Financing Agreement

(Amended and Restated Financing Agreement)

(Social Safety Net System Project)

between

ISLAMIC REPUBLIC OF MAURITANIA

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated September 7, 2015

As amended and restated on October 27, 2017
GRANT NUMBER D0540-MR

FINANCING AGREEMENT

AGREEMENT dated September 7, 2015, as amended and restated on October 2, 2017, entered into between ISLAMIC REPUBLIC OF MAURITANIA ("Recipient") and INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association"). The Recipient and the Association hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

1.01. The General Conditions (as defined in the Appendix to this Agreement) constitute an integral part of this Agreement.

1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Agreement.

ARTICLE II — FINANCING

2.01. The Association agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a grant in an amount equivalent to ten million seven hundred thousand Special Drawing Rights (SDR 10,700,000) (variously, “Grant” and “Financing”), to assist in financing the project described in Schedule I 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 Payment Dates are April 15 and October 15 in each year.

2.05. The Payment Currency is the United States Dollar.

ARTICLE III — PROJECT

3.01. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out the Project in accordance with the provisions of Article IV of the General Conditions.

3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Recipient and the Association shall otherwise agree, the Recipient
shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV – EFFECTIVENESS; TERMINATION

4.01. The Additional Conditions of Effectiveness consist of the following:

(a) The Subsidiary Agreement has been executed on behalf of the Recipient and the Project Implementing Entity.

(b) The Co-financing Agreement has been executed by the parties thereto.

(c) The Recipient has adopted and disseminated the Project Manuals.

(d) The Amended and Restated Co-financing Agreement has been executed by the parties thereto.

4.02. The Additional Legal Matters consist of the following:

(a) The Subsidiary Agreement has been duly authorized or ratified by the Recipient and the Project Implementing Entity and is legally binding upon the Recipient and the Project Implementing Entity in accordance with its terms.

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

4.04. 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 responsible for economy.

5.02. The Recipient’s Address is:

Ministry of Economy and Finance
BP 238
Nouakchott
Mauritania

Facsimile: 222-45-25-33-35
5.03. The Association’s Address is:

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

Cable: INDEVAS
Telex: 248423 (MCI)
Facsimile: 1-202-477-6391
Washington, D.C.
AGREED at \[\text{appropriate date}\] of the day and year first above written.

ISLAMIC REPUBLIC OF MAURITANIA

By

Authorized Representative

Name: \text{M. Moctar Ould Djay}

Title: \text{Minister of Economy and Finance}

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Authorized Representative

Name: \text{L. A. T. M. Elsalam}

Title: \text{Country Manager}
The objectives of the Project are to support the establishment of key building blocks of the national social safety net system and to provide targeted cash transfers to extreme poor households.

The Project consists of the following parts:

**Part 1. Support to National Social Safety Net System**

1.1 Support to the Recipient to develop and establish the Social Registry through: (a) the design and implementation of social registry tools and mechanisms, including a Management Information System (MIS), the calculation of quotas and proxy-means tests, grievance mechanisms, communication materials, and acquisition of key equipment, software, and hardware; (b) the establishment of the Social Registry through the organization of the community committees for community targeting, implementation of questionnaires, management of grievances, as well as the preparation of lists of eligible households for targeted programs; (c) support activities to help registered individuals obtain a national identity number and/or card, including information campaigns among Social Registry households to inform them of the procedures to request a number and/or card; and (d) evaluation activities to assess the effectiveness of the establishment of the Social Registry.

1.2 Support to the Recipient to implement the National Social Protection Strategy through: (a) Analytical Activities and related capacity building activities; (b) the implementation of the Expanded Early Warning System.

**Part 2. Support to Social Transfer and Shock Responsive Programs**

2.1 Support to the Recipient to design and implement the Social Transfer and Shock Responsive Programs through: (a) the development of program tools and processes, including a Management and Information System (MIS) and a grievance mechanism; (b) monitoring and evaluation activities; and (c) Operating Costs.

2.2 Support to the Recipient for: (a) the payment of Cash Transfers to: (i) Eligible Beneficiaries participating in the Social Transfer Program Promotion Activities; and (ii) Eligible Beneficiaries participating in the Shock Responsive Program; and (b) the payment of financial fees associated with the Cash Transfers.

2.3 Promotion of investment in human capital and economic resilience, especially of women and children, through: (a) the development of modules and materials for the Social Transfer Program Promotion Activities; (b) the implementation of
Social Transfer Program Promotion Activities; and (c) programming, supervision and monitoring of activities by the PII.

Part 3. Project Management

Support to the Recipient for activities related to the management of the Project including: (a) the cost of core administrative Project staff; (b) the provision of equipment and payment of Operating Costs directly linked to the daily management of the Project; (c) the carrying out of regular internal and external audits; (d) Training for the Project operational support team; and (e) costs associated with Project reporting, including a mid-term review involving stakeholders and civil society.
Section I. Implementation Arrangements

A. Institutional Arrangements.

1. Ministry of Economy and Finance

The Recipient shall vest overall responsibility for the implementation of the Project in the Ministry of Economy and Finance.

2. Committee for Piloting the National Social Protection Strategy.

(a) The Recipient shall vest responsibility for strategic guidance and oversight of the Project's implementation in the Committee for Piloting the National Social Protection Strategy (CP-SNPS).

(b) The CP-SNPS shall be co-chaired by the Principal Secretaries (Secrétaires Généraux) of the Ministry of Social Affairs, of the Child and of the Family (Ministère des Affaires Sociales, de l'Enfance et de la Famille, MASEF) and of the Ministry of Economy and Finance.

(c) The CP-SNPS shall include representatives from, inter alia, MASEF; the Ministry of Economy and Finance (MEF); the Health Ministry (Ministère de la Santé, MS); the Ministry of National Education (Ministère de l'Education Nationale, MEN); the Ministry for Employment, Professional Training, and Information and Communication Technologies (Ministère de l'Emploi, de la Formation Professionnelle et des Technologies de l'Information et de la Communication, MEFTIC); Ministry of Justice (Ministère de la Justice); the Ministry of Civil Service, Labor and the Modernization of Public Administration (Ministère de la Fonction Publique, du Travail et de la Modernisation de l'Administration); Food Security Office (Commissariat à la Sécurité Alimentaire, CS4); the Commission on Human Rights and Humanitarian (Commissariat aux Droits de l'Homme, l'Action Humanitaire et aux Relations avec la Société Civile - CDHARSC); the Agence Tadamon; civil society; and the Technical and Financial Partners.

(d) The CP-SNPS shall be responsible for approving technical documents and tools for social safety nets; mobilizing resources for the implementation of the SNPS; ensuring the coordination and the collaborative implementation of all actors involved in the implementation of social safety nets; validating and monitoring activities, budgets and the monitoring and
evaluation (M&E) plans for the Social Registry Direction of the Ministry of Economy and Finance; and support sectoral actors in their contributions to social protection.

3. **Technical Committee for the National Social Protection Strategy**

   (a) The Recipient shall, at all times during Project implementation, maintain a Technical Committee for the National Social Protection Strategy (*Comité Technique de la Stratégie de Protection Sociale, CT-SPS*).

   (b) The CT-SPS shall provide regular technical oversight to the CP-SNPS for the effective implementation of the National Social Protection Strategy, and shall be responsible for, *inter alia*: (a) the preparation of the Annual Work Plans; (b) the elaboration of technical tools for the SNPS implementation; (c) the design of financing mechanisms for the social sector; (d) the coordination of activities; (e) the supervision of evaluation studies; and (f) the coordination of social sector actors.

4. **Project Steering and Monitoring Committee**

   (a) The Recipient shall, by November 30, 2015, establish and maintain at all times during Project implementation, under the presidency of the General Secretary of the Ministry of Economy and Finance, a Project Steering and Monitoring Committee ("PSMC").

   (b) The PSMC shall be responsible for the oversight, operational planning and monitoring of the Project, and shall be responsible for validating the Social Registry Manual, the Shock Responsive Program Manual and Social Transfer Program Manual, validating Annual Work Plans and monitoring the implementation of the Project.

   (c) The PSMC shall regularly report to the CP-SNPS on progress in Project implementation and shall seek CP-SNPS guidance on core strategic decisions.

5. **National Project Coordinator**

The National Project Coordinator shall, at all times during Project implementation, be responsible for the technical coordination of the Project and regular reporting on implementation.
6. **Project Implementing Entity**

   (a) The Recipient shall vest responsibility for the day-to-day implementation of the Project in the Project Implementing Entity (PIE) in accordance with the Project Manuals.

   (b) The PIE shall, at all times during Project implementation, carry out the Social Transfer Program in close coordination with Sectoral Actors responsible for the definition of the package of promotion services.

   (c) The PIE shall, at all times during Project implementation, retain a Project Operational Coordinator, a Procurement Specialist, an Accountant and an Internal Auditor, under terms of reference acceptable to the World Bank and with qualifications and experience satisfactory to the World Bank.

   (d) The PIE shall be responsible for all fiduciary aspects of Project implementation.

**B. Counterpart Funding**

1. The Recipient shall, by November 30, 2015, open a separate treasury account or Bank account (Project Account B) and shall maintain the Project Account B open for a period of not less than eight (8) months after the implementation of the project, for the exclusive purpose of depositing funds provided by the Recipient for the financing of the Project ("Counterpart Funding"), in an amount not to exceed ten million United States Dollars (US$10,000,000).

2. The Recipient shall, by January 25, 2016, commit to deposit the sum of two million United States Dollars (US$2,000,000) in Project Account B.

3. The Recipient shall, no later than September 1 in each year of Project implementation, deposit the sum of two million United States Dollars (US$2,000,000), in Project Account B, with the final payment deposited no later than October 31, 2019.

**C. Subsidiary Agreement**

1. To facilitate the carrying out of the Project, the Recipient shall make the proceeds of the Financing available to the Project Implementing Entity under a subsidiary agreement between the Recipient and the Project Implementing Entity, under terms and conditions approved by the Association ("Subsidiary Agreement").

2. The principal amount of the Grant made available under the Subsidiary Agreement ("Subsidiary Grant") shall be on the same terms as those of the Financing.
3. The Recipient shall exercise its rights under the Subsidiary Agreement in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive the Subsidiary Agreement or any of its provisions.

D. Project Manuals

1. The Recipient shall carry out the Project in accordance with the provisions of manuals satisfactory to the Association (the “Project Manuals”), which shall include details of all aspects of Project implementation, fiduciary functions and requirements, organization and human resource management; financial management, accounting and disbursements; inventory management; and internal audits.

2. The Recipient shall afford the Association a reasonable opportunity to review such manuals, and shall thereafter adopt said manuals as shall have been approved by the Association (“Project Manuals” or “PMs”).

3. The Recipient shall not amend, abrogate, waive or permit to be amended, abrogated or waived, the Project Manuals, or any provision thereof, without the prior written consent of the Association.

4. In the event of any inconsistency between this Agreement and the Project Manuals the provisions of this Agreement shall prevail.

E. Annual Work Plan

1. The Recipient shall cause the PSMC, to prepare, in accordance with terms of references acceptable to the Association, and furnish to the Association no later than November 15 of each Fiscal Year throughout the implementation of the Project, a work plan of activities proposed 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, 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.
F. **Social Transfer Program Manual**

1. The Recipient shall prepare, in accordance with terms of reference acceptable to the Association, a manual, containing detailed arrangements and procedures for:
   (a) eligibility criteria, detailed rules and procedures for identification, registration and selection of Eligible Beneficiaries;
   (b) requirements to be fulfilled by Eligible Beneficiaries as conditions for the provision of Cash Transfer (CT) under Part 2.2 of the Project;
   (c) the mechanisms for verification of compliance with CT conditions; and
   (d) rules and procedures governing a redress mechanism for CT.

2. The Recipient shall afford the Association a reasonable opportunity to review such manual, and shall thereafter adopt said manual as shall have been approved by the Association ("Social Transfer Program Manual").

3. The Recipient shall carry out Part 2.2 (a)(i) of the Project in accordance with the Social Transfer Program Manual and shall not amend, abrogate, waive or permit to be amended, abrogated or waived the aforementioned manual or any provision thereof, without the prior written consent of the Association.

4. In the event of any inconsistency between this Agreement and the Social Transfer Program Manual, the provisions of this Agreement shall prevail.

G. **Shock Responsive Program Manual**

1. The Recipient shall prepare, in accordance with terms of reference acceptable to the Association, a manual containing detailed arrangement and procedures for:
   (a) the description of the Early Warning System and the triggers used to decide to intervene;
   (b) eligibility criteria, detailed rules and procedures for identification, registration and selection of Eligible Beneficiaries; and
   (c) procedures for implementing Cash Transfer under Part 2.2 of the Project.

2. The Recipient shall afford the Association a reasonable opportunity to review such manual, and shall thereafter adopt said manual as shall have been approved by the Association ("Shock Responsive Program Manual").

3. The Recipient shall carry out Part 2.2 (a)(ii) of the Project in accordance with the Shock Responsive Program Manual and shall not amend, abrogate, waive or permit to be amended, abrogated or waived the aforementioned manual or any provision thereof, without the prior written consent of the Association.

4. In the event of any inconsistency between this Agreement and the Shock Responsive Program Manual, the provisions of this Agreement shall prevail.
H. Social Transfer Program and Shock Responsive Program

1. In order to achieve the objectives of Part 2 of the Project, the Recipient shall provide Cash Transfers (CT) to Eligible Beneficiaries in accordance with eligibility criteria and procedures acceptable to the Association and further detailed in the Social Transfer Program Manual and the Shock Responsive Program Manual.

2. Said eligibility criteria shall include, *inter alia*, that:
   (a) with regard to the Social Transfer Program: (i) the Eligible Beneficiary shall have been identified as a vulnerable household in the Social Registry; and (ii) said household shall comply with the conditionality of participating in the Social Transfer Program Promotion Activities; and (b) with regard to the Shock Responsive Program that the Eligible Beneficiary shall have been identified as a vulnerable household in the Social Registry.

3. Each CT shall: (a) be in an amount acceptable to the Association and the Recipient; and (b) reflect the reasonable cost of decreasing the Eligible Beneficiary level of poverty while promoting investment in human capital and defined in the Social Transfer Program Manual.

4. The Recipient shall ensure that the amount of each CT is paid for its intended Eligible Beneficiary.

5. The Recipient shall, for the administering of CTs, conclude and thereafter implement, until it has expired in accordance with its terms, a payment agreement, in form and substance satisfactory to the Association and in accordance with criteria and procedures set forth in the Social Transfer Program Manual, with one or more Payment Service Providers, selected on the basis of terms of reference, qualifications and experience satisfactory to the Association and in accordance with the provisions of Section III of Schedule 2 of this Agreement, for the payment of CT to Eligible Beneficiaries (each a "Payment Agreement"). The Recipient shall ensure that each Payment Agreement is: (a) submitted to the Association for its review and approval prior to its signature between the Recipient and a Payment Service Provider; (b) signed and effective before any proceeds of the Financing are transferred to the Payment Service Provider; and (c) carried out with due diligence and efficiency and in accordance with sound technical, financial, and managerial standards and practices acceptable to the Association, including in accordance with the provisions of the Anti-Corruption Guidelines applicable to the recipients of the CT proceeds other than the Recipient.

I. 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 calendar semester, and shall be furnished to the Association not later than one month 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 as part of the Project Report, 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, commencing with the fiscal year in which the first withdrawal was made under the Preparation Advance for the Project. The audited Financial Statements for each such period shall be furnished to the Association not later than six months after the end of such period.

4.  The Recipient shall, by November 30, 2015, cause the PIE to update its existing Accounting Information System.

5.  The Recipient shall, by April 23, 2016, cause the PIE to recruit an External Auditor with competence and experience satisfactory to the Association.

Section III.  Procurement

A.  General

1.  Goods and Non-consulting Services.  All goods 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 and Non-consulting Services**

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

2. **Other Methods of Procurement of Goods and Non-consulting Services.** The following methods, other than International Competitive Bidding, may be used for procurement of goods and non-consulting services for those contracts specified in the Procurement Plan:

   (a) National Competitive Bidding subject to the following additional provisions

   The procurement procedure to be followed for National Competitive Bidding ("NCB") shall be the open competitive bidding procedure set forth in the Public Procurement Code 2010-044 of July 22, 2010, of Mauritania (the “Code”); provided, however, that such procedure shall be subject to the provisions of Section I, and Paragraphs 3.3 and 3.4 of the Procurement Guidelines, and the following additional provisions:

   (i) Bidding documents acceptable to the Bank shall be used.

   (ii) Eligibility to participate in a procurement process and to be awarded a 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 Association 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 concurrence of the Bank.

(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 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.

(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.
Evaluation committee should include two specialists in the matter at least and should never include any tender committee members.

(b) Shopping; and

(c) 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) Quality-based Selection; (b) Selection under a Fixed Budget; (c) Least Cost Selection; (d) Selection based on Consultants' Qualifications; (e) Single-source Selection of consulting firms; (f) Individual Consultant Selection; and (g) Single-source procedures for the Selection of Individual Consultants.

D. Review by the Association of Procurement Decisions

1. 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. The Prior review by the National Commission for Procurement Control (Commission Nationale de Contrôle des Marchés Publics) and the Sectoral Tender Committee (Commission Sectorielle de Passation des Marches) is not required for the contracts subject to the Association's Prior Review as set in the Procurement Plan approved by the Association.

2. The approval of National Commission for Procurement Control (Commission Nationale de Contrôle des Marchés Publics) and Sectoral Tender Committee (Commission Sectorielles de Passation des Marches) and local advertisement shall not be required for the Procurement Plan.

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: (a) repay the Preparation Advance in accordance with Section 2.07 of the General Conditions; and (b) finance 100% (inclusive of Taxes) of Eligible Expenditures.

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:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Credit Allocated (expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, non-consulting services, and consultants' services for the Project, other than Part 2.2 (a) of the Project</td>
<td>3,600,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Cash Transfers under Part 2.2 (a) of the Project</td>
<td>5,700,000</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Refund of Preparation Advance</td>
<td>1,400,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>10,700,000</td>
<td></td>
</tr>
</tbody>
</table>

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; and

   (b) under Category 1 prior to the recruitment of the Accountant, the Internal Auditor and the Procurement Specialist.

2. The Closing Date is October 31, 2020.
APPENDIX

Section 1. Definitions

1. "Accountant" means the person referred to in section I.A.6 (c) and section IV.B.1 (b) of Schedule 2 to this Agreement responsible for accounting matters related to the Project.

2. "Accounting Information System" means the system of accounting referred to in Section II.B.4 of Schedule 2 to this Agreement.

3. "Administrative and Financial Management, Procurement, Project Implementation Manual" means one of the four manuals comprising the Project Manuals, providing for all administrative and fiduciary procedures to be followed to implement all Project activities.


5. "Analytical Activities" means analytical activities carried out under Part I of the Project, including data collection activities, the analysis of options for targeting of potential beneficiaries for selected programs, the analysis of gaps in the supply of basic services on the basis of the Social Registry and maps of services, the analysis of patterns of vulnerability to better design responses, the analysis of the distributional impact of subsidies to inform their potential reform, and the analysis of barriers faced by the poor when accessing basic goods (formation and transmission of food prices, etc.).

6. "Annual Work Plans" means the plan of activities for each calendar year including, the budget and activities for the implementation of the Project; it shall include a clear mechanism to identify the source of funding, whether Financing, Co-financing or Counterpart Funding, of contracts under Category 1 and Cash Transfers under Category 2.


8. "Cash Transfers" means the proceeds of the Financing paid to Eligible Beneficiaries either (a) participating in the Social Transfer Program Promotion Activities or (b) affected by covariate shocks, under Part 2.2 of the Project and referred to in section I.H of Schedule 2 to this Agreement.

9. "Category" means a category set forth in the table in Section IV of Schedule 2 to this Agreement.

10. "Co-financier" means DFID.
11. "Co-financing" means, for purposes of paragraph 11 of the Appendix to the General Conditions, an amount of Four Million United States Dollars (US$4,000,000), to be provided by the Co-financer through the Multi-Donor Trust Fund for Adaptive Social Protection in the Sahel to assist in financing of Part 1.2 Project.

12. "Co-financing Agreement" means the agreement concluded between the Recipient and the Association providing for the Co-financing.


14. "Counterpart Funding" means the financing provided by the Recipient for the purposes of implementing the Project, referred to in Schedule I.B. of Schedule 2 to this Agreement.

15. "DFID" means the United Kingdom Department for International Development.

16. "Eligible Beneficiaries" means persons who meet the eligibility criteria stipulated in the Project to participate in the Social Transfer Program and the Shock Responsive Program; each an "Eligible Beneficiary".

17. "EU" means the European Union.

18. "Expanded Early Warning System" means the system which monitors the evolution of key indicators related to shocks, as well as economic and social indicators which can trigger emergency plans.

19. "External Auditor" means the person referred to in Section II.B.5 of Schedule 2 to this Agreement.


21. "Internal Auditor" means the person referred to in section I.A.6 (c) and section IV.B.1 (b) of Schedule 2 to this Agreement responsible for internal audits of the Project.

22. "Management and Information Systems" or "MIS" means a system that combines software and databases to support the management and monitoring of a program’s activities, such as the MIS of the Social Registry and the MIS of the Social Transfer program, each comprising different modules, which allow users to perform core functions related to the registration of households, the application of a proxy-means test, the production of lists of eligible households (for the Social
Registry MIS), the registration of Eligible Beneficiaries, the payment of Cash Transfers, the verification of compliance with the program conditionality (for the Social Transfer Program), the management of grievances and redress, the management and monitoring of daily activities, and the production of regular reports on implementation (for both MISs).

23. "Multi-Donor Trust Fund for Adaptive Social Protection in the Sahel" means the trust fund established under an administration agreement concluded between the Co-financier and the Association on March 10, 2014, and administered by the Association.

24. "Multilateral and Bilateral Donors" means, *inter alia*, UNICEF, the EU, WFP and AFD.

25. "National Commission for Procurement Control" or "Commission Nationale de Controle des Marchés Publics" means the entity referred to in Section III.D of Schedule 2 to this Agreement.

26. "National Project Coordinator" means the person responsible for strategic coordination of Parts 1 and 2 of the Project and referred to in Section I.A.5 of Schedule 2 to this Agreement.

27. "National Social Protection Strategy" means SNPS.

28. "Operating Costs" means the costs to cover utilities and supplies, communications, gasoline, travel, equipment maintenance costs and other costs related to the management and supervision of the activities.

29. "Payment Service Provider" means a private or not for profit entity contracted to perform payment service under the Project.

30. "Preparation Advance" means the advance referred to in Section 2.07 of the General Conditions, granted by the Association to the Recipient pursuant to the letter agreement signed on behalf of the Association on January 28, 2015 and on behalf of the Recipient on February 3, 2015.


32. "Procurement Plan" means the Recipient's procurement plan for the Project, dated March 25, 2015 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.
33. “Procurement Specialist” means the person referred to in section L.A.6 (b) of Schedule 2 to this Agreement responsible for procurement in the implementation of the Project.

34. “Program Instruments for the Social Transfer Program” means the Management Information System, communication material, training material, supervision documents and formats, payment system, and any other instrument used in the implementation of the program.


36. “Project Manuals” means collectively: (a) the Administrative and Financial Management, Procurement, and Project Implementation Manual; (b) the Social Transfer Program Manual; (c) the Shock Responsive Program Manual; and (d) the Social Registry Manual.

37. “Project Operational Coordinator” means the person referred to in section L.A.6 (b) of Schedule 2 to this Agreement in charge of the PIU.

38. “Sectoral Actors” means the Recipient’s Ministry of Social Affairs, Children and Women (MASEF), the Ministry of Health, the Ministry of Education, and the Ministry of Agriculture, the Commission on Food Security and any other institutions of the Recipient involved in the implementation of social safety net programs.

39. “Sectoral Tender Committee” or “Commission Sectorielles de Passation des Marchés” means the entity referred to in section L.I.D of Schedule 2 to this Agreement.

40. “Shock Responsive Program” means Recipient’s program, which targets the vulnerable households affected by covariate shocks and provides them with temporary cash transfers in order to mitigate the shock impact on the household welfare.

41. “Shock-responsive Program Manual” means one of the four Project Manuals, detailing the objectives of the Shock-responsive Program, its methodology, and the procedures to be followed for its implementation, including institutional coordination and day-to-day execution of the Project, as well as monitoring, evaluation, reporting and communication, and referred to in section L.G of Schedule 2 to this Agreement.
42. "SNPS" or *Stratégie Nationale de Protection Sociale* means the Recipient’s Social protection strategy adopted in 2013, which offers a long-term vision and roadmap for creating an integrated social protection system and comprises five pillars: (i) food security and nutrition; (ii) access to health and education; (iii) social security and employment; (iv) improving the environment; and (v) social assistance and support to vulnerable populations.

43. “Social Registry” means the national registry implemented by the Ministry of Economy and Finance to register the poorest households in the territory of the Recipient following a targeting methodology that combines geographic targeting, community targeting, and proxy-means testing, and which shall include information on the demographic and socio-economic conditions of the households, and provide a basis for targeted programs to identify their beneficiaries.

44. “Social Registry Direction” means the direction established within the MEF under Décret 029/PM/2016, dated March 2, 2016.

45. “Social Registry Manual” means one of the four Project Manuals, detailing the objectives of the Social Registry, its methodology, and the procedures to be followed for its implementation, including rules and procedures governing a redress mechanism for the Social Registry, as well as institutional coordination and day-to-day execution of the Project, as well as monitoring, evaluation, reporting and communication.

46. “Social Transfer Program” means the national program, which targets the poorest households in the territory of the Recipient and provides them with regular cash transfers and promotion activities, in order to provide basic support in the medium-term and promote investments in the human capital of their children and women.

47. “Social Transfer Program Manual” means one of the four Project Manuals, detailing the objectives of the Program, its methodology, and the procedures to be followed for its implementation, including institutional coordination and day-to-day execution of the Project, as well as monitoring, evaluation, reporting and communication, and referred to in Section 1.F of Schedule 2 to this Agreement.

48. “Social Transfer Program Promotion Activities” means activities designed to promote resilience of the Social Transfer Program beneficiaries through increased investment in households' human capital and income generating options, which shall comprise a core curriculum focusing on: (i) the Social Transfer Program objectives, activities and conditions; (ii) health; (iii) nutrition; (iv) early-childhood development (ECD); (v) education; and (vi) resilience.

49. “Subsidiary Agreement” means the agreement referred to in Section 1.C of Schedule 2 to this Agreement.
50. "Subsidiary Grant" means the financing referred to in Section I.C.2 of Schedule 2 to this Agreement.

51. "Technical and Financial Partners" means the entities referred to in Section I.A.2 (c) of Schedule 2 to this Agreement, which shall include Multilateral and Bilateral Donors.

52. "Technical Committee for the National Social Protection Strategy" (Comité Technique de la Stratégie de Protection Sociale, CT-SPS) means the entity referred to in Section I.A.3 (a) of Schedule 2 to this Agreement comprised of technical experts.

53. "Training" means the training of persons involved in Project-supported activities, such term including seminars, workshops, and study tours, and costs associated with such activity include travel and subsistence costs for training participants, costs associated with securing the services of trainers, rental of training facilities, preparation and reproduction of training materials, and other costs directly related to training preparation and implementation.


55. "WFP" means the World Food Program.