

**OFFICIAL
DOCUMENTS**

CREDIT NUMBER 5724-ZR

Financing Agreement

(Great Lakes Trade Facilitation Project)

between

DEMOCRATIC REPUBLIC OF CONGO

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated Oct 27th, 2015

CREDIT NUMBER 5724-ZR

FINANCING AGREEMENT

AGREEMENT dated Oct 27th, 2015, entered into between DEMOCRATIC REPUBLIC OF CONGO ("Recipient") and INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association"). The Recipient and the Association hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

- 1.01. The General Conditions (as defined in the Appendix to this Agreement) constitute an integral part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Agreement.

ARTICLE II — FINANCING

- 2.01. The Association agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a credit in an amount equivalent to twenty four million four hundred thousand Special Drawing Rights (SDR 24,400,000) (variously, "Credit" and "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 the provisions of 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 The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.
- 2.05. The Payment Dates are May 15 and November 15 in each year.
- 2.06. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.
- 2.07. 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 1(a)(i), 1(b)(i) and 1(d)(i) of the Project through the Ministry of Infrastructure and Public Works, and Parts 2(a), 2(b), 3, 4(a) and 4(b) of the Project through the Ministry of Commerce, 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 Recipient has: (i) established a functional Project Coordination Unit, in accordance with the provisions of Section I.A.1(b)(i) of Schedule 2 to this Agreement; and (ii) appointed a Project coordinator, a procurement specialist, a finance and administration manager, and an accountant for the Project Coordination Unit, all in accordance with the provisions of Section III of Schedule 2 to this Agreement;
 - (b) the Recipient has established the Project Steering Committee, in accordance with the provisions of Section I.A.2 of Schedule 2 to this Agreement;
 - (c) the Recipient has appointed a social development specialist and a resettlement specialist for the Cellule Infrastructure, all in accordance with the provisions of Section III of Schedule 2 to this Agreement;
 - (d) adopted the Project Implementation Manual, in accordance with the provisions of Section I.B.1 of Schedule 2 to this Agreement; and
 - (e) the Recipient has identified the specific Subprojects under Parts 1(a)(i) and 1(b)(i) of the Project, in a manner satisfactory to the Association.
- 4.02. The Effectiveness Deadline is the date one hundred and twenty (120) days after the date of this Agreement.
- 4.03. 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 finance.

5.02. The Recipient's Address is:

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

Tel.: +243 99 39 000 39

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:

INDEVAS
Washington, D.C.

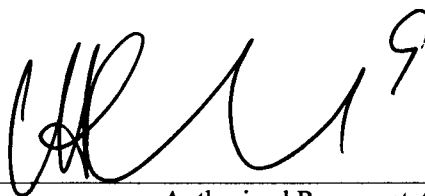
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1-202-477-6391

AGREED at Kinshasa, Democratic Republic of Congo, as of the day and year first above written.

DEMOCRATIC REPUBLIC OF CONGO

By



Authorized Representative

Name: Henri YAV MULANI
Title: Ministre des Finances

INTERNATIONAL DEVELOPMENT ASSOCIATION

By



Authorized Representative

Name: Ahmadou Moukoko Ndiaye
Title: Country Director

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 Recipient's territory; (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 Recipient's territory; (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 Recipient's territory; (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) 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) the Recipient's Direction General des Douanes des Assises (DGDA) and Direction General de la Migration (DGM); and (C) Uganda's URA (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) the Recipient's Direction General des Douanes des Assises (DGDA) and Direction General de la Migration (DGM); and (C) Uganda's URA (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. Ministry of Commerce

- (a) The Recipient shall designate, at all times during the implementation of the Project, the Ministry of Commerce, to be responsible for overall oversight and implementation of activities under Parts 2(a), 2(b), 3, 4(a) and 4(b) of the Project, and shall take all actions including the provision of funding, personnel and other resources necessary to enable said Ministry of Commerce to perform said functions.
- (b) Without limitation upon the provisions of sub-paragraph (a) immediately above, the Recipient: (i) shall establish and thereafter maintain at all times during the implementation of the Project, a Project Coordination Unit under the Ministry of Commerce, to be responsible for the prompt and efficient day-to-day implementation, planning, management and coordination of activities under said Parts 2(a), 2(b), 3, 4(a) and 4(b) of the Project, and shall take all actions including the provision of funding, personnel and other resources necessary to enable said Project Coordination Unit to perform said functions; and (ii) to this end, shall, by no later than three (3) months after the Effective Date, recruit a technical project management expert, monitoring and evaluation specialist, internal auditor, and procurement consultant for the Project Coordination Unit, in accordance with the provisions of Section III of this Schedule 2.

2. Project Steering Committee; Regional Coordination Committee

Without limitation upon the provisions of paragraph 1 immediately above, the Recipient shall: (a) establish, and thereafter maintain at all times during the implementation of the Project, the Project Steering Committee, with a composition, mandate, terms of reference and resources satisfactory to the Association, to be responsible for, *inter alia*, providing strategic and policy guidance on matters relating to the Project; and (b) designate a representative for the Regional Coordination Committee.

3. Cellule Infrastructure

Without limitation upon the provisions of paragraphs 1 and 2 immediately above, the Recipient shall: (a) designate, at all times during the implementation of the

Project, the Cellule Infrastructure within the Ministry of Infrastructure and Public Works to be responsible for prompt and efficient oversight and management of the implementation of activities under Parts 1(a)(i), 1(b)(i) and 1(d)(i) of the Project, and shall take all actions including the provision of funding, personnel and other resources necessary to enable the Cellule Infrastructure to perform said functions, and to that end; (b) by no later than three (3) months after the Effective Date, appoint a Project leader, an internal auditor, a procurement assistant, an accountant and a secretary for the Cellule Infrastructure, all in accordance with the provisions of Section III of this Schedule 2.

4. Provincial Technical Committees

Without limitation upon the provisions of paragraphs 1, 2 and 3 immediately above, the Recipient shall, by no later than six (6) months after the Effective Date, establish, and thereafter maintain at all times during the implementation of the Project, a Provincial Technical Committee for each of the provinces of North Kivu and South Kivu, with a composition, mandate and terms of reference satisfactory to the Association, in each case to be responsible for Project coordination and oversight at the provincial level, and shall take all actions including the provision of funding, personnel and other resources necessary to enable the Provincial Technical Committees to perform said functions.

5. Provincial Project Teams

Without limitation upon the provisions of paragraphs 1, 2, 3 and 4 immediately above, the Recipient shall, by no later than six (6) months after the Effective Date: (a) establish, and thereafter maintain at all times during the implementation of the Project, a Provincial Project Team, within each of the Provincial Ministries of Finance, Economy, Commerce and Industry in the provinces of North Kivu and South Kivu, with a composition, mandate and terms of reference satisfactory to the Association, in each case to be responsible for Project implementation and reporting at the provincial level, and shall take all actions including the provision of funding, personnel and other resources necessary to enable the Provincial Project Teams to perform said functions; and (b) to this end shall recruit a provincial Project coordinator, monitoring and evaluation specialist, and accountant for each of the Provincial Project Teams, all in accordance with the provisions of Section III of this Schedule 2.

B. Implementation Arrangements

1. Project Implementation Manual

- (a) The Recipient shall 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 carrying out of Subprojects (including Safeguard Instruments applicable to said Subprojects), including, *inter alia*, the eligibility criteria and detailed procedures for the selection, approval and implementation of said Subprojects; (ix) guidelines for assessing potential environmental and social impacts of the Project (including said Subprojects) and designing appropriate mitigation, management, and monitoring measures in respect of said impacts; and (x) 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 during the implementation of the Project, a work plan and budget containing all activities (including Subprojects) proposed to be included in the Project during the following calendar year (including Safeguard Instruments applicable to said activities), 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.

D. Subprojects under Parts 1(a)(i) and (b)(i) of the Project

Each Subproject shall be eligible for financing upon the Recipient's determination, on the basis of an appraisal conducted in accordance with the criteria, guidelines and detailed procedures set forth in the Project Implementation Manual, that the Subproject satisfies the eligibility criteria specified in the Project Implementation Manual, which criteria shall, *inter alia*, include the following:

1. the Subproject shall be appraised on the basis of an environmental and social assessment and other guidelines acceptable to the Association (and be accompanied by appropriate Safeguard Instruments, if required);
2. the Subproject shall be designed to avoid any involuntary resettlement of persons or loss of their income or productive capacity;
3. the Subproject and the associated Safeguard Instruments, if any, shall be approved by the Recipient and the Association, unless with respect to the Association's approval, the Association has notified the Recipient in writing that its prior approval is not required; and
4. the Subproject shall be included in the Annual Work Plan and Budget.

E. Safeguards

1. The Recipient shall: (a) ensure that the Project is carried out in accordance with the Safeguard Instruments; (b) ensure that all measures required for carrying out the requirements of said Safeguard Instruments are taken in a timely manner; and (c) not amend, suspend, abrogate, repeal or waive any provision of any of the Safeguard Instruments, without the prior written approval of the Association.
2. Without limitation upon the provisions of paragraph 1 immediately above, the Recipient shall, prior to commencing civil works for any activity under the Project:
 - (a) if such Project activity would, in the Association's determination: (i) require the carrying out of an ESIA, the Recipient shall ensure that an ESIA for such activity is: (A) carried out and furnished to the Association for review and approval; and (B) disclosed in a manner acceptable to the Association; and (ii) require the preparation of an ESMP, the Recipient shall ensure that an ESMP for such activity is: (A) prepared in a manner acceptable to the Association, and furnished to the Association for review and approval, and (B) disclosed in a manner acceptable to the Association; and
 - (b) if such activity would, in the Association's determination, require the preparation of a RAP, the Recipient shall ensure that: (i) said RAP is prepared and furnished to the Association for review and approval, and disclosed in a manner acceptable to the Association; and (ii) no works under said activity shall be commenced until all measures required to be taken under said RAP prior to the initiation of said works have been undertaken.

3. Without limitation upon its other reporting obligations under this agreement and under Section 4.08 of the General Conditions, the Recipient shall include in the Project Reports referred to in Section II.A of this Schedule, adequate information on the implementation of the Safeguard Instruments, giving details of: (a) measures taken in furtherance of such Safeguard Instruments; (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of such Safeguard Instruments; and (c) remedial measures taken or required to be taken to address such conditions and to ensure the continued efficient and effective implementation of such Safeguard Instruments.
4. The Recipient shall ensure that all terms of reference for any technical assistance and studies to be carried out under the Project are prepared in form and substance satisfactory to the Association and taking into account appropriate environmental and social safeguards measures.

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 and COMESA 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, 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.
4. The Recipient shall, by no later than three (3) months after the Effective Date, acquire and install in the Ministry of Commerce, and provide training on the use of, accounting software with specifications satisfactory to the Association, and shall thereafter maintain at all times during the implementation of the Project such accounting software in a manner satisfactory to the Association.

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) Limited International Bidding; (b) National Competitive Bidding, *subject to the additional provisions in paragraph 3 below*; (c) Shopping; (d) procurement under Framework Agreements in accordance with procedures which have been found acceptable to the Association; and (e) Direct Contracting.
 3. **Additional Provisions for National Competitive Bidding.** National Competitive Bidding (“NCB”) may be used subject to using the open procedure (“*appel d’offres ouvert*”) set forth in the Recipient’s Public Procurement Law No 10/010 dated April 27, 2010, (the “PPL”) and the Manual of Procedures of the PPL as per Recipient’s Decree No 10/22 dated June 2, 2010, (the “Manual of Procedures”); provided however that such procedure shall be subject to the provisions of Section I and Paragraphs 3.3 and 3.4 of Section III of the Procurement Guidelines and the additional following modifications:
 - (a) *Standard Bidding Documents:* All standard bidding documents to be used for the Project under NCB shall be found acceptable to the Association before their use during the implementation of Project.
 - (b) *Eligibility:* Eligibility of bidders and acceptability of their goods and services shall not be based on their nationality and/or their origin; and association with a national firm shall not be a condition for participation in a bidding process. Therefore, except for the ineligibility situations referred to in paragraphs 1.10(a) (i) and 1.10(a) (ii) of the Procurement Guidelines, the eligibility of bidders must be based solely on their qualification, experience and capacity to carry out the contract related to the specific bidding process.

- (c) *Advertising and Bid Preparation Time:* Bidding opportunities shall be advertised at least in a national newspaper of wide circulation and on the website of the Recipient's Procurement Regulator (*Autorité de Régulation des Marchés Publics*) and bidders should be given at least thirty (30) days from the date of invitation to bid or the date of availability of the bidding documents, whichever is later.
- (d) *Criteria for Qualification of Bidders:* Qualification criteria shall only concern the bidder's capability and resources to perform the contract taking into account objective and measurable factors. Such criteria for qualification of bidders shall be clearly specified in the bidding documents.
- (e) *Bid Evaluation and Contract Award:* A contract shall be awarded to the substantially responsive and lowest evaluated bidder provided that such bidder meets the qualification criteria specified in the bidding documents. No scoring system shall be allowed for the evaluation of bids, and no "blanket" limitation to the number of lots which can be awarded to a bidder shall apply. The criteria for bid evaluation and the contract award conditions shall be clearly specified in the bidding documents.
- (f) *Preferences:* No preference shall be given to domestic/regional bidders; to domestically/regionally manufactured goods; and to bidders forming a joint venture with a national firm or proposing national sub-contractors or carrying out economic activities in the territory of the Recipient.
- (g) *Publication of Contract Award:* Information on all contract awards shall be published in at least a national newspaper of wide circulation or in the Recipient's Procurement Regulator's (*Autorité de Régulation des Marchés Publics*) web-site.
- (h) *Fraud and Corruption:* In accordance with the Procurement Guidelines, each bidding document and contract shall include provisions stating the Association's policy to sanction firms or individuals found to have engaged in fraud and corruption as set forth in the Procurement Guidelines.
- (i) *Inspection and Audit Rights:* In accordance with the Procurement Guidelines, each bidding document and contract shall include provisions stating the Association's policy with respect to inspection and audit of accounts, records and other documents relating to the bid submission and contract performance.

- (j) *Requirement for administrative documents and/or tax clearance certificate:* The bidding documents shall not require foreign bidders to produce any administrative or tax related certificates prior to confirmation of awarding a contract.
- (k) *Modifications of a Signed Contract:* Any change in the contract amount which, singly or combined with all previous changes, increases the original contract amount by 15% (fifteen percent) or more must be done through an amendment to the signed contract instead of signing a new contract.

C. Particular Methods of Procurement of Consultants' Services

- 1. **Quality- and Cost-based Selection.** Except as otherwise provided in paragraph 2 below, consultants' services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.
- 2. **Other Methods of Procurement of Consultants' Services.** The following methods, other than Quality- and Cost-based Selection, may be used for procurement of consultants' services for those contracts which are specified in the Procurement Plan: (a) 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) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants; and (g) 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

- 1. The Recipient may withdraw the proceeds of the Financing in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Association shall specify by notice to the Recipient (including the "World Bank Disbursement Guidelines for Projects" dated May 2006, as revised from time to time by the Association and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.

2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Financing (“Category”), the allocations of the amounts of the Financing to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

Category	Amount of the Financing Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, works, non-consulting services, consultants’ services, Training and Operating Costs for Parts 1(a)(i), 1(b)(i) and 1(d)(i) of the Project	17,400,000	100%
(2) Goods, non-consulting services, consultants’ services, Training and Operating Costs for Parts 2(a), 2(b), 3, 4(a) and 4(b) of the Project	6,500,000	100%
(3) Refund of Preparation Advance	500,000	Amount payable pursuant to Section 2.07 of the General Conditions
TOTAL AMOUNT	24,400,000	

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.

SCHEDULE 3

Repayment Schedule

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage)*
On each May 15 and November 15, commencing November 15, 2021, to and including May 15, 2053	1.5625%

* The percentages represent the percentage of the principal amount of the Credit to be repaid, except as the Association may otherwise specify pursuant to Section 3.03(b) of the General Conditions.

APPENDIX

Definitions

1. “Aeronautical Message Handling System” means an aeronautical message handling system, a standard defined by ICAO for aeronautical ground-ground communications.
2. “Affected Person” means a person who as a result of: (a) the involuntary taking of land under the Project is affected in any of the following ways: (i) relocation or loss of shelter; (ii) loss of assets or access to assets; or (iii) loss of income sources or means of livelihood, whether or not the affected person must move to another location; or (b) the involuntary restriction of access to legally designated parks and protected areas suffers adverse impacts on his or her livelihood.
3. “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.
4. “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.
5. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
6. “Cellule Infrastructure” means the unit established under the Recipient’s Ministry of Infrastructure and Public Works to be responsible for the construction and management of national infrastructure; or any successor thereto.
7. “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.
8. “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.
9. “COMESA’s Simplified Trade Regime” means the Simplified Trade Regime, the simplified customs clearance procedures established and adopted by COMESA for small-scale cross border traders, as set forth in the Official Gazette of COMESA, dated November 6, 1999.

10. “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).
11. “Digital Aeronautical Information Management” means a digital aeronautical information management system for the digital exchange of air traffic management information.
12. “Direction General de la Migration (DGM)” means the Direction General de la Migration, established and operating within the Recipient’s Ministry of the Interior; or any successor thereto.
13. “Direction General des Douanes des Assises (DGDA)” means the Direction General des Douanes des Assises (DGDA), established and operating within the Recipient’s Ministry of Finance; or any successor thereto.
14. “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.
15. “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.
16. “ESIA” means an environmental and social impact assessment to be prepared by the Recipient for a specific Project activity, in each case identifying and assessing the potential environmental and social impacts of a proposed Project activity; and “ESIAs” means more than one such ESIA, as such ESIAs may be amended from time to time with the prior written agreement of the Association.
17. “ESMP” means an environmental and social management plan to be prepared by the Recipient for a specific Project activity, in each case setting forth appropriate mitigation, monitoring and institutional measures designed to mitigate the potential adverse environmental and social impacts of a proposed Project activity; and “ESMPs” means more than one such ESMP, as such ESMPs may be amended from time to time with the prior written agreement of the Association.
18. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 31, 2010.
19. “GNSS” means a global navigation satellite system.
20. “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.

21. "ICT" means information communication technology.
22. "Implementing Agencies" means, collectively, the Ministry of Commerce and Cellule Infrastructure, and "Implementing Agency" means any one such agency.
23. "M&E Agencies" means the Ministry of Commerce.
24. "Ministry of Commerce" means the Recipient's ministry responsible for commerce; or any successor thereto.
25. "Ministry of Infrastructure and Public Works" means the Recipient's ministry responsible for infrastructure and public works; or any successor thereto.
26. "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 civil servants.
27. "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 June 1, 2015, and on behalf of the Recipient on June 12, 2015.
28. "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).
29. "Procurement Plan" means the Recipient's procurement plan for the Project, dated August 5, 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.
30. "Project Coordination Unit" means the Recipient's Project coordination unit referred to in Section I.A.1(b) of Schedule 2 to this Agreement.
31. "Project Implementation Manual" means the manual referred to in Section I.B.1 of Schedule 2 to this Agreement.

- 32. "Project Steering Committee" means the Recipient's Project Steering Committee referred to in Section I.A.2 of Schedule 2 to this Agreement.
- 33. "Provincial Technical Committees" means the Recipient's Provincial Technical Committees for the provinces of North Kivu and South Kivu, referred to in Section I.A.4 of Schedule 2 to this Agreement; and "Provincial Technical Committee" refers to one such committee.
- 34. "Provincial Project Teams" means the Recipient's Provincial Project Teams for the provinces of North Kivu and South Kivu, referred to in Section I.A.5 of Schedule 2 to this Agreement; and "Provincial Project Team" means one such team.
- 35. "RAP" means a resettlement action plan to be prepared by the Recipient for a specific Project activity, describing, for a proposed Project activity, the compensation and other resettlement assistance to be provided, consultation to be conducted with Affected Persons, institutional responsibilities for the implementation, procedures for grievance redress, and arrangements for monitoring and evaluation; and "RAPs" means more than one such RAP, as such RAPs may be amended from time to time with the prior written agreement of the Association.
- 36. "Regional Coordination Committee" means the regional coordination committee for the Project, consisting of representatives from each of the Recipient, Rwanda Uganda, and COMESA.
- 37. "RRA (Customs)" means 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.
- 38. "Rwanda" means the Republic of Rwanda.
- 39. "Safeguard Action Plan" means the Action Plan for Safeguards in the DRC, dated August 5, 2015, setting forth a time-bound bound plan for the sequential planning, preparation and coordination of Project activities and the preparation by the Recipient of Safeguards Instruments; as such plan may be amended from time to time with the prior written agreement of the Association.
- 40. "Safeguard Instruments" means, collectively, the ESIAs, the ESMPs, the RAPs and the Safeguard Action Plan, and "Safeguard Instrument" means any one such instrument.

- 41. "Subprojects" means, collectively, subprojects referred to under Parts 1(a) and 1(b) of the Project; and "Subproject" refers to one such subproject.
- 42. "Targeted Border Crossings" means the following border crossings: (a) Mahagi (Recipient's territory) and Goli (Uganda); (b) Kasindi (Recipient's territory) and Mpondwe (Uganda); (c) Bunagana (Recipient's territory) and Bunagana (Uganda); (d) Goma/Petite Barriere (Recipient's territory) and Rubavu (Rwanda); and (e) Bukavu/Ruzizi I (Recipient's territory) and Rusizi I (Rwanda).
- 43. "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.
- 44. "Uganda" means the Republic of Uganda.
- 45. "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.
- 46. "VOR/DME" means an aircraft radio navigation system consisting of very high frequency (VHF) omnidirectional range and distance measuring equipment.