

OFFICIAL
DOCUMENTS

TF0A1223

The World Bank

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION

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November 17 2015

H. E. Leon Raphael Mokoko
Minister of Planning and Integration
Ministry of Planning and Integration
Brazzaville
Republic of Congo

Re: FCPF Readiness Fund Grant No.TF0A1223
Third Grant Agreement for
Republic of Congo's REDD+ Readiness Preparation Support

Excellency:

I wish to refer to the Grant Agreement between Republic of Congo ("Recipient"), and the International Bank for Reconstruction and Development ("World Bank"), acting as Trustee of the Readiness Fund of the Forest Carbon Partnership Facility ("FCPF"), dated July 21, 2009 ("Readiness Grant Agreement"), pursuant to which the World Bank agreed to provide to the Recipient a grant in an amount not to exceed two hundred thousand Dollars (US\$200,000) ("Grant") for formulating the Readiness Preparation Proposal ("R-PP") ("R-PP Formulation Installment"). Further, the Recipient and the World Bank entered into a Supplementary Grant Agreement, in the amount of three million four hundred thousand Dollars (US\$3,400,000), dated January 11, 2012, to enable the Recipient to move ahead with preparation for readiness ("Preparation Installment").

The Participants Committee of the FCPF ("PC") has reviewed the request for an additional funding submitted by the Recipient, in accordance with the process as specified in Resolution PC/12/2012/2. Through its Resolution PC/19/2015/3, the PC decided to allocate additional grant funding to the Recipient in the amount of up to five million Dollars (US\$5,000,000), to enable it to continue with its preparation for readiness, subject to the terms and conditions set out in said Resolution. Further, the PC approved, through its Resolution PC/Electronic/2012/1, the allocation of additional funds of up to two hundred thousand Dollars (US\$200,000) (together with the US\$5,000,000, the "Additional Grant"), for the purpose of strengthening the Recipient's national feedback and grievance redress mechanism, subject to the terms and conditions set out in said Resolution.

In response to the request for financial assistance made on behalf of the Recipient and the decisions of the PC referred above, I am pleased to inform you that the World Bank agrees to extend the Additional Grant in the amount of five million two hundred thousand Dollars (US\$5,200,000) on the terms and conditions set forth or referred to in this letter agreement ("Third Grant Agreement"), which includes the attached Annex, to assist in the financing of the Additional Readiness Preparation Activities described in the Annex.

This Additional Grant is funded out of the abovementioned FCPF 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 third Grant Agreement), the World Bank's payment obligations in connection with this Third Grant 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 Additional Grant proceeds is subject to the availability of such funds.

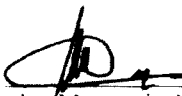
The Recipient represents, by confirming its agreement below, that it is authorized to enter into this Third Grant Agreement and to carry out the Additional Readiness Preparation Activities in accordance with the terms and conditions set forth or referred to in this Third Grant Agreement.

Since the execution of the Readiness Grant Agreement, the Charter Establishing the FCPF ("Charter") has been amended, and the terms and conditions of this Third Grant Agreement are based on the Charter, as so amended. Where there are inconsistencies between the Readiness Grant Agreement, the Supplementary Grant Agreement and this Third Grant Agreement including in the use of terms, the provisions in this Third Grant Agreement shall prevail and deemed to have accordingly amended the provisions of the Readiness Grant Agreement and the Supplementary Grant Agreement to eliminate any such inconsistency.

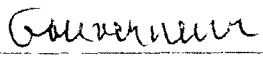
Please confirm the Recipient's agreement to the foregoing by having an authorized official of the Recipient sign and date the enclosed copy of this Third Grant Agreement, and returning it to the World Bank. Upon receipt by the World Bank of this countersigned copy, this Third Grant Agreement shall become effective as of the date of the countersignature.

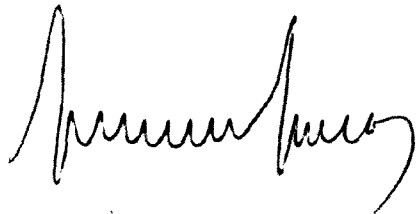
Very truly yours,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
(Acting as Trustee of the Readiness Fund of the Forest Carbon Partnership Facility)

By 
Ahmadou Moustapha Ndiaye
Country Director for Congo
Africa Region

AGREED:
REPUBLIC OF CONGO

By: 
Authorized Representative

Name: 
Moustapha Ndiaye
Title: Ministre du Plan et de l'Intégration

Date: 08 décembre 2015

Enclosures:

- (1) Standard Conditions for Grants Made by the World Bank Out of Various Funds, dated February 15, 2012.
- (2) Charter Establishing the Forest Carbon Partnership Facility, dated December 23, 2014.
- (3) Disbursement Letter of even date herewith, together with World Bank Disbursement Guidelines for Projects, dated May 1, 2006.
- (4) Guidelines on Preventing and Combating Fraud and Corruption in Project Financed by IBRD Loans and IDA Credits and Grants, dated October 15, 2006 and revised in January 2011.
- (5) Guidelines: Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers, dated January 2011, and revised in July 2014.
- (6) Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers, dated January 2011, and revised in July 2014.

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”), with the modifications set forth in the Appendix to this Agreement, 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, the Charter or in this Agreement; and the following additional terms shall have the following meanings:

(a) “CACO-REDD” and “*Cadre de concertation des organisations de la société civile et des populations autochtones sur la REDD+*”, each means the coordination platform of civil society and indigenous populations on REDD+.

(b) “CN-REDD” and “National REDD Coordination”, each means the implementing entity designated by the Recipient’s ministry in charge of sustainable development, forestry and environment for the implementation of the REDD process.

(c) “CODEPA-REDD” and “*Comité départemental REDD*”, each means the entity designated by the Recipient’s ministry in charge of sustainable development, forestry and environment to represent the departments in the REDD process.

(d) “CONA-REDD” and “*Comité national REDD*”, each means the national committee designated by the Recipient’s ministry in charge of sustainable development, forestry and environment to provide oversight of the REDD+ process.

(e) “ESMF” means the environmental and social management framework acceptable to the World Bank, which establishes the modalities and procedures to address potential negative environmental and social impacts from the implementation of REDD+ investments and demonstration activities as well as associated mitigation measures through employing best practices; and includes the screening criteria, procedures and institutional responsibilities for the safeguard policies that are triggered for subsequent REDD+ investments. The ESMF will also include a Resettlement Policy Framework, a Process Framework, and a Physical and Cultural Resources Management Framework, as determined by the outcome of the SESA process.

(f) “FGRM” means feedback, grievance and redress mechanism, as referred to in Part A.1(c) of Section 2.01 of this Annex.

(g) “IT” means information technology.

(h) “MRV” means monitoring, reporting and verification.

(i) “National REDD+ Strategy” means the document to be developed by the Recipient on how to implement the REDD+ process.

(j) "Northern Congo Emission Reductions Program" means the jurisdictional emissions reductions program being developed for the Carbon Fund of the Forest Carbon Partnership Facility.

(k) "Operating Costs" means the incremental expenses incurred on account of implementation of the Additional Readiness Preparation Activities, consisting of reasonable expenditures, agreed with the World Bank, for the following items: vehicle operation and maintenance, communication and insurance costs, banking charges, rental expenses, office and office equipment maintenance, utilities, document duplication, printing, consumables, travel costs and *per diem* for Recipient staff for travel linked to the implementation of the Additional Readiness Activities, and salaries of the Recipient's contractual staff employed for purposes of the Additional Readiness Preparation Activities (but excluding salaries of civil servants).

(l) "Physical and Cultural Resources Management Framework" means the physical and cultural resources management framework acceptable to the World Bank, which establishes the modalities and procedures to potential impacts on the physical and cultural resources resulting from the implementation of REDD+ investments and demonstration activities.

(m) "Process Framework" means the process framework acceptable to the World Bank, which establishes the modalities and procedures to address restrictions of access to legally designated parks and protected areas resulting from the implementation of REDD+ investments and demonstration activities.

(n) "REDD+" means reducing emissions from deforestation and forest degradation, conservation of forest carbon stocks, sustainable management of forest, and enhancement of forest carbon stocks.

(o) "RENAPAC" and "National Network of Indigenous Populations of Congo", each means a platform of non-governmental organizations and associations working to promote and protect the rights of indigenous peoples in the Recipient's territory.

(p) "Resettlement Policy Framework" means the resettlement policy framework acceptable to the World Bank, which establishes the modalities and procedures to address potential land acquisition and resettlement from the implementation of REDD+ investments and demonstration activities.

(q) "Strategy Environmental and Social Assessment" and "SESA", each means the strategic environmental and social assessment to be conducted as part of the Readiness process to assess the potential impact from national REDD+ programs and policies, formulate alternatives and mitigation strategies and enhance the decision-making process around the design of the national REDD+ framework.

(r) "Training" means the costs associated with training and workshop participation of personnel involved in the implementation of the Additional Readiness Preparation Activities, 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 courses and workshop preparation and implementation.

Article II
Execution of the Additional Readiness Preparation Activities

2.01. ***Additional Readiness Preparation Activities Objectives and Description.*** The objective of the Additional Readiness Preparation Activities is to reinforce the Recipient's capacities to design a socially and environmentally sound National REDD+ Strategy and to inform the development of a national reference emissions level for REDD+. The Additional Readiness Preparation Activities consists of the following parts:

Part A. Support to the Coordination of the REDD+ Readiness Process

1. Carrying out a program of activities to support the coordination of the national REDD+ readiness process and multi-stakeholder consultations through:

(a) Coordination of the national REDD+ readiness process, including: (i) the hiring of a coordinator and support staff comprised of two secretaries, two logistical staff, one assistant, two drivers and two gardeners for the CN-REDD; (ii) operational missions and communication expenses of the CN-REDD team; and (iii) the gradual establishment of decentralized CN-REDD teams in 12 departments of the Recipient's territory, including the acquisition of equipment and the hiring of local teams.

(b) Finalization of the Recipient's REDD+ Readiness Package, including a national multi-stakeholder self-assessment process.

(c) Completion of the national REDD+ institutional arrangements through the provision of support for the operationalization of the CONA-REDD and the 12 CODEPA-REDD, including preparation of annual meetings and technical working sessions.

(d) Participatory development of the FGRM, including: (i) workshops; (ii) IT support toward its operationalization; and (iii) its application in the Northern Congo Emission Reductions Program.

2. Carrying out a program of activities to promote REDD+ participation, consultation and outreach in the REDD+ process through:

(a) Building the capacity of the civil society platform by: (i) strengthening the capacity of the CACO-REDD, including RENAPAC platform through the provision of technical assistance, support to the general assembly, working sessions and strategy development; and (ii) providing legal advice to operationalize said platform and ensure that civil society is represented and participating in the REDD+ process in an effective manner.

(b) Provision of support to: (i) the implementation of the communication plan to facilitate, *inter alia*, awareness, understanding, validation and dissemination of the major REDD+ tools, including translation of documents, training for outreach activities, awareness-raising, production of communication materials and carrying out of side events and other information sessions; (ii) the organization of national and decentralized REDD+ summer schools; and (iii) the creation and management of a website to disseminate information about the REDD+ process.

Part B. Contribution to the Design of a National REDD+ Strategy

1. Carrying out a program of activities to support the preparation of the National REDD+ Strategy, including: (a) reference mapping, studies and workshops to ensure the integration of REDD considerations into the national land use planning process; and (b) high-level dialogues and multi-sectorial coordination to support the process of revising and finalizing the National REDD+ Strategy and ensure commitment at the highest level.

2. Carrying out a program of activities to support the preparation of the REDD+ implementation framework, including support to:

(a) The finalization of the ongoing work on a benefit sharing mechanism, including consultations among all stakeholders and the development of a specific benefit sharing plan for the Northern Congo Emission Reductions Program.

(b) The operationalization and updating of national REDD+ registry as other REDD+ tools become available, including: (a) support to the operationalization of other REDD+ tools such as the preparation of manuals of procedures for practical application; (ii) legal support for the establishment of a national REDD+ financing mechanism; and (iii) technical support and advisory services for the development of REDD+ projects.

3. Carrying out a program of activities to support Strategic Environmental and Social Assessment documents and other relevant safeguard instruments, including: (a) the preparation, finalization and refinement of said safeguard instruments, including as necessary any safeguard instruments for the Northern Congo Emission Reductions Program; (b) a national land and resource tenure assessment, with an emphasis on the Northern Congo Emission Reductions Program area; (c) the operationalization and testing of the national standards in specific sites such as pilot sites in the Northern Congo Emission Reductions Program and in the southern and central parts of the Recipient's territory; and (c) capacity building to strengthen the capacity of experts and national institutions to conduct relevant social and environmental assessments and apply the ESMF and other safeguard instruments.

Part C. Informing the National Reference Emissions Level for REDD+

1. Support the improvement of the reference level through: (a) refinements based on the use of new methodologies and data; (b) training of experts on reference scenarios; and (c) exchange about the reference level development with other tropical countries.

2. Enhancing the development of the MRV system by: (a) improving and expanding said system through: (i) support to the improved classification of forests; (ii) acquisition of satellite images; and (iii) modeling of leakage of emissions in the Northern Congo Emission Reduction Program; and (b) support to the operationalization of the information system for safeguards and for monitoring and reporting on the multiple benefits of REDD+.

Part D. Management of Additional Readiness Preparation Activities

Carrying out the effective management of the Additional Readiness Preparation Activities through the provision of Operating Costs to cover the mandatory costs related to the financial management of the Additional Readiness Preparation Activities.

2.02. ***Additional Readiness Preparation Activities Execution Generally.*** The Recipient declares its commitment to the objectives of the Additional Readiness Preparation Activities. To this end, the Recipient shall carry out the Additional Readiness Preparation Activities through the Recipient's ministry in charge of sustainable development, forestry and environment 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.*** Without limitation upon the provisions of Section 2.02 above:

(a) The Recipient shall maintain, throughout the implementation of the Additional Readiness Preparation Activities, the National REDD Coordination, with functions, composition and organization satisfactory to the World Bank, supported by qualified and experienced staff in adequate numbers to be responsible for the implementation of the Additional Readiness Preparation Activities.

(b) The Recipient shall ensure that all (i) terms of reference for any technical assistance or studies carried out under the Additional Readiness Preparation Activities and (ii) safeguard instruments prepared, finalized or updated under the Additional Readiness Preparation Activities, including but not limited to the SESA and the ESMF, pursuant to Section 2.01 of this Third Grant Agreement are consistent with, and pay due attention to, the World Bank's environmental and social safeguard policies, as well as the Recipient's own laws relating to the environment and social aspects.

(c) The Recipient shall ensure that in drafting laws or regulations under the Additional Readiness Preparation Activities, due attention is given to said policies and laws.

(d) The Recipient shall ensure that the Additional Readiness Preparation Activities do not include the implementation of REDD activities on the ground.

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 Donors' support for this Additional Readiness Preparation Activities.

(b) For the purposes of Section 2.09 of the Standard Conditions, the Recipient shall, upon the World Bank's request, enable the representatives of the to visit any part of the Recipient's territory for purposes related to this Additional Readiness Preparation Activities.

2.05. ***Documents; Records***

In addition and without limitation to the obligations set forth in Section 2.05 of the Standard Conditions, the Recipient shall ensure that:

(a) all records evidencing expenditures under the Additional Readiness Preparation Activities are retained for seven years and six months after the Closing Date, such records to include: (i) this Agreement, all addenda thereof, and any amendments thereto; (ii) the Recipient's financial and narrative progress reports submitted to the World Bank; (iii) the Recipient's financial information related to the Additional Grant, including audit reports, invoices and payroll records; (iv) the Recipient's implementation documentation (including sub-agreements,

procurement files, contracts, purchase orders); and (v) the corresponding supporting evidence referred to in Section 3.04 of the Standard Conditions; and

(b) the representatives of the World Bank are: (i) able to examine all records referred to above in paragraph (a); (ii) provided all such information concerning such records as they may from time to time reasonably request; and (iii) able to disclose such records and information to the Donors.

2.06. **Completion Report.** 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 (6) months after the Closing Date.

2.07. **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 Additional Readiness Preparation 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 Section 2.07 (b) of the Standard Conditions. Each audit of the Financial Statements shall cover the period of one (1) fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the World Bank not later than six (6) months after the end of such period.

2.08. **Procurement**

(a) **General.** All goods, non-consulting services and consultants' services required for the Additional Readiness Preparation Activities and to be financed out of the proceeds of the Additional 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 (revised July 2014) ("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 (revised July 2014) ("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 Additional Readiness 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 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.

(f) Document Retention. Notwithstanding the provisions of paragraphs 2(j) and 5 of Appendix I to the Procurement Guidelines, and paragraphs 2(k) and 5 of Appendix I to the Consultant Guidelines, the Recipient: (i) shall retain all documentation with respect to each contract as described in said paragraphs for at least seven years and six months after the Closing Date set forth in Section 3.03 of this Agreement; (ii) shall furnish such documentation to the World Bank at any time upon request; and (iii) hereby authorizes the World Bank to disclose such documentation to the Donors.

Article III Withdrawal of Additional Grant Proceeds

3.01. **Eligible Expenditures.** The Recipient may withdraw the proceeds of the Additional 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 Additional Grant ("Category"), the allocations of the amounts of the Additional Grant to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

Category	Amount of the Additional Grant Allocated (expressed in USD)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, non-consulting services, consultants' services, Operating Costs and Training	5,200,000	100%
TOTAL AMOUNT	5,200,000	

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 this Agreement.

3.03. **Withdrawal Period.** The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is December 31, 2017.

Article IV Remedies

4.01. The Additional Events of Suspension consist of the following, namely that the World Bank has determined that: (a) at any time before the Closing Date, the Recipient has failed to apply sound environmental or social standards or practices in its management or carrying out of Additional Readiness Preparation Activities; and (b) as a result of such failure, a situation has arisen after the date of this Agreement which makes it improbable that the objective of the Additional Readiness Preparation Activities will be achieved.

Article IV Recipient's Representative; Addresses

4.01. **Recipient's Representative.** The Recipient's Representative referred to in Section 7.02 of the Standard Conditions is its minister at the time responsible for planning.

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

Ministry of Planning and Integration
B.P. 4119
Brazzaville
Republic of Congo

Facsimile:

(242) 22 281 43 69

4.03. **World Bank's Address.** The World Bank's Address referred to in Section 7.01 of the Standard Conditions is:

International Bank for Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Telex:	Facsimile:
248423 (MCI) or 64145 (MCI)	1-202-477-6391

APPENDIX
Modifications to the Standard Conditions

The Standard Conditions are modified as follows:

1. The following term and definition shall be added to the Appendix to the Standard Conditions as paragraph 18 bis to read as follows:

18bis “‘Additional Readiness Preparation Activities’ means the activities, described in the Third Grant Agreement, for which the Additional Grant is made, as the description of said activities may be amended from time to time by agreement between the Recipient and the World Bank.”

2. The term “Project” and its definition shall be deleted in their entirety from the Standard Conditions; and all references throughout the Standard Conditions to the term “Project” shall be deemed to refer to the “Additional Readiness Preparation Activities.”