Financing Agreement

(SME Development and Growth Project)

between

THE DEMOCRATIC REPUBLIC OF CONGO

and

INTERNATIONAL DEVELOPMENT ASSOCIATION
FINANCING AGREEMENT

AGREEMENT dated as of the Signature Date between the DEMOCRATIC REPUBLIC OF CONGO (“Recipient”) and the 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) apply to and form 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 a credit, deemed by the Association to be on concessional terms, as set forth or referred to in this Agreement, in an amount of one hundred million Dollars ($100,000,000) (variously, “Credit” and “Financing”), to assist in financing the project described in Schedule I to this Agreement (“Project”).

2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section III of Schedule 2 to this Agreement.

2.03. The Maximum Commitment Charge Rate is one-half of one percent (1/2 of 1%) per annum on the Unwithdrawn Financing Balance.

2.04. The Service Charge is the greater of: (a) the sum of three-fourths of one percent (3/4 of 1%) per annum plus the Basis Adjustment to the Service Charge; and (b) three-fourths of one percent (3/4 of 1%) per annum; on the Withdrawn Credit Balance.

2.05. The Payment Dates are May 15 and November 15 in each year.

2.06. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.

2.07. The Payment Currency is 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 its Ministry responsible for SMEs, in accordance with the provisions of Article V of the General Conditions and Schedule 2 to this Agreement.

ARTICLE IV — EFFECTIVENESS; TERMINATION

4.01. The Additional Condition of Effectiveness consists of the following, namely, that the key personnel referred to in Section I.A.4 of Schedule 2 to this Agreement, including, a Project Coordinator, an administrative and finance officer, and a procurement specialist, have been duly recruited.

4.02. The Effectiveness Deadline is the date is one hundred twenty (120) days after the Signature Date.

4.03. For purposes of Section 10.05(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 Signature Date.

ARTICLE V — REPRESENTATIVE; ADDRESSES

5.01. The Recipient’s Representative is the Minister in charge of Finance.

5.02. For purposes of Section 11.01 of the General Conditions:

(a) the Recipient’s address is:

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

(b) the Recipient’s Electronic Address is:

E-mail: cabfinances@minfinrdc.com

5.03. For purposes of Section 11.01 of the General Conditions:

(a) The Association’s address is:

International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America; and
(b) the Association’s Electronic Address is:

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

AGREED as of the Signature Date.

DEMOCRATIC REPUBLIC OF CONGO

By: [signature]

Authorized Representative
Name: Hervé YAV MULANGA
Title: Ministre de Finance
Date: September 24, 2018

INTERNATIONAL DEVELOPMENT ASSOCIATION

By: [signature]

Authorized Representative
Name: CAROFT
Title: Country Director
Date: 21 September 2018
SCHEDULE 1

Project Description

The objectives of the Project are to support the growth of Micro, Small and Medium-sized Enterprises (MSMEs), and increase employment and entrepreneurship opportunities for youth and women in Select Areas.

The Project consists of the following parts:

Part A: Support Entrepreneurship Opportunities for Youth and Women

1. Carrying out of a 5-step program to support women entrepreneurs, using in-kind grants and technical assistance, comprising the following: (a) publicity and communication campaign in Select Areas to attract potential beneficiaries to said program; (b) a comprehensive training program for interested women participants, including general modules on basic literacy, life skills modules, technology modules and business development modules; (c) a simplified call for proposal and business plan competition for the selection of beneficiaries of the grants; (d) award of In-kind Subsidies and supervision of execution of subsidies, together with further and specialized training for development of proposals and activities; and (e) placement of beneficiaries into networks and peer-to-peer support groups following initial training.

2. Carrying out of a 4-step program of activities to build the entrepreneurial capacity of youth and a pipeline of new ventures to expand the pool of local MSMEs, through training and Cash Grants to young entrepreneurs, comprising the following: (a) a publicity and communication campaign to attract beneficiaries to said program, and clinics for young entrepreneurs on how to develop and pitch business ideas; (b) presentation of business pitches and evaluation by an expert panel, followed by a short business plan training for top candidates; (c) award of early stage financing in the form of Cash Grants to entrepreneurs who submit high quality business plans and complete the training; and (d) execution of grants, including supervision of business plan implementation, and participation in mandatory training and mentoring sessions.

3. Carrying out a program of activities to support the enabling business environment for MSMEs, with a special focus on women-led SMEs, comprising of:

(a) a program of analytical studies, data collection, and technical advisory assistance and training, including: (i) review of the national strategy for SME promotion, development of an implementation action plan, and adoption of an updated SME strategy; (ii) review of the legal framework applicable to SMEs, and modernization of existing regulations or adoption of new regulations, as the case may be; (iii) review of policy, institutional
or other constraints affecting SMEs, together with recommendations for an incentive-based legal framework in sectors showing a good prospect for growth; (iv) review of the tax regime applicable to SMEs, research and benchmarking on best international approaches, and, if appropriate, preparation of a specific fiscal regime for SMEs; (v) review of the subcontracting law, and support to ensure its effective implementation on the ground; (vi) strengthening the institutional capacities for dispute resolution, including existing arbitration and commercial mediation centers; and (vii) identification and piloting of specific tools for public-private dialogue based on international best practices, and capable of being used at provincial and local levels, and rollout of implementation in Select Areas; and

(b) a dissemination campaign to build awareness of laws supporting female entrepreneurship and women's economic empowerment, including the Family Code and other women-friendly legal provisions of the Labor law, Land law and Equality law.

Part B: SME Development

1. Provision of matching grants to established SMEs with a good track record but facing constraints on account of market and institutional gaps, using an independent process in the form of BPC to allocate grants, and with a target ratio of matching grant allocation for the benefit of women-led/owned SMEs.

2. Implementation of a program of support and assistance designed to facilitate growth and supply chains SMEs, through collaborative arrangements with large companies, using the Ancillary SME Hub model, including BDS and supplier development programs, and feeding off the pipeline of MSMEs created under other components of the Project.

Part C: Capacity Building and Project Management

1. Provision of technical advisory services and other material assistance to strengthen the capacity of private and public actors in delivering BDS.

2. Provision of technical advisory services and other material assistance to support implementation of the Project, including management and coordination of the Project, communications and M&E, and financing of Operating Costs.
SCHEDULE 2
Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. For purposes of the Project, the Recipient shall:

   (a) maintain the Project Steering Committee; and

   (b) establish and thereafter maintain:

      (i) a Project Implementation Unit (PIU), whose mandate, terms of reference and composition shall be acceptable to the Association, to be responsible for the day-to-day implementation of the Project, including management of the various components of the Project; overall planning, implementation and M&E; and coordination with other stakeholders, including Beneficiaries and provincial PEEs; and

      (ii) a Provincial Execution Unit (PEE), whose mandate, terms of reference and composition shall be acceptable to the Association, to be located in each of the Select Areas, and to be responsible for the day-to-day supervision of activities of the Project located within its respective Select Area.

2. Pending the establishment of the PIU, the Recipient shall take steps to ensure that the duties and obligations of the PIU shall be discharged on an interim basis by the CFEF.

3. The Recipient shall take steps to ensure that each of the agencies and institutions involved in the Project shall have available at all times the requisite number of suitably qualified and experienced dedicated personnel assigned to the Project, along with the appropriate organizational and technological support, and other facilities and resources required to facilitate the smooth implementation of the Project and contribute to the achievement of its objectives.

4. Without limitation upon the generality of paragraph 4 above, the Recipient shall ensure that:

   (a) the PIU shall be headed at all times by a Project Coordinator, who shall be assisted by an administrative and finance officer, a procurement specialist, a social and environmental specialist, an M&E specialist, a communications specialist, a treasurer, an accountant, an internal auditor,
and other key personnel and administrative support staff as needed to facilitate the smooth implementation of the Project and contribute to the achievement of its objective; and

(b) the positions of Project Coordinator, administrative and finance officer, procurement specialist, social and environmental specialist, M&E specialist, communications specialist, treasurer, accountant and internal auditor referred to in sub-paragraph (a) above, shall be kept filled at all times by persons having terms of reference, qualifications and experience acceptable to the Association.

B. Project Implementation Manual

The Recipient shall carry out the Project in accordance with procedures set forth in the Project Implementation Manual, and except as the Association shall otherwise agree, shall not amend or waive any provision thereof, if such amendment of waiver may, in the opinion of the Association, materially or adversely affect the implementation of the Project.

C. Subsidies and Grants

1. For purposes of Parts A and B.1 of the Project, the Recipient shall make In-kind Subsidies, Cash Grants or Matching Grants, as the case may be, to Beneficiaries in accordance with eligibility criteria and procedures acceptable to the Association and set forth in the Project Implementation Manual, which shall include the following:

(a) In-kind Subsidies shall be provided for the benefit of productive enterprises involving women entrepreneurs, and shall be provided on a non-reimbursable basis and in any amount not exceeding $5,000 in each case.

(b) Cash Grants shall be provided to motivated young entrepreneurs (aged 18–35) with viable new business ideas, but lacking seed capital, practical experience and mentoring in business practices, to finance Subprojects.

(c) Matching Grants shall be provided to established SMEs with a good track record but facing constraints to growth on account of market and institutional gaps, to finance Subprojects.

2. The Recipient shall make each Grant under a Grant Agreement with the respective Beneficiary on terms and conditions approved by the Association, which shall include the following:
(a) Grants shall be allocated through the BPC process managed by an international firm of consultants or NGO with proven experience, using objective and transparent criteria, and qualified evaluators;

(b) Grants shall be provided on grant terms and on a non-reimbursable basis, and shall be in an amount not exceeding the following or such other amount as the Association shall determine:

(i) in the case of Cash Grants, $20,000 equivalent; and

(ii) in the case of Matching Grants, $200,000 equivalent, per Beneficiary.

(c) The Recipient shall obtain rights adequate to protect its interests and those of the Association, including the right to:

(i) suspend or terminate the right of the Beneficiary to use the proceeds of the Grant, or obtain a refund of all or any part of the amount of the Grant then withdrawn, upon the Beneficiary's failure to perform any of its obligations under the Grant Agreement; and

(ii) require each Beneficiary to: (A) carry out the Subproject with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the Association, including in accordance with the provisions of the Anti-Corruption Guidelines applicable to recipients of loan proceeds other than the Recipient; (B) provide, promptly as needed, the resources required for the purpose; (C) procure the goods, works and services to be financed out of the Grant in accordance with the provisions of this Agreement; (D) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the Association, the progress of the Subproject and the achievement of its objectives; (E) (1) 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, resources and expenditures related to the Subproject; and (2) at the Association's or the Recipient's request, have such financial statements audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association, and promptly furnish the statements as so audited to the Recipient and the Association; (F) enable the Recipient and the Association to
inspect the Subproject, its operation and any relevant records and documents; and (G) prepare and furnish to the Recipient and the Association all such information as the Recipient or the Association shall reasonably request relating to the foregoing.

D. Safeguards

1. The Recipient shall take steps to monitor on a continuing basis the implementation of the Safeguards Instruments and ensure that the Project is executed in strict accordance with such Safeguards Instruments, and, upon the occurrence of any event or condition likely to interrupt or interfere with the smooth implementation of the Safeguards Instruments, the Recipient shall act promptly to deal with or address such event or condition, and inform the Association accordingly.

2. For the purposes of any Subproject or other activity under the Project, and prior to implementation thereof, the Recipient shall ensure that any ESMP or RAP, or other instrument required in terms of any one or more of the Safeguards Instruments, shall be duly prepared in form and substance satisfactory to the Association, and, except as otherwise agreed with the Association, submitted to the Association for review and approval, and thereafter adopted and locally disclosed.

3. In the case of any Subproject involving potential adverse impacts or the threat of potential adverse impacts upon Displaced Persons, the Recipient shall ensure that no physical works shall commence or be allowed to commence, and no displacement or restriction of access to legally designated parks and protected areas shall occur or be allowed to occur, unless and until all necessary upfront resettlement measures consistent with the RPF or RAP, as the case may be, have been undertaken, and, except as otherwise agreed with the Association, full payment of monetary compensation and other relocation and relocation-related assistance effected in favor of Displaced Persons.

4. The Recipient shall take all measures necessary on its part to regularly collect, compile, and submit to the Association, on a quarterly basis, reports on the status of compliance with the Safeguards Instruments, giving details of:

(a) measures taken in furtherance of such Safeguards Instruments;

(b) any event or condition which interferes or threatens to interfere with the smooth implementation of such Safeguards Instruments; and

(c) remedial measures taken or required to be taken to address such event or condition.
5. Except as the Association shall otherwise agree in writing, the Recipient shall not amend, waive or abrogate, or cause to be amended, waived or abrogated, any provision of the Safeguards Instruments.

Section II. **Project Monitoring, Reporting and Evaluation**

The Recipient shall furnish to the Association each Project Report not later than one month after the end of each calendar semester, covering the calendar semester.

Section III. **Withdrawal of the Proceeds of the Financing**

A. **General**

Without limitation upon the provisions of Article II of the General Conditions and in accordance with the Disbursement and Financial Information Letter, the Recipient may withdraw the proceeds of the Financing to: (a) finance Eligible Expenditures; and (b) repay the Preparation Advance; in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Credit Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be financed (inclusive of taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, works, non-consulting services, consulting services for the Project and Operating Costs (other than under Categories (2), (3) and (4))</td>
<td>48,102,650</td>
<td>100%</td>
</tr>
<tr>
<td>(2) In-kind Subsidies</td>
<td>7,500,000</td>
<td>100% of amounts disbursed</td>
</tr>
<tr>
<td>(3) Cash Grants</td>
<td>10,000,000</td>
<td>100% of amounts disbursed</td>
</tr>
<tr>
<td>(4) Matching Grants</td>
<td>32,500,000</td>
<td>100% of amounts disbursed</td>
</tr>
<tr>
<td>(5) Refund of Preparation Advance</td>
<td>1,897,350</td>
<td>Amount payable pursuant to Section 2.07(a) of the General Conditions</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>100,000,000</strong></td>
<td></td>
</tr>
</tbody>
</table>
B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A above, no withdrawal shall be made for payments made prior to the Signature Date.

2. The Closing Date is December 28, 2023.

Section IV. Other Undertakings

A. Annual Work Program and Budget

1. Beginning in the Fiscal Year during which the Financing becomes effective, the Recipient shall, not later than November 15 in each Fiscal Year, prepare and furnish to the Association, a proposed annual work program and budget ("Annual Work Program and Budget") for the next following Fiscal Year, giving details of:
   (a) a time table of programs and activities scheduled for implementation in the course of that next following Fiscal Year; and (b) the estimated cost of each such program or activity, along with the budget line item and source of funding corresponding to each program or activity.

2. The Recipient shall exchange views with the Association on each such proposed Annual Work Program and Budget, and proceed thereafter to carry out the Annual Work Program and Budget, taking into consideration any comments that shall have been made thereon by the Association.

3. No program or activity shall be supported under the Project or funded out of the proceeds of the Financing other than those which are included in the Annual Work Program and Budget. Except with the prior and written concurrence of the Association, the Annual Work Program and Budget shall not be waived, amended or otherwise modified, whether in whole or in part, so as to limit or exclude any of the mutually agreed programs or activities, or to introduce new programs or activities.

4. Notwithstanding Part A.1 of this Section, the Recipient shall, if the Association so requests, prepare and furnish to the Association, not later than one month after the Effective Date, an Annual Work Program and Budget covering a period other than a Fiscal Year period, and integrating details of the programs and activities scheduled for implementation in the course of the ongoing Fiscal Year, together with the estimated cost of each such program or activity, and the budget line item and source of funding corresponding to each program or activity.
SATURDAY 3
Repayment Schedule

<table>
<thead>
<tr>
<th>Date Payment Due</th>
<th>Principal Amount of the Credit repayable (expressed as a percentage)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>On each May 15 and November 15, commencing November 15, 2024, to and including May 15, 2056</td>
<td>1.5625%</td>
</tr>
</tbody>
</table>

* The percentages represent the percentage of the principal amount of the Credit to be repaid, except as the Association may otherwise specify pursuant to Section 3.05(b) of the General Conditions.
APPENDIX

Definitions

1. “Ancillary SME Hub” means an SME Hub established in close proximity to and under the sponsorship of a large company linked to SMEs located in the SME Hub through an upstream or downstream value chain.

2. “Annual Work Program and Budget” means the annual work program and budget referred to in Section IV.A of Schedule 2 to this Agreement.

3. “Anti-Corruption Guidelines” means, for purposes of paragraph 5 of the Appendix to the General Conditions, 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 and as of July 1, 2016.

4. “Anticorruption Action Plan” means an action plan designed to enhance transparency and accountability, and to be included in the Project Implementation Manual, including: (a) fiduciary measures required to strengthen the control environment; (b) measures necessary or appropriate to enable civil society and the public in general to denounce abuses or irregularities; and (c) measures designed to mitigate fiduciary risks.

5. “Basis Adjustment to the Service Charge” means the Association’s standard basis adjustment to the Service Charge for credits in the currency of denomination of the Credit, in effect at 12:01 a.m. Washington, D.C. time, on the date on which the Credit is approved by the Executive Directors of the Association, and expressed either as a positive or negative percentage per annum.

6. “BDS” means business development services.

7. “Beneficiary” means an MSME which is the beneficiary of a Grant.

8. “BPC” means business plan competition.

9. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.

10. “CFEF” means Cellule d’Exécution des Financements en Faveur des Etats Fragiles, the Project Implementation Unit responsible for Financing granted to fragile states within the Ministry of Finance.

11. “Cash Grant” means a cash grant made or to be made pursuant to Part A.2 of the Project.
12. "Displaced Persons" means one or more persons who, on account of the execution of the Project, have experienced or would experience direct economic and social impacts caused by: (a) the involuntary taking of land, resulting in: (i) relocation or loss of shelter; (ii) loss of assets or access to assets; or (iii) loss of income sources or means of livelihood, whether or not such person(s) must move to another location; or (b) the involuntary restriction of access to legally designated parks and protected areas, resulting in adverse impacts on the livelihood of such person(s).

13. "Environmental and Social Impact Assessment" or "ESIA" means an Environmental and Social Impact Assessment, in form and substance satisfactory to the Association, adopted or to be adopted by the Recipient in respect of any Subproject or other activity, including a survey of the targeted area(s) and providing details of the potential environmental adverse impacts, highlighting measures to be included in the ESMP in order to offset, eliminate or mitigate such risks, as such ESIA may be amended from time to time, subject to compliance with the provisions of this Agreement.

14. "Environmental and Social Management Framework" or "ESMF" means the Recipient's Environmental and Social Management Framework, dated March 26, 2018, issued by or on behalf of the Recipient and thereafter publicly disclosed, giving details of the policies and procedures designed to maximize the benefits of the Project, eliminate, offset or mitigate any adverse social and environmental impacts, or reduce such impacts to acceptable levels, along with a physical cultural resources management plan including measures designed to avoid or mitigate any adverse impacts on physical cultural resources, together with provisions for managing chance finds, as such ESMF may be amended from time to time, subject to compliance with the provisions of this Agreement.

15. "Environmental and Social Management Plan" or "ESMP" means an Environmental and Social Management Plan, in form and substance satisfactory to the Association, adopted or to be adopted by the Recipient in respect of any Subproject or other activity, giving details of measures consistent with the ESMF, and designed to eliminate, offset or mitigate potential adverse social and environmental impacts associated with the Project, or reduce such impacts to acceptable levels, together with particulars of proposed institutional, monitoring and reporting arrangements required to ensure proper implementation of, and regular feedback on compliance with, the ESMP, as such ESMP may be amended from time to time, subject to compliance with the provisions of this Agreement.

16. "Fiscal Year" means the 12 months' period beginning on January 1 and ending on December 31 in the same year.

18. "Grant" means a Cash Grant or Matching Grant, as the case may be.
19. "Grant Agreement" an agreement governing a Grant.
20. "In-kind Subsidy" means an in-kind subsidy made or to be made pursuant to Part A.1 of the Project.
21. "Matching Grant" means a matching grant made or to be made pursuant to Part B.1 of the Project.
22. "M&E" means monitoring and evaluation.
23. "MSME" means micro, small or medium-enterprise.
24. "Operating Costs" means the incremental operating costs arising under the Project on account of local contractual support staff salaries, employment benefits, travel expenditures and other travel-related allowances; equipment rental and maintenance; vehicle operation, maintenance and repair; office rental and maintenance, materials and supplies; and utilities, media information campaigns and communications expenses.
25. "Pest Management Plan" or "PMP" means a Pest Management Plan, dated March 26, 2018, issued by or on behalf of the Recipient and thereafter publicly disclosed, giving details of measures required to manage the risks associated with the use of pesticides, fertilizers, vaccines or other chemicals capable of creating negative effects on the environment, and designed to minimize potential adverse impacts on human health and the environment, as such PMP may be amended from time to time, subject to compliance with the provisions of this Agreement.
26. "Preparation Advance" means the advance referred to in Section 2.07(a) of the General Conditions, granted by the Association to the Recipient pursuant to the letter agreement signed on September 11, 2017.
27. "Procurement Regulations" means, for purposes of paragraph 87 of the Appendix to the General Conditions, the "World Bank Procurement Regulations for IPF Borrowers", dated July 2016, revised November 2017.
28. "Project Implementation Manual" means the Project Implementation Manual, dated May 10, 2018, giving details of all operational guidelines and procedures as shall have been agreed with the Association for the implementation, monitoring and supervision of the Project, including: (a) performance indicators, monitoring and evaluation guidelines, and environmental assessment methodology; (b) guidelines and procedures for the conduct of the BPC process, and the selection of an international firm of consultants or NGO to manage the BPC process; (c) eligibility criteria and procedures for the selection of Beneficiaries and award
of In-kind Subsidies and Grants; (d) applicable financial management policies and procedures; and (e) particulars of the Anticorruption Action Plan.

29. “Project Implementation Unit” or “PIU” means the Project Implementation Unit referred to in Section I.A.1(b)(i) of Schedule 2 to this Agreement.

30. “Project Steering Committee” or “PSC” means a Project Implementation Unit established pursuant to Décret No. n° 18/021, dated May 30, 2018, chaired by a representative of the Ministry in charge of SMEs and consisting of representatives of agencies and institutions involved in the implementation of the Project, and responsible for strategic guidance and oversight of the Project.

31. “Provincial Execution Unit or “PEE” means one or more of the Provincial Execution Units referred to in Section I.A.1(b)(ii) of Schedule 2 to this Agreement.

32. “Resettlement Action Plan” or “RAP” means a Resettlement Action Plan, in form and substance satisfactory to the Association, adopted or to be adopted by the Recipient in respect of any Subproject or other activity, giving details of measures consistent with the RPF, and designed to facilitate the compensation and resettlement of Displaced Persons, including the magnitude of displacement, proposed compensation and resettlement arrangements, and budget and cost estimates, together with particulars of institutional, monitoring and reporting arrangements required to ensure proper implementation of, and regular feedback on compliance with, the RAP, as such RAP may be amended from time to time, subject to compliance with the provisions of this Agreement.

33. “Resettlement Policy Framework” or “RPF” means the Resettlement Policy Framework, dated March 26, 2018, issued by or on behalf of the Recipient and thereafter publicly disclosed, describing a program of actions, measures and policies designed to avoid or minimize any adverse impact or hardship to Displaced Persons as a result of the Project or, in the event that such adverse impact or hardship cannot be avoided altogether, provide for the compensation and resettlement of such Displaced Persons, as such RPF may be amended from time to time, subject to compliance with the provisions of this Agreement.

34. “Safeguards Instruments” means any or all of the EMSF, ESMP, ESIA, RPF, RAP and PMP, and other Subproject-specific safeguards instruments derived therefrom or adopted pursuant thereto.

35. “Select Areas” means the areas of the Recipient’s territory which are targeted for technical support and/or financial assistance under the Project, namely: Matadi (Kongo Central), Lubumbashi (Katanga), and Goma (North Kivu) and Kinshasa, as such list of Select Areas may be amended from time to time by mutual agreement between the Recipient and the Association.
36. “Signature Date” means the later of the two dates on which the Recipient and the Association signed this Agreement and such definition applies to all references to “the date of the Financing Agreement” in the General Conditions.

37. “SME” means small or medium enterprise.

38. “SME Hub” means a tract of land with pre-built SME shells or buildings, developed according to a comprehensive plan with provision for roads, public utilities, information and communications technology, shared equipment and access to soft infrastructure, and other common facilities, for lease to SMEs.

39. “Subproject” means a business plan or other activity or bundle of activities to be financed out of the proceeds of a Grant, and which has been deemed eligible for financing under the Project, having regard to eligibility criteria and procedures acceptable to the Association, and set forth in the relevant Project Implementation Manual.