Memorandum of Understanding between the Department of International Development, United Kingdom of Great Britain and Northern Ireland and the International Development Association concerning the Multi-Donor Trust Fund for the High-Priority Roads Reopening and Maintenance Project in the Democratic Republic of Congo (TF 070921)

Partial Cancellation in Response to DFID Letter dated August 4, 2014

Dear Mr Pycroft,

1. We refer to the Memorandum of Understanding, dated March 17, 2008, as amended on September 09, 2009 (the “Memorandum of Understanding”) between the Department of International Development, United Kingdom of Great Britain and Northern Ireland, acting through the Department for International Development (DFID) (the “Donor”) and the International Development Association (“IDA” or the “Association”) concerning the Multi-Donor Trust Fund for the co-financing of the High-Priority Roads Reopening and Maintenance Project (Pro-Routes) in the Democratic Republic of Congo (the Project) and to your letter dated August 4, 2014.

2. In accordance with paragraph 9.3 in the Annex 2 of the Memorandum of Understanding “any Donor or IDA may, upon three (3) months’ prior written notice, cancel all or part of the Donor’s pro rata share of any remaining balance of the Contribution funds that is not committed pursuant to any agreements entered into between IDA and any consultants and/or other third parties for the purposes of this MoU prior to the receipt of such notice, including the Grant Agreement”. However and after extensive consultation and review of the Recipient financial information and commitments, and with due regard to the exceptional situation of this Multi-Donor Trust Fund, 92% of overall resources have already been either disbursed or committed (i.e., GBP 70 million). This committed amount exceeds the funds received from the Donor (i.e., GBP 58.5 million). Nevertheless, the Association will not require, from the Donor, the disbursement of the additional funds needed to cover the shortage of funds already committed as of the date of the notification letter dated August 4, 2014. The Association, instead, and as indicated in its letter of August 11, 2014 in response to said DFID letter dated August 4, 2014 requesting the cancellation, will seek alternative funding to cover this financing gap between the amounts already committed and the amounts received from the Donor in order to continue supporting and further strengthening this strategic program.

3. Therefore and notwithstanding paragraphs 9.3 and 9.4 of Annex 2 to of the Memorandum of Understanding, the Association will accept to cancel the unpaid amount of GBP 17,500,000.
3. The Association will disclose this letter and related information on this Trust Fund in accordance with the World Bank Policy on Access to Information. The Donor hereby consents to the disclosure of this letter and related information on this Trust Fund.

Please confirm your agreement to the foregoing, on behalf of the Donor, by signing, dating, and returning to us the enclosed copy of this letter.

Sincerely,

INTERNATIONAL DEVELOPMENT ASSOCIATION

Ahmadou Moustapha Ndiaye
Country Director for the Democratic Republic of Congo
Africa Region

CONFIRMED AND AGREED:

By: 
Name: 
Title: Head of Office, DFID DRC
Date: 13 April 2015