



GRANT NUMBER H578-ZR

Agreement Providing for the Amendment and Restatement of the Financing Agreement

(Street Children Project)

between

DEMOCRATIC REPUBLIC OF CONGO

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated July 14, 2010

as amended and restated on October 22, 2014

GRANT NUMBER H578-ZR

FINANCING AGREEMENT

AGREEMENT dated July 14, 2010, as amended and restated on October 22, 2014 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 grant in an amount equivalent to six million six hundred thousand Special Drawing Rights (SDR 6,600,000) (“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.
- 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 objective of the Project. To this end, the Recipient shall carry out the Project through the Ministry of Social Affairs, Humanitarian Action and National Solidarity (MINAS) 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 Child Protection Law 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 consist of the following:
- (a) The Recipient, through MINAS, has adopted a Project Implementation Manual (PIM), including a Project Financial and Accounting Manual (PFAM) and an Anti-corruption Plan, in a form and substance satisfactory to the Association.
 - (b) The Recipient has established the Project Steering Committee (PSC) under terms of reference and composition satisfactory to the Association.
- 5.02. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

- 6.01. The Recipient's Representative is the Recipient's minister responsible for finance.
- 6.02. The Recipient's Address is:

Minister of Finance
Ministry of Finance
Boulevard du 30 juin
BP 12997
Kinshasa I - Gombe
Democratic Republic of Congo

Facsimile:

243-880-23-81

- 6.03. The Association's Address is:

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

Cable:

Telex:

Facsimile:

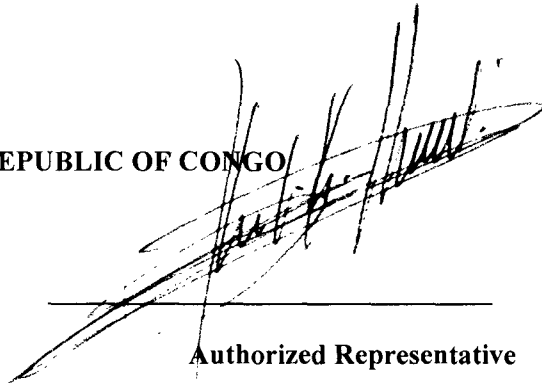
INDEVAS
Washington, D.C.

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1-202-477-6391

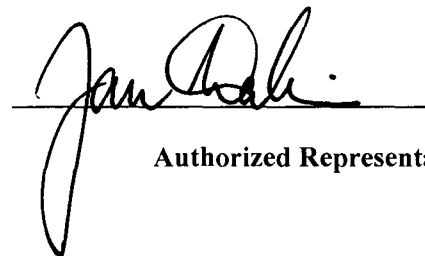
AGREED at Kinshasa, Democratic Republic of Congo, as of the day and year first above written.

DEMOCRATIC REPUBLIC OF CONGO



Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION



Authorized Representative

SCHEDULE 1

Project Description

The objective of the Project is to improve the delivery mechanisms of prevention and support services for Street Children, primarily in Kinshasa.

The Project consists of the following parts:

Part A. Prevention services

Provision of support to reduce the number of children in danger of becoming Street Children, including (a) organizing and supporting networks of community volunteers for child protection, (b) carrying out community awareness campaigns and media outreach programs on children's rights and protection services, and (c) providing schooling opportunities for children in danger of becoming Street Children (such as remedial classes and vocational training).

Part B. Assistance services

Provision of support to improve coverage and quality of basic services for Street Children, in particular girls, including (a) enhancing and further developing health, education, psychological and social assistance services; (b) promoting social assistance services to support family reintegration (when it is in the best interest of the child on the basis of international standards and the Recipient's law); (c) providing skills training on children's rights and protection services to selected stakeholders including judges, lawyers, members of the police force and social workers; and (d) offering vocational and professional skills training and related follow-up services to prepare Street Children to access employment, once they have reached the legal working age.

Part C. Capacity building, coordination and Project management

1. Provision of technical assistance and training for MINAS to strengthen its capacity to: (a) develop standards for activities targeting prevention, assistance and protection of Street Children, (b) improve coordination of the interventions of international and local stakeholders in children's rights advocacy, and in protection and support services targeting Street Children, and (c) monitor and evaluate activities related to prevention, assistance and protection of Street Children.
2. Provision of capacity building activities for governmental staff and staff of other selected interested stakeholders involved in the prevention, assistance and protection of Street Children.
3. Provide support to carry out Project management activities, including monitoring and evaluation of the Project.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. The Recipient shall maintain, throughout the implementation of the Project, a Project Steering Committee (PSC), including high-level representatives of the MINAS, the Ministry of Education and the Ministry of Gender, Family and Children, with terms of reference, composition and resources satisfactory to the Association, which shall be responsible for: (a) providing overall strategic guidance for the Project; (b) validating the annual work programs and budgets of the Project; (c) approving the selection of entities for the implementation of Parts A and B of the Project in accordance with the PIM; (d) approving selected expenditures in accordance with the PIM; and (e) validating the Project Reports produced by the PIU.
2. MINAS shall be responsible for: (a) ensuring that Project activities are consistent with national policies and laws; (b) liaising with other public entities including the Recipient's ministries in charge of justice, gender, health, and education as well as the national police; (c) coordinating with relevant stakeholders involved in the implementation of the Project; and (d) providing technical support as required for the purposes of the implementation of the Project.
3. The Recipient, through MINAS, shall maintain the PIU throughout the implementation of the Project, with terms of reference, composition and resources satisfactory to the Association, which shall be responsible for: (a) the day-to-day management of the Project, including audits and management of the Designated Account, procurement, monitoring and evaluation of Project activities; (b) providing oversight of all technical, social, administrative and financial matters relating to Project implementation; (c) following-up on the orientations and recommendations of the PSC; and (d) preparing the Project Reports.
4. The Recipient shall cause the PIU to, no later than three months after the signature of this amended and restated Agreement:
 - (a) hire a part-time Internal Auditor whose terms of reference shall have been approved by the Association and whose qualifications and experience are satisfactory to the Association;

(b) hire a part-time Procurement Specialist whose terms of reference shall have been approved by the Association and whose qualifications and experience are satisfactory to the Association;

(c) hire a secretary-accountant with qualifications and experience satisfactory to the Association.

B. Anti-Corruption

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

C. Project Annual Work Plans

1. The Recipient shall prepare, under terms of reference acceptable to the Association, and furnish to the Association not later than October 31 each year throughout the implementation of the Project, a plan of activities proposed for inclusion in the Project for the following calendar year, together with a budget for such activities and a timetable for their implementation (the Annual Work Plan).
2. The Recipient shall exchange views with the Association on such proposed plan not later than December 15 each year throughout the implementation of the Project, and shall thereafter adopt, and carry out such plan for such following calendar year as shall have been approved by the Association and except as the Association shall otherwise agree, the Recipient shall not amend, abrogate, waive, or permit to be amended, abrogated, or waived, the aforementioned, or any provision thereof, without the prior written agreement of the Association.
3. Only each such Annual Work Plan of activities as shall have been approved by the Association shall be eligible for inclusion in the Project and financing out of the proceeds of the Financing.

D. Manuals

1. Except as the Association shall otherwise agree, the Recipient shall carry out the Project in accordance with the PIM, including the PFAM, and except as the Association shall otherwise agree, not amend, abrogate, waive, or permit to be amended, abrogated, or waived, the aforementioned, or any provision of either one thereof, without the prior written agreement of the Association.
2. In the event of any conflict between the provisions of the PIM and those of this Agreement, the provisions of this Agreement shall prevail.

E. Part A (a) of the Project

1. For the purposes of facilitating and monitoring the implementation of Part A (a) of the Project, the Recipient shall ensure, through MINAS, that the networks of community volunteers for child protection are organized and supported under this Part of the Project, in accordance with the criteria and conditions set forth in the PIM. The latter will be in charge of facilitating communication in the community (including information and sensitization of community members about children's rights and child development) and shall serve as the primary link of the community to child protection services offered by specialized non-governmental organizations and public entities (including identification of families and children at risk of becoming Street Children).
2. The Recipient shall ensure that social inspectors, social workers and community organizers are involved in the implementation and monitoring of Part A (a) of the Project to identify, screen, train, supervise and help organize individuals interested in volunteering, in accordance with the criteria and conditions set forth in the PIM.

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 the indicators agreed with the Association. Each Project Report shall cover the period of one calendar semester, or such period agreed with the Association, and shall be furnished to the Association not later than forty-five (45) days after the end of the period covered by such report.
2. For purposes of Section 4.08 (c) of the General Conditions, the report on the execution 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 establish not later than three months following the Effectiveness Date and thereafter maintain or cause to be maintained a financial management system (including related staff, software and an internal auditor) 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 as part of the Project Report 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 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 each such period shall be furnished to the Association not later than six months after the end of such period.
4. The Recipient shall by not later than three months following the Effectiveness Date, or any other later date agreed with the Association, contract an external auditor under terms and conditions and with qualifications and experience satisfactory to the Association.

Section III. Procurement

A. General

1. **Goods and Works.** All goods and works 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 the Procurement Guidelines, or Consultant Guidelines, as the case may be.

B. Particular Methods of Procurement of Goods and Works

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods and works shall be procured under contracts awarded on the basis of International Competitive Bidding.

2. **Other Methods of Procurement of Goods and Works.** The following table specifies the methods of procurement, other than International Competitive Bidding, which may be used for goods and works. The Procurement Plan shall specify the circumstances under which such methods may be used:

Procurement Method
(a) National Competitive Bidding
(b) Shopping
(c) Procurement from UN Agencies
(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 table specifies methods of procurement, other than Quality and Cost-based Selection, which may be used for consultants' services. The Procurement Plan shall specify the circumstances under which such methods may be used.

Procurement Method
(a) Selection based on Consultants' Qualifications
(b) Quality-based Selection
(c) Selection under a Fixed-Budget
(d) Least Cost Selection
(e) Single Source Selection
(f) 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 Grant Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, works, consultants' services (including audits), non-consulting services, Training and Operating Costs for the Project	6,600,000	100%
TOTAL AMOUNT	6,600,000	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for payments made prior to the date of this Agreement, except that withdrawals up to an aggregate amount not to exceed \$100,000 equivalent may be made for payments made within one year prior to the date of the Agreement and on or after April 15, 2010 for eligible Operating Costs under the Project.
2. The Closing Date is August 31, 2015.

APPENDIX

Section I. Definitions

1. “Annual Work Plan” means each work plan approved by the Association under Section I.D of Schedule 2 to this Agreement for inclusion in the Project.
2. “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.
3. “Anti-Corruption Plan” means the Recipient’s anti-corruption action plan to be adopted by the Recipient, pursuant to Section 5.01 (a) of this Agreement, which sets forth the measures and actions to be taken during implementation of the Project with respect to disclosure, civil society oversight, collusion mitigation, mitigation of forgery and fraud, complaints handling and sanctions and remedies.
4. “Child Protection Law” means the law adopted by the Recipient on January 10, 2009 and published in its Official Journal of January 12, 2009.
5. “Consultant Guidelines” means the “Guidelines: Selection and Employment of Consultants by World Bank Borrowers” published by the Bank in May 2004 and revised in October 2006.
6. “Designated Account” means the account referred to be opened and maintained by the Recipient in accordance with the provisions of Article II of the General Conditions, Section IV.A.1 of Schedule 2 of this Agreement, 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).
7. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 1, 2005 (as amended through October 15, 2006), with the modifications set forth in Section II of this Appendix.

8. “Ministry of Education” means the Recipient’s ministry in charge of education or any successor thereof, acceptable to the Association.
9. “Ministry of Gender, Family and Children” means the Recipient’s ministry in charge of gender, family and children or any successor thereof, acceptable to the Association.
10. “Ministry of Social Affairs, Humanitarian Action and National Solidarity” or “MINAS” means the Recipient’s ministry in charge of social protection and child protection or any successor thereof, acceptable to the Association.
11. “Operating Costs” means the incremental expenses, based on annual budgets approved by the Association, incurred by the Recipient on account of Project implementation, management, and monitoring, including for office space rental, utilities, and supplies, bank charges, communications, vehicle operation, maintenance, and insurance, building and equipment maintenance, advertising expenses, travel and supervision, salaries and statutory contributions of contractual and temporary staff, but excluding salaries, fees, honoraria, and bonuses of members of the Recipient’s civil service.
12. “Procurement Guidelines” means the “Guidelines: Procurement under IBRD Loans and IDA Credits” published by the Bank in May 2004 and revised in October, 2006.
13. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated April 21, 2010 and referred to in paragraph 1.16 of the Procurement Guidelines and paragraph 1.24 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.
14. “Project Financial and Accounting Manual” or “PFAM” means the manual outlining the financial management and accounting arrangements for the implementation of the Project, as the same may be amended by agreement of the Recipient and the Association from time to time, and such term includes any schedules to the PFAM.
15. “Project Implementation Manual” or “PIM” means the manual outlining, *inter alia*, responsibilities, procurement and contracting procedures for the implementation of the Project (including the PFAM and the Anti-Corruption Plan), as the same may be amended by agreement of the Recipient and the Association from time to time, and such term includes any schedules to the PIM.

16. "Project Implementation Unit" or "PIU" means the unit within the administrative structure of MINAS in charge of managing the day-to-day implementation of the Project.
17. "Project Steering Committee" or "PSC" means the Recipient's committee to be established pursuant to an order or decision of the Recipient pursuant to Section 5.01 (b) of this Agreement and in accordance with Section I.A.1 of schedule 2 to this Agreement.
18. "Street Children" means children who are under the age of 18, living permanently or temporarily in the street or in a transit center (as a result of abandonment by family or absence of an adult family member to take care of them) and who are no longer under the authority and responsibility of a legal guardian, and this also includes children who are making a living lawfully or illegally on the street.
19. "Training" means the training and training-related activities included in the Annual Work Plan, including seminars, workshops and study tours, travel and subsistence allowances for training participants, trainers' fees, rental of training facilities, preparation and reproduction of training materials and other activities incidental to the preparation and implementation of training activities.

Section II. Modifications to the General Conditions

The modifications to the General Conditions for Credits and Grants of the Association, dated July 1, 2005 (as amended through October 15, 2006) are as follows:

1. Section 2.07 is modified to read as follows:

"Section 2.07. Refinancing Preparation Advance

If the Financing Agreement provides for the repayment out of the proceeds of the Financing of an advance made by the Association or the Bank ("Preparation Advance"), the Association shall, on behalf of the Recipient, withdraw from the Financing Account on or after the Effective Date the amount required to repay the withdrawn and outstanding balance of the advance as at the date of such withdrawal from the Financing Account and to pay all accrued and unpaid charges, if any, on the advance as at such date. The Association shall pay the amount so withdrawn to itself or the Bank, as the case may be, and shall cancel the remaining unwithdrawn amount of the advance."

2. Paragraph (1) of Section 6.02 is modified to read as follows:

“Section 6.02. Suspension by the Association

(1) *Ineligibility.* The Association or the Bank has declared the Project Implementing Entity ineligible to receive proceeds of any financing made by the Association or the Bank or otherwise to participate in the preparation or implementation of any project financed in whole or in part by the Association or the Bank, as a result of a determination by the Association or the Bank that the Project Implementing Entity has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of any financing made by the Association or the Bank.”

3. The following terms and definitions set forth in the Appendix are modified or deleted as follows, and the following new terms and definitions are added in alphabetical order to the Appendix as follows, with the terms being renumbered accordingly:

- (a) The term “Project Preparation Advance” is modified to read “Preparation Advance” and its definition is modified to read as follows:

“‘Preparation Advance’ means the advance referred to in the Financing Agreement and repayable in accordance with Section 2.07.”