

Public Disclosure Authorized

**OFFICIAL
DOCUMENTS**

GRANT NUMBER D0890-3A

Financing Agreement

(Great Lakes Trade Facilitation Project)

between

INTERNATIONAL DEVELOPMENT ASSOCIATION

and

COMMON MARKET FOR EASTERN AND SOUTHERN AFRICA

Dated November 19th, 2015

GRANT NUMBER D0890-3A

FINANCING AGREEMENT

AGREEMENT dated November 19th, 2015, entered into between INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”) and COMMON MARKET FOR EASTERN AND SOUTHERN AFRICA (“Recipient” or “COMESA”). 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 — GRANT

- 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 three million six hundred thousand Special Drawing Rights (SDR 3,600,000) (“Grant”), to assist in financing the project described in Schedule 1 to this Agreement (“Project”).
- 2.02. The Recipient may withdraw the proceeds of the Grant 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 Grant Balance shall be one-half of one percent (1/2 of 1%) per annum.
- 2.04. The Payment Dates are February 1 and August 1 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. To this end, the Recipient shall carry out Parts 2(c), 4(a) and 4(c) of 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 Association and the Recipient 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Event of Suspension consists of the following, namely, that the COMESA Treaty has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the Recipient to perform any of its obligations under this Agreement.

ARTICLE V — EFFECTIVENESS; TERMINATION

- 5.01 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 (20) years after the date of this Agreement.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

- 6.01. The Recipient's Representative is its Secretary General.
- 6.02. 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

- 6.03. The Recipient's Address is:

COMESA
P.O. Box 30051
Lusaka,
Zambia

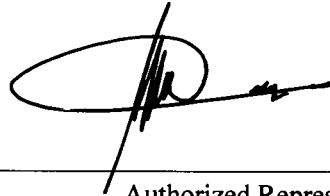
Facsimile:

+260 211 225 107

AGREED at Lusaka, Republic of Zambia, as of the day and year first above written.

INTERNATIONAL DEVELOPMENT ASSOCIATION

By



Authorized Representative

Name: Ahmada Maastopka Ndiaye

Title: Country Director.

COMMON MARKET FOR EASTERN AND SOUTHERN AFRICA

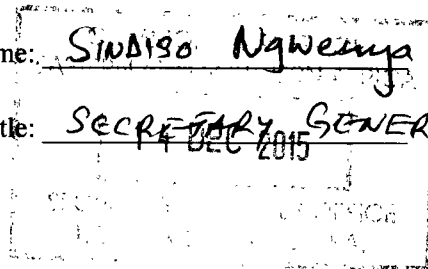
By



Authorized Representative

Name: SINDISO Ngwenya

Title: SECRETARY GENERAL



SCHEDULE 1

Project Description

The objective of the Project is to facilitate cross-border trade by increasing the capacity for commerce and reducing the costs faced by traders, especially small-scale and women traders, at targeted locations in the borderlands.

The Project consists of the following parts:

Part 1. Improving Core Trade Infrastructure and Facilities in the Border Areas

- (a) Supporting rehabilitation and/or construction of core infrastructure and related facilities at the following priority border posts: (i) Petite Barriere (Goma), Ruzizi I (Bukavu), Bunagana and Kasindi in the Democratic Republic of Congo (“DRC”); (ii) Rusizi I in Rwanda; and (iii) Mpondwe and Bunagana in Uganda, (collectively, “Subprojects”).
- (b) Carrying out of comprehensive feasibility and related studies as well as associated environmental and social due diligence, preparation of detailed designs and construction of markets in priority border locations in: (i) the DRC; (ii) Rwanda; and (iii) Uganda (collectively, “Subprojects”).
- (c) Supporting rehabilitation of priority facilities at Kamembe Airport in Rwanda, in particular: (i) acquisition and installation of essential navigational aids such as GNSS and VOR/DME designed to support precision and non-precision landings, respectively, and appropriate aeronautical ground lighting; (ii) acquisition and installation of essential meteorological and communication systems consisting of an Aeronautical Message Handling System, an automatic weather station and a Digital Aeronautical Information Management; (iii) construction of an airport perimeter fence consistent with ICAO standards; and (iv) construction of a cargo warehouse facility.
- (d) Carrying out of comprehensive feasibility studies and associated environmental and social due diligence and preparation of detailed designs for development of: (i) two border posts in Kavimvira and Mahagi, respectively; Kalemie Port and Uvira Port on Lake Tanganyika, respectively; and Kavumu Airport, all in the DRC; (ii) Rusizi I border post in Rwanda; and (iii) Goli border post in Uganda.

Part 2. Implementation of Policy and Procedural Reforms and Capacity Building to Facilitate Cross-Border Trade in Goods and Services

- (a) Carrying out of a pilot program of actions designed to facilitate consistent and transparent application of basic customs and immigration rules and regulations and to enforce basic rights and obligations of cross-border traders and of customs and immigration officials, respectively, at the Targeted Border Crossings, in particular:
 - (i) Supporting: (A) implementation of the COMESA Regulations on the Minimum Standards for the Treatment of Small Scale Cross Border Traders; (B) identification and simplification of key customs and immigration requirements and procedures governing small-scale trade in services in priority sectors, including, *inter alia*, health and education; (C) acquisition and installation of appropriate ICT systems consisting of, *inter alia*, hardware/ infrastructure, software, internet connectivity, local area networks, voice communication systems and telephony, all with a view to facilitating implementation of key reforms; and (D) dissemination of information and implementation of COMESA's Simplified Trade Regime.
 - (ii) (A) Strengthening the capacities of existing joint border committees; and (B) supporting establishment and operationalization of joint border committees, all with a view of enhancing inter-agency cooperation and accountability as well as facilitating consultations with various stakeholders on key reforms.
 - (iii) Supporting the design and implementation of an appropriate information, education and communications strategy on, *inter alia*, COMESA's Simplified Trade Regime and the COMESA Regulations on the Minimum Standards for the Treatment of Small Scale Cross Border Traders at the local and national levels.
- (b) Design and delivery of customized training programs at the national level based on the regional training framework referred to in Part 2(c)(iv) below (including, *inter alia*, appropriate training materials) designed to strengthen the capacities of, *inter alia*, border officials for effective and transparent delivery of services, as well as traders and traders associations on their respective rights and obligations.
- (c) Supporting: (i) establishment and operationalization of new trade information desks and or strengthening the capacities of existing trade information desks, as the case may be, all with a view to facilitating, *inter*

alia, the implementation of COMESA's Simplified Trade Regime and the COMESA Regulations on the Minimum Standards for the Treatment of Small Scale Cross Border Traders; (ii) establishment and operationalization of a COMESA trade information desk coordination office; (iii) designing and implementing an appropriate regional information, education and communications strategy on, *inter alia*, COMESA's Simplified Trade Regime and the COMESA Regulations on the Minimum Standards for the Treatment of Small Scale Cross Border Traders; and (iv) designing and delivering a customized regional training framework and training program, as well as coordination of related national training programs, all with a view to facilitating small scale cross border trade activities.

Part 3. Performance Based Management in Cross Border Administration

- (a) Provision of technical advisory services for: (i) carrying out of a comprehensive functional review of organizational structures, capacities, performance, institutional effectiveness and efficiency (including, *inter alia*, staffing skills and levels, management structures, roles of officials, supervisory and accountability structures, human resources and performance management) of priority customs and immigration offices, in particular the: (A) Rwanda's RRA (Customs) and Directorate General of Immigration and Emigration; (B) DRC's Direction General des Douanes des Assises (DGDA) and Direction General de la Migration (DGM); and (C) Uganda Revenue Authority (Customs) and Directorate of Citizenship and Immigration Control, so as to identify gaps and make recommendations for improvement; and (ii) design and implementation of appropriate change management coaching programs.
- (b) (i) Carrying out of a comprehensive review of performance based management systems (including, review of applicable indicators and evaluation mechanisms) in the: (A) Rwanda's RRA (Customs) and Directorate General of Immigration and Emigration; (B) DRC's Direction General des Douanes des Assises (DGDA) and Direction General de la Migration (DGM); and (C) the Uganda Revenue Authority (Customs) and Directorate of Citizenship and Immigration Control, so as to identify gaps and make recommendations for improvement, all through the provision of technical advisory services and training; (ii) supporting implementation of recommendations (including, *inter alia*, the design and implementation of appropriate performance incentive mechanisms) following said review; and (iii) implementation of third party monitoring mechanisms including, *inter alia*, perception surveys and web tools, all designed to evaluate quality of service delivery at border posts renovated and/or constructed under Part 1(a) above.

Part 4. Implementation Support, Communication, Monitoring and Evaluation

- (a) (i) Strengthening the capacity of Implementing Agencies for overall coordination, day to day implementation (including, *inter alia*, procurement, financial management, monitoring and evaluation and reporting) and oversight of Project activities and results; and (ii) developing and implementing an information, education and communications strategy for the Project.
- (b) Development and implementation of robust monitoring and evaluation mechanisms for the Project (where relevant, based on regional standards) including: (i) monitoring and evaluation methodologies and appropriate indicators; (ii) strengthening the capacities of M&E Agencies for data collection and recording; (iii) carrying out of periodic surveys and impact evaluations; and (iv) piloting the use of appropriate information technology applications, systems and platforms for collection, reporting and transmittal of data from priority border posts.
- (c) Supporting the regional coordination, facilitation, and standardization of small-scale cross-border trade data collection, monitoring and reporting, as well as Project monitoring and evaluation activities, including through: (i) development of standards and best-practices for data collection and reporting; (ii) convening of regional workshops and seminars for peer-to-peer learning and sharing of best practices; (iii) development and implementation of information technology systems and software platforms for data collection and reporting; and (iv) development of a regional online outlet for data reporting.

SCHEDULE 2

Project Execution

Section I. Institutional and Implementation Arrangements

A. Institutional Arrangements

1. Division of Trade

The Recipient shall: (a) designate, at all times during the implementation of the Project, its Division of Trade, to be responsible for overall implementation of Parts 2(c), 4(a) and 4(c) of the Project (including coordination of the Project activities at the regional level), and shall take all actions, including the provision of funding, personnel and other resources necessary to enable said Division of Trade to perform said functions; and to this end; and (b) by no later than three (3) months after the Effective Date, appoint a Project officer, a procurement assistant and an accountant, all in accordance with the provisions of Section III of this Schedule 2.

2. Project Steering Committee

Without limitation upon the provisions of paragraphs 1 immediately above, the Recipient shall maintain, at all times during the implementation of the Project, the Project Steering Committee under the Division of Technical Cooperation and Resources Mobilization, to be responsible for, *inter alia*: providing overall oversight and strategic and policy guidance on matters relating to the Project. To this end, the Recipient shall take all actions, including the provision of funding, personnel and other resources necessary to enable said Project Steering Committee to perform said functions.

3. Support for the Regional Coordination Committee

Without limitation upon the provisions of paragraphs 1 and 2 immediately above, the Recipient shall designate, at all times during the implementation of the Project, its Secretariat to be responsible for supporting the functioning of the Regional Coordination Committee, including organizing meetings of said Regional Coordination Committee and undertaking related administrative and operational tasks, and to this end, shall take all actions including the provision of funding, personnel and other resources necessary to enable its Secretariat to perform said functions.

B. Implementation Arrangements

1. Project Implementation Manual

- (a) the Recipient shall, not later than three (3) months after the Effective Date, prepare in accordance with terms of reference acceptable to the Association and furnish to the Association for review, a Project implementation manual, which shall include provisions on the following matters: (i) capacity building activities for sustained achievement of the Project's objectives; (ii) arrangements on financial management, setting forth the detailed policies and procedures for financial management under the Project; (iii) procurement management procedures; (iv) institutional administration, coordination and day to day execution of Project activities; (v) monitoring and evaluation; (vi) reporting; (vii) information, education and communication of Project activities; (viii) guidelines for assessing potential environmental and social impacts of the Project and designing appropriate mitigation, management, and monitoring measures in respect of said impacts; and (ix) such other technical and organizational arrangements and procedures as shall be required for the Project.
- (b) The Recipient shall afford the Association a reasonable opportunity to exchange views with the Recipient on said Project implementation manual, and thereafter, shall adopt such Project implementation manual, as shall have been approved by the Association ("Project Implementation Manual").
- (c) The Recipient shall ensure that the Project is carried out in accordance with the Project Implementation Manual; provided, however, that in case of any conflict between the provisions of the Project Implementation Manual and the provisions of this Agreement, the provisions of this Agreement shall prevail.
- (d) Except as the Association shall otherwise agree, the Recipient shall not amend, abrogate or waive any provision of the Project Implementation Manual.

2. Annual Work Plan and Budget

- (a) The Recipient shall prepare and furnish to the Association not later than two (2) months prior to the start of each calendar year during the implementation of the Project, a work plan and budget containing all activities proposed to be included in the Project during the following calendar year, and a proposed financing plan for expenditures required for such activities, setting forth the proposed amounts and sources of financing.

- (b) Each such proposed work plan and budget shall specify any training activities that may be required under the Project, including: (i) the type of Training; (ii) the purpose of the Training; (iii) the personnel to be trained; (iv) the institution or individual who will conduct the Training; (v) the location and duration of the Training; and (vi) the cost of the Training.
- (c) The Recipient shall afford the Association a reasonable opportunity to exchange views with the Recipient on each such proposed work plan and budget, and thereafter ensure that the Project is implemented with due diligence during said following calendar year in accordance with such work plan and budget as shall have been approved by the Association (“Annual Work Plan and Budget”).
- (d) The Recipient shall not make or allow to be made any change to the approved Annual Work Plan and Budget without prior approval in writing by 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.

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 acceptable to the Association. Each Project Report shall cover the period of one (1) calendar semester, and shall be furnished to the Association not later than forty-five (45) days after the end of the period covered by such report.
- 2. The Recipient shall, not later than two (2) months prior to the mid-term review referred to in paragraph 3 of this Section II.A, furnish to the Association for comments, a report, in such detail as the Association shall reasonably request, on the progress of the Project, and giving details of the various matters to be discussed at such review.
- 3. The Recipient shall, not later than thirty (30) months after the Effective Date, undertake, in conjunction with all agencies involved in the Project, a comprehensive mid-term review of the Project during which it shall exchange views with the Association and implementing agencies generally on all matters relating to the progress of the Project, the performance by the Recipient of its obligations under this Agreement and the performance by said implementing

agencies, having regard to the performance indicators referred to in paragraph 1 of this Section II.A.

4. Following the mid-term review, the Recipient shall act promptly and diligently in order to take any corrective action deemed necessary to remedy any shortcoming noted in the implementation of the Project, or to implement such other measures as may be required in furtherance of the objectives of the Project.

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 (1) fiscal year of the Recipient. 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 and Non-consulting Services.** All goods and non-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 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 Grant 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 and Non-consulting Services

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.
2. **Other Methods of Procurement of Goods and Non-consulting Services.** 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, *subject to the additional provisions in paragraph 3 below*; (b) Shopping; (c) procurement under Framework Agreements in accordance with procedures which have been found acceptable to the Association; (d) Direct Contracting; and (e) Procurement from UN Agencies.
3. **Additional Provisions for National Competitive Bidding.** The use of the Recipient's Procurement Implementation Rules of November 2005 (as amended by the COMESA Council in 2007) for National Competitive Bidding shall be subject to the following additional provisions:
 - (a) *Rule of origin of goods.* The rule of origin, which requires that all goods and services procured by the Recipient shall originate within the territory of the Recipient's member states and requires tenderers to provide evidence of this through the provision of certificates of origin duly made out by the competent authority of the supplier's country of origin, will not be applicable for goods and services financed by the Grant.
 - (b) *Participation in bidding.* Open competition will be the default method of bidding. Restrictions pursuant to which the Recipient may limit a tender process to bidders from the Recipient's member state and deny a bidder on the basis that: (i) the nationals of any non-member state own or control the bidder in question; and (ii) the bidder has no substantial business activities in the territory of the member state under whose laws it is constituted, will not apply. Restrictions limiting bidding to bidders from the Recipient's member states will also not apply to goods, works and services financed by the grant.
 - (c) *Conditions for Use of Restricted Tendering.* Restrictions limiting bidding to bidders from the Recipient's member states will not apply to goods and services financed by the Grant.
 - (d) *Fraudulent practices.* The Recipient's provisions on fraud and corruption will be modified to conform with the Anti-Corruption Guidelines, including the requirement that each bidder shall permit, and/or cause its agents, sub-contractors, service providers, and suppliers to permit, the Association to inspect all accounts, records and other documents relating

to said bidder's application, bid submission, and/or contract performance, and to have the foregoing audited by auditors appointed by the Association.

- (e) *Tender security.* Tender security will not be restricted to the use of bid security from commercial banks and or bid bonds from insurance firms. At the option of the Recipient, use may be made of bid securing declarations in lieu of requests for provisions of bid security.
- (f) *Standard Bidding Documents.* The Recipient will use, where possible, the Association's standard bidding documents in cases where the Recipient does not have its own standard bidding documents. Where use is made of the Recipient's own standard bidding documents, the Association will review and clear these to ensure they meet the minimum Association's requirements for procurement and selection of consultants.

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 UN Agencies; (g) Selection of consultants under Indefinite Delivery Contract or Price Agreement; (h) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants; and (i) 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.

E. Procurement Audit

Without limitation upon the provisions of Part B of Section II above, the Recipient shall carry out, under conditions and terms of reference satisfactory to the Association, an audit of contracts procured under the Project, and furnish said audit

to the Association not later than six (6) months after the end of the period to which said audit relates.

Section IV. Withdrawal of the Proceeds of the Grant

A. General

1. The Recipient may withdraw the proceeds of the Grant 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 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 SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
Goods, non-consulting services, consultants’ services, Training and Operating Costs for Parts 2(c), 4(a) and 4(c) of the Project	3,600,000	100%
TOTAL AMOUNT	3,600,000	

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.
2. The Closing Date is December 31, 2020.

APPENDIX

Section I. Definitions

1. “Aeronautical Message Handling System” means an aeronautical message handling system, a standard defined by ICAO for aeronautical ground-ground communications.
2. “Annual Work Plan and Budget” means an annual work plan and budget referred to in Section I.B.2 of Schedule 2 to this Agreement.
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, and revised in January 2011.
4. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
5. “COMESA” means the Common Market for Eastern and Southern Africa, established pursuant to the COMESA Treaty signed on November 5, 1993, and registered with the United Nations through Serial No. 1-26691.
6. “COMESA Regulations on the Minimum Standards for the Treatment of Small Scale Cross Border Traders” means the COMESA Regulations on the Minimum Standards for the Treatment of Small-Scale Cross-Border Traders, as set forth in Annex 3 of the Official Gazette of COMESA, dated December 9, 2014.
7. “COMESA’s Simplified Trade Regime” means the Simplified Trade Regime, the simplified customs clearance procedures established and adopted by the Recipient for small-scale cross border traders, as set forth in the Official Gazette of the Recipient dated November 6, 1999.
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. “Digital Aeronautical Information Management” means a digital aeronautical information management system for the digital exchange of air traffic management information.
10. “Direction General de la Migration (DGM)” means the Direction General de la Migration of the DRC, under Ministry of the Interior of the DRC; or any successor thereto.

11. “Direction General des Douanes des Assises (DGDA)” means the Direction General des Douanes des Assises (DGDA) of the DRC, under the Ministry of Finance of the DRC, or any successor thereto.
12. “Directorate General of Immigration and Emigration” means the Directorate General of Immigration and Emigration, under Rwanda’s National Intelligence and Security Service; or any successor thereto.
13. “Directorate of Citizenship and Immigration Control” means the Directorate of Citizenship and Immigration Control of Uganda, under the Office of the President; or any successor thereto.
14. “Division of Technical Cooperation and Resources Mobilization” means the Recipient’s Division of Technical Cooperation and Resources Mob, located within its Secretariat, or any successor thereto.
15. “Division of Trade” means the Recipient’s Division of Trade, located within its Secretariat, or any successor thereto.
16. “DRC” means the Democratic Republic of Congo.
17. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 31, 2010, with the modifications set forth in Section II of this Appendix.
18. “GNSS” means a global navigation satellite system.
19. “ICAO” means the International Civil Aviation Organization, a United Nations specialized agency established pursuant to the Convention on International Civil Aviation (Chicago Convention) signed on December 7, 1944.
20. “ICT” means information communication technology.
21. “Implementing Agencies” means the Recipient’s Secretariat through the Division of Trade.
22. “Operating Costs” means the reasonable expenses incurred by the Implementing Agencies on account of Project implementation, based on an Annual Work Plan and Budget approved by the Association pursuant to Section I.B.2 of Schedule 2 to this Agreement, including: expenditures for maintenance of equipment, facilities and vehicles used for Project implementation, fuel, routine repair and maintenance of equipment, vehicles and office premises, communication costs, use of internet costs, stationery and other office supplies, utilities used for Project implementation, consumables, travel per diems, accommodation expenses, workshop venues and materials, and costs of translation, printing, photocopying

and advertising, but excluding salaries, top-ups, honoraria, or allowances of the Recipient's staff.

23. "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).
24. "Procurement Plan" means the Recipient's procurement plan for the Project, dated July 31, 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.
25. "Project Implementation Manual" means the manual referred to in Section I.B.1 of Schedule 2 to this Agreement.
26. "Project Steering Committee" means the Recipient's Project Steering Committee referred to in Section I.A.3 of Schedule 2 to this Agreement.
27. "Regional Coordination Committee" means the regional coordination committee for the Project, consisting of representatives from each of DRC, Rwanda, Uganda and COMESA.
28. "RRA (Customs)" the Rwanda Revenue Authority, established and operating pursuant to Law No. 08/2009 of 27/04/2009 of the laws of the Recipient, determining the organization, functioning and responsibilities of Rwanda Revenue Authority; or any successor thereto.
29. "Rwanda" means the Republic of Rwanda.
30. "Targeted Border Crossings" means the following border crossings: (a) Mahagi (DRC) and Goli (Uganda); (b) Kasindi (DRC) and Mpondwe (Uganda); (c) Bunagana (DRC) and Bunagana (Uganda); (d) Goma/Petite Barriere (DRC) and Rubavu (Rwanda); and (e) Bukavu/Ruzizi I (DRC) and Rusizi I (Rwanda).
31. "Training" means the reasonable costs associated with training, workshops and study tours provided under the Project, based on an Annual Work Plan and Budget approved by the Association pursuant to Section I.B.2 of Schedule 2 to this Agreement, consisting of reasonable expenditures (other than expenditures for consultants' services) for: (a) travel, room, board and *per diem* expenditures incurred by trainers and trainees in connection with their training and by non-consultant training facilitators; (b) course fees; (c) training facility rentals; and (d) training material preparation, acquisition, reproduction and distribution expenses.
32. "Uganda" means the Republic of Uganda.

33. "Uganda Revenue Authority (Customs)" means Uganda Revenue Authority, Uganda's customs unit, established and operating pursuant to the Uganda Revenue Authority Act of 1991, as amended from time to time; or its successor thereto.
34. "VOR/DME" means an aircraft radio navigation system consisting of very high frequency (VHF) omnidirectional range and distance measuring equipment.

Section II. Modifications to the General Conditions

The General Conditions are hereby modified as follows:

1. Section 2.06 is modified to read as follows:

"Section 2.06. *Financing Taxes*

The use of any proceeds of the Grant to pay for Taxes levied by, or in the territory of, the Member Country on or in respect of Eligible Expenditures, or on their importation, manufacture, procurement or supply, if permitted by the Financing Agreement, is subject to the Association's policy of requiring economy and efficiency in the use of the proceeds of its credits and grants. To that end, if the Association at any time determines that the amount of any such Tax is excessive, or that such Tax is discriminatory or otherwise unreasonable, the Association may, by notice to the Recipient, adjust the percentage of such Eligible Expenditures to be financed out of the proceeds of the Grant specified in the Financing Agreement, as required to ensure consistency with such policy of the Association."

2. Sections 3.03, 3.04 and 3.08 are deleted in their entirety, and Sections 3.05, 3.06, 3.07, 3.09 and 3.10 are re-numbered, respectively, as Sections 3.03, 3.04, 3.05, 3.06 and 3.07.
3. Paragraphs (b) and (c) of the newly re-numbered Section 3.07 are modified to read as follows:

"(b) All Financing Payments shall be paid without restrictions of any kind imposed by, or in the territory of, the Member Country, and without deduction for, and free from, any Taxes levied by, or in the territory of, the Member Country.

(c) The Legal Agreements shall be free from any Taxes levied by, or in the territory of the Member Country, or in connection with their execution, delivery or registration."

4. In Section 4.11, paragraph (a) is modified to reads as follows:

“Section 4.11. *Visits*

“(a) The Recipient shall take all action necessary or useful to ensure that the Member Country affords all reasonable opportunity for representatives of the Association to visit any part of their territories for purposes related to the Grant or the Project.”

5. Section 5.01 is deleted in its entirety.

6. Section 6.02 is modified as follows:

(a) Paragraph (j) on *Membership* is modified to read as follows:

(j) *Membership.* The Member Country or any member of the Recipient: (i) has been suspended from membership in or ceased to be a member of the Association; or (ii) has ceased to be a member of the International Monetary Fund.”

(b) Paragraph (m) is renumbered as paragraph (n), and a new paragraph (m) is added to read as follows:

“(m) *Interference.* The Member Country: (i) has taken or permitted to be taken any action which would prevent or interfere with the execution of the Project or the performance by the Recipient of its obligations under the Financing Agreement; or (ii) has failed to afford a reasonable opportunity for representatives of the Association to visit any part of its territory for purposes relating to Grant or the Project.”

7. Paragraph (a) of Section 8.01 is modified to read as follows:

“(a) The execution and delivery of each Legal Agreement on behalf of the Recipient which is a party to such Legal Agreement have been duly authorized by all necessary corporate action.”

8. The Appendix (**Definitions**) is modified as follows:

(a) Paragraph 29 is modified to read as follows:

“29. “Foreign Expenditure” means an expenditure in the Currency of any country other than the Member Country for goods, works or services supplied from the territory of any country other than the Member Country.”

(b) Paragraph 33 is modified to read as follows:

“33. “Local Expenditure” means an expenditure: (a) in the Currency of the Member Country; or (b) for goods, works or services supplied from the territory of the Member Country; provided, however, that if the Currency of the Member Country is also that of another country from the territory of which goods, works or services are supplied, an expenditure in such Currency for such goods, works or services shall be deemed to be a Foreign Expenditure.”

(c) A new paragraph 34 with the definition of Member Country is added to read as follows, and the subsequent paragraphs are renumbered accordingly;

““34. “Member Country” means the member of the Association in whose territory the Project is carried out or any such member’s political or administrative subdivisions. If such activity is carried out in the territory of more than one such member, “Member Country” refers separately to each such member.”

(d) Renumbered paragraph 46 is modified to read as follows:

“46. “Recipient” means the party to the Financing Agreement to which the Grant is extended.”