

Public Disclosure Authorized

CONFORMED COPY

GRANT NUMBER H464-CF

Financing Agreement

(Support to Vulnerable Groups Community Development Project)

between

CENTRAL AFRICAN REPUBLIC

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated April 9, 2009

Public Disclosure Authorized



GRANT NUMBER H464-CF

FINANCING AGREEMENT

AGREEMENT dated April 9, 2009, entered into between CENTRAL AFRICAN REPUBLIC (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”). The Recipient and the Association hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

- 1.01. The General Conditions (as defined in the Appendix to this Agreement) 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 five million five hundred thousand Special Drawing Rights (SDR 5,500,000) (“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 the Euro.

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 through its Ministry responsible for social affairs, with support from AGETIP-CAF pursuant to the Service Agreement referred to in Section 5.01(a) of this Agreement.
- 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 Event of Suspension consists of the following:
 - (a) The Recipient's law no. 61/233 dated May 27, 1961, establishing and governing AGETIP-CAF, or the Framework Agreement entered into between AGETIP-CAF and the Recipient in July 2007 has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of AGETIP-CAF to perform any of its obligations under the Service Agreement.

ARTICLE V — EFFECTIVENESS; TERMINATION

- 5.01. The Additional Condition of Effectiveness consists of the following:
 - (a) The Service Agreement (*Convention de maîtrise d'ouvrage déléguée*) has been executed on behalf of the Recipient and AGETIP-CAF.
- 5.02. The Additional Legal Matters consist of the following:
 - (a) The Service Agreement has been duly authorized by the Recipient and AGETIP-CAF and is legally binding upon the Recipient and AGETIP-CAF in accordance with its terms.
- 5.03. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.

- 5.04. 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 VI — REPRESENTATIVE; ADDRESSES

- 6.01. The Recipient's Representative is the Minister of the Recipient at the time responsible for international cooperation.

- 6.02. The Recipient's Address is:

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

Facsimile:

236-21-619689

- 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.

248423 (MCI)

1-202-477-6391

AGREED at Bangui, Central African Republic, as of the day and year first above written.

CENTRAL AFRICAN REPUBLIC

By

/s/ Sylvain Maliko
Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

/s/ Mary Barton-Dock
Authorized Representative

SCHEDULE 1

Project Description

The objectives of the Project are to rehabilitate social infrastructure and improve the capacity of local stakeholders to plan and manage community recovery in Targeted Areas of the Recipient's territory.

The Project consists of the following parts:

Part 1: Capacity Strengthening for Local Development

Support the preparation and implementation of development plans by targeted Communes and Villages in an inclusive manner, with effective support from the different decentralized and deconcentrated levels of the Recipient's government, including through: (a) preparing a Project field guide outlining streamlined, results oriented transparent and participatory planning approach; (b) establishing or strengthening Village Development Committees (*Comités Villageois de Développement*) and Commune Development Committees (*Comités de Développement Communal*); (c) strengthening the capacities of the technical staff of the line Ministry and the deconcentrated technical staff of the other Ministries involved in the implementation of the Project and the territorial administration; (d) supporting activities to increase transparency and inclusiveness, improve trust, mitigate conflicts, and stimulate communication among the stakeholders involved in local development.

Part 2: Priority Response Fund

Support the delivery of priority resources to targeted Communes and Villages for the financing of Sub-projects for the implementation by service providers (such as non governmental organizations or private sector entities) of activities which are necessary to the community and ready for implementation, including: (a) those included in a local development plan prepared by a Commune or Village as of the Effective Date, and (b) those identified with the guidance of the Committee (*Comité Préparatoire*) established by the Recipient for the preparation of the Project by decision no. 426/MF ASSN/DIR-CAB/DGE PSACCDR.08 of July 30, 2008.

Part 3: Local Development Fund

Support the delivery of resources to targeted Communes and Villages for the financing of Sub-projects for the implementation by service providers (such as non governmental organizations or private sector entities) of the public socio-economic investments included in the development plans of targeted Communes and Villages.

Part 4: Project Management, Monitoring, and Evaluation

Support the coordination, monitoring and evaluation, and fiduciary management of the Project.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

The Recipient shall, throughout the implementation of the Project, maintain the following implementation and coordination arrangements:

- (1) The Recipient's Ministry responsible for social affairs shall be responsible for the overall supervision and oversight of the Project.
- (2) Inter-ministerial Steering Committee
 - (a) No later than three (3) months after the Effective Date, the Recipient shall have established, and shall thereafter maintain, an inter-ministerial steering committee (the "Inter-ministerial Steering Committee") headed by the Recipient's Minister responsible for social affairs or its representative, with functions and membership satisfactory to the Association. The Inter-ministerial Steering Committee shall provide overall guidance for the Project and shall review progress.
- (3) Project Coordination Team
 - (a) The Recipient: shall establish and thereafter maintain a Project coordination team (the "Project Coordination Team") within the Community Development Department of the Recipient's Ministry responsible for social affairs, to be headed by a Project coordinator, and consisting of a procurement specialist, a local development specialist and a financial management specialist, each selected in accordance with Section III of this Schedule, and other suitably qualified and experienced staff in adequate numbers, as needed.
 - (i) Without limitation to the provisions of paragraph (a) above, the Project Coordination Team shall provide overall management and technical supervision of the Project (including monitoring and evaluation, compliance with fiduciary, social and environmental safeguards, implementation of Sub-projects,

adherence to technical standards) and ensure coordination with key central and local stakeholders.

- (ii) In addition, the Project Coordination Team shall be responsible for the day-to-day implementation of Parts 1 and 4 of the Project.
- (iii) Pending the recruitment of the Project Coordination Team, the Community Development Department (*Direction du Développement Communautaire*) within the Recipient's Ministry responsible for social affairs shall exercise the responsibilities of the Project Coordination Team described in Section I.A.3(b)(i).
- (c) The Recipient shall prepare, or cause to be prepared, an initial annual work program and budget, in form and substance satisfactory to the Association, for the implementation of the Project during the first year; and no later than December 31 and June 30 each year thereafter, the Recipient shall prepare, or cause to be prepared, a work program and budget for the next semester, in form and substance satisfactory to the Association, for the implementation of the Project.

(4) AGETIP-CAF

- (a) The Recipient (through its Ministry responsible for social affairs) shall enter into, and thereafter implement, the Service Agreement referred to in Section 5.01(a) of this Agreement with AGETIP-CAF, in accordance with Section III below and on the basis of terms of reference satisfactory to the Association, for the purpose of supporting: (i) the establishment of the Project Coordination Team (recruitment of the staff referred to in Section I.A.3(a) above, establishment of systems and procedures for the Project Coordination Team); and (ii) the implementation of activities carried out under Parts 2 and 3 of the Project, through (A) the completion of the procedure for the procurement of, and the signature of the contract with, service providers for the implementation of Sub-projects and the management of the funds allocated to each such Sub-project, and (B) the provision of support with respect to administrative, financial and procurement management.
- (b) The Recipient shall exercise its rights under the Service 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 Service Agreement or any of its provisions.

- (c) The Recipient shall cause AGETIP-CAF to maintain, throughout the implementation of the Project, sufficient resources and staff with experience and qualification satisfactory to the Association, for the performance of its obligations under the Service Agreement.

(5) Regional Project Coordination Teams

- (a) No later than six (6) months after the Effective Date, the Recipient shall have established and shall thereafter maintain four regional Project coordination teams (each a “Regional Project Coordination Team”), one in each of the four provincial hubs for the implementation of the Project, each headed by a regional coordinator, and comprising a procurement specialist, each selected in accordance with Section III of this Schedule, and other suitably qualified and experienced staff in adequate numbers, as needed.
- (b) Without limitation to the provisions of paragraph (a) above, the Regional Project Coordination Teams shall, *inter alia*, review Sub-project proposals, and support AGETIP-CAF for the identification and the recruitment of service providers, monitor and evaluate the activities carried out in their area of competence.
- (c) Without limitation to the provisions of paragraph (a) above, the Recipient’s Regional PRSP Monitoring Committees, as expanded to include the deconcentrated services involved in the implementation of the Project, shall be responsible for the provision of general policy guidance to, and oversight of, the Regional Project Coordination teams.

(6) Village Development Committees and Commune Development Committees

- (a) Under Parts 2 and 3 of the Project, Village Development Committees and Commune Development Committees shall be responsible for the identification, planning, monitoring and evaluation of the activities implemented under a Sub-project at the local level.

B. Anti-Corruption

The Recipient shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

C. Sub-projects

1. Under Parts 2 and 3 of the Project, the Recipient shall make Sub-project Grants to Beneficiaries for the purpose of financing Sub-projects in accordance with eligibility criteria and procedures acceptable to the Association and further described in the Project Implementation Manual.
2. The Recipient shall make each Sub-project Grant under a Sub-project Grant Agreement with the respective Beneficiary in the form of the model agreement attached to the Project Implementation Manual and terms and conditions described in more details in the Project Implementation Manual, which shall include, *inter alia*, the following:
 - (a) The Recipient shall obtain rights adequate to protect its interests and those of the Association, including the right to:
 - (i) suspend or terminate the right of the Beneficiary to use the proceeds of the Sub-project Grant, or obtain a refund of all or any part of the amount of the Sub-project Grant then withdrawn, upon the Beneficiary's failure to perform any of its obligations under the Sub-project Grant Agreement;
 - (ii) require each Beneficiary to: (A) enter into an agreement with a non governmental organization or a private sector entity, as the case may be (in each case a "local stakeholder") for the management of the proceeds of the Sub-project Grant and the implementation of the activities to be carried out under the Sub-project; and (B) cause the proceeds of the Sub-project Grant to be paid directly to the local stakeholder, for the financing of the Sub-project, in accordance with the provisions of the Sub-project Grant Agreement; and
 - (iii) require each Beneficiary to cause: (A) its Sub-project to be carried out with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the Association, including, without limitation to the generality of

the foregoing, in accordance with the provisions of the Anti-Corruption Guidelines applicable to recipients of financing proceeds other than the Recipient, and in accordance with the Environmental and Social Management Plan prepared for its Sub-project and disclosed in accordance with the provisions of the Environmental and Social Management Framework, the Resettlement Action Plan prepared for its Sub-project and disclosed in accordance with the provisions of the Resettlement Policy Framework, and the Indigenous Peoples Development Plan, if applicable to this type of Sub-projects; (B) the resources required for the purpose of its Sub-project to be provided, promptly as needed; (C) the goods, works and services to be financed out of the Sub-project Grant to be procured in accordance with the provisions of this Agreement; (D) policies and procedures to be maintained, which are adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the Association, the progress of the Sub-project and the achievement of its objectives; (E) (1) a financial management system to be maintained and financial statements to be prepared in accordance with consistently applied accounting standards acceptable to the Association, both in a manner adequate to reflect the operations, resources and expenditures related to the Sub-project; and (2) at the Association's or the Recipient's request, such financial statements to be audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association, and the financial statements as so audited to be promptly furnished to the Recipient and the Association; (F) the Recipient and the Association to be able to inspect the Sub-project, its operation and any relevant records and documents; and (G) all such information as the Recipient or the Association shall reasonably request relating to the foregoing to be prepared and furnished to the Recipient and the Association.

3. The Recipient shall ensure that: (A) the contribution of the Sub-project Grant to the cost of each proposed Sub-project shall not exceed the maximum amount indicated in the Project Implementing Manual for the relevant type of Sub-projects, except as previously agreed in writing by the Association; (B) the Beneficiary shall contribute the minimum amount indicated in the Project Implementation Manual as contribution, in cash or in kind, for the relevant type of Sub-projects, if any; and (C) the financing of the proposed Sub-project shall be fully covered by the sum of the Sub-project Grant, the additional Recipient's contribution, if any, and the Beneficiary's contribution, if any.

4. The Recipient shall exercise its rights under each Sub-project Grant 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 any Sub-project Grant Agreement or any of its provisions.

D. Safeguards

1. The Recipient shall cause: (i) an Environmental and Social Management Framework, (ii) a Resettlement Policy Framework, and (iii) an Indigenous Peoples Development Plan, each in form and substance satisfactory to the Association, (a) to be prepared by one or several specialists, each selected in accordance with Section III of this Schedule and adopted by the Recipient, and (b) to be disclosed in country and transmitted to the Association for disclosure by the Association.
2. The Recipient shall ensure that, throughout the implementation of the Project, the Project, including without limitation to the generality of the foregoing, each of the Sub-projects, shall be implemented in accordance with the guidelines, procedures, timetables and other specifications set forth in the Environment and Social Management Framework, the Resettlement Policy Framework, and the Indigenous Peoples Development Plan. In particular, the Recipient shall ensure that:
 - (a) for each Sub-project of a category for which the Environmental and Social Management Framework provides that an Environmental and Social Management Plan should be prepared, such Environmental and Social Management Plan, in form and substance satisfactory to the Association, is effectively prepared and locally disclosed, in accordance with the provisions of the Environmental and Social Management Framework, and the relevant Sub-project is implemented in accordance with its Environmental and Social Management Plan; and
 - (b) for each Sub-project of a category for which the Resettlement Policy Framework provides that a Resettlement Action Plan should be prepared, such Resettlement Action Plan, in form and substance satisfactory to the Association, is effectively prepared and locally disclosed, in accordance with the provisions of the Resettlement Policy Framework, and the relevant Sub-project is implemented in accordance with its Resettlement Action Plan.

3. Except as the Association shall otherwise agree in writing, the Recipient shall not abrogate, amend, repeal, suspend or waive any provisions of any of the Environmental and Social Management Framework, the Resettlement Policy Framework, and the Indigenous Peoples Development Plan, or any of the Environmental and Social Management Plans or the Resettlement Action Plans prepared for specific Sub-projects, if any.
4. Without limitation upon its other reporting obligations under this Agreement, the Recipient shall regularly collect, compile and submit to the Association, on a semi-annual basis, reports on the status of compliance with the Environment and Social Management Framework, the Resettlement Policy Framework, and the Indigenous Peoples Development Plan, as well as the Environmental and Social Management Plans, and the Resettlement Action Plans, if any, giving details of:
 - (a) measures taken in furtherance of such Environment and Social Management Framework, Resettlement Policy Framework, and Indigenous Peoples Development Plan, as well as Environmental and Social Management Plans and Resettlement Action Plans, if any;
 - (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of such Environment and Social Management Framework, Resettlement Policy Framework, and Indigenous Peoples Development Plan, as well as Environmental and Social Management Plans, and Resettlement Action Plans, if any; and
 - (c) remedial measures taken or required to be taken to address such conditions.

E. Project Manuals

- (a) The Recipient shall adopt a Project Implementation Manual and a Project Manual of Financial, Accounting and Administrative Procedures, each in form and substance satisfactory to the Association.
- (b) The Recipient shall ensure that, throughout the implementation of the Project, the Project shall be carried out in accordance with the provisions of the Project Implementation Manual and the Project Manual of Financial, Accounting and Administrative Procedures, except that Parts 2 and 3 of the Project shall be carried out in accordance with the provisions of the Project Implementation Manual and the AGETIP Manual of Financial, Accounting and Administrative Procedures.

- (c) Unless the Recipient and the Association shall otherwise agree in writing, the Recipient shall not amend or waive any provision of the Project Implementation Manual or the Project Manual of Financial, Accounting and Administrative Procedures, and shall ensure that AGETIP-CAF does not amend or waive any provision of the AGETIP Manual of Financial, Accounting and Administrative Procedures, in a manner which, in the opinion of the Association, could have a material adverse impact on the implementation of the Project.
- (d) Notwithstanding the foregoing, in the event of any inconsistency between the provisions of the Project Implementation Manual and this Agreement, the provisions of this Agreement shall prevail.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

- 1. (a) 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 the indicators set forth below in sub-paragraph (b) of this paragraph. 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) The performance indicators referred to above in sub-paragraph (a) consist of the following:
 - (i) At the end of the Project, 40% of investments financed by the Project are maintained in a satisfactory manner 24 months after their implementation.
 - (ii) At the end of the Project 50% of Sub-projects supporting increased access to, or use of, infrastructure were satisfactorily implemented.
 - (iii) At the end of the Project, 60% of Communes involved in the Project have a local development plan developed through a participatory process.

- (iv) At the end of the Project, 40% of the Communes and the Villages within Project coverage organize quarterly public meetings to report on development activities and budgets.
- 2. For purposes of Section 4.08 (c) of the General Conditions, the report on the execution of the Project and related plan required pursuant to that Section shall be furnished to the Association not later than January 31, 2014.

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. 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 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. 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. No later than six (6) months after the Effective Date, the Recipient shall have caused a computerized accounting system satisfactory to the Association to have been installed and shall be up and running.
- 5. No later than six (6) months after the Effective Date, the Recipient shall have recruited an external independent auditor selected in accordance with the provisions of Section III of Schedule 2 to this Agreement, for the purpose of, *inter alia*, carrying out the financial audits referred to in Paragraph 3 above.

Section III. Procurement

A. General

- 1. **Goods and Works.** All goods and works 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 the Procurement Guidelines, or Consultant Guidelines, as the case may be.

B. Particular Methods of Procurement of Goods and Works

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods and works shall be procured under contracts awarded on the basis of International Competitive Bidding.
2. **Other Methods of Procurement of Goods and Works.** The following table specifies the methods of procurement, other than International Competitive Bidding, which may be used for goods and works. The Procurement Plan shall specify the circumstances under which such methods may be used:

Procurement Method
<i>(a) National Competitive Bidding</i>
<i>(b) Shopping</i>
<i>(c) Procurement from United Nations Agencies or Procurement Agent</i>
<i>(d) Direct Contracting</i>
<i>(e) Community Participation</i>

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 table specifies methods of procurement, other than Quality and Cost-based Selection, which may be used for consultants’ services. The Procurement Plan shall specify the circumstances under which such methods may be used.

Procurement Method
<i>(a) Selection Based on Consultant’s Qualifications</i>
<i>(b) Least Cost Selection</i>
<i>(c) Quality Based Selection</i>
<i>(d) Individual Consultant</i>
<i>(e) Single Source Selection</i>

3. **Training.** Training shall be carried out on the basis of annual programs, which shall have been approved by the Association, and which shall, *inter alia*, identify: (a) the Training envisaged; (b) the personnel to be trained; (c) the selection method of the institution conducting such Training; (d) the location and duration of the proposed Training; and (f) the estimate of the cost of such Training.

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.

E. Procurement Plan

No later than three (3) months after the Effective Date, the Recipient shall have expanded its simplified Procurement Plan and adopted a detailed Procurement Plan for the Project, in form and substance satisfactory to 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 Eligible Expenditures as set forth in the table in paragraph 2 below.

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 (Taxes not included except the 5% contract registration duty)
(1) Minor Works, Goods and consultants’ services for Part 1 of the Project, including Operating Costs, and Training	1,000,000	100%
(2) Goods, Training, Consultant’s Services and Operating Costs under Part 4 of the Project, including Audits	1,300,000	100%
(3) Sub-project Grants under Part 2 of the Project	1,300,000	100% of amount disbursed
(4) Sub-project Grants under Part 3 of the Project	1,900,000	100% of amount disbursed
TOTAL AMOUNT	5,500,000	

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;
 - (b) under Categories 3 and 4 above until:

- (i) the Environmental and Social Management Framework, the Resettlement Policy Framework and the Indigenous Peoples Development Plan have been adopted and disclosed pursuant to Section I. D (1) of this Schedule, and
 - (ii) the Project Implementation Manual referred to in Section I.E (a) of this Schedule has been adopted by the Recipient; and
- (c) under Category 1, until:
- (i) the Project Coordination Team referred to in Section I.A.3 (a), has been established and its Project Coordinator, its procurement specialist and its financial management specialist have been recruited in accordance with the provisions of Section I.A.3 (a) of this Schedule;
 - (ii) the Project Coordination Team has adopted a first annual work program and budget for the implementation of the Project in accordance with the provisions of Section I.A.3 (c) of this Schedule; and
 - (iii) the Project Implementation Manual and the Project Manual of Financial, Accounting and Administrative Procedures, referred to in Section I.E (a) of this Schedule have been adopted by the Recipient.

2. The Closing Date is July 31, 2013.

Section V. Other Undertakings

A. Mid-term review

No later than twenty-four (24) months after the Effective Date, or such later date as may be agreed upon by the Recipient and the Association, the Recipient and the Association shall carry out a mid-term review of the Project, covering the progress achieved in the implementation of the Project. The Recipient shall prepare, under terms of reference satisfactory to the Association, and furnish to the Association three (3) months prior to the beginning of such mid-term review of the Project, or on such other date agreed upon with the Association in writing, a report integrating the results of the monitoring and evaluation activities performed pursuant to this Agreement, on the progress achieved in the carrying

out of the Project during the period preceding the date of such report, and setting out the measures recommended to ensure the efficient carrying out of the Project and the achievement of the objective of the Project during the period following such date. Following such mid-term review, the Recipient shall act promptly and diligently in order to take any corrective action deemed necessary by the Association to remedy any shortcoming noted in the carrying out of the Project in furtherance of the objectives of the Project.

APPENDIX**Section I. Definitions**

1. “AGETIP-CAF” means *Agence d’Exécution des Travaux d’Intérêt Public en Centrafrique* (AGETIP Centrafrique), an association established in accordance with the Recipient’s law no. 61/233 dated May 27, 1961.
2. “AGETIP Manual of Financial, Accounting and Administrative Procedures” means collectively the two AGETIP-CAF’s manuals entitled “Technical Procedures Manual” and “Administrative, Financial and Accounting Procedures Manual” respectively, as such manuals may be amended from time to time with the prior written agreement of the Association, and such term includes any schedule to the Technical Procedures Manual and the Administrative, Financial and Accounting Procedures Manual.
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.
4. “Beneficiary” means a Village or a Commune eligible to receive a Sub-project Grant, to whom the Recipient has provided, or proposes to provide, a Sub-project Grant in accordance with the guidelines and procedures described in the Project Implementation Manual, pursuant to a Sub-project Grant Agreement.
5. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
6. “Commune” means a commune established on the Recipient’s territory in accordance with the provisions of Recipient’s ordinances No.88.005 of February 5, 1988, and No. 88.006 of February 12, 1988.
7. “Commune Development Committee” means a legal entity established in accordance with the laws of the Recipient for the purpose of planning, implementing and managing the local development of the Commune in a participatory manner.
8. “Consultant Guidelines” means the “Guidelines: Selection and Employment of Consultants by World Bank Borrowers” published by the Bank in May 2004 and revised in October 2006.

9. “Environmental and Social Management Framework” means the Recipient’s document to be prepared and disclosed in accordance with Section I.D of Schedule 2 to this Agreement, 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.
10. “Environmental and Social Management Plan” means the Recipient’s document prepared in accordance with the Environmental and Social Management Framework with respect to a Sub-project, that details: (i) the measures to be taken during the implementation and operation of the Sub-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.
11. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 1, 2005 (as amended through October 15, 2006), with the modifications set forth in Section II of this Appendix.
12. “Indigenous Peoples Development Plan” means the Recipient’s document prepared after consultations conducted in order to obtain the free and informed prior consent of the indigenous peoples on the Project, that details, on the basis of the social assessment and in consultation with affected indigenous peoples’ communities, the measures through which the Recipient shall ensure that: (i) indigenous peoples affected by the Sub-project will receive culturally appropriate social and economic benefits, and (ii) when potential adverse effects on indigenous peoples are identified, those adverse effects are avoided, minimized, mitigated or compensated for.
13. “Operating Costs” means the incremental operating expenses, based on annual budgets approved by the Association, incurred by the Project Coordination Team or the Regional Project Coordination Teams, and the national institutions and their decentralized services involved in the Project implementation, management and monitoring, on account of operation and maintenance costs of 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 of officials and public servants of the Recipient’s civil service.
14. “Minor Works” means painting, partitioning and interior improvement works for the refurbishment of existing building.

15. “Procurement Guidelines” means the “Guidelines: Procurement under IBRD Loans and IDA Credits” published by the Bank in May 2004 and revised in October, 2006.
16. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated March 4, 2009 and referred to in paragraph 1.16 of the Procurement Guidelines and paragraph 1.24 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.
17. “Project Implementation Manual” means the Recipient’s guidelines and procedures to be adopted in form and substance satisfactory to the Association, in accordance with Part E (a) of Section I of Schedule 2 to this Agreement, and used for the purpose of implementing the Project, including in the areas of monitoring and evaluation, coordination, social and environmental safeguards, Sub-project Grants and other provisions related to the institutional organization, as such guidelines and procedures may be amended from time to time with the prior written agreement of the Association, and such term includes any schedule to the Project Implementation Manual.
18. “Project Manual of Financial, Accounting and Administrative Procedures” means the Recipient’s guidelines and procedures, to be adopted in form and substance satisfactory to the Association, in accordance with Part E (a) of Section I of Schedule 2 to this Agreement, and containing financial, administrative and accounting procedures applicable to the Project, as such manual may be amended from time to time with the prior written agreement of the Association, and such term includes any schedule to the Project Manual of Financial, Accounting and Administrative Procedures.
19. “PRSP Monitoring Committee” means a Recipient’s committee established at the national or regional level for the purpose of, *inter alia*, monitoring the implementation of the Recipient’s Poverty Reduction Strategy, by the Recipient’s decision No. PM/003 dated March 12, 2008.
20. “Region” means a region established on the Recipient’s territory in accordance with the provisions of Recipient’s ordinances No. 88.005 of February 5, 1988, and No. 88.006 of February 12, 1988.
21. “Resettlement Action Plan” means the Recipient’s document prepared in accordance with the Resettlement Policy Framework with respect to a Sub-project, 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 people 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.

22. “Resettlement Policy Framework” means collectively the Recipient’s document to be prepared and disclosed in accordance with Section I, Part D of Schedule 2 to this Agreement, containing guidelines, procedures, timetables and other specifications to ensure that displaced persons as a result of the Project, if any, are (i) informed about their options and rights pertaining to a resettlement, (ii) consulted on, offered choices among, and provided with technically and economically feasible resettlement alternatives, (iii) provided prompt and effective compensation at full replacement cost for losses of assets attributable directly to the Project, and (iv) provided adequate support.
23. “Sub-project” means a set of activities financed under Part 2 or Part 3 of the Project.
24. “Sub-project Grant” means a grant made or proposed to be made by the Recipient to a Beneficiary out of the proceeds of the Financing for the purpose of co-financing a Sub-project implemented or to be implemented by a Beneficiary.
25. “Sub-project Grant Agreement” means an agreement entered into between the Recipient and a Beneficiary for the provision of a Sub-project Grant.
26. “Targeted Areas” means the Regions covered by the Project, as they are defined in the Project Implementation Manual.
27. “Training” means the training of persons involved in Project-supported activities, based on annual budgets approved by the Association pursuant to Section III.C.3 of Schedule 2 to this Agreement, such term including seminars, workshops, conference and study tours, and costs associated with such activity include travel and subsistence costs for Training participants, costs of securing the services of trainers, rental of Training facilities, preparation and reproduction of Training materials and other costs directly related to course preparation and implementation.
28. “Village” means a village established on the Recipient’s territory in accordance with the provisions of Recipient’s ordinances No. 88.005 of February 5, 1988, and No. 88.006 of February 12, 1988.

29. “Village Development Committee” means a legal entity established in accordance with the laws of the Recipient for the purpose of planning, implementing and managing the local development of the Village in a participatory manner.

Section II. Modifications to the General Conditions

The modifications to the General Conditions for Credits and Grants of the Association, dated July 1, 2005 (as amended through October 15, 2006) are as follows:

1. Section 2.07 is modified to read as follows:

“Section 2.07. *Refinancing Preparation Advance*

If the Financing Agreement provides for the repayment out of the proceeds of the Financing of an advance made by the Association or the Bank (“Preparation Advance”), the Association shall, on behalf of the Recipient, withdraw from the Financing Account on or after the Effective Date the amount required to repay the withdrawn and outstanding balance of the advance as at the date of such withdrawal from the Financing Account and to pay all accrued and unpaid charges, if any, on the advance as at such date. The Association shall pay the amount so withdrawn to itself or the Bank, as the case may be, and shall cancel the remaining unwithdrawn amount of the advance.”

2. The following terms and definitions set forth in the Appendix are modified or deleted as follows, and the following new terms and definitions are added in alphabetical order to the Appendix as follows, with the terms being renumbered accordingly:

- (a) The term “Project Preparation Advance” is modified to read “Preparation Advance” and its definition is modified to read as follows:

“‘Preparation Advance’ means the advance referred to in the Financing Agreement and repayable in accordance with Section 2.07.”