The World Bank
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION

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Cable Address: INTBAFRAD
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March 11, 2013

H.E. Mr. Patrice Kitebi Kibol
Delegated Minister of Finance
Ministry of Finance
Boulevard du 30 juin
Commune de la Gombe
Kinshasa 1, BP 12997
Democratic Republic of Congo

Re: Democratic Republic of Congo: Advance Agreement for
Preparation of Proposed Public Service Rejuvenation Project
Project Preparation Advance No. Q8500

Excellency:

In response to the request for financial assistance made on behalf of Democratic Republic of Congo ("Recipient"), I am pleased to inform you that the International Development Association ("World Bank") proposes to extend to the Recipient an advance out of the World Bank's Project Preparation Facility in an amount not to exceed one million six hundred fifty thousand Dollars ($1,650,000) ("Advance") on the terms and conditions set forth or referred to in this letter agreement ("Agreement"), which includes the attached Annex, to assist in financing the activities described in the Annex ("Activities"). The objective of the Activities is to facilitate the preparation of a proposed project designed to revamp the organizational structures and retirement policies and procedures of the Recipient's targeted ministries and to improve upon their human resource capacity ("Project"), for the carrying out of which the Recipient has requested the World Bank's financial assistance.

The Recipient represents, by confirming its agreement below, that: (a) it understands that the provision of the Advance does not constitute or imply any commitment on the part of IBRD or IDA to assist in financing the Project; and (b) it is authorized to enter into this Agreement and to carry out the Activities, repay the Advance and perform its other obligations under this Agreement, all in accordance with the provisions of 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of this Agreement shall be deemed withdrawn if the World Bank has not received this
countersigned copy within ninety (90) days after the date of signature of this Agreement by the
World Bank, unless the World Bank has established a later date for such purpose.

Very truly yours,

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Eustache Ouamouno
Country Director for Democratic Republic of Congo
Africa Region

AGREED:

DEMOCRATIC REPUBLIC OF CONGO

By

Authorized Representative

Name: PATRICE KATERI
Title: MINISTRE DELEGUE
Date: 11 MCMXXIII

Enclosures:

(1) “Standard Conditions for Advances Made by the World Bank under its Project Preparation
Facility”, dated July 31, 2010;

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

(3) Guidelines for “Procurement of Goods, Works and Non-consulting Services under IBRD
Loans and IDA Credits and Grants by World Bank Borrowers”, dated January 2011;

(4) Guidelines: “Selection and Employment of Consultants under IBRD Loans and IDA
Credits and Grants by World Bank Borrowers”, dated January 2011; and

(5) 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.
Article I
Standard Conditions; Definitions

1.01. **Standard Conditions.** The Standard Conditions (as defined in Section 1.02 below) constitute an integral part of this Agreement.

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:


(d) “PIU” or “Public Administration Reform Implementation Unit” means the unit within the Ministry of Public Service established pursuant to Ministerial Order No. CAB.MIN/FP/1-CK/GELB/FMD/GMK/082/2012 dated December 12, 2012.

(e) “PCT” or “Project Coordination Team” means the unit to be established within the Cellule de Mise en œuvre de la Réforme de l’Administration Publique in accordance with the provisions of Section 2.03 (c) of this Annex.

(f) “Procurement Plan” means the Recipient’s procurement plan for the Activities, dated February 20, 2013.


Article II
Execution of the Activities

2.01. **Description of the Activities.** The Activities for which the Advance is provided consist of the following parts:

Part 1: Carrying out of a program aimed at supporting the implementation of the Recipient’s public administration reform program including: (i) designing and implementing the reform program for public administration at strategic level; (ii) providing technical assistance for the organization of the technical structure responsible for the implementation of the reform of the public administration;
(iii) providing operational and fiduciary support including small rehabilitation of the office space as well as equipment for the PIU for the Activities; (iv) developing an organic framework of reference for public administration reforms; (v) carrying out the organizational audit and review of the organic frameworks of the Recipient’s ministries responsible for public service, planning and portfolio as well as the statistics national institute and the office of tax administration authorities; and (vi) carrying out of dissemination and validation workshops and training.

Part 2: Providing technical assistance support for improving the retirement process through: (i) the preparation and launching of the biometric identification operation; (ii) updating and consolidating the treatment and management of data generated from the biometric census; and (iii) examining and soliciting legal advice on the establishment of a public pension fund by reviewing options outlined in the earlier completed feasibility studies.

Part 3: Taking steps to revitalize public administration through: (i) carrying out of the preparatory work aimed at, inter-alia, conducting a needs assessment and the preparation of a procedures manual for establishing a young professional pilot program; (ii) preparation of an action plan for utilizing the services of qualified retirees, to be hired as consultants for specific assignments aimed at, inter-alia, coaching and providing guidance for career development.

2.02. **Execution of the Activities Generally.** The Recipient declares its commitment to the objectives of the Activities. To this end, the Recipient shall carry out the Activities in accordance with the provisions of: (i) Article II of the Standard Conditions; (ii) this Article II; and (iii) the Anti-Corruption Guidelines.

2.03. **Institutional and Other Arrangements.** Without limitation upon Section 2.02 above, the Recipient shall:

(a) maintain throughout the implementation of the Activities, the PIU with staff in number and with functions and qualifications satisfactory to the World Bank, to be responsible for the day-to-day implementation of the Activities;

(b) ensure that the procurement and financial management functions of the Activities be carried out by the Procurement and Financial Management teams responsible for the World Bank financed Governance Capacity Enhancement Project (IDA Grant Number H365, dated May 26, 2008); and

(c) establish, not later than two (2) months after the Effective Date of this Agreement and thereafter maintain throughout the implementation of the Activities, the PCT with staff in number and with functions and qualifications satisfactory to the World Bank, to assist the PIU in the day-to-day implementation of the Activities.

2.04. **Monitoring, Reporting and Evaluation of the Activities.** The Recipient shall monitor and evaluate the progress of the Activities in accordance with the provisions of Section 2.08 of the Standard Conditions.

2.05. **Financial Management.** (a) The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.09 of the Standard Conditions.
(b) The Recipient shall ensure that interim un-audited financial reports for the Activities 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 Sections 2.09 (b) of the Standard Conditions.

(i) If, on or before the Refinancing Date, a Refinancing Agreement has been executed by all of its parties, the Recipient shall have the Financial Statements included in the first audit of financial statements required under the Refinancing Agreement.

(ii) If, by the Refinancing Date, no Refinancing Agreement has been executed by all of its parties, such audit of the Financial Statements shall cover the period of the Advance, commencing with the fiscal year in which the first withdrawal under the Advance was made. The audited Financial Statements for such period shall be furnished to the World Bank not later than six (6) months after the end of the Recipient’s fiscal year in which the Refinancing Date occurs.

(iii) Notwithstanding the provisions of paragraphs (i) and (ii) of this Section, the World Bank may request an audit of the Financial Statements prior to the Refinancing Date, covering such period as is indicated in its request. The audited Financial Statements for such period shall be furnished to the World Bank not later than six (6) months after the end of such period.

2.06. Procurement

(a) General. All goods, works and consultants’ services required for the Activities and to be financed out of the proceeds of the Advance shall be procured in accordance with the requirements set forth or referred to in:

(i) Section I of the Procurement Guidelines in the case of goods and works;

(ii) Sections I and IV of the 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 Activities 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 Works**

(i) Except as otherwise provided in sub-paragraph (ii) below, goods and works 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 works for those contracts 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 may be used for the procurement of consultants' services for those assignments which are specified in the Procurement Plan: (A) Selection based on Consultants' Qualifications; (B) Least Cost Selection; (C) Single-source Selection of consulting firms; (D) Selection of Individual Consultants; and (E) 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. All Terms of References will be subject to the Bank’s prior review regardless the contract cost estimate.

**Article III**

Withdrawal of the Advance

3.01. **Eligible Expenditures.** The Recipient may withdraw the proceeds of the Advance 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 following table. The table specifies each category of Eligible Expenditures that may be financed out of the proceeds of the Advance (“Category”), the amount of the Advance allocated 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 Advance Allocated (expressed in Dollars)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goods, Works, Consultant Services, Operating Costs and Training</td>
<td>1,650,000</td>
<td>100%</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td>1,650,000</td>
<td></td>
</tr>
</tbody>
</table>

For the purpose of this Section, the terms:

(a) “Training” means the following expenditures incurred in providing training or workshops: (i) travel by participants and presenters to the training or workshop site; (ii) per diem allowances of such persons during the training or workshop; (iii) honoraria for the presenters; (iv) rental of facilities; (v) materials, supplies; and (vi) translation and interpretation services; and

(b) “Operating costs” means the incremental expenditures incurred on account of project implementation including, *inter alia*, office supplies, transportation, office administration, insurance, publication of training materials, reasonable bank charges relating to operation of the designated account, and salaries of locally contracted employees, but excluding consultant fees and salaries of civil servants.

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. **Refinancing Date.** The Refinancing Date is October 1, 2013.

**Article IV**

**Terms of the Advance**

4.01. **Refinancing under the Refinancing Agreement:** If, on or before the Refinancing Date, a Refinancing Agreement has been executed by all of its parties, then the full amount of the Withdrawn Advance Balance shall be paid to the World Bank as soon as the Refinancing Agreement becomes effective, by means of a withdrawal by the World Bank of such amount of the Refinancing Proceeds, in accordance with the provisions of the Refinancing Agreement.

4.02. **No Repayment in the absence of a Refinancing Agreement:** Notwithstanding any provision to the contrary in the Standard Conditions, if, on or before the Refinancing Date, no Refinancing Agreement has been executed by all of its parties, or if, by such date or at any time thereafter, it has been so executed but terminates without becoming effective, then the Recipient shall not be obligated to repay the Withdrawn Advance Balance.
Article V
Recipient's Representative; Addresses

5.01. **Recipient's Representative.** The Recipient’s Representative referred to in Section 9.02 of the Standard Conditions is its minister at that time responsible for finance.

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

Boulevard du 30 juin  
Commune de la Gombe  
Kinshasa 1, BP 12997  
Democratic Republic of Congo

5.03. **World Bank’s Address.** The World Bank’s Address referred to in Section 9.01 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)