

CONFORMED COPY

GRANT NUMBER H323-IVC

Financing Agreement

(Post-Conflict Assistance Project)

between

REPUBLIC OF COTE D'IVOIRE

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated July 18, 2007

GRANT NUMBER H323-IVC

FINANCING AGREEMENT

AGREEMENT dated July 18, 2007, between REPUBLIC OF COTE D'IVOIRE ("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 seventy nine million two hundred thousand Special Drawing Rights (SDR 79,200,000) ("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 The Maximum Commitment Charge Rate payable by the Recipient on the Un-withdrawn Financing Balance shall be one-half of one percent (1/2 of 1%) per annum.
- 2.04. The Payment Dates are March 1 and September 1 in each year.
- 2.05. The Payment Currency is the Euro.

ARTICLE III — PROJECT

- 3.01. The Recipient declares its commitment to the objective of the Project. 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 Event of Suspension consists of the following:

The Recipient's Order No. 146/PM/CAB of June 25, 2007 or 027/PM/CAB of May 4, 2007 is amended, suspended, abrogated, repealed, or waived so as to affect materially and adversely the ability of the Recipient to perform any of its obligations under this Agreement.

- 4.02. The Additional Event of Acceleration consists of the following:

The event specified in Section 4.01 of this Agreement occurs.

ARTICLE V — EFFECTIVENESS; TERMINATION

- 5.01. The Effectiveness Deadline is the date 90 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 V 163
Abidjan
Côte d'Ivoire

Cable:	Telex:	Facsimile:
MINFIN Abidjan	23747 MINFIN	225-20-30-25-29

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 COTE D'IVOIRE

By: /s/ Daouda Diabaté

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By: /s/ James P. Bond

Authorized Representative

SCHEDULE 1

Project Description

The objective of the Project is to improve conflict-affected communities' and individuals' opportunities for economic reintegration and access to social services, which will accelerate the Recipient's crisis recovery and strengthen the prospects for sustainable peace in its territory.

The Project constitutes part of the Crisis Recovery Program and consists of the following parts:

1. Economic Reintegration

Provision of support to economic reintegration of Ex-Combatants, Individuals Associated with an Armed Group, and Youth at Risk through:

- (a) Labor-intensive public works such as:
 - (i) feeder road rehabilitation;
 - (ii) national paved road maintenance; and
 - (iii) national unpaved road and urban street maintenance and sanitation works.
- (b) Implementation of Subprojects for purposes of access to salaried or self-employment such as in relation to vocational and technical training, apprenticeship, business management training, and assistance to establishment of micro-enterprises and other income-generating activities.

2. Identification

Provision of support to national identification process through, inter alia, updating and modernization of civil registry.

3. Community Rehabilitation

Provision of support to rehabilitation of conflict-affected communities through:

- (a) Implementation of Subprojects for purposes of reconstruction, rehabilitation, and re-equipping of community infrastructure such as schools, health centers, water points, feeder roads, and markets.
- (b) Restoration of social capital through activities such as radio programs, cultural and sporting events, and conflict management training.
- (c) Capacity building of said communities with respect to development and management of Subprojects under Part 3 (a) of Project.

4. Project Management and Institution Building

- (a) Provision of support to Project management through the acquisition of vehicles and office and information technology equipment, rehabilitation of offices, provision of technical advisory services and training to staff, and financing of Operating Costs.
- (b) Targeted capacity building of the Office of the Prime Minister, local governments, technical ministries, and partner organizations with respect to post-conflict reconstruction, peace building, and governance.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. The Recipient shall maintain, at all times during Project implementation, the Crisis Recovery Program, in form and substance and with an institutional framework, terms of reference, and resources satisfactory to the Association and competent staff in adequate numbers.
2. The Recipient shall maintain, at all times during Project implementation, the Steering Committee, with an institutional framework, functions, and resources satisfactory to the Association, and which shall be responsible for Project oversight.

National Reintegration and Community Rehabilitation Program

3. The Recipient shall recruit, no later than one (1) month after the Effective Date, in accordance with the provisions of Section III of this Schedule, and thereafter maintain at all times during Project implementation, a national coordinator for the National Reintegration and Community Rehabilitation Program, a deputy coordinator for the Reintegration Unit, and a deputy coordinator for the Community Rehabilitation Unit, all with qualifications, experience, and terms of reference satisfactory to the Association.
4. The Recipient shall issue, no later than one (1) month after the Effective Date, a legal text, in form and substance satisfactory to the Association, setting out the operating modalities of the various units under the National Reintegration and Community Rehabilitation Program as set out in the Recipient's Order No. 146/PM/CAB of June 25, 2007.
5. The Recipient shall maintain at all times during Project implementation, with terms of reference and resources satisfactory to the Association and competent staff in adequate numbers, the Reintegration Unit, which shall be responsible for coordination of Part 1 of the Project, and the Regional Offices responsible for reintegration, which shall be responsible for Regional coordination of said Part of the Project.

6. For purposes of implementation of Part 1 (a) (i) and (ii) of the Project, the Recipient shall, no later than one (1) month after the Effective Date, enter into an agreement, in form and substance satisfactory to the Association, with an implementing agency satisfactory to the Association with terms of reference and resources satisfactory to the Association and competent staff in adequate numbers, and which shall be responsible for implementation of said Part of the Project.
7. The Recipient shall maintain at all times during Project implementation, with terms of reference and resources satisfactory to the Association and competent staff in adequate numbers, the Community Rehabilitation Unit, which shall be responsible for coordination of Part 3 of the Project, and the Regional Offices responsible for community rehabilitation, which shall be responsible for Regional coordination of said Part of the Project.
8. The Recipient shall maintain at all times during Project implementation, with terms of reference and resources satisfactory to the Association and competent staff in adequate numbers, the Support Unit, which shall be responsible for coordination of Part 4 of the Project and administrative and financial management and procurement under the Project until such time as the fiduciary management agency referred to in paragraph 11 of this Section has been recruited.

Office of the Prime Minister

9. The Recipient shall, no later than one (1) month after the Effective Date, recruit to the Identification and Elections Unit in accordance with the provisions of Section III of this Schedule, and thereafter maintain at all times during Project implementation, four (4) specialists in relevant areas such as civil registry establishment and data protection, all with qualifications, experience, and terms of reference satisfactory to the Association.
10. The Recipient shall maintain, until completion of the national identification process, the Identification Unit, with terms of reference and resources satisfactory to the Association and competent staff in adequate numbers, and which shall be responsible for coordination of Part 2 of the Project.

Other Entities

11. The Recipient shall, no later than July 31, 2007, recruit in accordance with the provisions of Section III of this Schedule, and thereafter maintain at all times during Project implementation, a fiduciary management agency satisfactory to the Association with terms of reference and resources satisfactory to the Association and competent staff in adequate numbers, and which shall be responsible for administrative and financial management and procurement under the Project.

12. The Recipient shall:
 - (a) no later than three (3) months after the Effective Date, develop terms of reference, in form and substance satisfactory to the Association, for purposes of the carrying out of the audit referred to in Section II.B.3 of this Schedule; and

 - (b) no later than six (6) months after the Effective Date, recruit in accordance with the provisions of Section III of this Schedule, and thereafter maintain at all times during Project implementation, an external auditor with qualifications, experience, and terms of reference satisfactory to the Association for purposes of the carrying out of said audit.

B. Anti-Corruption

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

C. Manuals

1. The Recipient shall adopt, no later than one (1) month after the Effective Date, the Reintegration and Community Rehabilitation Manuals, and, no later than three (3) months after the Effective Date, the Financial, Administrative, and Accounting Procedures Manual, all in form and substance satisfactory to the Association.

2. Except as the Association shall otherwise agree, the Recipient shall: (i) carry out the Project in accordance with the provisions of said Manuals; and (ii) not amend, abrogate, or waive, or permit to be amended, abrogated, or waived, the aforementioned, or any provision thereof.

3. In the event of any discrepancy between the provisions of said Manuals and those of this Agreement, the latter shall prevail.

D. Subprojects

1. General

Without limitations upon the provisions of Section I.A of this Schedule, the Regional Offices shall, on behalf of the Recipient, appraise, approve, and monitor Subprojects in accordance with the provisions of this Section and the Reintegration and Community Rehabilitation Manuals.

2. Eligibility Criteria and Procedures for Subprojects

- (a) No proposed Subproject shall be eligible for financing out of the proceeds of the Grant unless the respective Regional Office has determined, on the basis of an appraisal conducted in accordance with the guidelines set forth in the Reintegration and Community Rehabilitation Manuals, that the Subproject satisfies eligibility criteria and procedures satisfactory to the Association and set out in the Reintegration and Community Rehabilitation Manuals, and which shall include the following:
 - (i) the Subproject shall be proposed by an individual, group of individuals, or community-based or other non-governmental organization which fulfils the eligibility criteria set out in the Reintegration and Community Rehabilitation Manuals; and such individual, group, or organization shall be eligible for future Sub-financings if it has completed the preceding Subproject to the satisfaction of the Association and the Recipient;
 - (ii) the proposed Subproject shall be for any of the types of activities set out under Part 1 (b) or 3 (a) of the Project, and in further detail in the Reintegration and Community Rehabilitation Manuals; and
 - (iii) the cost of the proposed Subproject is entirely covered by the amount of the Sub-financing and, in the case of Subprojects under Part 1 (b) of the Project, a credit obtained from an appropriate local financial institution as needed.

- (b) No proposed Subproject shall be eligible for financing under the Project if the respective Regional Office has determined, on the basis of an appraisal conducted in accordance with this Section and the Reintegration and Community Rehabilitation Manuals, that the proposed Subproject meets any of the non-eligibility criteria set out in the Reintegration and Community Rehabilitation Manuals, which shall include, *inter alia*, the following:
 - (i) the proposed Subproject shall be for activities political or religious in nature;
 - (ii) the proposed Subproject could potentially have an adverse environmental or social impact;
 - (iii) the proposed Subproject shall be for investments not proven to be in compliance with applicable agrarian or land law; and
 - (iv) the proposed Subproject shall be for activities relating to the production of tobacco or hallucinogen plants.

3. Terms and Conditions of Sub-financing Agreements

- (a) The Recipient shall make each Sub-financing under a Sub-financing Agreement, concluded between the respective Regional Office, on behalf of the Recipient and the respective Sub-financing Beneficiary on terms and conditions approved by the Association, described in further detail in the Reintegration and Community Rehabilitation Manuals, and which shall include the following:
 - (i) The Sub-financing shall be: (i) denominated in FCA Francs; and (ii) made on a grant basis.
 - (ii) The Recipient shall obtain rights adequate to protect its interests and those of the Association, including the right to:
 - (A) suspend or terminate the right of the Sub-financing Beneficiary to use the proceeds of the Sub-financing, or declare to be immediately due and payable all or any part of the amount of the Sub-financing then withdrawn, upon the Sub-financing Beneficiary's failure to perform

any of its obligations under the Sub-financing Agreement; and

- (B) require the Sub-financing Beneficiary to, and this with the assistance of a technical support agency as needed:
 - (1) carry out its Subproject with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, administrative, environmental, and social standards and practices satisfactory to the Association, including in accordance with the provisions of the Reintegration and Community Rehabilitation Manuals and the Environmental and Social Management Framework, and the provisions of the Anti-Corruption Guidelines applicable to recipients of Grant proceeds other than the Recipient;
 - (2) provide, promptly as needed, the resources required for the purpose;
 - (3) procure the goods, works, and services to be financed out of the Sub-financing in accordance with procedures ensuring efficiency and economy and the provisions of Section III of this Schedule, and use said goods, works, and services exclusively in the carrying out of the Subproject;
 - (4) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the Association, the progress of the Subproject and the achievement of its objectives;
 - (5) (a) maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Association, both in a manner adequate to reflect the operations, resources, and expenditures related to the Subproject; and (b) at

the Association's or the Recipient's request, agree to have such financial statements audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association, and promptly furnish the statements as so audited to the Recipient and the Association;

- (6) enable the Recipient and the Association to inspect the Subproject, its operation, and any relevant records and documents; and
- (7) prepare and furnish to the Recipient and the Association all such information as the Recipient or the Association shall reasonably request relating to the foregoing; and

(C) recruit one (1) or more technical support agency / agencies in accordance with the provisions of Section III of this Schedule for purposes of provision of assistance to the Sub-financing Beneficiary in the identification, preparation, implementation, and oversight of Subprojects.

(b) The Recipient shall exercise its rights under each Sub-financing Agreement in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate, or waive any Sub-financing Agreement or any of its provisions.

D. Safeguards

- 1. The Recipient shall prepare, no later than six (6) months after the Effective Date, the Environmental and Social Management Framework, in form and substance satisfactory to the Association.
- 2. The Recipient shall ensure that the Project, including any Subproject, is implemented in accordance with the provisions of the Environmental and Social Management Framework, and except as the Association shall otherwise agree,

the Recipient shall not amend or waive, or permit to be amended or waived, any provision of the aforementioned.

3. The National Reintegration and Community Rehabilitation Program shall be responsible for implementation of the Environmental and Social Management Framework.

Section II. 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. Each Project Report shall cover the period of one (1) calendar quarter during the first year of Project implementation, one (1) calendar semester during the second year of Project implementation, and one (1) calendar year thereafter, and shall be furnished to the Association not later than one (1) 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) Part 1 of Project

As of the Closing Date, at least 24,000 Ex-Combatants, Individuals Associated with an Armed Group, and Youth at Risk have participated in economic reintegration activities under Part 1 of the Project.
 - (ii) Part 2 of Project

As of the Closing Date, the Recipient's civil registry has been updated and modernized and is operational as such as evidenced by the establishment of a new computerized system in at least 70% of the Recipient's civil registry offices.

(iii) Part 3 of Project

As of the Closing Date, at least 600 Subprojects have delivered improved or re-equipped social or economic infrastructure responding to communities' expressed needs and reflecting their collective decisions.

(iv) Part 4 of Project

The Regional Offices carry out Regional coordination of Parts 1 and 3 of the Project in accordance with the provisions of this Agreement and the Reintegration and Community Rehabilitation Manuals.

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 no 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) semester, including expenditures under the Project Preparation Advance, during the first year of Project implementation, and one (1) fiscal year of the Recipient thereafter. The audited Financial Statements for each such period shall be furnished to the Association not later than three (3) months after the end of such period during the first year of Project implementation, and six (6) months after the end of such period thereafter.

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:

Procurement Method
(a) National Competitive Bidding*
(b) Shopping
(c) Direct Contracting
(d) Procurement from United Nations Agencies
(e) Procurement Agents
(f) Force Account
(g) Community Participation under Bank Guidelines for Simplified Procurement and Disbursement for Community-Based Investments (February 1998)

*Subject to the following additional provisions as needed: (i) open competitive bidding with publication of announcement in at least one (1) local newspaper (including other than the official public procurement gazette); (ii) bid preparation period of at least 20 days; (iii) public tender opening; (iv) provision by the bidder of performance security in an amount sufficient to protect the Recipient in case of breach of contract by the former; and (v) exemption of the bidder from the

obligation to provide: (A) bid security, to be replaced, however, by a statement of the bidder accepting suspension, for a period of time, of its eligibility for bidding on any Recipient contract in the event of withdrawal or modification of the bid on its part during the period of validity or failure to sign the contract in question or furnish the performance security by the deadline specified in the bidding documents; and (B) a fiscal, social security, and labor attestation. Regardless, prior to award of the contract, the successful bidder shall furnish evidence of compliance with national fiscal, social security, and labor regulations.

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.

Procurement Method
(a) Least Cost Selection
(b) Selection Based on Consultants' Qualifications*
(c) Single-Source Selection
(d) Selection of Individual Consultants

*Subject to the following additional provision: The threshold referred to in footnote 28 to the Consultant Guidelines shall be \$450,000 for any one (1) contract procured on this basis under Part 1 of the Project.

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 \$300,000 or more; (b) each contract for goods or works procured on the basis of Direct Contracting and not included in the Procurement Plan; (c) each contract for goods procured from a United Nations agency and not included in the Procurement Plan; (d) each contract for works estimated to cost the equivalent of \$500,000 or more; (e) each contract for consultants' services provided by a firm estimated to cost the equivalent of \$200,000 or more; (f) each contract for

consultants' services provided by an individual estimated to cost the equivalent of \$50,000 or more; (g) each contract for consultants' services procured on the basis of Single-Source Selection and not included in the Procurement Plan; and (h) the first two (2) contracts procured in each Region under a Subproject. 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 may specify by notice to the Recipient, to finance Eligible Expenditures as set forth in the table in paragraph 2 below.
2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Financing ("Category"), the allocations of the amounts of the Financing to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

Category	Amount of the Financing Allocated (expressed in SDR)	Percentage of Expenditures to be Financed
(1) Goods, works, consultants' services (including audits), Sub-financings, and Operating Costs		100%
(a) Parts 1, 3, and 4 of Project	65,550,000	
(b) Part 2 of Project	13,200,000	
(2) Project Preparation Advance	450,000	Amount to be reimbursed pursuant to Section 2.07 of General Conditions
TOTAL AMOUNT	79,200,000	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawals shall be made:
 - (a) in respect of payments made for expenditures prior to the date of this Agreement, except that withdrawals, in an aggregate amount not exceeding \$4,000,000 equivalent, may be made on account of payments made for expenditures before that date but after July 1, 2007; and
 - (b) under Category (1) (b) of the table in Part A of this Section, unless the Recipient has adopted the Identification Process Manual, in form and substance satisfactory to the Association.
2. The Closing Date is December 31, 2011.

Section V. Other Undertakings

A. Work Plans and Budgets

The Recipient shall furnish to the Association as soon as available, but in any case:

1. no later than two (2) weeks after the Effective Date, a work plan and budget for the first quarter of Project implementation;
2. no later than the end of each quarter in the first year of Project implementation, a work plan and budget for the Project for the following quarter;
3. no later than the end of each semester in the second year of Project implementation, a work plan and budget for the Project for the following semester; and
4. no later than the end of each calendar year thereafter throughout Project implementation, a work plan and budget for the Project for the following year,

all in form and substance satisfactory to the Association, of such scope and detail as the Association shall have reasonably requested, and including a detailed disbursement plan, in form and substance satisfactory to the Association.

B. Procurement Plan

The Recipient shall, no later than three (3) months after the Effective Date, adopt the Procurement Plan, in form and substance satisfactory to the Association.

C. Technical and Procurement Audits

The Recipient shall have technical and procurement audits of the Project, including in relation to any Subprojects, carried out by an external auditor satisfactory to the Association under terms of reference satisfactory to the Association. Each such audit shall cover the period of one (1) semester during the first year of Project implementation, and one (1) fiscal year of the Recipient thereafter. The audit for each such period shall be furnished to the Association not later than three (3) months after the end of such period during the first year of Project implementation, and not later than six (6) months after the end of such period thereafter.

D. Midterm Review

The Recipient shall:

1. (a) carry out jointly with the Association, no later than 24 months after the Effective Date, a midterm review to assess the status of Project implementation, as measured against the performance indicators referred to in Section II.A.1 (a) of this Schedule. Such review shall include an assessment of the following: (i) overall progress in Project implementation, (ii) implementation of annual work plans and budgets, (iii) progress on procurement and disbursement, and (iv) results of monitoring and evaluation activities; and
- (b) make adjustments to the Project and reallocate funds to improve performance, if needed;
2. Prepare and furnish to the Association, three (3) months before such review, a report, in form and substance and scope and detail satisfactory to the Association, needed to undertake the review, integrating the results of the monitoring and evaluation activities performed pursuant to paragraph 1 (a) of this Section on the progress achieved in the carrying out of the Project during the period preceding the date of said report and setting out the measures recommended to ensure the efficient carrying out of the Project and the achievement of the objective thereof during the period following such date; and

3. Review, jointly with the Association, the report referred to in paragraph 2 of this Section and thereafter take all measures required to ensure the efficient completion of the Project and the achievement of the objective thereof, based on the conclusions and recommendations of said report and the Association's views on the matter.

E. Arrears Clearance

The Recipient shall, no later than July 31, 2007, prepare and furnish to the Association a plan, in form and substance satisfactory to the Association, for clearance of the Recipient's arrears to the Association and the Bank no later than February 29, 2008, and thereafter implement said plan in form and substance satisfactory to the Association.

APPENDIX

Definitions

1. “Anti-Corruption Guidelines” means the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006.
2. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
3. “Combatant” means any person belonging to an Ex-Belligerent Force (as hereinafter defined).
4. “Community Rehabilitation Manual” means the Recipient’s manual, in form and substance satisfactory to the Association, outlining organizational, monitoring and evaluation, environmental and social monitoring and mitigation, and other such arrangements, as shall have been agreed with the Association for purposes of implementation of Part 3 of the Project, as the same may be amended from time to time with the concurrence of the Association, and such term includes any schedules to said Manual.
5. “Community Rehabilitation Unit” (*Cellule Réhabilitation Communautaire*) means the Recipient entity, under the supervisory authority of the National Reintegration and Community Rehabilitation Program, established and operating pursuant to the Recipient’s Order No. 146/PM/CAB of June 25, 2007, and which is responsible for the coordination of community rehabilitation activities under said Program.
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. “Crisis Recovery Program” (*Programme de Sortie de Crise*) means the Recipient’s program, including its disarmament program, National Reintegration and Community Rehabilitation Program (as hereinafter defined), and national identification process, designed to support the Recipient’s crisis recovery and set forth or referred to in its document “Crisis Recovery Program of Transitional Government Established under Ouagadougou Agreement” of June 22, 2007.

8. “Environmental and Social Management Framework” means the Recipient’s framework, in form and substance satisfactory to the Association, describing measures for the mitigation of the potential adverse environmental and social impact of the Project, as the same may be updated from time to time with the concurrence of the Association, to be prepared and applied in accordance with the provisions of Section I.D.1 and 2 of Schedule 2 to this Agreement.
9. “Ex-Belligerent Force” means any one (1) of the two (2) armed forces having participated in the fighting in the Recipient’s territory since September 19, 2002 and having signed the End of Hostilities Agreement of July 4, 2003.
10. “Ex-Combatant” means any Combatant having been disarmed, demobilized, and registered as such under the Recipient’s disarmament and militia dismantlement program.
11. “Financial, Administrative, and Accounting Procedures Manual” means the Recipient’s manual, in form and substance satisfactory to the Association, outlining administrative, financial management, disbursement, procurement, and other such 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 said Manual.
12. “Franc of the Financial Community of Africa” (*Franc de la Communauté Financière de l’Afrique*) or “FCA Franc” (*Franc CFA*) means the currency of the Recipient.
13. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 1, 2005, as amended through October 15, 2006.
14. “Identification and Elections Unit” (*Cellule Identification et Élections*) means the Recipient entity, under the supervisory authority of the Office of the Prime Minister, established and operating pursuant to the Recipient’s Order No. 027 PM/CAB of May 4, 2007, and which is responsible for coordination of the Recipient’s national identification process.
15. “Identification Process Manual” means the Recipient’s manual, in form and substance satisfactory to the Association, outlining technical, organizational, administrative, monitoring and evaluation, and other such arrangements, as shall have been agreed with the Association for purposes of implementation of the national identification process, as the same may be amended from time to time

with the concurrence of the Association, and such term includes any schedules to the Identification Process Manual.

16. “Individual Associated with an Armed Group” means any person registered as such under the Recipient’s disarmament and militia dismantlement program as set out in the Ouagadougou Political Agreement.
17. “National Reintegration and Community Rehabilitation Program” (*Programme National de Réinsertion et de Réhabilitation Communautaire*) means the Recipient entity, under the supervisory authority of the Office of the Prime Minister, established and operating pursuant to the Recipient’s Order No. 146/PM/CAB of June 25, 2007, and which is responsible for the implementation of civic and economic reintegration and community rehabilitation under the Crisis Recovery Program.
18. “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.
19. “Ouagadougou Political Agreement” (*Accord Politique de Ouagadougou*) means the peace agreement concluded between the Ex-Belligerent Forces on March 4, 2007.
20. “Procurement Guidelines” means the “Guidelines: Procurement under IBRD Loans and IDA Credits” published by the Bank in May 2004 and revised in October 2006.
21. “Procurement Plan” means the Recipient’s procurement plan for the Project, required to be prepared pursuant to the provisions of Section I.A.8 of Schedule 2 to this Agreement 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.
22. “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 January 28, 2004 and on behalf of the Recipient on January 29, 2004.

23. “Region” (*Région*) means an administrative area of the Recipient, established pursuant to the Recipient’s Law No. 2001-476 of August 9, 2001, representing a designated area and population within the territory of the Recipient.
24. “Regional Office” (*Bureau Régional*) means the Recipient entity in a Region targeted under the National Reintegration and Community Rehabilitation Program, under the supervisory authority of said Program, established and operating pursuant to the Recipient’s Order No. 146/PMN/CAB of June 25, 2007, and which is responsible for the coordination of Program activities in the respective Region.
25. “Reintegration Manual” means the Recipient’s manual, in form and substance satisfactory to the Association, outlining organizational, monitoring and evaluation, environmental and social monitoring and mitigation, and other such arrangements, as shall have been agreed with the Association for purposes of implementation of Part 1 of the Project, as the same may be amended from time to time with the concurrence of the Association, and such term includes any schedules to said Manual.
26. “Reintegration Unit” (*Cellule Réinsertion*) means the Recipient entity, under the supervisory authority of the National Reintegration and Community Rehabilitation Program, established and operating pursuant to the Recipient’s Order No. 146/PM/CAB of June 25, 2007, and which is responsible for the coordination of civic and economic reintegration and integration activities under said Program.
27. “Steering Committee” (*Comité de Pilotage*) means the Recipient entity, under the supervisory authority of the Crisis Recovery Program, established and operating pursuant to the Recipient’s Order No. 146/PM/CAB of June 25, 2007, and which is responsible for oversight of said Program.
28. “Subproject” means a specific activity under Part 1 (b) or 3 (a) of the Project financed, or proposed to be financed, through a Sub-financing (as hereinafter defined).
29. “Sub-financing” means a financing made, or proposed to be made, by the Recipient represented by the respective Regional Office to a Sub-financing Beneficiary (as hereinafter defined) to finance a Subproject.
30. “Sub-financing Agreement” means the agreement to be entered into between the Recipient represented by the respective Regional Office and a Sub-financing

Beneficiary (as hereinafter defined) for the purposes of carrying out and financing a Subproject.

31. “Sub-financing Beneficiary” means an individual, group of individuals, or community-based or other non-governmental organization established and operating as such under the laws of the Recipient, which has met the eligibility criteria set out in Section I.D of Schedule 2 to this Agreement and in further detail in the Reintegration and Community Rehabilitation Manuals, and, as a result, has received or is entitled to receive a Sub-financing.
32. “Support Unit” (*Cellule d’Appui*) means the Recipient entity, under the supervisory authority of the National Reintegration and Community Rehabilitation Program, established and operating pursuant to the Recipient’s Order No. 146/PM/CAB of June 25, 2007, and which is responsible for administrative and financial management under said Program.
33. “Youth at Risk” (*Jeune à risque*) means any person between the ages of 18 and 30 without employment.