

CREDIT NUMBER 5825-GN

Financing Agreement

(Third Village Community Support Project)

between

REPUBLIC OF GUINEA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated June 27, 2016



CREDIT NUMBER 5825-GN

FINANCING AGREEMENT

AGREEMENT dated June 27, 2016, entered into between REPUBLIC OF GUINEA ("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 credit in an amount equivalent to ten million seven hundred thousand Special Drawing Rights (SDR 10,700,000) (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 The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.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 15 March and 15 September 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 United States Dollar.

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.
- 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

- 4.01. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.

ARTICLE V — REPRESENTATIVE; ADDRESSES

- 5.01. The Recipient's Representative is its minister responsible for planning and international cooperation.
- 5.02. The Recipient's Address is:

Minister of Planning and International Cooperation
P. O. Box 579
Conakry, Republic of Guinea

Telex:	Facsimile:
22399 MIFIGE	(224) 30 45 30 48
	(224) 30 42 21 02

- 5.03. The Association's Address is:

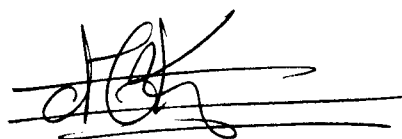
International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

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

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

REPUBLIC OF GUINEA

By



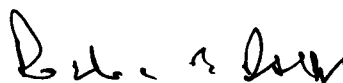
Authorized Representative

Name: Malado KABA

Title: Minister of Economic and Finance

INTERNATIONAL DEVELOPMENT ASSOCIATION

By



Authorized Representative

Name: Rachidi B. Kadiji

Title: Country Manager for Guinea

SCHEDULE 1

Project Description

The objective of the Project is to strengthen the local government financing system and improve local service delivery in rural communes and to provide an immediate and effective response in the event of an Eligible Emergency or Crisis.

The Project consists of the following parts:

Part 1. Local Investment Fund

Support for the financing of Rural Communes' Annual Investment Programs out of the local investment fund through the provision of Subgrants for the carrying out of Subprojects.

Part 2. Institution and Capacity Building for Sustainable Local Governance and Community Participation

Support to the Recipient for: (i) institution and capacity building of Selected Rural Communes to manage long-term development financing; (ii) a pilot scheme for the management of technical staff in Selected Rural Communes; (iii) capacity building of central and decentralized public services of key sectorial ministries to improve service for rural communes; and (iv) capacity building of Selected Rural Communes to improve citizen engagement in planning, management and evaluation of basic services.

Part 3. Project Coordination and Management

Support to the Recipient for Project coordination and administrative, technical and financial management, including the carrying out of a communication strategy and an action plan, as well as monitoring and evaluation of the Project.

Part 4. Immediate Response Mechanism

Support to the Recipient for a disaster contingency fund to be established to finance immediate responses to an Eligible Crisis or Emergency.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. Project Steering Committee

- (a) The Recipient shall maintain at all times during Project implementation, the Project Steering Committee, in form and substance and with functions, composition, and resources satisfactory to the Association.
- (b) The Project Steering Committee shall be responsible for oversight of Project implementation and shall, *inter alia*: (i) review and approve proposed consolidated annual work programs and budgets; (ii) review progress towards achievement of the Project objective, including audits, monitoring and evaluation reports and other documents related to Project implementation; and (iii) ensure coordination among Ministries, public and private institutions, civil society and donors.
- (c) The Steering Committee shall meet at least once each year.

2. Project Implementation Unit

- (a) The Recipient shall maintain at all times during Project implementation, the Project Implementation Unit (PIU) 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.
- (b) The PIU shall comprise, *inter alia*, a national coordinator, a technical operations specialist, a financial manager, an accountant, a procurement specialist, an internal controller, a safeguard policy specialist, and an M&E specialist.
- (c) The PIU shall be responsible for overall Project management and coordination.
- (d) The Recipient shall cause the PIU to recruit a procurement specialist and a technical operations officer not later than one (1) month after the Effective Date.

3. National Directorate of Decentralization

- (a) The Recipient shall, at all times during Project implementation, maintain a National Directorate of Decentralization (DND), within the Recipient's Ministry responsible for decentralization and local government, 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.
- (b) The DND shall be responsible for the technical execution of all activities under Part 2 of the Project, with the exception of Part 2(iii), which shall be the responsibility of the PIU.

B. Immediate Response Mechanism

In order to ensure the proper implementation of the Immediate Response Mechanism (IRM) under Part 4 of the Project, the Recipient shall take the following measures:

- 1. The Recipient shall:
 - (a) prepare and furnish to the Association for its review and approval, an operations manual which shall set forth detailed implementation arrangements for the IRM, including: (i) designation of, terms of reference for and resources to be allocated to, the entity to be responsible for coordinating and implementing the IRM ("Coordinating Authority"); (ii) specific emergency response activities which may be included in the IRM, Eligible Expenditures required for it ("Emergency Expenditures"), the criteria for their selection and the rules and procedures for the selection of Emergency Expenditures; (iii) financial management arrangements for the IRM; (iv) procurement methods and procedures for Emergency Expenditures to be financed under the IRM; (v) documentation required for withdrawals of Emergency Expenditures; (vi) environmental and social safeguard management frameworks for the IRM, consistent with the Association's policies on the matter; and (vii) any other arrangements necessary to ensure proper coordination and implementation of the IRM;
 - (b) afford the Association a reasonable opportunity to review said proposed operations manual;
 - (c) promptly adopt such operations manual for the IRM as shall have been approved by the Association ("IRM Operations Manual");
 - (d) ensure that activities under the IRM are carried out in accordance with the IRM Operations Manual; in the event of any inconsistency between the

provisions of the IRM Operations Manual and this Agreement, the provisions of this Agreement shall prevail; and

- (e) not amend, suspend, abrogate, repeal or waive any provision of the IRM Operations Manual without prior approval by the Association.

C. Project Implementation Manual

1. The Recipient shall not later than two (2) months after the Effective Date, finalize the Project Implementation Manual (PIM) in form and substance acceptable to the Association.
2. The Recipient shall ensure that the Project is implemented in accordance with Project Manual, which shall include, *inter alia*, detailed administrative, procurement, financial management, safeguards, monitoring and evaluation procedures and arrangements for the Project as well as eligibility criteria and detailed procedures for the selection and management of Subprojects, including screening for environmental and social impacts, and the template Subproject Grant Agreement.
3. The Recipient shall afford the Association a reasonable opportunity to review the Project Manual.
4. The Recipient shall not amend, abrogate, waive or permit to be amended, abrogated or waived, the Project Manual, or any provision thereof, without the prior written consent of the Association.
5. In the event of any inconsistency between this Agreement and the Project Manual, the provisions of this Agreement shall prevail.

D. Annual Work Plan and Budget

1. The Recipient shall prepare, in accordance with terms of references acceptable to the Association, and furnish to the Association no later than December 15 of each year throughout the implementation of the Project, a work plan of activities for inclusion in the Project for the next calendar year, together with a budget for such activities and a timetable for their implementation.
2. The Recipient shall: (i) afford the Association a reasonable opportunity to exchange views with the Recipient on such proposed work plan and budget; and, thereafter; (ii) carry out such work plan during the period covered by said plan, according to such budget, both as shall have been approved by the Association (“Annual Work Plan”).

3. Only such activities as shall have been included in the Annual Work Plan shall be eligible for inclusion in the Project and for financing out of the proceeds of the Financing.
4. Without limitation upon the provisions of subparagraph 3 of this Section C of this Schedule, the Annual Work Plan and budget may be amended from time to time with the prior and written concurrence of the Association in order to include new activities.

E. 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 Policy 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 are screened for environmental or social impacts and are implemented in accordance with the provisions of the Environmental and Social Management Framework (ESMF), the Resettlement Policy Framework (RPF) and the Pest Management Plan (PMP).
3. The Recipient shall, based on screening and as the ESMF or RPF may require it for individual Subprojects:
 - (a) prepare such ESMP or RAP in accordance with the applicable ESMF or RPF, including consultation and disclosure procedures, and submit it to the Association for review and approval; and thereafter adopt and implement such ESMP or RAP prior to implementation of the Subproject; and
 - (b) thereafter take such measures as shall be necessary or appropriate to ensure full compliance with the requirements of such ESMP or RAP.
4. The Recipient shall ensure that the Project is implemented in accordance with the guidelines, procedures, timetables and other specifications set forth in the Project Implementation manual.
5. Except as the Association shall otherwise agree in writing, and subject to compliance with applicable consultation and public disclosure requirements of the Association, the Recipient shall ensure that no provision of the ESMF, RF or PMP shall be abrogated, amended, repealed, suspended or waived.

6. Without limitation upon its other reporting obligations under this Agreement, the Recipient shall cause the PIE to regularly collect, compile and submit to the Association, on a semi-annual basis, reports on the status of compliance with the ESMF, RF or PMP, giving details of: (a) measures taken in furtherance of the ESMF, RF or PMP; (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of the ESMF, RF or PMP; and (c) remedial measures taken or required to be taken to address such conditions.
7. In the event that any conflict between the provisions of this Agreement and those of the ESMF, RF or PMP, the provisions of this Agreement shall prevail.

F. Subprojects

1. Subgrants

The Recipient shall, through the PIU, make Subgrants available to eligible Beneficiaries to finance Subprojects under Part 1 of the Project.

2. General

Without limitation upon the provisions of Sections I.A, B, C and D of this Schedule, the Project Coordination Unit shall appraise, select, approve, and monitor Subprojects on behalf of the Recipient in accordance with the provisions of this Part D and the Project Implementation Manual.

3. Eligibility Criteria

Without limitation on the provisions of paragraph 1 above of this Part F, 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 F and the procedures 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, *inter alia*:

- (a) the proposed Subproject shall have been included in the Local Development Community's Local Development Plan and its corresponding Annual Investment Program;
- (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 financial procurement, environmental and social standards and procedures specified in the Project Implementation Manual;

- (d) the proposed Subproject shall be in compliance with the standards set forth in the applicable laws and sectoral policies of the Recipient; and
- (e) the proposed Subproject shall be for activities including, but not limited to, the following: (i) complementary investments to PACV2 Subprojects and investments in natural resource management; (ii) Subprojects in Rural Communes affected by the Ebola Epidemic; and (iii) Subprojects in support of the development of partnerships between Local Development Communities and mining companies.

4. Subgrant Agreements

A Subproject shall be carried out pursuant to a Subproject Grant Agreement, each to be concluded between the Project Coordination Unit on behalf of the Recipient and the respective executive authority of the respective Communal Council on behalf of the Beneficiary, under terms and conditions described in the Project Implementation Manual and included in the template Subproject Grant Agreement included therein, which shall include the following:

- (a) The Subgrant shall be provided on a non-reimbursable grant basis;
- (b) The obligation of the Beneficiary to carry out its Subproject with due diligence and efficiency, and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the Association, and in accordance with the Anti-Corruption Guidelines;
- (c) The obligation of the Beneficiary to provide, promptly as needed, the resources required for the implementation of the Subproject;
- (d) 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;
- (e) 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;
- (f) the obligation of the Beneficiary to use said goods, works, and services exclusively in the carrying out of the Subproject;

- (g) the obligation of the Beneficiary to implement environmental and social safeguards requirements;
- (h) the obligation of the Beneficiary to maintain policies and procedures adequate to enable it monitor and evaluate the progress of the Subproject and the achievement of its objectives;
- (i) 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;
- (j) the obligation of the Beneficiary to 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 at the Association's or the Recipient's request, have such financial statements audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association, and promptly furnish the statements as so audited to the Recipient and the Association;
- (k) 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;
- (l) 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;
- (m) The obligation of the Recipient, through the PIU, to exercise its rights under each Subgrant Agreement in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing; and
- (n) Except as the Association shall otherwise agree in writing, the Recipient shall not assign, amend, abrogate or waive any Subgrant Agreement or any of its provisions.

G. Anti-Corruption

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

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 indicators acceptable to the Association. Each Project Report shall cover the period of one (1) calendar semester, and shall be furnished to the Association not later than forty-five (45) days after the end of the period covered by such report.

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 forty-five (45) days 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 (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.
4. The Recipient shall, not later than five (5) months after the Effective Date, cause the PIU to recruit an external financial auditor with qualifications and experience acceptable to the Association.
5. The Recipient shall, not later than one (1) month after the Effective Date cause the PIU to render its accounting software fully operational.

Section III. Procurement

A. General

1. **Goods, Works and Non-consulting Services.** All goods, works and non-consulting services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Section.
2. **Consultants' Services.** All consultants' services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines, and with the provisions of this Section.
3. **Definitions.** The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Association of particular contracts, refer to the corresponding method described in Sections II and III of the Procurement Guidelines, or Sections II, III, IV and V of the Consultant Guidelines, as the case may be.

B. Particular Methods of Procurement of Goods, Works and Non-consulting Services

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods, works and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.
2. **Other Methods of Procurement of Goods, Works and Non-consulting Services.** The following methods, other than International Competitive Bidding, may be used for procurement of goods, works and non-consulting services for those contracts specified in the Procurement Plan:
 - (a) National Competitive Bidding, subject to the following additional provisions:
 - (i) Bidding documents acceptable to the World Bank shall be used;
 - (ii) Eligibility to participate in a procurement process and to be awarded a World Bank-financed contract shall be as defined under Section I of the Procurement Guidelines; accordingly, no bidder or potential bidder shall be declared ineligible for contracts financed by the World Bank for reasons other than those provided in Section I of the Procurement Guidelines. Foreign bidders shall be allowed to participate in NCB procedures, and foreign bidders

shall not be obligated to partner with local bidders in order to participate in a procurement process;

- (iii) Bidding shall not be restricted to pre-registered firms, and foreign bidders shall not be required to be registered with local authorities as a prerequisite for submitting bids;
- (iv) No margins of preference of any sort (e.g., on the basis of bidder nationality, origin of goods, services or labor, and/or preferential programs) shall be applied in the bid evaluation;
- (v) Joint venture or consortium partners shall be jointly and severally liable for their obligations. Bidders shall be given at least thirty (30) days from the date of publication of the invitation to bid or the date of availability of the bidding documents, whichever is later, to prepare and submit bids. Bids shall be submitted in a single envelope;
- (vi) An extension of bid validity, if justified by exceptional circumstances, may be requested in writing from all bidders before the original bid validity expiration date, provided that such extension shall cover only the minimum period required to complete the evaluation and award a contract, but not to exceed thirty (30) days. No further extensions shall be requested without the prior written World Bank concurrence;
- (vii) All bids (or the sole bid if only one bid is received) shall not be rejected, the procurement process shall not be cancelled, and new bids shall not be solicited without the World Bank's prior written concurrence;
- (viii) Qualification criteria shall be applied on a pass or fail basis;
- (ix) Bidders shall be given at least twenty-eight (28) days from the receipt of notification of award to submit performance securities;
- (x) In accordance with the Procurement Guidelines, each bidding document and contract shall include provisions stating the Bank's policy to sanction firms or individuals found to have engaged in fraud and corruption as set forth in the Procurement Guidelines; and
- (xi) In accordance with the Procurement Guidelines, each bidding document and contract shall include provisions stating the Bank's policy with respect to inspection and audit of accounts, records

and other documents relating to the submission of bids and contract performance;

- (b) Shopping;
- (c) Community Participation procedures which have been found acceptable to the Association; and
- (d) 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 methods, other than Quality and Cost-based Selection, may be used for procurement of consultants' services for those contracts which are specified in the Procurement Plan: (a) Selection under a Fixed Budget; (b) Least Cost Selection; (c) Selection based on Consultants' Qualifications; (d) Single-source Selection of consulting firms; (e) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants; and (f) Single-source procedures for the Selection of Individual Consultants.

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 Eligible Expenditures as set forth in the table in paragraph 2 below.

3. 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 (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, Operating Costs, Training, works, non-consulting services, and consultants’ services under Part 2 (except for Part 2(3)) of Project	3,700,000	100%
(2) Goods, Operating Costs, Training, works, non-consulting services, and consultants’ services under Parts 3 and 2(3) of Project	3,000,000	100%
(3) Subgrants under Part 1 of the Project	3,200,000	100%
(4) Goods, Operating Costs, Training, works, non-consulting services, and consultants’ services for Emergency Expenditures under Part 4 of the Project	0	100%
(5) Unallocated	800,000	
TOTAL AMOUNT	10,700,000	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made:
 - (a) for payments made prior to the date of this Agreement, except that withdrawals up to an aggregate amount not to exceed \$100,000 equivalent may be made for payments on or after April 1, 2016, for Eligible Expenditures under Category (1);
 - (b) under Category (3), unless a list of the Beneficiaries, deemed eligible according to the criteria and processes stipulated in the PIM, has been furnished to, and approved in writing by, the Association;
 - (c) under Category (4), unless and until the Association is satisfied that the following conditions have been met:
 - (i) the Recipient has determined that an Eligible Crisis or Emergency has occurred, has furnished to the Association a request to include said activities under the IRM in order to respond to said Eligible Crisis or Emergency, and the Association has agreed with such determination, accepted said request and notified the Recipient thereof;
 - (ii) the Recipient's Coordinating Authority has adequate staff and resources, in accordance with the provisions of Section I.B.1 of this Schedule 2 to this Agreement, for the purposes of said activities; and
 - (iii) the Recipient has adopted an IRM Operations Manual in form, substance and manner acceptable to the Association.
2. The Closing Date is October 30, 2020.

SCHEDULE 3

Repayment Schedule

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage)*
On each March 15 and September 15 commencing September 15, 2022, to and including March 15, 2054.	1.5625%

* 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. “Annual Investment Program” means the program prepared by a Rural Commune outlining its investment priorities for a given fiscal year based on its Local Development Plan.
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, and revised in January 2011.
3. “Beneficiary” means a rural commune that has been selected to receive a Subgrant to carry out a Subproject under Part 1 of the Project.
4. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
5. “Consultant Guidelines” means the “Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated January 2011 (revised July 2014).
6. “Communal Council” means the elected representative council of the rural communes, empowered to conclude Subproject Grant Agreements.
7. “Coordinating Authority” means the entity or entities designated by the Recipient under the IRM Operations Manual and approved by the Association pursuant to Section I.B.1(a) of Schedule 2 to this Agreement, to be responsible for coordinating the IRM.
8. “Displaced Person” means a person who, on account of the execution of an activity under 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; “Displaced Persons” means all such persons.
9. “DND” means *Direction Nationale de la Décentralisation*, the Recipient’s National Directorate of Decentralization established on October 10, 2013, by Arrêté N°/2013/4968/MACTD/CAB/2013.

10. “Eligible Crisis or Emergency” means a natural or man-made event that has caused, or is likely to cause, a major adverse economic and/or social impact to the Recipient.
11. “Emergency Expenditures” means any of the Eligible Expenditures set forth in the IRM Operations Manual in accordance with the provisions of Section I.B.1(a) of Schedule 2 to this Agreement and required for the activities included in the IRM.
12. “Environmental and Social Management Framework” means the Recipient’s document entitled *Cadre de Gestion Environnementale et Sociale (CGES)* dated December 2015, 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.
13. “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 included under an Annual Work Program and Budget or to specific Subprojects, that details: (a) 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 (b) the actions needed to implement these measures.
14. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 31, 2010.
15. “IRM Operations Manual” means the operations manual referred to in Section I.B.1 of this Agreement, to be adopted by the Recipient for the IRM in accordance with the provisions of said Section.
16. “Local Development Plan” means the plan prepared by a rural commune outlining its development priorities and activities for a four to five year period.
17. “PACV1” means *Programme d’Appui aux Communautés Villageoises (Phase I)*, the Village Communities Support Project (Phase I), which was approved by the Board of the Association on February 3, 1999.
18. “PACV2” means the *Programme d’Appui aux Communautés Villageoises (Phase II)*, the Village Communities Support Project (Phase II), which was approved by the Board of the Association on March 22, 2007.
19. “PACV2 Subprojects” means Subprojects financed under the preceding PACV2 Project.
20. “Pest Management Plan” means the Recipient’s document entitled “*Plan de Gestion des Pestes et Pesticides du PACV3*” dated January 2016, describing the

measures to be taken for development and implementation of integrated pest management and safe handling of pesticides in the course of Project implementation, and such term includes any schedules to such document.

21. “Procurement Guidelines” means the “Guidelines: Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated January 2011 (revised July 2014).
22. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated April 12, 2016, and referred to in paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.
23. “Project Implementation Unit” means *Cellule Nationale de Coordination (CNC)*, the entity created under the preceding PACV2 Project on August 31, 2001, and referred to in Section 1.A.2. (a) of Schedule 2 to this Agreement, whose capacity is to be further reinforced according to the terms specified in Section 1.A.2 (d) of Schedule 2 to this Agreement.
24. “Project Implementation Manual” means the Recipient’s document entitled “*Ministère en Charge des Collectivités Locales – Programme d’Appui aux Communautés Villageoises – Manuel d’Exécution – Troisième Phase*” to be updated in accordance with Section I.C.1 of Schedule 2 to this Agreement, containing guidelines and procedures used for the purpose of implementing the Project, including in the areas of monitoring and evaluation, coordination, social and environmental safeguards, detailed procedures and eligibility criteria for the selection and management of Subprojects, as well as a template for Subproject Grant Agreements, and other provisions related to the institutional organization, as such guidelines and procedures may be amended from time to time with the prior written agreement of the Association, and such term includes any schedule to the Project Implementation Manual.
25. “Project Steering Committee” means the *Comité de Pilotage de la Troisième Phase du Programme d’Appui aux Communautés Villageoises (PACV)* established on Arrêté No. 001/MATD/CAB/2015 on February 6, 2015, the entity referred to in Section I.A.1(a) of Schedule 2 to this Agreement, whose mandate and responsibilities are described in Section I.A.1(b) of said Schedule.
26. “Operating Costs” means the reasonable incremental operating expenses, based on Annual Work Programs and Budgets approved by the Association, incurred by the PIU and Rural Communes, in the course of Project implementation, management and monitoring, including operation and maintenance costs of office, vehicles and office equipment; water and electricity utilities, telephone, office supplies, bank charges, public awareness-related media expenditures, travel and supervision

costs, per diem, additional staff costs, but excluding the salaries of officials and public servants of the Recipient's civil service.

27. "Resettlement Policy Framework" means, collectively, the Recipient's documents entitled respectively "*Cadre de Politique de Réinstallation des Populations (CPRP) du PACV3*" dated January 2016 containing guidelines, procedures, timetables and other specifications for the provision of compensation, rehabilitation and resettlement assistance to Displaced Persons.
28. "Resettlement Action Plan" means the Recipient's document prepared and disclosed in accordance with the Resettlement Policy Framework with respect to an activity included under an Annual Work Program and Budget or to specific Subprojects, which, *inter alia*: (a) contains a census survey of Displaced Persons and valuation of their assets; (b) 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 (c) contains a timetable and budget for the implementation of such measures.
29. "Selected Rural Communes" means rural communes selected to participate in the Project based on eligibility criteria set forth in the PIM.
30. "Subproject Grant Agreement" means the agreement described in Part F.4 of Schedule 2 to this Agreement giving the terms and conditions of Subgrants.
31. "Training" means the training of persons involved in Project-supported activities, based on Annual Work Programs and Budgets approved by the Association pursuant to Section I.D of Schedule 2 to this Agreement, such term including seminars, workshops, conference and study tours, and costs associated with such activity include 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.