H. E. Calixte NGANONGO
Minister of Finance, Budget and Public Portfolio
Ministry of Finance, Budget and Public Portfolio
Brazzaville
Republic of Congo

Re: Republic of Congo: CAFI Grant No: TF0A3637
Preparation of the Reducing Deforestation and Forest Degradation (REDD+) Readiness Project
Letter Agreement

Excellency:

In response to the request for financial assistance made on behalf of the Republic of Congo ("Recipient"), I am pleased to inform you that the International Bank for Reconstruction and Development ("IBRD") and the International Development Association ("IDA") (collectively, "World Bank"), both acting as administrator of grant funds provided by UNDP ("Donor") under the Central African Forest Initiative Implementation Single Donor Trust Fund ("CAFI"), proposes to extend to the Recipient a grant in an amount not to exceed six hundred twenty thousand United States Dollars (USD $620,000) ("Grant") on the terms and conditions set forth or referred to in this letter agreement ("Agreement"), which includes the attached Annex, to assist in the financing of the project described in the Annex ("Project").

This Grant is funded out of the abovementioned trust fund for which the World Bank receives periodic contributions from the Donors. In accordance with Section 3.02 of the Standard Conditions (as defined in the Annex to this Agreement), the World Bank’s payment obligations in connection with this Agreement are limited to the amount of funds made available to it by the Donors under the abovementioned trust fund, and the Recipient’s right to withdraw the Grant proceeds is subject to the availability of such funds.

The Recipient represents, by confirming its agreement below, that it is authorized to enter into this Agreement and to carry out the Project in accordance with the terms and conditions set forth or referred to in 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 returning it to the World Bank.

Very truly yours,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION

By
Djibrilla Issa
Country Manager for Congo
Africa Region

210312017

AGREED:
REPUBLIC OF CONGO

By:
Authorized Representative

Name: Calixte NDIOMO
Ministre des Finances
Title: du Budget et du Pouvoir Public
Date: 22 MARS 2017

Enclosures:

(2) Disbursement Letter of the same date as this Agreement, 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
(5) "Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers", dated January 2011 as revised in July 2014
Article I
Standard Conditions; Definitions


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 or in this Agreement, provided that for the purposes of this Agreement the term "Project", whenever used in the Standard Conditions, shall mean the Activities referred to in Section 2.01 of this Annex. The following additional terms shall have the following meanings:

(a) "CAFI" means the Central African Forest Initiative

(b) "CSO" means a civil society organization.

(c) "IPs" means the indigenous peoples.

(d) "National REDD Coordination" means the unit established under the Recipient’s ministry in charge of forest economy, sustainable development and environment for the implementation of the REDD process.

(e) "NIP" means the national investment plan to be developed by the Recipient.

(f) "Operating Costs" means the incremental expenses incurred on account of implementation of the Project, consisting of reasonable expenditures, agreed with the World Bank, for the following items: vehicle operation and maintenance, communication and insurance costs, banking charges, rental expenses, office and office equipment maintenance, utilities, document duplication/printing, consumables, travel costs and per diem for Recipient staff for travel linked to the implementation of the Project, and salaries of the Recipient’s contractual staff employed for purposes of the Project (but excluding salaries of civil servants).

(g) "PIU" means the implementation unit established within the Recipient’s ministry in charge of forest economy, sustainable development and environment pursuant to the Financing Agreement between the Recipient and the Association for the Forest and Economic Diversification Project (Credit No. 5121-CG), dated June 13, 2012.

(h) "REDD+" means reducing emissions from deforestation and forest degradation, conservation of forest carbon stocks, sustainable management of forest, and enhancement of forest carbon stocks.

(i) "Training" means the costs associated with training and workshop participation of personnel involved in the implementation of the Project, including travel and subsistence costs for training and workshop participants, costs associated with securing the services of trainers and workshop speakers, rental of training and workshop facilities, preparation and reproduction of training and workshop materials, and other costs directly related to training courses and workshop preparation and implementation.
Article II
Project Execution

2.01. Project Objectives and Description. The objective of the Project is to support the preparation of the activities related to the Recipient's REDD+ Readiness Preparation project aimed at reinforcing the Recipient's capacities to design a socially and environmentally sound national strategy to reduce emissions from REDD+ and to inform the development of a national reference emissions level for REDD+. The Project consists of the following parts:

(a) drafting the NIP and designing its institutional arrangements;
(b) carrying out relevant sector studies;
(c) conducting consultations on the draft NIP with high level multi-stakeholders, development partners, CSOs and IPs;
(d) conducting a series of departmental consultations on the proposed CAFI programs;
(e) carrying out validation workshops relating to the draft NIP; and
(f) carrying out Project's coordination, audit, financial management, procurement, communication, knowledge management and monitoring and evaluation.

2.02. Project Execution Generally. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out the Project through the Recipient's ministry in charge of sustainable development, forestry and environment in accordance with the provisions of: (a) Article II of the Standard Conditions; (b) 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 ("Anti-Corruption Guidelines"); and (c) this Article II.

2.03. Institutional and Other Arrangements. Without limitation upon the provisions of Section 2.02 above:

(a) The Recipient shall maintain, throughout the implementation of the Project, the National REDD Coordination, with functions, composition and organization satisfactory to the World Bank, supported by qualified and experienced staff in adequate numbers vested with the technical responsibility for managing the Project.

(b) The Recipient shall maintain, throughout the implementation of the Project, the PIU, with functions, composition and organization satisfactory to the World Bank, supported by qualified and experienced staff in adequate numbers responsible for the fiduciary aspects of the Project, including: (i) financial and administrative management; (ii) disbursement; (iii) procurement; and (iv) auditing.

(c) The Recipient shall ensure that all terms of reference for any technical assistance or studies carried out under the Project are consistent with, and pay due attention to, the World Bank's environmental and social safeguard policies, as well as the Recipient's own laws relating to the environment and social aspects.
2.04.  **Project Monitoring, Reporting and Evaluation.**  (a) The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of indicators acceptable to the World Bank. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the World Bank not later than forty-five (45) days after the end of the period covered by such report.

(b) The Recipient shall prepare the Completion Report in accordance with the provisions of Section 2.06 of the Standard Conditions. The Completion Report shall be furnished to the World Bank not later than six (6) months after the Closing Date.

2.05.  **Financial Management.**  (a) The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.

(b) The Recipient shall ensure that interim unaudited financial reports for the Project 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 Section 2.07 (b) of the Standard Conditions. Each audit of the Financial Statements shall cover the period of one fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the World Bank not later than six (6) months after the end of such period.

2.08.  **Procurement**

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


(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 Project 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 which are specified in the Procurement Plan: (A) National Competitive Bidding, subject to using the standard bidding documents of the World Bank or other bidding documents agreed upon with the World Bank's approval; (B) Shopping; and (C) Direct Contracting.

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

**Article III**

**Withdrawal of Grant Proceeds**

3.01. **Eligible Expenditures.** The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) 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 the categories of Eligible Expenditures that may be financed out of the proceeds of the Grant ("Category"), the allocations of the amounts of the Grant to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:
<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, non-consulting services, consultants' services, Operating Costs and Training under the Project</td>
<td>620,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>620,000</td>
<td></td>
</tr>
</tbody>
</table>

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 this Agreement, except that withdrawals up to an aggregate amount not to exceed $124,000 equivalent may be made for payments made prior to this date but on or after May 1, 2016, for Eligible Expenditures under Category (1).

3.03. **Withdrawal Period.** The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is December 31, 2017.

**Article IV**

**Recipient's Representative; Addresses**

4.01. **Recipient's Representative.** The Recipient's Representative referred to in Section 7.02 of the Standard Conditions is its Minister responsible for finance.

4.02. **Recipient's Address.** The Recipient's Address referred to in Section 7.01 of the Standard Conditions is:

Ministry of Finance, Budget and Public Portfolio  
B.P. 4119  
Brazzaville  
Republic of Congo

Facsimile:

(242) 22 281 43 69

4.03. **World Bank's Address.** The World Bank's Address referred to in Section 7.01 of the Standard Conditions is:

International Bank for Reconstruction and Development  
1818 H Street, N.W.  
Washington, D.C. 20433  
United States of America
Telex: 248423 (MCI) or 64145 (MCI)
Facsimile: 1-202-477-6391