

OFFICIAL DOCUMENTS

April 20, 2017

H. E. Félix Moloua
Minister of Economy, Planning and Cooperation
Ministry of Economy, Planning and Cooperation
B.P. 696
Rue Martin Luther King
Bangui
Central African Republic

Re: CAFI Grant No. TF0A3863
Preparation Grant for the Reducing Deforestation and Forest
Degradation (REDD+) Readiness Project
Letter Agreement

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 Bank for Reconstruction and Development and the International Development Association (collectively, “World Bank”), both acting as administrator of grant funds provided by UNDP (“Donor”) under the Central African Forest Initiative Implementation Single Donor Trust Fund (“CAFF”), proposes to extend to the Recipient a grant in an amount not to exceed seven hundred thousand United States Dollars (USD 700,000) (“Grant”) on the terms and conditions set forth or referred to in this letter agreement (“Agreement”), which includes the attached Annex, to assist in the financing of the project described in the Annex (“Project”).


This Grant is funded out of the abovementioned trust fund for which the World Bank receives periodic contributions from the Donor. In accordance with Section 3.02 of the Standard Conditions (as defined in the Annex to this Agreement), the World Bank’s payment obligations in connection with this Agreement are limited to the amount of funds made available to it by the Donor under the abovementioned trust fund, and the Recipient’s right to withdraw the Grant proceeds is subject to the availability of such funds.

The Recipient represents, by confirming its agreement below, that it is authorized to enter into this Agreement and to carry out the Project in accordance with the terms and conditions set forth or referred to in 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 returning it to the World Bank.

Very truly yours,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION

By 
Ahmadou Moustapha Ndiaye
Country Director for Central African Republic
Africa Region

AGREED:
CENTRAL AFRICAN REPUBLIC

By: 
Authorized Representative

Name: HEM. FELIX MOLOUA

Title: MIN. OF ECONOMY, PLANNING & COOP.

Date: APRIL 20, 2017

Enclosures:

- (1) Standard Conditions for Grants Made by the World Bank Out of Various Funds, dated February 15, 2012
- (2) Disbursement Letter of the same date as this Agreement, together with World Bank Disbursement Guidelines for Investment Project Financing, dated February 2017
- (3) 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 and as of July 1, 2016

Article I
Standard Conditions; Definitions

1.01. **Standard Conditions.** The Standard Conditions for Grants Made by the World Bank out of Various Funds, dated February 15, 2012 (“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, provided that for the purposes of this Agreement the term “Project”, whenever used in the Standard Conditions, shall mean the Activities referred to in Section 2.01 of this Annex. The following additional terms shall have the following meanings:

(a) “CT REDD+” means the technical coordination agency established by decree No. 01/MEEDD/DIR.CAB.DGEES in 2015 as a unit to assume the responsibility for the REDD+ activities.

(b) “NIF” and “National Investment Framework”, each means the document to be prepared by the Recipient through a consultative process laying out investment priorities for CAFI funding.

(c) “Operating Costs” means the reasonable costs, as shall have been approved by the World Bank, for the incremental expenses incurred on account of the implementation of the Project, consisting of vehicle operation and maintenance, communication and insurance costs, banking charges, rental expenses, office (and office equipment) maintenance, utilities, document duplication/printing, consumables, travel cost and *per diem* for staff for travel linked to the implementation of the Project, and salaries of contractual staff related to Project implementation (but excluding consultants’ services and salaries of officials of the Recipient’s civil service).

(d) “PIU” means the project implementing unit established for the implementation of the CEMAC – Transport and Transit Facilitation Project described in the Financing Agreement dated September 14, 2007 between the Association and the Recipient for a grant in support of such project (No. H314-CA).

(e) “REDD+” means reducing emissions from deforestation and forest degradation, conservation of forest carbon stocks, sustainable management forest and enhancement of forest carbon stocks.

(f) “Training” means the reasonable costs, as shall have been approved by the World Bank, for training and workshops conducted under the Project, including tuition, travel and subsistence costs for training and workshop participants, costs associated with securing the services of trainers and workshop speakers, rental of training and workshop facilities, preparation and reproduction of training and workshop materials, and other costs directly related to training courses and workshop preparation and implementation (but excluding goods and consultant’s services).

Article II

Project Execution

2.01. ***Project Objectives and Description.*** The objective of the Project is to support the preparation of the activities related to the Recipient's REDD+ Readiness Preparation project aimed at designing a socially and environmentally sound national REDD+ strategy to reduce emissions from deforestation and forest degradation and to inform the development of a national reference emission level for REDD+. The Project consists of the following parts:

- (a) drafting the NIF and designing its institutional arrangements;
- (b) carrying out analytical studies related to developing investments;
- (c) conducting a multi-stakeholder consultation on the draft NIF;
- (d) conducting a consultation with relevant development partners on the NIF;
- (e) conducting a series of national and departmental consultations on the proposed CAFE programs; and
- (f) carrying out Project's coordination, audit, financial management, procurement, safeguards, communication, knowledge management and monitoring and evaluation.

2.02. ***Project Execution Generally.*** The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out the Project through CT REDD+ in accordance with the provisions of: (a) Article II of the Standard Conditions; (b) 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 and as of July 1, 2016 ("Anti-Corruption Guidelines"); and (c) this Article II.

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

- (a) The Recipient shall, throughout Project implementation, maintain CT REDD+ with functions, composition and organization satisfactory to the World Bank, supported by qualified and experienced staff in adequate numbers, to be responsible for the technical aspect of the Project.
- (b) The Recipient shall, throughout Project implementation, maintain the PIU with functions, composition and organization satisfactory to the World Bank, supported by qualified and experienced staff in adequate numbers to be responsible for the fiduciary aspects of the Project. To this end, the PIU will comprise a procurement assistant and a financial management assistant from the CT REDD+ to ensure a close link between the technical and fiduciary teams.
- (c) The Recipient shall ensure that all terms of reference for any technical assistance or studies carried out under the Project are consistent with, and pay due attention to, the World Bank's environmental and social safeguard policies, as well as the Recipient's own laws relating to the environment and social aspects.

2.04. ***Project Monitoring, Reporting and Evaluation.*** (a) The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions

of Section 2.06 of the Standard Conditions and on the basis of indicators acceptable to the World Bank. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the World Bank not later than forty-five (45) days after the end of the period covered by such report.

(b) The Recipient shall prepare the Completion Report in accordance with the provisions of Section 2.06 of the Standard Conditions. The Completion Report shall be furnished to the World Bank not later than six (6) months after the Closing Date.

2.05. **Financial Management.** (a) The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.

(b) The Recipient shall ensure that interim unaudited financial reports for the Project are prepared and furnished to the World Bank not later than forty-five (45) 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 Section 2.07 (b) of the Standard 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 World Bank not later than six (6) months after the end of such period.

2.06. **Procurement**

All goods, non-consulting services and consulting services required for the Project and to be financed out of the proceeds of the Grant shall be procured in accordance with the requirements set forth or referred to in the "World Bank Procurement Regulations for Borrowers under Investment Project Financing" dated July 1, 2016 ("Procurement Regulations"), and the provisions of the Recipient's procurement plan for the Project ("Procurement Plan") dated January 17, 2017 provided for under Section IV of the Procurement Regulations, as the same may be updated from time to time in agreement with the World Bank.

Article III Withdrawal of Grant Proceeds

3.01. **Eligible Expenditures.** The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) 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 Investment Project Financing" dated February 1, 2017, 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 the categories of Eligible Expenditures that may be financed out of the proceeds of the Grant ("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 USD)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, non-consulting services, consulting services, Operating Costs and Training under the Project	700,000	100%
TOTAL AMOUNT	700,000	

3.02. **Withdrawal Conditions.** Notwithstanding the provisions of Section 3.01 of this Agreement, no withdrawal shall be made for payments made prior to the date of this Agreement.

3.03. **Withdrawal Period.** The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is June 30, 2018.

Article IV Recipient's Representative; Addresses

4.01. **Recipient's Representative.** The Recipient's Representative referred to in Section 7.02 of the Standard Conditions is its Minister responsible for planning.

4.02. **Recipient's Address.** The Recipient's Address referred to in Section 7.01 of the Standard Conditions is:

Ministry of Economy, Planning and Cooperation
Rue Martin Luther King
B.P. 696, Bangui
Central African Republic

Facsimile:

+236-21-619689

4.03. **World Bank's Address.** The World Bank's Address referred to in Section 7.01 of the Standard Conditions is:

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

Telex:

Facsimile:

248423 (MCI) or
64145 (MCI)

1-202-477-6391