

CONFORMED COPY

GRANT NUMBER H394-0-HT

Financing Agreement

(Urban Community Driven Development Project)

between

REPUBLIC OF HAITI

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated June 30, 2008

GRANT NUMBER H394-0-HT

FINANCING AGREEMENT

AGREEMENT dated June 30, 2008, entered into between REPUBLIC OF HAITI (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”). The Recipient and the Association hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

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

ARTICLE II — FINANCING

- 2.01. The Association agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a grant in an amount equivalent to nine million six hundred thousand Special Drawing Rights (SDR9,600,000) (“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 June 15 and December 15 in each year.
- 2.05. The Payment Currency is Dollars.

ARTICLE III — PROJECT

- 3.01. The Recipient declares its commitment to the objective of the Project. To this end, the Recipient shall cause the Project to be carried out by BMPAD in accordance with the provisions of Article IV of the General Conditions.
- 3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Recipient and the Association shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV — REMEDIES OF THE ASSOCIATION

- 4.01. The Additional Event of Suspension consists of the following, namely that the BMPAD Legislation has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of BMPAD to perform any of its obligations under this Agreement.

ARTICLE V — EFFECTIVENESS; TERMINATION

- 5.01. The Additional Condition of Effectiveness consists of the following, namely that the Subsidiary Agreement has been entered into between the Recipient and BMPAD.
- 5.02. The Additional Legal Matter consists of the following, namely that the Subsidiary Agreement has been duly authorized or ratified by the Recipient and BMPAD and is legally binding upon the Recipient and BMPAD in accordance with its terms.
- 5.03. Without prejudice to the provisions of the General Conditions, the Effectiveness Deadline is the date ninety (90) days after the date of this Agreement, but in no case later than the eighteen (18) months after the Association's approval of the Financing which expires on December 3, 2009.

ARTICLE VI— REPRESENTATIVE; ADDRESSES

6.01. The Recipient's Representative is its Minister of Economy and Finance.

6.02. The Recipient's Address is:

Ministère de l'Economie et des Finances
Palais des Ministères
Port-au-Prince
Republic of Haiti
Facsimile: (509) 229 917 32

6.03. The Association's Address is:

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

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

AGREED at the District of Columbia, United States of America, as of the day and year first above written.

REPUBLIC OF HAITI

By /s/ Raymond Joseph

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ Yvonne, M. Tsikata

Authorized Representative

SCHEDULE 1

Project Description

The objective of the Project is to assist the Recipient in improving access to, and satisfaction with: (i) basic and social infrastructure and services; and (ii) income-generating opportunities for residents of selected Disadvantaged Urban Areas, both through a participatory process, in which community-based organizations identify, prepare and implement Urban Community Subprojects.

The Project consists of the following parts:

Part 1: Urban Community Subproject Preparation and Implementation

- 1.1. (a) The provision of grants to Urban Beneficiary Communities, including related technical assistance therewith for the identification, appraisal, selection, preparation and implementation of Urban Community Subprojects in, *inter alia*, small-scale socio-economic infrastructure and productive or income-generating activities, to be carried out in selected Disadvantaged Urban Areas of *Port-au-Prince, Cité-Soleil, Cap Haïtien, Gonaïves* and *Saint Marc*, in the Recipient's territory; and (b) the carrying out of an IEC campaign to inform about Project objectives, procedures and expected benefits for targeted residents of the Project areas.
- 1.2. The provision of training to COPRODEPs relevant to facilitate their establishment and operation, including with respect to monitoring, supervision and the provision of technical assistance to Urban Beneficiary Communities.

Part 2: Capacity building, Institutional Strengthening

- 2.1. (a) the provision of training to future trainers of COPRODEPs and municipal government agents and staff in, *inter alia*, basic management, administration, accounting and financial management, local and participatory governance, public administration, social accountability, transparency and reporting; (b) the building of relevant capacity in selected staff of Recipient ministries and local municipal governments to strengthen governance, participatory development, capacity for coordination and supervision of projects in general at the municipal level; and (c) the provision of training relevant to ensure donor coordination at the municipal and state level for selected municipal and ministries staff.
- 2.2. The organization of workshops to harmonize practices and procedures among CBOs, MDODs and COPRODEPs with regards to the provision of assistance to Urban Beneficiary Communities for the preparation and implementation of Urban Community Subprojects.

- 2.3. (a) the provision of training to municipal staff, local community leaders and residents of Disadvantaged Urban Areas in crime and domestic violence reduction and prevention, including *inter alia*, parenting skills and conflict resolution; and (b) the carrying out of further additional studies and analysis in participatory development to ensure the mainstreaming of Project achievements.
- 2.4. The provision of training and technical assistance to staff of BMPAD to enable the effective coordination and supervision of the overall Project implementation.

Part 3: Project Administration, Supervision, Monitoring and Evaluation

The provision of support to BMPAD for the coordination, monitoring, supervision and evaluation of the Project, including the maintenance of a monitoring and evaluation system in connection therewith.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. The Recipient shall cause to be maintained in BMPAD:
 - (a) at all times during the implementation of the Project, a Project coordinating unit:
 - (i) with staff appointed in accordance with the provisions of section III of Schedule 2 to this Agreement and having at all times during Project implementation, terms of reference, functions and resources satisfactory to the Association; and
 - (ii) which shall be responsible for:
 - (A) the coordination and supervision of Part 1 of the Project to be effectively implemented by MDODS under BMPAD responsibility;
 - (B) the direct implementation of Parts 2 and 3 of the Project; and
 - (C) the overall procurement, financial management, audit, monitoring and evaluation and reporting aspects in relation to Project implementation.
2. The Recipient shall cause the Board of Directors of BMPAD to act as the steering committee for the Project, responsible for defining the Project's strategic orientations and approving its annual work plans, internal audit plans and budgets.
3. The Recipient shall ensure that COPRODEPs are established and maintained for the duration of the Project, consisting of, *inter alia*, representatives of CBOs, civil society, and local and/or municipal governments, made specifically responsible under Part 1 of the Project for receiving, prioritizing and approving Urban Community Subprojects.
4. (a) The Recipient shall cause BMPAD to enter directly into an agreement (the Service Agreement) with each eligible MDOD, therein setting forth the respective obligations of the parties thereunder, notably with respect

to the preparation, implementation and monitoring of Urban Community Subprojects, including the provision of technical advisory services, the acquisition of goods and the carrying out of works in relation thereto, and the modalities for the transfer of funds to Urban Beneficiary Communities to enable them to carry out their Urban Community Subprojects, all in accordance with the guidelines set forth in the POM.

- (b) The Recipient shall ensure that BMPAD exercises its rights under the Service Agreements with the MDODs 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, BMPAD shall not assign, amend, abrogate or waive the Service Agreement or any of their provisions.

B. Subsidiary Agreement

1. To facilitate the carrying out of the Project, the Recipient shall make the proceeds of the Financing available to BMPAD under a subsidiary agreement between the Recipient and BMPAD, under terms and conditions approved by the Association (“Subsidiary Agreement”) among which, the requirement that the positions of General Manager (“*Directeur General*”) and Administrative and Financial Manager (“*Directeur Administratif et Financier*”) created in BMPAD Legislation be staffed at all times during Project implementation with agents having functions, qualifications and experience satisfactory to the Association.
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. Additional Operational Arrangements

1. The Recipient shall cause BMPAD to ensure that:
 - (a) the Urban Community Subprojects are identified, appraised, selected, approved, implemented, managed and evaluated in accordance with the procedures set forth or referred to in the POM;
 - (b) (i) technical audits regarding the implementation of the Urban Community Subprojects are carried out by an independent auditor semi-annually with respect to the relevant activities of BMPAD and each MDOD; (ii) not later than 3 months after the Effective Date, a technical auditor is selected and appointed for that purpose in accordance with the provisions of Section III of Schedule 2 to this Agreement; and (iii) within

4 months after the end of each semester thereafter, the ensuing audit reports are furnished to the Association for its review and comments following which the implementation of the Urban Community Subprojects is subsequently carried out taking the views and recommendations of the Association in that respect;

- (c) (i) not later than one month after the Effective Date, a specialist is selected in accordance with the provisions of Section III of Schedule 2 to this Agreement and appointed to carry out the baseline survey for the Project; (ii) not later than 6 months thereafter, a baseline survey is carried out to provide a starting point for assessing the Project's outcome on the Urban Beneficiary Communities, and their satisfaction therewith in terms of access to basic infrastructure, social services, and income-generating opportunities.

2. The Recipient shall cause BMPAD to ensure that:

- (a) annual Project work plans, internal audit plans and budgets are prepared by BMPAD, are subsequently reviewed by BMPAD's Board of Directors in its capacity of steering committee for the Project, are agreed by the Association and are thereafter implemented with diligence and efficiency;
- (b) not later than one month after the Effective Date, at least one Service Agreement is concluded by BMPAD, satisfactory to the Association, for the provision of services needed for the implementation of Part 1 of the Project; and
- (c) not later than one month after the Effective Date, an assistant accountant and a financial analyst are selected and appointed to PCU and BMPAD to support the implementation of the Project in accordance with the provisions of Section III of Schedule 2 to this Agreement.

3. Without limitation to the provisions of Section IV.B.1. (b) of this Schedule, the Recipient shall cause BMPAD not to make any request for financing of any Urban Community Subproject under this Agreement until and unless any relevant Urban Community Grant Agreement, satisfactory in form and substance to the Association, shall have been entered into between an MDOD and a relevant Urban Beneficiary Community, as further specified in the POM.

D. Implementation Document

1. The Recipient shall cause BMPAD to maintain the operational manual dated April 29, 2008, satisfactory in form and substance to the Association, which consists of different schedules setting forth, respectively, rules, methods,

guidelines, specific development plans, standard documents and procedures for the carrying out of the Project, including the following:

- (a) (i) the detailed description of all Project implementation activities by all parties considered under this Agreement, their sequencing and the prospective timetable and benchmarks in relation thereto; and (ii) the detailed structuring and membership of selected Project's participating institutions and all implementation arrangements in respect of the Project;
 - (b) the Project administrative, financial, accounting, auditing, procurement and disbursement procedures, including all relevant standard documents;
 - (c) (i) the selection criteria for the MDODs, including the standard service agreements for the contracting of their services; (ii) the eligibility criteria for the Urban Beneficiary Communities and the Urban Community Subprojects; and (iii) the standard models for the Urban Community Grant Agreements;
 - (d) the processing arrangements and the responsible parties for the appraisal, selection, approval, financing and implementation of the Urban Community Subprojects;
 - (e) the Environmental Management Plan for the Project;
 - (f) the capacity building and training activities to be carried out for purposes of the Project;
 - (g) the plan for the monitoring, evaluation and supervision of the Project; and
 - (h) the performance indicators for the Project.
2. The Recipient shall: (a) maintain the POM throughout Project implementation; (b) take all measures necessary to ensure that the Project is carried out in conformity with the POM; and (c) only amend the POM, from time to time, with the Association's prior consent.
 3. In case of a conflict between any provision of the POM and any one under this Agreement, the provisions of this Agreement will prevail.

E. Anti-Corruption

The Recipient shall ensure for itself and shall cause BMPAD to ensure for itself and for any party it will have entered into an agreement with (or shall have

caused anyone to enter into an agreement with) for the purpose of the implementation of any portion of the Project, that the Project or any relevant part thereof is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

F. Urban Community Subprojects

1. The Recipient shall cause BMPAD to ensure that all of the following requirements and commitments in this Section I.F are met, satisfactory to the Association, in respect of each MDOD determined eligible to participate in any activity under this Agreement. To this end, BMPAD shall have each eligible MDOD enter into an Urban Community Grant Agreement, satisfactory to the Association, with an Urban Beneficiary Community therein setting forth the respective obligations of the parties thereunder, notably with respect to the preparation and implementation of an Urban Community Subproject.
2. Pursuant to each Urban Community Grant Agreement, BMPAD shall cause each MDOD to make a grant to an Urban Beneficiary Community in accordance with eligibility criteria and procedures, all as set forth in the POM and which shall include the following:
 - (a) Subject to the provisions of paragraph (c) (i) hereunder, the grant shall consist in a transfer of financial resources to an Urban Beneficiary Community on a non-reimbursable basis.
 - (b) The grants shall be made to Urban Beneficiary Communities for the carrying out of small-scale socio-economic infrastructure and productive or income-generating activities not included in the negative list set forth in the POM. The Urban Beneficiary Communities shall contribute to the economic costs of the Urban Community Subprojects in the proportion set forth in the POM.
 - (c) BMPAD shall cause each MDOD to obtain rights adequate to protect its interests and those of the Association, including the right to:
 - (i) suspend or terminate the right of the Urban Beneficiary Community to use the proceeds of the Financing for its Urban Community Subproject, or obtain a refund of all or any part of the amount of the Financing then withdrawn, upon the Urban Beneficiary Community's failure to perform any of its obligations under the Urban Community Grant Agreement; and

- (ii) require the Urban Beneficiary Community to:
- (A) carry out the Urban Community Grant Agreement 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 Financing 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 Urban Community 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 Urban Community Subproject; and (2) 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;
 - (F) enable the Recipient and the Association to verify compliance with the Urban Community Grant Agreement and any relevant records and documents in relation thereto; and
 - (G) 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.

3. BMPAD shall cause each MDOD to exercise its rights under each Urban 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, BMPAD shall ensure that MDODs shall not assign, abrogate or waive the Urban Community Grant Agreements or any of their provisions.

G. Safeguards

The Recipient shall cause BMPAD to ensure for itself and for the MDODs, COPRODEPs and Urban Beneficiary Communities, that the Project and its respective Parts are carried out in accordance with the EMP prepared for the Project.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. The Recipient shall, for itself and shall cause BMPAD through its PCU to: (a) monitor and evaluate the progress of the Project; and (b) prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of indicators agreed with the Association and set forth in the POM. Each such Project Report shall cover the period of one calendar quarter, and shall all be furnished to the Association by PCU not later than 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 September 30, 2014.

B. Financial Management, Financial Reports and Audits

1. The Recipient shall maintain for itself and shall cause to be maintained in BMPAD, in each MDOD and in each Urban Beneficiary Community, 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, as part of the Project Reports, cause BMPAD through PCU to prepare and furnish to the Association not later than forty-five days after the end of each calendar quarter, interim unaudited financial reports for the Project covering the calendar quarter, in form and substance satisfactory to the Association.
3. The Recipient shall cause BMPAD to have its Project Financial Statements audited and shall cause MDODs and Urban Beneficiary Communities to have

their consolidated financial statements for their respective portions of the Project audited, all in accordance with the provisions of Section 4.09 (b) of the General Conditions. Each audit of the Project's Financial Statements and those of the MDODs and the Urban Beneficiary Communities shall cover the period of one semester in each fiscal year of the Recipient. The audited Financial Statements for BMPAD and those for the MDODs and the Urban Beneficiary Communities for each such period shall be furnished to the Association not later than four months after the end of each such period.

4. For purposes of Paragraph 3 above, the Recipient shall cause BMPAD to appoint, not later than four months after the Effective Date, the independent auditors referred to in Section 4.09 (b) (i) of the General Conditions, selected with terms of reference satisfactory to the Association and in accordance with the provisions of Section III of Schedule 2 to this Agreement.

Section III. Procurement

A. General

1. **Goods, Works and Non-consultant services.** All goods, works and Non-consultant 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-consultant services

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

Non-consultant 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 using Standard Bidding Documents agreed with the Association.
(b) Shopping, subject to using Standard Request for Quotations agreed with the Association.
(c) Direct Contracting, subject to the Association’s prior consent.
(d) Community participation in procurement as spelled out in the POM.

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.

4. **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) Quality-Based Selection
(b) Selection under a Fixed Budget
(c) Least Cost Selection
(d) Selection based on Consultant’s Qualifications
(e) Single Source Selection, subject to the Association’s prior written consent
(f) Procedures for the selection of Individual Consultants

D. Review by the Association of Procurement Decisions

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

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 Grant Allocated (expressed in SDR)</u>	<u>Percentage of Expenditures to be Financed (inclusive of Taxes)</u>
(1) Urban Community Subprojects under Part 1 of the Project	4,740,000	100% of amounts disbursed by the Recipient
(2) Goods and Non-consultant services other than covered by Category (1) above	70,000	100%
(3) Consultant services:		
(a) rendered by MDODS under Service Agreements for Part 1 of the Project	2,560,000	100%
(b) for Parts 2 and 3 of the Project, including Training and audits	430,000	100%

<u>Category</u>	<u>Amount of the Grant Allocated (expressed in SDR)</u>	<u>Percentage of Expenditures to be Financed (inclusive of Taxes)</u>
(4) Operating costs	1,160,000	100%
(5) Unallocated	640,000	
TOTAL AMOUNT	9,600,000	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made:
 - (a) for payments made prior to the date of this Agreement, except that withdrawals up to an aggregate amount not to exceed SDR 920,000 equivalent may be made for payments made within one year prior to this date but on or after May 01, 2008 for Eligible Expenditures; and
 - (b) for any Urban Community Subproject under Category (1) in the table of Section IV. A. (2) of this Schedule until and unless an Urban Community Grant Agreement for the implementation of an Urban Community Subproject shall have been entered into between an MDOD and an Urban Beneficiary Community in accordance with the procedures, terms and conditions referred to in Section I. F of this Schedule and set forth in detail in the POM, as shall be evidenced by the first 3 Urban Community Grant Agreements furnished to the Association for its prior approval.
2. The Closing Date is March 31, 2014.

APPENDIX**Section I. Definitions**

1. “Anti-Corruption Guidelines” means the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006.
2. “BMPAD” means *Bureau de Monétisation des Programmes d’ Aide au Développement*, an entity of the Recipient established by law dated December 27, 2007 for the administration of foreign aid and the management of development projects financed through it, and published in the Recipient’s official gazette “*Le Moniteur*” on January 04, 2008.
3. “BMPAD Legislation” means the law establishing BMPAD dated December 27, 2007.
4. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
5. “CBO” means a community-based organization established and operating pursuant to the laws of the Recipient.
6. “Consultant Guidelines” means the “Guidelines: Selection and Employment of Consultants by World Bank Borrowers” published by the Bank in May 2004 and revised in October 2006.
7. “COPRODEP” means *Conseil du Projet de Développement Participatif*, a Project Development Council (established under the Project with membership drawn up primarily from CBO representatives and including, *inter alia*, representatives of civil society, local and/or municipal government) which is responsible under the Project for the approval of Urban Community Subprojects.
8. “Disadvantaged Urban Area” means a priority zone in the Recipient’s territory (*zone prioritaire*) defined in its *Appui à la Stratégie Nationale de la Commission Nationale pour la Démobilisation, le Désarmement et la Réinsertion* (CNDDR) dated July 13, 2007.
9. “Environmental Management Plan” and “EMP” means the plan setting forth the guidelines for mitigating potential harmful effects of Urban Community Subprojects’ implementation on the Recipient’s environment, prepared by the Recipient and disclosed to the public on March 05, 2008 and found acceptable by the Association for the purpose indicated.

10. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 1, 2005 (as amended through October 15, 2006).
11. “IEC” means Information, Education and Communication.
12. “MDOD” means *Maître D’Ouvrage Délégué*, a service providing entity or individual, a non-governmental organization, or any private institution contracted under the Project to appraise Urban Community Subprojects and provide technical assistance in the course of their implementation by Urban Beneficiary Communities.
13. “Non-consultant services” means in respect of category (2) of the disbursement table in Section IV.A.2 of Schedule 2 to this Agreement, services to be contracted for, *inter alia*, the carrying out of IEC campaigns and activities related to the carrying out of surveys.
14. “Operating costs” means, in respect of Category (4) of the table in Section IV.A.2 of Schedule 2 to this Agreement, the incremental expenses incurred on account of Project implementation, including office equipment and supplies, reasonable commercial banking charges and fees, vehicle operation and maintenance, communication and insurance costs, office administration costs, utilities, travel, *per diem* and supervision costs and salaries of locally contracted employees.
15. “PCU” means the Project Coordinating Unit established within BMPAD, as further specified in Section I.A.1 of Schedule 2 to this Agreement.
16. “POM” means the Project operational manual referred to in Section I.D.1 of Schedule 2 to this Agreement.
17. “Procurement Guidelines” means the “Guidelines: Procurement under IBRD Loans and IDA Credits” published by the Bank in May 2004 and revised in October, 2006.
18. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated March 28, 2008 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.
19. “Subsidiary Agreement” means the agreement referred to in Section I. B. 1 of Schedule 2 to this Agreement, pursuant to which the Recipient shall make the proceeds of the Financing available to BMPAD.

20. “Service Agreement” means the agreement between BMPAD and each selected MDOD under the Project, as further referred to in Section I.A.4 of Schedule 2 to this Agreement.
21. “Training” means in respect of Category 3(b) of the table in Section IV.A.2 of Schedule 2 to this Agreement: (a) reasonable travel, room, board and *per diem* expenditures as incurred by trainers and trainees in connection with their training and by non-consultant training facilitators; (b) course fees; (c) training facility rentals; and (d) training material preparation, acquisition, reproduction and distribution expenses.
22. “Urban Beneficiary Community” means a CBO of the territory of the Recipient, including, *inter alia*, special interest groups of women and youth and municipal governments under terms and conditions defined in the POM, which are found eligible under the POM to receive financing from the Project for the carrying out of an Urban Community Subproject.
23. “Urban Community Grant Agreement” means the agreement entered into between an Urban Beneficiary Community and an MDOD for the implementation of an Urban Community Subproject as referred to in Section I.F.1 of Schedule 2 to this Agreement.
24. “Urban Community Subproject” means: (i) a specific project in small-scale basic infrastructure; (ii) a specific project in income generation activities; and (iii) such other activity and project as shall be identified by an Urban Beneficiary Community and determined to be eligible pursuant to the POM to be carried out by, or for the benefit of, such Urban Beneficiary Community, utilizing the proceeds the Financing.