Project Agreement

(Eastern Recovery Project)

between

INTERNATIONAL DEVELOPMENT ASSOCIATION

and

FONDS SOCIAL DE LA REPUBLIQUE DEMOCRATIQUE DU CONGO

Dated April 8, 2014
GRANT NUMBER H917-ZR

PROJECT AGREEMENT

Agreement dated \_\_\_\_\_\_, 2014, entered into between INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association") and FONDS SOCIAL DE LA REPUBLIQUE DEMOCRATIQUE DU CONGO ("Project Implementing Entity") ("Project Agreement") in connection with the Financing Agreement ("Financing Agreement") of same date between the DEMOCRATIC REPUBLIC OF CONGO ("Recipient") and the Association. The Association and the Project Implementing Entity hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

1.01. The General Conditions (as defined in the Appendix to the Financing 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 Financing Agreement or the General Conditions.

ARTICLE II — PROJECT

2.01. The Project Implementing Entity declares its commitment to the objectives of the Project. To this end, the Project Implementing Entity shall carry out the Project in accordance with the provisions of Article IV of the General Conditions, and shall provide promptly as needed, the funds, facilities, services and other resources required for the Project.

2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Association and the Project Implementing Entity shall otherwise agree, the Project Implementing Entity shall carry out the Project in accordance with the provisions of the Schedule to this Agreement.

ARTICLE III — TERMINATION

3.01. For purposes of Section 8.05(c) of the General Conditions, the date on which the provisions of this Agreement shall terminate is twenty years after the date of this Agreement.
ARTICLE IV — REPRESENTATIVE; ADDRESSES

4.01. The Project Implementing Entity’s Representative is General Coordinator.

4.02. The Association’s Address is:

International Development Association
1818 H Street, NW
Washington, DC 20433
United States of America

Cable: INDEVAS
Telex: 248423(MCI)
Facsimile: 1-202-477-6391

4.03. The Project Implementing Entity’s Address is:

Fonds Social de la République Démocratique du Congo
Avenue Lukusa, No. 11, Kinshasa, Gombe
Democratic Republic of Congo

Telephone: 243-9999305217
AGREED at Kinshasa, April 3, as of the day and year first above written.

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Authorized Representative

Name: EUSTACHE OUAYORDO
Title: DIRECTEUR DES OPERATIONS

FONDS SOCIAL DE LA REPUBLIQUE DEMOCRATIQUE DU CONGO

By

Authorized Representative

Name: BO-ELONGO K. ZUNDA
Title: COORDONNATEUR GENERAL
SCHEDULE

Execution of the Project

Section I. Implementation Arrangements

A. Institutional Arrangements

The Project Implementing Entity shall maintain at all times during the implementation of the Project, the Coordination Unit to oversee the day-to-day implementation and management of the Project with competent staff in adequate numbers and with terms of reference, qualification and experience satisfactory to the Association.

B. Anti-Corruption

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

C. Community Subprojects and Agricultural Value Chain Subprojects

1. The Project Implementing Entity shall make Community Grants to Communities and Agricultural Grants to Beneficiaries in accordance with eligibility criteria and procedures acceptable to the Association described in the Project Implementation Manual.

2. The Project Implementing Entity shall make each Community Grant under a Community Grant Agreement with the respective Community and each Agricultural Grant under an Agricultural Grant Agreement with the respective Beneficiary on terms and conditions approved by the Association, as further detailed in the Project Implementation Manual and in Sections I D and E of Schedule 2 to the Financing Agreement.

D. Project Implementation Manual and Safeguards

1. The Project Implementing Entity shall carry out the Project, in accordance with the provisions of:

   (a) the Project Implementation Manual;
   (b) the Environmental and Social Management Framework (and any subsequent plan);
   (c) the Resettlement Policy Framework (and any subsequent plan);
   (d) the Indigenous Peoples Planning Framework (and any subsequent plan); and
   (e) the Integrated Pest Management Plan.
2. Except as the Association shall otherwise agree, the Project Implementing Entity shall not amend or waive the Project Implementation Manual, the Environmental and Social Management Framework (or any subsequent plan), the Resettlement Policy Framework (or any subsequent plan), the Indigenous Peoples Planning Framework (or any subsequent plan) or the Integrated Pest Management 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 Project Implementation Manual, the Environmental and Social Management Framework (or any subsequent plan), the Resettlement Policy Framework (or any subsequent plan), the Indigenous Peoples Planning Framework (or any subsequent plan) or the Integrated Pest Management Plan 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 Project Implementing Entity 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 and set forth in the Project Implementation Manual. Each such Project Report shall cover the period of one calendar semester, and shall be furnished to the Recipient and to the Association not later than four weeks after the end of the period covered by such report for incorporation and forwarding by the Recipient to the Association of the overall Project Report.

2. The Project Implementing Entity shall provide to the Recipient and the Association not later than four weeks after the end of the period covered by the Project report, for incorporation in the report referred to in Section 4.08(c) of the General Conditions all such information as the Recipient or the Association shall reasonably request for the purposes of such Section.

B. Financial Management, Financial Reports and Audits

1. The Project Implementing Entity shall maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Association, both in a manner adequate to reflect the operations and financial condition of the Project Implementing Entity, including the operations, resources and expenditures related to the Project.

2. The Project Implementing Entity shall have the financial statements related to the Project referred to above audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association. Each audit of these financial statements shall cover the period of one fiscal year of the Project Implementing Entity. The Project Implementing Entity shall ensure that the audited financial statements for each period shall be: (a) furnished to the Recipient and the Association not later than six months after the end of the period; and (b) made publicly available in a timely fashion and in a manner acceptable to the Association.
3. The Project Implementing Entity shall no later than three months after the Effective Date:

(i) upgrade its existing accounting software version to reflect the Project specificities; and

(ii) recruit in accordance with Section III of this Schedule the independent auditors referred to in paragraph 2 above.

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) National Competitive Bidding, subject to the additional provisions referred to in subparagraph 3 below; (b) Shopping; (c) Direct Contracting; (d) Community Participation procedures which have been found acceptable to the Association; and (e) Procurement from United Nations Agencies.

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 Association 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.

(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 Association’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
Association’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) Least Cost Selection; (b) Selection based on Consultants’ Qualifications; (c) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants; (d) Single-source procedures for the Selection of Individual Consultants; and (e) 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. **Other Undertakings**

1. By July 1, 2016, or such other date as the Association shall agree upon, the Project Implementing Entity shall: (i) carry out jointly with the Recipient and the Association, a mid-term review of the implementation of operations under the Project, which shall 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.

2. On or before three months after the Effective Date, the Project Implementing Entity shall adopt in form and substance satisfactory to the Association, and shall furnish to the Association, the Environmental and Social Management Framework, the Resettlement Policy Framework, and the Indigenous Peoples Planning Framework.