

CONFORMED COPY

CREDIT NUMBER 4485-GH

Financing Agreement

(Amending and Restating Development Credit Agreement)

(Community Based Rural Development Project)

between

REPUBLIC OF GHANA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated July 11, 2008

CREDIT NUMBER 4485-GH

**FINANCING AGREEMENT
(Amending and Restating Development Credit Agreement)**

AGREEMENT dated July 11, 2008, entered into between the REPUBLIC OF GHANA (“Recipient”) and the INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”).

WHEREAS (A) under an agreement dated August 13, 2004, between the Recipient and the Association (“Development Credit Agreement”), the Association agreed to provide the Recipient with a credit in an amount equivalent to forty million nine hundred thousand Special Drawing Rights (SDR 40,900,000) to assist in financing the Community Based Rural Development Project described in Schedule 2 to the Development Credit Agreement;

(B) the Recipient has requested the Association to provide additional financial assistance in support of the Community Based Rural Development Project by increasing the amount made available under the Development Credit Agreement by an amount in various currencies equivalent to thirteen million five hundred thousand Special Drawing Rights (SDR 13,500,000); and

WHEREAS the Association has agreed, on the basis, *inter alia*, of the foregoing to extend such additional assistance to the Recipient upon the terms and conditions set forth in this Agreement;

NOW THEREFORE the Recipient and the Association hereby agree to amend and restate the Development Credit Agreement as of the Effective Date of this Agreement, to read as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

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

ARTICLE II — FINANCING

- 2.01. The Association agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a credit in an amount equivalent to fifty four million four hundred thousand Special Drawing Rights (SDR 54,400,000) (variously, “Credit” and “Financing”) which consists of: (a) an Original Credit in

various currencies equivalent to forty million nine hundred thousand Special Drawing Rights (SDR 40,900,000); and (b) an Additional Credit in various currencies equivalent to thirteen million five hundred thousand Special Drawing Rights (SDR 13,500,000), to assist in financing the project described in Schedule 1 to this Agreement (“Project”).

- 2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section IV of Schedule 2 to this Agreement.
- 2.03. The Maximum Commitment Charge Rate payable by the Recipient on the Unwithdrawn Financing Balance shall be one-half of one percent (1/2 of 1%) per annum.
- 2.04. The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.
- 2.05. The Payment Dates are March 1 and September 1 in each year.
- 2.06. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.
- 2.07. The Payment Currency is Dollar.

ARTICLE III — PROJECT

- 3.01. The Recipient declares its commitment to the objectives of the Project. 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 Events of Suspension consist of the following:
 - (a) The Local Government Act, 1993 (Act 462) shall have been amended, suspended, abrogated, repealed or waived, so as to affect materially and adversely the ability of DAs to perform any of their respective obligations under their respective Grant Agreements.
 - (b) The Recipient or any other authority having jurisdiction shall have taken any action for the dissolution or disestablishment of any of the DAs or for the suspension of their respective operations.

- 4.02. The Additional Event of Acceleration shall be that any event specified in Section 4.01 of this Agreement has occurred.

ARTICLE V — TERMINATION

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

ARTICLE VI — REPRESENTATIVE; ADDRESSES

- 6.01. The Recipient's Representative is its Minister responsible for finance.
6.02. The Recipient's Address is:

Ministry of Finance and Economic Planning
P.O. Box MB40
Accra, Ghana

Cable:	Telex:	Facsimile:
ECONOMICON Accra	2205 MIFAEP GH ,	233-21-667069 233-21-663854

- 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)	1-202-477-6391

AGREED at Accra, Republic of Ghana, as of the day and year first above written.

REPUBLIC OF GHANA

By /s/ Kwadwo Baah-Wiredu

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By/s/ Ishac Diwan

Authorized Representative

SCHEDULE 1

Project Description

The objective of the Project is to strengthen the capacity of rural communities to enhance their quality of life by improving their productive assets, rural infrastructure and access to key support services from private and public sources.

The Project consists of the following parts:

Part A: Institutional Strengthening and Capacity Building

1. Strengthening of the capacity and skills of MLGRDE, RPCU, DAs, ACs, community-based organizations, non-governmental organizations, private and public service providers, and rural communities to: (a) deliver cost-effective services to rural communities; (b) manage, monitor, evaluate and maintain public and private goods; and (c) build functional and governance capacities.
2. Strengthening of the financial and procurement management capacities of MLGRDE, DAs and regional and district tender boards, committees, ACs and other procuring entities.
3. Strengthening of the capacity of the decentralization secretariat of MLGRDE and other relevant public and private entities to implement the decentralization program of the Recipient.

Part B: Infrastructure for Agricultural Development

Provision of Grants or Advances for, inter alia:

1. Water for agriculture, including small-scale irrigation from stream flow diversions, pumping and run-off management, ponds, dugouts and tube wells, earthen banks, bunds and other flow controlling structures.
2. Improving skills for management of facilities, including development of basic skills of Subproject beneficiaries for the appropriate application of recommended best catchment management practices and operation and maintenance of investments in water.
3. Rehabilitation of priority feeder roads, provision of culverts and appropriate drainage; and upgrading of farm-to-village tracks and trails to facilitate use of bicycle trailers, donkey carts and other light vehicles.
4. Post-harvest and livestock processing infrastructure, including provision of storage facilities, drying floors, cribs, crop processing and smoking units, and other processing equipment and facilities, and markets.

Part C: Rural Enterprise Development

Provision of Grants or Advances for, inter alia:

1. Training in technical and business management for the acquisition of employable skills in rural areas, establishment of agro-based micro enterprises, and upgrading and rehabilitation of equipment.
2. Establishment of learning centers to serve as focal points for processing units, marketing outlets, and empowering the poor through the acquisition of knowledge and skills.
3. Establishment of rural enterprises, including co-operative business activities, market research, business linkages and joint ventures.

Part D: Infrastructure for Social and Human Development

Provision of Grants for, inter alia:

1. Rehabilitation or construction of educational infrastructure for established basic schools.
2. Rehabilitation of existing or construction of new health compounds for community health planning services.
3. Rehabilitation of existing or construction of new nutritional centers.
4. Provision of potable water and sanitation facilities for rural communities.

Part E: Community-based Natural Resource Management

Provision of Grants or Advances for, inter alia:

1. Preparation of natural resources management plans in DAs, ACs and local communities in collaboration with relevant public agencies including the Environmental Protection Agency, Savanna Resources Management Center, Resource Management Support Center, Ministry of Food and Agriculture, Ministry of Lands and Forestry and the Wildlife Division.
2. Establishment of tree and tree-crop nurseries for the production of seedlings, adoption of soil and water conservation measures, control of bush fires, and establishment of wood lots.
3. Rehabilitation of critically degraded watershed areas to ensure regular flow of water and effective management and use of water resources.

4. Provision of incentive schemes to natural resource collectors, processors and traders, wood carvers, traditional medical practitioners, wildlife traders and breeders and rural eco-tourism operators, excluding loggers, to increase income earning capacities of Subproject beneficiaries and provide skills to rural unemployed.

Part F: Project Management

Provision of technical and financial support to MLGRDE and other implementing agencies for the coordination and day-to-day management and monitoring and evaluation of the Project.

SCHEDULE 2**Project Execution****Section I. Implementation Arrangements****A. Steering Committee**

1. The Recipient shall maintain, at all times until the completion of the Project, a Steering Committee with a composition, mandate and resources satisfactory to the Association.
2. Without limitation upon the provisions of paragraph 1 of this Part A, the Steering Committee shall: (a) be responsible for reviewing progress made towards achieving the Project's objectives, facilitating the coordination of Project activities among the entities represented in the Steering Committee, and making recommendations for removal of any obstacles to the implementation of the Project; and (b) meet at least bi-annually.
3. Not later than November 30 of each year, the Steering Committee shall review the progress made in respect of Project implementation, institutional issues, procurement, disbursements, the involvement of the private sector, the achievements of the DAs according to the performance criteria referred to in the Project Implementation Manual during the preceding year, and progress towards the objectives for the preceding year.

B. RICU

1. The Recipient shall maintain at all times during the implementation of the Project national and zonal offices of the RICU, under the auspices of MLGRDE, with functions, staffing and resources satisfactory to the Association, for the purpose of ensuring the prompt and efficient implementation of the Project.
2. Without limitation upon the provisions of paragraph 1 of this Part B, RICU shall act as a single implementation unit for rural infrastructure with primary responsibility for coordinating implementation support to the District Assemblies and Subproject beneficiaries. RICU shall have broad autonomy in implementing the work program agreed upon with the Steering Committee. RICU shall be headed by a national coordinator, and shall be supported by zonal office project coordinators and relevant technical staff, including financial management, procurement and monitoring and evaluation staff, a rural infrastructure engineer and an institutions specialist, under terms of reference and with qualifications and experience satisfactory to the Association and appointed in accordance with procedures under Section III of this Schedule.

3. Without limitation upon the provisions of paragraph 1 of this Part B, RICU shall:
 - (a) implement technical and institutional strengthening aspects of the Project, including ensuring that Project actions and interventions complement those of other similar projects in the sector;
 - (b) be responsible for timely reporting, monitoring and evaluation, and impact assessments;
 - (c) establish and maintain a management information system to provide up-to-date information on the status of implementation of Subprojects in the various zones; and
 - (d) provide policy and technical liaison with the Steering Committee.

C. District Assemblies and Area Councils

The day-to-day administration of public-good Subprojects at the district level shall be the responsibility of each DA with technical support from the RPCU and zonal RICUs. The relevant District Executive Committees and their administrative offices shall be strengthened for purposes of Project implementation. Each DA shall prepare an annual work plan following guidelines set forth in the Project Implementation Manual.

D. ARB Apex Bank; Subsidiary Agreement

1. The day-to-day administration of private-good Subprojects shall be the responsibility of the ARB Apex Bank.
2. To facilitate the carrying out of private-good Subprojects, the Recipient shall make the proceeds of the Financing allocated for Advances and Grants for private-good Subprojects available to ARB Apex Bank under a subsidiary agreement (“Subsidiary Agreement”) between the Recipient and ARB Apex Bank, under terms and conditions approved by the Association.
3. The Recipient shall exercise its rights under the Subsidiary Agreement in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive the Subsidiary Agreement or any of its provisions.

E. Project Implementation Manual

The Recipient shall ensure that the Project is carried out in accordance with the arrangements and procedures set out in the Project Implementation Manual (provided, however, that in case of any conflict between the arrangements and

procedures of the PIM and the provisions of this Agreement, the provisions of this Agreement shall prevail) and, except as the Association shall otherwise agree, shall not amend, abrogate or waive any provision of the PIM, if such amendment, abrogation or waiver may, in the opinion of the Association, materially or adversely affect the implementation of the Project.

F. Environmental and Social Safeguards

1. The Recipient shall ensure that the Project is carried out in accordance with the provisions of the ESMF and the RPF and that: (i) all measures for carrying out of the ESMF and RPF are taken in a timely manner; and (ii) the Project Reports referred to in Part A of Section II of this Schedule include adequate information on monitoring the measures defined in the ESMF and RPF.
2. The Recipient shall not amend or waive, or permit to be waived, the ESMF or RPF or any provision thereof, in a manner which, in the opinion of the Association, may materially and adversely affect the implementation of the Project.
3. Without limitation upon the provisions of paragraph 1 of this Part F, the Recipient shall, prior to commencing work on any community infrastructure and prior to any displacement of any Affected Persons from such works:
 - (a) undertake the acquisition of all necessary land and other property, compensation and resettlement for such works in accordance with the principles and institutional procedures established in the RPF;
 - (b) ensure that Affected Persons from such works shall be compensated, resettled and rehabilitated in accordance with the RPF;
 - (c) for community infrastructure upgrading involving resettlement of more than 20 persons, prepare and furnish to the Association, a detailed resettlement action plan acceptable to the Association documenting the implementation arrangements for resettlement arising from such works, including compensation, relocation and rehabilitation of Affected Persons; and
 - (d) complete the implementation of such resettlement action plan in a manner satisfactory to the Association.

G. Subprojects

1. General

The Recipient shall ensure that all Subprojects are appraised, approved and monitored and that the Grants and Advances are administered in accordance with the eligibility criteria and administration arrangements and procedures set forth or referred to in this Part G and in more detail in the Project Implementation Manual and the ESMF and RPF.

2. Terms and Conditions of Grants for Public-good Subprojects

A public-good Subproject shall be carried out pursuant to a grant agreement to be concluded between the Recipient and a DA, under terms and conditions approved by the Association and described or referred to in more detail in the PIM, which, *inter alia*, shall include the following:

- (a) a description of the activities to be implemented, including the outputs and performance targets to be achieved, and the arrangements for monitoring and reporting on the implementation of the Subproject;
- (b) the modalities of transfer of funds to the DA and Subproject beneficiaries for the financing of the Subproject;
- (c) the obligation of the DA to: (i) carry out or cause the Subproject to be carried out with due diligence and efficiency and in accordance with sound technical, engineering, environmental and social safeguard, financial, and managerial practices, including in accordance with the PIM, RPF and ESMF; and (ii) maintain or cause to be maintained adequate records to reflect, in accordance with sound accounting practices, the operations, resources and expenditures relating to the Subproject;
- (d) the requirement that the goods, works and consultants' services to be financed from the proceeds of the Grant shall be procured in accordance with procedures ensuring efficiency and economy and in accordance with the provisions of Section III of this Schedule, and shall be used exclusively in the carrying out of the Subproject; and
- (e) the right of the Recipient, to: (i) inspect by itself, or jointly with the Association, if the Association shall so request, the goods, works, sites, plants and construction included in the Subproject, the operations thereof and any relevant records and documents; (ii) obtain all information as it, or the Association, shall reasonably request regarding the administration, operation and financial conditions of Subproject; and (iii) suspend or terminate the right of the DA to use the proceeds of the Grant upon

failure by the DA to perform any of its obligations under the Grant Agreement.

The Recipient shall exercise its rights under the grant agreements in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Project, and shall not assign, amend, abrogate or waive any grant agreement or any provision thereof without prior approval in writing by the Association.

3. **Terms and Conditions of Grants and Advances for private-good Subprojects**

- (a) A private-good Subproject financed through Grants and/or Advances shall be carried out pursuant to an advance agreement to be concluded between ARB Apex Bank and an eligible financial institution as well as an agreement to be concluded between each eligible financial institution and the relevant Subproject beneficiary, all under terms and conditions approved by the Association and described or referred to in more detail in the PIM.
- (b) Except as the Association shall agree otherwise, the Recipient shall cause ARB Apex Bank to administer all Advances as a revolving line of credit facility in accordance with the arrangements and procedures described in the PIM, and shall deposit all repayments of the principal amounts of Advances and interest accrued thereon, for the purpose of providing additional Advances and/or Grants in accordance with the provisions of the PIM.

H. Anti-Corruption

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

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of the indicators set forth in the PIM. Each Project Report shall cover the period of six calendar months, and shall be furnished to the Association not later than one month after the end of the period covered by such report.

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 unaudited financial reports for the Project covering the quarter, in form and substance satisfactory to the Association.
3. The Recipient shall have its Financial Statements 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 fiscal year of the Recipient, commencing with the fiscal year in which the first withdrawal under the Project Preparation Advances was made. The audited Financial Statements for each such period shall be furnished to the Association not later than six months after the end of such period.

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 Section.
2. **Consultants' Services.** All consultants' services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines, and with the provisions of this Section.
3. **Definitions.** The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Association of particular contracts, refer to the corresponding method described in the Procurement Guidelines, or Consultant Guidelines, as the case may be.

B. Particular Methods of Procurement of Goods 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 of procurement, other than International Competitive Bidding, may be used

for goods and works in the circumstances specified in the Procurement Plan: (a) National Competitive Bidding; (b) Shopping; (c) Direct Contracting; (d) Force Account; (e) Community Participation procedures which have been found acceptable to the Association; and (f) Established Private or Commercial Practices which have been found acceptable to the Association.

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 of procurement, other than Quality- and Cost-based Selection, may be used for consultants' services in the circumstances specified in the Procurement Plan: (a) Selection Under a Fixed Budget; (b) Least Cost Selection; (c) Selection Based on Consultants Qualifications; (d) Established Private or Commercial Practices which have been found acceptable to the Association; (e) Selection of Individual Consultants; and (f) Sole Source Procedures for the Selection of Individual Consultants.

D. Review by the Association of Procurement Decisions

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

Section IV. Withdrawal of the Proceeds of the Financing

A. General

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

Category	Amount of the Original Credit Allocated (Expressed in SDR Equivalent)	Amount of the Additional Credit Allocated (Expressed in SDR Equivalent)	% of Expenditures to be Financed (inclusive of Taxes)
(1) Civil works	1,450,000	0	100%
(2) Goods	1,700,000	0	100%
(3) Consultants' services including audits, studies and training	4,650,000	1,500,000	100%
(4) Subprojects:			100% of amounts disbursed
(a) financed by Grants	22,300,000	11,250,000	
(b) financed by Advances	7,750,000	0	
(5) Operating Costs	2,850,000	750,000	100%
(6) Unallocated	200,000	0	
TOTAL	40,900,000	13,500,000	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for payments made prior to the date of the Development Credit Agreement, except that withdrawals of amounts of the Original Credit, in an aggregate amount not exceeding the equivalent of SDR 3,400,000, may be made on account of payments made for expenditures before that date but after August 1, 2003.
2. The Closing Date is June 30, 2010.

SCHEDULE 3**Repayment Schedule****I. Repayment of the Original Credit**

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage)*
On each March 1 and September 1:	
Commencing September 1, 2014, to and including March 1, 2024.	1%
Commencing September 1, 2024, to and including March 1, 2044.	2%

II. Repayment of the Additional Credit

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage)*
On each March 1 and September 1:	
Commencing September 1, 2018, to and including March 1, 2028.	1%
Commencing September 1, 2028, to and including March 1, 2048.	2%

APPENDIX**Section I. Definitions**

1. “AC” means an Area Council, established and operating pursuant to the Recipient’s Local Government Act, 1993 (Act 462).
2. “Additional Credit” means the additional financing in various currencies equivalent to thirteen million five hundred thousand Special Drawing Rights (SDR 13,500,000) provided to the Recipient, on the terms and conditions set forth or referred to in this Agreement.
3. “Advance” means an amount, out of the proceeds of the Financing, to be on-lent by ARB Apex Bank through participating financial institutions to eligible community groups, associations and individuals for the purpose of carrying out private-good Subprojects.
4. “Affected Persons” means any persons who on account of the acquisition of land, including plantation land, for purposes of establishing relocation sites under the Project had or would have his or her: (i) standard of living adversely affected; or (ii) right, title or interest in any house, or interest in or right to use any land (including premises, agricultural and grazing land) or right in annual or perennial crops and trees or any other fixed or movable asset, acquired or possessed, temporarily or permanently; or (iii) business, occupation, work or place of residence or habitat adversely affected, temporarily or permanently, and “Affected Persons” means, collectively, all persons who qualify as an Affected Person.
5. “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.
6. “ARB Apex Bank” means the Association of Rural Banks established through incorporation under the Recipient’s Companies Code, 1963 (Act 179).
7. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
8. “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.
9. “DA” means a District Assembly established pursuant to the Recipient’s Local Government Act, 1993 (Act 462).

10. “Environmental and Social Management Framework” or “ESMF” means the framework of the Recipient dated March 2004, as the said framework may be amended and/or supplemented from time to time with the prior concurrence of the Association, setting forth the policy framework, principles, standards, processes and institutional arrangements to be applied to assess potential adverse environmental and social impacts associated with project activities and the ways to avoid, minimize, mitigate or offset them, including public consultation, disclosure and reporting.
11. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 1, 2005 (as amended through October 15, 2006), with the modifications set forth in Section II of this Appendix.
12. “Grant” means an amount, out of the proceeds of the Financing, to be made available as a grant to DAs and through the DAs to ACs and other duly constituted local community groups for the purpose of carrying out public-good Subprojects.
13. “MLGRDE” means the Recipient’s Ministry of Local Government, Rural Development and Environment.
14. “Operating Costs” means the operating costs incurred on account of the implementation of the Project including maintenance of vehicles, fuel, equipment, office supplies, rental charges, utilities, consumables, bank charges, advertising expenses, insurance, travel, per diems, and accommodation, but excluding salaries of civil and public servants.
15. “Original Credit” means the original financing in various currencies equivalent to forty million nine hundred thousand Special Drawing Rights (SDR 40,900,000) provided to the Recipient, on the terms and conditions set forth or referred to in the Development Credit Agreement.
16. “Procurement Guidelines” means the “Guidelines: Procurement under IBRD Loans and IDA Credits” published by the Bank in May 2004 and revised in October 2006.
17. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated May 27, 2008 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.
18. “Project Implementation Manual” or “PIM” means the manual of the Recipient containing, inter alia, work programs, training programs, monitoring and performance indicators and arrangements and procedures to be used for the

purposes of implementation of the Project, as the same may be amended from time to time, in consultation with, and with the approval of, the Association, and such term includes any schedules to the Project Implementation Manual.

19. “Resettlement Policy Framework” or “RPF” means the framework of the Recipient dated March 2004, as the said framework may be amended and/or supplemented from time to time with the prior concurrence of the Association, setting forth resettlement procedures, institutional arrangements, eligibility criteria entitlements and compensation, including valuation procedures, budget, public consultation and participation, monitoring and evaluation and disclosure.
20. “RICU” means the Rural Infrastructure Coordinating Unit, established under the Village Infrastructure Project (Credit No. N020 GH).
21. “RPCU” means a Regional Planning Coordinating Unit established pursuant to the Recipient’s National Planning Systems Act, 1993 (Act 488).
22. “Subproject” means a specific public-good or private-good infrastructure development activity financed or proposed to be financed through Grants or Advances under the Project.
23. “Subsidiary Agreement” means the agreement entered into between the Recipient and ARB Apex Bank pursuant to Section I.D to this Agreement, as the same may be amended from time to time, and such term includes all schedules to the Subsidiary Agreement.

Section II. Modifications to the General Conditions

Section 3.01 (b) of the General Conditions is modified to read as follows:

“(b) The Commitment Charge shall accrue from a date sixty days after: (i) the date of the Development Credit Agreement with respect to the unwithdrawn balance of the Original Credit; and (ii) the date of the Financing Agreement (Amending and Restating Development Credit Agreement) with respect to the unwithdrawn balance of the Additional Credit, to the respective dates on which amounts are withdrawn by the Recipient from the Financing Account or cancelled. The Commitment Charge shall accrue at the rate set as of the June 30 immediately preceding the accrual date and at such other rate as may be set from time to time thereafter pursuant to this Section. The rate set as of June 30 in each year shall be applied from the next Payment Date in that year. The Commitment Charge shall be payable semi-annually in arrears on each Payment Date. The Commitment Charge shall be computed on the basis of a 360-day year of twelve 30-day months.”

