

**OFFICIAL
DOCUMENTS**

Q948-72

The World BankINTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
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11/17

, 2014

H. E. Patrice KITEBI
Minister of Finance
Ministry of Finance
Boulevard du 30 Juin
Commune de la Gombe
Kinshasa 1, Democratic Republic of Congo

**Re: Democratic Republic of Congo: Advance Agreement for the Preparation of
the Proposed Health Systems Strengthening for Better Maternal and Child health
Results Project**

Project Preparation Advance No. Q9480

Excellency:

In response to the request for financial assistance made on behalf of Democratic Republic of Congo ("Recipient"), I am pleased to inform you that the International Development Association ("World Bank") proposes to extend to the Recipient an advance out of the World Bank's Project Preparation Facility in an amount not to exceed six million Dollars (US\$6,000,000) ("Advance") on the terms and conditions set forth or referred to in this letter agreement ("Agreement"), which includes the attached Annex, to assist in financing the activities described in the Annex ("Activities"). The objective of the Activities is to facilitate the preparation of a proposed project aimed at improving utilization and quality of maternal and child health services in targeted areas of the Recipient's territory ("Project"), for the carrying out of which the Recipient has requested the World Bank's financial assistance.

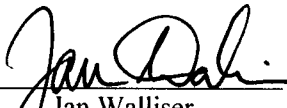
The Recipient represents, by confirming its agreement below, that: (a) it understands that the provision of the Advance does not constitute or imply any commitment on the part of IBRD or IDA to assist in financing the Project; and (b) it is authorized to enter into this Agreement and to carry out the Activities, repay the Advance and perform its other obligations under this Agreement, all in accordance with the provisions of this Agreement.

Please confirm the Recipient's agreement to the foregoing by having an authorized official of the Recipient sign and date the enclosed copy of this Agreement, and return it to

the World Bank. Upon receipt by the World Bank of this countersigned copy, this Agreement shall become effective as of the date of the countersignature

Very truly yours,

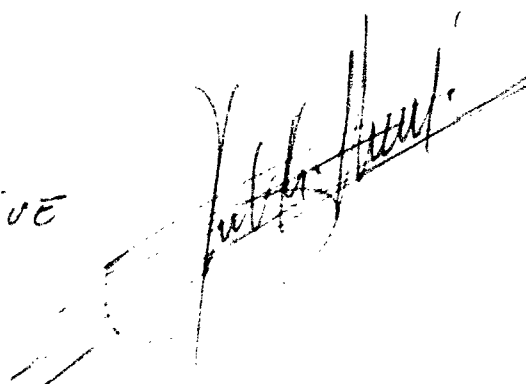
INTERNATIONAL DEVELOPMENT ASSOCIATION

By 
Jan Walliser
Acting Country Director for Democratic Republic of Congo
Africa Region

AGREED:
DEMOCRATIC REPUBLIC OF CONGO

By: _____
Authorized Representative

Name: PAULICE KIEBI
Title: MINISTRE DELEGUE
Date: 25/11/2014



Enclosures:

- (1) "Standard Conditions for Advances Made by the World Bank under its Project Preparation Facility", dated July 31, 2010.
- (2) Disbursement Letter for the Advance, together with "World Bank Disbursement Guidelines for Projects", dated May 1, 2006.
- (3) 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.
- (4) "Guidelines: Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated January 2011, revised July 2014.
- (5) "Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated January 2011, revised July 2014.

Article I
Standard Conditions; Definitions

1.01. **Standard Conditions.** The Standard Conditions for Advances Made by the World Bank under its Project Preparation Facility dated July 31, 2010 (“Standard Conditions”) constitute an integral part of this Agreement.

1.02. **Definitions.** Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Standard Conditions, in this Agreement or in this section.

- (a) “MOPH” and “Ministry of Public Health” each means the Recipient’s Ministry of Health and any agencies thereof and its successor.
- (b) “PARSS-PCU” and “Health System Development and Rehabilitation - Project Coordination Unit” each means the unit established within the MOPH pursuant to Ministerial decree no.1250/cab/min/s/by/pt/0029/2005 dated May 13, 2005 and referred to in Section I.A.1 of Schedule 2 to this Agreement.
- (c) “Selected Provinces” means the Recipient’s provinces of Equateur, Bandundu, Katanga, and Maniema.

Article II
Execution of the Activities

2.01. **Description of the Activities.** The Activities for which the Advance is provided consist of the following parts:

Part 1: Project Design & Development

- 1. Preparation and disclosure of relevant safeguards instruments for the Project;
- 2. Carrying out of workshops to:
 - (a) finalize the Project’s performance-based financing (PBF) scheme, including: details on the basic package of health and nutrition services to be supported under the Project; quality assessment; payment modalities; regulation performance framework; equity bonus and verification methods to be used; and
 - (b) launch the Project at the national and provincial levels.
- 3. Carrying out relevant training activities for staff working on the Project.

4. Conducting a study for the preparatory work related to provincial purchasing agencies involved in the Project.

Part 2: Project Interventions – Early Start Up

1. Developing a communication strategy for the Project.
2. Carrying out the selection and recruitment of staff and implementation partners involved in the Project.
3. Provision of training in PPF to health personnel, and carrying out of sensitization activities for communities in Selected Provinces.
4. Provision and distribution of essential drugs for the complementary packet of health services to be financed at the health centers and hospital levels.

Part 3: Project Teams & Operational Modalities

1. Preparing an implementation manual for the Project.
2. Carrying out the recruitment of PFB experts, fiduciary staff and other key personnel for the implementing agencies involved in the Project.
3. Acquisition of vehicles and other equipment for the agencies that will implement the PBF scheme for the Project.

2.02. **Execution of the Activities Generally.** The Recipient declares its commitment to the objectives of the Activities. To this end, the Recipient shall carry out the Activities in accordance with the provisions of: (a) Article II of the Standard Conditions; (b) this Article II; and (c) 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.

2.03. **Institutional and Other Arrangements.** Without limitations upon Section 2.02 above, the Recipient shall maintain within the Office of the Secretary General of the MOPH, the PARSS-PCU with functions, resources and staff, including *inter alia*, an accountant, satisfactory to the World Bank to be responsible for the fiduciary aspects of the Advance.

2.04. **Monitoring, Reporting and Evaluation of the Activities.** The Recipient shall monitor and evaluate the progress of the Activities in accordance with the provisions of Section 2.08 of the Standard Conditions.

2.05. **Financial Management.** (a) The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.09 of the Standard Conditions.

(b) The Recipient shall ensure that interim un-audited financial reports for the Activities are prepared and furnished to the World Bank not later than forty five (45) days after

the end of each calendar quarter, covering the quarter, in form and substance satisfactory to the World Bank.

(c) The Recipient shall have its Financial Statements audited in accordance with the provisions of Sections 2.09 (b) of the Standard Conditions.

(i) If, on or before the Refinancing Date, a Refinancing Agreement has been executed by all of its parties, the Recipient shall have the Financial Statements included in the first audit of financial statements required under the Refinancing Agreement.

(ii) If, by the Refinancing Date, no Refinancing Agreement has been executed by all of its parties, such audit of the Financial Statements shall cover the period of the Advance, commencing with the fiscal year in which the first withdrawal under the Advance was made. The audited Financial Statements for such period shall be furnished to the World Bank not later than six months after the end of the Recipient's fiscal year in which the Refinancing Date occurs.

(iii) Notwithstanding the provisions of paragraphs (i) and (ii) of this Section, the World Bank may request an audit of the Financial Statements prior to the Refinancing Date, covering such period as is indicated in its request. The audited Financial Statements for such period shall be furnished to the World Bank not later than six months after the end of such period.

2.06. *Procurement*

(a) General. All goods, non-consulting services and consultants' services required for the Activities and to be financed out of the proceeds of the Advance shall be procured in accordance with the requirements set forth or referred to in:

(i) Section I of the "Guidelines: Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated January 2011, revised July 2014 ("Procurement Guidelines"), in the case of goods and non-consulting services;

(ii) Sections I and IV of the "Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated January 2011, revised July 2014 ("Consultant Guidelines") in the case of consultants' services; and

(iii) the provisions of this Section, as the same shall be elaborated in the procurement plan prepared and updated from time to time by the Recipient for the Activities in accordance with paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines ("Procurement Plan").

(b) Definitions. The capitalized terms used in the following paragraphs of this Section to describe particular procurement methods or methods of review by the World Bank 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.

(c) Particular Methods of Procurement of Goods and Non-consulting Services

(i) Except as otherwise provided in sub-paragraph (ii) below, goods and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.

(ii) 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) Limited International Bidding; (B) Shopping; (C) Procurement under Framework Agreements in accordance with procedures which have been found acceptable to the World Bank; (D) Direct contracting; and (E) National Competitive Bidding, subject to the following additional provisions referred below:

Additional Provisions for National Competitive Bidding

National Competitive Bidding may be used subject to using the open procedure (“*appel d’offres ouvert*”) set forth in the Recipient’s Public Procurement Law No 10/010 dated April 27, 2010 (the “PPL”) and the Manual of Procedures of the PPL as per Recipient’s Decree No 10/22 dated June 2, 2010 (the “Manual of Procedures”); provided however that such procedure shall be subject to the provisions of Section I and Paragraphs 3.3 and 3.4 of Section III of the Procurement Guidelines and the additional following modifications:

(i) **Standard Bidding Documents:** All standard bidding documents to be used for the Project under NCB shall be found acceptable to the World Bank before their use during the implementation of Project;

(ii) **Eligibility:** Eligibility of bidders and acceptability of their goods and services shall not be based on their nationality and/or their origin; and association with a national firm shall not be a condition for participation in a bidding process; Therefore, except for the ineligibility situations referred to in paragraphs 1.10(a) (i) and 1.10(a) (ii) of the Procurement Guidelines, the eligibility of bidders must be based solely on their qualification, experience and capacity to carry out the contract related to the specific bidding process;

(iii) **Advertising and Bid Preparation Time:** Bidding opportunities shall be advertised at least in a national newspaper of wide circulation and on the website of the Recipient’s Procurement Regulator (*Autorité de Régulation des Marchés Publics*) and bidders should be given at least 30 days from the date of invitation to bid or the date of availability of the bidding documents, whichever is later;

(iv) **Criteria for Qualification of Bidders:** Qualification criteria shall only concern the bidder’s capability and resources to perform the contract taking into account objective and measurable factors. Such criteria for qualification of bidders shall be clearly specified in the bidding documents;

(v) **Bid Evaluation and Contract Award:** A contract shall be awarded to the substantially responsive and lowest evaluated bidder provided that such bidder meets the qualification criteria specified in the bidding documents. No scoring system shall be allowed for the evaluation of bids, and no “blanket” limitation to the number of lots which can be awarded to a bidder shall apply. The criteria for bid evaluation and the contract award conditions shall be clearly specified in the bidding documents;

(vi) **Preferences:** No preference shall be given to domestic/regional bidders; to domestically/regionally manufactured goods; and to bidders forming a joint venture with a national firm or proposing national sub-contractors or carrying out economic activities in the territory of the Recipient;

(vii) **Publication of Contract Award:** Information on all contract awards shall be published in at least a national newspaper of wide circulation or in the Recipient's Procurement Regulator (*Autorité de Régulation des Marchés Publics*) web-site;

(viii) **Fraud and Corruption:** In accordance with the Procurement Guidelines, each bidding document and contract shall include provisions stating the World Bank's policy to sanction firms or individuals found to have engaged in fraud and corruption as set forth in the Procurement Guidelines;

(ix) **Inspection and Audit Rights:** In accordance with the Procurement Guidelines, each bidding document and contract shall include provisions stating the World Bank's policy with respect to inspection and audit of accounts, records and other documents relating to the bid submission and contract performance;

(x) **Requirement for administrative documents and/or tax clearance certificate.** The bidding documents shall not require foreign bidders to produce any administrative or tax related certificates prior to confirmation of awarding a contract;

(xi) **Modifications of a Signed Contract:** Any change in the contract amount which, singly or combined with all previous changes, increases the original contract amount by 15% (fifteen percent) or more must be done through an amendment to the signed contract instead of signing a new contract.

(d) Particular Methods of Procurement of Consultants' Services

(i) Except as otherwise provided in item (ii) below, consultants' services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.

(ii) The following methods may be used for the procurement of consultants' services for those assignments which are specified in the Procurement Plan: (A) Quality-based Selection; (B) Least Cost Selection; (C) Selection under a Fixed Budget; Selection based on Consultants' Qualifications; (D) Single-source Selection of consulting firms; (E) Selection of Individual Consultants; and (F) Single-source procedures for the Selection of Individual Consultants.

(e) Review by the World Bank of Procurement Decisions. The Procurement Plan shall set forth those contracts which shall be subject to the World Bank's Prior Review. All other contracts shall be subject to Post Review by the World Bank. All Terms of References will be subject to the Bank prior review regardless the contract cost estimate.

Article III Withdrawal of the Advance

3.01. ***Eligible Expenditures.*** The Recipient may withdraw the proceeds of the Advance in accordance with the provisions of: (a) Article III of the Standard Conditions; (b) this Section; and (c) such additional instructions as the World Bank may 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 World Bank and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the following table. The table specifies each category of Eligible Expenditures that may be financed out of the proceeds of the Advance ("Category"), the amount of the Advance allocated to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

Category	Amount of the Advance Allocated (expressed in Dollars)	Percentage of Expenditures to be Financed (inclusive of Taxes)
Goods, Training, Operating Costs, non-consulting services and consultants' services under the Activities	6,000,000	100%
TOTAL AMOUNT	6,000,000	

For the purpose of this section, the terms:

(a) "Training" means the following expenditures incurred in providing training, seminars or workshops: (i) travel by participants and presenters to the training or workshop site; (ii) per diem allowances of such persons during the training, seminars or workshop; (iii) honoraria for the presenters; (iv) rental of facilities; (v) materials, supplies; and (vi) translation and interpretation services; and

(b) "Operating Costs" means the incremental operating expenses incurred on account of the implementation of the Activities, management and monitoring including on account of operation and maintenance costs of office and office equipment; office supplies, additional staff costs, travel and supervision costs, per diem, but excluding the salaries and indemnities of officials and public servants of the Recipient's civil service.

3.02. ***Withdrawal Conditions.*** Notwithstanding the provisions of Section 3.01 of this Agreement, no withdrawal shall be made for payments made prior to the date of countersignature of this Agreement by the Recipient.

3.03. **Refinancing Date.** The Refinancing Date is June 30, 2015.

Article IV Terms of the Advance

4.01. **Service Charge.** The Recipient shall pay a service charge on the Withdrawn Advance Balance at the rate of three-fourths of one percent ($3/4$ of 1%) per annum. The service charge shall accrue from the respective dates on which amounts of the Advance are withdrawn and shall be paid in arrears in accordance with the provisions of Section 4.02 of this Agreement. Service charges shall be computed on the basis of a 360-day year of twelve 30-day months.

4.02. **Repayment.** The Withdrawn Advance Balance shall be repaid by the Recipient to the World Bank (together with any service charges accrued thereon) in accordance with the provisions of Article IV of the Standard Conditions and the following provisions:

(a) *Refinancing under the Refinancing Agreement:* If, on or before the Refinancing Date, a Refinancing Agreement has been executed by all of its parties, then the full amount of the Withdrawn Advance Balance shall be repaid to the World Bank (together with any service charges accrued on the Advance to the date of repayment) as soon as the Refinancing Agreement becomes effective, by means of a withdrawal by the World Bank of an amount of the Refinancing Proceeds equivalent to the Withdrawn Advance Balance plus such service charges, in accordance with the provisions of the Refinancing Agreement.

(b) *Repayment in the absence of a Refinancing Agreement:* If, on or before the Refinancing Date, no Refinancing Agreement has been executed by all of its parties, or if, by such date or at any time thereafter, it has been so executed but terminates without becoming effective, then:

(i) if the amount of the Withdrawn Advance Balance does not exceed \$50,000, it shall be repaid by the Recipient to the World Bank (together with service charges accrued on the Withdrawn Advance Balance to the date of repayment) on such date as the World Bank shall specify in a notice to the Recipient, which shall in no event be earlier than 60 days following the date of dispatch of such notice; and

(ii) if the amount of the Withdrawn Advance Balance exceeds \$50,000, it (together with service charges accrued on the Withdrawn Advance Balance to the Notice Date) (the "Aggregate Balance") shall be paid by the Recipient to the World Bank in ten approximately equal semiannual installments, in the amounts and on the dates ("Payment Dates") which the World Bank shall specify in a notice to the Recipient. In no event shall the first Payment Date be set earlier than 60 days following the date ("Notice Date") of dispatch of such notice. The Recipient shall pay a service charge on the Aggregate Balance at the rate of three-fourths of one percent ($3/4$ of 1%) per annum, payable in arrears on each Payment Date. The service charge shall be computed on the basis of a 360-day year of twelve 30-day months.

Article V
Recipient's Representative; Addresses

5.01. ***Recipient's Representative.*** The Recipient's Representative referred to in Section 9.02 of the Standard Conditions is the Recipient's Minister in charge of finance.

5.02. ***Recipient's Address.*** The Recipient's Address referred to in Section 9.01 of the Standard Conditions is:

Ministry of Finance
Boulevard du 30 Juin
Commune de la Gombe
Kinshasa 1, Democratic Republic of Congo

Email: cabfinances@minfinrdc.com
Tel.: +243 99 39 000 39

5.03. ***World Bank's Address.*** The World Bank's Address referred to in Section 9.01 of the Standard Conditions is:

International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Cable:	Telex:	Facsimile:
INDEVAS		
Washington, D.C.	248423 (MCI) or 64145 (MCI)	1-202-477-6391