

GRANT NUMBER D060-ZR

Financing Agreement

(Reinsertion and Reintegration Project)

Between

DEMOCRATIC REPUBLIC OF CONGO

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated July 09, 2015

GRANT NUMBER D060-ZR

FINANCING AGREEMENT

AGREEMENT dated July 09, 2015, entered into between DEMOCRATIC REPUBLIC OF CONGO ("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 an amount equivalent to ten million and nine hundred thousand Special Drawing Rights (SDR10,900,000) ("Grant" or "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 April 15 and October 15 in each year.
- 2.05. The Payment Currency is Dollar.

ARTICLE III — PROJECT

- 3.01. The Recipient declares its commitment to the objective of the Project and the Program. To this end, the Recipient shall carry out the Project through UEPNDDR 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 legislative and regulatory texts governing the operations of UEPNDDR, CIDDE, CCJO, or any other entity involved in the implementation of the Project, shall have been amended, suspended, abrogated, repealed or waived so as to materially and adversely affect the implementation of the Project; and
 - (b) a situation has arisen which shall make it improbable that the Program, or a significant part of it, will be carried out.

ARTICLE V — EFFECTIVENESS; TERMINATION

- 5.01. The Additional Conditions of Effectiveness consist of the following, namely that the TDRP Grant Agreement has been executed and delivered and all conditions precedent to its effectiveness or to the right of the Recipient to make withdrawals under it (other than the effectiveness of this Agreement) have been fulfilled.
- 5.02. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.
- 5.02. 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 its minister in charge of finance.

6.02. The Recipient's Address is:

Ministry of Finance
Boulevard du 30 Juin - Commune de la Gombe
Kinshasa 1
Democratic Republic of Congo

Email: cabfinances@minfinrdc.com
Tel.: +243 82 58 52 240

6.03. The Association's Address is:

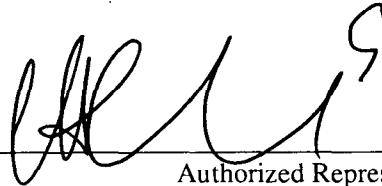
International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Cable:	Telex:	Facsimile:
INDEVAS Washington, D.C.	248423 (MCI)	1-202-477-6391

AGREED at Kinshasa, DRC, as of the day and year first above written.

DEMOCRATIC REPUBLIC OF CONGO

By



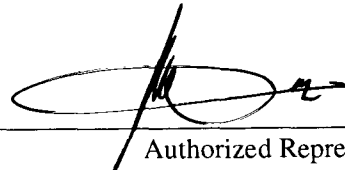
Authorized Representative

Name: Henri YAV NULANG

Title: Ministre de Finances

INTERNATIONAL DEVELOPMENT ASSOCIATION

By



Authorized Representative

Name: Khondou Klousta : Toliaye

Title: Country Director

SCHEDULE 1

Project Description

The Project development objective is to support the socio-economic reintegration of demobilized ex-combatants.

The Project consists of the following components:

Component 1: Reinsertion

Support the Recipient to carry out reinsertion activities through: (i) an emergency phase in demobilization centers for registration in order to provide a preliminary set of skills and training to ex-combatants, and medical and psychosocial screening, and (ii) a follow-up phase in reintegration preparation centers for a six month period focusing on vocational skills training, literacy, numeracy, livelihoods training, life skills, as well as psychosocial and medical support.

Component 2: Reintegration

Support the Recipient to carry out reintegration activities for a period of up to 24 months after ex-combatants return to their communities, including training and follow-up advice and support to ex-combatants and community members through: (i) distribution of start-up kits; (ii) community follow-up, counselling and referral; (iii) drop-in information, counselling, and referral services; and (iv) social integration activities to promote reconciliation between ex-combatants and community members as well as build social cohesion.

Component 3: Support to Demobilized Ex-combatants' Households

Support the Recipient to provide support to ex-combatants' households through a family support package including: (i) life skills training; (ii) basic livelihoods training; (iii) entrepreneurial training; (iv) cooperative training and capacity-building support; and (v) psycho-social counselling.

Component 4: Support to Vulnerable Groups

Support the Recipient to carry out activities in favor of vulnerable groups, including females associated with armed forces, female ex-combatants, disabled, ill and/or psychosocially traumatized ex-combatants, such as: (i) specific programs for female ex-combatants and females associated with armed forces that will provide special services, dedicated facilities, specialized trainers as well as additional referrals to compensate for their vulnerability based on a special gender action plan; and (ii) technical assistance to support the chronically ill and disabled ex-combatants during the demobilization, reinsertion and reintegration phases.

Component 5: Project Management, Sensitization, Monitoring and Evaluation

Support the Recipient to: (i) ensure effective and efficient Project management, overall administration of Project activities, including coordination, implementation, and management of the Project; (ii) carry out sensitization activities through a robust communication and public information strategy to restore a climate of trust and to help ex-combatants and their communities to better understand the DDR process; and (iii) ensure effective and efficient monitoring and evaluation as well as management information systems for the Project, including data monitoring, follow-up and planning, baseline survey, annual evaluations, mid-term review, evaluations as needed, and a final evaluation.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements.

The Recipient shall:

1. designate UEPNDDR, throughout the period of Project implementation, to be responsible for prompt and efficient oversight, coordination and management of the implementation of activities under the Project, and take all actions, including, the provision of funding, personnel and other resources necessary to enable said UEPNDDR to perform said functions, as further described in the Project Implementation Manual;
2. maintain, throughout the period of Project implementation, the CIDDR to provide overall strategic guidance and approve the Annual Work Program with terms of reference, composition and powers acceptable to the Association, as further described in the Project Implementation Manual;
3. establish, no later than one month after the Effective Date and thereafter maintain throughout the period of Project implementation the CCJO to plan and coordinate disarmament process and support UEPNDDR for the transportation of demobilized groups, with staffing, terms of reference, composition and powers acceptable to the Association as further described in the Project Implementation Manual;
4. establish, no later than one month after the Effective Date and thereafter maintain throughout the period of Project implementation the Advisory Committee for Reintegration to coordinate and provide guidance on socio-economic reintegration of ex-combatants, with staffing, terms of reference, composition and powers acceptable to the Association as further described in the Project Implementation Manual.

B. Annual Work Programs

1. The Recipient shall, not later than November 30 in each calendar year during Project implementation, prepare and furnish to the Association, a program of Project activities proposed for implementation in the following calendar year, including: (i) a detailed timetable for the sequencing and implementation of said activities; and (ii) the types of expenditures required for such activities, a proposed financing plan and a budget ("Annual Work Program").

2. The Recipient shall exchange views with and seek approval of the Association on each such proposed annual work program, and shall thereafter carry out such program of activities for such following year as shall have been agreed between the Recipient and the Association.
3. Only those activities which are included in an Annual Work Program shall be implemented. Notwithstanding the foregoing, the Annual Work Program might be amended from time to time to include new activities with the prior and written concurrence of the Association.

C. Anti-Corruption

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

D. Project Implementation Manual, Environmental and Social Action Plan and Safeguard Documents

1. The Recipient shall cause the Project to be carried out in accordance with the provisions of the Project Implementation Manual, the Environmental and Social Action Plan and the Safeguard Documents, once prepared and adopted.
2. Except as the Association shall otherwise agree, the Recipient shall not amend or waive the Project Implementation Manual, the Environmental and Social Action Plan, or any of the Safeguard Documents, or any provision thereof, or permit any such provision to be amended or waived. In case of any conflict between the provisions of the Project Implementation Manual, the Environmental and Social Action Plan, or any of the Safeguard Documents and the provisions of this Agreement, the provisions of this Agreement shall prevail.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of indicators set forth in the Project Implementation Manual and found acceptable to the Association. Each Project Report shall cover the period of one calendar quarter, and shall be furnished to the Association not later than forty-five days after the end of the period covered by such report.
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 six months after the Closing Date.

B. Financial Management, Financial Reports and Audits

1. The Recipient shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 4.09 of the General Conditions.
2. Without limitation on the provisions of Part A of this Section, the Recipient shall prepare and furnish to the Association as part of the Project Report not later than forty-five 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, commencing with the fiscal year in which the first withdrawal was made under the Project. The audited Financial Statements for each such period shall be furnished to the Association not later than six months after the end of such period.

Section III. Procurement

A. General

1. **Goods, Works and Non-consulting Services.** All goods, works 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, Works and Non-consulting Services

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods, works and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.
2. **Other Methods of Procurement of Goods, Works and Non-consulting Services.** The following methods, other than International Competitive Bidding, may be used for procurement of goods, works and non-consulting services for those contracts specified in the Procurement Plan: (a) National Competitive Bidding, subject to the additional provisions referred to in subparagraph 3 below; (b) Shopping; (c) Direct Contracting; (d) Community Participation procedures which have been found acceptable to the Association; (e) Procurement from United Nations Agencies; (f) procurement under Framework Agreements in accordance with procedures which have been found acceptable to the Association; and (g) Procurement under Public Private Partnership Arrangements in accordance with procedures which have been found acceptable to the Association.
3. **Additional Provisions for National Competitive Bidding**

National Competitive Bidding may be used subject to using the open procedure (“*appel d’offres ouvert*”) set forth in the Recipient’s Public Procurement Law No 10/010 dated April 27, 2010 (the “PPL”) and the Manual of Procedures of the PPL as per Recipient’s Decree No 10/22 dated June 2, 2010 (the “Manual of Procedures”); provided however that such procedure shall be subject to the provisions of Section I and Paragraphs 3.3 and 3.4 of Section III of the Procurement Guidelines and the additional following modifications:

- (a) **Standard Bidding Documents:** All standard bidding documents to be used for the Project under NCB shall be found acceptable to the Association before their use during the implementation of Project.
- (b) **Eligibility:** Eligibility of bidders and acceptability of their goods and services shall not be based on their nationality and/or their origin; and association with a national firm shall not be a condition for participation in a bidding process. Therefore, except for the ineligibility situations referred to in paragraphs 1.10(a)(i) and 1.10(a)(ii) of the Procurement Guidelines, the eligibility of bidders must be based solely on their qualification, experience and capacity to carry out the contract related to the specific bidding process.
- (c) **Advertising and Bid Preparation Time:** Bidding opportunities shall be advertised at least in a national newspaper of wide circulation and on the website of the Recipient’s Procurement Regulator (*Autorité de Régulation*

des Marchés Publics) and bidders should be given at least 30 days from the date of invitation to bid or the date of availability of the bidding documents, whichever is later.

- (d) **Criteria for Qualification of Bidders:** Qualification criteria shall only concern the bidder's capability and resources to perform the contract taking into account objective and measurable factors. Such criteria for qualification of bidders shall be clearly specified in the bidding documents.
- (e) **Bid Evaluation and Contract Award:** A contract shall be awarded to the substantially responsive and lowest evaluated bidder provided that such bidder meets the qualification criteria specified in the bidding documents. No scoring system shall be allowed for the evaluation of bids, and no "blanket" limitation to the number of lots which can be awarded to a bidder shall apply. The criteria for bid evaluation and the contract award conditions shall be clearly specified in the bidding documents.
- (f) **Preferences:** No preference shall be given to domestic/regional bidders, to domestically/regionally manufactured goods, and to bidders forming a joint venture with a national firm or proposing national sub-contractors or carrying out economic activities in the territory of the Recipient.
- (g) **Publication of Contract Award:** Information on all contract awards shall be published in at least a national newspaper of wide circulation or in the Recipient's Procurement Regulator (*Autorité de Régulation des Marchés Publics*) web-site.
- (h) **Fraud and Corruption:** In accordance with the Procurement Guidelines, each bidding document and contract shall include provisions stating the Association's policy to sanction firms or individuals found to have engaged in fraud and corruption as set forth in the Procurement Guidelines.
- (i) **Inspection and Audit Rights:** In accordance with the Procurement Guidelines, each bidding document and contract shall include provisions stating the Association's policy with respect to inspection and audit of accounts, records and other documents relating to the bid submission and contract performance.
- (j) **Requirement for administrative documents and/or tax clearance certificate:** The bidding documents shall not require foreign bidders to produce any administrative or tax related certificates prior to confirmation of awarding a contract.

- (k) **Modifications of a Signed Contract:** Any change in the contract amount which, singly or combined with all previous changes, increases the original contract amount by 15% (fifteen percent) or more must be done through an amendment to the signed contract instead of signing a new contract.

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) Least Cost Selection; (b) Selection based on Consultants' Qualifications; (c) Quality-based Selection; (d) Selection under a Fixed Budget; (e) Single-source Selection of consulting firms; (f) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants; (g) Single-source procedures for the Selection of Individual Consultants; and (h) Selection of United Nations Agencies.

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 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 Grant to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

Category	Amount of the Grant Allocated (expressed in SDR)	Percentage of Expenditures to be Financed by the Grant (inclusive of Taxes)
(1) Goods, works, non-consulting services, consultants' services, Operating Costs, Training and Workshops for the Project	10,900,000	20%
TOTAL AMOUNT	10,900,000	

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 SDR1,090,000 may be made for payments made twelve months prior to this date, for Eligible Expenditures under Category (1).
2. The Closing Date is December 31, 2019.

Section V. Other Undertakings

1. By September 30, 2017, or such other date as the Association shall agree upon, the Recipient, through UEPNDDR shall: (i) carry out, jointly with CIDDR, CCJO, the Advisory Committee for Reintegration and the Association, a mid-term review of the implementation of the Project, which shall cover the progress achieved in the implementation of the Project; and (ii) following such mid-term review, act promptly and diligently to take any corrective action as shall be agreed by the Association.
2. Not later than one (1) month after the Effective Date, the Recipient shall adopt the updated Project Implementation Manual, all in form and substance satisfactory to the Association.
3. Not later than three (3) months after the Effective Date, the Recipient shall: (i) organize, jointly with the Association, a launching workshop for the Project involving all stakeholders; (ii) hire independent auditors for the Project with terms of reference, qualifications and experience satisfactory to the Association and in accordance with Section III of this Schedule; and (iii) adopt the Safeguard Documents in accordance with the provisions of the Environmental and Social Action Plan, all in form and substance satisfactory to the Association.

**APPENDIX
Definitions**

1. “Advisory Committee for Reintegration” means Recipient’s committee to be established by the Recipient with terms of reference, composition and responsibilities acceptable to the Association as further detailed in the Project Implementation Manual, or any successor thereto.
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. “Annual Work Program” means the annual work program to be prepared by the Recipient, through UEPNDDR not later than November 30 in each calendar year during Project implementation.
4. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
5. “CCJO” means the Recipient’s Coordination Cell for Joint Operations in DDR to be established by the Recipient with terms of reference, composition and responsibilities acceptable to the Association as further detailed in the Project Implementation Manual, or any successor thereto.
6. “CIDDR” means *Comité inter-ministeriel pour le Désarmement, la Démobilisation et la Réintégration*, the Recipient’s Inter-ministerial Committee for Disarmament, Demobilization and Reintegration, established and operating in accordance with the Recipient’s Presidential Decree No. 03/041, dated December 2003, as amended and with terms of reference, composition and responsibilities acceptable to the Association as further detailed in the Project Implementation Manual, or any successor thereto.
7. “DDR” means Disarmament, Demobilization and Reintegration.
8. “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 (revised July 2014).
9. “Environmental and Social Action Plan” means the Recipient’s document disclosed in country on the website www.uepnDDR.cd and at the World Bank’s *Infoshop*, outlining measures to ensure environmental and social benefits under the Project and avoidance, minimization, or mitigation of or compensation for any potential adverse effects associated with activities to be implemented under the Project, as well as guidelines for the preparation of the Safeguard Documents, as shall have been agreed with the Association for purposes of Project

implementation, as the same may be updated from time to time with the prior written agreement of the Association, and such term includes any annexes or schedules to said plan.

10. "General Conditions" means the "International Development Association General Conditions for Credits and Grants", dated July 31, 2010.
11. "Operating Costs" means recurrent costs of the Project: (i) operation and maintenance of vehicle, repairs, fuel and spare parts; (ii) computer maintenance, including hardware and software; (iii) communication costs and shipment costs (whenever these costs are not included in the cost of goods); (iv) office supplies; (v) rent and maintenance for office facilities; (vi) utilities and insurances, including health insurances and health-related services; (vii) travel and per diem costs for technical staff carrying out supervisory and quality control activities; and (viii) salaries of support staff for UEPNDDR, but excluding salaries of the Recipient's civil servants.
12. "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 (revised July 2014).
13. "Procurement Plan" means the Recipient's procurement plan for the Project, dated April 4, 2015 and referred to in paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.
14. "Program" means *Programme National de Désarmement, Démobilisation et Réintégration*, the Recipient's national program for disarmament, demobilization and reintegration, established and operating under the Recipient's Presidential Decree No. 04/92 dated October 16, 2004, or any successor program thereto.
15. "Project Implementation Manual" means a manual to be adopted by the Recipient and found satisfactory to the Association and which shall contain, *inter alia*: (i) the terms of reference, functions and responsibilities for the members or personnel of UEPNDDR, and the roles of CIDDR, CCJO and the Advisory Committee for Reintegration; (ii) the procedures for procurement of goods, works, non-consulting services, consultant's services, Operating Costs, Training and Workshops, as well as for financial management and audits under the Project; (iii) the indicators to be used in the monitoring and evaluation of the Project; (iv) flow and disbursement arrangements of Project funds; (v) the communication strategy for the Project and grievance redress mechanisms; and (vi) the Environmental and Social Management Plan and the Safeguard Documents; as said manual may be amended from time to time with the Association's prior approval.

16. "Safeguard Documents" means the Recipient's documents, to be prepared by the Recipient in accordance with the Environmental and Social Action Plan, in particular an environmental and social management plan, to be disclosed in country on the website www.uepnDDR.cd and at the World Bank's *Infoshop*, outlining measures to ensure environmental and social benefits under the Project and avoidance, minimization, or mitigation of, or compensation for, any potential adverse effects associated with activities to be implemented under the Project, as shall have been agreed with the Association for purposes of Project implementation, as the same may be updated from time to time with the prior written agreement of the Association, and such term includes any annexes or schedules to said documents.
17. "TDRP Grant Agreement" means the agreement of even date herewith between the Recipient and the Association, acting as administrator of the Multi-Donor Trust Fund for the Transitional Demobilization and Reintegration Program, providing for a grant in an amount of six million and five hundred thousand United States Dollars (\$6,500,000) ("Grant") to assist in financing the Project.
18. "UEPNDDR" means a *Unité d'Exécution du Programme National de Désarmement, Démobilisation et Intégration*, a unit established and operating under the Recipient's Ministry in charge of Defense in accordance with the Recipient's Presidential Decree No. 07/056 dated July 14, 2007, as further described in the Project Implementation Manual.
19. "Workshops and Training" means workshops and training, including purchase and publication of materials and rental of facilities required therefor, course fees, study tours and travel and subsistence for participants, trainees and trainers.