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July 18, 2018

H.E. Calixte Nganongo
Minister of Finance, Budget and Public
Portfolio
Ministry of Finance, Budget and Public Portfolio
Brazzaville, Republic of Congo

Re: Republic of Congo
Skills Development for Employability Project
Credit No. 5302-CG
Amendment No. 1 to the Financing Agreement

Excellency:

1. We refer to the Financing Agreement (the “Agreement”), dated October 11, 2013 for the above-mentioned Project, between the Republic of Congo (the “Recipient”) and the International Development Association (the “Association”). We also refer to your letter dated May 30, 2018 requesting specific amendments to the Agreement. Capitalized terms used in this amendment letter and not otherwise defined herein have the meaning ascribed to them in the Agreement.

2. We are pleased to inform you that the Association agrees to your request to amend the Agreement as follows:

(a) Part 1(a) of Schedule 1 to the Agreement is hereby amended and replaced in its entirety to read as follows:

“(a) Program for short skills training, internships, job search support and support for entrepreneurship, targeting at least 2,800 urban youth and young adults with insufficient connection to the labor market in peri-urban and urban areas of Pointe-Noire and Brazzaville;”

(b) Part 1(c) of Schedule 1 to the Agreement is hereby amended and replaced in its entirety to read as follows:

“(c) Program for apprenticeship, functional literacy and numeracy and life skills training, targeting at least 2,700 out-of-school and other vulnerable youth in Pointe-Noire and Brazzaville;”

(c) Part 2(c) of Schedule 1 to the Agreement is hereby amended and replaced in its entirety to read as follows:

“(c) Carrying out of monitoring and evaluation (including impact evaluation) of PTA Subprojects, all through the provision of technical advisory services, non-consulting services, goods and Operating Costs.”

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(d) Section I.A.2 of Schedule 2 to the Agreement is hereby amended and replaced in its entirety to read as follows:

“2. Project Steering Committee

Without limitation upon the provisions of paragraph 1 immediately above, the Recipient shall establish and maintain, at all times during the implementation of the Project, a Project Steering Committee, with a composition, mandate, terms of reference and resources satisfactory to the Association, to be responsible for, *inter alia*, providing strategic and policy guidance on matters relating to the Project.”

(e) Section I.E of Schedule 2 to the Agreement is hereby amended and replaced in its entirety to read as follows:

“E. Independent Verification of PTA Delivery

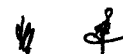
The Recipient shall engage, in accordance with the provisions of Section III of this Schedule, consultants to conduct independent verifications of the delivery of PTA by TA Providers under respective PTA Subprojects. To this end, the Recipient shall, in accordance with terms of reference satisfactory to the Association, cause said consultants to carry out, throughout Project implementation, triannual verification exercises of PTA Subprojects and to provide the Recipient with reports of such exercises; such verification to include, *inter alia*, community surveys, TA Providers spot checks, and verification of data provided and records kept by TA Providers in relation to PTA Subprojects, all in accordance with the provisions of the PTA manual.”

(f) Section I.F.2 of Schedule 2 to the Agreement is hereby amended and replaced in its entirety to read as follows:

Amount (in CFA Francs)	Date not later than which the amount shall be deposited in the Project Counterpart Funds Account
2,973,400,800	Effective Date

(g) Section IV.A.2 of Schedule 2 to the Agreement is hereby amended and replaced in its entirety to read as follows:

“2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Financing (“Category”), the allocations of the amounts of the Financing to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:



Category	Amount of the Financing Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) TA Grants for Part 1 of the Project	5,022,188	31.25% through June 30, 2018; and 100% thereafter
(2) Goods, non-consulting services, consultants' services, Training, Workshops and Seminars, and Operating Costs for Part 2 of the Project	1,600,000	31.25% through June 30, 2018; and 90% thereafter
(3) Refund of Preparation Advance	77,812	Amount payable pursuant to Section 2.07 of the General Conditions
TOTAL AMOUNT	6,700,000	

(h) Section IV.B.2 of Schedule 2 to the Agreement is hereby amended and replaced in its entirety to read as follows:

“2. The Closing Date is June 30, 2020.”

(i) Paragraph 9 of the Appendix to the Agreement is hereby amended and replaced in its entirety to read as follows:

“9. “Operating Costs” means the incremental expenses incurred on account of Project implementation, based on the Annual Work Plan and Budget, and consisting of expenditures for office supplies, vehicle operation and maintenance, maintenance of equipment, communication and insurance costs, office administration costs, utilities, rental, consumables, accommodation, travel and *per diem*, communication and transportation costs of Project staff, and salaries of Project staff, but excluding the salaries of the Recipient’s civil service, meeting and other sitting allowances and honoraria for said staff.”

(j) Paragraph 14 of the Appendix is hereby amended and replaced in its entirety to read as follows:

“14. “Project Steering Committee” means the Recipient’s committee referred to in Section I.A.2 of Schedule 2 to this Agreement.”

3. All other provisions of the Agreement except as amended herein, shall remain in full force and effect.

4. Please confirm your agreement to the foregoing amendments, on behalf of the Recipient, by countersigning and dating this amendment letter in the space provided below. This amendment letter shall be executed in two counterparts, each of which shall be an original and one of which shall be returned to us.

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5. Upon receipt of said countersigned copy of this letter, the provisions set forth in this amendment letter shall become effective as of the date of its countersignature by the Recipient's authorized representative.

6. Please also note that the Restructuring Paper dated June [], 2018, a copy of which is enclosed herewith, will be disclosed on the Association's external website as per the Association's policy on Access to Information.

Sincerely,



Jean-Christophe Carret
Country Director for the Republic of Congo

AGREED:
REPUBLIC OF CONGO

By 
Authorized Representative



Name EBOWKA-BABACKA J.

Title Dir. du plan pour le fin. des finances et du budget.

Date 24/08/18

NA Enclosure