

**OFFICIAL  
DOCUMENTS**

---

---

CREDIT NUMBER 5380-BJ

# Financing Agreement

(Additional Financing for the Decentralized Community Driven Services Project)

between

REPUBLIC OF BENIN

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated

April 10

, 2014

---

---

**FINANCING AGREEMENT**

Agreement dated April 10, 2014, entered into between REPUBLIC OF BENIN ("Recipient") and INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association") for the purpose of providing additional financing for 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 nineteen million five hundred thousand Special Drawing Rights (SDR 19,500,000) (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.
- 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 The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.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 April 15 and October 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 Euro.

### **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 the MDGLAAT 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 Effectiveness Deadline is the date falling one hundred and twenty (120) days after the date of this Agreement.
- 4.02. 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 V — REPRESENTATIVE; ADDRESSES**

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

5.02. The Recipient's Address is:

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

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

5.03. The Association's Address is:

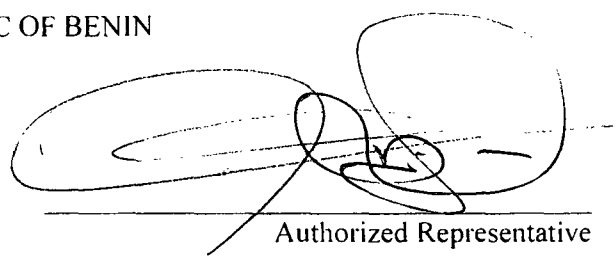
International Development Association  
1818 H Street, N.W.  
Washington, D.C. 20433  
United States of America

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

AGREED at Washington D.C., USA, as of the day and year first above written.

REPUBLIC OF BENIN

By

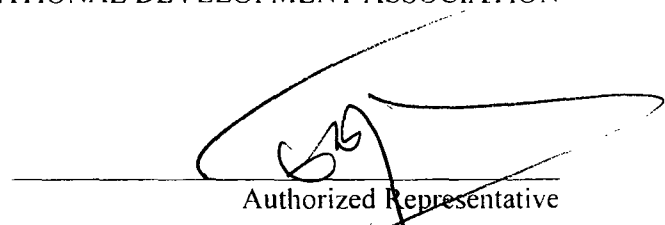
  
Authorized Representative

Name: Jovan A. Gbisan

Title: Minister of Economy & Finance

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

  
Authorized Representative

Name: Ousmane Dragana

Title: Country Director

## **SCHEDULE 1**

### **Project Description**

The objective of the Project is to improve access to decentralized basic social services and to mainstream the community driven development approach for such services.

The Project consists of the Original Project and the following parts:

#### **Part A: Service Delivery Grants to Communes**

1. Provision of Communal Grants to Communal Beneficiaries to finance selected projects that support development at the Commune level, including projects in the areas of education, health, water, and commerce (public markets) for the benefit of villages within the territory of the Communal Beneficiaries.
2. Provision of Local Community Grants to Local Community Beneficiaries to finance selected projects that support development at the local community level, including, projects in the areas of education, health, water, and commerce (public markets).

#### **Part B: Pilot Social Safety Net Program**

1. Carrying out of a specific labor intensive public works program designed to provide temporary employment to eligible poor and most vulnerable households in selected Communes.

#### **Part C: Technical Assistance and Capacity Building**

1. Carrying out of a program of activities aimed at strengthening the performance of the FADeC and building capacity to supervise and mainstream the community driven development approach; such activities include: (i) capacity building for CONAFIL to strengthen administration of the FADeC by improving, *inter alia*, the transparency of the calculation of allocations, fiduciary controls, and monitoring and evaluation; (ii) technical assistance to strengthen technical and financial capacity to ensure the quality of decentralized investments; and (iii) technical assistance to the MDGLAAT (including the Recipient's prefectures) and the Recipient's targeted sectoral and cross-cutting ministries to implement decentralization and deconcentration while incorporating and streamlining the community driven development approach into their regular operations.
2. Carrying out of a program of activities aimed at strengthening the Communes' capacity to: (i) improve participatory preparation of CDPs; (ii) implement

poverty targeting; (iii) adopt the community driven development approach for the implementation of small-scale community-level investment projects; and (iv) implement social protection projects (safety nets).

3. Carrying out of a program of activities aimed at strengthening the capacity of local communities to take on the responsibility for implementing development projects that are delegated to them by Communes and to participate in the Communes' development planning process; such activities include: (i) expansion of a grassroots management training program to local communities that have not already received such training under the PNDCC; (ii) refresher training to communities that already received such training under PNDCC; and (iii) design and delivery of a new module on social safety nets to be included in such training.
4. Supporting the roll-out of Community Scorecards in selected local communities in the Recipient's territory as part of the grassroots management training program.

#### **Part D: Project Management**

Supporting the Recipient, through SSDCC, to ensure efficient, effective, transparent and accountable Project delivery through the provision of goods, consultant services, auditing, training and operating costs for Project coordination, supervision, implementation, management, and monitoring and evaluation.

## SCHEDULE 2

### Project Execution

#### Section I. Implementation Arrangements

##### A. Institutional Arrangements.

The Recipient shall, throughout the implementation of the Project, maintain the following institutional arrangements:

- (1) The MDGLAAT shall be responsible for the overall supervision, coordination of the Project.
- (2) CONAFIL
  - (a) The Recipient shall maintain, throughout the implementation of the Project, the CONAFIL with functions and resources satisfactory to the Association.
  - (b) Without limitation to the provisions of paragraph (a) above, the CONAFIL, which shall be in charge of administering FADeC, shall take primary responsibility for the implementation of Part A of the Project, including: (i) setting Subgrant allocations for Communes in line with criteria set forth in the PIM; (ii) ensuring the timeliness, transparency and predictability of transfers through FADeC to Communes; and (iii) monitoring and reporting on the use of such funds by Communes.
- (3) Secretariat for Decentralized Community Driven Services
  - (a) The Recipient shall maintain, throughout the implementation of the Project, the SSDCC with functions and resources satisfactory to the Association.
  - (b) Without limitation to the provisions of paragraph (a) above, the SSDCC shall be responsible for coordinating with the Recipient's relevant line ministries and ensuring the implementation of Parts B, C, and D of the Project and fiduciary oversight of the Project, including: (i) training local communities to engage in the community driven development approach; (ii) assisting and coordinating among the Recipient's ministries and Communes to mainstream community driven development in their operations; (iii) monitoring the implementation progress at the local community level of Subprojects; and (iv) coordinating the start-up and implementation of the safety net pilot under Part B of the Project.



- (c) Without limitation to the provisions of paragraph (a) above, the SSDCC shall be comprised, *inter alia*, of financial management and procurement experts, grassroots management training expertise, expertise in safety nets, and monitoring and evaluation, civil engineering, and communications functions.

(4) Ministry of Finance and Economy

The Recipient shall ensure that its ministry in charge of finance coordinates with the MDGLAAT (including the CONAFIL and the Communal Beneficiaries, as necessary) for the proper implementation of Part A of the Project, including its: (i) *Direction Générale du Trésor et de la Comptabilité Publique* (DGTCP), who is responsible for transferring resources to the Recipient's departments; (ii) *Receveur Général des Finances* (RGF), who ensures monitoring and bookkeeping of the funds transferred to Communes through department and Commune treasuries; (iii) *Inspection Générale des Finances* (IGF), who is responsible for the annual general expenditures audit; and (iv) *Receveur des Finances et de la Dette* (RFD), who is responsible for the release of funds to *Receveur General des Finances* (RGF) through the replenishment of the Project transaction account.

**B. Project Implementation Manual**

1. The Recipient shall adopt and thereafter implement the Project in accordance with the Project Implementation Manual; provided, however, that, in the event of any conflict between the provisions of the PIM and those of this Agreement, this Agreement shall prevail.
2. Except as the Association shall otherwise agree, the Recipient shall not amend or waive any provision of the PIM if, in the opinion of the Association, such amendment or waiver may materially and adversely affect the implementation of the Project.

**C. Safeguards**

1. The Recipient shall, throughout the implementation of the Project, ensure that the Project shall be implemented in accordance with the guidelines, procedures, timetables and other specifications set forth in the Safeguard Documents.
2. Without limitation upon its other reporting obligations under this Agreement, the Recipient shall regularly collect, compile and submit to the Association, in accordance with Section II of this Schedule 2 to this Agreement, reports on the status of compliance with the Safeguard Documents, giving details of:
  - (a) measures taken in furtherance of the Safeguard Documents;

- (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of the Safeguard Documents; and
- (c) remedial measures taken or required to be taken to address such conditions.

**D. Subgrants to Communal Beneficiaries**

1. The Recipient shall (through CONAFIL) make Subgrants to Communal Beneficiaries for the purpose of: (i) financing Subprojects under Part A.1 of the Project in accordance with eligibility criteria, amounts and contributions (if any), and procedures acceptable to the Association; and (ii) providing financing to be on-granted by Communal Beneficiaries for Subprojects under Part A.2 of the Project and implemented by Local Community Beneficiaries pursuant to Local Community Grants in accordance with eligibility criteria, amounts and contributions (if any), and procedures acceptable to the Association and further described in the Project Implementation Manual.
2. CONAFIL shall, on behalf of the Recipient, make each Subgrant under a Communal Grant Agreement with each Communal Beneficiary in the form of the model agreement attached to the Project Implementation Manual and on terms and conditions described in more details in the Project Implementation Manual, which shall include the following:
  - (i) the Communal Grant shall be made on a non-reimbursable grant basis;
  - (ii) the Commune shall meet the eligibility criteria for making Local Community Grants set out in the Project Implementation Manual; and
  - (iii) CONAFIL shall, on behalf of the Recipient, obtain rights adequate to protect its interests and those of the Association, including the right to:
    - (A) suspend or terminate the right of the Communal Beneficiaries to use the proceeds of the Subgrant, or obtain a refund of all or any part of the amount of the Subgrant then withdrawn, upon the Communal Beneficiary's failure to perform any of its obligations under the Communal Grant Agreement; and
    - (B) require each Communal Beneficiary to:
      - (1) carry out the Subproject under Part A.1 of the Project (and cause the Local Community Beneficiary to carry out the Subproject under Part A.2 of the Project) 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, without limitation to the generality of the foregoing, in accordance with the provisions of the Anti-Corruption Guidelines applicable to recipients of Financing proceeds other than the Recipient, and in accordance with the relevant Safeguard Documents, if applicable to this type of Subproject;

- (2) provide, promptly as needed, the resources required for the purpose of the Subproject;
- (3) procure the goods, works and services to be financed out of the Communal Grant in accordance with the provisions of this Agreement;
- (4) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the Association, the progress of the Subproject and the achievement of its objectives;
- (5) when required under the PIM, (x) 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 Subproject; and (y) at the Association's or the Recipient'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 Recipient and the Association;
- (6) enable the Recipient and the Association to inspect the Subproject, its operation and any relevant records and documents;
- (7) prepare and furnish to the Recipient and the Association all such information, as the Recipient or the Association shall reasonably request relating to the foregoing; and
- (8) promptly inform the Recipient and the Association of any condition which interferes or threatens to interfere

with the progress of the Subproject, or the performance by the Communal Beneficiary of its obligations under the Communal Grant Agreement.

3. The Recipient (through CONAFIL) shall exercise its rights and carry out its obligations under each Communal Grant 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 any Communal Grant Agreement or any of its provisions.

**E. Local Community Grants**

1. In order to achieve the objectives of Part A.2 of the Project, a Communal Beneficiary shall make Local Community Grants to Local Community Beneficiaries for the purpose of financing Subprojects under Part A.2 of the Project, all in accordance with eligibility criteria and procedures acceptable to the Association and further described in the Project Implementation Manual.
2. The Communal Beneficiary shall make each Local Community Grant under a Local Community Grant Agreement with each Local Community Beneficiary in the form of the model agreement attached to the Project Implementation Manual and on terms and conditions described in more details in the Project Implementation Manual, as revised, which shall include, *inter alia*, the following:
  - (i) the Local Community Grant shall be made on a non-reimbursable grant basis;
  - (ii) the Communal Beneficiary shall obtain rights adequate to protect its interests and those of the Association, including the right to:
    - (A) suspend or terminate the right of the Local Community Beneficiaries to use the proceeds of the Local Community Grant, or obtain a refund of all or any part of the amount of the Local Community Grant then withdrawn, upon the Local Community Beneficiary's failure to perform any of its obligations under the Local Community Grant Agreement; and
    - (B) require each Local Community Beneficiary to:
      - (1) carry out the Subproject under Part A.2 of the Project 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, without

limitation to the generality of the foregoing, in accordance with the provisions of the Anti-Corruption Guidelines applicable to recipients of Financing proceeds other than the Recipient, and in accordance with the relevant Safeguard Documents, if applicable to this type of Subproject;

- (2) provide, promptly as needed, the resources required for the purpose of the Subproject;
- (3) procure the goods, works and services to be financed out of the Local Community Grant in accordance with the provisions of this Agreement;
- (4) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the Association, the progress of the Subproject and the achievement of its objectives;
- (5) if required under the PIM, (x) 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 Subproject; and (y) at the Association's or the Recipient'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 Recipient and the Association;
- (6) enable the Recipient and the Association to inspect the Subproject, its operation and any relevant records and documents;
- (7) prepare and furnish to the Recipient and the Association all such information, as the Recipient or the Association shall reasonably request relating to the foregoing; and
- (8) promptly inform the Recipient and the Association of any condition which interferes or threatens to interfere with the progress of the Subproject, or the performance by the Local Community Beneficiary of its obligations under the Local Community Grant Agreement.

3. The Communal Beneficiary shall exercise its rights and carry out its obligations under each Local Community Grant 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 any Local Community Grant Agreement or any of its provisions.

**F. Labor Intensive Works Program**

In order to achieve the objectives of Part B.1 of the Project, the Recipient shall ensure that participation in the labor-intensive works program shall be open to members of poor and most vulnerable households, all in accordance with eligibility criteria and procedures acceptable to the Association and described in the Project Implementation Manual.

**G. 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**

1. 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 indicators acceptable to the Association and set forth in the PIM. Each Project Report shall cover the period of one calendar quarter, and shall be furnished to the Association not later than forty-five (45) days after the end of the period covered by such report.
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 six months after the Closing Date.

**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 as part of the Project Report, 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. 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.
4. The Recipient shall recruit, no later than four (4) months after the Effective Date, an independent external auditor in accordance with the provisions of Section III of this Schedule 2 to this Agreement.
5. The Recipient shall maintain operational throughout the implementation of the Project, a computerized accounting system within the SSDCC, in form and substance acceptable to the Association.

### **Section III. Procurement**

#### **A. General**

1. **Goods, Works and Non-consulting Services.** All goods, works and non-consulting 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 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, 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:

<b>Procurement Method</b>
(a) National Competitive Bidding
(b) Shopping
(c) Direct Contracting
(d) Community Participation procedures 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 table specifies methods of procurement, other than Quality and Cost-based Selection, which may be used for consultants' services. The Procurement Plan shall specify the circumstances under which such methods may be used.

<b>Procurement Method</b>
(a) Selection under a Fixed Budget
(b) Least Cost Selection
(c) Selection based on Consultants' Qualifications
(d) Single-source Selection of consulting firms
(e) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants
(f) Single-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 (“Category”), the allocations of the amounts of the Credit to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

<b>Category</b>	<b>Amount of the Credit Allocated (expressed in SDR)</b>	<b>Percentage of Expenditures to be Financed (inclusive of Taxes)</b>
(1) Goods, works, non-consulting services, consultants’ services and Training for Subprojects under Part A.1 of the Project	2,400,000	100% of amounts disbursed under Communal Grants
(2) Goods, works, non-consulting services, consultants’ services and Training for Subprojects under Part A.2 of the Project	10,000,000	100% of amounts disbursed under Local Community Grants
(3) Goods, works, non-consulting services, consultants’ services, Operating Costs and Training for Parts B.1, C, and D of the Project	7,100,000	100%
<b>TOTAL AMOUNT</b>	<b>19,500,000</b>	

**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.
2. The Closing Date is December 31, 2017.

**SCHEDULE 3**

**Repayment Schedule**

<b>Date Payment Due</b>	<b>Principal Amount of the Credit repayable (expressed as a percentage)*</b>
On each April 15 and October 15:	
commencing April 15, 2024 to and including October 15, 2033	1%
commencing April 15, 2034 to and including October 15, 2053	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

### 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” means a Communal Beneficiary or a Local Community Beneficiary.
3. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
4. “CDP” means the Communal Development Plan prepared and adopted by each Commune pursuant to Article 84 of the Recipient’s Law No. 97-029 dated January 15, 1999.
5. “Communal Beneficiary” means a Commune which has met the eligibility criteria set out in the Revised Project Implementation Manual and, as a result, has received or is entitled to receive a Subgrant.
6. “Communal Grant” means a grant made, or proposed to be made, by CONAFIL on behalf of the Recipient to finance a Subproject under Part A.1 of the Project.
7. “Communal Grant Agreement” means the subgrant agreement to be entered into between CONAFIL on behalf of the Recipient and a Communal Beneficiary for the purposes of: (i) financing Subprojects under Part A.1 of the Project; and (ii) providing financing to be on-granted for Subprojects under Part A.2 of the Project and implemented by Local Community Beneficiaries pursuant to Local Community Grants made by Communal Beneficiaries.
8. “Commune” means the lowest level of decentralized local government established and operating pursuant to the Commune Laws.
9. “Commune Laws” means the Recipient’s Laws No. 97-028 and No. 97-029, both dated January 15, 1999 establishing the Communes.
10. “Community Scorecard” means a scorecard process by which communities are engaged, through focus groups and facilitated meetings, in discussions with service providers on their performance, and on actions that can be taken to address performance shortcomings.

11. “CONAFIL” means the National Commission for Local Finances (*Commission Nationale des Finances Locales*) established pursuant to the Recipient’s decree No. 2002-365 dated August 22, 2002 and operating under the aegis of MDGLAAT.
12. “Consultant Guidelines” means the “Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated January 2011.
13. “Displaced Person” means a person who, on account of the execution of the Project (or any Subproject), has experienced or would experience direct economic and social impacts caused by: (a) the involuntary taking of land, resulting in: (i) relocation or loss of shelter, (ii) loss of assets or access to assets, or (iii) loss of income sources or means of livelihood, whether or not such person must move to another location; or (b) the involuntary restriction of access to legally designated parks and protected areas, resulting in adverse impacts on the livelihood of such person.
14. “Environmental and Social Management Framework” means the document, dated December 1, 2011, which: (i) sets out the modalities to be followed by the Recipient in assessing the potential adverse environmental and social impacts of the Project, including any Subproject, and the measures to be taken to offset, reduce or mitigate such adverse impacts; and (ii) consists, *inter alia*, of the following sections: environmental and social screening process for the Project (including Subprojects), guidance for the operation of water management structures, guidance for effective pest management, guidance for preparation of any environmental and social management plan, and any medical waste management plan.
15. “Environmental and Social Management Plan” means the document to be prepared by the Recipient in connection with any activity under the Project (including any Subproject) pursuant to the Environmental and Social Management Framework: (i) describing the potential adverse environmental and social impacts of such activity during planning, design, construction and operation; and (ii) outlining monitoring and mitigation measures, as well as institutional arrangements and budget for carrying out these measures.
16. “FADeC” means the Communal Development Support Fund (*Fonds d’Appui au Développement des Communes*) created pursuant article 56 of the Recipient’s law No. 98- 007 dated January 15, 1999, establishing a transfer mechanism that seeks to equalize and consolidate all transfers to Communes.
17. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 31, 2010.

18. “Local Community Beneficiary” means a local community-based organization which has met the eligibility criteria set out in the Revised Project Implementation Manual and, as a result, has received or is entitled to receive a Local Community Grant for the carrying out of a Subproject under Part A.2 of the Project.
19. “Local Community Grant” means a grant made, or proposed to be made, by an eligible Communal Beneficiary to a Local Community Beneficiary to finance a Subproject under Part A.2 of the Project.
20. “Local Community Grant Agreement” means the Subgrant agreement to be entered into between the Communes, on behalf of the Recipient, and a Local Community Beneficiary for the purposes of carrying out and financing a Subproject under Part A.2 of the Project.
21. “MDGLAAT” means the Ministry of Decentralization, Local Government, and Administration and Development of the Territory or any successor thereto.
22. “Operating Costs” means the reasonable incremental expenses incurred on account of Project implementation, management and monitoring, including office supplies, vehicle operation and maintenance, office equipment maintenance, communication costs, rental expenses, utilities expenses, consumables, transport, travel and accommodation, *per diem*, supervision costs and salaries of locally contracted staff, but excluding salaries of officials of the Recipient’s civil service.
23. “Original Financing Agreement” means the financing agreement for the Decentralized Community Driven Services Project between the Recipient and the Association, dated June 27, 2012, as amended to the date of this Agreement (Credit Number 5111-BJ).
24. “Original Project” means the Project described in the Original Financing Agreement.
25. “PNDCC” means the Recipient’s National Community-Driven Development Support Project (*Projet national d’appui au développement conduit par les communautés*) financed by the Association (through the following financings: 3990-BEN, H128-BEN and H559-BJ).
26. “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” dated January 2011.
27. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated January 17, 2014 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.

28. "Project Implementation Manual" or "PIM" means a revised manual, in form and substance acceptable to the Association, to be adopted by the Recipient for the Project, containing detailed guidelines and procedures for the implementation of the Project, including in the areas of monitoring and evaluation, procurement, coordination, social and environmental safeguards, financial, administrative and accounting procedures as well as provisions defining eligibility criteria and approval, disbursement, procurement, administration and monitoring arrangements for Subprojects together with a form of Subgrant Agreement, and such other administrative, financial, technical and organizational arrangements and procedures as shall be required for the Project.
29. "Resettlement Action Plan" or "RAP" means the Recipient's document prepared and disclosed in accordance with the Resettlement Policy Framework with respect to the Project (or a Subproject), which, *inter alia*, (i) contains a census survey of Displaced Persons and valuation of assets; (ii) describes compensation and other resettlement assistance to be provided, consultation to be conducted with Displaced Persons about acceptable alternatives, institutional responsibilities for the implementation and procedures for grievance redress, and arrangements for monitoring and evaluation; and (iii) contains a timetable and budget for the implementation of such measures.
30. "Resettlement Policy Framework" or "RPF" means the document, dated December 1, 2011, containing guidelines, procedures, timetables and other specifications for the provision of compensation, rehabilitation and resettlement assistance to Displaced Persons under the Project (or any Subproject).
31. "Safeguard Documents" means collectively or individually the Environmental and Social Management Framework and the Resettlement Policy Framework as well as the Environmental and Social Management Plans and the Resettlement Action Plans prepared in connection with the Project (or any Subproject), if any.
32. "SSDCC" means the Recipient's Secretariat for Decentralized Community Driven Services established within the MDGLAAT referred to in Section I.A (3) of Schedule 2 to this Agreement.
33. "Subgrant Agreement" means, individually or collectively, a Local Community Grant Agreement or a Communal Grant Agreement.
34. "Subgrant" means a grant comprised of a Communal Grant and a Local Community Grant.

35. "Subproject" means specific activities financed, or proposed to be financed through a Communal Grant under Part A.1 of the Project or a Local Community Grant under Part A.2 of the Project.
36. "Training" means the reasonable costs of training under the Project, based on the annual work plans and budgets approved by the Association, and attributable to seminars, workshops, and study tours, along with travel and subsistence allowances for training participants, services of trainers, rental of training facilities, preparation and reproduction of training materials, and other activities directly related to course preparation and implementation.