Financing Agreement

(Congo Skills Development for Employability Project)

between

REPUBLIC OF CONGO

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated October 11, 2013
FINANCING AGREEMENT

AGREEMENT dated OCT 1, 2013, entered into between the
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 credit in an amount equivalent to six
million seven hundred thousand Special Drawing Rights (SDR6,700,000)
(variously, “Credit” and “Financing”), to assist in financing the project described
in Schedule 1 to this Agreement (“Project”).

2.02. The Recipient may withdraw the proceeds of the 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 The Service Charge payable by the Recipient on the Withdrawn Credit Balance
shall be equal to three-fourths of one percent (3/4 of 1%) per annum.

2.05. The Interest Charge payable by the Recipient on the Withdrawn Credit Balance
shall be equal to one and a quarter percent (1.25%) per annum.

2.06. The Payment Dates are April 1 and October 1 in each year.

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

2.08. The Payment Currency is Euro.
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 METPFQE 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 — EFFECTIVENESS; TERMINATION

4.01. The Additional Condition of Effectiveness consists of the following, namely, that the Recipient has deposited 2,973,400,800 CFA Francs into the Project Counterpart Funds Account, in accordance with the provisions of Section I.F of Schedule 2 to this Agreement.

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

4.03. For purposes of Section 8.05 (b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty (20) years after the date of this Agreement.
ARTICLE V — REPRESENTATIVE; ADDRESSES

5.01. The Recipient's Representative is its minister responsible for finance.

5.02. The Recipient’s Address is:

Ministère l’Economie, des Finances, du Plan, du Portefeuille Public et de l’Intégration
B.P. 2083
Brazzaville
Republic of Congo

Facsimile:

(242) 2281.43.69

5.03. 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 Washington, District of Columbia, United States of America, as of the day and year first above written.

REPUBLIC OF CONGO

By

Authorized Representative

Name: Gilbert Onaondo

Title: Honorable Minister of Finance

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Authorized Representative

Name: Eustache Onyogo

Title: Country Director
SCHEDULE 1

Project Description

The objective of the Project is to improve job and entrepreneurship skills for vulnerable urban youth in order to improve their labor market insertion and earnings.

The Project consists of the following parts:

1. **Skills Training, Job Insertion and Entrepreneurship Support for Vulnerable Youth and Micro-entrepreneurs**

   Carrying out of a program of specific development projects through the provision of TA Grants to TA Providers for design, development and delivery of Packages of Technical Assistance ("PTA") to various beneficiaries, said PTA comprising of the following:

   (a) Program for short skills training, internships, job search support and support for entrepreneurship, targeting at least 8000 urban youth and young adults with insufficient connection to the labor market in peri-urban and urban areas of Pointe-Noire and Brazzaville;

   (b) Program for skills training, targeting at least 1000 young micro-entrepreneurs in Pointe-Noire and Brazzaville; and

   (c) Program for apprenticeship, functional literacy and numeracy and life skills training, targeting at least 6000 out-of-school and other vulnerable youth in Pointe-Noire and Brazzaville; collectively, ("PTA Subprojects").

2. **Strengthen the Technical, Planning, Implementation, and Monitoring and Evaluation Capacity of METPFQE**

   (a) Carrying out of a program of activities with a view to strengthening the capacity of METPFQE for, *inter alia*: (i) technical planning, coordination and management of the Recipient's TVET system; and (ii) monitoring and evaluation, in particular: (A) establishment and dissemination of baseline data on provision of TVET in the Recipient's territory as well as carrying out of dialogues with relevant stakeholders; (B) carrying out of technical and policy dialogues on future demand for skills and implications for skills development in the Recipient's territory, including, among others, an analysis of workforce development utilizing a global value chain approach in priority sectors; (C) establishment of a skills development strategy; (D) development of various curricula for new diplomas (including training programs under Part 1) as well as methodologies for certification and recertification of skills
training; (E) establishment of an information unit within METPFQE; and (F) undertaking impact evaluation of Project activities, all through the provision of technical advisory services, non-consulting services, goods, Operating Costs and Training, Workshops and Seminars.

(b) Developing and implementing an appropriate information, education and communications strategy for PTA Subprojects under Part 1.

(c) Carrying out of: (i) a market assessment under Part 1(c); and (ii) monitoring and evaluation (including impact evaluation) of PTA Subprojects, all through the provision of technical advisory services, non-consulting services, goods and Operating Costs.
SCHEDULE 2
Project Execution

Section I. Institutional and Implementation Arrangements

A. Institutional Arrangements

1. Ministere de l'Enseignement Technique, Professionnel, de la Formation Qualifiante et de l'Emploi

(a) The Recipient shall designate, at all times during the implementation of the Project, the Ministere de l'Enseignement Technique, Professionnel, de la Formation Qualifiante et de l'Emploi ("METPFQE"), to be responsible for prompt and efficient oversight, coordination and implementation of activities under the Project, and shall take all actions, including, the provision of funding, personnel and other resources necessary to enable said METPFQE to implement the Project.

(b) Without limitation upon the provisions of sub-paragraph (a) immediately above, the Recipient shall designate, at all times during the implementation of the Project, the Unite d'Ingeniere de Formation Professionnelle ("UIPF") within METPFQE, to be responsible for providing quality assurance on technical aspects of project activities. To this end, the Recipient shall take all actions, including the provision of funding, personnel, and other resources satisfactory to the Association, to enable the UIPF to perform said functions.

(c) Without limitation upon the provisions of sub-paragraphs (a) and (b) immediately above, the Recipient shall designate, at all times during the implementation of the Project, the Project Coordination Unit ("PCU") within METPFQE, to be responsible for day to day execution, coordination and management (including procurement, financial management, monitoring and evaluation, supervision, reporting and communication aspects) of the Project. To this end, the Recipient shall, through METPFQE:

(i) take all actions, including the provision of funding, personnel (including a Project manager and a public relations/communications specialist, all with qualifications, experience and terms of reference acceptable to the Association), and other resources satisfactory to the Association, to enable the PCU to perform said functions; and

(ii) not later than three (3) months after the Effective Date, appoint in accordance with the provisions of Section III of this Schedule 2, and thereafter maintain at all times during Project implementation, a senior
monitoring and evaluation specialist, a procurement specialist and a financial management specialist.

2. Project Consultative Committee

Without limitation upon the provisions of paragraph 1 immediately above, the Recipient shall establish and maintain, at all times during the implementation of the Project, the Project Consultative Committee, with a composition, mandate, terms of reference and resources satisfactory to the Association, to be responsible for, inter alia, providing strategic and policy guidance on matters relating to the Project.

B. Implementation Arrangements

1. Project Implementation Manual

(a) The Recipient shall, not later than one (1) month after the Effective Date, prepare in accordance with terms of reference acceptable to the Association and furnish to the Association for review:

(i) a Project manual, which shall include provisions on the following matters: (A) capacity building activities for sustained achievement of the Project’s objectives; (B) arrangements on financial management, setting forth the detailed policies and procedures for financial management under the Project; (C) procurement management procedures; (D) institutional administration, coordination and day to day execution of Project activities; (E) monitoring and evaluation; (F) reporting; (G) information, education and communication of Project activities; and (H) such other technical and organizational arrangements and procedures as shall be required for the Project (“Project manual”); and

(ii) a manual, in form and substance satisfactory to the Association, for the provision of TA Grants, which shall include a detailed elaboration of, inter alia, the following: (A) each PTA to be delivered under a PTA Subproject; (B) the methodology for calculating the unit price to be paid for each PTA to be delivered under a PTA Subproject, which unit price shall be calculated on the basis of a methodology acceptable to the Association (“Unit Price”) and said methodology designed to ensure that the Unit Price: (aa) does not exceed the reasonable cost of the PTA to be delivered and financed under a TA Grant; and (bb) is scaled to reflect the quality of the PTA delivered and the conditions of the locations where the PTA is to be delivered; (C) excludes any amount of the cost of the PTA which is to be financed under another source of financing; (D) the procedures for the evaluation and updating of the Unit Price for each PTA; (E) the procedures for approval, monitoring and
evaluation of each PTA Subproject and for granting of a TA Grant, including, the designation of the Recipient's team to be responsible for the verification of the quality and quantity of the PTA delivered under each PTA Subproject; (F) the maximum aggregate amount of all TA Grants which may be made during each Fiscal Year of the Recipient; and (G) a model form of agreement for the provision of a TA Grant ("TA Grant Agreement") ("PTA manual").

(b) The Recipient shall afford the Association a reasonable opportunity to exchange views with the Recipient on said Project manual and said PTA manual, and thereafter, shall adopt such Project manual and said PTA Manual, as shall have been approved by the Association ("Project Implementation Manual").

(c) The Recipient shall ensure that the Project is carried out in accordance with the Project Implementation Manual; provided, however, that in case of any conflict between the provisions of the Project Implementation Manual and the provisions of this Agreement, the provisions of this Agreement shall prevail. Except as the Association shall otherwise agree, the Recipient shall not amend, abrogate or waive any provision of the Project implementation Manual.

2. Annual Work Plan and Budget

(a) The Recipient shall prepare and furnish to the Association not later than December 31 of each Fiscal Year during the implementation of the Project, a work plan and budget containing all activities proposed to be included in the Project during the following Fiscal Year and a proposed financing plan for expenditures required for such activities, setting forth the proposed amounts and sources of financing.

(b) Each such proposed work plan and budget shall specify any training activities that may be required under the Project, including: (i) the type of training; (ii) the purpose of the training; (iii) the personnel to be trained; (iv) the institution or individual who will conduct the training; (v) the location and duration of the training; and (vi) the cost of the training.

(c) The Recipient shall afford the Association a reasonable opportunity to exchange views with the Recipient on each such proposed work plan and budget and shall thereafter adopt and ensure that the Project is implemented with due diligence during said following Fiscal Year in accordance with such work plan and budget as shall have been approved by the Association ("Annual Work Plan and Budget").

(d) The Recipient shall not make or allow to be made any change to the approved Annual Work Plan and Budget without the Association's prior approval in writing.
C. **Anti-Corruption**

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

D. **PTA Subprojects under Part 1; TA Grants**

1. **Eligibility.** In order to ensure the proper implementation of Part 1 of the Project, the Recipient shall, through METPFQE, make TA Grants to TA Providers for PTA Subprojects in accordance with eligibility criteria and procedures acceptable to the Association, which shall include, *inter alia*, the following:

(a) the Recipient, through METPFQE, has determined on the basis of an appraisal carried out in accordance with guidelines acceptable to the Association, and elaborated in the PTA manual, that:

(i) the proposed TA Provider: (A) is a legal entity and a public or a private provider of PTA, with the organization, management, technical capacity and financial resources necessary to carry out the proposed PTA Subproject; (B) has identified and selected beneficiaries in accordance with eligibility criteria and procedures acceptable to the Association; and (C) has prepared a satisfactory financing plan and budget, and a satisfactory implementation plan for the proposed PTA Subproject; and

(ii) the proposed PTA Subproject: (A) is technically feasible, and financially and economically sound; and

(b) the: (i) aggregate amount of all TA Grants made in a given calendar year to TA Providers shall not exceed the limit set out in the Annual Work Plan and Budget; and (ii) maximum amount of each TA Grant for a PTA Subproject shall not exceed 100 percent of the total estimated cost of the PTA Subproject minus the amount of other funds allocated to finance such cost.

2. **TA Grant Agreement**

(a) The Recipient shall make each TA Grant to a TA Provider under a TA Grant Agreement on terms and conditions satisfactory to the Association, as further described in the PTA manual, which shall include the following:

(i) the amount of the TA Grant shall not exceed the total estimated cost of the PTA Subproject; and the proceeds of the TA Grant shall be made available to a TA provider on non-reimbursable grant terms;
(ii) a description of the PTA Subproject and the applicable rates for the services included thereunder;

(iii) the TA Provider shall be required to: (A) carry out the PTA Subproject with due diligence and efficiency and in accordance with sound technical, financial, administrative, and environmental practices; (B) ensure that the resources required for the PTA Subproject are provided promptly as needed; (C) procure goods and services required for the PTA Subproject in accordance with Section III of this Schedule; (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 PTA Subproject and the achievement of its objectives; and (E) (i) 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 PTA Subproject; and (ii) at the request of the Association or the Recipient, have such records audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association, and promptly furnish the records as so audited to the Recipient and the Association;

(iv) the TA Provider shall be required to carry out the PTA Subproject in accordance with the provisions of the Anti-Corruption Guidelines;

(v) the TA Provider shall be required to carry out the PTA Subproject in accordance with the provisions of the PTA manual;

(vi) the goods, non-consulting and consultants' services to be financed out of the proceeds of the TA Grant shall be used exclusively for the PTA Subproject; and

(vii) the Recipient shall have the right to: (A) inspect by itself, or jointly with the Association, if the Association shall so request, the goods and sites included in the PTA Subproject, the operations thereof, and any relevant records and documents; (B) obtain all information as it, or the Association, shall reasonably request regarding the administration, operation, and financial condition of the TA Provider; and (C) suspend or terminate the right of the TA Provider to use the proceeds of the
TA Grant, or obtain a refund of all or any part of the amount of the TA Grant then withdrawn, as the case may be, upon failure by the TA Provider to perform any of its obligations under the TA Grant Agreement; and

(b) The Recipient shall exercise its rights under the TA Grant Agreement in such manner as to protect its interests and those of the Association (including, the right to suspend or terminate the right of the TA Provider to use the proceeds of the TA Grant, or obtain a refund of all or any part of the amount of the TA Grant then withdrawn, upon the TA Provider's failure to perform any of its obligations under the TA Grant Agreement) and to accomplish the purposes of the TA Grant, and, except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, the aforementioned, or any provision thereof.

E. Independent Verification of PTA Delivery

The Recipient shall engage, in accordance with the provisions of Section III of this Schedule, consultants to conduct independent verifications of the delivery of PTA by TA Providers under respective PTA Subprojects. To this end, the Recipient shall, in accordance with terms of reference satisfactory to the Association, cause said consultants to carry out, throughout Project implementation, triannual verification exercises of PTA Subprojects and to provide the Recipient with reports of such exercises; such verification to include, inter alia, community surveys, TA Providers spot checks, verification of data provided and records kept by TA Providers in relation to PTA Subprojects, and assessments of the quality of PTA provided under such PTA Subproject, all in accordance with the provisions of the PTA manual.

F. Project Counterpart Funds; Project Counterpart Funds Account

1. The Recipient shall open, and thereafter maintain, at all times during the implementation of the Project, in a financial institution and on terms and conditions acceptable to the Association, an account into which all counterpart funds required for the Project shall be deposited and maintained until required to pay for Eligible Expenditures ("Project Counterpart Funds Account").
2. Without limitation upon the provisions of Section 4.03 of the General Conditions, the Recipient shall deposit into the Project Counterpart Funds Account the following amounts in CFA Francs not later than the dates indicated next to such amount:

<table>
<thead>
<tr>
<th>Amount (in CFA Francs)</th>
<th>Date not later than which the amount shall be deposited in the Project Counterpart Funds Account</th>
</tr>
</thead>
<tbody>
<tr>
<td>2,973,400,800</td>
<td>Effective Date</td>
</tr>
<tr>
<td>2,973,400,800</td>
<td>April 1, 2015</td>
</tr>
<tr>
<td>1,982,267,200</td>
<td>April 1, 2016</td>
</tr>
<tr>
<td>1,982,267,200</td>
<td>April 1, 2017</td>
</tr>
<tr>
<td>991,133,600</td>
<td>April 1, 2018</td>
</tr>
</tbody>
</table>

3. The Recipient shall ensure that all amounts deposited in the Project Counterpart Funds Account shall be used exclusively to pay for Eligible Expenditures.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of indicators acceptable to the Association. Each Project Report shall cover the period of one calendar quarter, and shall be furnished to the Association not later than forty-five (45) days after the end of the period covered by such report.

2. The Recipient shall, not later than one month prior to the mid-term review referred to in paragraph 3 of this Section II.A, furnish to the Association for comments, a report, in such detail as the Association shall reasonably request, on the progress of the Project, and giving details of the various matters to be discussed at such review.

3. The Recipient shall, not later than thirty-six (36) months after the Effective Date, undertake, in conjunction with all agencies involved in the Project, a comprehensive mid-term review of the Project during which it shall exchange views with the Association and implementing agencies generally on all matters relating to the progress of the Project, the performance by the Recipient of its obligations under this Agreement and the performance by said implementing agencies, having regard to the performance indicators referred to in paragraph 1 of this Section II.A.
4. Following the mid-term review, the Recipient shall act promptly and diligently in order to take any corrective action deemed necessary to remedy any shortcoming noted in the implementation of the Project, or to implement such other measures as may be required in furtherance of the objectives of the Project.

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 upon the provisions of Part A of this Section, the Recipient shall prepare and furnish to the Association, not later than forty-five (45) days after the end of each 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. 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.

C. Financial Management Covenants

1. In order to ensure the proper maintenance of the financial management system referred to in Part B.1 of this Section II, the Recipient shall, not later than three (3) months after the Effective Date: (a) acquire and install appropriate accounting software and systems in accordance with the provisions of Section III of this Schedule; and (b) ensure that its financial staff involved in the Project are properly trained in the use of such software and systems.

2. In order to ensure the timely carrying out of the audits referred to in Part B.3 of this Section II, the Recipient shall, not later than three (3) months after the Effective Date, appoint an external auditor, in accordance with the provisions of Section III of this Schedule.

3. The Recipient shall, through METPFQE, not later than three (3) months after the Effective Date, prepare and adopt an anti-corruption action plan for the Project, in form and substance satisfactory to the Association.
Section III. **Procurement**

A. **General**

1. **Goods and Non-consulting Services.** All goods and non-consulting services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Section.

2. **Consultants' Services.** All consultants' services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines, and with the provisions of this Section.

3. **Definitions.** The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Association of particular contracts, refer to the corresponding method described in Sections II and III of the Procurement Guidelines, or Sections II, III, IV and V of the Consultant Guidelines, as the case may be.

B. **Particular Methods of Procurement of Goods and Non-consulting Services**

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

2. **Other Methods of Procurement of Goods and Non-consulting Services.** The following methods, other than International Competitive Bidding, may be used for procurement of goods and non-consulting services for those contracts specified in the Procurement Plan: (a) National Competitive Bidding, **subject to the following additional provision, namely, that the Recipient shall use the standard bidding documents of the Association or other bidding documents agreed with the Association prior to their use**; (b) Shopping; and (c) Direct Contracting.

C. **Particular Methods of Procurement of Consultants' Services**

1. **Quality- and Cost-based Selection.** Except as otherwise provided in paragraph 2 below, consultants' services shall be procured under contracts awarded on the basis of Quality and Cost-based Selection.

2. **Other Methods of Procurement of Consultants' Services.** The following methods, other than Quality and Cost-based Selection, may be used for procurement of consultants' services for those contracts which are specified in the Procurement Plan: (a) Quality-based Selection; (b) 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.

E. Specific Procurement Covenant; Procurement Audit

Without limitation upon the provisions of Part B of Section II of this Schedule, the Recipient shall carry out under terms of reference satisfactory to the Association, an annual audit of contracts procured under the Project, and furnish said annual audit to the Association not later than six months after the end of the Fiscal Year to which said audit relates.

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:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Financing Allocated (expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) TA Grants for Part 1 of the Project</td>
<td>4,700,000</td>
<td>31.25%</td>
</tr>
<tr>
<td>(2) Goods, non-consulting services, consultants’ services, Training, Workshops and Seminars, and Operating Costs for Part 2 of the Project</td>
<td>1,400,000</td>
<td>31.25%</td>
</tr>
<tr>
<td>(3) Refund of Preparation Advance</td>
<td>600,000</td>
<td>Amount payable pursuant to Section 2.07 of the General Conditions</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>6,700,000</td>
<td></td>
</tr>
</tbody>
</table>

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for payments made prior to the date of this Agreement.

2. The Closing Date is September 30, 2018.
SCHEDULE 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 October 1 and April 1:</td>
<td></td>
</tr>
<tr>
<td>commencing October 1, 2018 to and including April 1, 2028</td>
<td>1.65%</td>
</tr>
<tr>
<td>commencing October 1, 2028 to and including April 1, 2038</td>
<td>3.35%</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 3.03 (b) of the General Conditions.
APPENDIX

Definitions

1. "Annual Work Plan and Budget" means the work plan and budget prepared annually by the Recipient in accordance with the provisions of Section I.B.2 of Schedule 2 to this Agreement.


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

4. "CFA Franc" means the franc of the Central Africa Economic and Monetary Community, whose common central bank is the Bank of Central African States.


6. "Fiscal Year" and "FY" means the twelve month period starting January 1 and ending December 31 of the same year.


8. "Ministere de l'Enseignement Technique, Professionnel, de la Formation Qualifiante et de l'Emploi" and "MFTPFQE" means the Recipient's ministry responsible for technical and professional education, qualifying training and employment, and any successor thereto.

9. "Operating Costs" means the incremental expenses incurred on account of Project implementation, based on the Annual Work Plan and Budget, and consisting of expenditures for office supplies, vehicle operation and maintenance, maintenance of equipment, communication and insurance costs, office administration costs, utilities, rental, consumables, accommodation, travel and per diem, and salaries of Project staff, but excluding the salaries of the Recipient's civil service, meeting and other sitting allowances and honoraria for said staff.

10. "Packages of Technical Assistance" and "PTA" means a specific package of training programs elaborated in the PTA manual, to be delivered by a TA Provider under Part 1 of the Project in accordance with the provisions of Section I.D of Schedule 2 to this Agreement.
11. "Preparation Advance" means the advance referred to in Section 2.07 of the General Conditions, granted by the Association to the Recipient pursuant to the letter agreement signed on behalf of the Association on August 20, 2013.


13. "Procurement Plan" means the Recipient's procurement plan for the Project, dated July 24, 2013 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.

14. "Project Consultative Committee" means Recipient's committee referred to in Section I.A.2 of Schedule 2 to this Agreement.

15. "Project Coordination Unit" and "PCU" means the Recipient's unit established and operating pursuant to Ministerial Decree Number 2867/METPFQE, dated April 20, 2007.

16. "Project Counterpart Funds Account" means the account to be established and maintained by the Recipient in accordance with the provisions of Section I.F of Schedule 2 to this Agreement.

17. "Project Implementation Manual" means the manual referred to in Section I.B.1 of Schedule 2 to this Agreement.

18. "PTA" means a package of technical assistance referred to in Part 1 of Schedule 1 to this Agreement.

19. "PTA Subproject" means a specific development project for the delivery of PTA to be carried out by a TA Provider under Part 1 of the Project utilizing the proceeds of a TA Grant.

20. "TA Grant" means a grant made or proposed to be made out of the proceeds of the Financing to a TA Provider to finance a PTA Subproject; and "TA Grants" means, collectively, two or more such grants.

21. "TA Grant Agreement" means an agreement between the Recipient and a TA Provider, providing for a TA Grant as elaborated in Section I.D.2 of Schedule 2 to this Agreement.

22. "TA Provider" means an entity to which or for whose benefit a TA Grant is made or proposed to be made and which is a party to a TA Grant Agreement; and "TA Providers" means, collectively, two or more such entities.
23. "Training, Workshops and Seminars" means the costs associated with the training, workshop and seminar participation of personnel involved in Project supported activities, including travel and subsistence costs for training and workshop participants, costs associated with securing the services of trainers and workshop speakers, rental of training and workshop facilities, preparation and reproduction of training and workshop materials, and other costs directly related to training course and workshop preparation and implementation.


25. "Unit Price" means for each PTA, the unit price thereof determined in accordance with the provisions of sub-paragraph 1 (a) (ii) of Section I.B of Schedule 2 to this Agreement.

26. "Unite d'Ingeniere de Formation Professionnelle" and "UIFP" means the Recipient's unit within METPFQE, said unit responsible for professional training and engineering.