Grant Agreement

(Third Additional Grant for Emergency Food Crisis Response Project)

between

REPUBLIC OF SOUTH SUDAN

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Acting as Trustee of the Food Price Crisis Response Trust Fund and Global Food Crisis Response Program Trust Fund

October 31, 2013
GRANT AGREEMENT

AGREEMENT dated October 31, 2013, entered into between the REPUBLIC OF SOUTH SUDAN ("Recipient") and the INTERNATIONAL DEVELOPMENT ASSOCIATION ("World Bank") acting as Trustee of the Food Price Crisis Response Trust Fund and Global Food Crisis Response Program Trust Fund.

(A) WHEREAS the International Development Association had agreed to extend to the Recipient, on the terms and conditions set forth or referred to in the Grant Agreement, dated October 27, 2008, between the Recipient and the World Bank, a grant in an amount equivalent to five million United States Dollars (US$5,000,000) to assist in financing the project described in Schedule 1 to the Grant Agreement (Original Grant Agreement - TF093011);

(B) WHEREAS the World Bank had agreed to extend to the Recipient, on the terms and conditions set forth or referred to in the Restated and Amended Grant Agreement, dated August 15, 2011, between the Recipient and the World Bank, an additional grant in an amount equivalent to two million and two hundred thousand United States Dollars (US$ 2,200,000), for such project (TF099946 and TF099943) (Amended and Restated Grant Agreement);

(C) WHEREAS the World Bank had agreed to extend to the Recipient, on the terms and conditions set forth or referred to in the Grant Agreement, dated June 19, 2012, between the Recipient and the World Bank, a second additional grant in an amount equivalent to three million United States Dollars (US$3,000,000), for such project (TF012069) (Second Additional Grant);

(D) WHEREAS the Recipient has requested the World Bank to provide a third additional grant to support the activities as described in Schedule 1 to this Agreement ("Project"); and

(E) WHEREAS the World Bank has agreed to extend to the Recipient such third additional grant on the terms and conditions set forth or referred to in this Agreement;

NOW THEREFORE the Recipient and the World Bank hereby agree as follows:
Article I
Standard Conditions; Definitions


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, in the Original Grant Agreement (as hereinafter defined), in the Restated and Amended Grant Agreement (as hereinafter defined) and the following additional terms have the following meanings. In case the same term is defined twice, the definition in this Agreement shall prevail:

(a) “Additional Grants” means the additional grants provided to the Recipient to finance the activities under the Original Project as further described in the Restated and Amended Grant Agreement and Second Additional Grant Agreement.

(b) “Effective Date” means the date when the Agreement shall have entered into force pursuant to Section 6.01 of the Standard Conditions.

(c) “Environmental and Social Guidelines” means the Recipient's environmental and social management guidelines dated May 21, 2013 for the Project as further referred to in Section I.C of Schedule 2 to this updated Agreement, setting out the frameworks (including resettlement policy framework), principles, rules and procedures to assess the environmental and/or social impacts of the Project's activities, and measures and plans (including a pest management plan and a resettlement action plan) to reduce, mitigate and/or offset adverse social and environmental impacts and enhance positive impacts of said activities.

(d) "Environmental and Social Management Plan" or "ESMP" means an environmental and social management plan to be prepared by the Recipient, pursuant to the requirement of paragraph C.2 of Section I of Schedule 2 to this Agreement, giving details of the magnitude of the environmental and social impacts, as well as the specific actions, measures, including the budget and cost estimates, and sources of funding, along with the institutional and procedural measures needed to implement such actions and measures, in order to address any environmental and social impacts arising from the Project.
(e) "Operating Costs" means the incremental expenses incurred on account of Project implementation, including office furniture and supplies, vehicle operation and maintenance, communication and insurance costs, Designated Account banking charges, rental expenses, office maintenance costs, utilities, travel cost for Project staff and salaries of support contractual staff for the Project, but excluding salaries of officials of the Recipient's civil service.

(f) "Operational Manual" means the manual dated April 27, 2009, prepared by the Recipient under the Original Project, and further revised in accordance with Section I.B of Schedule 2 to this Agreement, as the same may be amended from time to time with the prior approval of the World Bank, and such term includes any annexes to the Operational Manual.

(g) "Original Grant" means the grant provided to the Recipient to finance the activities under the Original Project as described in the Original Grant Agreement.

(h) "Original Grant Agreement" means the agreement between the World Bank and the Recipient for the Original Project providing for the Original Grant for an amount of US$ 5,000,000, dated October 27, 2008, as amended to date (Trust Fund No. 093011).

(i) "Original Project" means the Project described in the Original Grant Agreement.

(j) "Partner NGO" means a non-governmental organization duly authorized to operate in South Sudan in accordance with the relevant laws of South Sudan which has met the eligibility criteria set out in the Operational Manual to participate in Project implementation.

(k) "PCU" means the Project Coordination Unit, under the Ministry of Agriculture, Forestry, Tourism, Animal Resources, Fisheries, Cooperatives and Rural Development (MAFTARFCRD), as referred to in Section I.A of Schedule 2 to this Agreement.

(l) "Procurement Plan" means the Recipient's procurement plan for the Project dated September 4, 2013, as agreed with the World Bank, referred to in Section III.A.3 of Schedule 2 to this Agreement, as the same shall be updated from time to time with the prior agreement of the World Bank.
“Restated and Amended Grant Agreement” means the agreement between the World Bank and the Recipient for the Original Project providing for the Additional Grant in an amount of US$ 2,200,000, dated August 15, 2011, as amended to date (Trust Fund No. TF099943 and Trust Fund No. 099946).

“Second Additional Grant Agreement” means the agreement between the World Bank and the Recipient for the second additional grant for an amount of US$3,000,000, dated June 19, 2012 (Trust Fund No.TF012069).

“Training and Workshops” means the reasonable costs associated with training and workshops for selected participants, including travel and subsistence costs for participants, fees and costs associated with securing the services of trainers and 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
Project

2.01. The Recipient declares its commitment to the objectives of the project described in Schedule I to this Agreement (“Project”). To this end, the Recipient shall carry out the Project through its Ministry of Agriculture, Forestry, Tourism, Animal Resources, Fisheries, Cooperatives and Rural Development (MAFTARFCRD) and in cooperation with Partners NGOs, in accordance with the provisions of Article II of the Standard Conditions.

2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Recipient and the World Bank 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 III
The Grant

3.01. The World Bank agrees to extend to the Recipient on the terms and conditions set forth or referred to in this Agreement, a grant from various sources in the following amounts, which in aggregate equal to seven million five hundred thirty thousand United States Dollars (USD7,530,000) (the “Grant”) to assist in financing the Project: (a) an amount of three million eight hundred thousand United States Dollars (US$ 3,800,000) from GFCRP MDTF (Food Price Crisis
Response Multi-Donor Trust Fund No.TF071074); and (b) an amount of three million seven hundred thirty thousand United States Dollars (US$ 3,730,000) from FPCR TF (Food Price Crisis Response Trust Fund No.TF071070).

3.02. The Recipient may withdraw the proceeds of the Grant in accordance with Section IV of Schedule 2 to this Agreement.

3.03. The Grant is funded out of the abovementioned trust funds for which the World Bank receives periodic contributions from the donors to the trust funds. In accordance with Section 3.02 of the Standard Conditions, 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 funds, and the Recipient’s right to withdraw the Grant proceeds is subject to the availability of such funds.

**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, namely that the Recipient has employed a procurement specialist, financial management specialist, safeguard specialist, and a monitoring and evaluation specialist to operate out of the PCU.

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. Termination for Failure to Become Effective. This Agreement and all obligations of the parties under it shall terminate if it has not entered into effect by the date 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. The Recipient's Representative referred to in Section 7.02 of the Standard Conditions is its Minister at the time responsible for finance.

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

Hon. Aggrey Tisa Sabuni
Minister of Finance, Commerce, Investment and Economic Planning
Government of South Sudan
P.O. Box 80
Juba, South Sudan

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

Washington, D.C.
AGREED at Juba, South Sudan, as of the day and year first above written.

REPUBLIC OF SOUTH SUDAN

By

Authorized Representative

Name: Aggrey Isack Sabir

Title: [Handwritten title]

INTERNATIONAL DEVELOPMENT ASSOCIATION
acting as Trustee of the Food Prices Crisis Response Trust Fund
and Global Food Crisis Response Program Trust Fund

By

Authorized Representative

Name: Bella Bird

Title: [Handwritten title]
SCHEDULE 1
Project Description

The objective of the Project is to support adoption of improved technologies for food production by eligible beneficiaries, increase storage capacity for staples, and provide cash or food to eligible people participating in public works programs in selected counties in the territory of the Recipient.

The Project consists of the following parts:

Part 1: **Supporting Agriculture Productivity**

Support to reduce vulnerability of selected farmers to food price escalation through financing activities to increase own production and improve postharvest handling and management of food crops, including, inter alia: purchase and distribution of better planting materials and seeds, agricultural tools and better production technologies; technical advice to increase household food production; and construction of low-cost food banks and granaries at household and community levels, and rehabilitation of seed processing infrastructure at Palotaka Basic Seed Center.

Part 2: **Strengthening Community Safety Nets**

Carry out labor-intensive public works program focusing on enhancing agricultural productivity, including construction of community roads and village food storage facilities to create temporary job opportunities and income for the food insecure populations.

Part 3: **Project Management, Monitoring and Evaluation**

Support the Recipient to undertake overall coordination, financial management, procurement, monitoring, reporting and evaluation of activities under the Project.
SCHEDULE 2

Project Execution

Section I. Institutional and Other Arrangements

A. Institutional arrangements

The Recipient shall carry out the Project through the Project Coordination Unit (PCU) to be maintained within the Ministry of Agriculture, Forestry, Tourism, Animal Resources, Fisheries, Cooperatives and Rural Development (MAFTARFCRD), with composition, staffing, functions and resources acceptable to the World Bank.

B. Operational Manual

(i) In order to facilitate the implementation of the Project, the Recipient shall revise and adopt, not later than two (2) months after the Effective Date of this Agreement, the Operational Manual whose substance shall be satisfactory to the World Bank; (ii) the Operational Manual shall provide details on implementation procedures required to carry out the Project including administrative, procurement, financial, technical and implementation arrangements, and terms and conditions and selection criteria of the beneficiaries to receive cash for work for carrying out public works under the Project; (iii) the Recipient shall carry out the Project in accordance with the Operational Manual; and (iv) the Recipient shall not amend, abrogate or waive the Operational Manual without the prior written approval of the World Bank.

C. Environmental and Social Safeguards

1. The Recipient shall ensure that the Project is implemented in accordance with the principles, rules, frameworks, procedures, plans and other specifications set forth in the Environmental and Social Guidelines.

2. Without limitation to the provision of paragraph 1. above, the Recipient shall ensure that proposals for public works to be carried out under Parts 1 and 2 of the Project shall be approved only: (i) if an analysis of the environmental and/or social impacts of such public works has been undertaken pursuant to the Environmental and Social Guidelines; and (ii) if such analysis determines that an Environmental and Social Management Plan (ESMP) is required, the Recipient shall then prepare and adopt such an ESMP, in form and substance satisfactory to the World Bank, and thereafter implement the Project in accordance with said ESMP.
D. Anti-Corruption

The Recipient shall ensure that the Project is carried out in accordance with the provisions of 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”).

E. Donor Visibility and Visit

1. 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.

2. 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 Donors to visit any part of the Recipient’s territory for purposes related to the Project.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports; Completion Report

1. 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 the indicators acceptable to the World Bank. Each Project Report shall cover the period of one (1) calendar quarter, 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.

2. 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.

B. Financial Management; Financial Reports; Audits

1. The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.

2. The Recipient shall ensure that interim unaudited financial reports for the Project 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.

3. The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Each such 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.

Section III. Procurement

A. General. All goods, works, non-consulting services 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:


2. 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

3. 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, Works and Non-consulting Services

1. Except as otherwise provided in sub-paragraph (ii) below, goods and works shall be procured under contracts awarded on the basis of International Competitive Bidding.
2. The following methods, other than International Competitive Bidding, may be used for procurement of goods and works for those contracts specified in the Procurement Plan: (A) Limited International Bidding; (B) National Competitive Bidding in accordance with the Recipient’s applicable legal framework consisting of the Interim Public Procurement and Disposal Regulations dated June 29, 2006, provided that such procedures comply with the provision of Section I and paragraphs 3.3 and 3.4 of the Procurement Guidelines; (C) Shopping; (D) Direct Contracting; (E) Community Participation procedures which have been found acceptable to the World Bank; (F) Procurement from United Nations agencies; and (G) Force Account.

D. Particular Methods of Procurement of Consultants’ Services

1. Except as otherwise provided in sub-paragraph (2) below, consultants’ services shall be procured under contracts awarded on the basis of Quality and Cost-based Selection.

2. 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 firm; (F) Selection of Individual Consultants; and (G) Single Source procedure for selection of Individual Consultants

E. Review by the Association 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 Grant Proceeds

A. General

1. The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) Article III of the Standard Conditions; (b) this Section; and (c) such additional instructions as the World Bank may specify by notice to the Recipient (including the “World Bank Disbursement Guidelines for Projects” dated May 2006, as revised from time to time by the World Bank and as made
applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the 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 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 FPCR Grant Allocated (expressed in USD)</th>
<th>Amount of the GFCRP Grant Allocated (expressed in USD)</th>
<th>Total Amount of the Third Additional Grant (expressed in USD)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Goods, Works, Non-consulting Services, Consultants’ Services, Operating Costs, and Training and Workshops</td>
<td>3,730,000</td>
<td>3,800,000</td>
<td>7,530,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>3,730,000</td>
<td>3,800,000</td>
<td>7,530,000</td>
<td></td>
</tr>
</tbody>
</table>

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section no withdrawal shall be made for payments made prior to the date of this Agreement, except that withdrawals up to an aggregate amount not to exceed US$1,500,000 equivalent may be made for payments made prior to this date but on or after July 1, 2013, for Eligible Expenditures.

2. The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is April 30, 2015.