

**CONFORMED COPY**

**GRANT NUMBER H252-GM**

# **Financing Agreement**

**(Community-Driven Development Project)**

**between**

**REPUBLIC OF THE GAMBIA**

**and**

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

**Dated February 2, 2007**

**GRANT NUMBER H252-GM**

**FINANCING AGREEMENT**

AGREEMENT dated February 2, 2007, between REPUBLIC OF THE GAMBIA (“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 the Financing 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 eight million three hundred thousand Special Drawing Rights (SDR 8,300,000) (“Grant”) 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 V 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 the Dollar.

**ARTICLE III —PROJECT**

- 3.01. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out the implementation of the Project through the Department of State for Local Government and Lands 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Additional Event of Suspension consists of the following, namely, that the Recipient has amended, suspended, abrogated, repealed or waived the provisions of its LG Act, so as to affect materially and adversely the ability of the Recipient to perform any of its obligations under this Agreement.

#### **ARTICLE V – EFFECTIVENESS**

- 5.01. The Additional Conditions of Effectiveness consist of the following:
- (a) The Co-Financing Agreement has been executed and delivered and all conditions precedent to its effectiveness or to the right of the Recipient to make withdrawals under it (other than the effectiveness of the Financing Agreement) have been fulfilled.
  - (b) The Recipient has adopted a Project Implementation Manual in form and substance satisfactory to the Association.
  - (c) The Recipient has appointed external auditors under terms of reference, and with qualifications and experience that are satisfactory to the Association.
  - (d) The Recipient has established the Project Coordination Team under terms of reference acceptable to the Association with the following key staff with qualifications and experience satisfactory to the Association: Project coordinator, community development facility manager, capacity building manager, financial manager, procurement specialist, and monitoring and evaluation specialist.
  - (e) The Recipient has recruited a financial controller for at least three of the six Local Government Areas (the Effective LGAs) participating in the Project, under terms of reference, and with qualifications and experience satisfactory to the Association.
  - (f) The Recipient has established a financial management system that is satisfactory to the Association.
- 5.02. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.

**ARTICLE VI – REPRESENTATIVE; ADDRESSES**

6.01. The Recipient’s Representative is the Secretary of State responsible for Finance and Economic Affairs.

6.02. The Recipient’s Address is:

Secretary of State for Finance and Economic Affairs  
Department of State for Finance and Economic Affairs  
The Quadrangle  
Banjul  
Republic of The Gambia

Facsimile:

220-4227-954

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) or  
64145 (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 THE GAMBIA**

**By /s/ Dodou B. Jagne**

**Authorized Representative**

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

**By /s/ Nils O. Tcheyan**

**Authorized Representative**

## **SCHEDULE 1**

### **Project Description**

The objective of the Project is to support the Recipient's rural communities in planning, implementing and maintaining their priority social and economic investments in partnership with Local Government Authorities.

The Project consists of the following parts:

**Part A:**           Community Development Facility

Provision of Subgrants to Beneficiaries for the implementation of Community and Good Governance Subprojects.

**Part B:**           Strengthening Capacity for Community Development

1.       Strengthening the capacity of Wards and Villages to undertake: (a) participatory strategic planning, resource allocation, and monitoring and evaluation; and (b) Project management including accounting for Project finances and procurement.
2.       Strengthening the capacity of the Local Government Authorities to support and sustain community development through provision of training in Project implementation including financial management, procurement, and environmental and social management, to facilitate their technical, reporting and fiduciary oversight responsibilities under the Project.
3.       Strengthening the operational capacity of the Recipient through: (a) supporting the Recipient's MDFTs in assisting Villages and Wards with the identification, appraisal, and implementation of Community Subprojects by providing technical advisory services, goods, training including study tours, and Operating Costs; (b) building the capacity of Key Sectoral Agencies of the Recipient participating in the Project; and (c) rehabilitation of Local Government Area offices.

**Part C:**           Project Coordination and Monitoring

Provision of operational support to the PCT to facilitate the coordination, implementation and monitoring and evaluation of the Project, through the provision of technical advisory services, training, goods and Operating Costs.

## SCHEDULE 2

### Project Execution

#### Section I. Institutional Arrangements

##### A. Project Steering Committee.

1. Composition. The Recipient shall, at all times during Project implementation, maintain a Project Steering Committee with a membership composition satisfactory to the Association. Without limitation to the generality of the foregoing, the Project Steering Committee shall be chaired by the Permanent Secretary of DoSLGL, and have the Project coordinator, as secretary. Other members of the said Committee shall include representatives from the following Departments of State: Finance and Economic Affairs, Agriculture, Health and Social Welfare, Water Resources and Education; and representatives from the Recipient's National Nutrition Agency, NGOs and from the Gambian Association of Local Government Authorities.

2. Role. The Project Steering Committee shall be responsible for setting policy direction and reviewing Project implementation and shall meet at least quarterly. Without limitation on the generality of the foregoing, the Project Steering Committee shall approve annual work plans and budgets, and review Project Reports.

##### B. Project Coordination Team.

1. Composition. The Recipient shall, throughout Project implementation, maintain the PCT adequately staffed with persons with qualifications and experience and under terms of reference satisfactory to the Association, including a Project coordinator, Community Development Facility manager, capacity building manager, procurement specialist, financial manager, and monitoring and evaluation specialist.

##### 2. Role.

The PCT shall be responsible for overseeing and coordinating day-to-day implementation of the Project. Without limitation to the generality of the foregoing, the PCT shall carry out tasks that will include: (a) preparation of annual work plans; (b) financial management including preparation of interim un-audited financial statements; (c) preparation of Project Reports; and (d) procurement.

##### C. Financial Controllers.

Except as otherwise provided in this Agreement, the Recipient shall ensure that a financial controller that is acceptable to the Association is maintained in each of the Local Government Authorities through out Project implementation.

## **Section II. Implementation Arrangements**

### **A. Environmental and Social Measures.**

1. Except as the Association shall otherwise agree, the Recipient shall carry out Part A of the Project in accordance with the ESMF and RPF, and shall not amend or waive, or permit to be amended or waived, the ESMF and RPF or any provisions thereof in a manner which, in the opinion of the Association, may materially and adversely affect the implementation of the Project.

2. The Recipient shall ensure that environmental focal points are appointed within the MDFTs to ensure that Subprojects are implemented in accordance with the ESMF and RPF.

### **B. Annual Work Plans.**

The Recipient shall submit to the Association for its review and approval: (a) the annual work plan and budget for the Project year commencing from the Effective Date within two months of such Date; and (b) thereafter, for each subsequent year of Project implementation, an annual work plan and budget on or about October 31. The Recipient shall implement the activities reflected in such annual work plans in a manner that is satisfactory to the Association.

### **C. Community Development Facility.**

#### **1. Community Subprojects.**

(a) The Recipient's Project Coordination Team shall be responsible for the identification of participating Villages within the LGAs in accordance with transparent and equitable criteria set forth in the PIM, including without limitation, the population size of the Villages and poverty levels. All the Wards within the LGAs shall be eligible to participate in the Project. Funds shall be allocated to participating Villages based on the population size and poverty levels. The selected participating Villages shall be endorsed by the Project Steering Committee.

(b) Following the identification of participating Villages within the LGAs by the PCT and endorsement by the Project Steering Committee, the Recipient shall undertake an awareness raising sensitization campaign, and a planning and diagnostic exercise, based upon which a three year Village strategic development plan shall be prepared. The Wards shall also undertake a similar exercise and prepare a three year Ward strategic development plan. Community development assistants or community development officers from the DoSLGL, in conjunction with the MDFTs, shall provide such assistance as shall be required by the Villages or Wards during this process and ensure that the proposed plans take into account the eligible activities to be financed out of the Community Development Facility. Without limitation to the provisions of the



PIM, proposed Community Subprojects must be consistent with the Village or Ward strategic development plans, as the case may be. Proposed Community Subprojects shall focus on social and economic investments including capacity building and income generating activities. The Village or Ward must also establish and maintain through out Project implementation a Village Development Committee or Ward Development Committee, as the case may be.

(c) The Local Government Authority shall endorse the Village and Ward strategic development plans through the TAC which shall ensure that the development activities at the LGA, Ward and Village level conform to national standards, policies and priorities. Specific Community Subprojects under the said plans shall be endorsed by the TAC as part of the tripartite agreement to be entered into pursuant to paragraph C.1 (d) of this Section II.

(d) Following the endorsement by the TAC of the proposed Village and Ward strategic development plans, the Recipient shall enter into a tripartite written agreement with the Local Government Authority, and the Village or Ward, as the case may be, under terms and conditions that are acceptable to the Association including the following provisions:

- (i) a list of proposed Community Subprojects including indicative costing that takes into account the requirement that the Beneficiary shall provide a contribution of at least ten per cent (10%) of the Subproject cost in cash and/or in kind, and disbursement modalities;
- (ii) the Beneficiary's obligation to carry out the Community Subproject in accordance with the PIM, ESMF and RPF;
- (iii) the Beneficiary's obligation to carry out the Community Subproject with due diligence and efficiency and in accordance with sound technical, financial, environmental and managerial standards;
- (iv) the Beneficiary's obligation to open and maintain a bank account with duly authorized signatories, and to maintain adequate records to reflect, in accordance with sound accounting practices, the operations, resources and expenditures in respect of the Community Subproject;
- (v) the Beneficiary's obligation to maintain through out Project implementation a Village Development Committee or Ward Development Committee, as the case may be, and to establish and maintain monitoring and evaluation sub-committees;
- (vi) the requirement that: (A) goods, works and services to be financed from the proceeds of the Subgrant for the Community Subprojects shall be procured in accordance with the procedures set forth in Section IV of this

Schedule 2; and (B) such goods, works and services shall be used exclusively in the implementation of the Community Subprojects in accordance with the PIM;

- (vii) progress reporting, and monitoring and evaluation requirements;
- (viii) operation and maintenance requirements;
- (ix) the right of the Recipient or Local Government Authority, as the case may be, to inspect by itself, or jointly with the Association, if the Association shall so request, the goods, works, sites, plants and construction financed under the Community Subprojects, the operations thereof and any relevant records and documents;
- (x) the right of the Recipient or Local Government Authority, as the case may be, to obtain all information as the Recipient, Local Government Authority or the Association shall reasonably request regarding the administration, operation and financial conditions of the Community Subprojects; and
- (xi) the right of the Recipient or the Local Government Authority, as the case may be, to suspend or terminate the right of the Beneficiary to use the proceeds of the Subgrant upon the failure by the Beneficiary to comply with the provisions of the Agreement entered into.

(e) After signature of the tripartite agreement referred to in paragraph C.1 (d) of this Section II, appraisal of the proposed Community Subprojects shall be undertaken, and an appraisal form that is satisfactory to the Association endorsed by the relevant sectoral line department extension workers in the case of simple Community Subprojects and by the TAC in the case of complex and/or expensive Community Subprojects that are estimated to cost \$15,000 or more. The provisions of the tripartite agreement shall be applicable to all the Community Subprojects.

(f) The VDCs and WDCs shall be responsible for the implementation of the Community Subprojects at the Village and Ward levels, respectively. Without limitation to the generality of the foregoing, they shall be responsible for carrying out financial management, procurement and the preparation of progress reports on which basis funds shall be disbursed for the implementation of the Community Subprojects. The progress reports shall be certified by the relevant community development assistant or community development officers, and disbursements effected by the financial controller and chief executive officer of the concerned LGA. They shall also establish sub-committees to be responsible for the monitoring and evaluation aspects of the Project.

(g) The supervision of implementation of the Subprojects shall be undertaken by sectoral extension workers, with such technical assistance as they may

require for this purpose. Without limitation to the generality of the foregoing, the Recipient shall ensure that random annual financial and technical audits are undertaken of at least ten per cent (10%) of the Community Subprojects in the participating Villages and Wards under the Project.

2. Good Governance Subprojects:

(a) The Recipient shall on an annual basis request the submission of proposals from CSOs or NGOs for Good Governance Subprojects at decentralized levels of government.

(b) Proposals shall be approved in accordance with eligibility criteria and procedures that are set forth in the PIM.

(c) The Recipient shall enter into written agreements with the selected Beneficiaries under terms and conditions satisfactory to the Association including:

- (i) details of the approved Good Governance Subproject including costing and disbursement modalities;
- (ii) the Beneficiary's obligation to carry out the Good Governance Subproject in accordance with the PIM, ESMF and RPF;
- (iii) the Beneficiary's obligation to carry out the Good Governance Subproject with due diligence and efficiency and in accordance with sound technical, financial, environmental and managerial standards;
- (iv) the Beneficiary's obligation to open and maintain a bank account with duly authorized signatories, and to maintain adequate records to reflect, in accordance with sound accounting practices, the operations, resources and expenditures in respect of the Good Governance Subproject;
- (v) the requirement that: (A) goods, works and services to be financed from the proceeds of the Subgrant for the Good Governance Subprojects shall be procured in accordance with the procedures set forth in Section IV of this Schedule 2; and (B) such goods, works and services shall be used exclusively in the implementation of the Good Governance Subprojects in accordance with the PIM;
- (vi) progress reporting, and monitoring and evaluation requirements;
- (vii) the right of the Recipient to inspect by itself, or jointly with the Association, if the Association shall so request, the goods, works, sites, plants and construction financed under the Good Governance

Subprojects, the operations thereof and any relevant records and documents;

- (viii) the right of the Recipient to obtain all information as the Recipient or the Association shall reasonably request regarding the administration, operation and financial conditions of the Good Governance Subprojects; and
- (ix) the right of the Recipient to suspend or terminate the right of the Beneficiary to use the proceeds of the Subgrant upon the failure by the Beneficiary to comply with the provisions of the Agreement entered into.

### **Section III. Project Monitoring, Reporting, Evaluation**

#### **A. Project Reports.**

1. (a) The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of the indicators set forth below in sub-paragraph (b) of this paragraph. The Project Report for the first year of Project implementation commencing from the Effective Date shall be submitted on a quarterly basis and furnished to the Association not later than one month after the end of the period covered by such report. For all subsequent years, each Project Report shall cover the period of six months, and shall be furnished to the Association not later than one month after the end of the period covered by such report.

(b) The performance indicators referred to above in sub-paragraph (a) consist of the following:

- (i) 70% of Community Subproject results are achieved;
- (ii) satisfaction with Community Subprojects results increases by 10% each year in the sample targeted population, reaching up to 90% by the Project's Closing Date;
- (iii) 70% of Community Subprojects are fully functional within two years of their completion;
- (iv) 100% of annually budgeted funds are disbursed during each year of Project implementation;
- (v) all participating Villages and Wards have Village and Ward strategic development plans, respectively, that are developed in accordance with the PIM; and

- (vi) 90% of regular and random technical, financial and procurement audits at the PCT, LGA, Village and Ward levels are unqualified.

(c) Without limitation to the generality of sub-paragraph (a) above, the Recipient shall carry out jointly with the Association, a comprehensive midterm review to assess the status of Project implementation on or about thirty months after the Effective Date. The Recipient shall, not later than one (1) month before such review, prepare and furnish to the Association a report, in scope and detail satisfactory to the Association, needed to undertake the review.

**B. Financial Management, Financial Reports and Audits.**

1. The Recipient shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 4.09 of the General Conditions.
2. Without limitation on the provisions of Part A of this Section, the Recipient shall prepare and furnish to the Association not later than one month after the end of each calendar quarter, interim un-audited financial reports for the Project covering the quarter, in form and substance satisfactory to the Association.
3. The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 4.09 (b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one fiscal year of the Recipient, commencing with the fiscal year in which the first withdrawal under the Project Preparation Advance was made. The audited Financial Statements for each such period shall be furnished to the Association not later than six months after the end of such period.

**Section IV. Procurement**

**A. General**

1. **Goods and Works.** All goods and works required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Schedule.
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 Schedule.
3. **Definitions.** The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Association of

particular contracts, refer to the corresponding method described in the Procurement Guidelines, or Consultant Guidelines, as the case may be.

**B. Particular Methods of Procurement of Goods and Works**

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

<b><u>Procurement Method</u></b>
(a) National Competitive Bidding
(b) Shopping
(c) Direct Contracting
(d) Community Participation
(e) Procurement from United Nations Agencies

**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. **Short lists of national consultants.** Short lists of consultants estimated to cost less than \$75,000 per contract may comprise entirely of national consultants in accordance with the provisions of paragraph 2.7 of the Guidelines.
3. **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) Least Cost Selection
(b) Selection under a Fixed Budget
(c) Selection Based on Consultants Qualifications
(d) Single Source Selection
(e) Individual Consultants

**D. Review by the Association of Procurement Decisions**

Except as the Association shall otherwise determine by notice to the Recipient, the following contracts shall be subject to Prior Review by the Association: (a) each contract for goods estimated to cost the equivalent of \$150,000 or more; (b) each contract for works estimated to cost the equivalent of \$250,000 or more; (c) each contract for goods or works procured on the basis of Direct Contracting; (d) each contract for non-consulting services estimated to cost the equivalent of \$50,000 or more; (e) each contract for consultants' services provided by a firm estimated to cost the equivalent of \$100,000 or more; (f) each contract for an individual consultant estimated to cost the equivalent of \$50,000 or more; and (g) each contract for consultants' services provided by a firm or an individual procured on the basis of Single Source Selection. All other contracts shall be subject to Post Review by the Association.

**E. Procurement Agents**

The Recipient, may, pursuant to the provisions of paragraph 3.10 of the Procurement Guidelines procure the services of a Procurement Agent with the concurrence of the Association.

**Section V. 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 and of this Section and such additional instructions as the Association shall specify by notice to the Recipient to: (a) repay the Project Preparation Advance in accordance with Section 2.07 of the General Conditions; and (b) finance 100% of other Eligible Expenditures.

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</u>
(1) Works	40,000	100%
(2) Goods	280,000	100%
(3) Consultant Services including Audits and Training	1,030,000	100%
(4) Subprojects		100% of amounts disbursed
(a) Effective LGAs	3,080,000	
(b) Other LGAs	3,080,000	
(5) Operating Costs	280,000	100%
(6) Refund of Project Preparation Advance	170,000	Amount payable pursuant to Section 2.07 of the General Conditions
(7) Unallocated	340,000	
<b>TOTAL AMOUNT</b>	<u>8,300,000</u>	

**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; or
2. under Category (4)(b) until it is confirmed that the three outstanding LGAs have each recruited a financial controller under terms of reference, and with qualifications and experience satisfactory to the Association.
3. The Closing Date is April 30, 2012.



## **APPENDIX**

### **Definitions**

1. “Beneficiary” means a Village, Ward, CSO, or NGO, as the case may be;
2. “Category” means a category set forth in the table in Section V of Schedule 2 to this Agreement;
3. “Co-financier” means Japan;
4. “Co-financing” means a grant in an amount of four million eight hundred thousand Dollars (\$4.8 million) to be provided by the Co-financier to the Association, as administrator of the said grant, to assist in financing the Project;
5. “Co-financing Agreement” means the agreement to be entered into between the Recipient and the Association, on behalf of the Co-financier, providing for the Co-financing;
6. “Community Development Facility” means the facility referred to in Part A of the Project, as set forth in Schedule 1 of this Agreement, for the financing of Subprojects;
7. “Community Subproject” means a specific social and/or economic investment that meets the eligibility criteria set forth in paragraph C.1 (b) of Section II of Schedule 2 to this Agreement and the PIM, that is proposed by a Village or a Ward from its strategic Village or Ward development plan, as the case may be, to be financed with a Subgrant from the Community Development Facility;
8. “Consultant Guidelines” means the “Guidelines: Selection and Employment of Consultants by World Bank Borrowers” published by the Bank in May 2004;
9. “CSO” means a civil society organization, duly established and operating in accordance with the laws of the Recipient;
10. “DoSLGL” means the Recipient’s Department of State for Local Government and Lands;
11. “ESMF” means Environmental and Social Management Framework dated February 15, 2006, approved by the Association, setting forth: (a) an environmental and social screening process to enable Subproject implementers to identify and assess potential adverse environmental and social impacts, offset and reduce them to acceptable levels, or enhance positive impacts and in accordance with which environmental management plans will be prepared and submitted to the Association for its approval; (b) guidelines for preparation of environmental management plans; (c) a pesticide management plan; and (d) a national medical

waste management plan, as such Framework may be amended from time to time with the concurrence of the Association;

12. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 1, 2005;
13. “Good Governance Subproject” means a specific development activity that meets the eligibility criteria set forth in the PIM that is proposed by a CSO or NGO, as the case may be, with the objective of promoting good governance at decentralized levels of government, to be financed with a Subgrant from the Community Development Facility;
14. “Local Government Area” or “LGA” means a Division, City or Municipality, as such terms are defined in the LG Act, and for purposes of this Project means the following six LGAs: Central River Division North, Central River Division South, Lower Division, North Bank Division, Upper River Division and Western Division;
15. “Key Sectoral Agencies” means agencies of the Recipient that include DoSLGL, the Department of State for Agriculture, the Department of State for Health, and the National Nutrition Agency;
16. “Local Government Authority” means a Council established under the LG Act;
17. “LG Act” means the Recipient’s Local Government Act No. 5 of 2002, as amended;
18. “MDFT” means a multi-disciplinary facilitation team of comprising extension workers from the Recipient’s line ministries and NGOs in a Ward, reporting to the TAC at the LGA level;
19. “NGO” means a non-governmental organization duly established and operating in accordance with the laws of the Recipient;
20. “Operating Costs” means the incremental expenditures incurred on account of Project implementation, management and monitoring, including office supplies, vehicle operation and maintenance, equipment maintenance costs, communication costs, utilities, office rent, travel and supervision costs (including transport, accommodation and per diem), bank charges, and salaries of support staff, but excluding salaries of members of the Recipient’s civil service;
21. “Procurement Guidelines” means the “Guidelines for Procurement under IBRD Loans and IDA Credits” published by the Bank in May 2004;

22. “Project Coordination Team” or “PCT” means the team established within DoSLGL with a composition and role described in paragraph B.1 and B.2 of Section I of Schedule 2 to this Agreement;
23. “Project Implementation Manual” or “PIM” means the manual, in form and substance satisfactory to the Association, to be adopted by the Recipient, outlining financial management, accounting and procurement arrangements for the Project, monitoring and evaluation, and other implementation arrangements, as the same may be amended from time to time with the concurrence of the Association, and such term includes any annexes to the Project Implementation Manual;
24. “Project Steering Committee” means the committee with a composition and role described in paragraph A.1 and A.2 of Section I of Schedule 2 to this Agreement;
25. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated May 24, 2006, and referred to in paragraph 1.16 of the Procurement Guidelines and paragraph 1.24 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs;
26. “Project 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 December 7, 2004, and on behalf of the Recipient on January 26, 2005;
27. “RPF” means the framework dated February 15, 2006, approved by the Association setting forth the governing framework for land acquisition, resettlement and compensation under Part A of the Project, and in accordance with which resettlement action plans will be prepared and submitted to the Association for its approval, as the same may be amended from time to time with the agreement of the Association;
28. “Subgrant” means a grant to be provided to a Beneficiary from the Community Development Facility for the implementation of a Community or Good Governance Subproject, as the case may be;
29. “Subprojects” means Community Subprojects and Good Governance Subprojects;
30. “TAC” means the Technical Advisory Committee established pursuant to Section 108 of the Recipient’s LG Act to provide technical advice to the Ward and Village Development Committees within its Local Government Area with the objective of ensuring that local projects conform with national standards, policies and priorities;

31. “Village” means a sub-division of a Ward;
32. “Village Development Committee” means a committee established pursuant to Section 92 (1) of the LG Act to represent a Village or cluster of Villages and undertake development planning at the Village level;
33. “Ward” means a sub-division of a LGA, established pursuant to Section 5 (1) of the LG Act; and
34. “Ward Development Committee” means the committee established pursuant to Section 100 of the LG Act to coordinate and prioritize development planning at the Ward level.