The World Bank
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION
1818 H Street N.W.
Washington, D.C. 20433
U.S.A.
(202) 477-1234
Cable Address: INTBAFRAD
Cable Address: INDEVAS

June 8, 2013

H.E. Patrice Kitebi Kibol Mvul
Minister Delegate to the Prime Minister, in charge of Finance
Ministry of Finance
B.P. 12997Blvd. du 30 juin
Kinshasa/Gombe
Democratic Republic of Congo

Re: MDTF EITI Grant No. TF013846
Democratic Republic of Congo – EITI Phase II Project

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"), acting as administrator of grant funds provided by Australia, Belgium, Canada, Denmark, the European Union represented by the European Commission, Finland, France, Germany, Japan, the Netherlands, Norway, Spain, Switzerland, the United Kingdom, and the United States ("Donors") under the Multi Donor Trust Fund for the Extractive Industry Transparency Initiative (EITI) Implementation Support, proposes to extend to the Recipient a grant in an amount not to exceed four hundred ninety five thousand United States Dollars (U.S.$495,000) ("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").

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 specified by the World Bank in accordance with Section 4.02 of the Annex to this Agreement.

Very truly yours,
INTERNATIONAL DEVELOPMENT ASSOCIATION

By
Eustache Onayoro
Country Director for Democratic Republic of Congo
Africa Region

AGREED:

DEMOCRATIC REPUBLIC OF CONGO

By
Authorized Representative
Name: PATRICE KITÉBI
Title: MIN. DEL. FINANCES
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

1.01. **Standard Conditions.** The Standard Conditions for Grants Made by the World Bank out of Various Funds dated February 15, 2012 ("Standard Conditions") 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 and the following term has the following meaning:

(a) "EITI" means Extractive Industry Transparency Initiative.

(b) "DRC-EITI Secretariat or DRC-EITI Executive Secretariat" means the technical secretariat in the Recipient Ministry of Planning’s office, created pursuant to the Recipient’s Decree dated July 16, 2009, which is in charge of the implementation of the Project.

Article II
Project Execution

2.01. **Project Objectives and Description.** The objective of the Project is to provide both technical and financial assistance to the Recipient to enable it to fulfill its objectives of accelerating the setting up of an enabling environment to develop and implement the proper framework for the implementation of the EITI. The Project consists of the following parts:

**Part 1: Capacity Building, Awareness Raising, Communication**

a. Carrying out a program aimed at raising awareness of – and engagement in - EITI, including provision of training to: (i) relevant Recipients’ agencies in extractive industry revenue transparency; and (ii) civil society in extractive industry payments and revenues monitoring to about 450 participants in 11 mining provinces.

b. Facilitating and carrying out EITI related outreach and dissemination events using various communication mediums.

**Part 2: Data Collection, Reconciliation, Audit of Revenues and Dissemination**

a. Facilitating and carrying out: (i) periodic data collection and reconciliation of mineral revenues from all industrial mining companies in the Recipient’s territory and from all relevant fiscal revenue collection institutions; and (ii) the audits of said data.

b. Producing the fourth EITI report for DRC EITI, and carrying out related publication and dissemination activities, including: (i) preparing templates for the Recipient’s EITI data reporting; (ii) hiring of reconciliation / audit firms; (iii) assisting the reconciliation / audit as
needed to finalize the reports; and (iv) publishing the recommendations of the reconciliation / audit firms.

Part 3: **Support to EITI National Operational Structures**

Provision of operational support to DRC-EITI Executive Secretariat for the efficient management 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 cause the Project to be carried out by the DRC-EITI Executive Secretariat 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. Project Implementation Manual**

   1. The Recipient shall prepare and adopt an implementation manual in form and substance satisfactory to the World Bank, containing, *inter alia*, detailed administrative, organizational, procurement, financial management, monitoring and evaluation procedures as shall be required for the Project (“Project Implementation Manual” or (“PIM”).

   2. The Recipient shall:

      (a) ensure that the Project is carried out in accordance with the PIM, as the same may be updated from time to time with the prior written agreement of the World Bank; and

      (b) without limitation to the provisions of paragraph (a) immediately above, not otherwise revise or waive any provision of the PIM without the prior written agreement of the World Bank.

   3. Notwithstanding the foregoing, in the event of any inconsistency between the provisions of the PIM and those of the Grant Agreement, the provisions of the Grant Agreement shall prevail.

   **B. Subsidiary Grant Agreement**

   (a) To facilitate the implementation of the Project, the Recipient shall make the proceeds of the Grant (“Sub-Grant”) available to DRC-EITI Executive Secretariat under a subsidiary grant agreement to be entered into between the Recipient and DRC-EITI Executive Secretariat (“Subsidiary Grant Agreement”). The Subsidiary Grant Agreement shall describe the implementation arrangements as referred to in sub-section (b) below.

   (b) The Recipient shall ensure that the Subsidiary Grant Agreement shall maintain, at all times during Project implementation, provisions to the following effect:
(i) the Recipient’s obligation to provide the Sub-Grant to DRC-EITI Executive Secretariat on terms and conditions satisfactory to the World Bank;

(ii) DRC-EITI Executive Secretariat’s obligation to carry out the Project with due diligence and efficiency, in conformity with appropriate administrative, technical practices, under the supervision of qualified and experienced management assisted by competent staff in adequate numbers, and in accordance with the provisions of this Agreement and the PIM;

(iii) DRC-EITI Executive Secretariat’s obligation to carry out the Project in accordance with the Anti-Corruption Guidelines;

(iv) DRC-EITI Executive Secretariat’s obligation to procure the goods and services required for the Project and to be financed out of the proceeds of the Sub-Grant, in accordance with the provisions of Section 2.06 of this Annex, as said provisions may be further elaborated in the PIM;

(v) DRC-EITI Executive Secretariat’s obligation to furnish all such information as the Recipient or the World Bank shall reasonably request;

(vi) DRC-EITI Executive Secretariat’s obligation to promptly inform the Recipient and the World Bank of any condition which interferes or threatens to interfere with the progress of the Project and the performance of its obligations under the Subsidiary Grant Agreement; and

(vii) DRC-EITI Executive Secretariat’s obligation to neither take nor concur in any action which would have the effect of amending, abrogating, assigning or waiving the Subsidiary Grant Agreement.

(c) The Subsidiary Grant Agreement shall include a provision stipulating that in the case of conflict between the Subsidiary Grant Agreement and this Agreement, the latter shall apply.

2.04. 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 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 forty five (45) days 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.
2.05. **Donor Visibility.** (a) 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.

(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.

2.06. **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 one month 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. Such audit of the Financial Statements shall cover the entire period during which withdrawals from the Grant Account were made. The audited Financial Statements for 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 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:


(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**

(i) Except as otherwise provided in sub-paragraph (ii) below, goods 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, subject to the following additional provisions: the World Bank's standard Bidding Documents (SBD) or other SBD acceptable by the Bank will be used for all contracts involving national competition; (C) Shopping; and (D) 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) Least Cost Selection; (B) Selection based on Consultants' Qualifications; (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 prior review regardless the contract cost estimate.

**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>Goods, Operating costs, Training and consultants’ services under the Project</td>
<td>495,000</td>
<td>100%</td>
</tr>
</tbody>
</table>

For the purpose of this Section, the terms:

(a) “Training” means the following expenditures incurred in providing training, seminars 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 and budget acceptable to the World Bank including 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. Withdrawal Period. The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is December 31, 2014.

Article IV
Effectiveness; Termination

4.01. This Agreement shall not become effective until evidence satisfactory to the World Bank has been furnished to the World Bank that the conditions specified below have been satisfied:

(a) The Project Implementation Manual referred to in Section 2.03 A. of this Annex has been adopted by the Recipient and DRC-EITI Executive Committee.

(b) The Subsidiary Grant Agreement referred to in Section 2.03 B. of this Annex has been executed on behalf of the Recipient and DRC-EITI Executive Committee.

4.02. Except as the Recipient and the World Bank shall otherwise agree, this Agreement shall enter into effect on the date upon which the World Bank dispatches to the Recipient notice of its
acceptance of the evidence required pursuant to Section 4.01 ("Effective Date"). If, before the Effective Date, any event has occurred which would have entitled the World Bank to suspend the right of the Recipient to make withdrawals from the Grant Account if this Agreement had been effective, the World Bank may postpone the dispatch of the notice referred to in this Section until such event (or events) has (or have) ceased to exist.

4.03. This Agreement and all obligations of the parties under it shall terminate if it has not entered into effect by the date ninety (90) days after the date of this Agreement, 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.

Article V
Recipient’s Representative; Addresses

5.01. Recipient’s Representative. The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is its Minister responsible for finance.

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

Ministry of Finance
Kitebi Kibol Patrice, Bld du 30 juin, Gombe
Kinshasa, Democratic Republic of Congo

Email: kitebikobilmvul@min.finrdc

5.03. 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)