October 23, 2017

H.E. Henri Yav Mulang
Minister
Ministry of Finance
Boulevard du 30 Juin - Commune de la Gombe
Kinshasa I
Democratic Republic of Congo

Re: Democratic Republic of Congo: Advance Agreement for
Preparation of Proposed Agricultural Productivity and
Commercialization Project
Project Preparation Advance No IDA V1400

Excellency:

In response to the request for financial assistance made on behalf of the Democratic Republic
of the Congo ("Recipient"), I am pleased to inform you that the International Development
Association ("World Bank") proposes to extend to the Recipient an advance out of the World
Bank’s Project Preparation Facility in an amount not to exceed two million Dollars ($ 2,000,000)
("Advance") on the terms and conditions set forth or referred to in this letter agreement
("Agreement"), which includes the attached Annex, to assist in financing the activities described in
the Annex ("Activities"). The objective of the Activities is to facilitate the preparation of a proposed
project designed to increase agriculture productivity and improve market access of small farmers and
small and medium size agribusinesses in selected regions ("Project"), for the carrying out of which
the Recipient has requested the World Bank’s financial assistance.

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

Please confirm the Recipient’s agreement to the foregoing by having an authorized
official of the Recipient sign and date the enclosed copy of this Agreement, and returning it to the
World Bank. Upon receipt by the World Bank of this countersigned copy, this Agreement shall
become effective as of the date of the countersignature; provided, however, that the offer of this
Agreement shall be deemed withdrawn if the World Bank has not received this countersigned
copy within 90 days after the date of signature of this Agreement by the World Bank, unless the
World Bank has established a later date for such purpose.

Very truly yours,

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Ahmadou Moustapha Ndiaye
Country Director for the Republic Democratic of Congo
Africa Region

1818 H Street NW • Washington, DC 20433 USA
H.E. Henri Yav Mulang  
Minister of Finance

October 23, 2017

AGREED:

REPUBLIC DEMOCRATIC OF CONGO

By

Authorized Representative

Name: Henri Yav Mulang

Title: Ministre de Finances

Date: 28 Octobre 2017

Enclosures:

(1) "Standard Conditions for Advances Made by the World Bank under its Project Preparation Facility", dated July 31, 2010; and

(2) Disbursement Letter for the Advance of the same date as this Agreement, together with "Disbursement Guidelines for Investment Project Financing" dated February 2017
Article I
Standard Conditions; Definitions

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

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

Article II
Execution of the Activities

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

(a) Carrying out a diagnostic study of the project area (Provinces of Kasai Central, Kasai Oriental, Lomami and Sankuru) to assess the demographic characteristics of smallholder farmers, farmer organizations, non-governmental organizations, small and median enterprises, financial institutions, public sector and other public and private services offered to the rural population;

(b) Preparation of the Project's fiduciary documentation, including, *inter alia*, financial management plan, Project procurement strategy document and procurement plan;

(c) Preparation of the Project's environmental and social safeguards instruments, consultations and documentation;

(d) Preparation of the diagnostic review of the livestock supply chain in the project area;

(e) Support to the operations of the regional and local project implementation committees and staff (vehicles, office equipment, consultants);

(f) Preparation of the Project's baseline;

(g) Preparation of the Project communication and dissemination strategy;

(h) Preparation of the Project's manuals;

(i) Recruitment of Project staff, fiduciary team including an external auditor and environment and social safeguards team; and

(j) Carrying out of training activities, including: (i) exchange visits or study tours; (ii) validation workshops for dissemination of key preparatory studies; and (iii) safeguards consultations and dissemination.

(k) Preparation of the Project Implementation Unit institutional organization, technical, fiduciary and safeguard staff, workflow, roles and responsibilities, and accounting system.
2.02. **Execution of the Activities Generally.** The Recipient declares its commitment to the objectives of the Activities. To this end, the Recipient shall carry out the Activities through PARRSA PIU in accordance with the provisions of: (a) Article II of the Standard Conditions; (b) this Article II; (c) the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 and revised in January 2011 and as of July 1, 2016.

2.03. **Institutional and Other Arrangements.** Without limitation upon paragraph 2.02 above, the Recipient shall maintain throughout the implementation of the Activities the PARRSA PIU with staffing with in number and with qualification and terms of reference satisfactory to the World Bank, to be responsible for the day-to-day implementation, as well as the fiduciary responsibilities under the Advance.

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

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

(b) The Recipient shall ensure that interim un-audited financial reports for the Activities are prepared and furnished to the World Bank not later than 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 Sections 2.09 (b) of the Standard Conditions. Each such audit of the Financial Statements shall cover the period of one fiscal year of the Recipient, commencing with the fiscal year in which the first withdrawal under the Advance was made. The audited Financial Statements for such period shall be furnished to the World Bank not later than six months after the end of such period.

2.06. **Procurement**

All goods, non-consulting services and consulting services required for the Activities and to be financed out of the proceeds of the Advance shall be procured in accordance with the requirements set forth or referred to in the “World Bank Procurement Regulations for IPF Borrowers” dated July 2016 (“Procurement Regulations”) and the provisions of the Recipient’s procurement plan for the Activities dated September 12, 2017 (“Procurement Plan”) 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 the Advance

3.01. Eligible Expenditures. The Recipient may withdraw the proceeds of the Advance in accordance with the provisions of: (a) Article III of the Standard Conditions; (b) this Section; and (c) such additional instructions as the World Bank may specify by notice to the Recipient (including the “Disbursement Guidelines for Investment Project Financing” dated February 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 out of the proceeds of the Advance as set forth in the following table. The table specifies each category of Eligible Expenditures that may be financed out of the proceeds of the Advance (“Category”), the amount of the Advance allocated to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Advance Allocated (expressed in Dollars)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, non-consulting services, consulting services, Operating Costs and Training under the Activities</td>
<td>2,000,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td></td>
<td>2,000,000</td>
</tr>
</tbody>
</table>

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 countersignature of this Agreement by the Recipient.

3.03. Refinancing Date. The Refinancing Date is September 20, 2018.

Article IV
Terms of the Advance

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

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

5.01. **Recipient’s Representative.** The Recipient’s Representative referred to in Section 9.02 of the Standard Conditions is its minister responsible for finance.

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

Ministry of Finance
*Boulevard du 30 Juin - Commune de la Gombe*
Kinshasa I
Democratic Republic of Congo

Email: cabfinances@minfinrdc.com
Tel.: +243 82 58 522 40

5.03. **World Bank’s Address.** The World Bank’s Address referred to in Section 9.01 of the Standard Conditions is:

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

Telex: 248423 (MCI) or 64145 (MCI)
Facsimile: (1)-202-477-6391