

Public Disclosure Authorized

**CONFORMED COPY**

**GRANT NUMBER H330-GUI**

# **Financing Agreement**

**(Third Urban Development Project (Phase II))**

**between**

**REPUBLIC OF GUINEA**

**and**

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

**Dated September 20, 2007**

Public Disclosure Authorized

**GRANT NUMBER H330-GUI**

**FINANCING AGREEMENT**

AGREEMENT dated September 20, 2007, between REPUBLIC OF GUINEA (“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 grant in an amount equivalent to nine million nine hundred thousand Special Drawing Rights (SDR 9,900,000) (“Grant”) 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 The Maximum Commitment Charge Rate payable by the Recipient on the Un-withdrawn Financing Balance shall be one-half of one percent (1/2 of 1%) per annum.
- 2.04. The Payment Dates are February 1 and August 1 in each year.
- 2.05. The Payment Currency is the Dollar.

**ARTICLE III — PROJECT**

- 3.01. The Recipient declares its commitment to the objectives of the Project and the Program. To this end, the Recipient shall carry out the Project 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 — REMEDIES OF THE ASSOCIATION**

- 4.01. The Additional Event of Suspension consists of the following:
  - A situation has arisen which shall make it improbable that the Program, or a significant part thereof, will be carried out.

**ARTICLE V — EFFECTIVENESS; TERMINATION**

- 5.01. The Additional Conditions of Effectiveness consist of the following:
  - (a) The Recipient has updated, in form and substance satisfactory to the Association, its financial management software.
  - (b) The Recipient has appointed external financial and technical auditors, with qualifications, experience, and terms of reference satisfactory to the Association, in accordance with the provisions of Section III of Schedule 2 to this Agreement.
  - (c) The Recipient has adopted the Project Implementation Manual, in form and substance satisfactory to the Association.
- 5.02. The Effectiveness Deadline is the date 90 days after the date of this Agreement.

**ARTICLE VI – REPRESENTATIVE; ADDRESSES**

- 6.01. The Recipient's Representative is its minister at the time responsible for finance.

6.02. The Recipient's Address is:

Ministry of the Economy, Finance, and Planning  
P. O. Box 579  
Conakry  
Guinea

Telex:	Facsimile:
22399 MIFIGE	(224) 30 45 54 22 (224) 30 41 17 17

6.03. The Association's Address is:

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

Cable:	Telex:	Facsimile:
INDEVAS Washington, D.C.	248423 (MCI) or 64145 (MCI)	1 (202) 477-6391

AGREED at Conakry, Guinea, as of the day and year first above written.

**REPUBLIC OF GUINEA**

**By /s/ Ishac Diwan**

**Authorized Representative**

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

**By /s/ Ousmane Doré**

**Authorized Representative**

## SCHEDULE 1

### Project Description

The objective of the Project is to improve the provision of infrastructure and services in Conakry and selected secondary cities and the financial and organizational management of Municipalities in support of the Recipient's decentralization process.

The Project constitutes the second phase of the Program, and consists of the following parts:

1. Conakry Municipal Contract

Implementation of Municipal Contract in City of Conakry with respect to following matters:

(a) Priority Investment Programs

(i) Solid Waste Management

- (A) Improvement of *La Minière* landfill management, including waste leveling and facilitation of solid-waste dumping in landfill, access road construction for waste transfer trucks, and site fencing improvement;
- (B) Preparation of *La Minière* landfill closing, including installation of two (2) piezometers and establishment of drainage system for surface water collection and leakage pre-treatment;
- (C) Construction of four (4) transfer sites and related access roads, and rehabilitation of existing transfer sites, in Kaloum Municipality;
- (D) Surfacing and drainage of Public Solid Waste Transfer Unit parking site;

- (E) Provision of three (3) trucks and 20 containers to Public Solid Waste Transfer Unit;
  - (F) Provision of mechanical shovel to said Unit; and
  - (G) Rehabilitation of landfill bulldozer.
- (ii) Neighborhood Upgrading
- (A) Dirt and asphalt road upgrading;
  - (B) Small rainwater drainage works;
  - (C) Periodic asphalt road maintenance (resurfacing) and dirt road re-forming;
  - (D) Sidewalk treatment; and
  - (E) Access road construction.
- (iii) Municipal Facilities
- Investments in:
- (A) Administrative facilities (city hall, Technical Municipal Department buildings);
  - (B) Socio-public facilities (youth centers, primary schools, health centers, multifunctional grounds);
  - (C) Commercial facilities (markets, bus stations); and
  - (D) Environmental facilities (school sanitary facilities, flood protection works, drainage).

- (b) Municipal Adjustment Programs
  - (i) Improvement of municipal department operations, with particular focus on financial and technical departments, through:
    - (A) review and realignment of organizational structure;
    - (B) improvement of working conditions; and
    - (C) provision of training relating to information technology management, municipal management and development, and environmental and social monitoring.
  - (ii) Improvement of municipal revenue and budget monitoring through:
    - (A) municipal revenue mobilization through improvement of tax base knowledge and local fee collection rates (market fees, local taxes);
    - (B) rationalization of revenue forecasts and budget expenditures; and
    - (C) production of regular financial reports and use of said reports for monitoring and remedying of discrepancies vis-à-vis forecasts.
  - (iii) Maintenance of municipal infrastructure and assets
    - (A) establishment of solid waste management system;
    - (B) development and implementation of annual maintenance program;
    - (C) budgeting of minimum current revenue commitment towards maintenance; and
    - (D) maintenance of facilities established under Phase I of Project.



2. Secondary City Municipal Contracts

Implementation of Priority Investment Programs and Municipal Adjustment Programs under Municipal Contracts in cities of Boké, Faranah, Kankan, Kindia, Kissidougou, Labé, Macenta, Mamou, Nzerékoré, and Siguiri with respect to following matters:

(a) Priority Investment Programs

Investments in:

- (i) Infrastructure (public roads, public lighting);
- (ii) Administrative facilities (city hall, Technical Municipal Department buildings);
- (iii) Socio-public facilities (youth centers, primary schools, health centers, multifunctional grounds);
- (iv) Commercial facilities (markets, bus stations); and
- (v) Environmental facilities (school sanitary facilities, flood protection works, drainage).

(b) Municipal Adjustment Programs

- (i) Strengthening of municipal department operations, with particular focus on financial and technical departments, through:
  - (A) identification of staff appropriate to service delivery requirements;
  - (B) realignment of municipal department organization;
  - (C) identification of activities for improvement of municipal department efficiency; and
  - (D) provision of office equipment and materials, and training.

- (ii) Strengthening of local revenue and budget monitoring through:
  - (A) revenue mobilization through improvement of tax base knowledge and local fee collection rates (market fees, local taxes);
  - (B) rationalization of revenue forecasts and budget expenditures; and
  - (C) production of regular financial reports and use of said reports for monitoring and remedying of discrepancies vis-à-vis forecasts.
  
- (iii) Maintenance of municipal infrastructure and assets
  - (A) development and implementation of annual maintenance program;
  - (B) budgeting of minimum current revenue commitment towards maintenance; and
  - (C) maintenance of facilities established under Phase I of Project.

3. Institutional Strengthening

Capacity building in support of Municipal Adjustment Programs and Recipient's decentralization process in respect of:

- (a) Street addressing
  - (i) In Dixinn, Kaloum, and Matam Municipalities (Conakry): Street index updating through street addressing extension to under-serviced areas, including carrying out of street surveys and doorway-number updating;
  - (ii) In Matoto and Ratoma Municipalities (Conakry): Street addressing extension to newly urbanized zones, including codification, base mapping, doorway numbering, and sign installation; and

- (iii) In selected secondary cities: Street addressing, including codification, base mapping, doorway numbering, and sign installation.
- (b) Local taxation improvement
  - (i) Improvement of fiscal registers, including updating of existing register data, in Kaloum, Matam, Matoto, and Ratoma Municipalities;
  - (ii) Improvement of local tax sharing arrangements in selected secondary cities; and
  - (iii) Provision of support to National Directorate of Taxes, including:
    - (A) introduction of information technology program for Business and *Patente* Tax management in selected secondary cities for rolls management; and
    - (B) management and information technology tools and targeted training to said Directorate for monitoring of local tax collection.
- (c) Local government budget documentation
  - (i) Provision of training to municipal managerial staff in use of local-government budgetary procedures manual and dissemination of said manual in Municipalities;
  - (ii) Provision of information-technology program to National Directorate of Decentralization for production of computerized budget data, and provision of related training to municipal staff; and
  - (iii) Provision of support to said Directorate for updating of financial ratio guidebook, including provision of logistical support for computerization of source database.
- (d) Inter-governmental transfers: Carrying out of study for identification of transfer mechanisms for resource allocation to local governments,

evaluation of potential transfer resources, and elaboration of implementation modalities of said mechanisms.

- (e) Urban management
  - (i) Preparation and publication of city atlas through compilation of mapping data collected under urban, organizational, and financial audits of Conakry and secondary cities targeted under Project; and
  - (ii) Updating of Urban Reference Plans of secondary cities targeted under Project.
- (f) Project coordination: Financing of Operating Costs of Project Coordination Unit.
- (g) Communication and information dissemination activities
  - (i) Communication activities, including production of film and brochure, and dissemination of information relating to Project, with focus on Municipal Contract methodology and implementation, waste management, and local level fiscal revenue mobilization; and
  - (ii) Municipal level public awareness activities for combating corruption.
- (h) Technical Assistance for Project implementation: Provision of technical assistance to Project Coordination Unit in relation to Project implementation and monitoring, particularly carrying out of urban, financial, and organizational audits, Municipal Contract monitoring, and municipal finance activities.
  - (i) Technical and financial audits: Carrying out of annual technical and financial audits on sample basis focusing on technical execution of works, appropriate maintenance systems, and availability of tracking information with regard to use of funds.
- (j) Project environmental and social safeguard implementation.

## SCHEDULE 2

### Project Execution

#### Section I. Implementation Arrangements

##### A. Institutional Arrangements

1. The Recipient's ministry at the time responsible for urban development shall be responsible for Project coordination, management, and oversight.
2. The Recipient shall maintain, under its ministry at the time responsible for urban development throughout Project implementation, the following Project implementation entities, with terms of reference, personnel, resources, and functions satisfactory to the Association:
  - (a) The Steering Committee, comprising representatives of: (i) the ministries at the time responsible for finance, urban development, and decentralization; (ii) the Governorate of Conakry; (iii) the Municipalities targeted under the Project; (iv) the Project Coordination Unit; (v) small and medium solid waste and public works construction enterprises; (vi) non-governmental organizations; and (vii) the Association of Mayors of Guinea, appointed by the minister at the time responsible for infrastructure, and which shall be responsible for Project oversight.
  - (b) The Project Coordination Unit, under the supervisory authority of the ministry at the time responsible for urban development, which shall be responsible for financial management and procurement under the Project and coordination of Project implementation, the latter in collaboration with the following other Project implementation entities in accordance with the provisions of the Project Implementation Manual: (i) Directorate of Urban Development and Infrastructure; (ii) Governorate of Conakry; (iii) the Municipalities targeted under the Project; (iv) National Directorate of Decentralization; (v) National Directorate of Taxes; (vi) Public Solid Waste Transfer Unit; (vii) Primary Roads Unit; and (viii) Secondary Roads Unit.

##### B. Manual

Except as the Association shall otherwise agree, the Recipient shall: (i) carry out the Project in accordance with the Project Implementation Manual; and

(ii) except as the Association shall otherwise agree, not amend, abrogate, or waive, or permit to be amended, abrogated, or waived, the aforementioned, or any provision thereof, in a manner which, in the opinion of the Association, may materially or adversely affect Project implementation or achievement of the objective thereof.

**C. Anti-Corruption**

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

**D. Safeguards**

1. The Recipient shall ensure that the Project is implemented in accordance with the provisions of the Environmental and Social Management Framework and Resettlement Policy Framework and, except as the Association shall otherwise agree, the Recipient shall not amend, abrogate, or waive, or permit to be amended, abrogated, or waived, any provision of the aforementioned.
2. The Recipient shall, no later than one (1) month after the Effective Date, appoint an Environmental Focal Point in each of the following entities: (i) Primary Roads Unit; (ii) Secondary Roads Unit; (iii) Public Solid Waste Transfer Unit; (iv) the Technical Municipal Departments of the cities targeted under the Project; and (v) National Directorate for the Environment.
3. The Project Coordination Unit, Technical Municipal Departments, and Environmental Focal Points shall be responsible for application of the Environmental and Social Management Framework and Resettlement Policy Framework, including the provision of training in this regard.

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

**A. Project Reports**

1. (a) The Recipient shall monitor and evaluate the progress of the Project and the Program and prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of indicators agreed with the Association and detailed in the Project Implementation Manual, which shall include those set forth below in sub-paragraph (b) of this paragraph. Each Project Report shall cover the

period of one (1) calendar year, and shall be furnished to the Association not later than 90 days after the end of the period covered by such report.

- (b) The performance indicators referred to above in sub-paragraph (a) consist of the following:

<b>Indicators</b>
<i>Project Objective</i>
(1) Percentage of population of cities targeted under the Project having access to basic public infrastructure and services as a result of the Project
(2) Increase in Municipalities' own resources
<i>Part 1 of Project</i>
<i>Priority Investment Programs</i>
(1) Solid waste collection by small and medium enterprises relative to total waste production
(2) Solid waste transferred by Public Solid Waste Transfer Unit to <i>La Minière</i> landfill relative to total waste production
(3) Kilometers of secondary roads constructed / rehabilitated / maintained under the Project
<i>Municipal Adjustment Programs</i>
(1) Increase in Municipalities' own resources
(2) Proportion of municipal budget allocated to and actually spent on infrastructure maintenance (Minimum of three percent (3%) of current revenues)

<i>Part 2 of Project</i>
<i>Priority Investment Programs</i>
Number of investments constructed / rehabilitated / maintained in disadvantaged neighborhoods of Secondary Cities targeted under the Project
<i>Municipal Adjustment Programs</i>
(1) Increase in Municipalities' own resources
(2) Proportion of municipal budget allocated to and actually spent on infrastructure maintenance (Minimum of three percent (3%) of current revenues)
<i>Part 3 of Project</i>
(1) Number of Municipalities in Conakry with improved and operational fiscal register
(2) Number of Municipalities with operational street addressing system: (a) Conakry: Five (5) (b) At least one (1) Secondary City
(3) Increase in tax rolls issued during Project implementation: (a) Business Tax, Land Contribution, and <i>Patente</i> Tax in Conakry (b) Business and <i>Patente</i> Taxes in Secondary Cities
(4) Increase in fiscal revenue collection during Project implementation: (a) Business Tax, Land Contribution, and <i>Patente</i> Tax in Conakry (b) Business and <i>Patente</i> Taxes in Secondary Cities



**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 45 days after the end of each calendar quarter, interim un-audited financial reports for the Project covering the quarter, in form and substance satisfactory to the Association.
3. The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 4.09 (b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one (1) fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the Association not later than six (6) months after the end of such period.

**Section III. Procurement**

**A. General**

1. **Goods and Works.** All goods and works required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Schedule.
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 Schedule.
3. **Definitions.** The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Association of particular contracts, refer to the corresponding method described in the Procurement Guidelines, or Consultant Guidelines, as the case may be.

**B. Particular Methods of Procurement of Goods 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. The provisions of

paragraphs 2.55 and 2.56 of the Procurement Guidelines shall apply to goods manufactured in the territory of the Recipient and works to be carried out by domestic contractors.

2. **Other Methods of Procurement of Goods and Works.** The following table specifies the methods of procurement, other than International Competitive Bidding, which may be used for goods and works. The Procurement Plan shall specify the circumstances under which such methods may be used:

<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) Selection Based on Consultants' Qualifications
(b) Least Cost Selection
(c) Selection under a Fixed Budget
(d) Single Source Selection
(e) Selection of Individual Consultants

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

Except as the Association shall otherwise determine by notice to the Recipient, the terms of reference of each contract for consultants' services and the following contracts shall be subject to Prior Review by the Association: (a) each contract for goods estimated to cost the equivalent of \$250,000 or more; (b) each contract for works estimated to cost the equivalent of \$500,000 or more; (c) the first three (3) contracts for goods or works, respectively, procured on the basis of National Competitive Bidding or Shopping, respectively; (d) each contract for goods or works procured on the basis of Direct Contracting; (e) each contract for consultants' services provided by a firm estimated to cost the equivalent of \$100,000 or more; (f) each contract for consultants' services provided by an individual consultant estimated to cost the equivalent of \$50,000 or more; and (g) each contract for consultants' services procured on the basis of Single Source Selection. 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 this Section and such additional instructions as the Association shall specify by notice to the Recipient, to: (a) repay the Project Preparation Advance in accordance with Section 2.07 of the General Conditions; and (b) finance other Eligible Expenditures 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 Financing Allocated (expressed in SDR)</b>	<b>Percentage of Expenditures to be Financed (Inclusive of Taxes)</b>
(1) Works	6,000,000	90
(2) Goods	1,100,000	100

<b>Category</b>	<b>Amount of Financing Allocated (expressed in SDR)</b>	<b>Percentage of Expenditures to be Financed (Inclusive of Taxes)</b>
(3) Consultants' services, including audits and Training	920,000	100
(4) Operating Costs	1,130,000	90
(5) Refund of Project Preparation Advance	630,000	Amount payable pursuant to Section 2.07 of the General Conditions
(6) Unallocated	120,000	
<b>TOTAL AMOUNT</b>	<b>9,900,000</b>	

**B. 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 December 31, 2011.

**Section V. Other Undertakings**

**A. Annual Work Plans and Budgets**

The Recipient shall furnish to the Association for the latter's approval as soon as available, but in any case no later than September 1 of each year, an annual work plan and budget for the Project for the following year, in form and substance satisfactory to the Association, of such scope and detail as the Association shall have reasonably requested, and including, in relation to any Training, the type, the target audience, the provider, the duration, and the outcome and impact, except for the annual work plan and budget due in 2007, which shall be furnished

no later than October 1, 2007 or one (1) month after the Effective Date, whichever is sooner.

**B. Midterm Review**

The Recipient shall:

1. (a) carry out jointly with the Association, no later than 24 months after the Effective Date, a midterm review to assess the status of Project implementation, as measured against the performance indicators referred to in Section II.A.1 (a) of this Schedule. Such review shall include an assessment of the following: (i) overall progress in Project implementation, (ii) implementation of annual work plans and budgets, (iii) progress on procurement and disbursement, and (iv) results of monitoring and evaluation activities; and
- (b) make adjustments to the Project and reallocate funds to improve performance, if needed;
2. Prepare and furnish to the Association, three (3) months before such review, a report, in form and substance and scope and detail satisfactory to the Association, needed to undertake the review, integrating the results of the monitoring and evaluation activities performed pursuant to paragraph 1 (a) of this Section on the progress achieved in the carrying out of the Project during the period preceding the date of said report and setting out the measures recommended to ensure the efficient carrying out of the Project and the achievement of the objective thereof during the period following such date; and
3. Review, jointly with the Association, the report referred to in paragraph 2 of this Section and thereafter take all measures required to ensure the efficient completion of the Project and the achievement of the objective thereof, based on the conclusions and recommendations of said report and the Association's views on the matter.

**C. Recipient Contribution**

1. The Recipient shall:

- (a) no later than one (1) month after the Effective Date, establish, and thereafter maintain at all times during Project implementation, in Guinean Francs, in a commercial bank acceptable to the Association, an

account under terms and conditions acceptable to the Association, including appropriate protection against seizure, set-off, or attachment;

- (b) deposit into said account, no later than the dates specified in the Municipal Contracts, the amounts specified in said Contracts required to finance its contribution for expenditures under the Project other than those financed from the proceeds of the Financing; and
- (c) ensure that funds deposited into said account in accordance with the provisions of paragraph (b) of this Section shall be used exclusively to finance its contribution to expenditures under the Project.

## 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. “Association of Mayors of Guinea” (*Association des Maires de Guinée*) means the entity, established and operating pursuant to the laws of the Recipient, comprising the mayors of the Recipient’s cities.
3. “Business Tax” (*Taxe Professionnelle Unique*) means the Recipient’s tax levied on the informal sector and payable by any enterprise whose revenues are 120,000,000 Guinean Francs or less.
4. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
5. “City of Conakry” means an administrative area of the Recipient established pursuant to the Recipient’s Ordinance No. 079/PRG/SGG/86 of May 29, 1986, representing a designated area and population within the territory of the Recipient and comprising the five (5) Communes (as hereinafter defined) of Conakry.
6. “Commune” means an administrative area of the Recipient established pursuant to the Recipient’s Ordinance No. 019/PRG/SGG/86 of April 29, 1990, representing a designated area and population within the territory of the Recipient.
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.
8. “Currency” means the currency of a country and the Special Drawing Right. “Currency of a country” means the currency which is legal tender for the payment of public and private debts in that country.
9. “Directorate of Urban Development and Infrastructure” (*Direction de l’Urbanisme et des Infrastructures Urbaines*) means the entity, under the

supervisory authority of the Recipient's ministry at the time responsible for urban development, responsible for urban development and infrastructure.

10. "Environmental and Social Management Framework" means the Recipient's framework, dated December 2006, agreed with the Association for the environmental and social screening process to be followed in identifying, assessing, and mitigating the potential adverse environmental and social impact associated with activities to be implemented under the Project, as the same may be updated from time to time with the concurrence of the Association, and such term includes any schedules to the Environmental and Social Management Framework.
11. "Environmental Focal Point" means the individual referred to in Section I.D.2 of Schedule 2 and whose responsibilities are set out in Section I.D.3 of said Schedule.
12. "General Conditions" means the "International Development Association General Conditions for Credits and Grants", dated July 1, 2005, as amended through October 1, 2006.
13. "Guinean Franc" means the currency of the Recipient.
14. "Land Tax" (*Contribution Foncière Unique*) means the Recipient's tax levied on built-up land and payable by any person who is owner of said land.
15. "Ministry of the Economy, Finance, and Planning" (*Ministère de l'Economie, des Finances, et du Plan*) means the Recipient's ministry at the time responsible for the economy, finance, and planning.
16. "Ministry of the Interior and Security" (*Ministère de l'Intérieur et de la Sécurité*) means the Recipient's ministry at the time responsible for the interior and security.
17. "Municipal Adjustment Program" (*Programme d'Ajustement Municipal*) means a plan prepared by a Municipality (as hereinafter defined) under a Municipal Contract (as hereinafter defined) outlining a set of adjustment measures for purposes of improvement of municipal management and finances over a given period of four (4) years.
18. "Municipal Contract" (*Contrat de Ville*) means a contract between the Recipient and any one (1) of the cities targeted under the Project outlining a priority



investment program and a municipal adjustment program for said city for a given period of four (4) years.

19. “Municipality” (*Municipalité*) means an administrative area of the Recipient established pursuant to the Recipient’s Ordinance No. 079/PRG/SGG/86 of May 29, 1986, representing a designated area and population within the territory of the Recipient.
20. “National Development Budget” means the Recipient’s annual budget.
21. “National Directorate for the Environment” means the Recipient’s entity, under the supervisory authority of the Ministry of Agriculture, Water, Forests, and the Environment, responsible for the environment.
22. “National Directorate of Decentralization” (*Direction Nationale de la Décentralisation*) means the entity, under the supervisory authority of the Ministry of the Interior and Security, responsible for decentralization.
23. “National Directorate of Taxes” (*Direction Nationale des Impôts*) means the entity, under the supervisory authority of the Ministry of Economy, Finance, and Planning, responsible for taxes.
24. “Operating Costs” means the incremental expenses incurred by the Recipient on account of Project implementation, management, and monitoring, including for office space rental, utilities, and supplies, bank charges, communications, vehicle operation, maintenance, and insurance, building and equipment maintenance, advertising expenses, travel and supervision, salaries of contractual and temporary staff, but excluding salaries, fees, honoraria, and bonuses of members of the Recipient’s civil service, and based on the annual budgets referred to in Section V.A of Schedule 2 to this Agreement as approved by the Association.
25. “Patente Tax” means the Recipient’s tax payable by any natural person and body corporate and assessed on the basis of rent, goods, and equipment.
26. “Primary Roads Unit” (*Cellule de Voirie Primaire*) means the entity, under the supervisory authority of the Ministry of Public Works, Urban Development, and Housing, responsible for primary roads.
27. “Priority Investment Program” (*Programme d’Investissement Prioritaire*) means the program prepared by a Municipality under a Municipal Contract outlining its

priority investments over a given period of four (4) years.

28. “Procurement Guidelines” means the “Guidelines: Procurement under IBRD Loans and IDA Credits” published by the Bank in May 2004 and revised in October 2006.
29. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated May 24, 2007 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.
30. “Program” means the program designed to improve the living conditions of the inhabitants of Conakry and the Recipient’s principal urban centers through the provision of basic services and create an enabling environment for sustained programming, financing, and management of priority investments and services in major urban centers and set forth or referred to in the letter dated February 2, 1999 from the Recipient to the Association.
31. “Project Coordination Unit” means the Project entity established and operating pursuant to the Recipient’s Order No. A/2007/2026/MTPUH/CAB of June 21, 2007.
32. “Project Implementation Manual” means the manual referred to in Section 5.01 (c) of this Agreement adopted by the Recipient, outlining implementation, organizational, administrative, monitoring and evaluation, environmental and social monitoring and mitigation, financial management, accounting, disbursement, and procurement arrangements, as shall have been agreed with the Association for purposes of Project implementation, as the same may be amended from time to time with the concurrence of the Association, and such term includes any schedules to the Project Implementation Manual.
33. “Project Preparation Advance” means the advance referred to in Section 2.07 of the General Conditions, granted by the Association to the Recipient pursuant to the letter agreement signed on behalf of the Association on July 11, 2006 and on behalf of the Recipient on July 26, 2006.
34. “Public Solid Waste Transfer Unit” (*Service Public de Transfert des Déchets*) means the entity, under the supervisory authority of the City of Conakry, responsible for solid waste transfer.
35. “Resettlement Policy Framework” means the Recipient’s framework, dated December 2006, agreed with the Association for the resettlement and

compensation of persons affected by potential changes in land use associated with activities to be implemented under the Project, as the same may be updated from time to time with the concurrence of the Association, and such term includes any schedules to the Resettlement Policy Framework.

36. “Secondary Roads Unit” (*Cellule de Voirie Secondaire*) means the entity, under the supervisory authority of the City of Conakry, responsible for secondary roads.
  37. “Steering Committee” means the Project entity established and operating pursuant to the Recipient’s Order No. 5634/MUH/CAB/99 of October 20, 1999.
  38. “Technical Municipal Departments” (*Services Techniques Municipaux*) means the technical departments of a given Municipality.
  39. “Training” means the training of persons involved in Project-supported activities, such term including seminars, workshops, and study tours, and costs associated with such activity including 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.
  40. “Urban Reference Plan” (*Plan Urbain de Référence*) means a Municipality’s plan identifying its principal development options for a ten- to 15-year period.
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