ADVISORY SERVICES AGREEMENT

between

REPUBLIC OF CONGO

and the

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Dated APRIL 17, 2015
AGREEMENT FOR ADVISORY SERVICES

AGREEMENT dated the \ldots day of \ldots 2015, between REPUBLIC OF CONGO (the “Client”) and the INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (the “Bank”) (jointly referred to as “the Parties”).

WHEREAS, the Client has requested the Bank to provide to the Client advisory services (the “Advisory Services” or “AS”) described in the Schedule to this Agreement to propose, based on international best practices and in-depth dialogue with stakeholders, a menu of options for the Sovereign Wealth Fund (SWF) established under the Client’s Law No. 1-2014 dated January 6, 2014.

NOW, therefore, the Parties hereto agree as follows:

1. **Advisory Services.** The Bank shall provide to the Client the services (“Advisory Services” or “AS”) described in the Schedule to this Agreement, on the terms and conditions set out in this Agreement, including the Annex hereto, which constitutes an integral part hereof.

2. **Client Contacts.** In carrying out the Advisory Services, the Bank will work closely with the designated officials of the Ministry of Finance of the Client (the “MOF”). The Client will provide the Bank with the names and contact information for said designated officials

3. **Payment**

(a) The Client shall pay the Bank up to eight hundred forty-six thousand five hundred and twenty-nine US Dollars (US$ 846,529) in accordance with the following schedule of advance payments:

<table>
<thead>
<tr>
<th>Amount of Installment</th>
<th>Event upon which Payment is Due</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. 50%</td>
<td>Date of signature of this Agreement.</td>
</tr>
<tr>
<td>2. 50%</td>
<td>6 months after signature of this Agreement.</td>
</tr>
</tbody>
</table>

(b) The amount of advance payment shall be deducted on a quarterly basis in accordance with actual expenses incurred over the reporting period.

(c) All payments to the Bank hereunder shall be made in full when due, upon submission of an invoice by the Bank. Payment shall be made, in United States Dollars, in immediately available funds, without any deductions whatsoever for taxes, duties, charges or other withholdings, and notwithstanding any pending dispute between the Parties, to such account as the Bank may from time to time designate in writing.
4. **Effectiveness.** This Agreement shall become effective as of the day and year first above written, once it has been duly signed by both Parties.

5. **Expiration.** This Agreement shall expire on the day falling 12 months after the date of this Agreement unless it shall earlier be renewed with the mutual agreement of the Client and the Bank.

6. **Termination.** Either the Client or the Bank may terminate this Agreement prior to its expiration upon ninety (90) days’ written notice to the other. Upon receipt of such notice, the Parties shall take all appropriate steps to terminate in an orderly manner the activities then ongoing under the Advisory Services and to settle promptly all outstanding matters.

7. **Cooperation.** (a) The Client shall at all times provide the Bank in a timely manner with any and all information that may affect the performance of the Advisory Services, inform the Bank of any developments relating to the Advisory Services, and do all things necessary to enable Bank Personnel to carry out the Advisory Services hereunder.

   (b) It is expressly agreed and understood that the Bank shall bear no responsibility for delay in performance occasioned by the Client’s failure to provide its contribution as set forth in Section D of the Schedule or otherwise cooperate as set forth in paragraph (a) above.

8. **Notices and Addresses.** (a) All notices required or permitted to be given pursuant to this agreement shall be in writing and shall be deemed to have been duly given or made when delivered by hand or by mail, or facsimile to the signatories to this Agreement at their addresses as set out below or such other addresses as may be notified by either party from time to time. Notices forwarded by registered mail shall be deemed to be delivered upon delivery. Notices made by facsimile transmission shall also be confirmed by mail, with their effective date being the date of initial transmission.

   (b) The following addresses are specified for the purposes of this Agreement:

For the Client:
*Ministère des Finances, du Budget et du Portefeuille Public*
Boulevard Denis Sassou Nguesso / Avenue Foch
B.P. 2083, Brazzaville
Republic of Congo

Facsimile:
242-2281-43-69
For the Bank:

The World Bank
1818 H Street, NW
Washington, DC 20433
USA

Phone: (202) 477-1234
Fax: (202) 477-6391

IN WITNESS WHEREOF, the Parties hereto, acting through their duly authorized representatives, have caused this Agreement to be signed in their respective names as of the day and year first above written.

REPUBLIC OF CONGO

By: __________________________
Authorized Representative
Name: DONDONGO Gilbert
Title: Ministre des finances

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By: __________________________
Authorized Representative
Name: Ahmedou Moctar Ndoor
Title: Country Director
SCHEDULE

Description of the Advisory Services

A. Advisory Services. Except as the Client and the Bank may otherwise agree, the Advisory Services shall include the following activities and outputs:

Activity 1: Macroeconomic Analysis

Assisting the Client think strategically in deciding on savings versus spending, through the following:

(a) Preparation of a macroeconomic framework over the period 2015-2040, taking into account the prospect of economic growth in different sectors of the economy, tradable and non-tradable.

(b) Identification of the different fiscal streams, mapping revenue flows from various sources.

(c) Development of the SWF as an implementation tool, including the design of operational objectives, with an assessment of what would be the optimal internal revenue allocation(s) among the stabilization fund, the savings funds and the strategic investment fund in light of the government objectives, and recommendation on fiscal rules therefor.

(d) Recommendation of a desired level of saving abroad versus investing domestically over time, taking into consideration the relative weights of country-specific factors, such as the investment gaps and implementation constraints (like the efficiency of public investment management practices), as well as alternative approaches to overall public investment expenditure.

(e) Recommendation of a desirable allocation of domestic investments across sectors, based on a review of (i) the historical relation between investment and growth (incremental capital-output ratio) in the territory of the Client by comparison with other Sub-Saharan African countries and major emerging markets, and (ii) alternative macro-economic scenarios.

Activity 2. Institutional and Governance Arrangements

(a) Carrying out international benchmarking analysis.

(b) Examination of the potential implications of the strategic objectives of the Client for the legal framework of the SWF.
(c) Examination of the existing legal frameworks for the FCI and CDC, assess the implications of this legal framework on the strategic objectives of the SWF and the allocation towards stabilization, savings and domestic investments.

(d) Examination and recommendation of appropriate governance structure for the SWF.

(e) Recommendation of best practices to separate the roles of the SWF, the owner and the manager, in particular with respect to their financial and management functions.

(f) Recommendations of best practices for the stabilization and the savings funds’ investment management strategies and principles.

(g) Recommendations for the strategic investment fund objectives with respect to (a) generation of a pipeline of bankable projects; (b) attraction of foreign investors; and (c) exit strategies on regional and international markets.

(h) Recommendations for the strategic investment fund of best practices to articulate the investment principles required to position the fund as a credible investor internationally.

(i) Recommendations of best standards for transparency and external oversight of the fund’s activities.

**Activity 3. Building Public Awareness & Consensus**

Design of a proactive communication and education strategy to build stakeholders’ buy-in for the objectives and set-up of the SWF.

Any change to the foregoing scope of work shall be set out in a writing signed by the Client and the Bank, setting out the additional work to be undertaken and the fees in respect thereof.

B. **Timetable.** Except as the Client and the Bank may otherwise agree, the Bank shall endeavor to perform the Advisory Services in accordance with the following tentative timetable:
<table>
<thead>
<tr>
<th>Deliverables</th>
<th>Deliverable Deadline</th>
</tr>
</thead>
<tbody>
<tr>
<td>First mission</td>
<td>Month 1</td>
</tr>
<tr>
<td>Draft report on Component 1 and Component 2 (Benchmarking study) of the activities</td>
<td>Month 4</td>
</tr>
<tr>
<td>Second mission</td>
<td>Month 5</td>
</tr>
<tr>
<td>Workshop regarding the two above draft reports</td>
<td>Month 5</td>
</tr>
<tr>
<td>Draft report on Component 2 (institutional and governance arrangements) and Component 3 of the activities</td>
<td>Month 6</td>
</tr>
<tr>
<td>Third mission</td>
<td>Month 7</td>
</tr>
<tr>
<td>Workshop regarding the two above draft reports</td>
<td>Month 8</td>
</tr>
<tr>
<td>Delivery of the final versions of the two above reports to the Client</td>
<td>Month 9</td>
</tr>
</tbody>
</table>

C. **Bank Personnel.** The following is an indicative list of the persons likely to be involved in carrying out the Advisory Services:

<table>
<thead>
<tr>
<th><strong>World Bank staff</strong></th>
<th><strong>Title</strong></th>
<th><strong>Role</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Philippe Aguera</td>
<td>Senior Financial Sector Specialist</td>
<td>Task Team Leader</td>
</tr>
<tr>
<td>Michel Noel</td>
<td>Lead Financial Specialist</td>
<td>Co-Task Team Leader</td>
</tr>
<tr>
<td>Fulbert Tchana Tchana</td>
<td>Senior Economist</td>
<td>Macroeconomic component</td>
</tr>
<tr>
<td>Ekaterina Gratcheva</td>
<td>Lead Financial Officer</td>
<td>Sovereign Wealth Fund Expert and Reserve Advisory</td>
</tr>
<tr>
<td>Shanti Divakaran</td>
<td>Senior Financial Sector Specialist</td>
<td>Sovereign Wealth Fund Expert</td>
</tr>
<tr>
<td>TBC</td>
<td>Senior Communication Officer</td>
<td>Communication Strategy</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Outside Expertise</strong></th>
<th><strong>Role</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>TBC</td>
<td>Lead Investment Fund Structuring Specialist</td>
</tr>
<tr>
<td>TBC</td>
<td>Lead Governance and Sovereign Wealth Fund Specialist</td>
</tr>
</tbody>
</table>
D. **Counterparts and Facilities.** The Client shall carry out the following activities and provide the following facilities in support of the Advisory Services:

1. Upon request by the Bank, the services of legal firm(s) and counsel(s) as necessary for analyzing the legal issues linked to the study.

2. More generally, access for the Bank to the appropriate officials and personnel of the key public entities, notably the Ministry of Economy and Finance, concerned line ministries and agencies, and other key public investors, such as the newly created Caisse des Dépots et Consignations.

3. Access to key private institutional investors concerned by the study.

4. Experts with adequate office space and equipment, including high speed internet access.

5. Adequate facilities for the delivery of workshops as needed.

6. Designated government officials to act as dedicated project managers for each component, in addition to other staff participating as needed, in order to coordinate and follow up on Project design and implementation.

7. All required data and information in a timely fashion, as well as responsiveness for requests for consultations, to allow for the proper execution of the Services.

E. **Records.** The Bank shall keep appropriate records of the Advisory Services in accordance with its normal record-keeping practices and shall furnish to the Client such information regarding the Advisory Services as the Client shall reasonably request.
ANNEX
STANDARD TERMS AND CONDITIONS

1. **Performance Standard; Non-Exclusivity.** The Bank hereby shall carry out the Advisory Services with the same care and diligence as it uses in its other analytical and advisory activities. The engagement of the Bank as adviser to the Client hereunder is non-exclusive and shall not restrict the Client from engaging other advisers on the same or related issues.

2. **Bank Personnel.** The Bank shall, in its sole discretion, determine the composition of the staff (including staff holding consultant appointments) (“Bank Personnel”) assigned to perform the Advisory Services. The Schedule to this Agreement contains an indicative list of Bank Personnel likely to be involved in carrying out the Advisory Services; provided, however, that the Bank retains at all times the right to assign such other person or persons in addition to, or substitution for, any of the persons appearing on that list as the Bank may deem necessary or appropriate in the performance of its duties hereunder. The Client may, if it has reasonable cause for dissatisfaction with the performance of any of the Bank Personnel, request the Bank to replace such person(s). For avoidance of doubt, it is agreed and understood that this Agreement does not create any employment or other contractual relationship between the Client and Bank Personnel.

3. **Client Contributions.** The Client shall carry out the activities and provide the facilities and other arrangements set out in the Schedule to this Agreement.

4. **Bank Operational Policies.** The Bank shall provide its advice in a manner consistent with its relevant environmental and social safeguards policies.

5. **Confidentiality.** The Parties agree that this Agreement and the outputs set out in the Schedule to this Agreement shall only be made available to the public after the Client has given its written consent to such disclosure. With respect to underlying information provided by the Client in support of the Advisory Services, the Client reserves the right to designate said information as confidential. The Bank may publicly disclose such information only after the Client has given its prior consent. With respect to underlying information (other than the final outputs) provided by the Bank in support of the Advisory Services, the Bank reserves the right to designate said information as confidential. The Client may publicly disclose such information only after the Bank has given its prior consent.

6. **Intellectual Property.** The intellectual property rights of the Parties in any of its pre-existing data or documents used by the Bank in connection with the Advisory Services shall remain with that Party. The intellectual property rights in new materials prepared by the Bank in connection with the Advisory Services shall belong to the Client; provided, however, that the Bank shall have the global, non-exclusive, perpetual (for the duration of the copyright), fully sub-licensable and royalty-free right to use, copy, display, distribute, publish and create derivative works of all or part of these materials and
incorporate the information therein in its research, papers, publications, web sites, and other media without the consent of the Client, subject to the limitations on disclosure of confidential information and any third party rights, as indicated in paragraph 5, Confidentiality, of this Annex 1.

7. **Representation of the Bank's views and use of the Bank's name, marks and logo.**

(a) The Client agrees that it shall not represent, or permit the representation of, the Bank’s views without the prior written consent of the Bank.

(b) The Client further agrees that it shall not use, or permit the use of the Bank’s name, marks or logos in any advertisements, promotional literature or information without the prior written consent of the Bank, and that if such consent is provided that it shall use the name, marks and logos strictly in accordance with the permission provided and with the insertion of the Bank’s usual disclaimers.

(c) Both Parties shall include the appropriate attribution and disclaimers in new materials prepared in connection with the Advisory Services.

8. **Disclaimers and Liabilities.**

(a) While the Bank will make diligent efforts in its performance of the Advisory Services, the Bank makes no express or implied representation or warranty as to the extent of success that may be achieved in the implementation of any recommendation contained in any work product prepared by or with the assistance of the Bank or Bank Personnel.

(b) Without limitation to the immunities and privileges of the Bank under its Articles of Agreement and other applicable rules of law, the Bank shall not be liable to the Client or other third party for any loss, cost, damage or liability that the Client shall incur as a result of the Advisory Services.

(c) The Parties acknowledge and agree that it is not the purpose of this Agreement to create a partnership, joint venture or similar arrangement whereby the Parties could be held jointly liable vis-a-vis third Parties or for any other purposes. Nothing herein shall constitute a commitment by the Bank to provide financing to the Client in respect of the Project or otherwise.

9. **Enforceability.** The rights and obligations of the Bank and the Client under this Agreement shall be valid and enforceable in accordance with their terms notwithstanding the law of any state or political subdivision thereof to the contrary.

10. **Settlement of Disputes.** (a) The parties hereto will endeavor in good faith to resolve any differences and disputes under, or in connection with, this Agreement by
amicable settlement. Any dispute arising out of or in connection with this Agreement which is not settled by agreement of the Parties shall be finally settled by arbitration in accordance with the UNCITRAL Arbitration Rules in force on the date of this Agreement. In the event of a conflict between the UNCITRAL Arbitration Rules and the terms of this Agreement, the terms of this Agreement shall govern.

(b) Neither the Client nor the Bank shall be entitled in any proceeding under paragraph (a) of this Section to assert any claim that any provision of these Standard Conditions or of the RAS Agreement is invalid or unenforceable because of any provision of the Bank’s Articles of Agreement.

11. **Privileges and Immunities; Tax Immunity.** The Client recognizes and shall take all reasonable steps to give effect to the status, immunities and privileges of the Bank and its Personnel set forth in the Bank’s Articles of Agreement and other applicable rules of law. The Parties acknowledge and agree that no provision of this Agreement, nor the submission to arbitration by the Bank, in any way constitutes or implies a waiver, renunciation, termination, or modification by the Bank of any privilege, immunity or exemption of the Bank granted in the Bank’s Articles of Agreement and other applicable rules of law. This includes, inter alia, the immunity of the Bank, its assets, income and its operations and transactions, from all taxation and customs duties.

12. **Amendments.** Any amendment or waiver of, or any consent given under, any provision of this Agreement shall be in writing and, in the case of an amendment, signed by the Parties.

13. **Saving of Rights.** No course of dealing and no failure or delay by any party hereto in exercising any power, remedy, discretion, authority or other right under this Agreement shall impair, or be construed to be a waiver of or an acquiescence in, that or any other power, remedy, discretion, authority or right under this Agreement, or in any manner preclude its additional or future exercise.

14. **Successors and Assignees; No Assignment without Consent.** This Agreement binds and benefits the respective successors and assignees of the Parties, provided that none of them may assign this Agreement in whole or in part without the prior consent of the other.

15. **Entire Agreement and Counterparts.** (a) This Agreement, together with all its Schedules, constitutes the entire agreement among the Parties hereto and supersedes any and all prior agreements, understandings and arrangements, oral or written, between the Parties with respect to the subject matter hereof.

(b) This Agreement may be executed in several counterparts, each of which is an original, but all of which constitute the same agreement.
(c) This Agreement has also been prepared in the French language at the request of the Client, however, only the English version of the Agreement shall be legally binding.

16. **Termination.** Notwithstanding termination or expiration of this Agreement, the provisions of this Agreement relating to (i) obligation of confidentiality under Section 5 of this Annex, (ii) the obligations spelled out in Sections 6 on Intellectual Property and 11 on Privileges and Immunities of this Annex; and (iii) the obligation of the Client to pay to the Bank remuneration for the Advisory Services performed prior to the date of termination or expiration of the Agreement, as well as reimbursement of any reasonable costs related to the termination of the Agreement by the Client, shall continue in full force and effect.