

**OFFICIAL
DOCUMENTS**

H860-ZR

The World Bank
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION

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Dated: September 18, 2015

H. E. Henri Yav Mulang
Minister of Finance
Ministry of Finance
Kinshasa-Gombe

**Re: DRC: Western Growth Poles Project
IDA Grant Number No. H860-ZR
Amendment to the Financing Agreement**

Excellency:

1. We refer to the Financing Agreement (the Agreement), dated July 22, 2013, between the Democratic Republic of Congo ("Recipient") and the International Development Association ("Association") for the above-mentioned Project. We also refer to your letter dated July 28, 2015, requesting changes to the Project activities and reallocation of the Financing proceeds.

2. The Association has agreed to your request and consequently, the Financing Agreement is amended to read as set forth below:

A. Paragraph 3.1 of Part 3 of Schedule 1 to the Agreement is amended to read as follows:

“3.1 Technical Assistance and Capacity Building

providing technical assistance to: (a) developing an overall national agro-industrial parks strategy; (b) improving food safety; and (c) supporting the development of Micro, Small and Medium Enterprises (MSMEs) along the value chains supported.”

B. A new paragraph 4.4 is added under Part 4 of Schedule 1 to the Agreement to read as follows:

“4.4 setting up of an Executive Secretariat within the Prime Minister's office and providing additional capacity building to key ministries involved in the implementation of project activities.”

C. Section I.A.5 of Schedule 2 to the Agreement is deleted in its entirety.

D. Section I.B.1 and 2 of Schedule 2 to the Agreement are revised to read as follows:

“1. The Recipient shall adopt and thereafter carry out the Project in accordance with the Project Implementation Manual provided, however, that, in the event of any conflict between the provisions of the Project Implementation Manual and those of this Agreement, this Agreement shall prevail.

2. Except as the Association shall otherwise agree, the Recipient shall not amend or waive any provision of the Project Implementation Manual if, in the opinion of the Association, such amendment or waiver could materially and adversely affect the implementation of the Project.”

E. Section I.F of Schedule 2 to the Agreement is deleted in its entirety.

F. The table under Section IV.A.2 of Schedule 2 to the Agreement is amended to read as follows:

“Category	Amount of the Financing Allocated (expressed in SDR)	Percentage of Expenditures to be financed (inclusive of Taxes)
(1) Goods, works, non-consulting services, consultants’ services, Training and Operating Costs under Parts 1, 2.1, 2.2, 3.1, 3.2, 3.3, 4.1, 4.2, 4.3 and 4.4 of the Project.	50,657,000	100%
(2) Works under Parts 2.3 of the Project.	14,600,000	100%
(3) PDF Grants for goods, works, non-consulting services, Operating Costs, consultants’ services and Training under Part 3.1 of the Project.	0	100% of amount disbursed
(4) Refund of Preparation Advance	343,000	Amount payable pursuant to Section 2.07 of the General Conditions
(5) Unallocated	7,300,000	
TOTAL AMOUNT	72,900,000”	

G. Appendix to the Agreement is revised and attached as Attachment 1 to this amendment letter.

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

4. Please confirm your agreement to the foregoing by signing, dating and returning to us one fully executed original of this amendment letter and retaining one original of the letter for your records. This amendment letter shall become effective as of the date of the countersignature.

Very truly yours,
INTERNATIONAL DEVELOPMENT ASSOCIATION



Ahmadou Moustapha Ndiaye
Country Director for DRC
Africa Region

AGREED:
DEMOCRATIC REPUBLIC OF CONGO

By 
Authorized Representative

Name: Henri YAV OVLANG

Title: Ministre de Finances

Date: 18 septembre 2015

Attachment 1

APPENDIX

Section I. Definitions

1. “**Annual Work Plan and Budget**” means each annual work plan, together with the related budget, for the Project approved by the Association pursuant to the provisions of Section I.E of Schedule 2 to this Agreement.
2. “**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.
3. “**Category**” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
4. “**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.
5. “**Displaced Persons**” means a person who, on account of the execution of the Project, has experienced or would experience direct economic and social impacts caused by: (a) the involuntary taking of land, resulting in (i) relocation or loss of shelter, (ii) loss of assets or access to assets, or (iii) loss of income sources or means of livelihood, whether or not such person must move to another location; or (b) the involuntary restriction of access to legally designated parks and protected areas, resulting in adverse impacts on the livelihood of such person.
6. “**Environmental and Social Management Framework**” or “**ESMF**” means the Recipient’s document entitled “*Cadre de Gestion Environnementale et Sociale- CGES*”, dated August 2012, detailing: (a) the measures to be taken during the implementation and operation of the Project to eliminate or offset adverse environmental and social impacts, or to reduce them to acceptable levels, and (b) the actions needed to implement these measures, including monitoring and institution strengthening.
7. “**Environmental and Social Management Plan**” or “**EMP**” means the Recipient’s document, acceptable to the Association, prepared and disclosed in accordance with the Environmental and Social Management Framework with respect to the Project, that details: (i) the measures to be taken during the implementation and operation of the Project to eliminate or offset adverse environmental or social impacts, or to reduce them to acceptable levels, and (ii) the actions needed to implement these measures.
8. “**FEF Unit**” has the meaning given to such term in Section I.A.2 of Schedule 2 to this Agreement.
9. “**Fiscal Year**” means the Recipient’s fiscal year commencing January 1 and ending December 31 in each year.

10. “**General Conditions**” means the “International Development Association General Conditions for Credits and Grants”, dated July 31, 2010.
11. “**Master Plan**” means the master plan, in form and substance acceptable to the Association, to be adopted by the Recipient which provides a detailed assessment of the Recipient’s potential and the main constraints affecting the development of the value chains of the targeted poles and provides an implementation support plan for the Project in terms of activities and location thereof.
12. “**Maluku ESIA**” means the Environmental and Social Impact Assessment in respect of the special economic zone site at Maluku prepared, adopted and disclosed by the Recipient in August 2012, that details: (i) the measures to be taken during the implementation and operation of the Project to eliminate or offset adverse environmental or social impacts, or to reduce them to acceptable levels, and (ii) the actions needed to implement these measures.
13. “**Maluku RAP**” means the resettlement action plan prepared, adopted and disclosed by the Recipient in August 2012 for the special economic zone site at Maluku giving details of, *inter alia*, the specific actions, measures and policies designed to facilitate the achievement of the objective of the Project, along with the procedural and institutional measures needed to implement such actions, measures and policies, including for compensation, rehabilitation and resettlement assistance to Displaced Persons.
14. “**MoF**” means the Recipient’s Minister in charge of finance (and any successor thereof).
15. “**MSMEs**” means micro, small and medium sized enterprises.
16. “**Operating Costs**” means the reasonable incremental operating expenses, based on annual budgets approved by the Association, incurred on account of operation and maintenance costs incurred in connection with the implementation of the Project, including costs related to office, vehicles and office equipment; water and electricity utilities, telephone, office supplies, bank charges, additional staff costs, travel and supervision costs, *per diem*, but excluding the salaries and indemnities of officials and public servants of the Recipient’s civil service.
17. “**Pest Management Plan**” or “**PMP**” means the Recipient’s document entitled “*Cadre de Lutte Antiparasitaire*” dated August 2012, describing the actions and policies required or appropriate to promote and support the safe, effective and environmentally-sound pest management under the Project, as such Pest Management Plan may be amended from time to time, and such term includes all schedules and agreements supplemental to the Pest Management Plan.
18. “**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 February 27, 2012 and on behalf of the Recipient on February 27, 2012.
19. “**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.

20. **“Procurement Plan”** means the Recipient’s procurement plan for the Project, dated May 3, 2013 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.
21. **“Project Implementation Manual”** or **“PIM”** means a manual, in form and substance acceptable to the Association, to be adopted by the Recipient containing detailed guidelines and procedures for the implementation of the Project, including in the areas of monitoring and evaluation, procurement, disbursement, coordination, social and environmental safeguards, financial, administrative and accounting procedures, and such other administrative, financial, technical and organizational arrangements and procedures as shall be required for the Project.
22. **“Selected Value Chains”** means the value chains associated with the production and distribution of palm oil, rice and cassava (and any other value chain that the Association may agree).
23. **“Resettlement Action Plan”** or **“RAP”** means the Recipient’s document, acceptable to the Association, prepared and disclosed in accordance with the Resettlement Policy Framework with respect to the Project (or a Project Development Activity), which, *inter alia*, (i) contains a census survey of Displaced Persons and valuation of assets; (ii) describes compensation and other resettlement assistance to be provided, consultation to be conducted with Displaced Persons about acceptable alternatives, institutional responsibilities for the implementation and procedures for grievance redress, and arrangements for monitoring and evaluation; and (iii) contains a timetable and budget for the implementation of such measures.
24. **“Resettlement Policy Framework”** or **“RPF”** means the Recipient’s document entitled *“Cadre de Politique de Reinstallation”* dated April 2013, containing guidelines, procedures, timetables and other specifications for the provision of compensation, rehabilitation and resettlement assistance to Displaced Persons, as amended from time to time with the prior written consent of the Association.
25. **“Safeguard Documents”** means collectively or individually the Environmental and Social Management Framework, the Resettlement Policy Framework, and the Pest Management Plan, the Maluku RAP, the Maluku ESIA as well as the Environmental and Social Management Plans and the Resettlement Action Plans prepared in connection with the Project, if any.
26. **“Special Economic Zone Agency”** or **“AZES”** means the Recipient’s entity under the MoF to be established to promote and coordinate activities related to the establishment, development and management of special economic areas and free industrial areas.
27. **“Steering Committee”** has the meaning given to such term in Section I.A.1 of Schedule 2 to this Agreement.

28. **“Training”** means the reasonable costs of training under the Project, based on the Annual Work Plans and Budgets, and attributable to seminars, workshops, and study tours, along with travel and subsistence allowances for training participants, services of trainers, rental of training facilities, preparation and reproduction of training materials, and other activities directly related to course preparation and implementation.