Document of

The World Bank

Report No: - 77275

Restructuring PAPER

ON A

PROPOSED Project restructuring

of

Health SEctor Rehabilitation Support project

Grant No. H182

(approved by the board September 1, 2005)

TO THE

democratic republic of congo

October 18, 2012

**currency equivalents**

(Exchange Rate Effective September 28, 2012)

Currency Unit = Congolese France

cdc919 = US$1

US$0.66 = SDR 1

**ABBREVIATIONS AND ACRONYMS**

|  |  |
| --- | --- |
| AF | Additional Financing |
| CD | Country Director |
| DO | Development Objective |
| DRC | Democratic Republic of Congo |
| EHS | Essential Health Services |
| HSRSP | Health Sector Rehabilitation Support Project |
| PDO | Project Development Objectives |

|  |  |  |
| --- | --- | --- |
| Vice President: |  | Makhtar Diop |
| Country Director: |  | Eustache Ouayoro |
| Sector Director  Sector Manager: |  | Ritva Reinikka  Trina Haque |
| Task Team Leader: |  | Jean Jacques Frere |

democratic republic of congo

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**democratic republic of congo**

**restructuring paper**

**for the Health SEctor Rehabilitation Support project**

# PROJECT PAPER DATA SHEET

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| --- |
| **Restructuring** **Status:** **Draft** |
| **Restructuring Type:** **Level two** |
| Last modified on date : 10/12/2012 |

|  |  |
| --- | --- |
| **1. Basic Information** | |
| Project ID & Name | P088751: ZR-Health Sec Rehab Supt (FY06) |
| Country | Congo, Democratic Republic of |
| Task Team Leader | Jean-Jacques Frere |
| Sector Manager/Director | Trina S. Haque |
| Country Director | Eustache Ouayoro |
| Original Board Approval Date | 09/01/2005 |
| Original Closing Date: | 06/30/2010 |
| Current Closing Date | 06/30/2014 |
| Proposed Closing Date [if applicable] |  |
| EA Category | B-Partial Assessment |
| Revised EA Category | B-Partial Assessment-Partial Assessment |
| EA Completion Date | 01/19/2005 |
| Revised EA Completion Date |  |

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| --- | --- | --- |
| **2. Revised Financing Plan (US$m)** | | |
| **Source** | **Original** | **Revised** |
| BORR | 0.00 | 0.00 |
| IDAT | 150.00 | 150.00 |
| **Total** | 150.00 | 150.00 |

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| --- | --- | --- |
| **3. Borrower** | | |
| **Organization** | **Department** | **Location** |
| Ministry of Finance |  | Congo, Democratic Republic of |

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| --- | --- | --- |
| **4. Implementing Agency** | | |
| **Organization** | **Department** | **Location** |
| Ministry of Health | HSRSP Project Coordination Unit | Congo, Democratic Republic of |

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| --- | --- | --- |
| **5. Disbursement Estimates (US$m)** | | |
| **Actual amount disbursed as of 10/12/2012** **239.91** | | |
| **Fiscal Year** | **Annual** | **Cumulative** |
| 2013 | 0.00 | 239.91 |
|  | **Total** | **239.91** |

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| --- | --- |
| **6. Policy Exceptions and Safeguard Policies** | |
| **Does the restructured project require any exceptions to Bank policies?** | N |
|  |  |
|  |  |
| **Does the restructured projects trigger any new safeguard policies? If yes, please select from the checklist below and update ISDS accordingly before submitting the package.** | N |

|  |
| --- |
| **7a. Project Development Objectives/Outcomes**  **Original/Current Project Development Objectives/Outcomes** |
| The Project Development Objective (PDO) is to ensure that the target population of selected health zones has access to, and use, a well-defined package of quality essential health services. |

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| --- |
| **7b. Revised Project Development Objectives/Outcomes** [if applicable] |
|  |

**democratic republic of congo**

**health sector rehabilitation support project (HSRSP)**

**P088751**

**GRANT No. H182**

**Restructuring Paper**

# A. Summary

1. A request was received from the Government of the Democratic Republic of Congo (DRC) for a reallocation of Grant proceeds under the Grant H182. This restructuring paper proposes the reallocation of proceeds only. It is a level two (CD approval) restructuring.

# Project Status

1. **The original grant-financed SDR 99.3 million (equivalent to US$150 million) HSRSP was approved by the Board on September 1, 2005 and became effective on April 13, 2006 with an initial closing date of June 30, 2010.** The Project Development Objective (PDO) is *to ensure that the target population in selected Health Zones has access to, and uses a well-defined package of quality essential health services (EHS).* The original project supports 83 health zones in the Provinces of Bandundu, Equateur, Kinshasa, Katanga, and Maniema encompassing a total population of 9.4 million. After experiencing start-up and implementation delays, the project was restructured in April 2010. At this time, the closing date was also extended by 18 months from June 30, 2010 to December 31, 2011. All activities planned under the original grant were completed in December 31, 2011.
2. **In the last two years, three additional financings (AF) were approved**: (i) a US$80 million first AF (H638) for malaria control, approved by the Board in December 2010 and become effective on May 2, 2011; (ii) a US$30 million second AF (H717) for poliomyelitis control and support to vaccination services, approved by the Board in June 2011 and became effective on October 25, 2011; and (iii) a US$ 75 million third AF (H750) to continue support to primary health care services to avoid a gap until other donors take over the essential health services, approved by the Board in July 2012 and Grant Agreement signed on July 30, 2012. Effectiveness is expected by October 30, 2012. In order to accommodate for the new activities under these three AFs, the project’s closing date was further extended twice: from December 31, 2011 to December 31, 2012; then an additional 18 months from December 31, 2012 to June 30, 2014. In a sense, the three AFs complement each other and support the Development Objectives of the HSRSP.
3. **Disbursement of the original project amount (US$150 million) as of September 18, 2012 is at 100%;** the first AF (malaria control) at 90% and the second AF (polio control) at 59%.Project performance has improved and the project has been rated *Moderately Satisfactory* on the Development Objective (DO) since December 2009 and *Satisfactory* on Implementation Performance since June 2011. It is expected that the DO will be upgraded to *Satisfactory* during the next supervision mission once the third AF becomes effective and activities to provide basic health services on the ground begin again. The project continues to be in compliance with formal legal covenants.

# Reallocation of Grant Proceeds.

1. Grant proceeds for the original Grant of the DRC Health Sector Rehabilitation Support Project (Grant H182, P088751) are proposed to be reallocated as described below. Following recommendation of the project’s annual external audit 2011, the reallocation aims to amend the Section A. 1 of Schedule 1 of the Development Grant Agreement, in order to align it with the actual disbursement of each expenditure category, which resulted from cost savings or cost overrun.

Table 1: Proposed revised allocation by expenditure categories



1. The proposed reallocation does not involve any changes to the Project objectives or description, and is considered to be minor within the context of OP/BP 13.05 (Project Supervision). There is no change in the expense categories, or in the financing percentage, and only refers to the minor changes in the amounts allocated to each category.