



Q957

**The World Bank**

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT  
INTERNATIONAL DEVELOPMENT ASSOCIATION

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December 22, 2014

Her Excellency Florence Limbio  
Minister of Economy, Planning and International Cooperation  
Ministry of Economy, Planning and International Cooperation  
Bangui  
CENTRAL AFRICAN REPUBLIC

Re: Central African Republic: Advance Agreement for the Preparation of the  
Proposed LONDO ("Stand-Up") Project  
Project Preparation Advance No. Q957

Excellency:

In response to the request for financial assistance made on behalf of the Central African Republic ("Recipient"), I am pleased to inform you that the International Development Association ("World Bank") proposes to extend to the Recipient an advance out of the World Bank's Project Preparation Facility in an amount not to exceed three million Dollars (\$3,000,000) ("Advance") on the terms and conditions set forth or referred to in this letter agreement ("Agreement"), which includes the attached Annex, to assist in financing the activities described in the Annex ("Activities"). The objective of the Activities is to facilitate the preparation of a proposed project designed to provide temporary employment to vulnerable people for local reconstruction purposes throughout the Recipient's territory ("Project"), for the carrying out of which the Recipient has requested the World Bank's financial assistance.

The Recipient represents, by confirming its agreement below, that: (a) it understands that the provision of the Advance does not constitute or imply any commitment on the part of IBRD or IDA to assist in financing the Project; and (b) it is authorized to enter into this Agreement and to carry out the Activities, repay the Advance and perform its other obligations under this Agreement, all in accordance with the provisions of this Agreement.

Please confirm the Recipient's agreement to the foregoing by having an authorized official of the Recipient sign and date the enclosed copy of this Agreement, and return it to the World Bank. Upon receipt by the World Bank of this countersigned copy, this Agreement shall become effective as of the date of the countersignature; provided, however, that the offer of this

Agreement shall be deemed withdrawn if the World Bank has not received this countersigned copy within ninety (90) days after the date of signature of this Agreement by the World Bank, unless the World Bank has established a later date for such purpose.

Very truly yours,

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

  
For Gregor Binkert

Country Director for Central African Republic  
Africa Region

AGREED:  
CENTRAL AFRICAN REPUBLIC

By

  
Authorized Representative

Name: M<sup>me</sup> Linoris Florence

Title: Ministre de l'Economie, du Plan et de la Coopération Internationale, chargé de  
Pôle de Développement

Date: 07.01.15

Enclosures:

- (1) "Standard Conditions for Advances Made by the World Bank under its Project Preparation Facility", dated July 31, 2010.
- (2) Disbursement Letter for the Advance of the same date as this Agreement, together with "World Bank Disbursement Guidelines for Projects", dated May 1, 2006.
- (3) Guidelines for "Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers", dated January 2011, revised in July 2014.
- (4) Guidelines: "Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers", dated January 2011, revised in July 2014.
- (5) "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.

**Article I**  
**Standard Conditions; Definitions**

1.01. **Standard Conditions.** The Standard Conditions for Advances Made by the World Bank under its Project Preparation Facility dated July 31, 2010 ("Standard Conditions") constitute an integral part of this Agreement.

1.02. **Definitions.** Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Standard Conditions or in this Agreement, the following additional terms shall have the following meanings:

(a) "Beneficiary" means an individual who is eligible to benefit under the Pilot Operation and is duly registered for the purpose; and "Beneficiaries" means, collectively, all such individuals.

(b) "Pilot Operation" means an operation consisting of maintenance of existing roads through manual cleaning of drainage systems, manual cleaning of vegetation and debris, minor manual repairs of road surface (potholes) using the labor-intensive public works methods.

(c) "Service Provider" means *Agence d'Exécution des Travaux d'Intérêt Public en Centrafrique* ou AGETIP-CAF as referred to in Section 2.03 (a) of this Annex.

(d) "Service Provider Agreement" means the service agreement to be executed between the Recipient and a Service Provider in accordance with the provision of Section 2.03 (a) of this Annex.

**Article II**  
**Execution of the Activities**

2.01. **Description of the Activities.** The Activities for which the Advance is provided consist of the following parts:

(a) Provision of technical assistance to support: (i) management of labor-intensive public works; (ii) fiduciary management and monitoring and evaluation for the purpose of Project preparation.

(b) Carrying out of a Pilot Operation, comprising 2,500 beneficiaries at work in five (5) *sous-préfectures*, including one in the West and one in the East of the Recipient's territory, consisting of maintenance of existing roads through the labor-intensive public works method.

(c) Establishment of five (5) regional execution units for the purpose of Project implementation through the recruitment of field staff and the acquisition of goods.

(d) Setting up of the Project national coordination unit through the recruitment of staff and the acquisition of goods.

(e) Provision of Operating Costs for the purpose of Project preparation.

2.02. **Execution of the Activities Generally.** The Recipient declares its commitment to the objectives of the Activities. To this end, the Recipient shall carry out the Activities in accordance

with the provisions of: (a) Article II of the Standard Conditions; (b) this Article II; and (c) 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.

2.03. ***Institutional and Other Arrangements.*** Without limitation upon the provisions of Section 2.02 above:

***Service Provider Agreement***

(a) The Recipient shall, for the purposes of carrying out the Activities, enter into a service agreement (*convention de maîtrise d'ouvrage déléguée*) ("Service Provider Agreement") in form and substance satisfactory to the World Bank with the *Agence d'Exécution des Travaux d'Intérêt Public en Centrafrique* (AGETIP-CAF) (*maître d'ouvrage délégué*), pursuant to which: (i) the proceeds of the Advance are made available by the Recipient to the Service Provider; and (b) such Service Provider shall be responsible for, *inter alia*, the implementation of the Activities, including the fiduciary and technical management thereof.

(1) The Service Provider Agreement shall include the following provisions:

(A) The obligation of the Service Provider to:

- (i) carry out its activities under the Service Provider Agreement with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the World Bank, including, without limitation to the generality of the foregoing, in accordance with the provisions of the Anti-Corruption Guidelines applicable to recipients of the Advance proceeds other than the Recipient;
- (ii) maintain policies and procedures, which are adequate to enable it to monitor and evaluate the progress of the Activities carried out under the Service Provider Agreement; and
- (iii) maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the World Bank, both in a manner adequate to reflect the operations, resources and expenditures related to Activities carried out under the Service Provider Agreement.

(B) The right of the Recipient and the World Bank to:

- (i) request an audit of the financial statements of the Activities carried out under the Service Provider Agreement by independent auditors acceptable to the World Bank in accordance with consistently applied auditing standards acceptable to the World Bank and the prompt transmission of the

financial statements as so audited to the Recipient and the World Bank;

- (ii) inspect the Activities carried out under the Service Provider Agreement, and any relevant records and documents; and
- (iii) obtain all such information as the Recipient or the World Bank shall reasonably request relating to the foregoing to be prepared and furnished to the Recipient and the World Bank.

### ***Pilot Operation***

(b) The Recipient shall ensure that each Beneficiary under Part (b) of the Activities: (i) receives a benefit of FCFA 1,500 per day and is allowed to work forty (40) days over two (2) consecutive months; (ii) is above of the age of eighteen (18) years; and (iii) is selected through public lottery held at the level of the *sous-préfectures*.

2.04. ***Monitoring, Reporting and Evaluation of the Activities.*** The Recipient shall monitor and evaluate the progress of the Activities in accordance with the provisions of Section 2.08 of the Standard Conditions.

2.05. ***Financial Management.*** (a) The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.09 of the Standard Conditions.

(b) The Recipient shall ensure that interim un-audited financial reports for the Activities are prepared and furnished to the World Bank not later than thirty (30) days after the end of each calendar quarter, covering the quarter, in form and substance satisfactory to the World Bank.

(c) The Recipient shall have its Financial Statements audited in accordance with the provisions of Sections 2.09 (b) of the Standard Conditions.

(i) If, on or before the Refinancing Date, a Refinancing Agreement has been executed by all of its parties, the Recipient shall have the Financial Statements included in the first audit of financial statements required under the Refinancing Agreement.

(ii) If, by the Refinancing Date, no Refinancing Agreement has been executed by all of its parties, such audit of the Financial Statements shall cover the period of the Advance, commencing with the fiscal year in which the first withdrawal under the Advance was made. The audited Financial Statements for such period shall be furnished to the World Bank not later than six (6) months after the end of the Recipient's fiscal year in which the Refinancing Date occurs.

(iii) Notwithstanding the provisions of paragraphs (i) and (ii) of this Section, the World Bank may request an audit of the Financial Statements prior to the Refinancing Date, covering such period as is indicated in its request. The audited Financial Statements for such period shall be furnished to the World Bank not later than six (6) months after the end of such period.

## 2.06. *Procurement*

(a) General. All goods, non-consulting services and consultants' services required for the Activities and to be financed out of the proceeds of the Advance shall be procured in accordance with the requirements set forth or referred to in:

(i) Section I of 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 ("Procurement Guidelines"), in the case of goods, works and non-consulting services;

(ii) Sections I and IV of the "Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated January 2011 ("Consultant Guidelines") in the case of consultants' services; and

(iii) The provisions of this Section, as the same shall be elaborated in the procurement plan prepared and updated from time to time by the Recipient for the Activities in accordance with paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines ("Procurement Plan").

(b) Definitions. The capitalized terms used in the following paragraphs of this Section to describe particular procurement methods or methods of review by the World Bank 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.

### (c) Particular Methods of Procurement of Goods, Works and Non-consulting Services

(i) Except as otherwise provided in sub-paragraph (ii) below, goods, works and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.

(ii) The following methods, other than International Competitive Bidding, may be used for procurement of goods and non-consulting services for those contracts specified in the Procurement Plan: (A) National Competitive Bidding; (B) Shopping; and (C) Direct Contracting.

### (d) Particular Methods of Procurement of Consultants' Services

(i) Except as otherwise provided in item (ii) below, consultants' services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.

(ii) The following methods may be used for the procurement of consultants' services for those assignments which are specified in the Procurement Plan: (A) Quality-based Selection; (B) Selection under a Fixed Budget; (C) Least Cost Selection; (D) Selection based on Consultants' Qualifications; (E) Single-source Selection of consulting firms; (F) Selection of

Individual Consultants; and (G) Single-source procedures for the Selection of Individual Consultants.

(e) Review by the World Bank of Procurement Decisions. The Procurement Plan shall set forth those contracts which shall be subject to the World Bank's Prior Review. All other contracts shall be subject to Post Review by the World Bank.

### **Article III** **Withdrawal of the Advance**

3.01. **Eligible Expenditures.** The Recipient may withdraw the proceeds of the Advance in accordance with the provisions of: (a) Article III of the Standard Conditions; (b) this Section; and (c) such additional instructions as the World Bank may 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 World Bank and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the following table. The table specifies each category of Eligible Expenditures that may be financed out of the proceeds of the Advance ("Category"), the amount of the Advance allocated to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

<b>Category</b>	<b>Amount of the Advance Allocated (expressed in Dollars)</b>	<b>Percentage of Expenditures to be Financed (inclusive of Taxes)</b>
(1) Goods, works non-consulting services, consultants' services, and Operating Costs under the Activities	3,000,000	100%
<b>TOTAL AMOUNT</b>	3,000,000	

For the purposes of this Section, the term "Operating Costs" means the incremental expenses incurred by the Service Provider on account of Project implementation, management and monitoring, including for office space rental, utilities and supplies, bank charges, communication, vehicle operation, maintenance and insurance, building and equipment maintenance, advertising expenses, travel and supervision, stipend to Beneficiaries, and salaries of contractual and temporary locally-recruited staff, but excluding consultant fees and salaries of civil servants.

3.02. **Withdrawal Conditions.** Notwithstanding the provisions of Section 3.01 of this Agreement, no withdrawal shall be made:

(a) for payments made prior to the date of countersignature of this Agreement by the Recipient; and

(b) for payments made under Category (1) unless the Service Provider Agreement has been executed between the Recipient and the Service Provider and approved by the World Bank.

3.03. **Refinancing Date.** The Refinancing Date is June 30, 2015.

#### **Article IV Terms of the Advance**

4.01. **Refinancing under the Refinancing Agreement:** If, on or before the Refinancing Date, a Refinancing Agreement has been executed by all of its parties, then the full amount of the Withdrawn Advance Balance shall be paid to the World Bank as soon as the Refinancing Agreement becomes effective, by means of a withdrawal by the World Bank of such amount of the Refinancing Proceeds, in accordance with the provisions of the Refinancing Agreement.

4.02. **No Repayment in the absence of a Refinancing Agreement:** Notwithstanding any provision to the contrary in the Standard Conditions, if, on or before the Refinancing Date, no Refinancing Agreement has been executed by all of its parties, or if, by such date or at any time thereafter, it has been so executed but terminates without becoming effective, then the Recipient shall not be obligated to repay the Withdrawn Advance Balance.

#### **Article V Recipient's Representative; Addresses**

5.01. **Recipient's Representative.** The Recipient's Representative referred to in Section 9.02 of the Standard Conditions is its Minister responsible for economy and planning.

5.02. **Recipient's Address.** The Recipient's Address referred to in Section 9.01 of the Standard Conditions is:

Minister of Economy, Planning and International Cooperation  
Ministry of Economy Planning and International Cooperation  
Bangui  
Central African Republic

Facsimile:

(236) 61 96 89

5.03. **World Bank's Address.** The World Bank's Address referred to in Section 9.01 of the Standard Conditions 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) or  
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