Financing Agreement

(Emergency Food Crisis Response and Agriculture Re-launch Project)

between

CENTRAL AFRICAN REPUBLIC

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated MARCH 17, 2014
FINANCING AGREEMENT
dated 4 November, 2014, entered into between CENTRAL AFRICAN REPUBLIC (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”). The Recipient and the Association hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

1.01. The General Conditions (as defined in the Appendix to this Agreement) constitute an integral part of this Agreement.

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

ARTICLE II — FINANCING

2.01. The Association agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a credit in an amount of thirteen million one hundred thousand Special Drawing Rights (SDR 13,100,000) (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 Section IV of Schedule 2 to this Agreement. The Recipient’s Representative for purposes of taking any action required or permitted to be taken pursuant to this Section is the Minister in charge of finance.

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 The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%).

2.05. The Payment Dates are 15 June and 15 December 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 Euro.

ARTICLE III — PROJECT

3.01. The Recipient declares its commitment to the objective of the Project described in Schedule 1 to this Agreement ("Project"). To this end, the Recipient shall carry out the Project in accordance with the provisions of Article IV of the General Conditions.

3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Recipient and the Association shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV — EFFECTIVENESS; TERMINATION

4.01. The Additional Conditions of Effectiveness consist of the following:

(a) the AGETIP Subsidiary Agreement has been executed on behalf of the Recipient and AGETIP.

4.02. The Additional Legal Matter consists of the following:

(a) the AGETIP Subsidiary Agreement has been duly authorized or ratified by the Recipient and the AGETIP and is legally binding upon the Recipient and the AGETIP in accordance with its terms and the Recipient’s laws.

4.03. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.

4.04. For purposes of Section 8.05(b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty years after the date of this Agreement.
ARTICLE V — REPRESENTATIVE; ADDRESSES

5.01. The Recipient’s Representative is the Recipient’s Minister of State for Planning, Economy and International Cooperation.

5.02. The Recipient’s Address is:

Minister of State for Planning, Economy and International Cooperation
Ministry of Planning, Economy and International Cooperation
Rue Martin Luther King
BP 696, Bangui
Central African Republic

Facsimile:

+ 236-21-619689

5.03. The Association’s Address is:

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

Cable: Telex: Facsimile:
INDEVAS 248423 (MCI) 1-202-477-6391
Washington, D.C.
AGREED at Bangui, Central African Republic, as of the day and year first above written.

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Name: M. Founa L. Hoïo
Title: Ministre de l'Economie du Plan et de la Coopération Internationale
Charge de l'Ecole de Développement

AUTHORIZED REPRESENTATIVE

By

Name: [Signature]
Title: [Signature]

4
SCHEDULE 1

Project Description

The objective of the Project is to protect and rebuild livelihoods, human capital, particularly of children, and to re-launch the productivity of the agriculture sector.

The Project consists of the following parts:

Part 1. Human Capital Protection and Livelihood Assistance

Support to the Recipient to prevent negative coping strategies by poor households through the procurement and distribution of specialized and staple foods, and the carrying out of supplemental feeding and school feeding programs in selected locations in the territory of the Recipient.

Part 2. Re-launch the Productivity of the Agriculture Sector

Support to the Recipient to restore food production capacity in food insecure areas through the provision of seeds and inputs and farm equipment, support to food producer organizations, rehabilitation of storage facilities and ICRA laboratories, and the training of farmers and agricultural technicians.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. The Recipient shall vest responsibility for overall coordination and facilitation of the implementation of the Project in the Ministry of Rural Development (MRD).

2. AGETIP

   The Recipient shall, at all times during the implementation of the Project, vest responsibility for Project implementation in AGETIP.

B. Contractual and Regulatory Arrangements

1. To facilitate the carrying out of the Project, the Recipient shall: (i) enter into Service Agreements (“Service Agreements”) with each of WFP and FAO, whose form and substance shall be satisfactory to the Association; (ii) ensure that all Project activities to be undertaken by WFP and FAO under their respective Service Agreements shall be carried out with due diligence and efficiency and in accordance with sound technical, financial, and managerial standards and practices acceptable to the Association; and (iii) ensure that each of WFP and FAO shall exercise its rights and carry out its obligations under its respective Service Agreement in such a manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive either Service Agreement or any provision thereof, or permit to be assigned, amended, abrogated, or waived, the aforementioned, or any provision thereof.

C. Subsidiary Agreement

   To facilitate the carrying out of the Project, the Recipient shall enter into a Subsidiary Agreement with AGETIP (“ATEGIP Subsidiary Agreement”) pursuant to which the Recipient shall make the proceeds of the Financing available to AGETIP in the form of a grant, (the Subsidiary Financing) under terms and conditions approved by the Association which shall include the following: (a) the principal amount of the Subsidiary Financing shall be denominated in Euros; (b) the Recipient shall have the right to suspend, terminate or seek refund of the Subsidiary Financing in the event AGETIP fails to perform its obligations under the Subsidiary Agreement; and (c) the obligation of the
Recipient to promptly transfer to AGETIP the ownership of goods and equipment purchased by the Recipient for the benefit of AGETIP.

D. Project Implementation Manual

Project Implementation Manual (PIM)

1. The Recipient shall carry out or cause the Project to be carried out in accordance with the Project Implementation Manual, with the understanding that in case of any conflict between the terms of the Project Implementation Manual and those of this Agreement, the terms of this Agreement shall prevail.

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

E. Anti-Corruption

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

F. Safeguards

1. The Recipient shall ensure that the Project is carried out in accordance with the ESSAF.

2. No later than three (3) months after the Effective Date, the Recipient, through AGETIP, shall prepare the ESMF, ESMP, PMP and IPP, each in form and substance satisfactory to the Association, and each consulted upon and disclosed in accordance with the Policies of the Association.

2. The Recipient shall ensure that the Project shall be implemented in accordance with the guidelines, procedures, timetables and other specifications set forth in the Safeguard Documents.

3. Except as the Association shall otherwise agree in writing, and subject to compliance with applicable consultation and public disclosure requirements of the Association, the Recipient shall ensure that no provision of the Safeguard Documents shall be abrogated, amended, repealed, suspended or waived.

4. Without limitation upon its other reporting obligations under this Agreement, the Recipient shall cause AGETIP to regularly collect, compile and submit to the Association, on a semi-annual basis, reports on the status of compliance with the Safeguard Documents, giving details of: (a) measures taken in furtherance of the
Safeguard Documents; (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of the Safeguard Documents; and (c) remedial measures taken or required to be taken to address such conditions.

5. In the event that any provision of the Safeguard Documents shall conflict with any provision under this Agreement, the terms of this Agreement shall prevail.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. The Recipient shall cause AGETIP to 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 calendar semester, and shall be furnished to the Association not later than one month after the end of the period covered by such report.

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 cause AGETIP to prepare and furnish to the Association, not later than 45 days after the end of each calendar semester, interim unaudited financial reports for the Project covering the semester, in form and substance satisfactory to the Association.

A. 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, Work and Non-consulting Services**

1. **Procurement of Goods, Works and Non-consulting Services.** The following methods may be used for procurement of goods and non-consulting services for those contracts specified in the Procurement Plan: (a) Shopping; (b) Direct Contracting; and (c) Procurement from United Nations Agencies.

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) Individual Consultants; (g) Single-source procedures for the Selection of Individual Consultants; and (h) Selection of United Nations Agencies.

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:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Credit (expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, works, non-consulting services, and consultants’ services for Part 1 of the Project</td>
<td>7,900,000</td>
<td>100 %</td>
</tr>
<tr>
<td>(2) Goods, works, non-consulting services, and consultants’ services for Part 2 of the Project</td>
<td>5,200,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>13,100,000</td>
<td></td>
</tr>
</tbody>
</table>

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made prior to the date of this Agreement except that withdrawals up to an aggregate amount not to exceed five million two hundred and forty thousand Special Drawing Rights (SDR 5,420,000) may be made for payments made 12 months prior to this date, for Eligible Expenditures.

2. The Closing Date is September 30, 2015.
SCHEDULE 3

Repayment Schedule

<table>
<thead>
<tr>
<th>Date Payment Due</th>
<th>Principal Amount of the Credit repayable (expressed as a percentage)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>On each 15 June and 15 December</td>
<td></td>
</tr>
<tr>
<td>commencing 15 June 2024 to and including 15 December</td>
<td>1%</td>
</tr>
<tr>
<td>commencing 15 June 2034 to and including 15 December</td>
<td>2%</td>
</tr>
</tbody>
</table>

* 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

Section I. Definitions

1. "AGETIP" means Agence d'Exécution des Travaux d'Intérêt Public contre le sous-emploi, the entity responsible for Project implementation.

2. "AGETIP Subsidiary Agreement" means the agreement referred to in Section 1.C of Schedule 2 to this Agreement, pursuant to which the Recipient shall make the proceeds of the Financing available to the AGETIP.


4. "Category" means a category set forth in the table in Section IV of Schedule 2 to this Agreement.


6. "ESMF" means Environmental and Social Mitigation Framework.


8. "ESSAF" means the Environmental and Social Screening and Assessment Framework, dated January 27, 2014, prepared by the Recipient to provide an overall approach for managing and mitigating potential adverse environmental and social impacts and risks association with the Project, including guidelines, procedures and codes of practice for the prevention and mitigation of potential environmental and social impacts, and according to which the relevant Safeguards Instruments will be prepared.


11. "ICRA" means the Central African Institute for Agricultural Research.

12. "IPP" means Indigenous Peoples Plan

13. "MRD" means the Recipient’s Ministry of Rural Development.


17. "Procurement Plan" means the Recipient’s procurement plan for the Project, dated February 11, 2014 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.

18. "Project" means the project described in Schedule 1 to this Agreement.

19. "Project Implementation Manual" means the manual prepared by the Recipient to guide the implementation of the Project.

20. "Safeguards Documents" means, collectively, the ESSAF, ESMF, EMP, PMP and IPP, and any other instrument prepared for specific activities to manage and mitigate environmental or social impacts associated with the Project.

21. "Service Agreements" means collectively the Services and Supplies Contract to be concluded between the Recipient and FAO governing the terms and conditions under which FAO shall render services to the Recipient, including payment methods, and reporting and transparency arrangements; and the Supplies Contract to be concluded between the Recipient and WFP governing the terms and conditions under with WFP shall render services to the Recipient, including payment methods, and reporting and transparency arrangements.

22. "WFP" means the United Nations World Food Program.