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<th>Pages</th>
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</thead>
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<td>6</td>
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<td>1</td>
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<td>3</td>
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1. INTRODUCTION

1.1 Background Information

1.1.1 The Central African economy is dominated by the primary sector, especially agriculture (farming, stockbreeding, fishing, forestry), given the wealth it creates and its contribution to employment, food security and poverty reduction. Agriculture generates 41% of GDP and employs almost 70% of the national labour force. However, despite its enormous resources, the development of CAR’s agricultural sector remains precarious. Its annual growth rate of 2% is below the population growth rate (estimated at 2.5%).

1.1.2 In a bid to combat poverty which affects 62% of the national population and 70% of the rural population, the Central African Republic prepared a Second Generation Poverty Reduction Strategy Paper (PRSP II) for 2011-2015 to stimulate robust growth that favours the poor and vulnerable. PRSP II targets three strategic focus areas: (i) security and peace, governance and rule of law; (ii) economic revival and regional integration; and (iii) development of human capital and essential social services. The second focus area relates, inter alia, to the promotion of agricultural and rural development and food security through the development of the country’s potential, rehabilitation of basic infrastructure, consolidation of the role of stakeholders, improvement of the business environment and regional integration. At the sector level, the Government prepared a strategy to develop the agricultural and rural sector by 2025. The strategy seeks to raise CAR agriculture from its current subsistence situation to one that is productive, profitable and environmentally friendly that should create wealth and employment, reduce poverty and enhance food security for the entire population. Actions planned under Phase 2 of the Rural Infrastructure Rehabilitation Support Project (PARIR II) currently being prepared, fall within this framework. Furthermore, it should be noted that PARIR II is consistent with the Joint Country Partnership Strategy (JCPS) of the African Development Bank, the World Bank (WB) and the International Finance Corporation (IFC) for 2009-2012, which seeks to promote robust, job-creating economic growth through two focus areas, namely: consolidation of economic governance and institutional capacity; and infrastructure rehabilitation and development. PARIR II is based on this second focus area. Lastly, the envisaged project supplements and extends the activities of the on-going PARIR I operation.

1.1.3 A Bank mission visited the Central African Republic in November 2011 to prepare PARIR II. The mission identified the studies needed to finalise PARIR II preparation. The CAR Government submitted a PPF request to the ADF for financing the said studies. The request relates to financing preliminary design (PD) and final design (FD) studies as well as preparation of bidding documents (BDs) for project roads and buildings. PARIR II will open up access to a major farming area that is not currently connected to any market, thus helping to combat rural poverty according to PRSP II guidelines. PARIR II will also extend PARIR I activities into new farming areas and, above all, construct a network of more rural roads that will supplement those planned under PARIR I.

1.2 Project Objective and Description

1.2.1 The sector goal of the project is to improve food security and reduce poverty. Specifically, the project seeks to rehabilitate road infrastructure, increase the supply of agricultural products in the market and build the capacity of support services and socio-professional operators.
1.2.2 The project will: (i) open up access to potentially high-yielding farming plains by rehabilitating 500 km of rural roads; (ii) rehabilitate the premises of technical support services of the ministries concerned and of vocational training centres; and (iii) build the capacity of the administration and project beneficiaries. It should be noted that the project area has vulnerable groups, especially women heavily involved in farming and demobilised youths.

1.3 Rationale for Use of the PPF Advance

To ensure good project quality at entry, studies must be launched and BDs prepared during the project preparation process. This will ensure the effective commencement of the project as soon as it becomes effective. Since the Government has budgetary constraints, recourse to PPF to finance the above-mentioned activities is an appropriate response for mobilising the resources needed for project preparation. The lack of qualified human resources and the poor internal organization of the administration to conduct these studies are other arguments that militate in favour of mobilizing PPF resources for the recruitment of a consultancy firm that would conduct the planned studies. The country’s fragility is another justification for Bank financing of the project preparation phase, which should normally devolve on the Government.

2. DESCRIPTION OF PPF ACTIVITIES

2.1 Description of Studies

A summary of the TORs is given in Annex 3. The consultant’s mission is to conduct the different studies needed for preparing preliminary and final designs for the various road segments and bridge structures, as well as technical terms of reference and BDs to ensure that project works comply with the applicable norms. The consultant will review the available documentation in CAR and work closely with national structures responsible for road design, construction and maintenance. The consultant’s mission will be in three phases: namely, preliminary design studies, final design studies and preparation of BDs. Moreover, the consultant will study the rehabilitation of buildings targeted under the project.

2.1.1 Preliminary Design (PD) Studies for Roads and Government Buildings

For road PD studies, the consultant will: (i) describe and analyse the socio-economic environment in the project area where the road segments are to be developed and conduct traffic surveys; (ii) collect the necessary data and make an inventory of project road segments; (iii) carry out preliminary works related to topography, geo-technology and hydrology; (iv) define and describe various road development options; (v) carry out social impact studies from surveys that target a sample of households; (vi) prepare a summary cost estimate; (vii) determine the internal rate of return for each project road segment; (viii) prepare a PD report; and (ix) conduct an environmental and social impact assessment. For studies on the rehabilitation of government buildings, the consultant will: (i) make a diagnostic analysis of the structural and general condition of such buildings; (ii) describe and estimate rehabilitation options; and (iii) prepare a PD report.
2.1.2 Final Design (FD) Studies for Roads and Government Buildings

For the FD, the consultant should: (i) conduct a topographical survey to determine the longitudinal section and cross-section of project roads; (ii) carry out geotechnical studies that include an analysis of road surfaces, borrow pits and quarries, as well as laboratory tests; (iii) conduct hydrological studies and itemize project structures, the various forms of degradation generally encountered and possible solutions; (iv) determine the size of the roads and bridge structures, identify the forms of degradation on the buildings to be rehabilitated and design the rehabilitation options adopted; (v) prepare a detailed description of road and building works and the technical requirements; (vi) determine the cubature and bill of quantities; (vii) prepare price schedules and confidential estimates; (viii) provide a manual on the maintenance and management of roads and bridge structures; and (ix) present PD reports with implementation plans.

2.1.3 Bidding Documents (BDs) for Roads and Government Buildings

The consultant will prepare bidding documents and, to that end, use the standard Bank documents appropriate for works of this nature.

2.2 Description of Expected Outputs

The PPF advance requested by the CAR Government will be used to prepare the PD and FD studies, the BDs for the project roads and implementation studies, and BDs for the buildings targeted under PARIR II.

3. ESTIMATED COST OF PREPARATION ACTIVITIES

3.1 Detailed Cost Estimate of Studies

The detailed cost estimate, net of taxes and broken down into the foreign exchange and local currency costs, is presented in the table below (the amounts are expressed in UA). The purchase of a vehicle is justified by the lack of means of transport in the Ministry of Rural Development and Agriculture.
## Table 3.1
Cost Estimate of PPF Activities (in UA)

<table>
<thead>
<tr>
<th>ITEMS</th>
<th>Units</th>
<th>Quantities</th>
<th>Unit Prices</th>
<th>L.C.</th>
<th>F.E.</th>
<th>Amounts</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>I. Fees of Consultancy Firm Experts</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Civil Engineer, Team Leader</td>
<td>HM</td>
<td>5</td>
<td>15,000</td>
<td>-</td>
<td>75,000</td>
<td>75,000</td>
</tr>
<tr>
<td>2. Senior Civil Engineering Technician</td>
<td>HM</td>
<td>3</td>
<td>2,000</td>
<td>6,000</td>
<td>-</td>
<td>6,000</td>
</tr>
<tr>
<td>3. Socio-Economist</td>
<td>HM</td>
<td>2</td>
<td>10,000</td>
<td>-</td>
<td>20,000</td>
<td>20,000</td>
</tr>
<tr>
<td>4. Environmentalist</td>
<td>HM</td>
<td>1</td>
<td>10,000</td>
<td>-</td>
<td>10,000</td>
<td>10,000</td>
</tr>
<tr>
<td>5. Topographer</td>
<td>HM</td>
<td>3</td>
<td>8,000</td>
<td>-</td>
<td>24,000</td>
<td>24,000</td>
</tr>
<tr>
<td>6. Other personnel (technicians, laboratory assistants, etc.)</td>
<td>HM</td>
<td>4</td>
<td>5,000</td>
<td>20,000</td>
<td>-</td>
<td>20,000</td>
</tr>
<tr>
<td><strong>II. Other Expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Geotechnical study (laboratory test)</td>
<td>LUMP SUM</td>
<td>-</td>
<td>15,000</td>
<td>-</td>
<td>15,000</td>
<td></td>
</tr>
<tr>
<td>2. Leasing of topographic equipment</td>
<td>LUMP SUM</td>
<td>-</td>
<td>15,000</td>
<td>15,000</td>
<td>-</td>
<td>15,000</td>
</tr>
<tr>
<td>3. Purchase of maps</td>
<td>LUMP SUM</td>
<td>-</td>
<td>300</td>
<td>-</td>
<td>300</td>
<td>300</td>
</tr>
<tr>
<td>4. Reports and plans</td>
<td>LUMP SUM</td>
<td>-</td>
<td>10,000</td>
<td>-</td>
<td>10,000</td>
<td>10,000</td>
</tr>
<tr>
<td>5. Subsistence allowance</td>
<td>LUMP SUM</td>
<td>-</td>
<td>20,000</td>
<td>-</td>
<td>20,000</td>
<td></td>
</tr>
<tr>
<td>6. Field transport costs</td>
<td>LUMP SUM</td>
<td>-</td>
<td>30,000</td>
<td>30,000</td>
<td>-</td>
<td>30,000</td>
</tr>
<tr>
<td><strong>III. Reimbursable Costs</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. International trips</td>
<td>NUMBER</td>
<td>-</td>
<td>15,000</td>
<td>-</td>
<td>15,000</td>
<td>15,000</td>
</tr>
<tr>
<td><strong>IV. SUB-TOTAL: STUDY COSTS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>126,000 154,300 260,300</td>
</tr>
<tr>
<td><strong>V. Audit</strong></td>
<td>LUMP SUM</td>
<td>-</td>
<td>2,000</td>
<td>-</td>
<td>2,000</td>
<td>2,000</td>
</tr>
<tr>
<td><strong>VI. Individual Consultant</strong></td>
<td>HM</td>
<td>3</td>
<td>5,000</td>
<td>-</td>
<td>15,000</td>
<td>15,000</td>
</tr>
<tr>
<td><strong>VII. SUB-TOTAL: CONSULTANCY SERVICES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>277,300</td>
</tr>
<tr>
<td><strong>VIII. Procurement of goods</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Vehicle</td>
<td>UNIT</td>
<td>1</td>
<td>40,000</td>
<td>-</td>
<td>40,000</td>
<td>40,000</td>
</tr>
<tr>
<td>2. Computers</td>
<td>UNIT</td>
<td>2</td>
<td>2,500</td>
<td>-</td>
<td>5,000</td>
<td>5,000</td>
</tr>
<tr>
<td><strong>IX. SUB-TOTAL: GOODS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>45,000</td>
</tr>
<tr>
<td><strong>X. Operation</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Staff salaries</td>
<td>SM</td>
<td>30</td>
<td>200</td>
<td>6,000</td>
<td>-</td>
<td>6,000</td>
</tr>
<tr>
<td>2. Provision of premises</td>
<td>MONTH</td>
<td>12</td>
<td>250</td>
<td>3,000</td>
<td>-</td>
<td>3,000</td>
</tr>
<tr>
<td>3. Miscellaneous operating costs</td>
<td>LUMP SUM</td>
<td>-</td>
<td>30,000</td>
<td>-</td>
<td>30,000</td>
<td>30,000</td>
</tr>
<tr>
<td>4. Technical and environmental assistance for supervision through agreements with the Road Unit and the Ministry of Environment</td>
<td>LUMP SUM</td>
<td>-</td>
<td>30,000</td>
<td>30,000</td>
<td>-</td>
<td>30,000</td>
</tr>
<tr>
<td><strong>XI. SUB-TOTAL: OPERATION</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>39,000 30,000 69,000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>145,000 246,300 391,300</td>
</tr>
<tr>
<td>Contingencies</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>7,000 12,700 19,700</td>
</tr>
<tr>
<td><strong>GRAND TOTAL</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>152,000 259,000 411,000</td>
</tr>
</tbody>
</table>

3.2 **Financing Plan**

The financing plan is presented in the table below (the amounts are expressed in UA). The Government’s contribution, which is above 5% of the local currency cost, will cover the salaries of staff involved in the studies as well as the cost of the provided premises.
### Table 3.2
Financing Plan (in UA)

<table>
<thead>
<tr>
<th>Source of Financing</th>
<th>Foreign Exchange</th>
<th>Local Currency</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADF</td>
<td>259,000</td>
<td>143,000</td>
<td>402,000</td>
</tr>
<tr>
<td>Government</td>
<td>0</td>
<td>9,000</td>
<td>9,000</td>
</tr>
<tr>
<td>TOTAL</td>
<td>259,000</td>
<td>152,000</td>
<td>411,000</td>
</tr>
</tbody>
</table>

### Table 3.3
Expenditure Category by Source of Financing (in UA)

<table>
<thead>
<tr>
<th>Source of Financing</th>
<th>Services</th>
<th>Goods</th>
<th>Operation</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADF</td>
<td>312,000</td>
<td>47,300</td>
<td>42,700</td>
<td>402,000</td>
</tr>
<tr>
<td>Government</td>
<td>0</td>
<td>0</td>
<td>9,000</td>
<td>9,000</td>
</tr>
<tr>
<td>TOTAL</td>
<td>312,000</td>
<td>47,300</td>
<td>51,700</td>
<td>411,000</td>
</tr>
</tbody>
</table>

### 4. PROCUREMENT OF SERVICES

The procurement of goods and services will follow African Development Bank procedures. The services of the consultancy firm conducting the studies and those of the consultant auditor will be procured through bidding on the basis of a shortlist. The consultancy firm conducting the studies will be recruited based on quality and cost. The auditor will be selected based on the lowest cost. The individual consultant will be recruited for a term of three months through direct negotiation. The consultant’s services will be spread over a long period interspersed with breaks to enable him/her to participate in all stages of the consultancy firm recruitment process (preparation of BDs, bid analysis, negotiations and signature of contract). S/he will have a lump-sum remuneration contract and his/her payment will be contingent on output.

### 5. IMPLEMENTATION SCHEDULE AND EXECUTING AGENCY

The PPF will be implemented by the PARIR I Coordination Unit (PARIR I is on-going) and will be supported by the Inter-ministerial Unit for Planning and Coordination of Rural Roads and the Ministry of Environment. It will also be supported by an international consultant and specialist in procurements for 3 months. Study activities will cover about 15 months from the agreement effectiveness date (date on which the letter of agreement is countersigned by the Government). Activities will be implemented according to the following schedule:

<table>
<thead>
<tr>
<th>Activity/Action</th>
<th>Authority in charge</th>
<th>Start</th>
<th>End</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board approval</td>
<td>ADF</td>
<td>30/12/2011</td>
<td>20/01/2012</td>
</tr>
<tr>
<td>Signature of agreement letter</td>
<td>ADF</td>
<td>20/01/2012</td>
<td>15/02/2012</td>
</tr>
<tr>
<td>Publication of call for expression of interest</td>
<td>Government</td>
<td>28/02/2012</td>
<td>31/03/2012</td>
</tr>
<tr>
<td>Preparation of BDs and shortlists</td>
<td>Government/ADF</td>
<td>31/03/2012</td>
<td>15/05/2012</td>
</tr>
<tr>
<td>Launching of BDs</td>
<td>Government</td>
<td>16/05/2012</td>
<td>30/06/2012</td>
</tr>
<tr>
<td>Appraisal and selection of consultancy firms</td>
<td>Government</td>
<td>30/06/2012</td>
<td>31/08/2012</td>
</tr>
<tr>
<td>ADB approval and signature of contracts</td>
<td>Government/ADF</td>
<td>31/08/2012</td>
<td>30/09/2012</td>
</tr>
<tr>
<td>Studies (final reports)</td>
<td>Consultants</td>
<td>15/10/2012</td>
<td>15/05/2013</td>
</tr>
</tbody>
</table>
6. FINANCING ARRANGEMENTS

6.1 Refinancing and Reimbursement of Advances

The ADF is expected to finance the Rehabilitation Project. Although the Central African Republic is 50% eligible for a grant and 50% eligible for a loan, this does not preclude the possibility of a PPF that is fully financed through a grant. Hence, the PPF advance will not be reimbursed. Its amount will be deducted from the "grant" component of the country’s ADF allocation.

6.2 Suspension of PPF Advance Disbursements

Should it become necessary to suspend PPF advances, such suspension shall be done in accordance with the guidelines governing the use of PPF resources.

6.3 Special Account

A special account will be opened to receive funds earmarked to finance operating expenses, the services of the auditor and individual consultant and the purchase of computers. The direct payment method will be used to pay for the services of consultancy firms and purchase of the vehicle.

6.4 Letter of Agreement and Annexes

The draft letter of agreement and its annexes (purpose, terms and conditions of the advance, and financial provisions applicable to PPF advances) are found in Annex 2.

7. CONCLUSIONS AND RECOMMENDATIONS

7.1 Conclusions

The PPF advance requested by the CAR Government will be used to finance preparatory studies for the Rural Infrastructure Rehabilitation Project II as described in this memorandum. The project for which studies are planned features in the ADF and country cooperation programme under ADF 12.

7.2 Recommendations

In light of the foregoing, it is recommended that an ADF grant advance not exceeding UA 402,000 be awarded to the Government of the Central African Republic to finance preparatory studies for the above-mentioned project.
Subject: Central African Republic – Rural Infrastructure Rehabilitation Project II – Letter of Agreement on a Project Preparation Fund Advance

Your Excellency,

With reference to your letter of 21 November 2011 and, in particular, your request for financing of preparatory studies for the above-mentioned project, we have the pleasure to inform you that the African Development Fund has favourably considered your request and accepted to grant the sum of UA 402,000 (four hundred and two thousand Units of Account) (hereinafter referred to as the "advance") to the Central African Republic (hereinafter referred to as the "beneficiary") to finance certain expenses required for preparatory studies of the Rural Infrastructure Rehabilitation Project II.

This advance is granted for the purposes and under the terms and conditions set out in Appendices I and II hereto attached.

By confirming its agreement hereunder, the beneficiary declares that it is competent to contract, withdraw and reimburse the advance for the purposes and under the terms and conditions set out in the annexes to this letter of agreement.

The financing of preparatory activities does not constitute or imply any commitment on the part of the Fund to contribute to the financing of the project targeted by the envisaged study.

Kindly confirm, on behalf of the beneficiary, your agreement to the above-mentioned provisions by signing, dating and returning to us the attached copy of this document. The agreement will take effect from the date the Fund countersigns the document.

Please accept, Your Excellency, the assurances of our highest consideration.

AFRICAN DEVELOPMENT FUND
By

CENTRAL AFRICAN REPUBLIC
By

ELKHESHEN Kamal
African Development Bank
Vice-President

His Excellency Sylvain MALIKO
Minister of State for Planning and the Economy
Bangui - Central African Republic

Date: ............................................ Date: ...................................................
Appendix I

Purpose, Terms and conditions of the Advance

1. The advance is granted for the following activities needed to complete project preparation:
   i) PD and FD studies and BDs for rural roads;
   ii) Recruitment of an individual consultant to support the Ministry of Agriculture to implement PPF activities;
   iii) Equipment (one vehicle and two computers);
   iv) Part of the operating costs;
   v) Audit.

2. The expenses to be financed are summed up in Table 3.1 of the main report.

3. The beneficiary shall:
   i) Diligently and efficiently carry out the above-mentioned preparatory activities;
   ii) Promptly provide the funds, means, services and any other resources needed for preparatory activities;
   iii) Provide the Fund with all information, which the Bank could reasonably request, on these activities and on the use of advance resources; and
   iv) Periodically share views with Fund representatives on the progress and outcome of these activities.

4. To facilitate preparation activities, the beneficiary will open a special EURO deposit account ("special account") in a commercial bank deemed acceptable by the Fund, in accordance with the terms and conditions set out in Appendix II. The bank in which the account is opened shall confirm to the Fund, through an acceptable means, that these funds will be held as a distinct special deposit reserved exclusively for the purposes for which the advance was granted and that it shall not be subject to compensation, confiscation or seizure.

5. The beneficiary shall recruit consultants deemed acceptable by the Fund, according to the terms and conditions satisfactory to the latter. Consultants shall be selected according to principles and procedures deemed acceptable by the Fund and in accordance with the Rules of Procedure of the ADF for the Use of Consultants (January 2008 edition). These consultants may not be replaced and their employment terms and conditions may not be amended without the prior consent of the Fund.

6. The withdrawal, use and reimbursement of the advance shall be subject to the financial provisions applicable to project preparation advances ("financial provisions") set out in Appendix III.

7. In accordance with paragraph 6 of the financial provisions, the advance shall include a service charge.

8. The date of _____________ is specified for the purposes of paragraph 6 of the financial provisions. After this date, no withdrawals can be made from the advance and any residual sums shall be cancelled, unless the Bank sets another date for the purposes of paragraph 6.

9. Requests for withdrawal from the advance shall be signed by the Minister of Economy and Finance or any other official designated in writing by this authorised representative of the Government. Authenticated signature specimens of such designees shall be appended to the first withdrawal request.
Appendix II

Special Deposit Account

1. For the purposes of this Appendix:
   a) The term "categories" refers to expenditure categories to be financed with advance resources, as provided in Paragraph 2 of Appendix I;
   b) The term "eligible expenditure" refers to expenditure at reasonable cost for goods and services required for project preparation activities, to be financed with advance resources; and

2. Payments made from the special account exclusively concern eligible expenditure in accordance with the provisions of this appendix.

3. As soon as the Fund receives documents that satisfactorily establish that a special account has been duly opened, withdrawals from the authorised allocation and subsequent withdrawals to replenish the special account shall be effected as follows:
   a) For withdrawals from the authorised allocation, the beneficiary shall submit a deposit request (or requests) to the Bank for a sum that shall not exceed the total amount of the authorised allocation. On the basis of such request(s), the Fund shall deposit the requested amount into the special account, on behalf of the beneficiary, deducting it from the advance.
   b) For replenishment of the special account, the beneficiary shall submit requests to the Bank for deposits into the special account at intervals specified by the Fund;
   c) Before or at each request, the beneficiary shall submit the supporting documents and other required material to the Bank, in accordance with Paragraph 4 of this Appendix. On the basis of this request, the Fund shall, on behalf of the beneficiary, deposit the amount requested by the beneficiary into the special account, deducting it from the advance, with the documents and other supporting material attesting that it has been paid into the special account to defray eligible expenditure.

4. For each payment made by the beneficiary from the special account, the beneficiary shall submit the relevant documents and all other supporting material to the Fund, attesting that the payment exclusively defrays eligible expenditure.

5. Notwithstanding the provisions of Paragraph 3 of this appendix, the Fund shall not make new deposits into the special account if:
   a) The Bank determines, at any time, that the other withdrawals ought to be made directly by the beneficiary; or
   b) The total amount not withdrawn from the advance is double the authorised allocation.
6. If the Fund finds, at any time, that a payment was made from the special account:

i) To settle an expense or amount that is not eligible under Paragraph 2 of this Appendix; or

ii) Without any justification provided to the Fund, the beneficiary shall, upon notification from the Fund, promptly:

   a) Provide the additional documents requested by the Fund; or

   b) Deposit into the special account (or reimburse to the Fund at its request) an amount equivalent to the non-eligible or unjustified payment or fraction of the payment.

      Unless otherwise decided, the Fund shall make no further deposits into the special account so long as the beneficiary has not provided these supporting documents or effected the deposit or reimbursement, as the case may be.

   c) If the Fund deems, at any time, that the special account balance will not be needed for other eligible expenditure payments, the recipient shall immediately reimburse the said amount as soon as it is notified by the Fund.

   d) Upon notification by the Fund, the beneficiary shall reimburse to the Fund, all or part of the funds deposited into the special account.

   e) Reimbursements to the Fund made in accordance with Paragraphs 6 (a), (b) and (c) of this Appendix shall be added to the non-withdrawn amount of the advance.
Appendix III

Financial Provisions Applicable to Project Preparation Advances

1. In these provisions, the term "Fund" refers to the African Development Fund (the "Fund").

2. The Fund shall disburse to the beneficiary (Central African Republic) the resources of a project preparation advance to cover expenditure items specified in the letter of agreement on the advance. The beneficiary shall submit a written withdrawal request in the format stipulated by the Fund. The request shall be signed by an authorised representative of the beneficiary and accompanied by supporting documents for the expenditure made or, with the consent of the Fund, to be made.

3. The advance shall be disbursed in a currency agreed upon by the Fund and the borrower, in accordance with the Fund’s disbursement rules.

4. Withdrawals shall be made only for settlement of expenditure on services or goods from eligible countries in accordance with the Bank’s Rules of Procedure for Procurement of Goods, Works and Services.

5. Withdrawals from the advance and the applicable service charges shall be reimbursed by the beneficiary as follows:

   a) If, before or on the date agreed upon by the beneficiary and the Fund in the letter of agreement on the advance, the Fund awards a loan as contribution to the financing of the project whose preparation was financed by the advance, the full amount of the withdrawn and unreimbursed advance shall be reimbursed to the Fund. This amount shall include the service charge applicable as of the date of reimbursement. Reimbursement shall be done through deductions from the loan resources in accordance with the provisions of the loan agreement as soon as it becomes effective.
b) If, as of the date indicated in Paragraph (a) above, no loan or grant has been obtained or if, as of that date or subsequently, the agreement for this loan or this TAF grant expires without becoming effective:

i) Where the amount withdrawn from the advance does not exceed UA 20,000, the beneficiary shall reimburse the amount to the Fund and pay the service charge applicable at the time of reimbursement, on the date specified by the Fund in the notification sent to the beneficiary; in any event, this date may not be less than 60 days after the date of notification; and

ii) Where the amount withdrawn from the advance exceeds UA 20,000, the beneficiary shall reimburse the amount in three annual tranches equivalent to the principal together with the service charges that apply to this amount, in accordance with the amounts and dates specified by the Fund in the notification sent to the beneficiary; in any event, the first tranche may not be due less than 60 days after the date of communication of the notification.

6. All payments to the Fund shall be in the currency in which the advance was disbursed or in another currency agreed upon by the Fund and the borrower for the equivalent sum, in accordance with the Fund’s disbursement rules.

7. The Fund may, at any time, issue a notification to the beneficiary suspending all withdrawals from the advance for any of the following reasons: (a) the amounts withdrawn were not used for the purposes agreed upon by the beneficiary and the Fund; (b) preparatory activities were not implemented according to the standards or methods agreed upon by the beneficiary and the Fund; or (c) the right of the beneficiary, or of any other entity to which the Fund awarded a loan guaranteed by the beneficiary, to make withdrawals under the loan or TAF grant agreement signed with the Fund, has been suspended.

8. At any time after the suspension of withdrawals from the advance in accordance with current provisions, the Fund may, by notification to the beneficiary, cancel any amount of the advance that has not been withdrawn.
Ministère du Plan et de l’Economie

Bangui, le 21 NOV. 2011

A
Madame la Directrice du Département des Opérations pour la Région de l’Afrique Centrale du Groupe de la Banque Africaine de Développement (BAD)

Tunis (Belvédère)

Objet : Demande d’avance de Facilité de Préparation de Projet de la BAD au profit du Projet d’Appui à la Réhabilitation d’Infrastructures Rurales phase II (PARIR II)

Madame la Directrice,

Le Groupe de la Banque Africaine de Développement (BAD) a prévu au titre du FAD-12 une enveloppe de 9 millions d’UC pour le financement du Projet d’Appui à la Réhabilitation d’Infrastructures Rurales phase II (PARIR II) en République Centrafricaine (RCA), suite logique de la première phase en cours de mise en œuvre.

Ce projet devra permettre d’améliorer la sécurité alimentaire et réduire l’extrême pauvreté en milieu rural à travers la réhabilitation des infrastructures d’accès et de commercialisation, à l’accroissement de la disponibilité des produits agricoles sur le marché et au renforcement des capacités des services techniques d’appui, des opérateurs socioprofessionnels et des centres de formation professionnelle des jeunes filles et garçons vulnérables.

En vue du démarrage effectif dudit projet après son approbation par le Conseil d’Administration de la Banque, je soumets par la présente auprès de votre département une requête pour la mobilisation d’avance de Facilité de Préparation de Projets à hauteur de 500 000 UC en faveur du Projet d’Appui à la Réhabilitation d’Infrastructures Rurales phase II (PARIR II).

Je vous prie d’agréer, Madame la Directrice, l’assurance de toute ma considération.

Le Ministre d’Etat au Plan et à l’Economie

[Signature]

Sylvain MALIKO

Rue Martin Luther KING BP : 696-Bangui- République Centrafricaine Tél : +236 21 61 92 85/Fax : +236 21 61 96 89
Email : cabinet@minplan-rca.org
TO: 
The Director 
Operations Department Centre Region 
African Development Bank (AfDB) Group 
Tunis (Belvedere)

Subject: Request for an AfDB Project Preparation Facility Advance in favour of the Rural Infrastructure Rehabilitation Support Project II (PARIR II)

Dear Director,

Under ADF-12, the African Development Bank (AfDB) set aside UA 9 million to finance the Rural Infrastructure Rehabilitation Support Project Phase II (PARIR II) in the Central African Republic (CAR) – a logical continuation of the on-going first phase.

PARIR II should help to improve food security and reduce extreme poverty in the rural area by rehabilitating access and marketing infrastructure, increasing the availability of agricultural products on the market and building the capacity of support technical services, socio-professional operators and vocational training centres for vulnerable young men and women.

With a view to the effective start-up of this project after its approval by the Bank’s Board of Directors, I am hereby submitting to your Department a request to mobilize an advance of UA 500 000 from the Project Preparation Facility in favour of the Rural Infrastructure Rehabilitation Support Project Phase II (PARIR II).

Please accept, Ms. Director, the assurance of my highest consideration.

Minister of State for Planning and Economy

Sylvain MALIKO
(signed)
CAR is a landlocked Central African country with a surface area of 623,000 km². In 2007, its population was estimated at close to 4.3 million inhabitants. The country abounds with natural resources and enjoys climatic conditions that favour agricultural development. However, the rural population cannot benefit from this huge potential and generally live in poverty and food insecurity because of the lack or obsolescence of infrastructure for the production, processing and marketing of agricultural produce.

The country’s road infrastructure comprises approximately 9,700 km of national roads and 15,000 km of secondary and rural roads. Further inland, almost all farm-to-market and pastoral roads (approximately 11,000 km) leading to farming areas are unmotorable in the rainy season and hardly passable in the dry season. This makes it difficult and even impossible in some areas, to collect and market farm produce, and engage in other transactions vital to the rural economy. The country’s landlocked nature raises production costs fuelled by imported intermediate consumption goods, limits its industrialisation and reduces the competitiveness of national products on the international market. In a bid to address the above constraints, the ADB supports CAR in implementing PARIR II.

I- OBJECTIVES OF THE STUDY

The target objective is to conduct preliminary design (PD) and final design (FD) studies, and prepare technical terms of reference (TTR) for the drafting of bidding documents for works on rural roads and government buildings situated in Bangui and the project’s 4 development poles. The stretch to be rehabilitated under the project is 500 km of existing roads, between the Paoua and Bozoum development poles (150 km, respectively) in Ouham Pendé Prefecture, the Bossangoa development pole (100 km) in Ouham Prefecture and the Kaga Bandoro development pole (100 km) in Nana Gribizi Prefecture. These zones have a population of almost 1 million inhabitants (almost 20% of CAR’s total population).
II- MISSION OF THE CONSULTANT

The consultant’s mission is to conduct various studies necessary for the preparation of preliminary and final designs for the different road segments, bridge structures and government buildings, and to prepare technical terms of reference and BDs to ensure that project works comply with the applicable norms. The consultant should review the available documentation in CAR and work closely with national structures responsible for road design, construction and maintenance. The consultant’s mission is in three phases: preliminary design studies, final design studies and BDs.

For the PD studies (Phase I of the study), the consultant shall:

1. Describe and analyse the socio-economic environment in the project area where road segments are to be developed and conduct traffic surveys;
2. Collect the necessary data and make an inventory of the project road segments;
3. Carry out preliminary works related to topography, geo-technology and hydrology;
4. Define and describe project choices;
5. Carry out social impact studies from surveys that target a sample of households;
6. Prepare a summary cost estimate;
7. Determine the internal rate of return for each segment to be developed;
8. Conduct environmental impact studies;
9. Conduct a diagnostic analysis of government buildings and propose rehabilitation options;

For the PD studies (Phase II of the study), the consultant shall:

1. Conduct a topographical survey to determine the longitudinal section and cross-section of project roads;
2. Carry out geotechnical studies that include analysis of road surfaces, borrow pits and quarries, as well as laboratory tests;
3. Conduct hydrological studies and itemize project structures, the various forms of degradation generally encountered and possible solutions;
4. Determine the sizes of the roads and bridge structures;
5. Prepare a detailed description of road and building works and the technical requirements;
6. Determine the cubature and bill of quantities;
7. Prepare price schedules and confidential estimates;
8. Provide a manual on the maintenance and management of roads and bridge structures;
9. Present the PD report with implementation plans.
10. The draft PD and FD reports as well as the BDs modelled on the Bank's standard bidding documents shall be validated by the competent technical services of the CAR Government and submitted to the Bank for information prior to finalisation of the final reports.

III- EXPECTED OUTCOMES

The expected outcomes are preparation of the PD and FD reports and BDs for the conduct of road and building works under PARIR II.

IV- PROFILE OF THE CONSULTANT

The Consultant should be a Consultancy Firm (CF) with experience in similar studies and should put together a team of qualified experts, versed in the conduct of road and building studies with good knowledge of rural road construction and maintenance techniques and a sound understanding of rural transport.

V- TERM OF CONTRACT

The consultant’s contract duration shall be 6 (six) months.