Her Excellency
Ms. Viviana Caro Hinojosa
Minister of Development Planning
Ministry of Development Planning
Avenida Mariscal Santa Cruz #1092, Esquina Oruro
La Paz, Bolivia

Re: BOLIVIA: IDF Grant for Strengthening of Planning, Investment, Fiduciary and Procurement Capacities Project
IDF Grant No. TF016494

Excellency:

In response to the request for financial assistance made on behalf of the Plurinational State of Bolivia ("Recipient"), I am pleased to inform you that the International Bank for Reconstruction and Development ("World Bank") proposes to extend to the Recipient a grant from the World Bank’s Institutional Development Fund ("IDF") in an amount not to exceed five hundred twenty thousand United States Dollars (US$520,000) ("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").

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 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effective as of the date of the countersignature; provided, however, that the offer of this Agreement shall be deemed withdrawn if the World Bank has not received the countersigned copy of this Agreement within 90 days after the date of signature of this Agreement by the World Bank, unless the World Bank shall have established a later date for such purpose.

This Agreement and its obligations shall terminate if, by October 24, 2014, the World Bank has not received evidence that the Recipient has: (a) signed any consultants’ services contract required for the Project; or (b) requested a withdrawal of Grant proceeds; unless the World Bank, after consideration of the reasons for the delay, establishes a later date for the purpose of this Section. The World Bank shall promptly notify the Recipient of such later date.

Very truly yours,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By

Faris Hadad-Zervos
Country Manager, Bolivia
Latin America and the Caribbean Region
AGREED:

PLURINATIONAL STATE OF BOLIVIA

By: 

Authorized Representative

Name: E. Viviana Caro Hinojosa

Title: MINISTRA DE PLANIFICACIÓN DEL DESARROLLO

Date: June 12, 2014

Enclosures:


(2) Disbursement Letter of the same date as this Agreement, together with World Bank Disbursement Guidelines for Projects, dated May 1, 2006.


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.

(a) "EGPP" means Escuela de Gestión Publica Plurinacional, the Recipient's School for Public Management, established pursuant to the Supreme Decree 212 dated July 15, 2009 as amended to the date of this Agreement, or any legal successor or successors thereto.

(b) "MPD" means Ministerio de Planificación del Desarrollo the Recipient's Ministry of Development Planning or any legal successor or successors thereto.

(c) "PCU" means the Project Coordination Unit established within the MPD.

(d) "Steering Committee" means the committee referred to in Section 2.03 of this Agreement.

Article II
Project Execution

2.01. Project Objectives and Description. The objectives of the Project are to: (a) improve the skills of the Recipient's central and sub-national staff in the areas of public management linked to investment cycle; and (b) strengthen the Recipient's capacity to enable acceleration in the procurement and implementation of sub-national investment projects. The Project consists of the following parts:

Part I: Diagnosis of the Civil Service System and Design of a Long-term Strategy for Permanent Training

(a) Carrying out of a participative diagnosis on the causes of deficiencies in the quality and efficiency of public investments, and developing reports based on discussions held with stakeholders, such as the MPD, the EGPP and the civil service unions.

(b) Drafting of a comparative and participative analysis of permanent public sector training experiences and models of public sector training programs.

(c) Development of an adaptive and iterative long-term strategy for permanent training in public investment management.
Part 2: Planning, Organization and Evaluation of Pilot Training Program

(a) Design of a pilot training program including: (i) the specific definition of the program areas and themes; (ii) the identification of the candidates for the pilot; and (iii) the selection procedures and requirements of the participant entities.

(b) Development of tools to evaluate the impact of the implementation of the pilot through: (i) the design and dissemination of a questionnaire including elements of job performance assessment; and (ii) the carrying out of interviews with selected participants, including professors and civil servants.

Part 3: Development and Implementation of the Pilot Training Program

(a) Design and implementation of an electronic tool allowing periodical assessments of the impact of the training program in the acceleration of the procurement processes and the execution of the investments.

(b) Preparation of the training modules based on Part 2 (a) above which shall include, the development of: (i) the curricular modules; (ii) the content and materials of each module based on case studies; (iii) the methodology and modality to implement the program; and (iv) the evaluation system.

(c) Implementation of the pilot training program for approximately 200 professionals, including, certification of the said professionals and a final evaluation of the program.

Part 4: Project Coordination

(a) Appointment of a facilitator to: (i) coordinate the implementation of the Grant activities; (ii) ensure the timely preparation of the terms of reference; and (iii) monitor the implementation of the Grant activities.

Part 5: Implementation of Audits

Carrying out of audits of the implementation of the activities supported by the Grant.

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 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. For purposes of ensuring overall coordination of Project implementation, the Recipient shall establish and maintain a committee (the “Steering Committee”) comprising representatives of the Recipient and EGPP, all with a structure, functions, staffing, terms of reference and responsibilities satisfactory to the World Bank. The Steering Committee shall meet at least every six (6) months and shall be responsible for coordinating Project implementation.

2.04. Project Monitoring, Reporting and Evaluation. (a) The Recipient shall monitor and evaluate the progress of the Project and, upon the World Bank’s request, 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 such period as shall be indicated in the World Bank's request and shall be furnished to the World Bank not later than one month after the date of such request.

(b) The Recipient shall, upon the World Bank's request, 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 five 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 45 days after the end of each calendar semester, covering the semester, 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 months after the end of such period.

2.06. **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:

   (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 (“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 (“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.** Goods and non-consulting services shall be procured under contracts awarded on the basis of Shopping.
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) Least Cost Selection; (B) Selection based on Consultants’ Qualifications; (C) Single-source Selection of consulting firms; and (D) Selection of Individual Consultants.

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. (a) The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (i) Article III of the Standard Conditions; (ii) this Section; and (iii) 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>Goods, Consultants’ Services including audits and Training</td>
<td>520,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>520,000</td>
<td></td>
</tr>
</tbody>
</table>

(b) For the purposes of this Section, the term “Training” means reasonable expenditures (other than those for consultants’ services) incurred by the Recipient in connection with the carrying out of seminars and workshops under the Project, including reasonable transportation costs, lodging and per diem of trainees, rental of training facilities and equipment.

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. Withdrawal Period. The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is three years after the date of countersignature of this Agreement by the Recipient.
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 of Development Planning.

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

Ministerio de Planificación del Desarrollo
Avenida Mariscal Santa Cruz No. 1092
La Paz, Bolivia

Facsimile:

+591-2-23107-93

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

Cable: INTBAFRAD
Telex: 248423 (MCI) or 64145 (MCI)
Facsimile: 1-202-477-6391