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**GRANT NUMBER E3700-CF**

# **Financing Agreement**

**(Central African Republic Inclusive and Resilient Cities Project)**

**between**

**CENTRAL AFRICAN REPUBLIC**

**and**

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

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## **FINANCING AGREEMENT**

AGREEMENT dated as of the Signature Date between CENTRAL AFRICAN REPUBLIC (“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) apply to and form 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 a grant, which is deemed as Concessional Financing for purposes of the General Conditions, in an amount equivalent to fifty three million and three hundred thousand Special Drawing Rights (SDR 53,300,000) (“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 III of Schedule 2 to this Agreement.
- 2.03. The Maximum Commitment Charge Rate is one-half of one percent (1/2 of 1%) per annum on the Unwithdrawn Financing Balance.
- 2.04. The Payment Dates are 15 April and 15 October in each year.
- 2.05. The Payment Currency is Euro

### **ARTICLE III — PROJECT**

- 3.01. The Recipient declares its commitment to the objective of the Project. To this end, the Recipient shall carry out the Project in accordance with the provisions of Article V of the General Conditions and Schedule 2 to this Agreement.

### **ARTICLE IV — EFFECTIVENESS; TERMINATION**

- 4.01. The Effectiveness Deadline is the date is thirty (30) days after the Signature Date.
- 4.02. For purposes of Section 10.05 (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 (20) years after the Signature Date.

**ARTICLE V— REPRESENTATIVE; ADDRESSES**

5.01. Except as provided in Section 2.02 of this Agreement, the Recipient's Representative is Minister in charge of economy.

5.02. For purposes of Section 11.01 of the General Conditions:

(a) the Recipient's address is:

Ministry of Economy, Planning and International Cooperation  
Rue Martin Luther King BP 696,  
Bangui  
Central African Republic; and

(b) the Recipient's Electronic Address:

E-mail:

[dircabmepci22@gmail.com](mailto:dircabmepci22@gmail.com)

5.03. For purposes of Section 11.01 of the General Conditions:

(a) the Association's address is:

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

(b) the Association's Electronic Address is:

Telex:

248423 (MCI)

Facsimile:

1-202-477-6391

AGREED as of the Signature Date.

**CENTRAL AFRICAN REPUBLIC**

**By**

*Richard Filakota*

\_\_\_\_\_  
**Authorized Representative**

Richard Filakota

**Name:** \_\_\_\_\_

**Title:** \_\_\_\_\_  
Président

**Date:** \_\_\_\_\_  
17-sept.-2024

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

**By**

*Cheick Fantamady Kante*

\_\_\_\_\_  
**Authorized Representative**

Cheick Fantamady Kante

**Name:** \_\_\_\_\_

**Title:** \_\_\_\_\_  
Country Director

**Date:** \_\_\_\_\_  
16-Sep-2024

## **SCHEDULE 1**

### **Project Description**

The objective of the Project is to improve access to climate resilience infrastructure and basic services in Selected Cities.

The Project consists of the following parts:

#### **Part 1: Investments in Flood and Erosion Risks Reduction**

##### **1.1. Infrastructure for Flood and Erosion Risks Reduction**

- (a) Supporting the construction of infrastructure for risk reduction of climate events in Selected Cities, including *inter alia*: stormwater drainage, culverts, bridges, canal outlet, water retention basins; dredging; the construction and renovation of road resurfacing, culverts, bridges, canal outlet, stormwater drainage, water retention basins, dredging of primary drains.
- (b) Providing technical assistance to develop technical assessment including *inter alia* feasibility studies, detailed engineering designs, safeguard assessment, and hydraulic/hydrological/geotechnical and technical analysis on flood and erosion hazards including climate projections.

##### **1.2 Institutional Support for Climate Risk Integrated Planning and Urban Management**

- (a) Providing support to improve climate risk integrated planning and urban management in focus cities including *inter alia* (i) developing integrated urban plans combining three dimensions – urban planning, drainage, and flood and erosion-risk management; (ii) providing technical assistance to prepare, develop and implement basic people centered flood Early Warning System; (iii) carrying out the development and installation of hydrometeorological stations and small infrastructure works associated with their installation and exploitation; and (iv) providing technical assistance to essential urban planning and EWS stakeholders on the preparation of risk-informed and integrated urban plans and basic people centered flood EWS.
- (b) Strengthening the state and municipal capacity for urban planning and disaster risk management through carrying out capacity building training on climate risk integrated planning and urban management.

**Part 2: Neighborhood Infrastructure and Basic Services**

Increasing access to local-level, climate resilient, socioeconomic infrastructure through: (i) carrying out the construction, rehabilitation, upgrading of roads and drainage in Selected Cities, and (ii) carrying out the construction and rehabilitation of public spaces, buildings and markets as further detailed in the POM.

**Part 3: Project Management**

Supporting project management and coordination at the national and subnational levels by covering the Operating Costs of planning, implementation, and technical oversight of Project activities, environmental and social risk management and monitoring, financial management and procurement, preparation of work plans, budgets, and progress reports, communication, monitoring and evaluation arrangements including a remote-sensing and Geo-Enabling Monitoring and Supervision (GEMS) mechanisms.

**Part 4: Contingent Emergency Response**

Provision of immediate response to an Eligible Crisis or Emergency, as needed.

## **SCHEDULE 2**

### **Project Execution**

#### **Section I. Implementation Arrangements**

##### **A. Institutional Arrangements**

##### **1. General**

- (a) The Recipient shall designate and charge its ministry responsible for urban development, land reform and housing, (MURFVH) with overall responsibility for Project coordination and supervision. The MURFVH will rely on a National Steering Committee, a PIU, Regional PIU(s), Local Technical Committee(s), and Community Coordination Committees and other relevant entities.
- (b) The Recipient shall ensure that the following implementation arrangements are maintained throughout the period of implementation of the Project.

##### **2. National Steering Committee**

- (a) Not later than one (1) month after the Effective Date, the Recipient shall establish and maintain, at all times during the implementation of the Project, a steering committee with a mandate, composition and resources satisfactory to the Association (“National Steering Committee”).
- (b) The National Steering Committee shall be comprised of the ministers or designated representative from, METP, Humanitarian Action, Social Affairs, Transport and Civil Aviation, Interior and Decentralization, Environment, Water and forests, Energy and Hydraulic Resources, Health, Education, as well as representatives of the Municipalities of Bangui and Berberati. The National Steering Committee shall be chaired by the minister MEPCI and the vice-presidency by the minister of MURFVH and shall meet twice annually.
- (c) The National Steering Committee shall be responsible for, *inter alia*, providing strategic direction of the Project and approving the Annual Work Plans and Budget prepared and submitted by the PIU.

##### **3. Project Implementing Unit (PIU)**

- (a) The Recipient shall maintain a PIU within MURFVH with mandate, composition and resources acceptable to the Association. In particular, the

Recipient shall maintain at all times sufficient staff, each with adequate terms of reference, qualifications and experience for the Project.

- (b) The PIU shall be responsible for overall Project coordination and the day-to-day management of the Project and all technical aspects of Project activities, including preparation and costing of components, implementation and coordination of individual Project activities, establishing and maintaining links with the relevant regional PIUs, and government departments and other entities, including international partners as well as monitoring and evaluation.
- (c) The PIU shall include, *inter alia*: (i) Project Coordinator; (ii) Adjunct coordinator; (iii) procurement specialist; (iv) financial management specialist; (v) environmental specialist; (vi) social specialist; (vii) security specialist; (viii) gender based violence specialist; and (x) administrative assistant, and such other technical, safeguards and fiduciary specialists as may be agreed with the Association, all under terms of reference, and with qualifications and experience satisfactory to the Association.
- (d) Not later than three (3) months after the Effective Date, the Recipient shall have recruited and appointed an accountant and internal auditor under terms of reference, and with qualifications and experience satisfactory to the Association.
- (e) Not later than six (6) months after the Effective Date, the Recipient shall have recruited and appointed an independent external auditor under terms of reference, and with qualifications and experience satisfactory to the Association.
- (f) the Recipient shall maintain a computerized accounting software, satisfactory to the Association.
- (g) Not later than three (3) months after the Effective Date, the Recipient shall have recruited and appointed a security specialist under terms of reference, and with qualifications and experience satisfactory to the Association.

#### **4.Regional PIU**

Without limitation upon the provisions of paragraphs 1, (a) not later than three (3) months after the Effective Date the Recipient shall establish and maintain, at all times during the implementation of the Project, Regional PIU in Selected Cities, as further detailed in the POM, with a team comprised of a local coordinator, a social development assistant and an environmental assistant all under terms of reference, and with qualifications and experience satisfactory to the Association; and (b) ensure that throughout Project implementation, the established Regional



PIU has adequate resources and staffing to carry out its responsibilities under the Project, all as further detailed in the Project Operation Manual. The established Regional PIU shall be responsible for providing local coordination, planning, and monitoring of implementation of activities in the Selected City.

## **5. Local Technical Committee**

- (a) Not later than three (3) months after the Effective Date the Recipient shall establish and maintain, at all times during the implementation of the Project, technical committees in Selected Cities with a mandate, composition and resources satisfactory to the Association (“Project Local Technical Committee”).
- (b) Each of The Project Technical Committee shall be chaired by a representative from MURFVH and co-chaired by a representative of the Selected City’s municipality and comprised of, *inter alia*, representatives from: (i) relevant sector ministries, departments and agencies; (ii) prefecture; (iii) arrondissement mayors; and (iv) civil society organizations. Notwithstanding the foregoing, the Committees may, under certain circumstances, In the event of an impediment, the committees may be chaired by the representative of the selected city's mayor's office, as detailed further in the Project's Operation Manual.
- (c) Each of the Project Technical Committee shall be responsible for providing technical guidance for Project implementation at the local level and ensuring effective collaboration and synergies with other implementing ministries, departments and agencies.

## **6 Community Coordination Committees**

- (a) Without limitation upon the provisions of paragraphs 1 2, and 3, the Recipient shall establish and maintain, at all times during the implementation of the Project, a Community Coordination Committee (CCC) in each of the Selected Cities with a mandate, composition and resources satisfactory to the Association.
- (b) Each of the CCC shall be comprised of, *inter alia*, local representatives from the community, women and youth, IDPs, returnees, minorities and disabled persons, the CCC shall be chaired by designated community representative and shall meet twice annually.
- (c) The CCC shall be responsible for, *inter alia*, providing operational coordination among stakeholders at the community level and will be consulted as subprojects are designed.



**B. Project Operation Manual**

1. The Recipient shall, and shall cause the Project Implementing Entity to, no later than one (1) month after the Effective Date, or any later date agreed by the Association, update under terms of reference acceptable to the Association, and furnish the Association, an implementation manual for the Project containing detailed arrangements and procedures for: (a) institutional coordination and day-to-day execution of the Project; (b) Project budgeting, disbursement and financial management; (c) procurement; (d) monitoring, evaluation, reporting and communication; (e) environmental and social risks monitoring and mitigation; (f) operational modules outlining implementation, organizational, administrative, monitoring, financial management, disbursement, procurement; and (g) such other arrangements and procedures as shall be required for the Project (“Project Operation Manual” or “POM”).
2. The Recipient shall carry out the Project in accordance with the Project Implementation Manual, and except as the Association shall otherwise agree in writing, the Recipient shall not assign, amend, abrogate, or waive the Project Implementation Manual, or any provision thereof.
3. In the event of any conflict between the provisions of the Project Implementation Manual and those of this Agreement, the provisions of this Agreement shall prevail.

**C. Environmental and Social Standards**

1. The Recipient shall, and shall cause the Project Implementing Entity to, ensure that the Project is carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Association.
2. Without limitation upon paragraph 1 above, the Recipient shall, and shall cause the Project Implementing Entity to, ensure that the Project is implemented in accordance with the Environmental and Social Commitment Plan (“ESCP”), in a manner acceptable to the Association. To this end, the Recipient shall, and shall cause the Project Implementing Entity to, ensure that:
  - (a) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, as provided in the ESCP;
  - (b) sufficient funds are available to cover the costs of implementing the ESCP;
  - (c) policies and procedures are maintained, and qualified and experienced staff in adequate numbers are retained to implement the ESCP, as provided in the ESCP; and

- (d) the ESCP, or any provision thereof, is not amended, repealed, suspended or waived, except as the Association shall otherwise agree in writing, as specified in the ESCP, and ensure that the revised ESCP is disclosed promptly thereafter.
- 3. In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.
- 4. The Recipient shall, and shall cause the Project Implementing Entity to, ensure that:
  - (a) all measures necessary are taken to collect, compile, and furnish to the Association through regular reports, with the frequency specified in the ESCP, and promptly in a separate report or reports, if so requested by the Association, information on the status of compliance with the ESCP and the environmental and social instruments referred to therein, all such reports in form and substance acceptable to the Association, setting out, *inter alia*: (i) the status of implementation of the ESCP; (ii) conditions, if any, which interfere or threaten to interfere with the implementation of the ESCP; and (iii) corrective and preventive measures taken or required to be taken to address such conditions; and
  - (b) the Association is promptly notified of any incident or accident related to or having an impact on the Project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers, including any workplace accidents that result in death, serious or multiple injury, pollution, or any violent labor unrest or dispute between the Recipient or security forces (assigned to protect the Project) and local communities, any case of sexual exploitation and abuse, sexual harassment and violence against minors, in accordance with the ESCP, the environmental and social instruments referenced therein and the Environmental and Social Standards.
- 5. The Recipient shall, and shall cause the Project Implementing Entity to, establish, publicize, maintain and operate an accessible grievance mechanism, to receive and facilitate resolution of concerns and grievances of Project-affected people, and take all measures necessary and appropriate to resolve, or facilitate the resolution of, such concerns and grievances, in a manner acceptable to the Association.
- 6. The Recipient shall, and shall cause the Project Implementing Entity to, ensure that all bidding documents and contracts for civil works under the Project include the obligation of contractors, subcontractors and supervising entities to: (a) comply with the relevant aspects of ESCP and the environmental and social instruments referred to therein; and (b) adopt and enforce codes of conduct that should be provided to and signed by all workers, detailing measures to address

environmental, social, health and safety risks, and the risks of sexual exploitation and abuse, sexual harassment and violence against children, all as applicable to such civil works commissioned or carried out pursuant to said contracts.

**D. Contingent Emergency Response**

1. For the implementation of contingent emergency response activities under Part 5 of the Project (“Contingent Emergency Response Part”), the Recipient shall cause the Project Implementing Entity to ensure that:
  - (a) a manual (“CERC Manual”) is prepared and adopted in form and substance acceptable to the Association, which shall set forth detailed implementation arrangements for the Contingent Emergency Response Part, including: (i) any structures or institutional arrangements for coordinating and implementing the Contingent Emergency Response Part; (ii) specific activities which may be included in the Contingent Emergency Response Part, Eligible Expenditures required therefor (“Emergency Expenditures”), and any procedures for such inclusion; (iii) financial management arrangements for the Contingent Emergency Response Part; (iv) procurement methods and procedures for the Contingent Emergency Response Part; (v) documentation required for withdrawals of Financing amounts to finance Emergency Expenditures; (vi) a description of the environmental and social assessment and management arrangements for the Contingent Emergency Response Part; and (vii) a template Emergency Action Plan;
  - (b) the Emergency Action Plan is prepared and adopted in form and substance acceptable to the Association;
  - (c) the Emergency Response Part is carried out in accordance with the CERC Manual and the Emergency Action Plan; provided, however, that in the event of any inconsistency between the provisions of the CERC Manual or the Emergency Action Plan and this Agreement, the provisions of this Agreement shall prevail; and
  - (d) neither the CERC Manual or the Emergency Action Plan is amended, suspended, abrogated, repealed or waived without the prior written approval by the Association.
2. The Recipient shall cause the Project Implementing Entity to ensure that the structures and arrangements referred to in the CERC Manual are maintained throughout the implementation of the Contingent Emergency Response Part, with adequate staff and resources satisfactory to Association.
3. The Recipient shall cause the Project Implementing Entity to ensure that:

- (a) the environmental and social instruments required for the Contingent Emergency Response Part are prepared, disclosed and adopted in accordance with the CERC Manual and the ESCP, and in form and substance acceptable to the Association; and
  - (b) the Contingent Emergency Response Part is carried out in accordance with the environmental and social instruments in a manner acceptable to the Association.
4. Activities under the Contingency Emergency Response Part shall be undertaken only after an Eligible Crisis or Emergency has occurred.

**E. Grievance Redress Mechanism**

The Recipient shall no later than two (2) months from the Effective Date establish and thereafter maintain at all times during the implementation of the Project, a grievance redress mechanism, under terms and structure satisfactory to the Association.

**F. Use of Military and Security Actors**

1. Without limitations to the provisions of Section I.D of this Schedule and if during Project implementation, the Recipient decides to use its military or security forces, the Recipient shall: (a) prior to any involvement of its military and/or security forces in the carrying out of Project activities, send a written notice to the Association (in accordance with Section 11.01(b) of the General Conditions) communicating such decision, including the name of the military or security unit; and (b) all activities carried out by said military or security unit under the Project shall be under the control of MURFVH and shall be undertaken exclusively for the purposes related to the Project. All goods, works, services, Operating Costs, and Training financed by the Financing proceeds may be used by said military or security unit under the direction and control of MURFVH and strictly in accordance with the Project Implementation Manual and other arrangements or protocols that the Association may require for carrying out these activities.
2. Except as the Association may otherwise agree, the Recipient shall ensure that the ownership of any assets generated, goods procured, and works constructed by the military or security unit referred to in paragraph 1 of this Section out of the Financing proceeds shall be transferred to, or shall vest, with MURFVH or any equivalent or appropriate line ministry or agency agreed with the Association.

**Section II. Project Monitoring, Reporting and Evaluation**

The Recipient shall furnish to the Association each Project Report not later than one (1) month after the end of each calendar semester, covering the calendar semester.

**Section III. Withdrawal of the Proceeds of the Financing**

**A. General**

Without limitation upon the provisions of Article II of the General Conditions and in accordance with the Disbursement and Financial Information Letter, the Recipient may withdraw the proceeds of the Financing to: (a) finance Eligible Expenditures; and (b) repay the Preparation Advance; in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:

<b>Category</b>	<b>Amount of the Grant Allocated (expressed in SDR)</b>	<b>Percentage of Expenditures to be Financed (inclusive of Taxes)</b>
(1) Goods, works, non-consulting services consulting services, Training and Operating Costs for the Project	49,695,890	100%
(2) Refund of Preparation Advance	3,604,110	Amount payable pursuant to Section 2.07 (a) of the General Conditions
(3) Emergency Expenditures under Part 4 of the Project	0	

<b>TOTAL AMOUNT</b>	53,300,000	
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**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 Signature Date,
  - (b) under Category (3), for Emergency Expenditures under Part 5 of the Project, unless and until the Association is satisfied, and has notified the Recipient of its satisfaction, that all of the following conditions have been met in respect of said activities:
    - (i) the Recipient has determined that Eligible Crisis or Emergency has occurred, has furnished the Association a request to include said activities in the CERC Part 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 has prepared and disclosed all safeguards documents required for said activities, and the Recipient has fulfilled any actions which are required to be taken under said documents, all in accordance with the provisions of Section I.D of Schedule 2 to this Agreement, for purposes of such activities;
    - (iii) the Recipient's Coordinating Authority has adequate staff and resources, in accordance with the provisions of Section I.D of Schedule 2 to this Agreement for the purposes of such activities; and
    - (iv) the Recipient has adopted a CERC Manual in form, substance and manner acceptable to the Association and the provisions of the CERC Manual remain, or have been updated in accordance with the provisions of Section I.D of Schedule 2 to this Agreement so as to be appropriate for the inclusion and implementation of said activities under the CERC Part.
2. The Closing Date is August 31, 2029.



## APPENDIX

### Section I. Definitions

1. “Anti-Corruption Guidelines” means, for purposes of paragraph 5 of the Appendix to the General Conditions, 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 and as of July 1, 2016.
2. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
3. “CERC Manual” means the manual referred to in Section I.D of Schedule 2 to this Agreement, as such manual may be updated from time to time with the agreement of the Association, and which is an integral part of the Project Operations Manual.
4. “Contingent Emergency Response Part” means any activity or activities to be carried out under Part 4 of the Project to respond to an Eligible Crisis or Emergency.
5. “Eligible Crisis or Emergency” means an event that has caused, or is likely to imminently cause, a major adverse economic and/or social impact to the Recipient, associated with a natural or man-made crisis or disaster.
6. “Emergency Action Plan” means the plan referred to in Section I.D of Schedule 2 to this Agreement, detailing the activities, budget, implementation plan, and monitoring and evaluation arrangements, to respond to the Eligible Crisis or Emergency.
7. “Emergency Expenditures” means any of the eligible expenditures set forth in the CERC Manual referred to in Section I.D of Schedule 2 to this Agreement and required for the Contingent Emergency Response Part.
8. “Environmental and Social Commitment Plan” or “ESCP” means the environmental and social commitment plan for the Project, dated July 18, 2024 as the same may be amended from time to time in accordance with the provisions thereof, which sets out the material measures and actions that the Recipient shall carry out or cause to be carried out to address the potential environmental and social risks and impacts of the Project, including the timeframes of the actions and measures, institutional, staffing, training, monitoring and reporting arrangements, and any environmental and social instruments to be prepared thereunder.
9. “Environmental and Social Standards” or “ESSs” means, collectively:  
(i) “Environmental and Social Standard 1: Assessment and Management of Environmental and Social Risks and Impacts”; (ii) “Environmental and Social

Standard 2: Labor and Working Conditions”; (iii) “Environmental and Social Standard 3: Resource Efficiency and Pollution Prevention and Management”; (iv) “Environmental and Social Standard 4: Community Health and Safety”; (v) “Environmental and Social Standard 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement”; (vi) “Environmental and Social Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources”; (vii) “Environmental and Social Standard 7: Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities”; (viii) “Environmental and Social Standard 8: Cultural Heritage”; (ix) “Environmental and Social Standard 9: Financial Intermediaries”; (x) “Environmental and Social Standard 10: Stakeholder Engagement and Information Disclosure”; effective on October 1, 2018, as published by the Association.

10. “EWS” means the Recipient's early warning system including adaptive measure for climate change, using integrated communication systems to help communities prepare for hazardous climate-related events.
11. “General Conditions” means the “International Development Association General Conditions for IDA Financing, Investment Project Financing”, dated December 14, 2018 (Last revised on July 15, 2023).
12. “MEPCI” or *Ministère de l’Economie, du Plan et de la Coopération Internationale* means the Recipient ministry in charge of economy, plan and international cooperation
13. “MURFVH” means the Recipient ministry in charge of urban development, land reform and housing, or any successor thereto.
14. “Operating Costs” means the reasonable incremental operating costs, based on Annual Work Plans and Budgets, incurred by the Recipient on account of Project implementation including: office equipment and supplies, maintenance of equipment, insurance costs, office administration costs, rental, consumables, accommodation, vehicle operation and maintenance costs, utilities, communication charges, *per diems*, travel allowances, and salaries of the Recipient’s locally contracted staff, but excluding salaries, fees, honoraria, bonuses, and any other salary supplements of members of the Recipient’s civil service.
15. “Preparation Advance” means the advance referred to in Section 2.07 (a) of the General Conditions, granted by the Association to the Recipient pursuant to the letter agreement signed on behalf of the Association on September 11, 2023 and on behalf of the Recipient on September 11, 2023.

16. “Procurement Regulations” means, for purposes of paragraph 85 of the Appendix to the General Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated September 2023.
17. “Project Operation Manual” or “POM” means the manual referred to in Section I.B of Schedule 2 to this Agreement, as such manual may be amended by the Recipient from time to time, with the prior written approval of the Association.
18. “Selected Cities” means cities in the Recipient’s territory selected to benefit from the Project’s activities as further detailed in the POM.
19. “Signature Date” means the later of the two dates on which the Recipient and the Association signed this Agreement and such definition applies to all references to “the date of the Financing Agreement” in the General Conditions.
20. “Steering Committee” or “PSC” means the committee referred to in Section I.A.1 of Schedule 2 to this Agreement.
21. “Training” means the reasonable costs associated with training under the Project, based on the relevant Annual Work Plan and Budget, and attributable to study tours, training courses, seminars, workshops and other training activities, not included under service providers’ contracts, including costs of training materials, space and equipment rental, travel, accommodation and per diem costs of trainees and trainers, trainers’ fees, and other training related miscellaneous costs.