

Public Disclosure Authorized

CONFORMED

CREDIT NUMBER 4823-ML

Financing Agreement

(Additional Financing for Rural Community Development Project)

between

REPUBLIC OF MALI

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated December 2, 2010

Public Disclosure Authorized

FINANCING AGREEMENT

AGREEMENT dated December 2, 2010, entered into between REPUBLIC OF MALI (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”) for the purpose of providing additional financing for activities related to Parts A, C, D and E of the 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 seven million five hundred Special Drawing Rights (SDR 7,500,000) (variously, “Credit” and “Financing”) to assist in financing Parts A, C, D and E of 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 The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.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 March 1 and September 1 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 objective of the Project. To this end, the Recipient shall carry out Parts A, C, D and E of 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 Additional Condition of Effectiveness consists of the following, namely that the Project Implementation Manual has been updated under terms satisfactory to the Association.
- 4.02. The Effectiveness Deadline is the date ninety days (90) days after the date of this Agreement.
- 4.03. 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 in charge of economy and finance.

5.02. The Recipient's Address is:

Minister of Finance
Ministry of Economy and Finance
BP 234
Bamako
Republic of Mali

Facsimile: (223) 222 88 53

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
Washington, D.C.

248423 (MCI)

1-202-477-6391

AGREED at Bamako, Mali, as of the day and year first above written.

REPUBLIC OF MALI

By //s// Sanoussi Touré

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By //s// Ousmane Diagana

Authorized Representative

SCHEDULE 1

Project Description

The objective of the Project is to improve the living conditions of project-supported rural communities in terms of (i) access to basic socio-economic services, and (ii) sustainable income increase, while promoting improved natural resource management practices.

The Project consists of the following parts, subject to such modifications thereof as the Recipient and the Association may agree upon from time to time to achieve such objectives:

Part A: Capacity Building

1. *Community Information and Mobilization*

Raising community awareness and strengthening the capacities of communities in the areas of preparation and implementation of productive micro-projects, through the provision of technical advisory services, including services of NGOs and communication firms.

2. *Building capacities of grassroots communities and decentralization stakeholders*

Strengthening the capacities of stakeholders in the decentralization process, such as communal councils, village councils and grassroots communities, through the provision of advisory services and training in the areas of, inter alia, decentralization, local government, preparation of investment training modules and programs.

3. *Strengthening capacities of service providers for communities*

Strengthening managerial, operational, technical and quality-control capacities of private socio-professional groups providing infrastructure-building and investment-related services at the village or commune level, such as private advisory providers, regional and local public services and training centers.

Part B: Communal Initiatives Fund

1. *Communal demand-driven Investment Grants*

Provision of Communal Micro-Grants to rural Communes to co-finance Communal Micro-Projects.

2. *Communal Technical Support Services*

Provision of financial support for technical support to strengthen the capacities of Management Committees in charge of managing investments at the Commune level.

Part C: Local Productive Initiatives Fund

1. *Local Productive demand-driven Investment Grants*

Provision of Local Micro-Grants to co-finance Local Productive Micro-Projects, together with CBOs.

2. *Local Technical Support Services*

Provision of financial support for technical support to strengthen the capacities of CBOs in charge of managing the investments at the local level.

Part D: Project Implementation, Coordination, Monitoring and Evaluation, and Knowledge Management

Support for Project coordination, management, and implementation, at the national and regional levels, through the establishment and operation of the PIU and of the RPIUs, and the setting up of an integrated technical and financial management system for Project implementation, monitoring and evaluation in the Project areas.

Part E: Assistance to rural primary schools, health care associations and community health centers

Provision of SHCS Micro-grants to strengthen the capacity of primary schools, community health centers and health care associations in providing improved services to rural communities.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements.

1. Overall Oversight and Coordination

- (a) The Recipient shall:
 - (i) maintain for the duration of Project implementation a National Steering Committee with composition and terms of reference acceptable to the Association, responsible for the overall coordination, monitoring and oversight of the Project implementation at the national level; and
 - (ii) maintain for the duration of Project implementation the Regional Steering Committees, with composition and terms of reference acceptable to the Association, responsible for the coordination, and monitoring of Project implementation at the regional level.
- (b) The Recipient shall ensure that the Project is implemented in close coordination with other programs supported by other donors.

2. Project Implementation, Administration, and Management

- (a) The Recipient shall maintain for the duration of the implementation of Parts A, C, D and E of the Project, a Project Implementation Unit with terms of reference and staffing acceptable to the Association to be responsible for the day-to-day management of Parts A, C, D and E of the Project activities, including: (i) coordinating the overall implementation of said Parts of the Project; (ii) managing said Project activities implemented at the central level; (iii) ensuring the availability of funds, (iv) maintaining the books and the accounts of said Project activities and producing financial reports; (v) monitoring and evaluating the implementation of the work program and its impact; (vi) reporting results to stakeholders; (vii) preparing the Annual Work Plans; and (viii) providing technical assistance to RPIUs.
- (b) The Recipient shall maintain the four RPIUs with the specific staff listed in the PIM. Each RPIU will be responsible for: (i) coordinating Project activities related to Parts A, C, and D of the Project, within their respective regions; (ii) managing the funds to finance Local Productive Micro-Projects; (iii) monitoring and evaluating Project activities in their

respective regions; and (iv) reporting to local stakeholders and to the PIU.

- (c) Parts A, D and E of the Project will be implemented through the PIU and Part C of the Project will be implemented through the RPIUs, provided however that the PIU shall maintain the contract with one or more commercial banks, under terms and conditions acceptable to the Bank, to handle the flow of funds for the implementation of Part C of the Project.
- (d) The Recipient shall maintain for the duration of Project implementation, the Local Orientation Committees (CLOs) (at the level of the *Cercles*), which will provide technical assistance, monitoring and ensuring the coherence of the implementation of the Communal Development Programs.

B. Anti-Corruption

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

C. Annual Work Plans

- 1. (a) The Recipient shall prepare, through the PIU, under terms of reference acceptable to the Association, and furnish to the Association not later than November 30 in each calendar year during Project implementation, an Annual Work Plan of activities proposed for inclusion in Parts A, C, D and E of the Project during the following calendar year, together with a budget for such activities and a timetable for their implementation.
 - (b) The Recipient shall exchange views with the Association on such proposed Annual Work Plan, and shall thereafter adopt by not later than December 31 in each calendar year during Project implementation, and carry out such Annual Work Plan for the next calendar year as shall have been approved by the Association. Except as the Association shall otherwise agree, the Recipient shall not amend, abrogate, waive, or permit to be amended, abrogated, or waived, the aforementioned, or any provision thereof, without the prior written agreement of the Association.
3. Only such Annual Work Plan of activities as shall have been approved by the Association shall be eligible for inclusion in Parts A, C, D and E of the Project and financing out of the proceeds of the Financing.

E. Local Productive Micro-Grants (Part C of the Project)

- 1. The relevant RPIU shall evaluate proposed Local Productive Micro-Projects and provide Local Micro-Grants to finance activities under Part C of the Project. Local Micro-Grants shall be provided in accordance with guidelines, procedures

and eligibility criteria acceptable to the Association and set forth in the PIM, such provisions shall include, but not be limited to, the following:

- (a) Local Micro-Grants shall be provided for any investment identified by the LPIF Beneficiary, provided such investment is not one of the activities included in the Negative List;
 - (b) activities to be financed by Local Productive Micro-Grants shall be initiated and implemented by an eligible LPIF Beneficiary that has the legal status to receive a Local Micro-Grant and implement and maintain a rural Local Productive Micro-Project, all in accordance with the provisions set forth in the PIM; and
 - (c) activities to be financed by Local Micro-Grants shall be in compliance with: (x) applicable laws and regulations of the Recipient; and (y) criteria and standards set forth in the Anti-Corruption Guidelines and the PIM, including without limitation: (i) the contribution by the LPIF Beneficiary of cash, labor or material in an agreed percentage of the value of the investment, as set forth in the PIM; (ii) the limitation of the relevant Local Productive Micro-Project's total cost from a minimum of 2 million FCFA to a maximum of 20 million FCFA; (iii) the consistency of the rural Local Productive Micro-Project with the ESMF and the PMP, and (iv) the use of a specific Micro-Project Execution Agent to implement and maintain the Local Productive Micro-Project and arrangements regarding human and financial resources have been taken.
2. To provide Local Productive Micro-Grants, the relevant RPIU shall enter into a Micro-Grant Agreement with the LPIF Beneficiary and the Local Productive Micro-Project Execution Agent, under terms and conditions satisfactory to the Association, which shall include the following:
- (a) a description of the approved investments, with its budget and its performance indicators;
 - (b) provisions requiring the financing to be made on a grant basis;
 - (c) the LPIF Beneficiary's obligation to: (i) carry out the activities with due diligence and efficiency, and in accordance with sound administrative, technical, financial, environmental and social standards, taking into account social and environmental implications, and in accordance with the provisions of the Anti-Corruption Guidelines, PIM, ESMF and the PMP; (ii) maintain adequate records to reflect, in accordance with simple and sound accounting practices defined in the PIM, the operations, resources and expenditures in respect of the activity; and (iii) maintain adequate reporting in accordance with the standards specified in the PIM;

- (d) the requirements that: (i) the goods, works, and services to be financed from the proceeds of the Local Productive Micro-Grant shall be procured in accordance with the procedures set forth in the PIM; and (ii) such goods, works, and services shall be used exclusively in the carrying out of the activities under Part C of the Project;
 - (e) the right of the Recipient and the RPIU to inspect, by itself, or jointly with the LPIF Beneficiary, and the Association, if the Association shall so request, the goods, works, sites, services and construction financed by the Local Productive Micro-Grant, the operations thereof, and any relevant records and documents;
 - (f) the right of the Recipient and the RPIU to obtain all information as the Recipient, the RPIU, or the Association shall reasonably request regarding the administration, operations, and financial conditions of the activities financed by the Local Productive Micro-Grant;
 - (g) the right of the Recipient to suspend or terminate the LPIF Beneficiary's right to use the proceeds of the Local Productive Micro-Grant upon failure by the LPIF Beneficiary to perform any of its obligations under the Micro-Grant Agreement; and
 - (h) the conditions for the payments to be made to the Local Productive Micro-Project Execution Agent together with the disbursement conditions and schedules.
3. The Recipient, through the RPIU shall exercise its rights and carry out its obligations under each Local Productive Micro- Grant Agreement in such a manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing, and, except as the Association shall otherwise agree in writing, the Recipient, though the PIU, shall not to assign, amend, abrogate or waive any of the SHCS Micro-Grant Agreements, or any provision thereof.

F. SHCS Micro-grant (Part E of the Project)

- 1. For the purposes of Part E of the Project, the Recipient, though the PIU, shall make resources available on a Micro-grant basis to Beneficiaries on the following terms and conditions:
 - (a) To be eligible for an SHCS Micro-grant, the school and/or health care association and/or community health center SHCS shall be required to demonstrate that the eligibility criteria and any such additional criteria as are set forth in the PIM are met.
 - (b) The PIU shall make the proceeds available on a Micro-grant basis under criteria set forth in the Project Implementation Manual and an agreement between the PIU and the Beneficiary on terms and conditions satisfactory to

the Association (the “SHCS Micro-grant Agreement”), which terms and conditions shall include:

- (i) a description of the approved Micro-Projects, with its budget and its performance indicators;
 - (ii) provisions requiring the financing to be made on a grant basis;
 - (iii) the SHCS Beneficiary’s obligation to: (i) carry out the activities with due diligence and efficiency, and in accordance with sound administrative, technical, financial, environmental and social standards, taking into account social and environmental implications, and in accordance with the provisions of the Anti-Corruption Guidelines, PIM, ESMF and PMP; (ii) maintain adequate records to reflect, in accordance with simple and sound accounting practices defined in the PIM, the operations, resources and expenditures in respect of the activity; and (iii) maintain adequate reporting in accordance with the standards specified in the PIM;
 - (iv) the requirements that (i) the goods and services to be financed from the proceeds of the SHCS Micro-Grant shall be procured in accordance with the procedures set forth in the PIM; and (ii) such goods and services shall be used exclusively in the carrying out of the activities under Part E of the Project;
 - (v) the right of the Recipient and the PIU to inspect, by itself, or jointly with the SHCS Beneficiary, and the Association, if the Association shall so request, the goods, sites and services financed by the SHCS Micro-Grant, the operations thereof, and any relevant records and documents;
 - (vi) the right of the Recipient and the PIU to obtain all information as the Recipient, the PIU, or the Association shall reasonably request regarding the administration, operations, and financial conditions of the activities financed by the SHCS Micro-grant; and
 - (vii) the right of the Recipient to suspend or terminate the SHCS Beneficiary’s right to use the proceeds of the SHCS Micro--Grant upon failure by the SHCS Beneficiary to perform any of its obligations under the SHCS Micro--Grant Agreement.
- (c) The Recipient, through the PIU shall exercise its rights and carry out its obligations under each SHCS Micro- Grant Agreement in such a manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing, and, except as the Association shall otherwise agree in writing, the Recipient, though the PIU, shall not to assign, amend,

abrogate or waive any of the SHCS Micro-Grant Agreements, or any provision thereof.

F. Manual

1. Except as the Association shall otherwise agree, the Recipient shall: (a) carry out Parts A, C, D and E of the Project in accordance with the Project Manuals (PIM, MEM and AFAM) all in form and substance satisfactory to the Association; (b) not amend, abrogate, waive, or permit to be amended, abrogated, or waived, the aforementioned, or any provision thereof, without the prior written agreement of the Association.
2. In the event of any conflict between the provisions of the Project Manuals and those of this Agreement, the provisions of this Agreement shall prevail.

G. Safeguards

1. The Recipient shall carry out Parts A,C,D and E of the Project (including any activity proposed to be included in an Annual Work Plan, LIPF Micro-project or SHCS Micro-project), in accordance with the provisions of the Environmental and Social Management Framework (ESMF) and the Pest Management Plan (PMP) 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.
2. The Recipient shall carry out Parts A, C, D and E of the Project in accordance with the provisions of the Environmental Management Plan (EMP) and the Environmental and Social Impact Assessment (ESIA), as the case may be, under terms and conditions satisfactory to the Association 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.
3. In the event of any conflict between the provisions of the ESMF, or the PMP, or the EMPs, or the ESIA's, if any, and those of this Agreement, the provisions of this Agreement shall prevail.

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 forty five days 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 six (6) months after Closing Date.

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 as part of the Project Report not later than forty five 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 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.

Section III. Procurement

A. General

1. **Goods and Works.** All goods 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, including those provided by Micro-Projects Execution Agents, 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

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods shall be procured under contracts awarded on the basis of International Competitive Bidding.

2. **Other Methods of Procurement of Goods.** The following table specifies the methods of procurement, other than International Competitive Bidding, which may be used for goods. The Procurement Plan shall specify the circumstances under which such methods may be used:

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

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
<i>(a) Selection under fixed budget</i>
<i>(b) Least-cost selection</i>
<i>(c) Selection based on Consultants' qualifications</i>
<i>(d) Single source selection</i>
<i>(e) Individual consultants</i>

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.
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 (inclusive of Taxes)
(1) Goods, works consultants’ services, Operating Costs and Micro-Grants for Parts A, C, D and E of the Project	7,500,000	100%
TOTAL AMOUNT	7,500,000	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for (a) payments made prior to the date of this Agreement.

SCHEDULE 3

Repayment Schedule

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage)*
On each March 1 and September 1:	
commencing March 1, 2021 to and including September 1, 2030	1%
commencing March 1, 2031 to and including September 1, 2050	2%

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

Section V. Amendment to the Original Financing Agreement

The following provisions of the Original Financing Agreement are hereby modified to read as follows:

1. Section 2.03 of the Original Financing Agreement is amended to read as follows:

“Section 2.03. The Closing Date shall be June 17, 2013 or such later date as the Association shall establish. The Association shall promptly notify the Recipient of such later date.”
2. Paragraph 3 of Schedule 4 is amended as follows and Schedule 5 is deleted:

““Project Implementation, Administration, and Management
3. The Recipient shall maintain policies and procedures adequate to enable it to monitor and evaluate on an ongoing basis, in accordance with the indicators set forth in the PIM and agreed upon between the Borrower and the Association, the carrying out of the Project and the achievement of the objectives thereof.”
3. The table in the Schedule 1 of the Original Financing Agreement is modified to read as follows:

1. The table below sets forth the Categories of items to be financed out of the proceeds of the Credit, the allocation of the amounts of the Credit to each Category and the percentage of expenditures for items so to be financed in each Category:

Category	Amount of the Credit Allocated (Expressed in SDR Equivalent)	% of Expenditures to be Financed
Capacity Building (Part A) (Works, goods, training and consultants' services)	8,700,000	100%
(2) Communal Initiatives Fund (Part B) (Communal Micro-Grants)	9,300,000	100%
(3) Local Productive Initiatives Fund, (Part C) (Local Micro-Grants)	15,550,000	100%
(4) Project Implementation, Coordination, Monitoring and Evaluation, and Knowledge Management (Part D) (Works, goods, training, consultants' services and operating costs)	5,450,000	100%
Refinancing PPFs	520,000	Amount due pursuant to Section 2.02 (c) of this Agreement
Unallocated	880,000	
TOTAL	40,400,000	

APPENDIX

Section I. 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 with the modifications set forth in Section II of this Appendix.
2. “AFAM” means the Administrative, Financial, and Accounting Manual of the Project dated November 4, 2005, outlining the administrative, financial and accounting arrangements for the implementation of the Project, referred to in Section I.F of Schedule 2 of this Agreement, as the same may be amended from time to time, and such term includes any schedules to the AFAM, including the schedules regarding disbursement and procurement arrangements.
3. “Annual Work Plan” means each work plan approved by the Association under Section I.C of Schedule 2 to this Agreement for inclusion in the Project.
4. “Beneficiaries” means, collectively, the CIF Beneficiaries, the LPIF Beneficiaries and the SHCS Beneficiaries (as defined hereinafter).
5. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
6. “Cercles” means administrative circumscription covering several communes (as defined hereinafter).
7. “CBO” means a local rural community-based organization established and operating under the laws of the Recipient.
8. “CIF Beneficiary” means a rural Commune (as defined hereinafter), established and operating under the laws of the Recipient, which has met the eligibility criteria set out in the PIM (as defined hereinafter) and the requirements set forth in this Agreement, and, as a result, has received or is entitled to receive a Communal Micro-Grant (as defined hereinafter) for the carrying out of a Communal Micro-Project (as defined hereinafter).
9. “Communal Development Programs” means the local development programs of the relevant local (village and fractions) communities.
10. “Communal Micro-Grants” means the grants made or to be made to the CIF Beneficiary from the proceeds of the Credit, to finance investments under Part B of the Project in accordance with the provisions of this Agreement and in accordance with the conditions and provisions of the PIM; the term “Communal

Micro-Grant” includes physical investments as well as the financial resources for technical assistance available within Part B of the Project.

11. “Communal Micro-Project” means any investment under Part B of the Project, in respect of which a Communal Micro-Grant has been, or may be, provided.
12. “Commune” means a rural commune in the territory of the Recipient established under Law No. 96-059 of November 4, 1996 of the Recipient.
13. “Consultant Guidelines” means the “Guidelines: Selection and Employment of Consultants by World Bank Recipients” published by the Bank in May 2004 and revised in October 2006 and May 2010.
14. “Environmental Management Plan” or “EMP” means an environmental management plan required pursuant to the ESMF (as defined hereinafter) for an activity proposed to be included in an Annual Work Plan or an activity under the Project, which is acceptable to the Association, giving details of measures appropriate or required to maximize the benefits of the Project, eliminate, offset or mitigate any adverse environmental impacts, or reduce such impacts to acceptable levels, together with budget and costs estimates, sources of funding, adequate institutional, monitoring and reporting arrangements capable of ensuring proper implementation of, and regular feedback on compliance with, such Environmental Management Plan, and “EMPs” means all of them collectively.
15. “Environmental and Social Impact Assessment” or “ESIA” means an environmental and social impact assessment of a particular activity proposed to be included in an Annual Work Plan or an activity under the Project, required pursuant to the ESMF, which is acceptable to the Association, giving details of the status of the natural environment, **social and potential risks and adverse impacts thereto, which are specific to the** activity, along with proposed mitigation measures and “ESIAs” means all of them collectively.
16. “Environmental and Social Management Framework” or “ESMF” means the document, dated January 31, 2005 adopted by the Recipient as updated on August 30, 2010, consisting of: (i) a framework outlining the modalities for environmental screening and rules, guidelines and procedures for the preparation and implementation of environmental assessments and mitigation measures to be complied with, as the case may be, for the preparation and the carrying out of Micro-Projects; and (ii) modalities for social analysis and a resettlement policy framework outlining the modalities for land acquisition, resettlement and rehabilitation of, and payment of compensation to, displaced persons under Micro-Projects.
17. “FCFCA” means the Franc CFA, the Beneficiary’s local currency.

18. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 31, 2010.
19. “Local Coordination and Monitoring Committees” means multi-stakeholders committees in charge of coordinating and monitoring development projects at the level of administrative “cercles”.
20. “Local Micro-Grants” means the grants made, or to be made, to a LPIF Beneficiary (as defined hereinafter) out of the proceeds of the Credit, to finance Local Productive Micro-Projects under Part C of the Project in accordance with the provisions of this Agreement and with the conditions and provisions of the PIM (as defined hereinafter); the term “Local Micro-Grant” includes productive investments as well as the financial resources for technical assistance available within Part C of the Project.
21. “Local Productive Micro-Project” means any investment under Part C of the Project, in respect of which a Local Micro-Grant has been, or may be provided.
22. “LPIF Beneficiary” means a CBO which has met the eligibility criteria set out in the PIM (as defined hereinafter) and the requirements of this Agreement, and, as a result, has received or is entitled to receive a Local Micro-Grant for the carrying out of a Local Productive Micro-Project.
23. “Management Committees” means a body created by a Beneficiary to manage and administer its investment or operation as the case may be.
24. “MEM” means the Monitoring and Evaluation Manual of the Project, dated November 4, 2005, outlining the monitoring and evaluation arrangements of the Project, as the same may be amended from time to time, and such term includes any schedules to the MEM.
25. “Micro-Grant” means a Communal Micro-Grant or a Local Micro-Grant.
26. “Micro-Grant Agreement” means an agreement to be entered into with LPIF Beneficiaries or CIF Beneficiaries or SHCS Beneficiaries (as defined hereinafter), as applicable;
27. “Micro-Project” means a Communal Micro-Project or a Local Productive Micro-Project or an SHCS Micro-Project (as defined hereinafter).
28. “Micro-Project Execution Agent” means a private sector entity or an NGO employed by a LPIF Beneficiary to implement a Local Productive Micro-Project.
29. “Negative List” means the list of investments set forth in the PIM which may not be financed through Local Micro-Grants or Communal Micro-Grants.

30. “NGO” means a non-governmental not-for profit association, authorized to operate in the territory of the Recipient.
31. “Operating Costs” means incremental recurrent expenditures incurred on account of the Project implementation including office supplies, fuel and maintenance of vehicles, maintenance of equipment, telephone and other communications charges, office rent and insurance for vehicles, motorcycles and office equipment and furniture, bank and services fees, travel and supervision.
32. “Original Financing Agreement” means the development credit agreement for a Rural Community Development Project between the Recipient and the Association, dated October 3, 2005 as amended to the date of this Agreement (Credit No 4113-ML).
33. “Original Project” means the Project described in the Original Financing Agreement.
34. “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.
35. “PMP” means the Pest Management Plan adopted by the Recipient on May 11, 2005 and updated on [August 30,] 2010, which sets forth the modalities to develop and implement an integrated pest management under Micro-Projects.
36. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated September 7, 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.
37. “PIM-LPIF Execution Manual” means the manual prepared by the Recipient setting out the institutional and operational arrangements for the implementation of Part C the Project, as the same may be amended from time to time with the approval of the Association, and such term includes any schedules and attachments to said PIM-LPIF Execution Manual.
38. “PIU” means the Project Implementation Unit established within the Recipient’s Ministry in charge of social development.
39. “Project Implementation Manual” or “PIM” means the manual dated November 4, 2005, prepared by the Recipient outlining, inter alia, the institutional and operational arrangements for the implementation of the Project, and the operational arrangements for the implementation of the Project and referred to Section I.F of Schedule 2 to this Agreement, as the same may be amended from time to time with the approval of the Association, and such term includes any

schedules and attachments to said PIM, including the PIP (as defined hereinafter) and the PIM-LPIF Execution Manual;

40. “Project Implementation Plan” and “PIP” mean the plan prepared dated November 4, 2005, by the Recipient for the implementation of the Project, and updated on July 12, 2010, as the same may be amended from time to time with the approval of the Association, and such term includes any schedules and attachments to said PIP.
41. “Project Manuals” means the PIM, the MEM, and the AFAM, collectively;
42. “RPIU” means each of the four Regional Project Implementation Units established and operating at the regional level.
43. “Rural Communities” means the Communes, villages, fractions and CBOs.
44. “SHCS Beneficiary” or “School/Health Care Support to Beneficiary” means a primary school, a health care center (mutuelle de santé) and/or a communitary health care established in the Recipient’s territory which will benefit from financial assistance in kind for the purposes of carrying out an SHCS Micro-Project (as defined hereinafter).
45. “SHCS Micro-grant” means a grant to be made out of the proceeds of the Financing to an SHCS Beneficiary to finance an SHCS Micro-project.
46. “SHCS Micro-grant Agreement” means an agreement for the financing of an SHCS Micro-project made or proposed to be made by the Recipient, through the PIU, to an SHCS Beneficiary to finance an SHCS Micro-project.
47. “SHCS Micro-project” means an activity financed or to be financed by the proceeds of the SHCS Micro-grant for the purposes of Part E of the Project.

Section II. 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 Recipients (other than the Member Country) and all other individuals or entities who are recipients of Loan proceeds, in the event that the Recipient or the individual or entity has been debarred by another financier as a result of a determination by such financier that the Recipient 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 (fn13) a Recipient (other than a Member Country) (fn 14) or an individual or entity, including (but not limited to) declaring such Recipient, 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 Recipient, 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 Recipient 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."