Financing Agreement

(Financial Infrastructure and Markets Project)

between

DEMOCRATIC REPUBLIC OF CONGO

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated April 3, 2014
FINANCING AGREEMENT

AGREEMENT dated April 3, 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 nineteen million and six hundred thousand Special Drawing Rights (SDR 19,600,000) ("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 April 15 and October 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 and the Program. To this end, the Recipient shall carry out the Project through MOF 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 Events of Suspension consist of the following:

(a) BCC Legislation have been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the Recipient to perform any of its obligations under this Agreement; and

(b) As a result of events which have occurred after the date of this Agreement, an extraordinary situation shall have arisen which shall make it improbable that the Program or a substantive part thereof will be carried out.

4.02. The Additional Event of Acceleration consists of the following namely that any of the events specified in Section 4.01 of this Agreement occurs.

ARTICLE V — EFFECTIVENESS; TERMINATION

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

5.02. 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 VI — REPRESENTATIVE; ADDRESSES

6.01. Except as provided in Section 2.02 of this Agreement, the Recipient’s Representative is its Minister in charge of finance.

6.02. The Recipient’s Address is:

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

Email: cabfinances@minfinrdc.com
Tel.: +243 99 39 000 39

6.03. 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.
AGREED at Kinshasa, Democratic Republic of Congo, as of the day and year first above written.

DEMOCRATIC REPUBLIC OF CONGO

By

Authorized Representative

Name: PATRICE WITETE
Title: MINISTRE DELEGUE

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Authorized Representative

Name: EUTACHE OUAYO
Title: DIRECTEUR DES OPERATIONS
SCHEDULE 1

Project Description

The objective of the Project is to modernize payments infrastructure and increase availability of term financing to MSMEs in the Recipient’s territory.

The Project consists of the following parts:

Component 1: Modernization of Payments Infrastructure for Inclusive Finance

Support the Recipient’s efforts to modernize the infrastructure serving its financial system by operationalizing a new national payments system providing real-time, fault-free electronic processing of financial transactions across the Recipient’s economy.

1.1. Physical Infrastructure

Establish and implement: (i) the ATS, CSD and Network Infrastructure to provide a single, unified system for the Processing of all payment types; and (ii) the National Payments Card Retail Switch to allow inter-operability and interface between all financial institutions.

1.2. Technical Assistance and Capacity-Building

Provide technical assistance, Training and coaching to BCC to support, inter alia, the implementation of technologies and functionalities for the physical infrastructure in order to ensure efficient and accurate planning, execution and synchronization of activities under the national payments system.

Component 2: Technical Support to Financial Market Development

Support the Recipient to promote an inclusive microfinance industry, value chains in key growth sectors, institutional capacity building for sustainable provision of medium-to-long term finance and public-private dialogue and advocacy in support of financial industry associations.

2.1. Strengthening Microfinance Regulation and Supervision by BCC

Provide capacity-building and expertise to BCC to: (i) implement a robust MFI intervention and resolution framework; (ii) use more effectively its core banking systems in data management/analysis for more effective supervision of the MFI sector, and (iii) organize the Apex Institutions of MFI and cooperatives networks in each of the Recipient’s provinces for easier surveillance, regulation, and better targeting of future investment in capacity building and other forms of assistance.
2.2. Technical Support to Microfinance Expansion and Inclusion

Support the FPM ASBL business plan for the period 2014-2018 to finance capacity-building for MFI, financial cooperatives and commercial banks interested in offering their services to MSMEs and entrepreneurs with a special focus, inter alia, on agribusiness and underserved areas while raising awareness on issues such as gender-balance and youth employment.

2.3. Capacity Building for Sustainable Medium and Long Term Finance

Support the implementation of FSAP recommendations towards expanding financial services in the Recipient's territory and building a sustainable mechanism for MSMEs medium and long term financing, including, inter alia, by supporting capacity-building within MOF to monitor Project implementation and implement reforms in the financial sector, as well as the restructuring and transformation of SOFIDE into a viable, competitive financial intermediary institution capable of raising new funds for long term lending.

Component 3: Line of Credit for Medium to Long Term Finance

Support, through a pilot first phase and a scale-up second phase, Eligible Intermediary Financial Institutions through a line of credit for on-lending by Eligible Participating Financial Institutions of medium to long term finance to viable activities of credit worth private MSMEs operating in the Recipient’s territory, including their capital investment and capacity expansion needs.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

The Recipient shall maintain throughout the period of implementation of the Project:

(a) the MOF Project Coordination Unit to run the day-to-day management, implementation and coordination of the Project, with staffing, terms of reference, composition and powers acceptable to the Association, as further described in the Project Operations Manual; and

(b) the BCC Team to run the day-to-day management, implementation and coordination of Components 1 and 2.1 of the Project with staffing, terms of reference, composition and powers acceptable to the Association, as further described in the Project Operations Manual.

B. Annual Work Programs

1. The Recipient shall, not later than November 30 in each calendar year during Project implementation, prepare and furnish to the Association, a 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 said activities; and (b) the types of expenditures required for such activities and a proposed financing plan including counterpart funds to be provided for such expenditures.

2. The Recipient shall exchange views with the Association on each such proposed annual work program, and shall thereafter carry out such program of activities for such following year as shall have been agreed between the Recipient and the Association ("Annual Work Program").

3. Only those activities which are included in an Annual Work Program shall be included in the Project. Notwithstanding the foregoing, the Annual Work Program might 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.

(a) The Recipient shall carry out the Project (or shall cause the Project to be carried out) in accordance with the Project Operations Manual, the Line of Credit Operations Manual and the Environmental and Social Risk Management Operations Manual.

(b) The Recipient shall not amend the Project Operations Manual, the Line of Credit Operations Manual or the Environmental and Social Risk Management Operations Manual without the prior written approval of the Association.

(c) In case of any conflict between the terms of the Project Operations Manual, the Line of Credit Operations Manual or the Environmental and Social Risk Management Operations Manual and the terms of this Agreement, the terms of this Agreement shall prevail.

E. Partnership Agreements

1. To facilitate the carrying out of Component 3 of the Project, the Recipient shall make part of the proceeds of the Financing allocated from time to time to Category (2) of the table set forth in Section IV.A.2 of this Schedule available to the Eligible Intermediary Financial Institutions under partnership agreements between the Recipient and said Eligible Intermediary Financial Institution, under terms and conditions approved by the Association, after a careful assessment conducted on said Eligible Intermediary Financial Institution, including reporting obligations assumed by the Eligible Intermediary Financial Institution and the requirement that the Eligible Intermediary Financial Institution and activities to be financed by such Eligible Intermediary Financial Institution comply with the World Bank Performance Standards, the Environmental and Social Risk Management Operations Manual, and the Environmental and Social Management System, as further described in the Line of Credit Operations Manual (“Partnership Agreements”).

2. The Recipient shall exercise its rights under the Partnership Agreements in such 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 the Partnership Agreements or any of their provisions.

F. On-Lending Agreements

1. To facilitate the carrying out of Component 3 of the Project, the Recipient shall cause the Eligible Intermediary Financial Institutions to make part of the proceeds of the Financing allocated from time to time to Category (2) of the table
set forth in Section IV.A.2 of this Schedule available to the Eligible Participating Financial Institutions under on-lending agreements between the Eligible Intermediary Financial Institutions and said Eligible Participating Financial Institution, under terms and conditions approved by the Association, after a careful assessment conducted on said Eligible Participating Financial Institution, including reporting obligations assumed by the Eligible Participating Financial Institution and the requirement that the Eligible Participating Financial Institution and activities to be financed by such Eligible Participating Financial Institution comply with the World Bank Performance Standards, the Environmental and Social Risk Management Operations Manual, and the Environmental and Social Management System, as further described in the Line of Credit Operations Manual (“On-Lending Agreements”).

2. The Recipient shall cause the Eligible Intermediary Financial Institutions to exercise their rights under the On-Lending Agreements in such 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 cause the Eligible Intermediary Financial Institutions to not assign, amend, abrogate or waive the On-Lending Agreements or any of their provisions.

G. Microfinance Contract

1. To facilitate the carrying out of Component 2.2 of the Project, the Recipient shall, within three months after the Effectiveness Date make part of the proceeds of the Financing allocated from time to time to Category (1) of the table set forth in Section IV.A.2 of this Schedule available to FPM ASBL under a microfinance contract between the Recipient and FPM ASBL, under terms and conditions approved by the Association, as further described in the Project Operations Manual (“Microfinance Contract”).

2. The Recipient shall exercise its rights under the Microfinance Contract in such 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 the Microfinance Agreements or any of their provisions.

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 set forth in the Project Operations Manual and found 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.

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 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 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 Preparation Advance for 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.

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 referred to in subparagraph 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 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 World Bank 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 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 (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 World Bank’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 World Bank’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 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, Works, Non-Consulting Services, Consultants’ Services, Operating Costs, Workshops and Training for Components 1, 2, and 3 of the Project</td>
<td>9,100,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Lines of Credit under Component 3 of the Project</td>
<td>9,800,000</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Unallocated</td>
<td>700,000</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>19,600,000</strong></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:

   (a) payments made prior to the date of this Agreement, except that withdrawals up to an aggregate amount not to exceed SDR1,000,000 equivalent may be made for payments made 12 months prior to this date, for Eligible Expenditures under Category (1); and

   (b) Lines of Credit under Category (2) unless the Association has received the Line of Credit Operations Manual as adopted by the Recipient and a Partnership Agreement signed by the Recipient and an Eligible Intermediary Financial Institution, all in form and substance satisfactory to the Association, such Partnership Agreement to provide, \textit{inter alia}, for the obligation of the Eligible Intermediary Financial Institution to comply with the requirements set forth in the Environmental and Social Risk Management Operations Manual.
2. The Closing Date is December 31, 2020.

Section V. Other Undertakings

By September 30, 2017, or such other date as the Association shall agree, the Recipient, through MOF and BCC, shall: (i) carry out jointly with the Association, a mid-term review of the implementation of the Project, such review to cover the progress achieved in the implementation of the Project; and (ii) following such mid-term review, act promptly and diligently to take any corrective action as shall be agreed by the Association.
APPENDIX

Section I. Definitions

1. “ACH” means Automated Clearing House, an electronic network for financial transactions which processes large volumes of credit and debit transactions in batches used by the public and the private sectors in the Recipient’s territory.


3. “Apex Institutions” is a generic denomination that refers to second tier or wholesale organizations which channel funding to multiple microfinance institutions.

4. “ATS” means Automated Transfer System, an integrated system providing both Real Time Gross Settlement (RTGS) and Automated Clearing House (ACH) capabilities for the clearing and settlement of all interbank electronic payments.


7. “BCC Team” means a team within the administrative structure of BCC in charge of the day-to-day management, implementation and coordination of Components 1 and 2.1 of the Project, with staffing, terms of reference, composition and powers acceptable to the Association as further described in the Project Operations Manual.

8. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.


10. “CSD” means “Central Securities Depositories”, facilities (or institutions) holding securities, and enabling securities transactions to be processed by book entry, with comparison, clearing and settlement functions.

11. “Eligible Intermediary Financial Institutions” means financial institutions operating in the Recipient’s territory that have met the eligibility criteria described under the Line of Credit Operations Manual after an assessment to be carried out by the Association on the World Bank Performance Standard and
which have been selected to participate in the activities under Component 3 of the Project; and each such Eligible Intermediary Financial Institution.

12. "Eligible Participating Financial Institutions" means financial institutions operating in the Recipient’s territory that have met the eligibility criteria described under the Line of Credit Operations Manual after an assessment on the World Bank Performance Standards and which have been selected to participate in the activities under Component 3 of the Project; and each such Eligible Participating Financial Institution.

13. “Environmental and Social Risk Management Operations Manual” means the Recipient’s manual dated February 6, 2014 in form and substance satisfactory to the Association, which outlines general implementation procedures, mitigation measures and monitoring procedures for environmental and social purposes under the Project, as said manual may be amended from time to time with the Association’s prior written approval.

14. “Environmental and Social Management System” means the document to be prepared in form and substance satisfactory to the Association pursuant to the Environmental and Social Risk Management Operations Manual and prior to the signing of any Partnership Agreement or any On-Lending Agreement by the Eligible Intermediary Financial Institutions or the Eligible Participating Financial Institution in connection with any activity financed through a Line of Credit under Component 3 of the Project, as said system may be amended from time to time with the Association’s prior written approval.

15. “FPM ASBL” means «Fonds pour l’inclusion financière en République Démocratique du Congo - Association sans but lucratifs», a non-governmental organization which provides technical assistance to financial institutions in the Recipient’s territory, as established and operating under the laws of the Recipient.

16. “FSAP” means “Financial Sector Assessment Program”, a program carried out jointly by the Association, the International Bank for Reconstruction and Development and the International Monetary Fund to evaluate the financial system of the Recipient.


18. “Line of Credit” or “Lines of Credit” means the financial support for productive purposes granted by the Recipient to Eligible Intermediary Financial Institutions and to Eligible Participating Financial Institutions under Partnership Agreements or under On-Lending Agreements in accordance with the Line of Credit Operations Manual for the implementation of Component 3 of the Project.
19. "Microfinance Contract" means the contract referred to in Section I.G of Schedule 2 to this Agreement pursuant to which the Recipient shall make part of the proceeds of the Financing available to FPM ASBL for the implementation of Component 2.2 of the Project in accordance with the Project Operations Manual.

20. "Line of Credit Operations Manual" means a manual in form and substance satisfactory to the Association and to be adopted by the Recipient, each Eligible Intermediary Financial Institution and each Eligible Participating Financial Institution which shall detail all the eligibility criteria (including compliance with the requirements set forth Environmental and Social Risk Management Operations Manual) for the selection of the Eligible Intermediary Financial Institutions and the Eligible Participating Financial Institutions (including a model form for the Partnership Agreement and for the On-Lending Agreements), as well as the productive purposes activities (including a positive list and a negative list of said activities) that can be financed through the line of credit under Component 3 of the Project.

21. "MFI" means Micro Finance Institutions, the financial institutions engaged in micro-finance and active in the Recipient's territory and legally incorporated in accordance with the Recipient's laws.


23. "MOF Project Coordination Unit" means a unit within the administrative structure of MOF in charge of the day-to-day management, implementation and coordination of the Project, with staffing, terms of reference, composition and powers acceptable to the Association as further described in the Project Operations Manual.

24. "MSMEs" means Micro, Small and Medium Enterprises active in the Recipient's territory as legally incorporated in accordance with the Recipient's laws.

25. "National Payment Card Retail Switch" means a platform for processing and clearing electronic payments.

26. "Network Infrastructure" means a telecommunication network for processing payments between all parties to payment system.

27. "On-Lending Agreement" means the agreement referred to in Section I.F of Schedule 2 to this Agreement pursuant to which the Eligible Intermediary Financial Institution shall make part of the proceeds of the Financing available to Eligible Participating Financial Institutions for the implementation of Component 3 of the Project in accordance with the Line of Credit Operations Manual.
28. "Operating Costs" means recurrent costs associated with the Project, including:
(i) operation and maintenance of vehicles, vehicle repairs, fuel and spare parts;
(ii) equipment and 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 and equipment; (v) rent for
office facilities; (vi) utility charges and insurance premia; (vii) travel and per
diem costs for technical staff carrying out training, supervisory and quality
control activities; and (viii) salaries of support staff for BCC Team and MOF
Project Coordination Unit, but excluding salaries of the Recipient's civil
servants.

29. "Partnership Agreement" means the agreement referred to in Section IE of
Schedule 2 to this Agreement pursuant to which the Recipient shall make part of
the proceeds of the Financing available to Eligible Intermediary Financial
Institutions for the implementation of Component 3 of the Project in accordance
with the Line of Credit Operations Manual.

and Non-consulting Services under IBRD Loans and IDA Credits and Grants by
World Bank Borrowers” dated January 2011.

31. "Procurement Plan" means the Recipient’s procurement plan for the Project,
dated February 12, 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.

satisfactory to the Association and which shall contain, inter alia: (i) the terms
of reference, functions and responsibilities under the Project for the BCC Team
and the MOF Project Coordination Unit; (ii) the procedures for procurement of
goods, works, non-consulting services, consultants’ services, Operational Costs,
Training and Workshops, as well as for financial management and audits under
the Project; (iii) the indicators to be used in the monitoring and evaluation of the
Project; (iv) the Annual Work Program for the first year of Project
implementation, in form and substance satisfactory to the Association; and
(v) flow and disbursement arrangements of Project funds; as said manual may be
amended from time to time with the Association’s prior approval.

33. "Program" means the Recipient’s program (“Plan d’Action du Document de
Réduction de la Pauvreté”) designed to reduce poverty in the Recipient’s
territory, as adopted in May 2012.

34. "RTGS" means Real Time Gross Settlement, a system of fund transfers between
banks in real time and on gross basis, which are final once processed.

36. “Workshops and Training” means workshops and training conducted in the territory of the Recipient for purposes of the Project, including purchase and publication of materials, rental of facilities, course fees, and travel and subsistence for participants, trainees and trainers.