

PROCUREMENT PLAN 35545

1. GENERAL

Project Information

Country: Angola
 Project: Phase 2 of the Emergency Multisector Rehabilitation Program (EMRP)

Financing/Grant no.:
 Borrower: Republic of Angola
 Project Implementing Agency: Project Management and Implementation Unit (PMIU) at the Ministry of Planning

Participating Sector Ministries: Ministry of Transport
 Ministry of Energy and Water
 Ministry of Agriculture
 Provincial Directorate of Public works

Participating Sector Agencies: INEA, DNA, EDEL, ENE, DNE, IAA, SENSE, IDA

Procurement Information

Bank's approval date of the procurement plan: February 9, 2006
 Date of General Procurement Notice:
 Period covered by this procurement plan: March 1, 2006 - November 1, 2007
 Retroactive financing: None

2. GOODS, WORKS AND NON-CONSULTING SERVICES

Prior Review Thresholds for Goods, Works and Non-Consulting Services

The following table shows the contracts by procurement method for which procurement decisions are subject to Prior Review by the Bank as stated in Appendix 1 to the *Guidelines for Procurement*. The thresholds for the applicable procurement methods have been determined by taking into account the results of an assessment of the procurement capacity of the implementing agency and the participating sector Ministries and Agencies listed above.

	Procurement Method	Prior Review Threshold	Comments
1	ICB and LIB for Goods	200,000 or more	All contracts
2	NCB for Goods	Less 200,000 and less than 30,000	First 3 contracts
3	ICB for Works	1,000,000 or more	All contracts

4	NCB for Works	Less than 1,000,000 and more than 50,000	All contracts
5	Shopping	Less than 50,000 (works) Less than 30,000 (Goods)	First 3 contracts
6	Direct Contracting		All contracts
7	United Nations Agencies		All contracts

Prequalification: Bidders for Lucala Negage Road works (about 150Km) and Rehabilitation of distribution networks in Kuanza Norte, Uige, Malange, Moxico and Bie provinces works shall be prequalified in accordance with the provisions of paragraphs 2.9 and 2.10 of the *Guidelines for Procurement*.

Republic of Angola								
EMRC – Emergency Multisectorial Recovery Program								
Procurement Plan Phase 2								
Procurement Category: Works								
1	2	3	4	5	6	7	8	9
Ref No.	Contract (Description)	Estimat Cost (US\$ million)	Procurement Method	Pre qualification	Domestic Preference	Review by Bank	Expected Bid Opening Date	Comments
1-2 W W2	Network Rehabilitation, Reservoirs and Home connections. N'Dalatando (Lot 2)	8.074	ICB	NO	YES	PRIOR	April/10/06	Tender documents was prepared in Phase 1- (Malange Lot 1)
2W. W1	Rural water supply – Borehole and Shadow wells (70), small scale system(5) and water points (50)	3.670	UN Agency UNICEF	NO	NA	PRIOR	NA	
2U W1	Works in Critical Points of the Sewerage System of Luanda	5.610	ICB	NO	YES	PRIOR	April/30/07	
2U W2	Works of Drainage in Critical Points of the Downtown of Luanda	4.325	ICB	NO	YES	PRIOR	April/30/07	
2U W3	Works for the Erosion Control in Moxico Province (Drainage, Canals, Land fill, Lateral Ways, Reforestation)	5.159	ICB	NO	YES	PRIOR	April/30/07	
2A W1	Feeder Road Rehabilitation in the Provinces Bie(Lot 1) and Malange (Lot 2)	12.100	ICB	NO	YES	PRIOR	Nov/30/06	
2R W1	Lucala Nadage Road works 150 km with bridges /e	22.000	ICB	YES	YES	PRIOR	Aug/30/07	
2P W1	ENE-Rehabilitation of distribution Network Ndalatando, Uige, Malange, Moxico, Bié	24.047	ICB	YES	YES	PRIOR	May/3/07	
2P W2	ENE-EDEL- extension of the 15KV in Luanda	2.928	ICB	NO	YES	PRIOR	May/3/07	

Procurement Category: Goods								
1	2	3	4	5	6	7	8	9
Ref	Contract (Description)	Estimat Cost (US\$ million)	Procurement Method	Pre qualification	Domestic Preference	Review by Bank	Expected Bid opening date	Comments
2P Gl	ENE-EDEL-Supply and installation electrical meters	1.439	LCB	NO	NO	PRIOR	Aug/01/07	

3. SELECTION OF CONSULTANTS

Prior Review Thresholds for Consultants

The following table shows the value of contracts by procurement method for which procurement decisions are subject to Prior Review by the Bank as stated in Appendix 1 to the *Guidelines for Procurement*. The thresholds for the applicable procurement methods have been determined by taking into account the results of an assessment of the procurement capacity of the implementing agency and the Participating Sector Agencies listed above. A request for expressions of interest will be published in the main national newspaper, *Journal de Angola*, in accordance with paragraph 2.5 of the *Guidelines for the Selection of Consultants*, especially for the design and supervision of road rehabilitation, electricity supply, and rehabilitation and expansion of urban water supply. They will also include environmental assessment and monitoring and studies and technical assistance for rural development and training.

	Procurement Method	Prior Review Threshold	Comments
1	QCBS	100,000 or more	All contracts
2	ICS	50,000 or more	All contracts
3	ICS	Below 50,000	First 3 contracts
4	CQS and LCS		First 3 contracts
5	SSS		All contracts

Procurement Category: Consultant							
1	2	3	4	5	6	7	8
Ref No.	Description of Assignment	Estimat Cost (US\$ million)	Selection Method	EOI	Review by Bank	Expected proposals submission date	Comments
2W C1	Set up of public enterprises in three Provinces	0.660	QCBS	YES	PRIOR	July/30/07	
2W C2	T A for DNA in Development National Strategic Sector and Cities Master Plans	1.375	QCBS	YES	PRIOR	July/30/07	
2W C3	Works Supervision Rural water in Moxico	0.29	UN Agency UNICEF	NA	PRIOR	NA	
2U C1	Works Supervision for Drainage and Sewerage Luanda	0.429	QCBS	YES	PRIOR	Jan/30/07	
2U C2	Works supervision for Control Erosion in Moxico	0.297	QCBS	YES	PRIOR	Jan/30/07	
2A C1	Supervision of the Rehabilitation of Feeder Roads	0.528	QCBS	YES	PRIOR	Sep/30/06	
2O C1	TA for Project Management Unit	1.100	ICS	YES	PRIOR	Jan/30/07	
2O C2	Training to staff	0.275	CQS	YES	PRIOR	Jan/30/07	
2O C3	Program Management Procedures Manual and -FMS- Support	0.220	CQS	YES	PRIOR	Jan/30/07	
2O C4	Integrated Multi modal Transport Strategy	0.275	CQS	YES	PRIOR	Jan/30/07	
2O C5	Project Management -Audits -	0.385	LCS	YES	PRIOR	Jan/30/07	
2O C6	Central PSP Unit study	0.275	CQS	YES	PRIOR	July/30/07	
2O C7	Central PSP Unit implementation	0.550	CQS	YES	PRIOR	Nov/30/07	
2O C8	Environmental Management Plan Implementation (100 MM)	0.550	CQS	YES	PRIOR	Oct/30/06	
2O C9	Fund IDA to Decentralization Pilot Operation	1.800	DSG	YES	PRIOR	NA	Decentralization Support Grants
2R C1	Engineering Services Rehabilitation Primary network Lucala Nadage	1.375	QCBS	YES	PRIOR	Oct/30/06	
2P C1	Engineering Services-Electricity Supervision of works	1.584	QCBS	YES	PRIOR	Oct/30/06	
2P C2	Identification of Consumers and Training for commercial management	0.650	QCBS	YES	PRIOR	Sep/15/06	
2P C3	Consultant Electricity Technical Assistance to the Regulator	0.431	ICS	YES	PRIOR	July/30/07	
2P C4	Consultant Electricity DNE Assistance to the Regulator	0.620	QCBS	YES	PRIOR	July/30/07	

LEGEND TO PROCUREMENT PLAN

Procurement Methods:

ICB	International Competitive Bidding
NCB	National Competitive Bidding
QCBS	Quality and Cost Based Selection
CQS	Selection Based on Consultants' Qualifications
LCS	Least Cost Selection
SSS	Single-Source Selection of Consultants
ICS	Individual Consultants Selection
	Non-Consulting Services usually include, but are not limited to, procurement from United Nations agencies, NGOs and BOO/BOT/BOOT (Build, Own, Operate; Build, Operate, Transfer; Build, Own, Operate, Transfer)
EOI	Expression of Interest
NA	Not applicable

Reference numbers: (e.g. 1A,G1)

- Phase 2
- Subcomponent
 - A Agriculture and Rural Development
 - R Roads
 - P Electric Power
 - W Water and Sanitation
 - U Urban Services
 - O Other Contracts
- Procurement method
 - G Goods
 - W Works
 - C Consulting services
 - N Non-consulting services (such as UN agencies, NGOs and BOT/BOT/BOOT)
- Serial number: 1, 2, 3,

For the Republic of Angola

For IDA

H. E. Carlos Alberto Lopes,
Vice Minister of Planning

Abdelmoula Ghzala,
Team Leader, Africa Region, World Bank

**Performance indicators
EMRP - Phase 2**

Component A

Rural development

- About 600 km of feeder roads rehabilitated by mid 2009 in the Malange province (300 Km) and in the Bié province (300 Km).

Component B

Roads

- About 150 km of the national priority network rehabilitated and permanent connection between Lucala and Negage restored by end 2009.

Water

- About 8 liter per day per capita by end 2008.
- About 800,000 number people in the three provincial capitals that have access to water utility network distribution by end 2008.
- About 35 rural area water points rehabilitated in the Moxico province by end 2009.

Electricity

- About 20 MVA additional distribution capacity installed in the Luanda area by end 2009.
- Medium and low-voltage distribution systems in N'Dalantando, Uige, Malanje, Luena, Kuito rehabilitated and operating continuously by December 2009.
- Connection of about 15,000 new consumers by EDEL by December 2009.

The main detailed performance indicators in the documents are here summarized:

Rural Development

Outcome Indicators	Base-line	Target Values				Data Collection and Reporting		
		YR1	YR2	YR3	YR4	Frequency of Reports	Data Collection Instruments	Responsibility Data Collection
		Target Values				Data Collection and Reporting		
Kilometers of feeder roads rehabilitated		300 kilometers	300 kilometers			Semester	Mecanagro Report	Bie's and Malanje's agriculture director

Electricity

Project	Description	Expected output
ENE : Rehabilitation of MV/LV network of Ndalatando	Rehabilitation of the distribution network in Ndalatando with the construction of about : * MV Line 30 KV: overhead: 36 Km and underg: 6 Km * MV Line (15 KV): underground 30 km and 90 Km overhead; * 19 MV/LV substations(15/24 KV) and ; 6 MV/LV substations(15/30 KV)	Reliable supply of electricity to the population of the city estimated at about 400,000; Increase at an annual rate of 8.5% of the existing 1,000 consumers
ENE : Rehabilitation of MV/LV network of Uige	Rehabilitation of the distribution network in Uige with the construction of about : * MV Line (15 KV): underground 78,3 km and 28,5 Km overhead; * 30 MV/LV substations; * LV Line: underground 65 Km and 125 Km overhead;	Reliable supply of electricity to the population of the city estimated at about 500,000; Increase at an annual rate of 6.5% of the existing 1,600 consumers
ENE : Rehabilitation of MV/LV network of Malange	Rehabilitation of the distribution network in Malange with the construction of about : * MV Line(30 KV): overhead 20 Km * MV Line (15 KV): underground 90 km and 10 Km overhead; * 36 MV/LV substations; * LV Line: underground 55 Km and 130 Km overhead;	Reliable supply of electricity to the population of the city estimated at about 800,000; Increase at an annual rate of 7.0% of the existing 4,000 consumers
ENE : Rehabilitation of MV/LV network of Luena	Rehabilitation of the distribution network in Luena with the construction of about : * MV Line (15 KV): underground 90 km and 60 Km overhead; * 20 MV/LV substations; * LV Line: underground 120 Km and 105 Km overhead; * Glass fiber LV cibles: 43	Reliable supply of electricity to the population of the city estimated at about 250,000; Increase at an annual rate of 5% of the existing 1,100 consumers
ENE : Rehabilitation of MV/LV network of Kuito	Rehabilitation of the distribution network in Kuito with the construction of about : * MV Line (15 KV): underground 54 km and 45 Km overhead; * 16 MV/LV substations; * LV Line: underground 55 Km and 60 Km overhead; * Glass fiber LV cibles: 15	Reliable supply of electricity to the population of the city estimated at about 800,000; Increase at an annual rate of 5.5% of the existing 1,600 consumers

Project	Description	Expected output
EDEL : Extension and mobile substation of the HT/MT/LT Network in Luanda area	Supply, installation and training of mobile substation in Viana, extension of the HT/MT/LT, supply of 20 rural transformers and operating equipment	Improvement of the quality of service to industrial and domestic (10.000) clients with an additional distribution capacity (20 MVA)
EDEL : Identification of consumers and training for commercial management	Identification, Localization, codification of clients in EDEL's distribution network	Control of commercial activities, amelioration commercial management, integration of about 45,000 unified consumers
	The project consists of : * on job training of the staff of the meter calibration laboratory; * acquisition of kits and tools for installation of meters	Improvement of commercial management; reduction of commercial losses; improvement of the image of EDEL with the public
DNE (ENE/EDEL) : Supervision of works	Supervision of supply and installation of electrical equipments	Distribution network in targeted cities are operational by December 31, 2009
IRSE : Assistance to the Regulator	Assistance to the newly instituted Regulator to help it assume its mission. The project consists of : * Acquisition of logistics (2 4x4 cars; 2 desktop computers; 2 laptop computers; 2 laserjet printers black and white; 1 color printer, 1 photocopier); * financing of information missions abroad;	The institution of regulation is operational by December 31, 2008

Water

Outcome Indicators	Baseline	Target Values				Data Collection and Reporting		
		YR1	YR2	YR3	YR4	Frequency of Reports	Data Collection Instruments	Responsibility Data Collection
Liters per day per capita	3-5	3-5	5-6	8-10	12-13	Yearly	Survey	Directorate of Water to outsource to NGO.
Cost per cubic meter of water	US\$12.5 per cubic meter	8	4	3	2	Yearly	Survey	Directorate of Water to outsource to NGO.
Results Indicators								
Number poor people in periurban with access to improved water services delivered by new or rehabilitated standpipes and water trucks.	0	20,000	100,000	500,000	1.25 million	Yearly	Survey	Directorate of Water
Number people in three provincial capitals that have access to water utility network distribution;	0	0	300	800	800	Monthly	EPAL dispatch report	Directorate of Water, EPAL

Urban

<u>Outcome Indicators</u>	Baseline	Target Values				Data Collection and Reporting		
		YR1	YR2	YR3	YR4	Frequency of Reports	Data Collection Instruments	Responsibility Data Collection
Sewerage: number of new houses connected to the network in the project area.	0	0	820	410	---	annual	survey	ELISAL
Drainage: number of houses in project area newly free of risks of flood	0	0	500	500	---	annual	survey	Provincial Directorate of Public Works
Erosion control: number of houses in project area newly free of risks of natural disaster	0	50% controlled	50% controlled	---	---	annual	Report	Provincial Directorate of Public Works

**Legal Department
CONFIDENTIAL DRAFT
(Subject to Change)
Eduardo Brito
February 9, 2006**

GRANT NUMBER _____-ANG

Financing Agreement

(Emergency Multisector Recovery Program.-Phase II)

between

REPUBLIC OF ANGOLA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated _____, 2006

FINANCING AGREEMENT

AGREEMENT dated _____, 2006, between REPUBLIC OF ANGOLA (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”). The Recipient and the Association hereby agree as follows:

ARTICLE I

GENERAL CONDITIONS; DEFINITIONS

- 1.01. The General Conditions (as defined in the Appendix to this Agreement) constitute an integral part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in the Financing Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Agreement.

ARTICLE II

THE FINANCING

- 2.01. The Association agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a grant in an amount equivalent to seventy million four hundred thousand Special Drawing Rights (SDR 70,400,000) (“Grant”) to assist in financing the project described in Schedule 1 to this Agreement (“Project”).
- 2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section IV of Schedule 2 to this Agreement.
- 2.03. The Maximum Commitment Charge Rate payable by the Recipient on the Unwithdrawn Financing Balance shall be one-half of one percent (1/2 of 1%) per annum.
- 2.04. The Payment Dates are April 15 and October 15 in each year.

2.05. The Payment Currency is Dollars.

ARTICLE III

THE PROJECT

- 3.01. The Recipient declares its commitment to the objectives of the Project and the Program. To this end, the Recipient shall carry out the Project in accordance with the provisions of Article IV of the General Conditions.
- 3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Recipient and the Association 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 IV

REMEDIES OF THE ASSOCIATION

- 4.01. The Additional Event of Suspension is that the Program, or a significant part thereof, has been abrogated, amended, repealed, suspended or waived, at the instance of the Recipient, so as to affect materially and adversely the ability of the Recipient to perform any of its obligations under this Agreement.
- 4.02. The Additional Event of Acceleration is that the event specified in Section 4.01 of this Agreement occurs and is continuing for a period of sixty (60) days after notice of the event has been given by the Association to the Recipient.

ARTICLE V

EFFECTIVENESS; TERMINATION

- 5.01. The Additional Conditions of Effectiveness consist of the following:
- (a) The Recipient has hired an internal auditor for the PMIU, in accordance with the provisions of Paragraph C of Section III of Schedule 2 to this Agreement.
 - (b) The Recipient has hired an independent auditor for the Project, in accordance with the provisions of Paragraph C of Section III of Schedule 2 to this Agreement.

- 5.02. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.
- 5.03. For purposes of Section 8.05 (b) of the General Conditions, the date on which the obligations of the Recipient under Articles IV and V of the General Conditions and Schedule 2 to this Agreement shall terminate is fifteen (15) years after the date of this Agreement.

ARTICLE VI

REPRESENTATIVE; ADDRESSES

- 6.01. The Recipient's Representative is the Minister of Planning.
- 6.02. The Recipient's Address is:

*Ministério de Planeamento
Largo do Palácio
Cidade Alta
Caixa Postal 1205
Luanda
República de Angola*

Facsimile:
244 233 9586

- 6.03. The Association's Address is:

International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Cable:	Telex:	Facsimile:
INDEVAS Washington, D.C.	248423 (MCI) or 64145 (MCI)	1-202-477-6391

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

REPUBLIC OF ANGOLA

By

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Authorized Representative

SCHEDULE 1

Project Description

The objective of the Project is to assist the Recipient in its post-war recovery efforts building a foundation for long-term reconstruction, economic rehabilitation, and the reestablishment of state administration throughout its territory.

The Project constitutes the second phase of the Program, and consists of the following parts:

Part A: Rural Development and Delivery of Social Services

1. Rehabilitation of about three hundred (300) kilometers of rural roads in the *Bié* province.
2. Rehabilitation of about three hundred (300) kilometers of rural roads in the *Malanje* province.
3. Supervision activities for civil works under Part A of the Project.

Part B: Rehabilitation and Reconstruction of Critical Infrastructure

1. Roads sector

Rehabilitation of about 150 kilometers of high traffic roads and bridges linking the cities of *Lucala* and *Negage*.

2. Electricity sector

(a) Reconstruction of medium and low-voltage power distribution systems in the provincial capitals of *Luena*, *Malanje*, *N'Dalantando*, *Kuito*, and *Uige*.

(b) Reconstruction of about seventy (70) kilometers of power lines network in *Luanda*.

3. Water sector

(a) Repairs to water service systems in:

(i) the provincial capital of *N'Dalantando*, including: (A) rehabilitation of about thirty five (35) kilometers of water distribution network; (B) connection to water services for about three thousand five hundred (3,500) households; and (C) construction of about fifty (50) community standpipes.

(ii) rural areas of the *Moxico* province, including: (A) construction of about seventy (70) boreholds with hand pumps; (B) rehabilitation of about five (5) small water distribution systems; and (C) renovation of about fifty (50) water points.

(b) Restoration and expansion of water services in the provincial capitals of *Malanje, Kuito, and N'Dalantando*.

4. Urban sanitation sector

(a) Carrying out of feasibility studies to determine the type of works needed on *Luanda's* drainage and sewerage collection systems to prevent sewage overflows.

(b) Carrying out of a program, including, civil works and its corresponding supervisory activities for the improvement of *Luanda's* drainage and sewerage collection systems, following the recommendations of the feasibility studies referred to in Part B.4 (a) of the Project.

(c) Carrying out of a program in the *Moxico* province, including, designs, civil works, supervisory activities, acquisition of equipment, and provision of consultant services to assist with erosion control measures in areas prone to natural disasters.

5. Supervision activities for civil works under Part B of the Project.

Part C: Sector Development Strategies and Strengthening of Human and Institutional Capacities

1. Design and implementation of strategies to develop key infrastructure areas, including electricity, transport and water services.

2. Provision of technical assistance and training to Line Ministries, Line Agencies, and MOP to strengthen their capacities in infrastructure development matters.

3. Provision of technical advisory services to both central and local governments to: (a) develop fiscal transfer mechanisms with its appropriate management and operating procedures; (b) design procedures for municipal-level strategic planning; and (c) monitor revenue generated by local governments.

4. Carrying out of an environmental and social assessment in connection with the implementation of the Project.

5. Provision of grants to finance goods, works, services, resettlement and compensations, as provided in the environmental and social mitigation system referred to in Paragraph 6 (b) of Section I of Schedule 2 to this Agreement.

6. Provision of grants to finance goods, works and services for Local Governments' decentralization and social development projects.

Part D: Management, Monitoring and Evaluation of Project Implementation

1. Provision of technical advisory services and goods for the purposes of supporting the management, monitoring and evaluation of the implementation of activities carried out under the Project.

2. Carrying out Project studies, including, *inter alia*, performance reviews and impact evaluations.

SCHEDULE 2

Project Execution

Section I. Institutional and Other Arrangements

1. The Steering Committee

The Recipient shall maintain, for the purposes of the Project, a Steering Committee, acceptable to the Association, throughout the period of implementation of the Project, with structure, functions and responsibilities, for the purpose of overseeing the execution of the Project. The Steering Committee shall be chaired by the Ministry of Planning and comprise of the vice-ministers from the Line Ministries or their representatives.

2. The PMIU

(a) The Recipient shall maintain within MOP, at all times during Project implementation, a Project Management and Implementation Unit (the PMIU), with a structure, functions and responsibilities acceptable to the Association, including, *inter alia*, the responsibility of the PMIU to assist the Recipient and the Steering Committee in the coordination, implementation, monitoring and supervision of the Project.

(b) The Recipient shall ensure that the PMIU is, at all times during Project implementation, headed by a Project coordinator and staffed with an accountant, an internal auditor, an international financial management specialist, an international procurement specialist and other professional and administrative staff, all hired through competitive processes, in accordance with the provisions of Paragraph C of Section III of this Schedule, in numbers and with qualifications and experience acceptable to the Association.

(c) Except as the Recipient and the Association may otherwise agree in writing, the Recipient shall not introduce changes in the number of positions of the PMIU or in the professional skills required for occupying such positions, unless said changes have been previously agreed with the Association.

3. Participation of Line Ministries and Line Agencies

The Recipient shall, not later than thirty (30) days following the Effective Date, through the PMIU, enter into a memorandum of understanding with the Line Ministries and Line Agencies, in form and substance satisfactory to the Association, including, *inter alia*, allocation of responsibilities for Project implementation, obligations to provide technical

support for the Project, as well as obligations to monitor and evaluate the technical implementation of the Project.

4. The Operational Manual

(a) Without limitation upon the provisions of Section 4.01 of the General Conditions, the Recipient shall carry out the Project in accordance with a manual (the Operational Manual), acceptable to the Association, said manual to include, *inter alia*: (i) detailed arrangements for the overall carrying out of the Project; (ii) internal control systems to be followed by the PMIU during Project implementation; (iii) administrative and financial procedures to be used throughout Project implementation; (iv) detailed procedures for the preparation, review, approval and implementation of Environmental and Social Mitigation Grants; (v) detailed procedures for the preparation, review, approval and implementation of Decentralization Grants; (vi) the model draft legal agreements (satisfactory to the Association) for the provision of Environmental and Social Mitigation Grants and Decentralization Grants; and (vii) contracting methods for the procurement of goods, works and services needed for the implementation of the Project.

(b) Except as the Recipient and the Association may otherwise agree in writing, the Recipient shall not abrogate, amend, repeal, suspend, waive or otherwise fail to enforce the Operational Manual or any provision thereof.

(c) In case of any conflict between the terms of the Operational Manual and those of this Agreement, the terms of this Agreement shall prevail.

5. The Annual Action Plan

(a) The Recipient shall, not later than January 31 of each year during Project implementation, or such later date as the Association shall determine, starting in year 2007, furnish to the Association for approval, an annual action plan (the Annual Action Plan), each said plan to include, *inter alia*: (i) the Project activities to be carried out during the twelve months immediately following the presentation of each said plan; (ii) the procurement plan, and disbursement schedule for each said twelve month period; and (iii) the amount of counterpart funds needed and to be provided by the Recipient to carry out the Project during said calendar year;

(b) The Recipient shall thereafter implement each said Annual Action Plan, approved by the Association, in accordance with its terms;

(c) The Recipient shall carry out the Annual Action Plan for the year 2007, approved by the Association prior to the date of this Agreement; and

(d) Upon approval of the corresponding Annual Action Plan by the Association, the Recipient shall, through MOP:

(i) enter into separate agreements or amend existing separate agreements (the Environmental and Social Mitigation Grant Agreements), on terms and conditions satisfactory to the Association, with each Line Agency and each Line Ministry, such agreements to include, *inter alia*: (A) the Recipient's obligation to transfer, on a grant basis, to each Line Agency and each Line Ministry the proceeds of the Financing allocated under Part C.5 of the Project; (B) the Line Agencies' and Line Ministries' obligations to carry out Part C.5 of the Project; (C) the Line Agencies' and Line Ministries' obligations to maintain records and accounts, in a manner acceptable to the Association (including any other information and/or documentation as the Association may request from time to time) regarding Part C.5 of the Project to enable the Recipient to comply with its obligations under Section 4.09 of the General Conditions; (D) the Line Agencies' and Line Ministries' obligations to procure the goods, works and services for the Project in accordance with the requirements of this Agreement; (E) the requirements for auditing the expenditures under part C.5 of the Project; and (F) the Recipient's right to suspend disbursements for Financing proceeds allocated to Part C.5 of the Project in the event of non-compliance by the Line Agencies and Line Ministries with the obligations set forth in the corresponding Environmental and Social Mitigation Grant Agreement, this Agreement and/or those of the Operational Manual.

(ii) enter into separate agreements or amend existing separate agreements (the Decentralization Grant Agreements), on terms and conditions satisfactory to the Association, with Local Governments, such agreements to include, *inter alia*: (A) the Recipient's obligation to transfer, on a grant basis, to each Local Government the proceeds of the Financing allocated under Part C.6 of the Project; (B) the Local Government's obligation to carry out Part C.6 of the Project; (C) the Local Government's obligation to maintain records and accounts, in a manner acceptable to the Association (including any other information and/or documentation as the Association may request from time to time) regarding Part C.6 of the Project to enable the Recipient to comply with its obligations under Section 4.09 of the General Conditions; (D); the Local Government's obligations to procure the goods, works and services for the Project in accordance with the requirements of this Agreement; (E) the requirements for auditing the expenditures under part C.6 of the Project; and (F) the Recipient's right to suspend disbursements for Financing proceeds allocated to Part C.6 of the Project in the event of non-compliance by the Local Governments with the obligations set forth in the corresponding Decentralization Grant Agreement, this Agreement and/or those of the Operational Manual.

6. Environmental and Social Assessment and Mitigation Measures

(a) The Recipient shall, not later than six (6) months following the Effective Date, or such later date as the Association shall determine, carry out a comprehensive environmental and social assessment of the activities carried out or to be carried out under the Project, in form and substance acceptable to the Association, and shall furnish said assessment for review and comments to the Association no later than twelve months following the Effective Date.

(b) The Recipient shall, not later than twelve (12) months following the Effective Date, or such later date as the Association shall determine, adopt and thereafter maintain, in form and substance satisfactory to the Association, an environmental and social mitigation system, for the implementation of the Project, comprising: (i) an environmental and social framework; (ii) a resettlement policy framework; (iii) a pest management plan; (iv) a forest protection plan; and (v) a natural habitats protection plan; all based on a plan recommended in the assessment study referred to in Paragraph 6 (a) of Section I of this Schedule and the views of the Association thereon.

(c) The Recipient shall, thereafter implement the Project in compliance with the environmental and social mitigation system referred to in Paragraph 6 (b) of Section I of this Schedule.

(d) Except as the Recipient and the Association may otherwise agree in writing, the Recipient shall not abrogate, amend, repeal, suspend, waive or otherwise fail to enforce the environmental and social mitigation system referred to in Paragraph 6 (b) of Section I of this Schedule or any provision thereof.

(e) In case of any conflict between the terms of the environmental and social mitigation system referred to in Paragraph 6 (b) of Section I of this Schedule and those of this Agreement, the terms of this Agreement shall prevail.

Section II. Project Monitoring, Reporting, Evaluation

A. Project Reports.

1. (a) The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of the indicators set forth below in sub-paragraph (b) of this paragraph. Each Project Report shall cover the period of one (1) calendar quarter, and shall be furnished to the Association not later than one (1) month after the end of the period covered by such report.

(b) The performance indicators referred to above in sub-paragraph (a) consist of the following:

Component A

Rural development

- About 600 km of feeder roads rehabilitated by mid 2009 in the Malange province (300 Km) and in the Bié province (300 Km)

Component B

Roads

- About 150 km of the national priority network rehabilitated and permanent connection between Lucala and Negage restored by end 2009

Water

- About 8 liter per day per capita by end 2008
- About 800,000 number people in the three provincial capitals that have access to water utility network distribution by end 2008;
- About 35 rural area water points rehabilitated in the Moxico province by end 2009.

Electricity

- About 20 MVA additional installed in the Luanda area by end 2009
- Medium and low-voltage distribution systems in N'Dalantando, Uige, Malanje, Luena, Kuito rehabilitated and operating continuously by December 2009.
- Connection of about 15,000 new consumers by EDEL by December 2009.

2. For purposes of Section 4.08 (c) of the General Conditions, the report on the execution of the Project and related plan required pursuant to that Section shall be furnished to the Association not later than December 31, 2010.

B. Financial Management, Financial Reports and Audits.

1. The Recipient shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 4.09 of the General Conditions.

2. Without limitation on the provisions of Part A of this Section, the Recipient shall prepare and furnish to the Association as part of the Project Reports, not later than one (1) month after the end of each calendar quarter, interim un-audited financial reports for the Project covering such quarter, in form and substance satisfactory to the Association.

3. The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 4.09 (b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one (1) fiscal year of the Recipient, commencing with the fiscal year in which the first withdrawal under the Grant was made. The audited Financial Statements for each such period shall be furnished to the Association not later than six months (6) after the end of such period.

Section III. Procurement**A. General.**

1. Goods and Works. All goods and works required for the Project, and to be financed out of the proceeds of the Financing, shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Schedule.

2. Consultants' Services. All consultants' services required for the Project, and to be financed out of the proceeds of the Financing, shall be procured in accordance with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines, and with the provisions of this Schedule.

3. Definitions. The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Association of particular contracts, refer to the corresponding method described in the Procurement Guidelines, or Consultant Guidelines, as the case may be.

B. Particular Methods of Procurement of Goods and Works

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

2. Other Methods of Procurement of Goods and Works. The following list specifies the methods of procurement, other than International Competitive Bidding, which may be used for goods and works. The Procurement Plan shall specify the circumstances under which such methods may be used:

Procurement Methods

- (a) Limited International Bidding.
- (b) National Competitive Bidding.
- (c) Shopping.
- (d) Direct Contracting.
- (e) Procurement from United Nations Agencies.

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 list specifies methods of procurement, other than Quality and Cost-Based Selection, which may

be used for consultants' services. The Procurement Plan shall specify the circumstances under which such methods may be used.

Procurement Methods

- (a) Quality- Based Selection.
- (b) Least Cost Selection.
- (c) Selection Based on Consultants' Qualifications
- (d) Single- Source Selection.
- (e) Procedures set forth in Paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants.

D. Review by the Bank of Procurement Decisions

The Procurement Plan shall set forth those contracts which shall be subject to the Association's Prior Review. All other contracts shall be subject to Post Review by the Association.

Section IV. Withdrawal of the Proceeds of the Financing

A. General.

1. The Recipient may withdraw the proceeds of the Financing in accordance with the provisions of this Section and such additional instructions as the Association may specify by notice to the Recipient, 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 Financing ("Category"), the allocations of the amounts of the Financing to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

<u>Category</u>	Amount of the Financing Allocated (Expressed in <u>SDR</u>)	% of Expenditures <u>To be Financed</u>
(1) Works		
(a) For Parts A.1 and A.2 of the Project	5,500,000	70%
(b) For water supply works		

under Part B of the Project	16,300,000	100%
(c) For other works		
under Part B of the Project	33,000,000	70%
(2) Goods	800,000	70%
(3) Consultant's		
Services (including audits)	8,400,000	70%
(4) Grants		
(a) Environmental and Social		
Mitigation Grants	700,000	100%
(b) Decentralization Grants	1,200,000	100%
(5) Unallocated	4,500,000	
TOTAL	<u>70,400,000</u>	

B. Withdrawal Conditions; Withdrawal Period.

1. Notwithstanding the provisions of Part A of this Section, no withdrawals shall be made in respect of payments for expenditures prior to the date of this Agreement.
2. Notwithstanding the provisions of Part A of this Section, no withdrawals shall be made in respect of Category 4 (a), until the provisions of Paragraphs 6 (a) and 6 (b) of Section I of this Schedule have been complied with by the Recipient, in a manner acceptable to the Association.
3. The Closing Date is June 30, 2010.

APPENDIX

Definitions

1. “Annual Action Plan” means any of the plans referred to in Paragraph 5 (a) and/or (c) of Section I of Schedule 2 to this Agreement.
2. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
3. “Consultant Guidelines” means the “Guidelines: Selection and Employment of Consultants by World Bank Borrowers” published by the Bank in May 2004.
4. “Decentralization Grant Agreement” means any of the agreements referred to in Paragraph 5 (d) (ii) of Section I of Schedule 2 to this Agreement.
5. “Decentralization Grant” means investments to be carried out by Local Governments under a Decentralization Grant Agreement and included in Part C.6 of the Project.
6. “Environmental and Social Mitigation Grant Agreement” means any of the agreements referred to in Paragraph 5 (d) (i) of Section I of Schedule 2 to this Agreement.
7. Environmental and Social Mitigation Grant means the investments to be carried out by Line Agencies and Line Ministries and included in Part C.5 of the Project.
8. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 1, 2005.
9. “Line Agencies” mean any one or all of the following independent or parastatal agencies, *inter alia*: *Instituto Nacional de Estradas de Angola (INEA)*, *Empresa Pública de Águas de Luanda (EPAL)*, and *Empresa Nacional de Electricidade (ENE)*.
10. “Line Ministries” mean any one or all of the following Ministries of the Recipient, *inter alia*: *Ministério da Agricultura e do Desenvolvimento Rural*, *Ministério das Obras Públicas*, *Ministério dos Transportes*, and *Ministério da Energia e Águas*.
11. “Local Governments” mean any of the Recipient’s Provinces or Municipalities.
12. “MOP” means the Recipient’s Ministry of Planning.
13. “Operational Manual” means the manual referred to in Paragraph 4 (a) of Section I of Schedule 2 to this Agreement.

14. “PMIU” means the Project Management and Implementation Unit referred to in Paragraph 2 (a) of Section I of Schedule 2 to this Agreement.
15. “Procurement Guidelines” means the “Guidelines for Procurement under IBRD Loans and IDA Credits” published by the Bank in May 2004.
16. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated February 9, 2006 and referred to in Paragraph 1.16 of the Procurement Guidelines and Paragraph 1.24 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said Paragraphs.
17. “Program” means the Recipient’s program of actions and strategies for post-war recovery designed to build a foundation for long-term reconstruction, economic rehabilitation, and the reestablishment of state administration throughout its territory and set forth in the letter dated September 3, 2003 from the Recipient to the Association.
18. “Steering Committee” means the committee referred to in Paragraph 1 of Section I of Schedule 2 to this Agreement.

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

February 9, 2006

Minister of Planning
Ministério de Planeamento
Largo do Palácio
Cidade Alta
Caixa Postal 1205
Luanda
República de Angola

Re: IDA Financing Grant ____ - ____ (Emergency Multisector Recovery Program – Phase II)
Additional Instructions: Disbursement

Excellency:

I refer to the Financing Agreement between IDA (“the Bank”) and the Republic of Angola (the “Addressee”) for the above-referenced project, dated _____. The Agreement provides that the Bank may issue additional instructions regarding the withdrawal of the proceeds of, and the operation of the Designated Account for, Financing ____-____ (“Funding”). This letter (“Disbursement Letter”), as revised from time to time, constitutes the additional instructions.

The attached World Bank Disbursement Guidelines for Projects, dated September 30, 2005, (“Disbursement Guidelines”) (Attachment 1), are an integral part of the Disbursement Letter. The manner in which the provisions in the Disbursement Guidelines apply to the Funding is specified below. Sections and subsections in parentheses below refer to the relevant sections and subsections in the Disbursement Guidelines and, unless otherwise defined in this letter, the capitalized terms used have the meanings ascribed to them in the Disbursement Guidelines.

I. Disbursement Arrangements

(i) *Disbursement Methods (section 2)*. The following Disbursement Method may be used under the Funding:

- Reimbursement

- Advance
- Direct Payment
- Special Commitment

(ii) Disbursement Deadline Date (subsection 3.6). The Disbursement Deadline Date is 4 months after the Closing Date specified in the Financing Agreement. Any changes to this date will be notified by the Bank.

II. Withdrawal of Loan Proceeds

(i) Authorized Signatures (subsection 3.1). A letter in the Form attached (Attachment 2) should be furnished to the Bank at the address indicated below providing the name(s) and specimen signature(s) of the official(s) authorized to sign Applications:

The World Bank
1818 H Street, N.W.
Washington, DC 20433
United States of America
Attention: Eduardo Brito, Country Lawyer
Legal Vice-Presidency, Africa

(ii) Applications (subsections 3.2 - 3.3). Please provide completed and signed (a) applications for withdrawal (Attachment 3), together with supporting documents, and (b) applications for special commitments (Attachment 4), together with a copy of the commercial bank letter of credit, in the Form attached to the address indicated below:

Loan Department
Regional Disbursement Center
The World Bank
14 Fricker Road
IFC Building
Illovo 2196
Johannesburg
South Africa

(iii) Minimum Value of Applications (subsection 3.4). The Minimum Value of Applications for reimbursement, direct payment, and special commitment is USD 1,200,000

(iv) Advances (sections 5 and 6)

- **Type of Designated Account (subsection 5.3):** Segregated

- ***Currency of Designated Account (subsection 5.4):*** US Dollars
- ***Financial Institution at which the Designated Account Will Be Opened (subsection 5.5):*** A commercial bank acceptable to the Bank
- ***Authorized Allocation (subsection 6.1):*** US Dollars 8,500,000 but limited to US Dollars 4,250,000 until the aggregate amount of withdrawals plus the total amount of all outstanding Special Commitments equals SDR 6,200,000.

III. Reporting on Use of Loan Proceeds

(i) Supporting Documentation (section 4). Supporting documentation should be provided with each Application for Withdrawal as set out below:

- ***For requests for reimbursement:***
 - Statement of Expenditure in the form attached (Attachment 5 and/or records evidencing eligible expenditures, e.g., copies of receipts, supplier invoices) for payments against contracts valued at (i) \$500,000 or more for works; (ii) \$200,000 or more for goods; (iii) \$100,000 or more for consultants' services provided by firms; and (iv) \$50,000 or more for consultants' services provided by individuals.
 - List of payments against contracts that are subject to the Bank's prior review, in the form attached (Attachment 6)
- ***For reporting eligible expenditures paid from the Designated Account:***
 - Statement of Expenditure in the form attached (Attachment 5 and/or records evidencing eligible expenditures, e.g., copies of receipts, supplier invoices) for payments against contracts valued at (i) \$500,000 or more for works; (ii) \$200,000 or more for goods; (iii) \$100,000 or more for consultants' services provided by firms; and (iv) \$50,000 or more for consultants' services provided by individuals.
 - List of payments against contracts that are subject to the Bank's prior review, in the form attached (Attachment 6).
- ***For requests for direct payment:*** Records evidencing eligible expenditures, e.g., copies of receipts, supplier invoices.

(ii) Frequency of Reporting Eligible Expenditures Paid from the Designated Account (subsection 6.3): Monthly.

(iii) Other Supporting Documentation Instructions: For reporting eligible expenditures paid from the Designated Account: Designated Account Reconciliation Statement (Attachment 7).

IV. Other Important Information

For additional information on disbursement arrangements, please refer to the Disbursement Handbook available on the Bank's public website at <http://www.worldbank.org> and its secure website "Client Connection" at <http://clientconnection.worldbank.org>. Print copies are available upon request.

If you have not already done so, the Bank recommends that you register as a user of the Client Connection website (<https://clientconnection.worldbank.org>). From this website you will be able to download Applications, monitor the near real-time status of the Funding, and retrieve related policy, financial, and procurement information. For more information about the website and registration arrangements, please see the Client Connection kit enclosed with this letter (Attachment 8)

If you have any queries in relation to the above, please contact me or another member of my team using the above reference.

Yours sincerely,

Attachments

1. World Bank Disbursement Guidelines for Projects, dated September 30, 2005
2. Form for Authorized Signatures
3. Form 1903, Application for Withdrawal
4. Form 1931, Application for a Special Commitment
5. Statement of Expenditure
6. Form of Payments Against Contracts Subject to the Bank's Prior Review
7. Designated Account Reconciliation Statement
8. Client Connection Kit

cc: Ministerio de Planeamento
Projecto Multisectorial De Emergencia E Reabilitaçã
UGIP- Unidale de Gestã E Implementaçã Do Projecto
Largo do Palacio
A La Esquerda -1º Andar
Luanda
Republica de Angola
Attn: Mr. Carlos Alberto Lopes, Vice Minister
Email: CLOPES@minplan.gv.ao

Cleared with and cc: Eduardo Brito
Abdelmoula Ghzala
Suzanne Morris

Attachment 7

DESIGNATED ACCOUNT RECONCILIATION STATEMENT

IDA GRANT NUMBER _____ DESIGNATED ACCOUNT PREFIX: _____

ACCOUNT NUMBER _____ WITH (BANK) _____

- 1. TOTAL ADVANCED BY WORLD BANK (OR COFINANCIER) \$ _____
- 2. LESS: TOTAL AMOUNT RECOVERED BY WORLD BANK - \$ _____
- 3. EQUALS PRESENT OUTSTANDING AMOUNT ADVANCED TO THE DESIGNATED ACCOUNT (NUMBER 1 LESS NUMBER 2) = \$ _____

4. BALANCE OF DESIGNATED ACCOUNT PER ATTACHED BANK STATEMENT AS OF DATE _____ \$ _____

5. PLUS: TOTAL AMOUNT CLAIMED IN THIS APPLICATION NO. _____ + \$ _____ *

6. PLUS: TOTAL AMOUNT WITHDRAWN AND NOT YET CLAIMED REASON: _____ + \$ _____ *

7. PLUS: AMOUNTS CLAIMED IN PREVIOUS APPLICATIONS NOT YET CREDITED AT DATE OF BANK STMT

APPLICATION NO.

AMOUNT *

SUBTOTAL OF PREVIOUS APPLICATIONS NOT YET CREDITED + \$ _____

8. MINUS: INTEREST EARNED - \$ _____ *

9. TOTAL ADVANCE ACCOUNTED FOR (NO. 4 THROUGH NO. 9) = \$ _____

10. EXPLANATION OF ANY DIFFERENCE BETWEEN THE TOTALS APPEARING ON LINES 3 AND 9:

11. DATE: _____

SIGNATURE: _____

TITLE: _____

* ALL ITEMS SHOULD BE INDICATED ON THE BANK STATEMENTS.

Works	\$	500,000	1(a), 1(b), 1(c)
Goods	\$	200,000	2
Services of Consulting Firms	\$	100,000	3
Services of Individual Consultants	\$	50,000	3

IDA Grant No.: _____
Summary Sheet No.: _____

1	2	3	4	5	6	7	8	9	10	11	12	13
Item No.	Category No. *	Name of Supplier, Contractor or Consultant	Brief Description of Goods, Works or Services	Total Amount of Contract (Include all currencies)	Currency of Expenditure	Total invoice amount covered by this application (net of retention)	Eligible % of financing	Currency and eligible amount paid (7)x(8)	US\$ Equivalent paid from Designated Account**	Date of Payment	Exchange Rate**	Remarks or Invoice references, including no-objection telex date
				TOTALS					\$			

Note: (*) Items should be grouped by category; or alternatively, a separate Summary Sheet may be used for each category.
(**) If this application is not for replenishment of the Designated Account, leave columns 10 and 12 blank.

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