

GRANT NUMBER H799-3A

Financing Agreement

(Improved Investment Climate within the Organization for the Harmonization of
Business Laws in Africa "OHADA" Project)

Between

INTERNATIONAL DEVELOPMENT ASSOCIATION

and

ORGANIZATION FOR THE HARMONIZATION OF
BUSINESS LAWS IN AFRICA
(Organisation pour l'Harmonisation du Droit des Affaires en Afrique)

Dated *October 25*, 2012

GRANT NUMBER H799-3A

FINANCING AGREEMENT

AGREEMENT dated October 25, 2012, entered into between ORGANIZATION FOR THE HARMONIZATION OF BUSINESS LAWS IN AFRICA (*Organization pour l'Harmonisation du Droit des Affaires en Afrique* or "OHADA") ("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 nine million seven hundred thousand Special Drawing Rights (SDR 9,700,000) ("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 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 January 15 and July 15 in each year.
- 2.05. The Payment Currency is Euros.

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 through its Permanent Secretariat, 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 — REMEDIES OF THE ASSOCIATION

- 4.01. The Additional Events of Suspension consist of the following:
 - (a) Any of the OHADA Treaty and the Headquarters Agreement has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the Recipient to perform any of its obligations under this Agreement.
 - (b) A Member Country has: (i) taken or permitted to be taken any action which would prevent or interfere with the execution of the Project or the performance by the Recipient of its obligations under this Agreement; or (ii) failed to afford a reasonable opportunity for representatives of the Association to visit any part of its territory for purposes related to the Project.

ARTICLE V — EFFECTIVENESS; TERMINATION

- 5.01. The Additional Condition of Effectiveness consists of the following, namely that the Project Operations Manual has been adopted by the Recipient in accordance with the provisions of Section I. C of Schedule 2 to this Agreement.
- 5.02. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.
- 5.03. 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 (20) years after the date of this Agreement.

ARTICLE VI— REPRESENTATIVE; ADDRESSES

6.01. The Recipient's Representative is the Permanent Secretary of the Recipient's Permanent Secretariat.

6.02. The Recipient's Address is:

Secrétariat Permanent de l'OHADA
Avenue Charles de Gaulle,
Quartier Hippodrome, face MINREX
B.P 10071, Yaoundé
Republic of Cameroun
Telephone: (237) 22210905/22212612
Facsimile: (237)-22216745

6.03. 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.

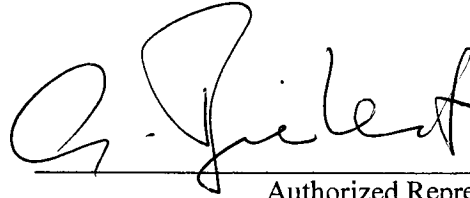
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1-202-477-6391

AGREED at Yaounde, Republic of Cameroon, as of the
day and year first above written.

INTERNATIONAL DEVELOPMENT ASSOCIATION

By



Authorized Representative

Name: Gregor Binkert

Title: Country Director

ORGANIZATION FOR THE HARMONIZATION OF
BUSINESS LAWS IN AFRICA / (*Organisation pour
l'Harmonisation du Droit des Affaires en Afrique*)

By



Authorized Representative

Name: Dorothea C. Sosso

Title: SP/OHAJA

SCHEDULE 1

Project Description

The objective of the Project is to strengthen OHADA's institutional capacity to support, in its member countries, selected aspects of investment climate reforms including improved corporate financial reporting.

The Project consists of the following parts:

Part 1: Institutional strengthening of OHADA Permanent Secretariat and Project Implementation support

1.1 Improving OHADA organizational effectiveness by:

- (a) (i) Elaborating institutional systems, operating rules and procedures, including those pertaining to a more efficient inter-institutional coordination; (ii) setting up the knowledge infrastructure best able to support, promote and disseminate OHADA's knowledge products.
- (b) Strengthening the ability of pertinent OHADA institutions to identify and formulate legislation, including in new reform areas targeted by Uniform Acts, among which, leasing, factoring, commercial arbitration and dispute settlements.
- (c) Reviewing and designing methods for OHADA to attain financial sustainability.
- (d) Defining and implementing a suitable human resources management and training system to increase OHADA's staff productivity and development.
- (e) Creating and implementing a communication strategy designed to raise awareness of OHADA's institutions' respective functions, roles, activities, achievements and relevance in promoting a better environment for increased investments.
- (f) Establishing and operating a monitoring and evaluation system for reform implementation and related impact on the investment climate in the OHADA Zone.

- 1.2 Ensuring optimum Project implementation by:
- (a) Carrying out, through Permanent Secretariat, fiduciary and administrative aspects of Project implementation.
 - (b) Carrying out outreach and coordination activities among OHADA institutions, including, *inter alia*, in connection with the consultation process mandated under the Uniform Acts reform agenda.

Part 2: Strengthening the capacity of CCJA and ERSUMA

- 2.1 Improving the performance, in efficiency and quality terms, of CCJA as the OHADA supreme judicial institution by:
- (a) Promoting an increased use of ADR mechanisms, through, *inter alia*, (i) the strengthening of the Arbitration Center and related activities within CCJA; (ii) the review and update of the Uniform Act on arbitration to include provisions conducive to fostering a greater use of arbitration and mediation mechanisms; and (iii) the design and organization of training and awareness programs on international best practices in ADR.
 - (b) Completing the operationalization of RCCM through the provision of technical advisory services in connection with the upgrading and the finalization of the computerization process at the RCCM, notably, the alignment with e-government platform norms and standards and the inter-operability and connectivity with OHADA Zone national commercial registries.
 - (c) Strengthening the institutional capacity of CCJA in order to improve court administration.
- 2.2 Enhancing the institutional capacity of ERSUMA to perform fully under its mandate as the OHADA regional professional school for the judiciary by:
- (a) Undertaking a thorough review of the adequacy and pertinence of the training curriculum and course contents currently delivered in ERSUMA, and thereafter, proceeding with the revamping and updating of same, based on a more modern strategy using current technologies, including web-based ones, to deliver training across the OHADA Zone.
 - (b) Organizing in ERSUMA the delivery of additional courses and training in: (i) Uniform Acts which are in high demand; and (ii) ADR mechanisms.

- (c) Fostering research, documentation and the dissemination of the courses and other publications through the acquisition of books and didactic materials to expand the ERSUMA library ("*Centre de Documentation*").

Part 3: Improving Corporate Financial Reporting

- 3.1. Modernizing the accounting standards for the OHADA Zone to improve corporate financial reporting by:
 - (a) (i) Adopting, in the OHADA Zone, the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") for entities such as listed companies, banks, insurance companies, and state-owned enterprises, (ii) updating the accounting standards for OHADA for small and medium enterprises, and (iii) strengthening the institutional capacity of CNC OHADA.
 - (b) Carrying out: (i) a gap assessment of the Accounting System for OHADA; (ii) the elaboration and, subsequently, the dissemination of the new accounting standards adopted pursuant to sub-paragraph (a) above; and (iii) change management activities intended to create broad consensus among stakeholders and identify key incentives around the reform agenda.
- 3.2. Improving standards of the accounting profession by:
 - (a) Adopting the International Standards on Auditing ("ISA") developed by the International Auditing and Assurance Board ("IAASB") and the code of ethics for professional accountants developed by the International Ethics Standards Board for Accountants ("IESBA"), and in connection therewith, preparing and implementing a strategy for the adoption of same and the dissemination of said standards.
 - (b) Creating professional accountancy organizations ("PAO") wherever needed in the OHADA Zone, under the stewardship of the Permanent Secretariat as regards the drafting of prospective PAOs' statutes and legal frameworks.
 - (c) The development and subsequent implementation of a quality assurance framework and investigation and disciplinary mechanisms, fully compliant with all applicable IFAC's SMOs.

- 3.3. Designing a regional professional qualification curriculum and continued professional development system, by carrying out activities for:
- (a) The preparation, and ensuing adoption, of a regional professional qualification curriculum compliant with the international education standards for professional accountants issued by the International Accounting Education Standards Board (“IAESB”).
 - (b) The implementation of the newly developed curriculum, mentioned in point (a) above.
 - (c) The elaboration, for adoption, of a general mandatory continuing professional development program, as required by the IAESB.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

Project coordinating entity

1. The Recipient shall:

- (a) Vest main responsibility for Project implementation, management, coordination and supervision in the Permanent Secretariat under the leadership of its permanent secretary (“Permanent Secretary”) who shall act as Project coordinator, said Permanent Secretariat to be staffed at all times during Project implementation with personnel adequate in numbers and having functions, experience and resources satisfactory to the Association, including staff appointed in accordance with the provisions of Section III of this Schedule, among whom, an additional procurement specialist and an additional financial management specialist for the Project and as well, an accounting specialist for Part 3 of the Project, all to be recruited not later than 3 (three) months after the Effective Date. The said staff shall be responsible for the Project’s administration, implementation, and coordination and related fiduciary matters covering, inter alia, the overall procurement, financial management, audit, monitoring and evaluation and reporting aspects thereof, all as further described in the Project Operations Manual (“POM”).
- (b) Ensure an active and efficient collaboration and coordination, for purposes of Project implementation, among the Permanent Secretariat, CCJA, ERSUMA and selected other OHADA structures agencies and entities, listed in the POM.
- (c) Maintain the Permanent Secretariat assigned to the direct administrative authority of the council of ministers of finance and justice of OHADA to which its Permanent Secretary will report periodically during said council’s regularly scheduled bi-annual meetings, as specified further in the POM.

Project Steering Committee

- (d) Entrust responsibility for general policy guidance and for defining the Project's strategic orientations in the council of ministers of finance and justice of OHADA, the deliberating body of OHADA under the OHADA Treaty, which shall act as the Project steering committee ("Project Steering Committee"), and which shall be responsible additionally to decide outstanding issues and constraints in Project implementation not satisfactorily solved by the Project Monitoring Committee.

Project Monitoring Committee

- (e) Assign the responsibility to review and follow up on Project activities to a committee consisting of representatives of all OHADA institutions involved in or concerned by the Project ("Project Monitoring Committee"). Specifically, the Project Monitoring Committee shall be tasked with the responsibility, inter alia, to: (i) endorse annual work plans of the Permanent Secretariat, CCJA and ERSUMA and related procurement plans; (ii) review progress in Project execution based on, notably, the Project indicators and the conclusions of financial, internal, external and operational audits carried out under the Project; (iii) maintain relations with donors supporting activities complementary to those under the Project; (iv) discuss and present proposals to the Project Steering Committee on matters which affect the reform agenda supported under this Project; and (v) address technical issues and constraints in respect of Project implementation.

B. Sub-implementation arrangements

1. To facilitate the carrying out of the Project, the Recipient shall ensure that written implementation commitments over relevant implementation arrangements set forth in the POM are provided to Permanent Secretariat by CCJA and ERSUMA, not later than 3 (three) months after the Effective Date, to enable the coordination of the collaboration of CCJA and ERSUMA in the implementation of Part 2 of the Project by Permanent Secretariat.
2. The Recipient shall ensure that: (i) throughout Project implementation, the written implementation commitments and corresponding implementation arrangements set forth in the POM are maintained with CCJA and ERSUMA respectively in form and substance satisfactory to the Association; and (ii) it shall not commence activities under Part 2 of Schedule 1 to this Agreement until and unless it has concluded the implementation commitments with corresponding implementation arrangements described in paragraph 1 above, satisfactory to the Association.

C. Implementation Documents

1. (a) The Recipient shall adopt an operational manual for the Project satisfactory in form and substance to the Association "The Project Operations Manual" (or "POM") setting forth, respectively, rules, methods, guidelines, specific development plans, standard documents and procedures for the carrying out of the Project, including the following:
 - (i) (A) the detailed description of Project implementation activities, their sequencing and the prospective associated timetable and benchmarks; and (B) the detailed downstream institutional arrangements in relation thereto;
 - (ii) (A) the Project's administrative, accounting, auditing (internal, external and technical/operational), reporting, financial (including cash flow aspects), disbursement and procurement methods and procedures, including all pertinent standard documents among which interim financial reports and standard bidding documents and model contracts approved by the Association; and (B) the detailed institutional and organizational arrangements in respect thereof;
 - (iii) the plan for the monitoring, evaluation and supervision of the Project including all physical, social and information technology-related aspects; and
 - (iv) the performance indicators for the Project.
- (b) The Recipient shall ensure that the Project is carried out in accordance with the POM.
2. In the event that any provision of the POM shall conflict with any provision of this Agreement, the terms of this Agreement shall prevail.
3. The POM may only be amended from time to time in consultation with, and after written approval of, the Association.

D. Additional Implementation arrangements

The Recipient shall ensure that:

1. Annual Project work plans, audit plans (external and technical) and budgets are prepared by the Permanent Secretariat, are subsequently reviewed in consolidated form by the Monitoring Committee before being furnished by October 11 in each year to the Association for its review and are thereafter implemented with diligence and efficiency taking into account the Association's comments, observations and recommendations thereon.
2. Technical/operational audits of Project performance are carried out by January 15, 2015 and July 10, 2016, or at a later date agreed with the Association, by independent technical auditors appointed in accordance with Section III of Schedule 2 to this Agreement and pursuant to terms of reference previously agreed with the Association and as further specified in the POM, and within thirty (30) days after the completion of each such audit, the ensuing reports are furnished to the Association for its review and comments following which the remaining activities under the Project shall subsequently be carried out, in accordance with the views and recommendations of the Association thereon.
3. The Project Monitoring Committee convenes its first meeting not later than 6 (six) months after the Effective Date and, thereafter regularly, during the course of Project implementation, at periodic intervals specified in the POM which shall not exceed 6 (six) months.
4. (a) Annual reviews of selected activities of Project implementation described in the POM are undertaken and measured against Project results monitoring indicators set forth in the POM; and (b) a mid-term review of Project implementation is carried out jointly with the Association not later than 30 (thirty) months after the Effective Date and, thereafter, all measures required for the efficient completion of the Project, based on the conclusions and recommendations of said report and the Association's views thereon are implemented by the Recipient.

E. 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

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 agreed with the Association and set forth in the Project Operations Manual. Each Project Report shall cover the period of one (1) calendar semester, and shall be furnished to the Association not later than one (1) 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 not later than forty-five (45) days after the end of each calendar quarter, interim unaudited financial reports for the Project covering the quarter, in form and substance satisfactory to the Association.
3. The Recipient shall have its Project Financial Statements audited in accordance with the provisions of Section 4.09 (b) of the General Conditions. Each audit of the Project Financial Statements shall cover the period of one (1) fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the Association not later than six (6) months after the end of such period.

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 use of the Bank's standard bidding documents ("SBDs") modified to include appropriate provisions, among which, inter alia, those pertaining to advertising and notification; currencies of bid and payment; settlement of disputes and deletion of the domestic preference provision, to ensure the following:
 - (i) methods used to evaluate bids and award contracts are known to all bidders and not applied arbitrarily;
 - (ii) all bidders have adequate response time (four weeks) to prepare and submit bids;
 - (iii) bid evaluation and bidder qualification are clearly specified in bidding documents;
 - (iv) no preference margin is granted to domestic manufacturers;
 - (v) eligible firms are not excluded from participation;
 - (vi) awards are made to the lowest evaluated bidder in accordance with pre-determined and transparent methods; (vii) bid evaluation reports clearly state the reasons for the rejection of any non-responsive bid;
 - (b) Shopping; (c) Direct Contracting; and (d) Procurement from the United Nations agencies.

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); competitive Selection of Individual Consultants; and (f) Single-source Selection.

D. Review by the Association of Procurement Decisions

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

Section IV. Withdrawal of the Proceeds of the Financing

A. General

1. The Recipient may withdraw the proceeds of the Financing in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Association shall specify by notice to the Recipient (including the "World Bank Disbursement Guidelines for Projects" dated May 2006, as revised from time to time by the Association and as made applicable to this Agreement pursuant to such instructions), to finance 100 % (inclusive of Taxes) of Eligible Expenditures, consisting of Goods, non-consulting services, consultants' services, Operating costs and Training for the Project.

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for payments made prior to the date of this Agreement, except that withdrawals up to an aggregate amount not to exceed \$100,000 (one hundred thousand Dollars) equivalent may be made for payments made prior to this date but on or after May 21, 2012, for Eligible Expenditures.
2. The Closing Date is June 30, 2017.

APPENDIX

Section I. Definitions

1. “Accounting System for OHADA” means the accounting system known as *Système Comptable OHADA* adopted through Uniform Act dated February 22, 2000 and published in the OHADA official gazette dated November 20, 2000.
2. “ADR” means alternate dispute resolution.
3. “Anti-Corruption Guidelines” means the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 and revised in January 2011.
4. “Arbitration Center” means the specific location within CCJA where commercial arbitration proceedings are being carried out.
5. “CCJA” means *Cour Commune de Justice et d’Arbitrage*, the Joint Court of Justice and Arbitration, established under the OHADA Treaty as a supreme court with ultimate appellate jurisdiction over all national courts for the adjudication of business-related cases based on challenges to Uniform Acts, and residual original jurisdiction over a small range of other commercial cases.
6. “Consultant Guidelines” means the “Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated January 2011.
7. “ERSUMA” means *Ecole Régionale Supérieure de la Magistrature*, the Regional Superior School for Judicial Magistrates established under the OHADA Treaty to offer continuing professional development and training to judges of national courts in matters covered by the Uniform Acts.
8. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 31, 2010, with the modifications set forth in Section II of this Appendix.
9. “Headquarters Agreement” means the agreement dated July 30, 1997, between the Member Country of Republic of Cameroon and OHADA for the establishment of the headquarters of the Permanent Secretariat.
10. “IAASB” means the international auditing and assurance standards board, an entity which functions as an independent standard setting body under the auspices of IFAC.

11. “International Accounting Standards Board” and “IASB” mean the independent standard-setting body of the international financial reporting standards (IFRSs) established in 2001 and whose members are responsible for the development and publication of IFRSs and their interpretation through the IFRS interpretations committee (“IFRIC”).
12. “International Accounting Education Standards Body “IAESB” is an independent standard-setting body that serves the public interest by strengthening the worldwide accountancy profession through the development and enhancement of accountancy education, which encompasses professional knowledge, skills, values, ethics, and attitudes. These requirements are set through the international education standards (IES) that are a set of pronouncements established on January 1, 2009, including subsequent revisions and updates.
13. “International Financial Reporting Standards” and “IFRS” mean a set of principles-based accounting standards published by the IASB in a series of pronouncements. These standards comprise (i) the international financial reporting standards issued after 2001, (ii) the international accounting standards issued before 2001, and (iii) interpretations originated by the IFRIC.
14. “International Federation of Accountants” and “IFAC” mean an entity created on October 7, 1977, to serve the public interest by: contributing to the development, adoption and implementation of high-quality international standards and guidance; contributing to the development of strong professional accountancy organizations and accounting firms, and to high-quality practices by professional accountants; promoting the value of professional accountants worldwide; speaking out on public interest issues where the accountancy profession’s expertise is most relevant.
15. “International Standards on Auditing” and “ISA” means professional standards for the performance of financial audit of financial information. These standards are issued periodically by the international federation of accountants (IFAC) through the international auditing and assurance standards board (IAASB).
16. “National Council for Accounting” means the entity known as *Commission de Normalisation Comptable OHADA* or “CNC OHADA”, established under the authority of the Permanent Secretariat to operate as the accounting standards setting body in the OHADA Zone pursuant to a November 2008, OHADA council of ministers resolution.
17. “OHADA Treaty” means the *Traité Relatif à l’Harmonisation du Droit des Affaires en Afrique*, an open-membership treaty for the harmonization of business laws in Africa signed in Port-Louis, republic of Mauritius on September 17, 1993, among the Republics of: (i) Benin, Cameroon, Central Africa, Congo, Côte d’Ivoire, Gabon, Guinea, Guinea-Bissau, Equatorial Guinea, Mali, Niger,

Senegal, Chad, Togo; (ii) Burkina- Faso; and (iii) the Union of Comoros, as such treaty was further amended on October 17, 2008, in Quebec, Canada, specifically as regards article 40 thereof which sets forth the status and executive mandate of the Permanent Secretariat.

18. "OHADA Zone" means the geographical area of western and central Africa and the Indian ocean, in which the OHADA issued Uniform Acts, once formally adopted, become immediately enforceable in the national legislative framework of the signing countries after ratification by their respective parliaments, thenceforward superseding national laws.
19. "Operating costs" means in respect of Section IV.A.1 of Schedule 2 to this Agreement, the non-consultant incremental expenses incurred on account of Project implementation, including office equipment and supplies, vehicle operation and maintenance, communication and insurance costs, bank charges, office administration costs, utilities, travel, per diem and supervision costs, salaries of locally contracted employees, but excluding salaries of civil servants of OHADA member countries.
20. "Permanent Secretary" means the OHADA designated official who heads the Permanent Secretariat.
21. "Procurement Guidelines" means the "Guidelines: Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated January 2011.
22. "Procurement Plan" means the Recipient's procurement plan for the Project, dated May 21, 2012 and referred to in paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.
23. "Project Monitoring Committee" means the committee described in Section I. A. (e) of Schedule 2 to this Agreement.
24. "Project Operations Manual" and "POM" mean the framework document containing all the rules, methods, directives, guidelines, indications and details of Project implementation as agreed between the Recipient and the Association.
25. "Project Steering Committee" means the committee described in Section I.A (d) of Schedule 2 to this Agreement.
26. "RCCM" means the commercial registry known as *Registre du Commerce et du Crédit Mobilier*, maintained by CCJA.

27. "SMO" means statement of membership obligation, which is a selected ethics standard for the accounting profession issued by IFAC.
28. "Training" means in respect of Section IV.A.1 of Schedule 2 to this Agreement: (a) reasonable travel, room, board and per diem expenditures incurred by trainers and trainees in connection with their training and by non-consultant training facilitators; (b) course fees; (c) training facility rentals; and (d) training material preparation, acquisition, reproduction and distribution expenses not otherwise covered under said Section IV.A.1 of Schedule 2 to this Agreement.
29. "Uniform Act" means a piece of legislation adopted under the OHADA Treaty as the law of its signing member states.

Section II. Modifications to the General Conditions

The modifications to the "International Development Association General Conditions for Credits and Grants", dated July 31, 2010, are as follows (all references to Sections and the Appendix are to Sections of and the Appendix to said General Conditions):

- A. In Section 2.06 (*Financing Taxes*), the text "Taxes levied by, or in the territory of, the Recipient" is modified to read "Taxes levied by, or in the territory of, the Member Country".
- B. In Section 3.10 (*Manner of Payment*), the text "Taxes levied by, or in the territory of the Recipient" is modified to read "Taxes levied by, or in the territory of, the Member Country".
- C. Paragraph (a) of Section 4.11 (*Visits*) is modified to read as follows:

"(a) The Recipient shall take all measures required on its part to enable the representatives of the Association to visit any part of the Member Country's territory for purposes related to the Financing or the Project."
- D. Section 5.01 (*Financial and Economic Data*) is deleted in its entirety
- E. Section 6.02 (j) (*Membership*) is modified to read as follows:

"(j) *Membership*. The Member Country or any member of the Recipient: (i) has been suspended from membership in or ceased to be a member of the Association; or (ii) has ceased to be a member of the International Monetary Fund."
- F. In Sections 6.02(k) (*Condition of Project Implementing Entity*) and 6.02(l) (*Ineligibility*), all references to "Project Implementing Entity" are modified to read "Recipient".

- G. A new paragraph (m) is added to Section 6.02 (*Suspension by the Association*) (and the existing paragraph (m) is renumbered as (n)) to read as follows:

“(m) *Interference.* The Member Country has: (i) taken or permitted to be taken any action which would prevent or interfere with the execution of the Project or the performance by the Recipient of its obligations under the Financing Agreement; or (ii) failed to afford a reasonable opportunity for representatives of the Association to visit any part of its territory for purposes related to Financing or the Project.”

- H. A new definition is added as paragraph 35 of the Appendix to read as follows, and the existing paragraph 35 and subsequent paragraphs (all and references to such paragraph numbers) are renumbered accordingly:

35. “Member Country” means the member of the Association in whose territory the Project is carried out or any of such member’s political or administrative subdivisions. If such activity is carried out in the territory or more than one such member, “Member Country” refers separately to each such member.”

- I. The definition of “External debt” is deleted in its entirety.

- J. The definition of “Recipient” (as renumbered pursuant to the addition of the definition of Member Country) is modified to read as follows:

“46. “Recipient” means the entity which is a party to the Financing Agreement and to which the Financing is extended.”