GRANT NUMBER TF016319

Capacity Building in Budget Preparation and Execution
Multi Donor Trust Fund
Grant Agreement

(Capacity Building in Budget Preparation and Execution Project)

Between

DEMOCRATIC REPUBLIC OF CONGO

And

INTERNATIONAL DEVELOPMENT ASSOCIATION

acting as an administrator of the Multi Donor Trust Fund for Democratic Republic
of Congo Capacity Building in Budget Preparation and Execution

Dated March 24th, 2014
GRANT NUMBER TF016319

CAPACITY BUILDING IN BUDGET PREPARATION AND EXECUTION
MULTI DONOR TRUST FUND
GRANT AGREEMENT

AGREEMENT dated , 2014, entered into between the DEMOCRATIC REPUBLIC OF CONGO ("Recipient") and INTERNATIONAL DEVELOPMENT ASSOCIATION ("World Bank"), acting as administrator of the Multi Donor Trust Fund for Democratic Republic of Congo Capacity Building in Budget preparation and execution.

WHEREAS (A) the Recipient, having satisfied itself as to the feasibility and priority of the Project described in Schedule 1 to this Agreement ("Project"), has requested the World Bank to assist in the financing of the Project;

(B) the Recipient has also requested the International Development Association to provide assistance towards the financing of the Program, in an amount of SDR 31,300,000 ("IDA Financing"), on the terms and conditions set forth in the agreement entered into between the Recipient and the International Development Association on May 26, 2008 ("IDA Grant Agreement");

Now therefore, the Recipient and the World Bank hereby agree as follows:

Article I
Standard Conditions; Definitions


1.02. 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.

Article II
The Project

2.01. The Recipient declares its commitment to the objectives of the project described in Schedule 1 to this Agreement ("Project"). To this end, the Recipient shall carry out the Project through the CPD in accordance with the provisions of Article II of the Standard Conditions.
2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Recipient and the World Bank shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

Article III
The Grant

3.01. The World Bank agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a grant in an amount equal to three million forty thousand four hundred twenty two United States Dollars ($3,040,422) ("Grant") to assist in financing the Project.

3.02. The Recipient may withdraw the proceeds of the Grant in accordance with Section IV of Schedule 2 to this Agreement.

3.03. The Grant is funded out of the abovementioned trust fund for which the World Bank receives periodic contributions from the donor[s] to the trust fund. In accordance with Section 3.02 of the Standard Conditions, 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.

Article IV
Recipient’s Representative; Addresses

4.01. The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is the Recipient’s minister at the time responsible for finance.

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

Ministry of Finance
Rue Lubefu No 20, Commune de la Gombe
Kinshasa I
Democratic Republic of Congo
Facsimile: 00 243 880 23 81

4.03. The World Bank’s Address referred to in Section 7.01 of the Standard Conditions is:
International Bank for Reconstruction and Development/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)

AGREED at ____________, __________, as of the day and year first above written.

DEMOCRATIC REPUBLIC OF CONGO
By

[Signature]

Authorized Representative
Name: PATRICE KATEBI
Title: MINISTRE DELEGUE

INTERNATIONAL DEVELOPMENT ASSOCIATION
acting as administrator of Multi Donor Trust Fund for Democratic Republic of Congo Capacity Building in Budget Preparation and Execution

By

[Signature]

Authorized Representative
Name: 
Title: 

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SCHEDULE 1
Project Description

The objective of the Project is to support the Recipient in the implementation of program budgeting and a medium term expenditure framework as a means to strengthen the Recipient’s capacity in budget preparation and execution at the provincial and national levels.

The Project consists of the following parts:


(a) building capacity in budget preparation at the Recipient’s Ministry of Budget and in-line ministries, including (i) defining and assessing the sector ministries’ objectives in terms of outputs and costs and providing related training to budget staff; and (ii) provision of IT software and tools required;

(b) supporting the preparation of budget projections, including: (i) reviewing the assumption and statistics behind such projections and preparing templates, procedures and tools for their generation; (ii) providing related training to technical staff of relevant government institutions; and (iii) identifying financing mechanisms for the medium term expenditure framework (MTEF);

(c) establishing systems to track the budget execution process related to outputs, inputs and cash transfers;

(d) establishing checks and balances required for a functioning medium term expenditure framework, including: (i) establishing proper reporting requirements; (ii) setting-up procedures and templates for the submission of MTEF proposals to parliament, as well as the requirements for parliament oversight; and (iii) disseminating selected data; and

(e) strengthening capacity in public financial management at the provincial level.

Part 2: Building Public Sector and Financial Management Systems at Provincial Level

Carrying out activities aimed at supporting MTEF development in the provinces, including adapting methods and techniques that have been developed at the national level to the provinces, developing guidebooks, and providing training at the provincial level.

Part 3: Project Management

Carrying out the effective management of the Project, including the hiring of a resident expert and of a procurement specialist.
SCHEDULE 2

Project Execution

Section I. Institutional and Other Arrangements

A. Cellule Pour l’Appui Technique A La Décentralisation

1. The Recipient shall, at all times during the implementation of the Project, maintain the Cellule Pour l’Appui Technique A La Décentralisation (“CTAD”) within the MIDS, in form and substance satisfactory to the World Bank, to be responsible for the overall execution of the Project.

2. Without limitation upon paragraph 1 above, the Recipient shall maintain the Governance Capacity Enhancement Project unit (“GCEP”) with staffing in number and with qualifications, experience and terms of reference satisfactory to the World Bank, to be responsible for the management and the fiduciary functions under the Project.

B. Steering Committee

The Recipient shall, at all times during the implementation of the Project, maintain the Steering Committee (“SC”) in form and substance satisfactory to the World Bank, to be responsible for providing strategic overall guidance under the Project.

C. Project Manuals

The Recipient shall carry out the Project in accordance with the criteria, policies, procedures and arrangements set out in the Project Manuals; and (b) not amend or waive, or permit to be amended or waived, the Project Manuals, or any provision thereof.

D. Anti-Corruption

The Recipient shall ensure that the Project is carried out in accordance with the provisions of 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”).

E. Donor Visibility and Visit

1. The Recipient shall take or cause to be taken all such measures as the World Bank may reasonably request to identify publicly the Donors’ support for the Project.
2. 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.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports; Completion Report

1. 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 one month after the end of the period covered by such report.

2. 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.

B. Financial Management; Financial Reports; Audits

1. The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.

2. 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.

3. The Recipient shall have its Financial Statements for the Project 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.

Section III. Procurement

A. General

1. Procurement and Consultant Guidelines. 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:

(a) 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, and 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

(b) the provisions of this Section III, 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”).

2. **Definitions.** The capitalized terms used below in 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.

**B. Particular Methods of Procurement of Goods and Non-consulting Services**

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.

2. **Other Methods of Procurement of Goods and Non-consulting Services.** 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) Shopping; and (b) National Competitive Bidding subject to the additional provisions referred to in subparagraph 3 below.

3. **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:
(a) **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;

(b) **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;

(c) **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;

(d) **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;

(e) **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;

(f) **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;

(g) **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;

(h) **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;

(i) **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;

(j) **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; and

(k) **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.

C. **Particular Methods of Procurement of Consultants' Services**

1. **Quality- and Cost-based Selection.** Except as otherwise provided in paragraph 2 below, consultants' services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.

2. **Other Methods of Procurement of Consultants' Services.** The following methods, other than Quality- and Cost-based Selection, may be used for procurement of consultants' services for those assignments which are specified in the Procurement Plan: (a) Selection based on Consultants' Qualifications; and (b) Selection of Individual Consultants.

D. **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.

Section IV. **Withdrawal of Grant Proceeds**

A. **General**

1. The Recipient may withdraw the proceeds of the Grant 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 table in paragraph 2 below.

2. The following 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, Training, Operating Costs, non-consulting services and consultants' services under the Project</td>
<td>3,040,422</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>3,040,422</td>
<td></td>
</tr>
</tbody>
</table>

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section no withdrawal shall be made for payments made prior to the date of this Agreement.

2. The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is October 27, 2014.
APPENDIX

1. “AAFM” means the Project’s Administrative, Accounting and Financial Manual outlining, *inter alia*, the accounting systems and policies, administrative (including procurement) and financial procedures for the implementation of the Project, adopted by the Recipient under the IDA Grant Agreement (hereafter defined), as the same may be amended by agreement of the Parties from time to time, and such term includes any schedules to the AAFM.

2. “CTAD” means *Cellule pour l’Appui Technique à la Décentralisation*, an agency under the supervision of the MIDS (as hereinafter defined), established and operating pursuant to the Ministerial Order 83 of September 12, 2006.

3. “GCEP” or “Governance Capacity Enhancement Project” means the unit within the CTAD to be maintained pursuant to Section I. A. 2. Of Schedule 2 to this Agreement.

4. “IDA Grant Agreement” means the agreement signed between the Recipient and IDA on May 26, 2008 for the Governance Capacity Enhancement Project (IDA Grant H3650-DRC).


6. “Operating Costs” means the incremental expenses incurred by CDP on account of Project implementation, management and monitoring, including office supplies, vehicles operation and maintenance, communication costs, rental expenses, utilities expenses, consumables, transport, travel and accommodation, per diem, supervision costs and salaries of locally contracted staff but excluding salaries of the civil servants of the Recipient.

7. “PIM” means the Project Implementation Manual outlining, *inter alia*, the institutional, procurement, monitoring and other specific arrangements for the implementation of the Project, adopted by the Recipient under the IDA Grant Agreement, as the same may be amended by agreement of the Parties from time to time, and such term includes any schedules to the PIM.

8. “Project Manuals” means, collectively, the PIM and the AAFM.

9. “SC” means the Project steering committee, established and operating pursuant to an inter-ministerial decree No. 08/06 dated March 26, 2008 and to be maintained as referred to in Section I. B of Schedule 2 to this Agreement.
10. "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.