

Public Disclosure Authorized

CONFORMED COPY

GRANT NUMBER H706-DJ

Financing Agreement

**(Rural Community Development and Water Mobilization Project)
(PRODERMO)**

between

REPUBLIC OF DJIBOUTI

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated August 25, 2011

GRANT NUMBER H706-DJ

FINANCING AGREEMENT

AGREEMENT dated August 25, 2011, entered into between REPUBLIC OF DJIBOUTI (“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 three million eight hundred thousand Special Drawing Rights (SDR 3,800,000) (“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.
- 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 Payment Dates are April 1 and October 1 in each year.
- 2.05. The Payment Currency is Dollars.

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 through MAEM-RH 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 — EFFECTIVENESS; TERMINATION

- 4.01. The Additional Conditions of Effectiveness consist of the following:
 - (a) the Project Operations Manual, satisfactory to the Association, has been adopted by the Recipient;
 - (b) the PMU has selected and engaged the services of a finance and administrative specialist for the PMU, a procurement specialist, and an accountant for the Project under terms of reference satisfactory to the Association;
 - (c) the Project accounting system is in place, with adequate in-built controls and capable of tracking Project resources and expenditures and generating financial reports, including interim unaudited financial reports;
 - (d) the National Steering Committee has been established by the Recipient in a manner satisfactory to the Association; and
 - (e) the PMU has been established by the Recipient within the MAEM-RH in a manner satisfactory to the Association.
- 4.02. The Effectiveness Deadline is the date one hundred and twenty (120) days after the date of this Agreement.

ARTICLE V — REPRESENTATIVE; ADDRESSES

5.01. The Recipient's Representative is the Minister of Economy, Finance and Planning, in charge of Privatization.

5.02. The Recipient's Address is:

Ministry of Economy, Finance and Planning, in charge of Privatization
BP 13
Djibouti City
Republic of Djibouti

Facsimile:

(253) 35 6501/ (253) 35 5085

5.03. 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 Cairo, Arab Republic of Egypt, as of the day and year first above written.

REPUBLIC OF DJIBOUTI

By /s/ Moussa Mohamed Ahmed

Authorized Representative

**INTERNATIONAL DEVELOPMENT
ASSOCIATION**

By /s/ A. David Craig

Authorized Representative

SCHEDULE 1

Project Description

The objective of the Project is to increase access of rural communities to water and enhance their capacity to manage water and agro-pastoral resources in the project areas using a participatory approach to community-based development.

The Project consists of the following parts:

Part 1. Priority Community Investment Subprojects.

Financing of Community Investment Subprojects in the Project areas contemplated in the annual Hydraulic and Pastoral Planning Schemes satisfactory to the Association and, where applicable, through Community Subproject Grants, in the following areas:

- (a) water mobilization and soil conservation;
- (b) agriculture and livestock; and
- (c) income generating activities.

Part 2. Capacity Building and Provision of Technical Assistance.

- (a) Enhance the Capacity of the MAEM-RH and PMU:
 - (i) Provision of technical advisory services in the areas of integrated water and agro-pastoral resource management, agronomy, fisheries, and community-based development, including the carrying out of a hydro-geological study in the Obock area of the Recipient;
 - (ii) provision of basic equipment; and
 - (iii) training, study tours, workshops in areas including water and agro-pastoral resource management, participatory community-based development including field visits of technical staff at the national and regional levels.
- (b) Enhance the Capacity of Beneficiary Communities and Beneficiary Communities Benefitting from a Community Subproject Grant.

Provision of technical advisory services, basic equipment, training, workshops, and field visits to the community development committees and to the Beneficiary Communities and the Beneficiary Communities

Benefitting from a Community Subproject Grant, for support in the areas of operation and maintenance of water infrastructure, sustainable management of water and agro-pastoral resources, irrigation and crop production techniques, income-generating activities, and others, pursuant to the Project Operations Manual.

Part 3. Project Coordination and Management.

Provision of goods, works, consultants' services, training and incremental operating costs to the PMU for Project management, implementation, monitoring and evaluation, and audits.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements.

The Recipient, through the MAEM-RH, shall carry out the Project in accordance with the following institutional and other arrangements:

1. The National Steering Committee shall have overall responsibility for Project oversight, inter-agency coordination and policy guidance in accordance with the requirements, criteria, organizational arrangements and operational procedures set forth in the Project Operations Manual.
2. The Recipient shall carry out the Project through the PMU, and the PMU's regional offices in Obock and Dikhil, in accordance with the requirements, criteria, organizational arrangements and operational procedures set forth in the Project Operations Manual and shall not assign, amend, abrogate or waive any provisions of the Project Operations Manual without prior approval of the Association. The PMU will coordinate day-to-day Project activities, including responsibilities for reporting, auditing, procurement and financial management under the Project.
3. The Local Development Committees shall prepare the Hydraulic and Pastoral Planning Schemes with support of the PMU in consultation with the Beneficiary Communities and the Beneficiary Communities Benefitting from a Community Subproject Grant.
4. The Beneficiary Communities will participate in the identification, applicable co-financing, management, and maintenance of the Community Investment Subprojects.
5. At all times during the implementation of the Project, the Recipient shall maintain the National Steering Committee, and the PMU with a composition, resources, and terms of reference satisfactory to the Association.

B. Anti-Corruption

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

C. Community Investment Subprojects

1. The MAEM-RH, through the PMU, shall carry out the implementation of the non-income-generating and income-generating Community Investment Subprojects for the benefit of the Community Beneficiaries.
2. For those Community Investment Subprojects that encompass income generation for the benefit of the Beneficiary Communities Benefitting from a Community Subproject Grant, the MAEM-RH, through the PMU, shall make Community Subproject Grants to Beneficiary Communities Benefitting from a Community Subproject Grant in accordance with eligibility criteria and procedures acceptable to the Association set forth in the Project Operations Manual, which shall include, inter alia, the following:
 - (a) No Community Investment Subproject shall be eligible for financing out of the proceeds of the Financing unless the PMU has determined, on the basis of an appraisal conducted in accordance with the guidelines set forth in the Project Operations Manual that the Community Investment Subproject satisfies the eligibility criteria specified in the Project Operations Manual.
 - (b) The cumulative amount of Community Subproject Grants made to each Beneficiary Community Benefitting from a Community Subproject Grant shall not, except with the prior approval of the Association, exceed the equivalent of USD200,000.
 - (c) The Beneficiary Community Benefitting from a Community Subproject Grant shall contribute in cash or kind at least 10% of the cost of the Community Investment Subproject.
3. The MAEM-RH, through the PMU, shall make each Community Subproject Grant under a Community Subproject Grant Agreement with the respective Beneficiary Community Benefitting from a Community Subproject Grant on terms and conditions approved by the Association, which shall include the following:
 - (a) The Community Subproject Grant shall be denominated in Djibouti Franc.
 - (b) The MAEM-RH shall obtain rights adequate to protect its interests and those of the Association, including the right to:
 - (i) suspend or terminate the right of the Beneficiary Community Benefitting from a Community Subproject Grant to use the

proceeds of the Community Subproject Grant, or obtain a refund of all or any part of the amount of the Community Subproject Grant then withdrawn, upon the failure of the Beneficiary Community Benefitting from a Community Subproject Grant to perform any of its obligations under the Community Subproject Grant Agreement; and

- (ii) require each Beneficiary Community Benefitting from a Community Subproject Grant to:
 - (A) carry out its Community Investment Subproject with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the Association, including in accordance with the provisions of the Anti-Corruption Guidelines applicable to recipients of loan proceeds other than the Recipient;
 - (B) provide, promptly as needed, the resources required for the purpose;
 - (C) procure the goods, works and services to be financed out of the Community Subproject Grant in accordance with the provisions of this Agreement;
 - (D) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the Association, the progress of the Community Investment Subproject and the achievement of its objectives;
 - (E)
 - (1) maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Association, both in a manner adequate to reflect the operations, resources and expenditures related to the Community Investment Subproject; and
 - (2) at the Association's, the MAEM-RH's or the PMU's request, have such financial statements audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the

Association, and promptly furnish the statements as so audited to the MAEM-RH, the PMU and the Association;

- (F) enable the MAEM-RH, the PMU and the Association to inspect the Community Investment Subproject, its operation and any relevant records and documents; and
 - (G) prepare and furnish to the MAEM-RH, the PMU. and the Association all such information as the MAEM-RH, the PMU. and the Association shall reasonably request relating to the foregoing.
4. The MAEM-RH shall exercise its rights under each Community Subproject Grant Agreement in such manner as to protect the interests of the Recipient, the MAEM-RH 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 any Community Subproject Grant Agreement or any of its provisions.

D. Safeguards.

- 1. The Recipient shall carry out the Project in accordance with the provisions of the Project Operations Manual, the ESIA, the ESMP, and the ESMF, and wherever applicable, the Subproject EIAs, and the Subproject ESMPs, and shall not waive, amend, abrogate, or otherwise revise any provisions thereof without the prior approval of the Association.
- 2. In case the MAEM-RH shall determine that any works under a specific Community Investment Subproject might entail any adverse environmental and social impacts, then prior to the commencement of such works under such Community Investment Subproject, the MAEM-RH shall carry out a Subproject EIA and a Subproject ESMP, as the case may be, satisfactory to the Association, in accordance with the provisions of the Project Operations Manual.
- 3. The MAEM-RH shall ensure that adequate information on the implementation of the Subproject EIAs and the Subproject EMPs is suitably included in the Project Reports referred to in Section II.A of this Schedule.
- 4. The MAEM-RH shall ensure that all measures identified and described in the Subproject ESMPs are taken in a timely manner.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

The Recipient, through the MAEM-RH, 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 indicators acceptable to the Association. Each Project Report shall cover the period of one (1) calendar semester, and shall be furnished to the Association not later than forty five (45) calendar days after the end of the period covered by such report.

B. Financial Management, Financial Reports and Audits

1. The Recipient, through the MAEM-RH, 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, through the MAEM-RH, shall prepare and furnish to the Association not later than forty five (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 was made under the Project Preparation Advance for the Project. 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, Works and Non-consulting Services.** All goods, works and non-consulting services required for the Project 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 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, Works and Non-consulting Services

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods, works and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.
2. **Other Methods of Procurement of Goods, Works and Non-consulting Services.** The following table specifies the methods of procurement, other than International Competitive Bidding, which may be used for goods, works and non-consulting services. The Procurement Plan shall specify the circumstances under which such methods may be used:

| <u>Procurement Method</u> |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (a) National Competitive Bidding, subject to the following additional provision: no domestic preference shall be granted, and the standard National Competitive Bidding documents approved by the Association shall be used. |
| (b) Shopping |
| (c) Community Participation procedures described in the Operations Manual, satisfactory to the Bank |
| (d) 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.

| <u>Procurement Method</u> |
|----------------------------------------------------|
| (a) Selection under a Fixed Budget |
| (b) Least Cost Selection |
| (c) Selection Based on Consultant’s Qualifications |
| (d) Single Source Selection |
| (e) Selection of Individual Consultants |

D. Review by the Association of Procurement Decisions

The Procurement Plan shall set forth those contracts that 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 ("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:

| Category | Amount of the Financing Allocated (expressed in SDR) | Percentage of Expenditures to be Financed (inclusive of Taxes) |
|---------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|-----------------------------------------------------------------------|
| (1) Goods, works, non-consulting services, and consultants' services under Community Investment Subprojects for Part 1 of the Project | 2,100,000 | 100% |
| (2) Goods, non-consulting services, consultants' services, and Training for Part 2 of the Project | 400,000 | 100% |
| (3) Goods, works, non-consulting services, consultants' services, Incremental Operating Costs, and Training for Part 3 of the Project | 900,000 | 100% |
| (4) Unallocated | 260,000 | |
| (5) Refund of Preparation Advance | 140,000 | Amount due pursuant to Section 2.07 of the General Conditions |
| TOTAL AMOUNT | 3,800,000 | |

For the purpose of this table:

- (a) "Incremental Operating Costs" means the reasonable expenditures incurred for the implementation of the Project by the PMU on account of communications, translations, bank charges, office supplies, advertisements, photocopying, mail, travel expenses, vehicles maintenance, insurance and operating costs, and salaries of non professional support staff. Such costs will be financed out of the Financing pursuant to an annual budget approved by the Association, and according to the PMU administrative procedures acceptable to the Association. Incremental Operating Costs will not include salaries of officials of the Recipient's civil servants.

- (b) “Training” means Project related training and workshops to be carried out according to annual training plans to be prepared by the PMU and agreed to by the Association, including study tours, training courses, seminars, workshops and other training activities, not included under goods or service providers’ contracts, including costs of training materials, space and equipment rental, local travel, *per diem* costs of trainees and trainers’ fees, and interpretation and translation services.

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 this Agreement, except that withdrawals up to an aggregate amount not to exceed one hundred thirty thousand Special Drawing Rights (SDR130,000) equivalent may be made for payments made prior to this date but on or after March 7, 2011, for Eligible Expenditures under Categories (2) and (3).
- 2. The Closing Date is May 31, 2017.

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 and revised in January 2011.
2. “Beneficiary Community” means a community located in any of the Project areas, other than a Beneficiary Community Benefitting from a Community Subproject Grant.
3. “Beneficiary Community Benefitting from a Community Subproject Grant” means a community located in any of the Project areas and established as a separate legal entity with the legal personality under the laws of the Recipient, and determined to be eligible for a Community Subproject Grant in accordance with the eligibility criteria specified in the Project Operations Manual and to whom a Community Subproject Grant is made or proposed to be made.
4. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
5. “Community Investment Subprojects” means an activity carried out or to be carried out by a Beneficiary Community or a Beneficiary Community Benefitting from a Community Subproject Grant in the Project areas contemplated in annual Hydraulic and Pastoral Planning Schemes satisfactory to the Association, consisting of the financing of the following, pursuant to criteria (including but not limited to environmental and social screening), and eligibility requirements, contemplated in the Project Operations Manual, and subject to Subproject EIAs and/or Subproject ESMPs if required by the Association:
 - a. water mobilization and soil conservation activities, including:
 - i. construction of small-scale surface water harvesting structures, including underground cisterns (each with a capacity of about 100m³), open-air reservoirs (each with a capacity of about 10,000m³), shallow wells for pastoral and agricultural purposes, and rehabilitation and/or construction of borehole wells, depending on feasibility; and
 - ii. construction of soil and water conservation works, consisting mainly of stone sills and planting around surface water collection

structures and/or upland from watersheds where land is susceptible to degradation and to erosion from flash floods.;

- b. agricultural, livestock and community development activities, including:
 - i. rangeland development, through set-aside, re-seeding and shrub planting;
 - ii. improvement of livestock production;
 - iii. support of small-scale irrigated vegetable and fodder production;
 - iv. Rehabilitation of the exiting small desalinization plant in the Khor Angar area of the Recipient, including repairing or replacing the current generator, pursuant to the findings of a feasibility study on the water supply system in the Khor Angar area to be conducted in connection with, and for purposes of, this activity.
- c. on a pilot basis, support income generating activities, including handicrafts, artisanal fisheries, women organizations, and others, as contemplated by the Project Operations Manual with the prior approval of the Association,

all of the above, pursuant to criteria and eligibility requirements contemplated in the Project Operations Manual.

- 6. “Community Subproject Grant” means a grant made or proposed to be made by the MAEM-RH to a Beneficiary Community Benefitting from a Community Subproject Grant for the purposes of financing an income-generating Community Investment Subprojects under Part 1 of the Project, and approved by the Association.
- 7. “Community Subproject Grant Agreement” means an agreement between the MAEM-RH, through the PMU, and a Beneficiary Community Benefitting from a Community Subproject Grant setting forth the terms and conditions under which a Community Subproject Grant shall be made available to the Beneficiary Community Benefitting from a Community Subproject Grant for the purpose of financing a Community Subproject under Part 1 of the Project.
- 8. “Consultant Guidelines” means the “Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” published by the Bank in January 2011.
- 9. “Djibouti Franc” means the currency of the Recipient.

10. “ESIA” means the Environmental and Social Impact Study prepared by the Recipient in connection with the Project, and which includes the ESMP, and ESMF, delivered to the Association on January 29, 2011 and disclosed at the Association’s Infoshop on February 1, 2011.
11. “ESMF” means the Environmental and Social Management Framework, included in the ESIA, and which is part of the Project Operations Manual.
12. “ESMP means the Environmental and Social Management Plan, included in the ESIA.
13. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 31, 2010.
14. “Hydraulic and Pastoral Planning Schemes” means the annual plans containing proposed Community Investment Subprojects formulated through a participatory approach with the Beneficiary Communities and the Beneficiary Communities Benefitting from a Community Subproject Grant in the Project areas targeted by the PMU, and prepared by a Local Development Committee in accordance with the Project Operations Manual, and with the concurrence of the Association.
15. “Local Development Committee” is a committee organized pursuant to the criteria set forth in the Project Operations Manual, consisting of a number of members representatives of Beneficiary Communities within a determined geographical area, and will include wherever possible at least two women and two youth members.
16. “MAEM-RH” means the Ministry of Agriculture, Livestock and Fisheries in Charge of Water Resources of the Recipient and any successor thereto.
17. “National Steering Committee” means the Committee to be established by the Recipient pursuant to Section 4.01 (d) of this Agreement and to be chaired by the MAEM-RH.
18. “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 9, 2010 and on behalf of the Recipient on July 13, 2010.
19. “Procurement Guidelines” means the “Guidelines: Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” published by the Bank in January 2011.
20. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated March 30, 2011 and referred to in paragraph 1.18 of the Procurement

Guidelines and paragraph 1.25 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.

21. “PMU” means the Project Management Unit to be established by the Recipient within the MAEM-RH pursuant to Section 4.01 (e) of this Agreement with resources, composition and terms of reference satisfactory to the Association.
22. “Project Operations Manual” means the manual, to be adopted by the Recipient pursuant to Section 4.01(a) of this Agreement, setting forth the operational and administrative responsibilities, procedures and rules for the implementation of the Project, including a manual of financial management procedures that sets out procedures for Project accounting, reporting and audit, disbursements, flow of funds and management of the designated account, and also including the ESMF, as the same may be amended from time to time with the agreement of the Association.
23. “Subproject EIA” means an environmental impact assessment to be prepared, as the case may be, by the MAEM-RH and satisfactory to the Association, in respect of activities to be carried out under a specific Community Investment Subproject.
24. “Subproject ESMP” means the environmental and social management plan to be prepared, as the case may be, by the MAEM-RH and satisfactory to the Association, in respect of the activities to be carried out under a specific Community Investment Subproject, describing the environmental and social issues, mitigation, monitoring and institutional measures for such activities.