

CONFORMED COPY

CREDIT NUMBER 4490-BJ

Financing Agreement

(Additional Financing for the Second Decentralized City Management Project)

between

REPUBLIC OF BENIN

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated September 12, 2008

CREDIT NUMBER 4490-BJ

FINANCING AGREEMENT

Agreement dated September 12, 2008, entered into between THE REPUBLIC OF BENIN (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”) for the purpose of providing additional financing for certain of the activities related to the Original Project (as defined in the Appendix to this Agreement). The Recipient and the Association hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

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

ARTICLE II — FINANCING

- 2.01. The Association agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a credit in an amount equivalent to twenty four million three hundred thousand Special Drawing Rights (SDR 24,300,000) (variously, “Credit” and “Financing”) to assist in financing the project described in Schedule 1 to this Agreement (“Project”).
- 2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section IV of Schedule 2 to this Agreement. The Recipient’s Representative for purposes of taking any action required or permitted to be taken pursuant to this Section is the Director General of the *Caisse Autonome d’Amortissement* or his representative.
- 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 The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.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 May 15 and November 15 in each year.
- 2.06. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.
- 2.07. The Payment Currency is the Euro.

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 cause the Project to be carried out by the Project Implementing Entity in accordance with the provisions of Article IV of the General Conditions and the Project Agreement.
- 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 Project Implementing Entity's Legislation has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the Project Implementing Entity to perform any of its obligations under the Project Agreement;
 - (b) A situation has arisen which shall make it improbable that the Program, or a significant part thereof, will be carried out;
 - (c) The Project Implementing Entity shall have failed to perform any of its obligations under the Project Agreement; and
 - (d) As a result of events which have occurred after the date of the Financing Agreement, an extraordinary situation shall have arisen which shall make it improbable that the Project Implementing Entity will be able to perform its obligations under the Project Agreement.

ARTICLE V — EFFECTIVENESS; TERMINATION

- 5.01. The Additional Conditions of Effectiveness consist of the following:
- (a) The Subsidiary Agreement has been executed on behalf of the Recipient and the Project Implementing Entity.
 - (b) The Recipient and AGETUR have revised the Project Implementation Manual to reflect the activities of the Project, in a manner satisfactory to the Association.
 - (c) New *Conventions de Maîtrise d’Ouvrage Délégués* in form and substance satisfactory to the Association, have been executed between the Project Implementing Entity and each of the Primary Cities.
 - (d) The AGETUR Project Account has been opened and the Recipient has made an initial deposit into the AGETUR Project Account in the amount of CFAF 500,000,000 to finance the contributions of the Recipient to the Project.
- 5.02. The Additional Legal Matters consist of the following:
- (a) The Subsidiary Agreement has been duly authorized or ratified by the Recipient and the Project Implementing Entity and is legally binding upon the Recipient and the Project Implementing Entity in accordance with its terms; and
 - (b) The Project Agreement has been duly authorized or ratified by the Project Implementing Entity and is legally binding upon the Project Implementing Entity in accordance with its terms.
- 5.03. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.
- 5.04. For purposes of Section 8.05 (b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty years after the date of this Agreement.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

6.01. Except as provided in Section 2.02 of this Agreement, the Recipient's Representative is the Minister of the Recipient at the time responsible for finance.

6.02. The Recipient's Address 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) 30 18 51 (229) 31 53 56

6.03. The Association's Address is:

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

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

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

REPUBLIC OF BENIN

By /s/ Soulé Mana Lawani

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ Madani M. Tall

Authorized Representative

SCHEDULE 1

Project Description

The objective of the Project is to increase access to infrastructure and basic services for residents of Benin's primary cities (Cotonou, Porto-Novo, and Parakou) and selected secondary cities (Abomey-Calavi, Lokossa, and Kandi).

The Project consists of the following parts:

Part A: Rehabilitation and Construction of Basic Urban Infrastructure

1. Rehabilitation and reconstruction of the urban roads and associated drainage works in the Cities.
2. Construction of primary drainage networks in the Primary Cities.
3. Carrying out of socio-environmental and engineering studies and the provision of technical and advisory services required for the supervision of works to be carried out under paragraphs 1 and 2 above.
4. Carrying out of Resettlement Action Plans.
5. Provision of technical and advisory services to carry out periodic technical audits on works and contract management procedures and financial audits for the Project.

Part B: Project Implementation, Coordination, Monitoring, and Evaluation

Financial support to the Project Implementing Entity and the Project Unit for Project implementation, coordination, monitoring and evaluation, through the financing of Operating Costs and Management Fees.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. The Recipient shall carry out the Project through the Project Implementing Entity, in accordance with the Project Implementation Manual and the Project Administrative, Financial and Accounting Manual, and, except as the Association shall otherwise agree, shall not amend or waive any provision of said Manuals without the prior written consent of the Association.
2.
 - (a) The Recipient shall maintain throughout Project implementation the Project Unit which shall operate in accordance with the terms of the Project Unit *Arrêté*. Except as the Association shall otherwise agree, the Recipient shall not amend, suspend or waive any provision of the *Arrêté* establishing the Project Unit if, in the opinion of the Association, such amendment or waiver would materially and adversely affect the implementation of the Project.
 - (b) The Recipient shall ensure that implementation of the Project is supervised and coordinated at the national level by COSUCO throughout Project implementation which shall operate in accordance with the terms of the COSUCO *Décret*. Except as the Association shall otherwise agree, the Recipient shall not amend, suspend or waive any provision of the *Décret* establishing COSUCO if, in the opinion of the Association, such amendment or waiver would materially and adversely affect the implementation of the Project.
 - (c) The Recipient shall not amend or waive, or permit to be amended or waived, any provision of any of the *Protocoles* if such amendment or waiver may, in the opinion of the Association, materially or adversely affect Project implementation.
 - (d) The Recipient shall cause each of the Primary Cities to maintain throughout Project implementation local steering committees (LSC) which shall oversee Project implementation at the local level. LSCs shall be chaired by the general secretaries (*Secrétaires Généraux*) of the relevant City and shall comprise representatives of the ministries of the Recipient in charge of decentralization, urbanism, finance and

development, and representatives of local associations and Neighborhood Development Committees, as further specified in the COSUCO *Décret*.

3. The Recipient shall ensure that each Primary City shall:
 - (a) maintain throughout Project implementation a CISU with staff in adequate numbers and with qualifications satisfactory to the Association; and
 - (b) maintain throughout Project implementation staff in adequate numbers and with qualifications satisfactory to the Association, including at least a secretary general, a financial director and a technical director.
4. The Recipient shall ensure that each Primary City maintain or cause to be maintained, in accordance with applicable professional standards, the existing infrastructure works and those financed out of the proceeds of the Credit.
5. The Recipient shall cause each Primary City to furnish to the Association:
 - (a) its draft annual budget, including separate annexes for investment and maintenance, no later than thirty days prior to their formal approval; and
 - (b) quarterly activity reports on items included in the approved budget.
6. The Recipient shall cause each Primary City to:
 - (a) maintain policies and procedures adequate to enable it to monitor and evaluate on an ongoing basis, in accordance with the performance indicators agreed upon between the Recipient and the Association, the carrying out of the Project, and the achievement of the objectives thereof;
 - (b) prepare, under terms of reference satisfactory to the Association, and furnish, to the Association, through the Project Unit, a report integrating the results of the monitoring and evaluation activities performed pursuant to subparagraph (a) of this paragraph, 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 objectives thereof during the period following such date. The terms and frequency of the report are specified in the PIM; and

(c) review with the Project Unit and the Association, by the end of the month following the transmission of the report referred to in subparagraph (b) of this paragraph, or such later date as the Association shall request, said report and, thereafter, take all measures required to ensure the efficient implementation of the Project and the achievement of the objectives thereof, based on the conclusions and recommendations of said report and the Association's views on the matter.

7. The Project Unit shall transmit to the Association the consolidated reports integrating the results of the monitoring and evaluation activities performed pursuant to subparagraph (a) of paragraph 6 above, in accordance with the terms of the PIM.

B. Subsidiary Agreement

1. To facilitate the carrying out of the Project, the Recipient shall make the proceeds of the Financing available to the Project Implementing Entity under a new subsidiary agreement between the Recipient and the Project Implementing Entity, under terms and conditions approved by the Association ("Subsidiary Agreement").

2. 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.

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 guidelines, procedures, recommendations, and other specifications set forth in the ESMF, the RPF, the Environmental and Social Impact Assessments, Environmental Management Plans, and Resettlement Action Plans, as the case may be, and, except as the Association shall otherwise agree, shall not amend or waive any provision of the aforementioned frameworks, assessments and plans.

2. The Recipient shall develop, in respect of each activity under the Project which may have negative environmental and social impacts, prior to the approval of such activity, the instruments appropriate for such activity according to the requirements of the ESMF, and the RPF, as the case may be, which may include any or all of the following:
 - (a) an Environmental and Social Impact Assessment (ESIA), acceptable to the Association, giving details of the status of the natural and social environment and potential risks and adverse impacts thereto, which are specific to the respective activity with proposed mitigation measures;
 - (b) an Environmental Management Plan (EMP), acceptable to the Association, giving details of measures appropriate or required to manage potential environmental and social risks and mitigate adverse impacts associated with the respective activity, together with adequate institutional, monitoring and reporting arrangements capable of ensuring proper implementation of, and regular feedback on compliance with, the EMP; and
 - (c) wherever applicable, a Resettlement Action Plan (RAP), acceptable to the Association, giving details of a program of actions, measures and policies designed to facilitate the compensation and resettlement of Affected Persons, including the magnitude of displacement, proposed compensation and resettlement arrangements, budget and cost estimates, and sources of funding, together with adequate institutional, monitoring and reporting arrangements capable of ensuring proper implementation of, and regular feedback on compliance with, the RAP.
3. The Recipient shall take the necessary measures so that the Project Unit and the *Agence Béninoise pour l'Environnement* ensure the overall quality control of the environmental and social aspects of the Project through the review and clearance of the ESIA, the EMPs and the RAPs and validation of the environmental audits to be submitted at the end of the execution of the works.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. (a) 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 below in sub-paragraph (b) of this paragraph. Each Project

Report shall cover the period of one calendar semester, and shall be furnished to the Association not later than 45 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:
 - (i) By the end of the Project, at least 9.6 kilometers of urban roads and associated drainage works shall have been rehabilitated or reconstructed in the Primary Cities.
 - (ii) By the end of the Project, at least 10.8 kilometers of primary drainage network shall have been rehabilitated or constructed in the Primary Cities.
 - (iii) By the end of the Project, the additional number of persons having access to primary and secondary paved roads shall be at least 106,000.
 - (iv) By the end of the Project, the additional number of persons protected from periodic flooding shall be at least 165,000.

- 2. For purposes of Section 4.08 (c) of the General Conditions, the report on the execution of the Project and related plan required pursuant to that Section shall be furnished to the Association not later than March 31, 2011.

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 semester, interim unaudited financial reports for the Project covering the semester, 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.

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, subject to the following additional procedures: the provisions of paragraphs 2.55 and 2.56 of the Procurement Guidelines will be used for the procurement of goods produced on the territory of the Recipient and for contracts for works to be entered into with local companies.
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:

Procurement Method
(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:

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

D. Review by the Association of Procurement Decisions

Except as the Association shall otherwise determine by notice to the Recipient, the following contracts shall be subject to Prior Review by the Association: (a) each contract for civil works estimated to cost the equivalent of \$1,000,000 or more; (b) the first two contracts for civil works estimated to cost less than the equivalent of \$1,000,000; (c) each contract for civil works chosen through the Direct Contracting process; (d) each contract for goods estimated to cost the equivalent of \$500,000 or more; (e) the first two contracts for goods estimated to cost less than the equivalent of \$500,000; (f) each contract for consultants' services provided by a firm estimated to cost the equivalent of \$200,000 or more; (g) the first two contracts for consultants' services provided by a firm estimated to cost less than the equivalent of \$200,000; (h) each contract for individual consultants estimated to cost the equivalent of \$50,000 or more; and (i) all contracts chosen through the Single Source Selection process. All other contracts shall be subject to Post Review by the Association.

Section IV. Withdrawal of the Proceeds of the Financing

A. General

1. The Recipient may withdraw the proceeds of the Financing in accordance with the provisions of Article II of the General Conditions, this Section, and such

additional instructions as the Association shall specify by notice to the Recipient (including the “World Bank Disbursement Guidelines for Projects” dated May 2006, as revised from time to time by the Association and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.

2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Financing (“Category”), the allocations of the amounts of the Financing to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

<u>Category</u>	<u>Amount of the Credit Allocated (Expressed in SDR Equivalent)</u>	<u>% of Expenditures to be Financed (excluding taxes)</u>
(1) Works	19,350,000	85%
(2) Cost Overruns	600,000	90%
(3) Others	4,350,000	100%
TOTAL	24,300,000 =====	

For the purposes of the above table, capitalized terms have the following meaning:

- (a) “Cost Overruns” means the additional funds necessary to complete the implementation of the activities under Component B of the Original Project.
- (b) “Management Fees” means fees payable by the Recipient to the Project Implementing Entity, for the services to be rendered under the Subsidiary Agreement.
- (c) “Operating Costs” means incremental recurrent expenditures incurred by the Project Unit on account of the Project implementation including office supplies, fuel and maintenance of vehicles, maintenance of equipment, telephone and other communications charges, office rent and insurance for vehicles, motorcycles and office equipment and furniture,

travel and supervision and salaries for the following support personnel for the Project Unit: a driver, a secretary and a courier.

- (d) "Others" refers to the consultant services, goods, training, Operating Costs and Management Fees.

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for;
 - (i) payments made prior to the date of this Agreement; or
 - (ii) any works other than the Identified Works, unless the Recipient shall have fully complied with the requirements of Section I.D of Schedule 2 to this Agreement, as confirmed by the Association.
2. The Closing Date for the Project and the Closing Date for the Original Project are December 31, 2010.

Section V. Other Undertakings

The Recipient shall:

- (a) Cause the Project Implementing Entity to maintain for the duration of the Project, an account in CFAF (the AGETUR Project Account) in a commercial bank on terms and conditions satisfactory to the Association;
- (b) Deposit into the AGETUR Project Account, to finance the contributions of the Recipient to the Project, every three calendar months or at anytime until the completion of the Project that the amount in the AGETUR Project Account is less than CFAF 300,000,000, such amounts as shall be required to timely replenish the AGETUR Project Account back to the aggregate amounts of the initial deposits referred to in Section 5.01(d) of this Agreement; and
- (c) Ensure that amounts deposited into the AGETUR Project Account shall be used exclusively to finance expenditures made or to be made, if the Association shall so agree, in respect of the reasonable cost of goods,

works and services for the Project in addition to those financed out of the proceeds of the Credit.

SCHEDULE 3

Repayment Schedule

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage)*
On each May 15 and November 15:	
commencing November 15, 2018 to and including May 15, 2028	1
Commencing November 15, 2028 to and including May 15, 2048	2

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

APPENDIX

Section I. Definitions

1. “Affected Persons” means persons who, on account of the execution of the Project, had or would have their: (i) standard of living adversely affected; or (ii) right, title, interest in any house, land (including premises, agricultural and grazing land) or any other fixed or movable asset acquired or possessed, temporarily or permanently; (iii) access to productive assets adversely affected, temporarily or permanently; or (iv) business, occupation, work or place of residence or habitat adversely affected; and “Affected Person” means any of the Affected Persons.
2. “AGETUR Project Account” means the account referred to in Section 5.01 (d) of this Agreement.
3. “AGETUR Statutes” means the statutes of the Project Implementing Entity, dated June 20, 2002, as amended at the date of this Agreement.
4. “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.
5. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
6. “CFA Franc” or “CFAF” means *Franc de la Communauté Financière Africaine*, the currency of the Recipient.
7. “CISU” means a Community Initiative Support Unit established within each of the Primary Cities (*Services d’Appui aux Initiatives Communautaires*).
8. “Cities” means the Primary Cities and the Secondary Cities.
9. “Communes” means the *communes* of Cotonou, Porto-Novo and Parakou, collectively created pursuant to the Law No. 97-028, dated as of January 15, 1999, regarding the administrative territorial organization of the Recipient.

10. “Consultant Guidelines” means the “Guidelines: Selection and Employment of Consultants by World Bank Recipients” published by the Bank in May 2004 and revised in October 2006.
11. “*Conventions de Maitrise d’ouvrage Délégués*” means collectively, the agreements signed between each of the Primary Cities and the Project Implementing Entity for the purpose of Section 5.01(c) of this Agreement.
12. “COSUCO” means the *Comité de Suivi, de Coordination et d’Orientation*, the Interministerial Steering Committee created by the *Décret* No. 2005-414, dated as of July 11, 2005 (the *COSUCO Décret*), as referenced in paragraph 2 (b) of Section I.A. of Schedule 2 to this Agreement.
13. “Environmental and Social Impact Assessment” or “ESIA” means the document prepared and adopted by the Recipient containing the analysis of and mitigating measures for potential environmental and social impacts of an individual activity to be implemented under the Project, as and when required by the ESMF (as hereinafter defined).
14. “Environmental and Social Management Framework” or “ESMF” means the framework, dated May 19, 2005, 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.
15. “Environmental Management Plan” or “EMP” means the document prepared and adopted by the Recipient containing the mitigating measures for potential environmental and social impacts of an individual activity to be implemented under the Project, as and when required by the ESMF.
16. “Euro” or “€” means the lawful common currency of member states of the European Union who adopt the single currency in accordance with the Treaty establishing the European Currency, as amended to date by the Treaty on European Union.
17. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 1, 2005 (as amended through October 15, 2006).
18. “Identified Works” means rehabilitation and reconstruction of urban roads and associated drainage works of approximately 5.2 kilometers in Cotonou; 1.5 kilometers in Porto-Novo; and 2.9 kilometers in Parakou and the construction

of primary drainage networks of approximately 4.5 kilometers in Cotonou; 3.9 kilometers in Porto-Novo; and 2.3 kilometers in Parakou.

19. “Original Financing Agreement” means the development credit agreement (Credit No. 4117 BEN) for a Second Decentralized City Management Project between the Recipient and the Association, dated November 3, 2005, as amended to the date of this Agreement.
20. “Original Project” means the Project described in the Original Financing Agreement.
21. “Primary Cities” means Cotonou, Porto-Novo and Parakou.
22. “Procurement Guidelines” means the “Guidelines: Procurement under IBRD Loans and IDA Credits” published by the Bank in May 2004 and revised in October 2006.
23. “Procurement Plan” means the Recipient’s procurement plan for the Project dated [April 23, 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.
24. “Program” means the program designed to improve the Recipient’s delivery of urban services set forth or referred to in the letter dated July 18, 2005 from the Recipient to the Association, declaring the Recipient’s commitment to the execution of such program.
25. “Project Administrative, Financial and Accounting Manual” means the Project Administrative, Financial and Accounting Manual for the Original Project, which outlines the administrative, financial and accounting arrangements for the implementation of the Project, is referred to in Schedule 2 to this Agreement and adopted pursuant to Section 5.01 (b) of this Agreement, as the same may be amended from time to time, and such term includes any schedules to the Project Administrative, Financial and Accounting Manual.
26. “Project Agreement” means the project agreement of even date herewith between the Project Implementing Entity and the Association, referenced in article 5.02(a) of this Agreement, as the same may be amended from time to time, and such term includes all schedules and agreements supplemental to the Project Agreement.

27. “Project Implementation Manual” and “PIM” means that the PIM for the Original Project, revised specifically for this additional financing-Project which manual is referred to in Schedule 2 to this Agreement, and contains, *inter alia*, monitoring and performance indicators, procurement guidelines, bidding procedures, other relevant arrangements for carrying out the Project, as the same may be amended from time to time with the approval of the Association, and such term includes any schedules and attachments supplemental to the Project Implementation Manual.
28. “Project Implementing Entity” means the *Agence d'Exécution des Travaux Urbains (AGETUR)*, a private company established and operating under the Recipient’s laws and regulations pursuant to the AGETUR Statutes.
29. “Project Implementing Entity’s Legislation” means AGETUR Statutes.
30. “Project Unit” means the *Cellule de Pilotage et de Suivi*, the unit created within the ministry of the Recipient in charge of urbanism by the *Arrêté* No. 0054/MEHU/DC/SG/DUA/SA, dated as of July 14, 2005 (Project Unit *Arrêté*), as referenced in paragraph 2 (a) of Section I.A. of Schedule 2 of this Agreement.
31. “*Protocoles*” means the agreements entered into between the Recipient and each of the *Communes* specifying the roles and responsibilities of the *Communes*, the line ministries and the Recipient and the policy reforms to be undertaken by each party.
32. ”Resettlement Action Plan” or “RAP” means the document prepared and adopted by the Recipient, in accordance with the RPF, setting forth the procedures for the land acquisition, resettlement or rehabilitation of displaced persons in connection with an individual activity to be implemented under the Project.
33. “RPF” means the Resettlement Policy Framework of the Recipient adopted on May 19, 2005, which sets forth the modalities for social analysis and a resettlement policy framework outlining the modalities for land acquisition, resettlement and rehabilitation of displaced persons.
34. “Secondary Cities” means Abomey-Calavi, Lokossa, and Kandi.
35. “Subsidiary Agreement” means the subsidiary agreement to be entered into between the Recipient and the Project Implementing Entity pursuant to the terms of article 5.01(a) of this Agreement as the same may be amended from time to

time, and such term includes all schedules to the SERHAU Subsidiary Agreement.