

Public Disclosure Authorized

CONFORMED COPY

CREDIT NUMBER 4785-MR

Financing Agreement

(Additional Financing For the Urban Development Project)

between

ISLAMIC REPUBLIC OF MAURITANIA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated July 29, 2010

CREDIT NUMBER 4785-MR

FINANCING AGREEMENT

AGREEMENT dated July 29, 2010, entered into between ISLAMIC REPUBLIC OF MAURITANIA (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”) for the purpose of providing additional financing for activities related to the Original Project (as defined in the Appendix to this Agreement). The Recipient and the Association hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

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

ARTICLE II — FINANCING

- 2.01. The Association agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a credit in an amount equivalent to sixteen million nine hundred thousand Special Drawing Rights (SDR 16,900,000) (variously, “Credit” and “Financing”) to assist in financing the project described in Schedule 1 to this Agreement (“Project”).
- 2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section IV of Schedule 2 to this Agreement.
- 2.03. The Maximum Commitment Charge Rate payable by the Recipient on the Unwithdrawn Financing Balance shall be one-half of one percent (1/2 of 1%) per annum.
- 2.04. The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.
- 2.05. The Payment Dates are June 15 and December 15 in each year.
- 2.06. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.
- 2.07. The Payment Currency is 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 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 — EFFECTIVENESS; TERMINATION

- 4.01. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.
- 4.02. For purposes of Section 8.05 (b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty years after the date of this Agreement.

ARTICLE V — REPRESENTATIVE; ADDRESSES

- 5.01. The Recipient's Representative is the Recipient's minister at the time responsible for economy.
- 5.02. The Recipient's Address is:

Minister of Economic Affairs and Development
Ministry of Economic Affairs and Development
BP 238
Nouakchott
Mauritania

Facsimile:

222-525-33-35

- 5.03. The Association's Address is:

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

Cable:	Telex:	Facsimile:
INDEVAS	248423 (MCI)	1-202-477-6391

Washington, D.C.

AGREED at Nouakchott, Islamic Republic of Mauritania, as of the day and year first above written.

ISLAMIC REPUBLIC OF MAURITANIA

By //s// H.E. Sidi Ould Tah

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By //s// Brahim Ould Abdelwedoud

Authorized Representative

SCHEDULE 1

Project Description

The objective of the Project is to assist the Recipient's central and local governments to (i) improve access to basic services and infrastructure in targeted urban areas; and (ii) increase access to micro-finance and income generating activities for the slum population.

1. The Project consists of the following part:
2. Provision of Basic Urban Infrastructure in the Main Cities

Carrying out of basic urban infrastructure works and provision of services in slums of the Main Cities through: (a) the construction or rehabilitation of paved and unpaved roads; and (b) the extension of the water network (including rainwater drainage, treatment and potable water distribution) and electricity transmission line and distribution network (including street lighting), for the purpose of, *inter alia*, supporting labor intensive economic activities.

SCHEDULE 2**Project Execution****Section I. Implementation Arrangements****A. Institutional Arrangements**

1. Project Coordination Unit

- (a) Throughout the implementation of the Project, the Recipient shall maintain the Project Coordination Unit (PCU), which shall remain responsible for the Project coordination and implementation including, *inter alia*, financial management, supervision, monitoring, reporting, auditing, and capacity building.
- (b) The Recipient shall ensure that the PCU, throughout the implementation of the Project, consists of professional staff, all in adequate number and with terms of reference, qualification and experience satisfactory to the Association.

2. Municipal Contracts

- (a) The Recipient shall enter into municipal contracts (each a “Municipal Contract”) in form and substance satisfactory to the Association with each of the Main Cities pursuant to which, *inter alia*, the Recipient shall provide funds on a grant basis for the financing of basic urban infrastructure in such Main City and the Main City shall: (i) commit to enter into a MDOD Agreement for the implementation of the civil works needed to complete such basic urban infrastructure, and other related services; (ii) provide the resources necessary for the recurrent maintenance of such basic infrastructure; and (iii) achieve agreed results.
- (b) The Recipient shall exercise its rights and carry out its obligations under the Municipal Contracts in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive the Municipal Contracts or any of their provisions.
- (c) Without limitation to the provisions of Paragraph (b) above, the Recipient shall ensure that the Main City shall contribute the resources needed for the maintenance of the basic urban infrastructure financed under the Project, in accordance with the terms and conditions of its Municipal Contract.

3. MDOD Agreements

- (a) The Recipient shall enter into a framework agreement in form and substance satisfactory to the Association with AMEXTIPE, and cause each Main City to enter into an agreement with AMEXTIPE for the purpose of carrying out and supervising the civil works for the Project and other related services including procurement, under terms and conditions approved by the Association (each a “MDOD Agreement”).
- (b) Without limitation to the generality of Paragraph (a) above, each MDOD Agreement shall include provisions pursuant to which the Recipient and the Main City shall obtain rights adequate to protect the interests of the Recipient and the Association, including the right to require each Main City and AMEXTIPE to cause:
 - (A) its activities under the Project to be carried out with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the Association, including, without limitation to the generality of the foregoing, in accordance with the provisions of the Anti-Corruption Guidelines applicable to recipients of Financing proceeds other than the Recipient, and in accordance with the Environmental and Social Management Framework and the Resettlement Policy Framework, as well as the Environmental and Social Management Plan and the Resettlement Action Plan prepared for its activities under the Project, if applicable to this type of activities;
 - (B) the resources required for the purpose of its activities under the Project to be provided, promptly as needed;
 - (C) the goods, works and services to be financed out of the proceeds of the Financing to be procured in accordance with the provisions of this Agreement;
 - (D) policies and procedures to be maintained, which are adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the Association, the progress of the activities carried out under the Project and the achievement of its objectives;

(E) (1) a financial management system to be maintained and financial statements to be prepared 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 activities carried out in the Main City under the Project; and (2) at the Association's or the Recipient's request, such financial statements to be audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association, and the financial statements as so audited to be promptly furnished to the Recipient and the Association;

(F) the Recipient and the Association to be able to inspect the activities carried out in the Main City under the Project, their operation and any relevant records and documents; and

(G) all such information as the Recipient or the Association shall reasonably request relating to the foregoing to be prepared and furnished to the Recipient and the Association.

(c) The Recipient shall exercise, and shall cause each Main City to exercise, their respective rights under the MDOD Agreements 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, and shall cause each Main City to, refrain from assigning, amending, abrogating or waiving the MDOD Agreements or any of their provisions.

4. The Recipient shall not request a withdrawal from the Financing Account for the financing of basic urban infrastructure in a Main City unless: (i) a framework agreement has been signed between the Recipient and AMEXTIPE; (ii) a Municipal Contract has been signed between the Recipient and such Main City in accordance with Section I.A.2 of Schedule 2 to this Agreement; (iii) a MDOD Agreement has been signed between such Main City and AMEXTIPE in accordance with Section I.A.3 of Schedule 2 to this Agreement; and (iv) the Association has received satisfactory evidence of compliance with the applicable provisions of the Environmental and Social Management Framework and the Resettlement Policy Framework.

B. Other Implementation Arrangements

1. Project Implementation Manual

(a) The Recipient shall ensure that the Project is carried out in accordance with the provisions of the Project Implementation Manual.

- (b) No later than three (3) months after the Effective Date, the Recipient shall have amended the Project Implementation Manual in order to reflect the specific requirements of the Project.
- (c) The Project Implementation Manual may be amended from time to time in consultation with the Association. Unless the Recipient and the Association shall otherwise agree in writing, the Recipient shall not amend, abrogate, or waive any provision of the Project Implementation Manual in a manner which, in the opinion of the Association, could have a material adverse impact on the implementation of the Project.
- (d) In the event that any provision of the Project Implementation Manual shall conflict with any provision under this Agreement, the terms of this Agreement shall prevail.

C. Anti-Corruption

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

D. Safeguards

1. The Recipient shall ensure that, throughout the implementation of the Project, the Project shall be implemented in accordance with the guidelines, procedures, timetables and other specifications set forth in the Environmental and Social Management Framework and the Resettlement Policy Framework. In particular, the Recipient shall ensure that:
 - (a) for each activity under the Project of a category for which the Environmental and Social Management Framework provides that an Environmental and Social Management Plan should be prepared, such Environmental and Social Management Plan, in form and substance satisfactory to the Association, is effectively prepared and locally disclosed, before the implementation of such activity, in accordance with the provisions of the Environmental and Social Management Framework, and the relevant activity is implemented in accordance with its Environmental and Social Management Plan; and
 - (b) for each activity under the Project of a category for which the Resettlement Policy Framework provides that a Resettlement Action Plan should be prepared, such Resettlement Action Plan, in form and substance satisfactory to the Association, is effectively prepared and locally disclosed, before the implementation of such activity, in accordance with the provisions of the Resettlement Policy Framework,

and the relevant activity is implemented in accordance with its Resettlement Action Plan.

2. Except as the Association shall otherwise agree in writing and subject to compliance with applicable consultation and public disclosure requirements, the Recipient shall not abrogate, amend, repeal, suspend or waive any provisions of any of the Safeguard Documents.
3. Without limitation upon its other reporting obligations under this Agreement, the Recipient shall regularly collect, compile and submit to the Association, on a semi-annual basis, reports on the status of compliance with the Safeguard Documents, giving details of:
 - (a) measures taken in furtherance of the Safeguard Documents;
 - (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of the Safeguard Documents; and
 - (c) remedial measures taken or required to be taken to address such conditions.
4. In the event that any provision of the Safeguard Documents shall conflict with any provision under this Agreement, the terms of this Agreement shall prevail.

E. Counterpart funds

1. In accordance with Section 4.03 of the General Conditions and without limitation to the Recipient's obligations under said Section 4.03 of the General Conditions, the Recipient shall contribute an amount of not less than the equivalent of two million four hundred thousand Dollars (\$2,400,000) for the financing of expenditures under the Project other than those financed from the proceeds of the Financing, including fees payable to AMEXTIPE under the MDOD Agreements and Operating Costs from July 1st, 2011 to the Closing Date, all as counterpart funds ("Counterpart Funds").
2. The Recipient shall: (i) maintain throughout the implementation of the Project, the Project Account in Ouguiya in the name of the PCU in a commercial bank acceptable to the Association, on terms and conditions satisfactory to the Association, for the payment of Counterpart Funds.
3. The Recipient shall deposit in the Project Account the amount of Counterpart Funds in two installments as follows:
 - (a) no later than four (4) months after the Effective Date, an initial amount equivalent to one million two hundred thousand Dollars (\$1,200,000); and

- (b) no later than ten (10) months after the Effective Date, the balance of the Counterpart Funds or an amount equivalent to one million two hundred thousand Dollars (\$1,200,000), whichever is more;
- 4. The Recipient shall ensure that the funds deposited into the Project Account in accordance with Section I.E.3 of Schedule 2 to this Agreement are used exclusively to finance expenditures under the Project other than those financed from the proceeds of the Financing.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

- 1. The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of the indicators agreed with the Association. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the Association not later than one month after the end of the period covered by such report.
- 2. For purposes of Section 4.08 (c) of the General Conditions, the report on the execution of the Project and related plan required pursuant to that Section shall be furnished to the Association not later than November 30, 2012.
- 3. Twelve (12) months after the Effective Date, or such later date as may be agreed upon by the Recipient and the Association, the Recipient shall, in conjunction with the Association, carry out a mid-term review of the Project (the “Mid-term Review”), covering the progress achieved in the implementation of the Project. The Recipient shall prepare, under terms of reference satisfactory to the Association, and furnish to the Association not less than three (3) months prior to the beginning of the Mid-term Review, or on such later date agreed upon with the Association in writing, a report integrating the results of the monitoring and evaluation activities performed pursuant to this Agreement, on the progress achieved in the carrying out of the Project during the period preceding the date of such report, and setting out the measures recommended to ensure the efficient carrying out of the Project and the achievement of the objective of the Project during the period following such date. Following the Mid-term Review, the Recipient shall act promptly and diligently in order to take, or cause to be taken, any corrective action deemed necessary by the Association to remedy any shortcoming noted in the carrying out of the Project in furtherance of the objectives of the Project.

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 unaudited financial reports for the Project covering the quarter, in form and substance satisfactory to the Association.
3. The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 4.09 (b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the Association not later than six months after the end of such period.
4. No later than one (1) month after the Effective Date, the Recipient shall have adapted its financial management system in a manner satisfactory to the Association, for the management of the proceeds of the Financing.
5. No later than three (3) months after the Effective Date, the Recipient shall have either (i) recruited an external independent auditor selected on the basis of terms of reference, qualifications and experience satisfactory to the Association, in accordance with the provisions of Section III of this Schedule, or (ii) amended the terms of reference of the external independent auditor recruited for the audit of the financial statements of the Recipient's for the Original Project, for the purpose of, *inter alia*, carrying out the financial audits referred to in Paragraph 3 above.

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 Section.
2. **Consultants' Services.** All consultants' services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines, and with the provisions of this Section.

3. Definitions. The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Association of particular contracts, refer to the corresponding method described in the Procurement Guidelines, or Consultant Guidelines, as the case may be.

B. Particular Methods of Procurement of Goods 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 subject to prior approval from the Association

(*) National Competitive Bidding may be used subject to complying with the following provisions:

- (i) bids shall be advertised in national newspapers with wide circulation;
- (ii) bid evaluation, bidder qualification and award criteria shall be specified clearly in the bidding documents;
- (iii) bidders shall be given adequate response time (minimum four weeks) to prepare and submit bids;
- (iv) bids shall be awarded to the lowest evaluated bidder provided that this bidder is qualified;
- (v) eligible bidders, including foreign bidders, shall not be precluded from participating; and
- (vi) no preference margin shall be granted to domestic contractors.

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) Consultants Qualifications
(b) Least Cost Selection
(c) Selection of Individual Consultants
(d) Single Source Selection subject to prior approval from the Association

3. **Training.** Training shall be carried out on the basis of annual programs and budgets, which shall have been approved by the Association, and which shall, *inter alia*, identify: (a) particulars of the training envisaged; (b) the personnel to be trained; (c) the selection method of the institution or individuals conducting such training; (d) the institution conducting such training if identified; (e) the purpose and justification for such training; (f) the location and duration of the proposed training; and (g) the estimate of the cost of such training.

D. Review by the Association of Procurement Decisions

The Procurement Plan shall set forth those contracts which shall be subject to the Association’s Prior Review. All other contracts shall be subject to Post Review by the Association.

Section IV. Withdrawal of the Proceeds of the Financing

A. General

1. The Recipient may withdraw the proceeds of the Financing in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Association shall specify by notice to the Recipient (including the “World Bank Disbursement Guidelines for Projects” dated May 2006, as revised from time to time by the Association and as made applicable to this Agreement pursuant to such instructions), to finance 100% (inclusive of

Taxes) of Eligible Expenditures, consisting of works, goods and consultants services for the Project, as well as Training, audits and Operating Costs.

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for payments made prior to the date of this Agreement.
2. The Closing Date is June 30, 2012.

SCHEDULE 3**Repayment Schedule**

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage)*
On each June 15 and December 15:	
commencing December 15, 2020 to and including June 15, 2030	1%
commencing December 15, 2030 to and including June 15, 2050	2%

* The percentages represent the percentage of the principal amount of the Credit to be repaid, except as the Association may otherwise specify pursuant to Section 3.03 (b) of the General Conditions.

APPENDIX**Section I. Definitions**

1. “AMEXTIPE” means *Agence Mauritanienne d’Exécution des Travaux d’Intérêt Public pour l’Emploi*, an entity established pursuant to the Recipient’s Law no. 64-098, dated June 9, 1964, as amended to the date of this Agreement.
2. “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 with the modifications set forth in Section III of this Appendix.
3. “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 and May 2010.
4. “Displaced Persons” means a person who, on account of the execution of the Project, has experienced or would experience direct economic and social impacts caused by: (a) the involuntary taking of land, resulting in (i) relocation or loss of shelter, (ii) loss of assets or access to assets, or (iii) loss of income sources or means of livelihood, whether or not such person must move to another location; or (b) the involuntary restriction of access to legally designated parks and protected areas, resulting in adverse impacts on the livelihood of such person.
5. “Environmental and Social Management Framework” means the Recipient’s document entitled “*Programme de Developpement Urbain (PDU) – Cellule de Coordination (CCP/PDU) - Plan Cadre de Gestion Environnementale et Sociale (PCGES) Rapport Provisoire*”, dated May 2010, detailing: (a) the measures to be taken during the implementation and operation of the Project to eliminate or offset adverse environmental and social impacts, or to reduce them to acceptable levels, and (b) the actions needed to implement these measures, including monitoring and institution strengthening.
6. “Environmental and Social Management Plan” means the Recipient’s document prepared and disclosed in accordance with the Environmental and Social Management Framework with respect to an activity under the Project, that details: (i) the measures to be taken during the implementation and operation of such activity to eliminate or offset adverse environmental or social impacts, or to reduce them to acceptable levels, and (ii) the actions needed to implement these measures.
7. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 1, 2005 (as amended

through October 15, 2006), with the modifications set forth in Section II of this Appendix.

8. “Main Cities” means collectively the following cities on the Recipient’s territory: Akjoujt, Aleg, Atar, Kaédi, Kiffa, Nouadhibou, Rosso, Sélibaby, and Tidikja; and “Main City” means one of such Main Cities as the context shall require.
9. “MDOD Agreement” means an agreement (*convention de maîtrise d’ouvrage déléguée*) referred to in Section I.A.3 of Schedule 2 to this Agreement.
10. “Municipal Contract” means an agreement referred to in Section I.A.2 of Schedule 2 to this Agreement.
11. “Operating Costs” means the incremental operating expenses, based on annual budgets approved by the Association, incurred by the PCU, on account of the Project as operation and maintenance costs of office, vehicles and office equipment; water and electricity utilities, telephone, office supplies, bank charges, additional staff costs, travel and supervision costs, *per diem*, but excluding the salaries and indemnities of officials and public servants of the Recipient’s civil service.
12. “Original Financing Agreement” means the development credit agreement for an Urban Development Project between the Recipient and the Association, dated October 31, 2001 as amended to the date of this Agreement (Credit No. 3574).
13. “Original Project” means the Project described in the Original Financing Agreement.
14. “Ouguiya” means the currency having legal tender on the Recipient’s territory.
15. “Procurement Guidelines” means the “Guidelines: Procurement under IBRD Loans and IDA Credits” published by the Bank in May 2004 and revised in October, 2006 and May 2010.
16. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated May 18, 2010 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” or “PCU” means the Project coordination unit formally established and operating in the Recipient’s ministry responsible for economic affairs and development pursuant to Recipient’s decision (*arrêté*) No. R 403/MAED of May 14, 2001, and transferred under the authority of the Recipient’s ministry responsible for economy pursuant to Recipient’s Decree No. 184-2008/PM of October 19, 2008.

18. “Project Implementation Manual” means the Recipient’s manual referred to in the Original Financing Agreement, as the same may be amended from time to time with the approval of the Association.
19. “Resettlement Action Plan” means the Recipient’s document prepared and disclosed in accordance with the Resettlement Policy Framework with respect to an activity under the Project, which, *inter alia*, (i) contains a census survey of Displaced Persons and valuation of assets, (ii) describes compensation and other resettlement assistance to be provided, consultation to be conducted with Displaced Persons about acceptable alternatives, institutional responsibilities for the implementation and procedures for grievance redress, and arrangements for monitoring and evaluation, and (iii) contains a timetable and budget for the implementation of such measures.
20. “Resettlement Policy Framework” means the Recipient’s document entitled “*Programme de Developpement Urbain (PDU) – Cellule de Coordination (CCP/PDU) – Cadre de Politique de Réinstallation – Rapport Provisoire*” dated May 2010, containing guidelines, procedures, timetables and other specifications for the provision of compensation, rehabilitation and resettlement assistance to Displaced Persons, as amended from time to time with the prior written consent of the Association.
21. “Safeguard Documents” means collectively the Environmental and Social Management Framework, the Resettlement Policy Framework, as well as the Environmental and Social Management Plans and the Resettlement Action Plans prepared for specific activities carried out under the Project, if any.
22. “Training” means the cost of training under the Project, based on annual budgets approved by the Association pursuant to Section III.C.3 of Schedule 2 to this Agreement, including costs associated with seminars, workshops, conference and study tours, travel and subsistence costs for training participants, services of trainers, rental of training facilities, preparation and reproduction of training materials and other activities directly related to course preparation and implementation.

Section II. Modifications to the General Conditions

The modifications to the General Conditions for Credits and Grants of the Association, dated July 1, 2005 (as amended through October 15, 2006) are as follows:

1. Section 2.07 is modified to read as follows:

“Section 2.07. *Refinancing Preparation Advance*

If the Financing Agreement provides for the repayment out of the proceeds of the Financing of an advance made by the Association or the Bank (“Preparation Advance”), the Association shall, on behalf of the Recipient, withdraw from the Financing Account on or after the Effective Date the amount required to repay the withdrawn and outstanding balance of the advance as at the date of such withdrawal from the Financing Account and to pay all accrued and unpaid charges, if any, on the advance as at such date. The Association shall pay the amount so withdrawn to itself or the Bank, as the case may be, and shall cancel the remaining unwithdrawn amount of the advance.”

2. Paragraph (i) of Section 6.02 is modified to read as follows:

“Section 6.02. *Suspension by the Association*

... (1) *Ineligibility*. The Association or the Bank has declared the Project Implementing Entity ineligible to receive proceeds of any financing made by the Association or the Bank or otherwise to participate in the preparation or implementation of any project financed in whole or in part by the Association or the Bank, as a result of: (i) a determination by the Association or the Bank that the Project Implementing Entity has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of any financing made by the Association or the Bank; and/or (ii) a declaration by another financier that the Project Implementing Entity is ineligible to receive proceeds of financings made by such financier or otherwise to participate in the preparation or implementation of any project financed in whole or in part by such financier as a result of a determination by such financier that the Project Implementing Entity has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of a financing made by such financier.”

3. The following terms and definitions set forth in the Appendix are modified or deleted as follows, and the following new terms and definitions are added in alphabetical order to the Appendix as follows, with the terms being renumbered accordingly:

The term “Project Preparation Advance” is modified to read “Preparation Advance” and its definition is modified to read as follows:

“‘Preparation Advance’ means the advance referred to in the Financing Agreement and repayable in accordance with Section 2.07.”

Section III. Modifications to the Anti-Corruption Guidelines

The modifications to the Anti-Corruption Guidelines are as follows:

1. Section 5 is re-numbered as Section 5(a) and a new Section 5(b) is added to read as follows:

“... (b) These Guidelines also provide for the sanctions and related actions to be imposed by the Bank on Borrowers (other than the Member Country) and all other individuals or entities who are recipients of Loan proceeds, in the event that the Borrower or the individual or entity has been debarred by another financier as a result of a determination by such financier that the Borrower or the individual or entity has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of a financing made by such financier.”

2. Section 11(a) is modified to read as follows:

“... (a) sanction in accordance with prevailing Bank’s sanctions policies and procedures (fn 13) a Borrower (other than a Member Country) (fn 14) or an individual or entity, including (but not limited to) declaring such Borrower, individual or entity ineligible publicly, either indefinitely or for a stated period of time: (i) to be awarded a Bank-financed contract; (ii) to benefit from a Bank-financed contract, financially or otherwise, for example as a sub-contractor; and (iii) to otherwise participate in the preparation or implementation of the project or any other project financed, in whole or in part, by the Bank, if at any time the Bank determines (fn 15) that such Borrower, individual or entity has engaged in corrupt, fraudulent, collusive, coercive or obstructive practices in connection with the use of loan proceeds, or if another financier with which the Bank has entered into an agreement for the mutual enforcement of debarment decisions has declared such person or entity ineligible to receive proceeds of financings made by such financier or otherwise to participate in the preparation or implementation of any project financed in whole or in part by such financier as a result of a determination by such financier that the Borrower or the individual or entity has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of a financing made by such financier.”

Footnotes:

“13. An individual or entity may be declared ineligible to be awarded a Bank financed contract upon completion of sanctions proceedings pursuant to the Bank’s sanctions policies and procedures, or under the procedures of temporary suspension or early temporary suspension in connection with an ongoing sanctions proceeding, or following a sanction by another financier with whom the Bank has entered into a cross debarment agreement, as a result of a determination by such financier that

the firm or individual has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of a financing made by such financier.”

“14. Member Country includes officials and employees of the national government or of any of its political or administrative subdivisions, and government owned enterprises and agencies that are not eligible to bid under paragraph 1.8(b) of the Procurement Guidelines or participate under paragraph 1.11(c) of the Consultant Guidelines.”

“15. The Bank has established a Sanctions Board, and related procedures, for the purpose of making such determinations. The procedures of the Sanctions Board sets forth the full set of sanctions available to the Bank. In addition, the Bank has adopted an internal protocol outlining the process to be followed in implementing debarments by other financiers, and explaining how cross-debarments will be posted on the Bank’s website and otherwise be made known to staff and other stakeholders.”