

**OFFICIAL  
DOCUMENTS**

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**GRANT NUMBER D080-CF**

**Financing Agreement**

**(LONDO 'Stand-Up' Project)**

**between**

**CENTRAL AFRICAN REPUBLIC**

**and**

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

**Dated** *AUGUST 26*, 2015

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**GRANT NUMBER D080-CF**

**FINANCING AGREEMENT**

AGREEMENT dated AUGUST 25, 2015, 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 Fourteen Million Three Hundred Thousand Special Drawing Rights (SDR14,300,000) ("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 15 April and 15 October in each year.
- 2.05. The Payment Currency is Euro.



### **ARTICLE III — PROJECT**

- 3.01. The Recipient declares its commitment to the objective of the Project. To this end, the Recipient shall cause the Service Provider to carry out the Project 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—EFFECTIVENESS; TERMINATION**

- 4.01. The Additional Conditions of Effectiveness consist of the following:
  - (a) The Service Agreement, in form and substance satisfactory to the Association, has been executed on behalf of the Recipient and the Service Provider; and
  - (b) The PIM has been adopted by the Recipient, in form and substance satisfactory to the Association.
- 4.02. The Additional Legal Matter consists of the following:
  - (a) The Service Agreement has been duly authorized or ratified by the Recipient and the Service and is legally binding upon the Recipient and the Service Provider in accordance with its terms.
- 4.03. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.
- 4.04. 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 (20) years after the date of this Agreement.



**ARTICLE V— REPRESENTATIVE; ADDRESSES**

5.01 The Recipient's Representative is its Minister responsible for economy.

5.02. The Recipient's Address is:

Ministry of Economy, Planning and International Cooperation in Charge of  
Development Poles  
Rue Martin Luther King  
BP 696, Bangui  
Central African Republic

Facsimile:

+236-21-619689

5.03. The Association's Address is:

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

Cable:

Telex:

Facsimile:

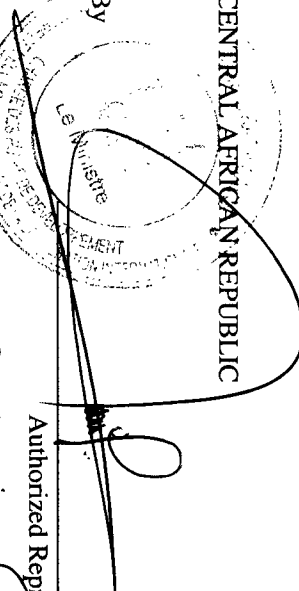
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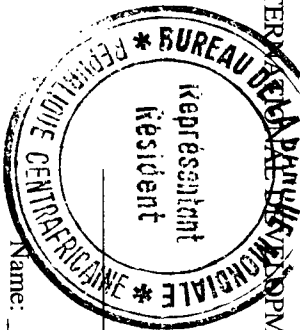
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1-202-477-6391



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

CENTRAL AFRICAN REPUBLIC  
By   
Authorized Representative  
Name: P. UGMO (Senegal)  
Title: \_\_\_\_\_

INTER-STATE DEVELOPMENT ASSOCIATION  
By   
Authorized Representative  
Name: C. ARNET  
Title: County Manager

## SCHEDULE 1

### Project Description

The objective of the Project is to provide temporary employment to vulnerable people throughout the entire territory of the Recipient.

The Project consists of the following parts:

#### **Part 1. Local Governance**

Support to local governance systems through: (a) Rapid Development Assessments at the level of *sous-préfectures*; (b) Public Lotteries for the selection of Eligible Beneficiaries; (c) the establishment of the Project's GRM; and (d) regional redeployment of AGETIP-CAF.

#### **Part 2. Public Infrastructure**

Support for a Labor Intensive Public Works Activities through: (a) the elaboration of Work Plans; (b) the provision of materials, tools, and equipment; and (c) the management of works, storage locations and sites, as well as quality control.

#### **Part 3. Socio-Economic Integration**

Support for socio-economic integration through: (a) payment of Stipends to approximately 35,500 Eligible Beneficiaries participating in Labor Intensive Public Works Activities; and (b) the establishment of Community Maintenance Systems.

#### **Part 4. Project Management**

Support to the Recipient for overall Project management, coordination and monitoring and evaluation through: (a) the establishment and maintenance of the M&E Unit; and (b) financing Operating Costs.



## SCHEDULE 2

### Project Execution

#### Section I. Implementation Arrangements

##### A. Institutional Arrangements

1. The Recipient shall vest responsibility for overall coordination and facilitation of the implementation of the Project in the MEPCIPD.
2. Service Provider
  - (a) The Recipient shall, through a Service Agreement, vest responsibility for Project coordination and implementation in the Service Provider.
  - (b) The Recipient shall also vest responsibility for all fiduciary and technical matters in the Service Provider.
  - (c) The Recipient shall, at all times during Project implementation, ensure that the Service Provider is maintained with mandate, composition and resources acceptable to the Association, including a coordinator, a financial management officer and a procurement officer.

##### B. Contractual Arrangements

1. The Recipient shall, for the purposes of carrying out the Project, enter into a Service Agreement with the Service Provider, in form and substance satisfactory to the Association, pursuant to which: (i) the proceeds of the Financing shall be made available by the Recipient to the Service Provider; and (ii) such Service Provider shall be responsible for, *inter alia*, the implementation of the Project, including the fiduciary and technical management thereof.
2. The Service Agreement shall include the following provisions:
  - (i) The obligation of the Service Provider to:
    - (a) carry out its activities under the Service Agreement with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the Association;
    - (b) carry out its obligations under its Service Agreement in such a manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing;

- (c) maintain policies and procedures, which are adequate to enable it to monitor and evaluate the progress of the Activities carried out under the Service Agreement; and
- (d) 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 Agreement.

(ii) The right of the Recipient and the Association to:

- (a) request an audit of the financial statements of the Activities carried out under the Service Agreement by independent auditors acceptable to the Association in accordance with consistently applied auditing standards acceptable to the Association and the prompt transmission of the financial statements as so audited to the Recipient and the Association;
- (b) inspect the Activities carried out under the Service Agreement, and any relevant records and documents; and
- (c) obtain 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. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive the Service Agreement or any provision thereof, or permit to be assigned, amended, abrogated or waived the aforementioned or any provision thereof.

4. In case of any conflict between the terms of the Service Agreement and those of this Agreement, the terms of this Agreement shall prevail.

**C. Project Implementation Manual**

1. In order to ensure the proper implementation of the Project, the Recipient shall cause the Service Provider to carry out the Project in accordance with the Project Implementation Manual ("PIM").

2. Except as the Recipient and the Association may otherwise agree in writing, the Recipient shall not abrogate, amend, repeal, suspend, waive or otherwise fail to enforce the PIM or any provision thereof.





3. In case of any conflict between the terms of the PIM and those of this Agreement, the terms of this Agreement shall prevail.

**D. Public Works**

1. In order to carry the Project, the Recipient shall conclude an Temporary Employment Agreement with each Eligible Beneficiary which shall include the following minimum conditions, and other such terms and conditions as may be specified in the PIM:

- (a) each Eligible Beneficiary shall be a minimum of 18 years of age;
- (b) each Eligible Beneficiary shall receive a Stipend of 1,500 FCFA per day; and
- (c) each Eligible Beneficiary shall be permitted to work a maximum of 40 days over two (2) months.

3. The Recipient shall, through the Service Provider, ensure that each Temporary Employment Agreement is based upon the template included in the PIM.

4. The Recipient shall, through the Service Provider, ensure that each such Temporary Employment Agreement is carried out with due diligence and efficiency and in accordance with sound technical, financial, and managerial standards and practices acceptable to the Association, including in accordance with the provisions of the Anti-Corruption Guidelines applicable to the Temporary Employment Agreement.

5. The Recipient shall, through the Service Provider, ensure that payment under each Temporary Employment Agreement is subject to a Verification Process satisfactory to the Association.

**E. Anti-Corruption**

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

**F. Safeguards.**

1. The Recipient shall, within three (3) months of the Effective Date, adopt the ESMF, in form and substance satisfactory to the Association, and shall ensure that it is consulted upon with affected communities and disclosed in the territory of the Recipient and at the InfoShop.

2. The Recipient shall ensure that if any activity under the Project would require the adoption of an ESMP, such ESMP shall be prepared and disclosed in accordance



with the terms of the ESMF and submitted to the Association for review and approval.

3. The Recipient shall thereafter ensure that such ESMP is adopted prior to implementation of the activity in question and take such all such measures as shall be necessary or appropriate to ensure full compliance with the requirements of such ESMP.
4. The Recipient shall ensure that the Project is carried out in accordance with the provisions of the ESMF or any ESMPs if applicable, and, except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, the aforementioned, or any provision thereof.
5. Without any limitation upon its other reporting obligations under Section II.A of this Schedule, the Recipient shall take all measures on its part to regularly collect, compile, and submit to the Association, as part of the Project Report, information on the status of compliance with the ESMF and / or ESMPs if applicable, giving details of: (a) measures taken in furtherance of said framework; (b) conditions, if any, which interfere or threaten to interfere with the proper implementation of said framework; and (c) remedial measures taken or required to be taken to address such conditions.

## **Section II. Project Monitoring, Reporting and Evaluation**

### **A. Project Reports**

1. The Recipient shall, through the Service Provider, 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 paragraph (2) of this Part A. Each Project Report shall cover the period of one (1) month, and shall be furnished to the Association not later than fifteen (15) days after the end of the period covered by such report.
2. The performance indicators referred to above in paragraph 1 above consist of the following:
  - (a) Number of Eligible Beneficiaries, of which percentage of women
  - (b) Number of Worked Days
  - (b) Number of Benefitting *sous-prefectures*

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3. The Recipient shall ensure that the Project M&E Unit with terms of reference and resources acceptable to the Association, is established in MEPCIPD within six (6) months of the Effective Date, and at all times maintained during Project implementation.

**B. Financial Management, Financial Reports and Audits**

1. The Recipient shall, through the Service Provider, 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, through the Service Provider, prepare and furnish to the Association not later than one (1) month 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, through the Service Provider, 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 (1) fiscal year of the Recipient, commencing with the fiscal year in which the first withdrawal was made under the Preparation Advance for the Project. The audited Financial Statements for each such period shall be furnished to the Association not later than six (6) 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 following additional provisions:***

- (i) bids are advertised in national newspapers with wide circulation;
- (ii) bid evaluation, bidder qualification and award criteria are specified clearly in the biddings documents;
- (iii) bidders are given adequate response time (minimum four weeks) to prepare and submit bids;
- (iv) bids are awarded to the lowest evaluated bidder proven this bidder is qualified;
- (v) eligible bidders, including foreign bidders, are not precluded from participating; and
- (vi) no preference margin is granted to domestic suppliers.

***(b) Shopping; and***

***(c) Direct Contracting.***

**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) 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 consultants under Indefinite Delivery Contract or Price Agreement; (g) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants; and (h) Single-source procedures for the Selection of Individual Consultants.

**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**

<b>Category</b>	<b>Amount of the Financing Allocated (expressed in SDR)</b>	<b>Percentage of Expenditures to be Financed (inclusive of Taxes)</b>
(1) Goods, works, non-consulting services, and consultants' services and Operating Costs for Parts 1, 2 and 3 the Project	6,960,000	100%
(2) Stipends to Eligible Beneficiaries under Part 3 (a) of the Project	3,060,000	100%
(3) Goods, works, consulting services and non-consulting services and Operating Costs under Part 4 of the Project	2,140,000	100%
(4) Refund of Preparation Advance	2,140,000	Amount payable pursuant to Section 2.07 of the General Conditions
<b>TOTAL AMOUNT</b>	<b>14,300,000</b>	

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: (a) repay the Preparation Advance in accordance with Section 2.07 of the General Conditions; and (b) finance 100% (inclusive of Taxes) of Eligible Expenditures.
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:

**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.
2. The Closing Date is December 31, 2018.

see 

## APPENDIX

### Section I. Definitions

1. “AGETIP-CAF” means *Agence d'Exécution des Travaux d'Intérêt Public en Centrafrique*.
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. “Benefitting *sous-préfectures*” means *sous-préfectures* benefitting from the Project.
4. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
5. “Code of Conduct” means the code of conduct applicable to Eligible Beneficiaries hired for Labor Intensive Public Works under the Project, detailing standards and procedures relevant to work sites, including expected behaviors, as well as information on the GRM; such Code of Conduct shall also be included in the Temporary Employment Agreement to be concluded with Eligible Beneficiaries.
6. “Community Maintenance System” or “*Mécanismes de Cantonnage Communal*” means a system established at the level of *sous-préfectures* for the transfer of tools and technical assistance to Local Authorities for the purposes of carrying out Road Maintenance Activities.
7. “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).
8. “Eligible Beneficiary” means an individual selected through a Public Lottery administered by the Service Provider at the level of the *sous-préfecture*, who is retained by the Service Provider for temporary employment under a Temporary Employment Agreement. “Beneficiaries” means, collectively, all such individuals.
9. “ESMF” or “Environmental and Social Management Framework” means the framework referred to in Section I.F of Schedule 2 to this Agreement, to be prepared and adopted by the Recipient, detailing of a program of actions, measures and policies designed to maximize the benefits of the Project, eliminate, offset or mitigate any adverse environmental and social impacts, or reduce such impacts to acceptable levels.



10. “ESMP” or “Environmental and Social Management Plan” means (a) the measure or measures to be taken during the implementation and operation of the Project, pursuant to the ESMF, 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.
11. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 31, 2010.
12. “GRM” means the Grievance Redress Mechanism established under the Project and maintained throughout the period of Project implementation, consisting of a secured toll-free telephone number, whereby grievances from Eligible Beneficiaries and other stakeholders can be communicated to the Service Provider for resolution as necessary.
13. “Labor Intensive Public Works Activities” means the activities referred to in Part 2 of the Project consisting of the maintenance of roads (e.g. vegetation clearing, debris removal, side drains cleaning, or minor surface repairs) and carried out using a labor-based methodology (i.e. a public works technology that maximizes opportunities for the employment of labor rather than machines), such activities covering all 71 *sous-prefectures* of the territory of the Recipient, and excluding Bangui.
14. “Local Authorities” means *mairies* or public authorities at the local level in the territory of the Recipient.
15. “MEPCIPD” means Ministry of Economy, Planning and International Cooperation in Charge of Development Poles.
16. “M&E Unit” or “Monitoring and Evaluation Unit” means the *Cellule de Suivi et Evaluation* to be established within MEPCIPD, which is charged with monitoring, evaluation and oversight at the national level.
17. “Operating Costs” means the incremental expenses incurred by the Project 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, and salaries of contractual and temporary locally-recruited staff recruited by the Service Provider for the purposes of the Project, but excluding Consultant fees and salaries of civil servants.
18. “Preparation Advance” means the advance referred to in Section 2.07 of the General Conditions, granted by the Association to the Recipient pursuant to the letter agreement signed on behalf of the Association on December 22, 2014 and on behalf of the Recipient on January 7, 2015.





19. “Procurement Guidelines” means the “Guidelines: Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated January 2011 (revised July 2014).
20. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated May 7, 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.
21. “Project Implementation Manual” or “PIM” means the manual referred to in Section I.C. of Schedule 2 to this Agreement. The PIM shall set out details of all procedures, guidelines and timetables for Project implementation, including, inter alia: (i) technical, administrative and institutional arrangements for the coordination and management of the Project; (ii) detailed arrangements and guidelines for the overall carrying out of the Project including, inter alia, financial management, environmental and social safeguards, procurement and accounting procedures, monitoring and evaluation, and internal control systems for the Project; (iii) criteria for the selection, participation and remuneration of Eligible Beneficiaries in Labor-Intensive Public Works Activities under the Project, as well as the GRM, including the terms and conditions to be included in the Temporary Employment Agreements; and (iv) technical and organizational arrangements.
22. “Public Lotteries” means the drawing events open to the general public, to be held in public spaces in order to select Eligible Beneficiaries.
23. “Rapid Development Assessments” means standardized data collection exercises undertaken by the Service Provider prior to the start of Project activities in *sous-préfectures*.
24. “Road Maintenance Activities” means activities carried out by Local Authorities after the Labor Intensive Public Works Activities.
25. “Service Provider” means AGETIP-CAF.
26. “Service Agreement” or “*convention de maîtrise d’ouvrage déléguée*” means the agreement to be concluded between the Recipient and the Service Provider for the purposes of implementing the Project, referred to in Section I.B of Schedule 2 to this Agreement.
27. “*Sous-préfecture*” means an administrative district-level subdivision of the Recipient’s territory; “*sous-préfectures*” means several such subdivisions.
28. “Stipend” means the monetary remuneration paid by the Service Provider to an Eligible Beneficiary participating in the Labor Intensive Public Works Activities. “Stipends” means collectively all such monetary remunerations.



29. "Temporary Employment Agreement" means a simple employment contract executed between the Service Provider and Eligible Beneficiaries governing the terms of such Eligible Beneficiaries employment under Part 2 of the Project, based on a template to be included in the PIM and to include all relevant criteria and procedures included in the PIM. Such a contract shall also include the Project's Code of Conduct, which describes required behaviors on the work sites and provides information on the project's GRM.
30. "Verification Process" means the process by which the Service Provider shall verify that an Eligible Beneficiary has completed a Worked Day and has been paid his or her Stipend in accordance with the terms of the Temporary Employment Agreement.
31. "Worked Day" means a day worked by an Eligible Beneficiary, verified by the Service Provider and paid for by the Project under a Temporary Employment Agreement.
32. "Work Plans" means the plans referred to in Part 2 of the Project governing the organization and scheduling of works.

