OFFICIAL DOCUMENTS

GRANT NUMBER D461-CF

Financing Agreement
(Agriculture Recovery and Agribusiness Development Support Project)

between

CENTRAL AFRICAN REPUBLIC

and

INTERNATIONAL DEVELOPMENT ASSOCIATION
AGREEMENT dated as of the Signature Date between CENTRAL AFRICAN REPUBLIC ("Recipient") and INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association") for the purpose of assisting in financing the project described in Schedule 1 to this Agreement ("Project"). 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 grant, which is deemed as Concessional Financing for purposes of the General Conditions, in an amount equivalent to seventeen million nine hundred thousand Special Drawing Rights (SDR 17,900,000) ("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 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 Payment Dates are 15 April and 15 October in each year.

2.05. 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 in accordance with the provisions of Article V of the General Conditions and Schedule 2 to this Agreement.

ARTICLE IV — REMEDIES OF THE ASSOCIATION

4.01. The Additional Event of Suspension consists of the following:
(a) The Recipient’s law no. 61/233 dated May 27, 1961, establishing and governing AGETIP-CAF has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of AGETIP-CAF to perform any of its obligations under the Service Agreement.

ARTICLE V — EFFECTIVENESS; TERMINATION

5.01. The Additional Conditions of Effectiveness consist of the following:

(a) the Recipient has adopted the Project Implementing Manual (PIM), the Administrative and Financial Management Manual and the Matching Grants Manual each in form and substance acceptable to the Association; and

(b) the Recipient has executed the Fiduciary Contract with the Fiduciary Agent in form and substance acceptable to the Association.

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

5.03. 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 (20) years after the Signature Date.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

6.01. The Recipient’s Representative is its minister of economy, planning and cooperation.

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

(a) the Recipient’s address is:

PO Box 696
Rue Martin Luther King
Bangui
Central African Republic; and

(b) the Recipient’s Electronic Address is:

E-mail]
cabinet@mepc-rca.org_
6.03. 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:  Facsimile:

248423 (MCI)  1-202-477-6391
AGREED as of the Signature Date.

CENTRAL AFRICAN REPUBLIC

By

Authorized Representative

Name: Felix HOLOUA
Title: Director
Date: May 31, 2019

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Authorized Representative

Name: Jean Christophe Coriat
Title: Country Director
Date: May 31, 2019
SCHEDULE 1

Project Description

The objective of the Project is to increase agricultural productivity of small-scale farmers, strengthen the capacity of micro, small and medium-sized agribusiness enterprises in the Project area and provide an immediate and effective response in the event of an Eligible Crisis of Emergency.

The Project consists of the following parts:

Part 1. Development of Productive Infrastructure and Competencies for Agriculture and Rural Entrepreneurship

1.1. Support for community-managed productive infrastructure through the financing of: (i) Micro Infrastructure Subgrants to Eligible Communities to carry out community-driven Micro Infrastructure Subprojects selected through participatory planning processes, based upon priority needs of communities; (ii) the provision of Matching Grants to Eligible Producer Groups; (iii) the development of improved livestock husbandry management farmer training material; and (iv) financing of investments in upgrading agricultural products marketing, processing and conservation infrastructure, services and equipment.

1.2. Support for agriculture and rural entrepreneurship including agribusiness start-ups, with emphasis on women and youth-based businesses through: (i) the provision of Matching Grants administered by a competitive business grant fund; (ii) and the provision of Technical Assistance.

Part 2. Improvement and Maintenance of Public Infrastructure

2.1. Support for the rehabilitation of public infrastructure, improved connectivity and mobility, and access to agriculture logistic services on local markets in selected zones through the financing of: (i) Stipends to Eligible Beneficiaries participating in a program of Labor Intensive Public Works to rehabilitate and maintain rural roads; and (ii) Agribusiness Logistics Services for improved market access along agriculture trading corridors in the project area.

2.2. Support for the management, operation and maintenance of public infrastructure post-rehabilitation through reinforcement of the institutional framework for rural road maintenance and piloting of innovative public-private infrastructure management models for the delivery of agribusiness services including: (i) the establishment and training of LRMC that would administer rural road maintenance; and (ii) the financing of
management, operation and maintenance contracts for agribusiness infrastructure; and (iii) the development of a rural road maintenance strategy.

Part 3. Improvement of the quality of Agriculture Public Services and Project Management

3.1 Support for improving the quality of agriculture public services through: (i) capacity building of MADR, ICRA and ONASEM through the provision of technical assistance, training, workshops and analytical studies, with a focus on the seed sector; (ii) the dissemination of: (a) the agro-pastoral code; and (b) cooperative law; (iii) the elaboration of the cotton strategy and road map; and (iv) the implementation of an early warning system, and pest and disease management policy; and (v) the provision of Agriculture Extension Services to disseminate nutrition and climate smart agriculture technologies and practices.

3.2 Support for: (i) the management, supervision and monitoring of the Project, including environmental and social safeguards policies; (ii) the development of a communication strategy and (iii) a baseline study and a final impact assessment; (iv) the operating costs of the NTPCU; (v) Technical assistance to the NTPCU; (vi) the development of a third-party monitoring and; (vii) an evaluation system.

Part 4. Contingency Emergency Response

Support for a disaster response contingency funding mechanism that could be triggered in the event of an Eligible Crisis or Emergency, such as a natural disaster involving a formal declaration of a national or regional state of emergency, or a formal request from the Recipient in the wake of a disaster. In that event, funds from other Parts would be reallocated to this component to facilitate rapid financing of a positive list of goods and services related to Parts 1, 2 and 3, that would still be relevant to the achievement of the PDO.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements.

The Recipient shall, throughout Project implementation, maintain the following institutional arrangements, as further described in the PIM.

1. The Recipient shall vest overall responsibility for Project implementation in its Ministry of Agriculture and Rural Development ("MARD").

2. National Project Steering Committee

   (a) The Recipient shall at all times during Project implementation maintain, the National Project Steering Committee ("NPSC") with composition and mandate acceptable to the Association.

   (b) The NPSC shall be chaired by a representative from the MARD and include inter alia representatives from the Ministry of Livestock and Animal Health, the Ministry of Water, Forests, Wildlife and Fisheries and the Ministry of Economy, Planning and Cooperation.

   (c) The NPSC shall be responsible for providing overall strategic guidance, general oversight of Project implementation, performance monitoring, cross-sectoral coordination and consistency with sector policy and strategies, the approval of Annual Work Plans and Budgets, procurement plans, annual audit reports and progress reports.

   (d) The NPSC shall meet at least once every three months.

3. National Technical Project Coordination Unit

   (a) The Recipient shall, at all times during Project implementation, maintain the National Technical Project Coordination Unit (NTPC) within the MARD, with mandate, staffing and resources acceptable to the Association.

   (b) The NTPC shall have responsibility for Project implementation, including day to day management of project activities, coordination, environmental and social impact mitigation, and the preparation of project reports.
The NTPC shall, at all times during Project implementation, retain the following staff, *inter alia*, each with terms of reference, qualifications and experience satisfactory to the Association: (i) a national project coordinator; (ii) an environmental safeguards specialist; (iii) a social safeguards specialist; (iv) a monitoring and evaluation specialist; (v) a knowledge management specialist; (vi) a community development specialist; (vii) a rural infrastructure specialist; (viii) an institutional development specialist; and (ix) an ICT and communications specialist.

4. **Fiduciary Agent**

   (a) The Recipient shall, through the Fiduciary Contract, vest responsibility for all fiduciary matters in the Fiduciary Agent.

   (b) The Recipient shall, at all times during Project implementation, ensure that the Fiduciary Agent retains the composition and resources acceptable to the Association, including (i) a procurement specialist; (ii) a financial management specialist; (iii) a senior accountant; and (iv) an internal auditor.

B. **Manuals**

1. The Recipient shall ensure that the Project is carried out in accordance with the Project Implementation Manual ("PIM"), the Administrative and Financial Management Manual and the Matching Grants Manual:

   (a) The PIM shall contain detailed arrangements, procedures and mechanisms for: (i) institutional coordination; (ii) supervision, control, monitoring; (iii) monitoring, evaluation, reporting and communication; (iv) all environmental and social safeguards matters; and (v) other such administrative, financial, technical and organizational arrangements and procedures as shall be required for purposes of implementing the Project;

   (b) the Administrative and Financial Management Manual shall contain rules, procedures and guidelines for the administrative, financial, accounting and budgetary aspects of the Project, including procurement, financial management, and disbursement; and

   (c) the Matching Grants Manual shall contain the selection procedures and eligibility criteria, governing Matching Grants, including a template Matching Grant Agreement.

2. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate the PIM, the Administrative and Financial Management Manual, or Matching Grants Manual, or any provision thereof.
3. In the event of any conflict between the provisions of the PIM, the Administrative and Financial Management Manual, or Matching Grants Manual, and those of this Agreement, the provisions of this Agreement shall prevail.

C. Annual Work Plan and Budget

1. Each year the Recipient shall prepare a draft annual work plan and budget for the Project (including Training and Operating Costs) for each subsequent year of Project implementation, of such scope and detail as the Association shall have reasonably requested; and

2. The Recipient shall furnish to the Association, not later than November 30 of each year, the annual work plans and budgets approved by the Steering Committee for the Association’s review and approval; except for the annual work plan and budget for the Project for the first year of Project implementation, which shall be furnished no later than one (1) month after the Effective Date. Only the activities included in an annual work plan and budget expressly approved by the Association (each an “Annual Work Plan and Budget”) are eligible to be financed from the proceeds of the Financing.

3. Training shall be carried out on the basis of Annual Work Plans and Budgets, which shall, inter alia, identify: (a) particulars of the training envisaged; (b) the personnel to be trained; (c) the selection methods and criteria of the institution or individuals conducting such training; (d) the institution conducting such training if identified; (e) the purpose and justification for such training; (f) the location and duration of the proposed training; and (g) the estimate of the cost of such training.

4. The Recipient shall ensure that the Project is carried out in accordance with the Annual Work Plans and Budgets.

5. Annual Work Plans and Budgets may be revised as needed during Project implementation subject to the Association’s prior approval.

D. Safeguards

1. The Recipient shall ensure that all terms of reference for any technical assistance or studies carried out under the Project are consistent with the Bank’s social and environmental safeguard policy requirements, as well as the Recipient’s own environmental and social laws and regulations.

2. The Recipient shall thereafter ensure that the Project shall be implemented in accordance with the guidelines, procedures, timetables and other specifications set forth in the Safeguard Documents.

3. The Recipient shall ensure that for each activity of a type for which the RPF provides that a RAP must be prepared:
(a) such RAP shall be prepared, in form and substance satisfactory to the Association (including, without limitation to the above, the provision of funds for resettlement compensation when and if required under said RAP);

(b) such RAP shall be disclosed locally and on the Association’s website before the implementation of such activity, in accordance with the provisions of the RPF;

(c) the relevant activity is implemented in accordance with its RAP; and

(d) where such activity involves Works, no such Works are commenced until said RAP is finalized and publicly disclosed and the Recipient has properly compensated Displaced Persons.

4. The Recipient shall ensure that for each activity under the Project of a type for which the ESMF provides that an ESMP must be prepared:

(a) such ESMP shall, be prepared, in form and substance satisfactory to the Association;

(b) such ESMP shall be disclosed locally and on the Association’s website before the implementation of such activity, in accordance with the provisions of the ESMP;

(c) the relevant activity is implemented in accordance with the relevant ESMP; and

(d) where such activity involves Works, no such Works are commenced until the relevant ESMP has been adopted and publicly disclosed.

5. The Recipient shall ensure that for each activity under the Project of a type for which the IPPF provides that an IPMP must be prepared:

(a) such IPMP shall, be prepared, in form and substance satisfactory to the Association;

(b) such IPMP shall be disclosed locally and on the Association’s website before the implementation of such activity, in accordance with the provisions of the IPPF;

(c) the relevant activity is implemented in accordance with the relevant IPMP; and

(d) where such activity involves Works, no such Works are commenced until the relevant IPMP has been adopted and publicly disclosed.
6. Except as the Association shall otherwise agree in writing and subject to compliance with applicable consultation and public disclosure requirements of the Association, the Recipient shall not abrogate, amend, repeal, suspend or waive any provisions of any of the Safeguard Documents, nor shall it permit any other entity participating in the implementation of the Project to do so.

7. Without limitation upon its other reporting obligations under this Agreement, the Recipient shall regularly collect, compile and submit to the Association, on a quarterly basis, reports on the status of compliance with the Safeguard Documents, giving details of: (a) measures taken in furtherance of the Safeguard Documents; (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of the Safeguard Documents; (c) remedial measures taken or required to be taken to address such conditions; (d) implementation of the GRM; (e) health and safety issues; (f) issues related to GBV.

8. In the event that any provision of either the Safeguard Documents shall conflict with any provision under this Agreement, the terms of this Agreement shall prevail.

9. Undertakings with respect to GBV and GRM:

(a) The Recipient shall ensure that employees, agents, service providers, contractors and subcontractors carry out the Project in conformity with acceptable environmental and social standards, practices and codes of conduct (which shall, inter alia, contain measures that prohibit, endeavour to prevent and address Project-related gender-based violence and sexual exploitation and abuse), the provisions of the Recipient’s environmental and social laws.

(b) The Recipient shall, throughout Project implementation, cause the NTFCU to maintain and publicize the availability of a Project-level grievance redress mechanism and a feedback mechanism, in form and substance satisfactory to the Association, in order to hear and determine fairly and in good faith all complaints and feedback raised in relation to the Project, and take all measures necessary to implement the determinations made by said grievance feedback and redress mechanism in a manner satisfactory to the Association.

10. Codes of Conduct

The Recipient shall ensure that the Codes of Conduct for staff are communicated to all road construction companies or NGOs procured by the Service Provider, said
Codes to include provisions reflecting health and safety standards as well as prohibitions against sexual exploitation or abuse of persons under 18.

E. **Contingency Emergency Response**

In order to ensure the effective implementation of Part 4 of the Project, the Recipient shall take the following measures.

1. The Recipient shall:
   
   (a) prepare and furnish to the Association for its review and approval, an operations manual which shall set forth detailed implementation arrangements for the CER, including: (i) designation of terms of reference for, and resources to be allocated to the entity to be responsible for coordinating and implementing the CER ("Coordinating Authority"); (ii) specific activities which may be included in the CER, Eligible Expenditures required thereunder ("Emergency Expenditures"), and any selection procedures for such inclusion; (iii) financial management arrangements for the CER; (iv) procurement methods and procedures for Emergency Expenditures to be financed under the CER; (v) documentation required for withdrawals of Emergency Expenditures; (vi) environmental and social safeguard management frameworks for the CER, consistent with the Association’s policies on the matter; and (vii) any other arrangements necessary to ensure effective coordination and implementation of the CER;
   
   (b) afford the Association a reasonable opportunity to review said proposed operations manual;
   
   (c) promptly adopt such operations manual for the CER as shall have been approved by the Association ("EROM");
   
   (d) ensure that the CER is carried out in accordance with the EROM; in the event of any inconsistency between the provisions of the CER Operations Manual and this Agreement, the provisions of this Agreement shall prevail; and
   
   (e) not amend, suspend, abrogate, repeal or waive any provision of the EROM without prior approval by the Association.

2. The Recipient shall, throughout the implementation of the CER, maintain the Coordinating Authority, with adequate staff and resources satisfactory to the Association.
3. The Recipient shall not undertake any activities under the CER until the following conditions have been met:

(a) the Recipient has determined that an Eligible Crisis or Emergency has occurred, has furnished to the Association a request to include said activities in the CER in order to respond to said Eligible Crisis or Emergency, and the Association has agreed with such determination, accepted said request and notified the Recipient thereof; and

(b) the Recipient has prepared and disclosed all Safeguard Instruments required for said activities, in accordance with the CER Operations Manual, the Association has approved all such instruments, and the Recipient has implemented any actions which are required to be taken under said instruments.

F. Contractual Arrangements

1. The Recipient shall, for the purposes of carrying out the Project, conclude a Fiduciary Contract, in form and substance satisfactory to the Association, pursuant to which: (a) the proceeds of the Financing shall be made available by the Recipient to the Fiduciary Agent; and (b) such Fiduciary Agent shall be responsible for, inter alia, the fiduciary management thereof.

2. The Fiduciary Contract shall include the following provisions:

(a) The obligation of the Fiduciary Agent to:

(i) carry out its activities under the Service Agreement with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the Association;

(ii) carry out its obligations under its Service Agreement in such a manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing;

(iii) maintain policies and procedures, which are adequate to enable it to monitor and evaluate the progress of the Activities carried out under the Service Agreement; and

(iv) maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the World Bank, both in a manner
adequate to reflect the operations, resources and expenditures related to Activities carried out under the Fiduciary Contract.

(b) The right of the Recipient and the Association to:

(i) request an audit of the financial statements of the Activities carried out under the Fiduciary Contract by independent auditors acceptable to the Association in accordance with consistently applied auditing standards acceptable to the Association and the prompt transmission of the financial statements as so audited to the Recipient and the Association;

(ii) inspect the Activities carried out under the Fiduciary Contract, and any relevant records and documents; and

(iii) obtain all such information as the Recipient or the Association shall reasonably request relating to the foregoing to be prepared and furnished to the Recipient and the Association.

3. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive the Fiduciary Contract, or any provision thereof, or permit to be assigned, amended, abrogated or waived the aforementioned or any provision thereof.

4. In case of any conflict between the terms of the Fiduciary Contract and those of this Agreement, the terms of this Agreement shall prevail.

G. Public Works

1. In order to carry out Part 2.1 (i) of the Project, the Recipient shall conclude an Service Agreement with the Service Provider in form and substance satisfactory to the Association, pursuant to which the Service Provider shall conclude a Temporary Employment Agreement with each Eligible Beneficiary which shall include the following minimum conditions, and other such terms and conditions as may be specified in the PIM:

(a) each Eligible Beneficiary shall be a minimum of 18 years of age;

(b) each Eligible Beneficiary shall receive a minimum Stipend of 1500 FCFA per day; and

(c) each Eligible Beneficiary shall be permitted to work a maximum of 40 days over two (2) months.
2. The Recipient shall, through the Service Provider, ensure that each Temporary Employment Agreement is based upon the template included in the PIM.

3. The Recipient shall, through the Service Provider, ensure that each such Temporary Employment Agreement is carried out with due diligence and efficiency and in accordance with sound technical, financial, and managerial standards and practices acceptable to the Association, including in accordance with the provisions of the Anti-Corruption Guidelines applicable to the Temporary Employment Agreement.

4. The Recipient shall, through the Service Provider, ensure that payment under each Temporary Employment Agreement is subject to a Verification Process satisfactory to the Association.

H. Subprojects

1. For the purposes of Part 1.1 (i) of the Project, the Recipient shall, through the Service Provider, extend to Eligible Communities Micro Infrastructure Subgrants to carry out Micro Infrastructure Subprojects selected according to eligibility criteria and selection procedures set forth in the PIM and carried out according to administrative, procurement, financial management, safeguards, monitoring and evaluation procedures and arrangements set forth in the PIM.

2. Without limitation upon the foregoing, the PIM shall include, inter alia, a detailed elaboration of:

   (a) a model form of agreement for the provision of a Micro Infrastructure Subgrant (“Micro Infrastructure Subgrant Agreement”); and

   (b) the procedures for approval, monitoring and evaluation of Micro Infrastructure Subprojects and for granting of Micro Infrastructure Subgrants.

3. Each Micro Infrastructure Subgrant Agreement shall include the following terms and conditions and other such conditions as may be specified in the PIM.

   (a) The Micro Infrastructure Subgrant shall be provided on a non-reimbursable grant basis.

   (b) The Recipient shall, through the Service Provider, require each Selected Eligible Community to: (i) carry out its Micro Infrastructure 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; (ii) provide, promptly as needed,
the resources required for the purpose; (iii) procure the goods and services to be financed out of the Subgrant in accordance with the provisions of this Agreement; (iv) 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; (v) (A) 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 Micro Infrastructure Subproject; and (B) 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; (vi) enable the Recipient and the Association to inspect the Micro Infrastructure Subproject, its operation and any relevant records and documents; and (vii) 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.

4. The Recipient shall, through the Service Provider, exercise its rights under each Micro Infrastructure Subgrant Agreement 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 any Micro Infrastructure Subgrant Agreement or any of its provisions.

I. **Matching Grants**

1. To facilitate the carrying out of Part 1.1 (ii) of the Project, the Recipient shall, through the Service Provider, extend Matching Grants to Eligible Producer Groups.

2. Each Matching Grant shall be extended in accordance with eligibility criteria, selection procedures, and under terms and conditions acceptable to the Recipient and the Association and described in the Matching Grant Manual.

3. Each Matching Grant shall be extended to an Eligible Producer Group for the financing of Subprojects to be selected under terms and conditions and according to criteria contained in the Matching Grant Manual.

4. The Recipient shall extend each Matching Grant, under Part 1.2, to an Eligible Producer Group under a Matching Grant Agreement, on terms and conditions
approved by the Association, and reflected in the model Matching Grant Agreement to be included in the Matching Grant Manual, which shall include the following:

(a) The Subgrant shall be denominated in FCFA.

(b) 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 Eligible Producer Group to use the proceeds of the Subgrant, or obtain a refund of all or any part of the amount of the Matching Grant then withdrawn, upon the Eligible Producer Group’s failure to perform any of its obligations under the Matching Grant Agreement; and (ii) require each Eligible Producer Group to: (A) carry out its Sub-project 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 Matching 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 Sub-project 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 Sub-project; 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 Sub-project, 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.

5. The Recipient shall exercise its rights under each Matching Grant Agreement 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 any Matching Grant Agreement or any of its provisions.
J. Other Undertakings

1. The Recipient shall, not later than six (6) months after the Effective Date cause the Fiduciary Agent to recruit and thereafter retain an external auditor with qualifications and experience satisfactory to the Association.

2. The Recipient shall, not later than two (2) months after the Effective Date, cause the Fiduciary Agent to recruit and thereafter retain a senior accountant and an internal auditor each with qualifications and experience satisfactory to the Association.

3. The Recipient shall, not later than two (2) months after the Effective Date, cause the Fiduciary Agent to customize its existing accounting software to comply with the SYSCOHADA accounting system.

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 Financing 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, consulting services and Operating Costs for the Project</td>
<td>9,300,000</td>
<td>100%</td>
</tr>
</tbody>
</table>
B.  Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A above, no withdrawal shall be made:

   (a) for payments made prior to the Signature Date;

   (b) under Category 3 unless and until the Service Agreement has been executed with the Service Provider and is binding according to its terms;

   (c) under Category 4 unless the following conditions have been met:

      (i) the Recipient has determined that an Eligible Crisis or Emergency has occurred, has furnished to the Association a request to include such activities in the Project in order to respond to said Eligible Crisis or Emergency, and the Association has agreed with such determination, accepted said request and notified the Recipient thereof;

      (ii) the Recipient has adequate staff and resources for the purposes of said activities; and

      (iii) the Recipient has adopted the EROM in form, substance and manner acceptable to the Association.

2. The Closing Date is 30 May 2024.
APPENDIX

Section I. Definitions

1. "Administrative and Financial Management Manual" means the manual described in Section I.B.1 (b) of Schedule 2 to this Agreement, to be adopted by the Recipient in form and substance satisfactory to the Association.

2. "Agricultural Extension Services" means informal educational processes including advice and information related to agricultural activities to increase the production, efficiency and standard of living of family farms.

3. "AGETIP-CAF" means Agence d'Exécution des Travaux d'Intérêt Public en Centrafrique, the Fiduciary Agent.

4. "Agribusiness Logistics Services" means agriculture commercialization services through agricultural markets and affiliated infrastructure (e.g. storage, auction areas)

5. "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.

6. "Category" means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.


8. "Eligible Beneficiary" means an individual selected retained by the Service Provider for temporary employment under a Temporary Employment Agreement. "Eligible Beneficiaries" means, collectively, all such individuals.

9. "Eligible Communities" means communities eligible to receive Micro Infrastructure Subgrants under Part.1.1 (i) of the Project.

10. "Eligible Producer Group" means a group of farmers eligible to receive investments Subgrants under Part 1.2. of the Project; "Eligible Producer Groups" means several such groups.

12. “ESMF” means Environmental and Social Management Framework, the Recipient’s framework for the environmental and social management of the Project, prepared in form and substance acceptable to the Association, and disclosed by the Recipient on November 11, 2018 and on the Association’s website on December 11, 2018, which contains, inter alia, the guidelines for the carrying out of environmental assessments, for the preparation and implementation of environmental management plans, the screening, preparation, implementation and monitoring of subprojects, provisions on good practices and, where applicable, mitigation measures, and 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, as such ESMF may be amended from time to time, subject to compliance with the provisions of this Agreement and the advance written agreement of the Association.

13. “ESMP” means Environmental and Social Management Plan, a plan to be prepared by the Recipient for an activity under the Project proposing appropriate mitigation, monitoring and institutional measures designed to mitigate potential adverse environmental and social impacts, offset them, reduce them to acceptable levels or enhance positive impacts, as the same may be amended from time to time with the prior written agreement of the Association, and such term includes any schedules or annexes to the plan.

14. “Fiduciary Contract” means Convention de maîtrise d'ouvrage déléguée, the agreement to be concluded between the Recipient and the Fiduciary Agent for the purposes of governing all fiduciary aspects of the project.

15. “Fiduciary Agent” means AGETIP-CAF.


17. “GBV” means Gender Based Violence.

18. “GRM” means the Grievance Redress Mechanism established under the Project and maintained throughout the period of Project implementation, consisting of a secured toll-free telephone number, whereby grievances from Eligible Beneficiaries and other stakeholders can be communicated to the Service Provider for resolution as necessary.

19. “ICRA” means Institut Centrafricaine de la Recherche Agronomique, the Recipient’s national institute for agricultural research.

20. “Indigenous People” means the social groups with a distinct social and cultural identity that makes them vulnerable to being disadvantaged in the development
process, including the presence in varying degrees of the following characteristics: (a) a close attachment to ancestral territories, including forest areas and to the natural resources in these areas; (b) self-identification and identification by others as members of a distinctive cultural group; (c) an indigenous language often different from the national language; (d) presence of customary social and political institutions; and (e) primarily subsistence-oriented production.

21. “IPMP” and “Indigenous Peoples Management Plan” mean the document for the targeted development of Indigenous Peoples under the Project, prepared on the basis of the IPPF and taking into consideration their social, cultural and economic specificity.

22. “IPPF” means Indigenous Peoples Planning Framework, the preliminary framework adopted by the Recipient on November 12, 2018, and disclosed in the territory of the Recipient and on the Association’s website on December 12, 2018 to ensure the informed participation of the Indigenous Peoples, defining the priorities and perspectives of Indigenous People in order to protect them from any negative impact of the Project and to ensure that their members are granted equal opportunities under the Project. The IPPF will result in the preparation of one or more IPDP during the execution of the Project.

23. “Labor Intensive Public Works” means the activities referred to in Part 2 of the Project consisting of the maintenance of roads (e.g. vegetation clearing, debris removal, side drains cleaning, or minor surface repairs) and carried out using public works technology that maximizes opportunities for the employment of labor rather than machines.

24. “LRMC” means local road maintenance committees, comprising individuals from communities benefiting from activities described in Part 2 of the Project.

25. “MADR” means ministère de l’agriculture et du développement rural, the Recipient’s Ministry of Agriculture and Rural Development.

26. “Matching Grants” means subgrants provided to Eligible Matching Grants Beneficiaries under Part 1.2. of the Project.

27. “Matching Grants Manual” means the manual described in Section 1.B.1 (c) of Schedule 2 to this Agreement, to be adopted by the Recipient in form and substance satisfactory to the Association.

28. “Micro Infrastructure” means productive community infrastructure such as water points, rural roads or footpaths providing access to the local road network, small-scale irrigation or drainage systems, cattle dips, vaccination centers, reproduction centers, micro-hydro dams, or community-based early warning systems and communication devices.
29. “NTPCU” means National Technical Project Coordination Unit.

30. “ONASEM” means Office National de Semences, the national seed office.

31. “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 behalf of the Association on April 19, 2019 and on behalf of the Recipient on April 19, 2019.

32. “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 and August 2018.

33. “RAP” means Resettlement Action Plan, the Recipient’s document prepared and disclosed in accordance with the Resettlement Policy Framework with respect to an activity included under an Annual Work Program and Budget, which, inter alia, (i) contains a census survey of Displaced Persons and valuation of their assets, (ii) describes compensation and other resettlement assistance to be provided, consultation to be conducted with Displaced Persons about acceptable alternatives, institutional responsibilities for the implementation and procedures for grievance redress, and arrangements for monitoring and evaluation, and (iii) contains a timetable and budget for the implementation of such measures.

34. “RPF” means Resettlement Policy Framework", the Recipient’s document entitled Cadre de Politique de Réinstallation Involontaire (CPRI) dated September 2018 and disclosed in the territory of the Recipient on November 12, 2018 and on the Association’s website on December 11, 2018, containing guidelines, procedures, timetables and other specifications for the provision of compensation, rehabilitation and resettlement assistance to Displaced Persons.

35. “Safeguards Documents” means collectively the ESMF, ESMP, IPPF, IPMP, RPF and RAP.

36. “Service Agreement” means the agreement to be concluded between the Recipient and the Service Provider

37. “Service Provider” means UNOPS.

38. “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.

40. "Technical Assistance" means assistance for business plan development, entrepreneurship and managerial skills training and business mentoring, as well as studies, training, or other consulting or non-consulting services intended to strengthen the technical capacities of the NTPCU or other entities involved in Project implementation.

41. "Temporary Employment Agreement" means a simple employment contract executed between the Service Provider and each Eligible Beneficiary governing the terms and conditions of such Eligible Beneficiary's employment under Part 2 of the Project, based on the standard temporary employment template used by the Service Provider in form and substance acceptable to the Association; such agreement shall also include the Project’s Codes of Conduct, describing required behaviors on the work sites and information on the project’s GRM.

42. "Training" means the reasonable costs for the following expenditures incurred in providing training or workshops: international and domestic travel by participants and presenters to the training or workshop site, per diem allowances of such persons during the training or workshop, honoraria for the presenters, rental of facilities, materials, supplies and translation and interpretation services.

43. "UNOPS" means the United Nations Office for Project Services.