

CONFORMED COPY

GRANT NUMBER H329-GUI

Financing Agreement

(Village Communities Support Program (Phase II))

between

REPUBLIC OF GUINEA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated September 20, 2007

GRANT NUMBER H329-GUI

FINANCING AGREEMENT

AGREEMENT dated September 20, 2007, between REPUBLIC OF GUINEA (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”).

WHEREAS (A) the Association has received letters from the Recipient, dated December 30, 1998 and January 22, 2007, describing a program of actions, objectives, and policies designed to improve the conditions and standards of living of its rural population (the Program), and declaring the Recipient’s commitment to the execution of such program; and

(B) the Recipient intends to obtain from the International Fund for Agricultural Development, a grant in an aggregate amount equivalent to \$10,000,000, to assist in financing the Program on the terms and conditions set forth in a grant agreement to be entered into between the Recipient and the International Fund for Agricultural Development (“International Fund for Agricultural Development Grant”);

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 eleven million five hundred thousand Special Drawing Rights (SDR 11,500,000) (“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 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 February 1 and August 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 and the Program. To this end, the Recipient shall carry out the Project 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 Events of Suspension consist of the following:

A situation has arisen which shall make it improbable that the Program, or a significant part thereof, will be carried out.

ARTICLE V — EFFECTIVENESS; TERMINATION

- 5.01. The Additional Conditions of Effectiveness consist of the following:
 - (a) The Recipient has established the Project Steering Committee in form and substance satisfactory to the Association.
 - (b) The Recipient has adopted, through the Project Steering Committee:
 - (i) the Project Implementation Manual; and
 - (ii) the work program and budget for the first year of Project implementation, all in form and substance satisfactory to the Association.

- (c) The Recipient has recruited to the Project Coordination Unit for purposes of Project implementation, the following staff with qualifications, experience, and terms of reference satisfactory to the Association and in accordance with the provisions of Section III of Schedule 2 to this Agreement: (i) a National Coordinator; (ii) a Technical Operations Officer; (iii) an Administrative and Financial Management Officer; (iv) a Procurement Officer; and (v) a Monitoring and Evaluation Officer.
- (d) The Recipient has appointed an external auditor, with qualifications, experience, and terms of reference satisfactory to the Association, in accordance with the provisions of Section III of Schedule 2 to this Agreement.

5.02. The Effectiveness Deadline is the date 120 days after the date of this Agreement.

ARTICLE VI – REPRESENTATIVE; ADDRESSES

6.01. The Recipient's Representative is its Minister at the time responsible for finance.

6.02. The Recipient's Address is:

Ministry of the Economy and Finance
P. O. Box 579
Conakry
Guinea

| | |
|--------------|--|
| Telex: | Facsimile: |
| 22399 MIFIGE | (224) 30 45 54 22 (224) 30 41 17 17 |

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 Conakry, Guinea, as of the day and year first above written.

REPUBLIC OF GUINEA

By /s/ Ousmane Doré

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ Ishac Diwan

Authorized Representative

SCHEDULE 1

Project Description

The objective of the Project is to support the Recipient's Rural Development Communities in fulfillment of their mandate of planning and implementing inclusive local development activities, and in improving their revenue performance to sustain recurrent costs.

The Project consists of the following parts:

1. Local Investment Fund

Provision of support to financing of Rural Development Communities' Annual Investment Programs through the provision of Subproject Grants for the carrying out of Subprojects.

2. Capacity Building for Decentralized Rural Development

Strengthening capacity of local governments, rural communities, and the Recipient's de-concentrated staff for inclusive, transparent, accountable, and sustainable decentralized rural development through, *inter alia*:

- (a) Provision of support to Rural Development Communities for purposes of participatory formulation, updating, implementation, and oversight of Annual Investment Programs and Local Development Plans.
- (b) Provision of support to and carrying out of training for participating Rural Development Communities for purposes of broadening their revenue base and increasing accountability and transparency.
- (c) Implementation of public outreach campaign with respect to decentralization, with particular focus on sensitization to roles and responsibilities of Recipient entities under decentralization.
- (d) Provision of support to national, regional, and prefectural consultative bodies for purposes of coordination and harmonization of approaches to and assistance for decentralized rural development.
- (e) Provision of support for legal and regulatory reform with respect to decentralization, with particular focus on fiscal decentralization and development of application texts vis-à-vis Local Government Code.

3. Project Coordination and Monitoring and Evaluation

- (a) Project coordination and administrative, technical, and financial management, including the carrying out of public-awareness activities in relation to the Project and monitoring and evaluation of Project implementation, performance, results, and impacts.
- (b) Provision of support for monitoring and evaluation of Program implementation, performance, results, and impacts.

SCHEDULE 2

Project Execution

Section I. Institutional and Other Arrangements

A. Institutional Arrangements

1. Project Steering Committee

(a) The Recipient shall maintain, throughout Project implementation, the Project Steering Committee, in form and substance and with functions, composition, and resources satisfactory to the Association.

(b) Without limitation upon the provisions of subparagraph (a) of this Section, the Project Steering Committee shall be responsible for oversight of Project implementation. As such, it shall, *inter alia* : (i) review and approve proposed annual consolidated work programs and budgets; (ii) review progress towards achievement of the Project objective; (iii) decide on any necessary corrective action relative to Project implementation; and (iv) coordinate projects generally in the area of decentralized rural development.

(c) Without limitation upon the provisions of subparagraph (a) of this Section, the Steering Committee shall meet at regular intervals to review the carrying out of Project implementation, and invite, as appropriate, representatives of development partners to participate in at least one (1) such meeting each year.

2. Project Coordination Unit

(a) The Recipient shall maintain, throughout Project implementation, the Project Coordination Unit in form and substance and with functions and resources satisfactory to the Association, including staff with qualifications, experience, and terms of reference satisfactory to the Association, including the staff referred to in Section 5.01 (c) of this Agreement.

(b) Without limitation upon the provisions of subparagraph (a) of this Section, the Project Coordination Unit shall be responsible for overall Project management and coordination.

3. Regional Support Teams

(a) The Recipient shall establish, no later than two (2) months after the Effective Date, and thereafter maintain, throughout Project implementation, Regional Support Teams, in form and substance and with functions and resources satisfactory to the Association, including staff with qualifications, experience, and terms of reference satisfactory to the Association, including two (2) technical and fiduciary support persons, respectively.

(b) Without limitation upon the provisions of subparagraph (a) of this Section, the Regional Support Teams shall provide facilitation, coordination, and mentoring support to regional and prefectural administrative entities.

B. Project Implementation Manual

Except as the Association shall otherwise agree, the Recipient shall: (i) carry out the Project in accordance with the Project Implementation Manual and (ii) except as the Association shall otherwise agree, not amend, abrogate, or waive, or permit to be amended, abrogated, or waived, the aforementioned, or any provision thereof, in a manner which, in the opinion of the Association, may materially or adversely affect Project implementation or achievement of the objective thereof.

C. Environmental and Social Safeguards

1. The Recipient shall ensure that the Project is implemented in accordance with the provisions of the Environmental and Social Management Framework and Resettlement Process Framework and, except as the Association shall otherwise agree, the Recipient shall not amend, abrogate, or waive, or permit to be amended, abrogated, or waived, any provision of the aforementioned if such amendment or waiver may, in the opinion of the Association, materially or adversely affect Project implementation or achievement of the objective thereof.
2. The Recipient shall ensure that Subprojects likely to have an adverse environmental or social impact shall be appraised, approved, and monitored in accordance with the provisions of the Environmental and Social Management Framework and Resettlement Process Framework, and specific procedures set out in the Project Implementation Manual.

D. Subprojects

1. General

Without limitation upon the provisions of Sections I.A, B, and C of this Schedule, the Project Coordination Unit shall appraise, approve, and monitor

Subprojects on behalf of the Recipient in accordance with the provisions of this Part D and the Project Implementation Manual.

2. Eligibility Criteria

Without limitation on the provisions of paragraph 1 above of this Part D, no proposed Subproject shall be eligible for financing under the Project unless the Project Coordination Unit shall have determined, on the basis of an appraisal conducted in accordance with the provisions of this Part D and the guidelines set forth in the Project Implementation Manual, that the Subproject satisfies the eligibility criteria specified in the Project Implementation Manual and satisfactory to the Association, which shall include the following:

- (a) the proposed Subproject shall be for socioeconomic infrastructure and services;
- (b) the proposed Subproject shall be initiated by a duly represented Beneficiary;
- (c) the proposed Subproject shall be economically, financially, and technically viable in accordance with the standards specified in the Project Implementation Manual;
- (d) except as the Association shall otherwise agree, the Beneficiary shall make a contribution to the estimated costs of the proposed Subproject in the form of cash, materials, labor, or other services as agreed between the Recipient and the Association and set out in the Project Implementation Manual; and
- (e) the proposed Subproject shall be in compliance with the standards set forth in the applicable laws of the Recipient relating to health, safety, and environmental protection.

3. Terms and Conditions

A Subproject shall be carried out pursuant to a Subproject Grant Agreement, to be concluded between the Project Coordination Unit on behalf of the Recipient and the respective Community Council on behalf of the Beneficiary, under terms and conditions described in the Project Implementation Manual and satisfactory to the Association, which shall include the following:

- (a) the obligation of the Beneficiary to carry out, operate, and manage the Subproject for which the Subproject Grant is made with due diligence and efficiency and in accordance with sound technical, financial, managerial, and environmental standards and practices;

- (b) the obligation of the Beneficiary to maintain adequate records to reflect, in accordance with sound accounting practices, the resources, operations, and expenditures relating to the Subproject;
- (c) the obligation of the Beneficiary to ensure that all goods, works, and services to be financed out of the proceeds of the Subproject Grant are procured: (i) at a reasonable price, account being taken also of other relevant factors such as time of delivery and efficiency and reliability of the goods and availability of maintenance facilities and spare parts therefore, and, in the case of services, the quality of such services and the competence of the parties rendering such services; and (ii) in accordance with the provisions of Section III of this Schedule;
- (d) the obligation of the Beneficiary to use said goods, works, and services exclusively in the carrying out of the Subproject;
- (e) the right of the Recipient to inspect, by itself or jointly with representatives of the Association, if the Association shall so request, any goods, works, plants, and construction included in the Subproject, the operation thereof, and any relevant records and documents;
- (f) the obligation of the Beneficiary to provide all such information as the Association or the Recipient shall reasonably request relating to the foregoing and to the administration, operations, and financial condition of the Subproject and to the benefits to be derived from the Subproject;
- (g) the right of the Recipient to suspend or terminate the right of the Beneficiary to the use of the proceeds of the Subproject Grant upon failure by such Beneficiary to perform any of its obligations under the Subproject Grant Agreement; and
- (h) the obligation of the Recipient to cause technical and financial audits to be carried out of the Beneficiary's Annual Investment Program, at a frequency detailed in the Project annual work program and verifying the technical quality of investments made and the appropriateness of financial management procedures at the level of the Beneficiary.

Section II. Project Monitoring, Reporting, Evaluation

A. Project Reports

- 1. (a) The Recipient shall monitor and evaluate the progress of the Project and the Program and 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 detailed in the Project Implementation Manual, which shall include those set forth below in sub-paragraph (b) of this paragraph. Each Project Report shall cover the period of one (1) calendar semester, and shall be furnished to the Association not later than 45 days after the end of the period covered by such report.

- (b) The performance indicators referred to above in sub-paragraph (a) consist of the following:
 - (i) The proportion of citizens in participating Rural Development Communities having participated in the respective local development planning process.
 - (ii) The proportion of citizens in participating Rural Development Communities who consider that their views have been taken into account in the respective local development planning process.
 - (iii) The proportion of Project infrastructure investments staffed at completion.
 - (iv) The Local Development Contribution collection rate of participating Rural Development Communities.

B. Financial Management, Financial Reports and Audits

1. The Recipient shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 4.09 of the General Conditions.
2. Without limitation on the provisions of Part A of this Section, the Recipient shall prepare and furnish to the Association, not later than 45 days after the end of each 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 (1) 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.

Section III. Procurement

A. General

1. **Goods and Works.** All goods and works required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this 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:

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

C. Particular Methods of Procurement of Consultants' Services

1. **Quality- and Cost-based Selection.** Except as otherwise provided in paragraph 2 below, consultants' services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.
2. **Other Methods of Procurement of Consultants' Services.** The following table specifies methods of procurement, other than Quality- and Cost-based Selection, which may be used for consultants' services. The Procurement Plan shall specify the circumstances under which such methods may be used.

| <u>Procurement Method</u> |
|--|
| (a) Selection Based on Consultants' Qualifications |
| (b) Least Cost Selection |
| (c) Single Source Selection |
| (d) Selection under a Fixed Budget |

D. Review by the Bank 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 or works estimated to cost the equivalent of \$200,000 or more; (b) each contract for goods or works procured on the basis of Direct Contracting; (c) each contract for non-consulting services estimated to cost the equivalent of \$50,000 or more; (d) each contract for consultants' services with specific and exclusive regard to the terms of reference for such contract; (e) each contract for consultants' services procured on the basis of Single Source Selection; (f) each contract for consultants' services provided by a firm estimated to cost the equivalent of \$100,000 or more; and (g) each contract for consultants' services provided by an individual consultant estimated to cost the equivalent of \$50,000 or more. 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 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 other Eligible Expenditures as set forth in the table in paragraph 2 below.

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

| Category | Amount of Financing Allocated (expressed in SDR) | Percentage of Expenditures to be Financed |
|---|--|---|
| (1) Goods | 850,000 | 100 |
| (2) Works | 160,000 | 100 |
| (3) Consultants’ services, including audits | 1,120,000 | 100 |
| (4) Training | 1,150,000 | 100 |
| (5) Subproject Grants | 5,700,000 | 100% of amounts disbursed |
| (6) Operating Costs | 720,000 | 100 |
| (7) Refund of Project Preparation Advance | 580,000 | Amount payable pursuant to Section 2.07 of the General Conditions |
| (8) Unallocated | 1,220,000 | |
| TOTAL AMOUNT | 11,500,000 | |

3. Each application by the Recipient for withdrawal shall be deemed a request to withdraw funds from both the Financing account and the International Fund for Agricultural Development Grant account. The funds to be withdrawn pursuant to such application shall be apportioned by the Association, as nearly as practicable under the circumstances, between the two accounts in the ratio of 62:38 or such other ratio as shall be agreed upon between the Association and the International Fund for Agricultural Development.

B. Withdrawal Period

The Closing Date is June 30, 2012.

Section V. Other Undertakings

1. The Recipient shall, no later two (2) years after the Effective Date:
 - (a) adopt a realistic strategy and action plan, both in form and substance satisfactory to the Association, for the progressive deployment of Community Receivers to Rural Development Communities; and
 - (b) prepare and furnish to the Association an evaluation, in form and substance satisfactory to the Association, of a pilot phase of implementation of said strategy.

APPENDIX

Definitions

1. “Annual Investment Program” (*Programme Annuel d’Investissements*) means the program prepared by a Rural Development Community (as hereinafter defined) outlining its priority investment needs for a given fiscal year and based on its Local Development Plan (as hereinafter defined).
2. “Beneficiary” means a Rural Development Community (as hereinafter defined) which meets the criteria specified in the Project Implementation Manual (as hereinafter defined) to which or for whose benefit a Subproject Grant (as hereinafter defined) is made or proposed to be made for the carrying out of a Subproject (as hereinafter defined).
3. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
4. “Community Council” (*Conseil Communautaire*) means the decision-making organ of the Rural Development Community (as hereinafter defined) established and operating pursuant to the Recipient’s Local Government Code (as hereinafter defined) of May 15, 2006.
5. “Community Receiver” (*Receveur Communautaire*) means the Recipient’s official, appointed and operating pursuant to the Recipient’s Local Government Code (as hereinafter defined) of May 15, 2006, responsible for the collection of taxes in a given Rural Development Community (as hereinafter defined).
6. “Consultant Guidelines” means the “Guidelines: Selection and Employment of Consultants by World Bank Borrowers” published by the Bank in May 2004.
7. “Environmental and Social Management Framework” means the Recipient’s framework, dated December 2006, agreed with the Association for the environmental and social screening process to be followed in identifying, assessing, and mitigating the potential adverse environmental and social impact associated with activities to be implemented under the Project, as the same may be updated from time to time with the concurrence of the Association, to be applied by the Recipient in accordance with the provisions of Section I.C.1 of Schedule 2 to this Agreement, and such term includes any schedules to the Environmental and Social Management Framework.
8. “Foreign Expenditures” means expenditures in the currency of any country other than that of the Recipient for goods or services supplied from the territory of any country other than that of the Recipient.

9. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 1, 2005.
10. “Local Development Contribution” (*Contribution au Développement Local*) means the annual head tax collected by each Rural Development Community (as hereinafter defined).
11. “Local Development Plan” (*Plan de Développement Local*) means the plan prepared by a Rural Development Community (as hereinafter defined) outlining its priority development needs for a three to five-year period.
12. “Local Expenditures” means expenditures in the currency of the Recipient or for goods or services supplied from the territory of the Recipient.
13. “Local Government Code” (*Code des Collectivités Locales*) means the Recipient’s Local Government Code of May 15, 2006, governing the establishment and operation of the Recipient’s local governments.
14. “Operating Costs” means the incremental expenses incurred by the Recipient on account of Project implementation, management, and monitoring, including for office space rental, utilities, and supplies, bank charges, communications, vehicle operation, maintenance, and insurance, building and equipment maintenance, advertising expenses, travel and supervision, salaries of contractual and temporary staff, but excluding salaries, fees, honoraria, and bonuses of members of the Recipient’s civil service.
15. “Procurement Guidelines” means the “Guidelines: Procurement under IBRD Loans and IDA Credits” published by the Bank in May 2004.
16. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated February 16, 2007 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.
17. “Project Coordination Unit” (*Cellule Nationale de Coordination*) means the Project entity referred to in Section I.A.2 (a) of Schedule 2 to this Agreement whose responsibilities are set out in Section I.A.2 (b) of said Schedule.
18. “Project Implementation Manual” means the manual adopted by the Recipient, outlining implementation, organizational, administrative, monitoring and evaluation, environmental and social monitoring and mitigation, financial management, disbursement, and procurement arrangements, as shall have been agreed with the Association for purposes of Project implementation, as the same may be amended from time to time with the concurrence of the Association, and such term includes any schedules to the Project Implementation Manual.

19. “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 April 1 and on behalf of the Recipient on April 7, 2004.
20. “Project Steering Committee” means the Project entity referred to in Section I.A.1 (a) of Schedule 2 to this Agreement, and whose responsibilities are set out in Section I.A.1 (b) of said Schedule.
21. “Regional Support Team” (*Equipe Régionale d’Appui*) means the Project entity established pursuant to the provisions of Section I.A.3 (a) of Schedule 2 to this Agreement and whose responsibilities are set out in Section I.A.3 (b) of said Schedule.
22. “Resettlement Process Framework” means the Recipient’s framework, dated February 2006, agreed with the Association, outlining measures for the participation in resource planning and management of communities who might be adversely impacted by potential resettlement associated with activities to be implemented under the Project, as the same may be updated from time to time with the concurrence of the Association, to be applied by the Recipient in accordance with the provisions of Section I.C.1 of Schedule 2 to this Agreement, and such term includes any schedules to the Resettlement Process Framework.
23. “Rural Development Community” (*Communauté Rurale de Développement*) means an administrative area of the Recipient, established pursuant to the Recipient’s Ordinance Nos. 079/PRG/86 of March 25, 1986 and 092/PRG/SGG of October 22, 1990, representing a designated area and population within the territory of the Recipient.
24. “Subproject” means a specific activity carried out under Part 1 of the Project, financed or proposed to be financed through a Subproject Grant (as hereinafter defined).
25. “Subproject Grant” means a grant made or proposed to be made to finance a Subproject.
26. “Subproject Grant Agreement” means an agreement between the Recipient and a Beneficiary, setting forth the terms and conditions under which proceeds of the Financing shall be made available to the Beneficiary for the purpose of financing Subprojects.

27. "Training" means the training of persons involved in Project-supported activities, such term including seminars, workshops, and study tours, and costs associated with such activity including travel and subsistence costs for training participants, costs of securing the services of trainers, rental of training facilities, preparation and reproduction of training materials and other costs directly related to course preparation and implementation.
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