Financing Agreement
Great Lakes Displaced Persons and Border Communities Project

between

INTERNATIONAL DEVELOPMENT ASSOCIATION

and

INTERNATIONAL CONFERENCE ON THE GREAT LAKES REGION (ICGLR)

Dated August 16, 2017
AGREEMENT dated 10-Aug-2017, entered into between
INTERNATIONAL DEVELOPMENT ASSOCIATION
("Association") and
INTERNATIONAL CONFERENCE ON THE GREAT LAKES REGION
("Recipient").

WHEREAS:

(A) to tackle the challenge of refugees, former refugees, and internally displaced persons and their host communities in the Great Lakes Region, the Association is financing the 'Great Lakes Region displaced persons and border communities series of projects', which seeks to implement and operationalize a development response to forced displacement by supporting those affected by displacement to be self-reliant, integrated into wider society and endowed with productive assets as well as considering and mitigating the impacts on hosting communities, through the entering into financing agreements between the Association and countries which are members of the Association in the Great Lakes Region;

(B) having satisfied itself as to the feasibility and priority of the Project described in Schedule 1 to this Agreement ("Project"), the Recipient has requested the Association to extend a grant to assist in the financing of the Project;

WHEREAS the Association has agreed, on the basis, inter alia, of the foregoing, to extend a grant to the Recipient upon the terms and conditions set forth in this Agreement; and

NOW THEREFORE, 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 grant in an amount equivalent to two million three hundred thousand Special Drawing Rights (SDR 2,300,000) (variously, "Grant" 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 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 Financing Balance shall be one-half of one percent (1/2 of 1%) per annum.

2.04. The Payment Dates are June 15 and December 15 in each year.

2.05. The Payment Currency is Dollar.

ARTICLE III — PROJECT

3.01. The Recipient declares its commitment to the objectives of the Project and the Program. 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 — REMEDIES OF THE ASSOCIATION

4.01. The Additional Event of Suspension consists of the following, namely that the Recipient's Legislation 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 Additional Conditions of Effectiveness consists of the following, namely that the Project Implementation Manual has been adopted with terms agreeable to the Association.

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

5.03. 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 fifteen (15) years after the date of this Agreement.
ARTICLE VI — REPRESENTATIVE; ADDRESSES

6.01. The Recipient’s Representative is its Conference Secretariat.

6.02. The Association’s Address is:

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

   Cable: INDEVAS  
   Telex: 248423 (MCI)  
   Facsimile: 1-202-477-6391
   Washington, D.C.

6.03. The Recipient’s Address is:

   ICGLR Headquaters
   38, Blvd du Japon
   P.O. Box 7076
   Bujumbura – Burundi

   Facsimile: (257) 22 25 68 28
AGREED at Bujumbura, Burundi, as of the day and year first above written.

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Authorized Representative

Name: YISSEDULLAH AMIN

Title: ACTING AFRICA REGIONAL DIRECTOR

INTERNATIONAL CONFERENCE ON THE GREAT LAKES REGION

By

Authorized Representative

Name: AMB. ZACHARY MUGURU-MULA

Title: EXECUTIVE SECRETARY
SCHEDULE 1

Project Description

The objective of the Project is to: (i) improve access to livelihoods and socio-economic infrastructure for displaced people and host communities in target areas of the territory of the Republic of Zambia, and (ii) support regional learning on development responses to forced displacement.

The Project constitutes the third phase of the Program, and consists of the following parts:

Part 1: Regional Learning

(a) Carrying out regional learning events to bring together the ICGLR, representatives of ICGLR member states and other relevant stakeholders to share knowledge, experiences and good practices regarding development responses to forced displacement; and

(b) Provision of technical assistance to support the existing ICGLR Technical Subcommittee of Experts on land to establish reporting systems; research land and displacement topics; and conduct future subcommittee meetings.

Part 2: Regional Research

Conducting regional research through studies and data collection activities that aim to fill knowledge gaps for enabling evidence-based policy making.

Part 3: Project Management and Institutional Capacity Building

Strengthening project management skills and institutional capacity of the ICGLR through the PCU with provision of technical advisory services for day-to-day planning, implementation and supervision of Project activities; support of a Project Advisory Group; administration of procurement and financial management; and Project monitoring and evaluation.
SCHEDULE 2

Project Execution

Section I.  Implementation Arrangements

A. Institutional Arrangements

The Recipient shall:

1. maintain throughout the period of Project implementation, the Conference Secretariat to provide overall strategic direction for the Project, approve the Annual Work Plan and Budget and ensure consistency with the Recipient's policies and strategies, with terms of reference, composition and powers satisfactory to the Association as further described in the Project Implementation Manual;

2. maintain throughout the period of Project implementation, the Project Coordinating Unit (PCU), housed within the Humanitarian and Social Issues Program (HSIP) of the ICGLR, responsible for the overall coordination, day-to-day implementation and supervision of the Project, as well as coordination and support of the Project Advisory Group, with staff in quantities, with qualifications and experience, and working under terms of reference satisfactory to the Association;

3. maintain throughout the period of Project implementation, staff within the LMRC, to facilitate research for Part 2 of the Project in quantities, with qualifications and experience, and working under terms of reference satisfactory to the Association;

4. maintain throughout the period of Project implementation, a Project Advisory Group to enhance Project quality and technical advice, with terms of reference and responsibilities satisfactory to the Association as further described in the Project Implementation Manual; and

5. ensure that: (a) any technical assistance financed under the Project is carried out under terms of reference satisfactory to the Association following its review thereof and, to that end, said technical assistance shall duly incorporate the requirements of the Association's Safeguard Policies and be publicly disclosed and consulted upon in accordance with the Association's Safeguard Policies; and (b) capacity building activities under the Project are consistent with, and pay due attention to, the Association's Safeguard Policies.
B. Annual Work Plan and Budget

1. The Recipient, through the PCU, shall, not later than October 31 in each calendar year during Project implementation, prepare and furnish to the Association, an ICGLR Conference Secretariat approved program of activities proposed for inclusion in the Project during the following calendar year, including: (a) a detailed timetable for the sequencing and implementation of the said activities; (b) a detailed budget including the types of expenditures required for such activities; and (c) a detailed and simplified procurement plan including the planned procurement methods for the expenditures ("Annual Work Plan and Budget").

2. The Recipient shall exchange views with and seek approval of the Association on each such proposed Annual Work Plan and Budget, and shall thereafter carry out such program of activities for such following year as shall have been agreed between the Recipient and the Association.

3. The Recipient shall only carry out the activities included in an Annual Work Plan and Budget as the said Annual Work Plan and Budget may be amended from time to time to include new activities with the prior and written concurrence of 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. Project Implementation Manual

1. The Recipient shall prepare a Project Implementation Manual under terms and conditions satisfactory to the Association and shall, thereafter, carry out the Project in accordance with the provisions of the said Project Implementation Manual.

2. Except as the Association shall otherwise agree, the Recipient shall not amend or waive the Project Implementation Manual or any provision thereof, or permit any such provision to be amended or waived. 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.

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 calendar quarter, and shall be furnished
to the Association not later than six (6) weeks after the end of the period covered by such report.

2. Without limitation to the provisions of Section 1.D of Schedule 2 to this Agreement, the Recipient shall, by not later than a date three (3) months after the date of this Agreement, submit to the Association a detailed monitoring and evaluation plan, satisfactory to the Association, specifying frequency, timeline, and responsible parties for all activities and deliverables under the Project, and the Recipient shall, thereafter, implement the Project in accordance with the Monitoring and Evaluation Plan.

3. Except as the Association shall otherwise agree, the Recipient shall not amend or waive the Monitoring and Evaluation Plan or any provision thereof, or permit any such provision to be amended or waived. In case of any conflict between the provisions of the Monitoring and Evaluation Plan and the provisions of this Agreement, the provisions of this Agreement shall prevail.

4. The Recipient shall, carry out a mid-term evaluation not later than 24 months after the Effective Date and an end of Project independent evaluation to assess overall progress toward outcomes and development objectives, having regard to the performance indicators referred to in paragraph 1 of Section II.A.

5. 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.

6. For purposes of Section 4.08(c) of the General Conditions, the report on the end of the Project and related plan required pursuant to that Section shall be furnished to the Association not later than six (6) months after the Closing Date.

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. Without limitation on the provisions of Part A of this Section, the Recipient shall prepare and furnish to the Association not later than forty-five (45) days after the end of each quarter, interim unaudited financial reports for the Project covering the quarter, in form and substance satisfactory to the Association.

3. The Recipient shall have the 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 fiscal year of the Recipient,
commencing with the fiscal year in which the first withdrawal was made under the Project. The audited Financial Statements for the Project 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 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 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; (b) Limited International Bidding; (c) Shopping; and (d) Direct Contracting.

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) Least Cost Selection; (c) Selection based on Consultants' Qualifications; (d) Selection under a Fixed Budget; (e) Single-source Selection of consulting firms; and (f) Single-source Selection for 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 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 Investment Project Financing,” dated February 2017, 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:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant Allocated (expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, non-consulting services, consultant services, Operating Costs, Workshops and Training of the Project.</td>
<td>2,300,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>2,300,000</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 for payments prior to the date of this Agreement.

2. The Closing Date is December 31, 2021.
APPENDIX

Section I. Definitions

1. "Annual Work Plan and Budget" means the annual work plan and budget to be prepared by the PCU and approved by the ICGLR Conference Secretariat not later than October 31, in each year during Project implementation, including: (a) a detailed timetable for the sequencing and implementation of the Project activities; (b) a detailed budget including the types of expenditures required for such activities; and (c) a detailed and simplified procurement plan including the planned procurement methods for the expenditures.


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

4. "Conference Secretariat" means the Conference Secretariat of the Recipient as defined in Article 1(h) and Article 26 of the ICGLR Pact on Security, Stability and Development For the Great Lakes Region, dated December 2006 as amended November 2012.


6. "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.

7. "Humanitarian and Social Issues Program (HSIP)" means the Program for Humanitarian and Social Issues, an ICGLR sub-sector that coordinates forced displacement activities.


9. "LMR Centre" or "LMRC" means the Levy Mwanawasa Regional Centre for Democracy and Good Governance, a decentralized organ of the Conference Secretariat, created by the Heads of State and Government of Member States of
ICGLR in 2006, and based in Lusaka, Zambia, pursuant to a host agreement between Zambia and the ICGLR Secretariat, dated March 24, 2011.

10. "Monitoring and Evaluation Plan" means the Recipient’s monitoring and evaluation plan for the Project, referred to in Section II.A.2 of Schedule 2 to this Agreement, as said plan may be amended from time to time with the agreement of the Association.

11. "National Competitive Bidding" means the laws and regulations of the Republic of Burundi, acceptable to the Association, applicable to the procurement of goods and non-consulting services.

12. “Operating Costs” means reasonable recurrent operating costs of the Project: (i) operation and maintenance of vehicle, repairs, fuel and spare parts; (ii) computer maintenance, including hardware and software; (iii) communication costs and shipment costs (whenever these costs are not included in the cost of Goods); (iv) office supplies; (v) rent and maintenance for office facilities; (vi) utilities and insurances, including health insurances and health-related services; (vii) travel and per diem costs for technical staff carrying out training, supervisory and quality control activities; and (viii) salaries of support staff for the PCU, but excluding salaries of regular staff of the Recipient.

13. “PCU” means a Project Coordination Unit to be housed within the Humanitarian and Social Issues Program of the ICGLR.


15. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated April 4, 2017, 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 and updated at least annually to reflect actual project implementation needs and improvements in institutional capacity.

16. “Program” means the series of projects designed to tackle the challenge of refugees, former refugees, and internally displaced persons in the Great Lakes Region, for which the Association is financing the ‘Great Lakes Region displaced persons and border communities series of projects’, which seeks to implement and operationalize a development response to forced displacement by supporting those affected by displacement to be self-reliant, integrated into wider society and endowed with productive assets as well as considering and mitigating the impacts on hosting communities, through the entering into financing agreements between
the Association and countries which are members of the Association in the Great Lakes Region.

17. "Project Advisory Group" means the group assembled for quality and technical advice consisting of representative stakeholders from the Republic of Burundi, the Republic of Rwanda, the Republic of Uganda, the United Republic of Tanzania, the Republic of Zambia and the Democratic Republic of Congo, relevant international and regional organizations and academic representatives, with terms of reference described within the PIM and supported by the PCU.

18. "Project Implementation Manual" means the manual referred to in Section I.D of Schedule 2 to this Agreement.


22. "Workshops and Training" means reasonable workshops and training, including purchase and publication of materials, rental of facilities, course fees, study tours and travel and subsistence for participants, trainees and trainers.

**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.”

(a) 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."