adequate information on monitoring the measures defined in the ESMF.
3. The Recipient shall, prior to the commencement of any activities under Parts A.1, B.1 and B.3 of the Project: (a) when required under the ESMF, carry out in accordance with the ESMF, an assessment of such activity; (b) in the event that on the basis of such assessment, such activity, if carried out, would have a potential for adverse impact, not permit such activity to be carried out until an appropriate environmental management plan or other plan, as required, under the ESMF has been prepared and adopted by the Recipient to mitigate such potential adverse impact; and (c) thereafter, ensure that the agreed plan (or plans, as the case may be) referred to in (b) above is (or are) carried out with due diligence.
4. In the event of any conflict between the provisions of the ESMF and those of this Agreement, the provisions of this Agreement shall prevail.

C. Project Implementation Manual

1. The Recipient shall, within 30 calendar days of the effectiveness of this Agreement, adopt a revised/updated PIM detailing, *inter alia*, the operational, financial management and administrative procedures for the implementation of the Project, in form and substance satisfactory to the World Bank (it being understood that the PIM incorporates the FD Manual which provides, *inter alia*, the operational, financial management and administrative procedures for the implementation of Part A of the Project).
2. The Recipient shall: (i) carry out the Project in accordance with the PIM; and (ii) shall not amend, abrogate, waive, or otherwise modify; or, permit to be amended, abrogated, waived or otherwise modified, the aforementioned, without the prior written agreement of the World Bank.

3. In the event of any conflict between the provisions of the PIM and those of this Agreement, the provisions of this Agreement shall prevail.

D. Implementation of Part A of the Project

1. Institutional Arrangements for Part A of the Project

- (a) *PMU – CeRPA Memorandum of Understanding*

- (i) To facilitate the carrying out of Part A of the Project, the Recipient, through the PMU, shall, by not later than 30 calendar days after the date of effectiveness of this Agreement, amend and restate the memorandum of understanding between the PMU and CeRPA, under terms and conditions approved by the World Bank, for the purposes of setting forth the respective tasks and responsibilities of the CeRPA and the PMU with regard to, among others, selecting Beneficiaries; facilitating the contractual relationship between the PMU, Beneficiaries and cereal producers' organizations; ensuring the storage and distribution of fertilizers to Beneficiaries; providing extension services to Beneficiaries; sensitizing Beneficiaries to the need to ensure fertilizer cost recovery and the financial support that the CeRPA will receive in the carrying out of these activities as well as the fertilizers' cost recovery mechanism and opening of an account to be used for the deposit of the funds collected as a result of the fertilizers' cost recovery (the "PMU-CeRPA Memorandum of Understanding").

- (ii) The Recipient, through the PMU, shall exercise its rights under the PMU-CeRPA Memorandum of Understanding in such manner as to protect the interests of the Recipient and the World Bank and to accomplish the purposes of the Grant. Except as the World Bank shall otherwise agree, the PMU shall not assign, amend, abrogate or waive the PMU-CeRPA Memorandum of Understanding or any of its provisions.

2. Implementation Arrangements for Part A of the Project

- (a) The Recipient shall ensure that the PMU shall carry out Part A of the Project in accordance with the PMU – CeRPA Memorandum of Understanding and the PIM. The Recipient shall ensure that proceeds derived from the fertilizers' cost recovery mechanism pursuant to the implementation of Part A.1. of the Project are collected and deposited in accordance with the PIM.

(b) The Recipient shall prepare and adopt, by August 31, 2010, an operational manual related to Part A.2 of the Project for piloting the market-based mechanism for the sustainable delivery of inputs (fertilizers and seeds) to food crop producers, including the role of the recovered funds from the subsidized sale of fertilizer.

E. Implementation of Part B.1 of the Project

1. Sub-Project Agreements for Part B.1 of the Project. The PMU shall appraise, approve and monitor Sub-Projects and administer the Sub-Grants in accordance with the provisions and procedures set forth or referred to in this Section I.E.1 and in more detail in the PIM. For the purposes of Part B.1 of the Project, the Recipient shall make Sub-Grants to Sub-Project Beneficiaries on the following terms and conditions:

- (a) To be eligible for a Sub-Grant, the proposed Sub-Project Beneficiary shall be required to demonstrate to the satisfaction of the Recipient and the World Bank on the basis of an assessment, that the eligibility criteria set forth in the PIM have been met, including: (i) the Sub-Project is technically, economically and financially feasible and environmentally sound; and (ii) the Sub-Project Beneficiary has the legal, organizational, managerial and financial capacity to carry out the Sub-Project;
- (b) the Recipient shall make each Sub-Grant under an agreement with the Sub-Project Beneficiary on terms and conditions satisfactory to the World Bank (the "Sub-Project Agreement"), which shall include the following:
 - (i) the Sub-Grant shall not finance Taxes;
 - (ii) the Sub-Grant shall be made on a non-reimbursable grant basis;
 - (iii) the Recipient shall obtain rights adequate to protect its interests and those of the World Bank, including the right to:
 - (A) require each Sub-Project Beneficiary to:
 - (1) carry out its Sub-Project with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial and environmental and social standards and practices satisfactory to the World

Bank, including in accordance with the provisions of the Anti-Corruption Guidelines applicable to recipients of loan proceeds other than the Recipient and any assessment and plan that may be required pursuant to the ESMF, and maintain adequate records thereof;

- (2) provide, promptly as needed, the resources required for the purpose of the Sub-Project;
- (3) procure the goods, works and services to be financed out of the Sub-Grant in accordance with the provisions of this Agreement;
- (4) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the World Bank, the progress of the Sub-Project and the achievement of its objectives;
- (5) (x) maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the World Bank, both in a manner adequate to reflect the operations, resources and expenditures related to the Sub-Project; and (y) at the World Bank's or the Recipient's request, have such financial statements audited by independent auditors acceptable to the World Bank, in accordance with consistently applied auditing standards acceptable to the World Bank, and promptly furnish the statements as so audited to the Recipient and the World Bank;
- (6) enable the Recipient and the World Bank to inspect the Sub-Project, its operation and any relevant records and documents;
- (7) prepare and furnish to the Recipient and the World Bank all such information, as the Recipient or the World Bank shall reasonably request relating to the foregoing; and
- (8) promptly inform the Recipient and the World Bank of any condition which interferes or threatens to interfere with the progress of the Sub-Project, or the performance

by the Sub-Project Beneficiary of its obligations under the Sub-Project Agreement; and

(B) suspend or terminate the right of the Sub-Project Beneficiary to use the proceeds of the Sub-Grant, or obtain a refund of all or any amount of the Sub-Grant then withdrawn, upon the failure by such Sub-Project Beneficiary to perform any of its obligations under the Sub-Project Agreement.

2. The Recipient shall exercise its rights under each Sub-Project Agreement in such a manner as to protect the interests of the Recipient and the World Bank and to accomplish the purposes of the Grant, and, except as the World Bank shall otherwise agree in writing, the Recipient shall not assign, amend, abrogate or waive any of the Sub-Project Agreements, or any provision thereof.

F. Anti-Corruption

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

G. Donor Visibility and Visit

- (a) The Recipient shall take or cause to be taken all such measures as the World Bank may reasonably request to identify publicly the Donor's support for the Project.
- (b) For the purposes of Section 2.09 of the Standard Conditions, the Recipient shall, upon the World Bank's request, take all measures required on its part to enable the representatives of the Donor to visit any part of the Recipient's territory for purposes related to the Project.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports; Completion Report

1. The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of indicators agreed with the World Bank and set forth in the PIM. Each Project Report shall cover the period of one (1) calendar semester, and shall be furnished to the World Bank not later than forty five (45) days after the end of the period covered by such report.

2. The Recipient shall prepare the Completion Report in accordance with the provisions of Section 2.06 of the Standard Conditions. The Completion Report shall be furnished to the World Bank not later than six (6) months after the Closing Date. In order to assist the Recipient in preparing the Completion Report, the Recipient shall employ consultants whose qualifications, experience and terms of reference are acceptable to the World Bank.

B. Financial Management; Financial Reports; Audits

1. The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.
2. The Recipient shall ensure that interim unaudited financial reports for the Project are prepared and furnished to the World Bank not later than forty five (45) days after the end of each calendar quarter, covering the quarter, in form and substance satisfactory to the World Bank.
3. The Recipient shall have its Financial Statements for Parts B and C of the Project audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Each such audit of the Financial Statements shall cover the period of one fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the World Bank not later than six (6) months after the end of such period.
4. The Recipient shall ensure that the AGEFIB provides the PMU, as the case may be, with additional technical support in the area of financial management, if necessary.

Section III. Procurement

A. General

1. **Procurement and Consultant Guidelines.** All goods, works and services required for the Project and to be financed out of the proceeds of the Grant shall be procured in accordance with the requirements set forth or referred to in:
 - (a) Section I of the Procurement Guidelines in the case of goods and works, and Sections I and IV of the Consultant Guidelines in the case of consultants' services; and

(b) the provisions of this Section III , as the same shall be elaborated in the Procurement Plan.

2. **Definitions.** The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the World Bank of particular contracts, refer to the corresponding method described in the Procurement Guidelines, or Consultant Guidelines, as the case may be.

B. Particular Methods of Procurement of Goods and Works

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods and works shall be procured under contracts awarded on the basis of International Competitive Bidding.
2. **Other Methods of Procurement of Goods and Works.** The following methods, other than International Competitive Bidding, may be used for procurement of goods and works for those contracts specified in the Procurement Plan: (a) National Competitive Bidding, provided that: (i) bids are advertised in national newspapers with wide circulation; (ii) bid evaluation, bidder qualification and award criteria are specified clearly in the bidding documents; (iii) bidders are given adequate response time (minimum four weeks) to prepare and submit bids; (iv) bids are awarded to the lowest evaluated bidder provided this bidder is qualified; (v) eligible bidders, including foreign bidders, are not precluded from participating; and (vi) no preference margin is granted to domestic suppliers; (b) Limited International Bidding; (c) Shopping; (d) Direct Contracting; and (e) Community Participation procedures which have been found acceptable to the World Bank.

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 methods, other than Quality- and Cost-based Selection, may be used for procurement of consultants' services for those assignments which are specified in the Procurement Plan: (a) Least Cost Selection; (b) Selection based on Consultants' Qualifications; (c) Single-source Selection; and (d) Selection of Individual Consultants.

D. Review by the World Bank of Procurement Decisions

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

Section IV. Withdrawal of Grant Proceeds**A. General**

1. The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of (a) Article III of the Standard Conditions, (b) this Section, and (c) such additional instructions as the World Bank may 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 World Bank and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the following table. It being understood that: (i) pursuant to the Recipient's Fiscal Policy Manual for Public Procurement and other Exemptions (*Cahier des Charges Fiscales des Marchés Publics et Autres Régimes d'Exception*) as updated in May 1997, the Project is exempt from Taxes levied by, or in the territory of, the Recipient on or in respect of Eligible Expenditures, or on their importation, manufacture, procurement or supply; and (ii) to the extent such exemption ceases (or is modified in any way whatsoever) so as to result in the imposition of any such Taxes, the World Bank may, by notice to the Recipient, adjust the percentage set forth in the table below of this Section as required to ensure that the proceeds of the Grant are not withdrawn to pay for any Taxes. The table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Grant ("Category"), the allocations of the amounts of the Grant to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

Category	Amount of the Grant Allocated (expressed in Euro)	Percentage of Expenditures to be Financed
(1) Goods and consultants' services, Training and Operating Costs	3,700,000	100%
(2) Sub-Grants	800,000	100% of amount of Sub-Grant disbursed
(3) Works	2,000,000	100%
TOTAL AMOUNT	6,500,000	

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 Categories (2) and (3), until the World Bank has received evidence satisfactory to it that:
 - (i) the updated ESMF has been prepared, approved, adopted and publicly disclosed by the Recipient in accordance with Section I.B.1 of this Schedule 2, and a copy thereof has been delivered to the World Bank, all in form and substance acceptable to the World Bank; and
 - (ii) the updated PIM has been prepared and adopted by the Recipient in accordance with Section I.C.1 of this Schedule 2 and a copy thereof has been delivered to the World Bank, all in form and substance satisfactory to the World Bank.
2. The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is August 31, 2011.

APPENDIX**Definitions**

1. “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.
2. “AGEFIB” means *Agence de Financement des Initiatives de Base*, a fiduciary agency contracted by the Recipient to provide technical support for (i) the implementation of Part B.1 of the Project, and (ii) the Project’s fiduciary arrangements, including in terms of financial management.
3. “Beneficiary/ies” means the small and large producers (approximately 15,500) of cereals, including female producers, producer organizations, young producers and poor producers in selected areas of the Recipient’s territory, which will be selected to benefit from Part A.1 of the Project pursuant to the selection procedures and eligibility criteria set forth in the PIM.
4. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
5. “CERPA” means the Regional Center for Agriculture Promotion (“*Centre Régional pour la Promotion Agricole*”), established by the Recipient pursuant to Decree N°2004-301 of May 20, 2004, for the purposes of delivering extension and other agricultural promotion services at the regional level to agricultural producers, or the public entity in charge of agricultural promotion at the regional level thereof.
6. “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.
7. “Donor” has the meaning ascribed to such term in paragraph (B) of the Preamble to this Agreement

8. “Emergency Food Security Support Program” or “EFSSP” means the program (*Programme d’Urgence d’Appui à la Sécurité Alimentaire*) prepared by the Recipient pursuant to the Decision adopted by the Council of Ministers on December 26, 2007 to address the Recipient’s immediate, short and medium terms needs to increase food security and rebuild the productive capacity of the food crop sector in its territory.
9. “Environmental and Social Management Framework” or “ESMF” means the Recipient’s Environmental and Social Management Framework (*Cadre de Gestion Environnementale et Sociale*) dated November 2009, which describes, *inter alia*, the measures mitigating the potential environmental impact (including pest and pesticides management issues) for the Project as well as the environmental related arrangements that need to be carried out for the implementation of the Project, as updated pursuant to Section I.B.1 of Schedule 2 to this Agreement.
10. “EU FCRR TF” has the meaning ascribed to such term in paragraph (B) of the Preamble to this Agreement
11. “Euro”, “€” and “EUR” each means the lawful currency of the member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union.
12. “Fertilizers Distribution Manual” or “FD Manual” means the manual adopted by the Recipient under the Food Price Crisis Response Trust Fund Grant Agreement, dated November 5, 2008, between the World Bank and the Recipient (TF093250) setting forth, *inter alia*, the operational, financial management and administrative procedures for the implementation of Part A of the Project.
13. “Ministry of Agriculture, Livestock, and Fishery” or “MoA” means the Recipient’s ministry in charge of, among others, agriculture.
14. “Ministry of Development” or “MoD” means the Recipient’s ministry in charge, among others, of the planning and monitoring and evaluation of government programs.
15. “Ministry of Finance” or “MoF” means the Recipient’s ministry in charge of finance.

16. “Operational Account” means an account located at a reputable commercial bank acceptable to the World Bank for the Project, which is managed by the PMU.
17. “Operating Costs” means reasonable incremental expenditures incurred by the Recipient to finance reasonable and necessary operating expenses of the PMU in respect of its operations and administration of activities under the Project, and which are payable on account of the cost of office equipment and supplies, maintenance, communication, payment of staff (non civil servants), travel and transportation; and all other expenses as may be agreed with the World Bank.
18. “PIM” means the FD Manual, as updated in accordance with Section I.C of Schedule 2 to this Agreement; such manual contains the operational procedures, guidelines and criteria for the Project, including provisions relating, *inter alia*, to: (i) institutional coordination; (ii) disbursement and financial management; (iii) procurement; (iv) environmental and social impact screening guidelines; (v) provisions defining eligibility criteria and approval, disbursement, procurement, administration and monitoring arrangements for Sub-Projects together with a model Sub-Project Agreement format; (vi) monitoring, evaluation, reporting and communication; and (vii) such other administrative, financial, technical and organizational arrangements and procedures as shall be required for the Project, as same may be amended from time to time in accordance with the terms of this Agreement.
19. “PMU-CERPA Memorandum of Understanding” means the memorandum of understanding to be entered into between the Recipient (through the PMU) and CERPA, for the purposes specified in Section I.D.1(a) of Schedule 2 to this Agreement, as same may be amended from time to time in accordance with the terms of this Agreement.
20. “Procurement Guidelines” means the “Guidelines: Procurement under IBRD Loans and IDA Credits” published by the Bank in May 2004 and revised in October 2006.
21. “Procurement Plan” means the Recipient’s procurement plan referred to in paragraph 1.16 of the Procurement Guidelines and paragraph 1.24 of the Consultant Guidelines, to be prepared and approved by the Recipient and the World Bank and which will cover the initial 12 month period (or longer) of the implementation of the Project, as the same may be updated from time to time in accordance with the provisions of said paragraphs.
22. “Project” has, for ease of reference, the meaning ascribed to such term in paragraph (C) of the Preamble of this Agreement.

23. “Project Management Unit” or “PMU” means the unit established by the Recipient within the Recipient’s MoA, for the purposes specified in Section I.A.2 of Schedule 2 to this Agreement, or the unit in charge of the day-to-day management of the Project thereof.
24. “Project Steering Committee” or “PSC” means the committee established by the Recipient and referred to in of Section I.A.1 of Schedule 2 to this Agreement.
25. “Standard Conditions” has the meaning ascribed to such term in Section 1.01 of this Agreement.
26. “Sub-Grant” means a grant to be made to a Sub-Project Beneficiary out of the proceeds of the Grant for a Sub-Project.
27. “Sub-Project” means a specific small scale irrigation development project to be carried out by a Sub-Project Beneficiary under Part B.1 of the Project.
28. “Sub-Project Agreement” means the agreement to be entered into between the Recipient and a Sub-Project Beneficiary providing a Sub-Grant for a Sub-Project.
29. “Sub-Project Beneficiary” means a community, farmer/producer organization and/or individual which or who is a beneficiary of a Sub-Grant for a Sub-Project.
30. “Targeted Areas” means the valley along the Niger river located in the Recipient’s counties of Malanville and Karimama (approximately 2,000 ha.), and the hill shallows and valleys along the Couffo and Mono rivers located in the Recipient’s counties of Grand-Popo, Lalo, Aplahoue, Athiémé Dogbo, Zogbodome, Bantè, Savalou, Glazoue and Savè (approximately 1,000 ha.), as well as any other areas, counties, sectors or regions that the World Bank may agree from time to time.
31. “Training” means the training of persons involved in Project-supported activities, based on annual budgets and programs approved by the World Bank in writing, such term including seminars, workshops, conference and study tours, and costs associated with such activity include travel and subsistence costs for training participants, costs of securing the services of trainers, rental of training facilities, preparation and reproduction of training materials and other costs directly related to course preparation and implementation.