H.E. Gilbert Ondongo  
Minister of State, Minister of Economy, Finance,  
Planning, Public Portfolio and Integration  
B.P. 4119  
Brazzaville  
Republic of Congo  

Re: MDTF – Health Results Innovation – Grant No. TF015318  
Republic of Congo - HRITF Design and Pre-Pilot Project  
Grant Agreement  

Excellency:  

In response to the request for financial assistance made on behalf of Republic of Congo ("Recipient"), I am pleased to inform you that the International Development Association ("World Bank"), acting as administrator of grant funds provided by various donors under the Multi Donor Trust Fund for Health Results Innovation, proposes to extend to the Recipient a grant in an amount not to exceed eight hundred fifty thousand United States Dollars (U.S.$850,000.00) ("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. 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the offer of this Agreement shall be deemed withdrawn if the World Bank has not received the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.

Very truly yours,

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Eustache Ouayo

Country Director for the Republic of Congo
Africa Region

AGREED:

REPUBLIC OF CONGO

Authorized Representative

Name: SEM Gilbert Ondongu
Title: Minister of State

Date: _______________________

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 and the following term has the following meaning:

“Package of Maternal and Child Health Services” or “PMCHS” means a comprehensive package of services delivered free of charge at selected health facilities, with focus on maternal health and child health, as defined in the Operations Manual.

Article II
Project Execution

2.01. **Project Objectives and Description.** The objective of the Project is to support the Recipient in preparing a proposed health sector strengthening project whose aim is to increase the utilization and quality of maternal and child health services in targeted rural and urban areas. The Project consists of the following parts:

A. **Preparation and Design Work**

Provision of technical assistance to the Recipient’s Ministry of Health and Population (“MoH”) for the carrying out of:

1. a health facility survey mapping all public and private facilities in the Recipient’s territory;
2. a community indigent mapping exercise identifying the percentage of the Recipient’s population to participate in the proposed project’s conditional cash transfer program;
3. the creation of a web-based database for performance-based financing (PBF);
4. the creation of a team of trainers and of a training manual on the new performance-based approach, and the provision of training to health care facilities staff, key central, departmental and district level staff and the Project implementation unit’s staff at the MoH; and
5. the revision of a PBF operations manual (“Operations Manual”), such Operations Manual to include, *inter alia*:

   (i) criteria for identification and costing of PMCHS;
   (ii) criteria for eligibility of health service providers to receive financing for purposes of delivering such packages;
   (iii) the procedures for selection of such providers, the terms and conditions of their receiving such financing;
(iv) measures to ensure proper implementation of such packages in accordance with such terms and conditions, including a health care waste management plan ("Health Care Waste Management Plan") required for such packages;
(v) definition of outputs for the PMCHS and the quality and performance check list;
(vi) a system for the monitoring and evaluation of the interventions so financed, including format of reports and verification of the results of such packages; and
(vii) such other administrative, financial, technical and organizational arrangements and procedures as shall be required for the Project.

B. PBF Pre-pilot Activities

Provision of sub-grants (individually “Performance Based Sub-grant” or collectively “Performance Based Sub-grants”) to eligible health facilities (individually “Beneficiary” or collectively “Beneficiaries”) for the carrying out, on a pilot basis, of specific activities comprising PMCHS and a quality and performance framework checklist developed and validated in accordance with the Operations Manual, (individually “Performance Based sub-project” or collectively “Performance Based Sub-projects”), with the aim of testing and adjusting approaches to increase the utilization and quality of maternal and child health services in targeted rural and urban areas of the Recipient’s territory.

C. Project Management

Provision of technical advisory services and operating support required for the MoH’s efficient implementation of the Project.

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 MoH, 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

A. Implementation Arrangement

Without limitations upon Section 2.02 above, the Recipient shall:

(i) at all time during the implementation of the Activities maintain within the MoH the implementation unit (PCU) with staffing in number and with terms of reference satisfactory to the World Bank, to be responsible for the implementation of the Project including the fiduciary aspects;

(ii) within three months of the Effective Date, appoint an external auditor in accordance with the provisions of Section 2.07 of this Annex; and
(iii) within three months of the Effective Date: a) acquire and install appropriate accounting software and systems in accordance with the provisions of Section 2.07 of this Annex; and b) ensure that its financial staff involved in the Project are properly trained in the use of such software and systems.

B. Performance Based Sub-grant

To facilitate the carrying out of Part B of the Project, the Recipient shall make parts of the proceeds of the Grant available to the Beneficiary, in accordance with eligibility criteria and procedures acceptable to the World Bank and elaborated in the Operations Manual, under a Performance Based Sub-grant agreement ("Performance Based Sub-grant Agreement") acceptable to the World Bank, which shall include, inter alia:

(a) the outputs and performance targets to be achieved by the Beneficiary, including the services to be delivered;

(b) the arrangements for verification of the quantity and quality of outputs delivered by the Beneficiary;

(c) the maximum amounts payable against the outputs specified in the Performance Based Sub-grant Agreement, the periodicity of payments, the conditions for payments and the methodology for determining the amount of payments during each payment period;

(d) the Recipient’s right to suspend or terminate the right of the Beneficiary to use the proceeds of the Performance Based Sub-grant, or obtain a refund of all or any part of the amount of the Performance Based Sub-grant then withdrawn, upon the Beneficiary’s failure to perform any of its obligations under the Performance Based Sub-grant Agreement; and

(e) the Beneficiary’s obligation to:

   (i) carry out the Performance Based Sub-project with due diligence and efficiency and in accordance with sound public health, environmental and social and administrative standards and practices acceptable to the World Bank, including in accordance with the Operations Manual, the Health Care Waste Management Plan and the Anti-Corruption Guidelines;

   (ii) provide promptly, as needed, the resources required for the purpose;

   (iii) procure any goods and/or services required for the Performance Based Sub-project and to be financed out of the proceeds of the Performance Based Sub-grant in accordance with the provisions of Section 2.06 of this Annex as further elaborated in the Operations Manual;

   (iv) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the World Bank, the progress of the implementation of the
Performance Based Sub-project and the achievement of its objectives;

(v) 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 its operations, resources and expenditures, including those related to the Performance Based Sub-grant; and (2) at the World Bank’s or the Recipient’s request, have such financial statements audited by independent auditors acceptable to the World Bank, in accordance with consistently applied auditing standards acceptable to the World Bank, and promptly furnish the statements as so audited to the World Bank and the Recipient;

(vi) enable the World Bank and the Recipient to inspect its facilities, operations and any records and documents relevant to the Performance Based Sub-project; and prepare and furnish to the World Bank and the Recipient all such information as either shall reasonably request relating to the implementation of the Performance Based Sub-project;

(vii) prepare and furnish to the Recipient and the World Bank all such further information as the Recipient or the World Bank shall reasonably request relating to the foregoing;

(viii) not assign, amend, abrogate or waive any provision of the Performance Based Sub-grant Agreement.

C. Safeguard

1. Health Care Waste Management Plan

The Recipient shall prepare and adopt the Health Care Waste Management Plan, defining the set of mitigation, enhancement, monitoring, and institutional measures to be taken during implementation of the Project to eliminate any adverse environmental impacts of medical waste, offset them, reduce them to acceptable levels, or to enhance positive impacts of the Project activities, as such plan may be amended by the Recipient from time to time, with the prior written approval of the World Bank.

2. Indigenous Performance Plan Framework

The Recipient shall prepare and adopt the Indigenous Performance Plan (IPPF), defining the set of mitigation, enhancement, monitoring, and institutional measures to be taken during implementation of the Project to respond to the needs of the Indigenous population targeted by the Project, as such plan may be amended by the Recipient from time to time, with the prior written approval of the World Bank.
2.04. **Donor Visibility and Visit.** (a) The Recipient shall take or cause to be taken all such measures as the World Bank may reasonably request to identify publicly the Donor's support for the Project.

(b) For the purposes of Section 2.09 of the Standard Conditions, the Recipient shall, upon the World Bank's request, take all measures required on its part to enable the representatives of the Donors to visit any part of the Recipient's territory for purposes related to the Project.

2.05. **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 the 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 one month 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 months after the Closing Date.

2.06. **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 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 such 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.

2.07. **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

(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; (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, Training, Operating Costs, non-consulting services and consultants' services in Parts A and C of the Project.</td>
<td>400,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Performance Based Sub-grants required for Part B of the Project</td>
<td>450,000</td>
<td>100% of amount disbursed</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>850,000</td>
<td></td>
</tr>
</tbody>
</table>

For purposes of this table, the term:

(i) "Operating Costs" means the reasonable costs of the following incremental expenditures incurred in carrying out the Project, which shall have been agreed with the World Bank: (A) vehicle operation and maintenance, (B) office supplies and office administration costs; (C) communications charges, insurance costs and banking, utility and rental charges; (D) salaries of Project team, but excluding salaries of consultants and of officials of the Recipient's civil service; and (E) travel and *per diem* for staff for travel linked to the implementation of the Project; and

(ii) "Training" means the reasonable costs, which shall have been agreed by the World Bank, associated with the training and workshop participation of personnel involved in carrying out 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 course and workshop preparation and implementation.

3.02. *Withdrawal Conditions.* Notwithstanding the provisions of Section 3.01 of this Agreement, no withdrawal shall be made

(a) for payments made prior to the date of countersignature of this Agreement by the Recipient;

(b) under Category (2) unless and until the Recipient shall have furnished evidence satisfactory to the World Bank that the Recipient shall have adopted: (i) the Operations Manual as described in Section 2.01 A. 5. of this Annex; and (ii) the Health Care Waste Management Plan and the Indigenous Performance Plan Framework as described in Section 2.03 of this Annex.
3.03. **Withdrawal Period.** The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is June 30, 2014.

**Article IV**  
**Recipient’s Representative; Addresses**

4.01. **Recipient’s Representative.** The Recipient’s Representative referred to in Section 9.02 of the Standard Conditions is the Minister responsible of finance.

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

Minister of State, Minister of Economy, Finance, Planning, 
Public Portfolio and Integration 
B.P. 2083 
Brazzaville 
Republic of Congo

Facsimile: 
(242) 281-08-35

4.03. **World Bank’s Address.** The World Bank’s Address referred to in Section 7.01 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 248423 (MCI) or 1-202-477-6391
Washington, D.C. 64145 (MCI)