Somalia Multi Partner Fund
Grant Agreement

(Special Financing Facility for Local Development Project)

Between

FEDERAL REPUBLIC OF SOMALIA

And

INTERNATIONAL DEVELOPMENT ASSOCIATION
(Acting as administrator of the Somalia Multi-Partner Fund)

Dated January 25, 2016
AGREEMENT dated January 25, 2016, entered into between the FEDERAL REPUBLIC OF SOMALIA ("Recipient") and INTERNATIONAL DEVELOPMENT ASSOCIATION ("World Bank"), acting as administrator of the Somalia Multi-Partner Fund ("SMPF").

The Recipient and the World Bank hereby agree as follows:

Article I - Standard Conditions; Definitions


1.02. 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.

Article II - The Project

2.01. The Recipient declares its commitment to the objectives of the project described in Schedule 1 to this Agreement ("Project"). To this end, the Recipient shall carry out the Project through the Ministry of Finance 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 in an amount equal to four million United States Dollars ($4,000,000) ("Grant") to assist in financing the Project.

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 fund for which the World Bank receives periodic contributions from the donors to the trust fund. 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 fund, and the Recipient’s right to withdraw the Grant proceeds is subject to the availability of such funds.

Article IV - Recipient’s Representative; Addresses

4.01. The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is its minister for finance.

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

   Ministry of Finance Villa
   Somalia
   Mogadishu, Somalia.

4.03. 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: INDEVAS
   Telex: 248423 (MCI)
   Facsimile: 1-202-477-6391
   Washington, D.C.
AGREED at Mogadishu, Somalia, as of the day and year first above written

FEDERAL REPUBLIC OF SOMALIA

By

Authorized Representative

Name: Mohamed Ibrahim

Title: Finance Minister

INTERNATIONAL DEVELOPMENT ASSOCIATION
(Acting as administrator of the Somalia Multi-Partner Fund)

By

Authorized Representative

Name: Bolly Biro

Title: Country Director
SCHEDULE 1
Project Description

The objective of the Project is to support the construction and reconstruction of new and damaged infrastructure and the development of public service delivery capacity in targeted areas of Somalia and support the Recipient's government and Interim Administration Government's capacity to respond to an Eligible Crisis or Emergency.

The Project consists of the following parts:

Part A: Small Scale Infrastructure

Carrying out a program of agreed local level infrastructure investments including construction and rehabilitation of administrative and community buildings, construction and rehabilitation of public sanitation facilities, installation of off-grid, renewable energy supplies, construction and rehabilitation of roads, footpaths culverts and bridges and installation of street lights, construction and rehabilitation of health facilities, construction and rehabilitation of education facilities and supply of furniture and equipment, construction and repair of markets, and construction and repair of cattle dips and other identified small scale infrastructure; all through the provision of works, acquisition of goods, furniture and equipment, and the provision of technical advisory services and technical assistance for the design and supervision of said works.

Part B: Program Operations and Capacity Building

Carrying out a program of activities designed to strengthen the capacity for Project management and implementation, in particular:

1. Provision of technical advisory services and technical assistance to support design and supervision of works.
2. Carrying out independent monitoring activities under the Project.
3. Carrying out of Project management, coordination and implementation.
4. Carrying out of audits and monitoring and evaluation activities on the Project.
5. Provision of training to Project staff and other relevant staff, including conducting relevant study tours, training and exchange visits.

Part C: Contingency Emergency Response

Carrying out a program designed for immediate response to an Eligible Crisis or Emergency.
SCHEDULE 2
Project Execution

Section I. Institutional and Other Arrangements

A. Institutional Arrangements

Ministry of Finance

1. The Federal Ministry of Finance shall be responsible for overall coordination and implementation of the Project.

Project Steering Committee

2. The Recipient shall establish, not later than the Effective Date and thereafter maintain throughout project implementation, a Project Steering Committee with terms of reference satisfactory to the World Bank and with adequate resources to carry out its functions.

3. Without limitation on the foregoing, the functions of the Project Steering Committee shall be to: (a) provide overall strategic and policy guidance over the Project; (b) endorse Project annual work plans and budgets; and (c) monitor overall performance of the Project.

Project Implementation Unit and Directorate of Procurement

4. The Recipient shall: (a) maintain throughout Project implementation, the Project Implementation Unit (PIU) and the External Assistance Fiduciary Section (EAFS) both with terms of reference, staffing and other resources satisfactory to the World Bank; and (b) to this end, shall engage: (i) not later than the three (3) months after Effective Date, and thereafter maintain within the PIU at all times during Project implementation, a Project coordinator, deputy Project coordinator, two (2) engineers, a financial management specialist, a procurement specialist, a monitoring and evaluation specialist, a communications specialist and an administrative officer; (ii) such other staff needed during the implementation of the Project as may be agreed with the World Bank; all said staff with qualifications, experience, and terms of reference satisfactory to the World Bank.

5. Without limitation on the foregoing: (a) the PIU shall be responsible for the day-to-day administration of the Project; and (b) the EAFS shall be responsible for financial management for the Project.

6. Without limitation to the provisions of paragraph 4 above, the Recipient shall, at all times during the Project implementation, maintain within its Ministry of Finance, the
Directorate of Procurement, with a mandate, staffing and resources satisfactory to the World Bank.

7. Without limitation to the provisions of paragraph 5 above, the Directorate of Procurement be responsible for procurement for the Project. To this end, the Directorate of Procurement shall work and coordinate closely with the PIU for appropriate management of procurement aspects of the Project.

Project Officers and Sub-Project Oversight Committees

8. The Recipient shall, for every Interim Regional Administration in which the Project is operative, appoint and maintain through-out the implementation of the Sub-Project, a Project Officer, with qualifications, experience and terms of reference satisfactory to the World Bank. The Project Officer shall coordinate the implementation of Sub-Projects in the Interim Regional Administration in consultation with the PIU.

9. The Recipient shall, for every Sub-Project and early on in the preparatory process, establish and thereafter maintain through-out the implementation of the Sub-Project, a Sub-Project Oversight Committee comprising local community groups and representatives of the Interim Regional Administration with the responsibility of overseeing the appraisal, development and implementation of the Sub-Project activities.

B. Implementation Arrangements

Project Operations Manual

1. The Recipient shall: (a) not later than three (3) months after the Effective Date (i) prepare, under terms of reference satisfactory to the World Bank, and furnish to the World Bank a Project operations manual containing detailed guidelines and procedures for the implementation of the Project, including in the areas of monitoring and evaluation, procurement, coordination, financial, administrative and accounting procedures, corruption and fraud mitigation measures; the criteria and guidelines for the selection, approval and monitoring of Sub-Projects, the criteria for monitoring and verification of Sub-Project payments and such other arrangements and procedures as shall be required for the Project; and (ii) thereafter, adopt and carry out the Project in accordance with such Project implementation manual as shall have been approved by the World Bank (Project Operations Manual); and (b) except as the World Bank shall otherwise agree in writing, not amend or waive, or permit to be amended or waived any provision of the Project Implementation Manual.

2. In case of a conflict between the provisions of the Project Operations Manual and this Agreement, those of this Agreement shall prevail.
Annual Work Plan and Budget

3. The Recipient shall not later than December 30 of each year, prepare or cause to be prepared and furnished to the World Bank, an annual program of activities including training proposed for implementation under the Project during the following Fiscal Year, together with a proposed budget for the program.

4. The Recipient shall exchange views with the World Bank on each such proposed annual work plan, and shall thereafter adopt, and carry out or cause to be carried out such program of activities for such following Fiscal Year as shall have been agreed with the World Bank, as such plan may be subsequently revised during such following Fiscal Year with the prior written agreement of the World Bank (Agreed Annual Work Plan).

C. Implementation and Verification of Part A of the Project

1. For the purpose of carrying out the investments under Part A of the Project, the Recipient shall ensure that: (a) the investments are selected, appraised and implemented in accordance with the selection criteria and principles set out in the Project Operations Manual; (b) that the investment activities and the site in which the investment activities are to be carried out are selected in accordance with the Project Operations Manual; (c) that the investments are appraised in close consultation with the Sub-Project Oversight Committee and are presented to the Steering Committee for endorsement and the World Bank for approval prior to the implementation of any works; and (d) that an operations and maintenance plan is developed for each of the Sub-Project prior to the completion and hand-over of the works.

2. Prior to making any payment under Part A of the Project, the Recipient shall: (a) ensure that an independent verification agent, has certified as to the eligibility and accuracy of the payments sought to be financed, all in accordance with guidelines set forth in the Project Operations Manual; and (b) in this regard and not later than six (6) months after the Effective Date, engage in accordance with the provisions of Section III of this Schedule 2, an independent monitoring agent, under terms of reference, qualifications and experience satisfactory to the World Bank, to monitor the activities and verify payments of Sub-Projects.

D. Immediate Response Mechanism.

In order to ensure the proper implementation of Part C of the Project ("Contingent Emergency Response") ("IRM Part"), the Recipient shall take the following measures.

1. The Recipient shall:

   (a) prepare and furnish to the World Bank for its review and approval, an operations manual which shall set forth detailed implementation arrangements
for the IRM Part, including: (i) designation of, terms of reference for and resources to be allocated to, the entity to be responsible for coordinating and implementing the IRM Part ("Coordinating Authority"); (ii) specific activities which may be included in the IRM Part, Eligible Expenditures required therefor ("Emergency Expenditures"), and any procedures for such inclusion; (iii) financial management arrangements for the IRM Part; (iv) procurement methods and procedures for Emergency Expenditures to be financed under the IRM Part; (v) documentation required for withdrawals of Emergency Expenditures; (vi) environmental and social safeguard management frameworks for the IRM Part, consistent with the World Bank's policies on the matter; and (vi) any other arrangements necessary to ensure proper coordination and implementation of the IRM Part;

(b) afford the World Bank a reasonable opportunity to review said proposed operations manual;
(c) promptly adopt such operations manual for the IRM Part as shall have been approved by the World Bank ("IRM Operations Manual");
(d) ensure that the IRM Part is carried out in accordance with the IRM Operations Manual; provided, however, that in the event of any inconsistency between the provisions of the IRM Operations Manual and this Agreement, the provisions of this Agreement shall prevail; and
(e) not amend, suspend, abrogate, repeal or waive any provision of the IRM Operations Manual without prior approval by the World Bank.

2. The Recipient shall, throughout the implementation of the IRM Part, maintain the Coordinating Authority, with adequate staff and resources satisfactory to the World Bank.

3. The Recipient shall undertake no activities under the IRM Part (and no activities shall be included in the IRM Part) unless and until the following conditions have been met in respect of said activities:

(a) the Recipient has determined that an Eligible Crisis or Emergency has occurred, has furnished to the World Bank a request to include said activities in the IRM Part in order to respond to said Eligible Crisis or Emergency, and the World Bank has agreed with such determination, accepted said request and notified the Recipient thereof; and

(b) the Recipient has prepared and disclosed all safeguards instruments required for said activities, in accordance with the IRM Operations Manual, the World Bank has approved all such instruments, and the Recipient has implemented any actions which are required to be taken under said instruments."
E. Anti-corruption

The Recipient shall ensure and cause the Project to be carried out in accordance with the Anti-Corruption Guidelines.

F. 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 [Donor’s] 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, take all measures required on its part to enable the representatives of the Donors to visit any part of the Recipient’s territory for purposes related to the Project.

G. Safeguards

1. The Recipient shall:

   (a) Implement the Project in accordance with Safeguard Instruments prepared pursuant to the ESAP and shall in this regard screen any proposed Sub-Project for their environmental and social impacts in accordance with the said ESAP.

   (b) If, following the screening, any safeguard instrument is required, the Recipient shall: (i) prepare (A) such safeguard instrument in accordance with the ESAP including the requirement for adequate consultations; (B) furnish such safeguard instrument to the World Bank for review and approval ("Safeguard Instrument"); (C) adopt and disclose such Safeguard Instrument prior to implementation of the rehabilitation works; and (ii) thereafter take such measures as shall be necessary or appropriate to ensure full compliance with the requirements of such Safeguard Instrument.

2. If any Sub-Project would involve Affected Persons, the Recipient shall: (i) ensure that no displacement (including restriction of access to legally designated parks and protected areas) shall occur before resettlement measures under a Safeguard Instrument prepared in accordance with the ESAP, including, in the case of displacement, full payment to Affected Persons of compensation and of other assistance required for relocation, have been implemented; and (ii) provide from their own resources, any financing required for any measures under sub-paragraph (i) above including any costs associated with land acquisition required for the Project.

3. Without limitation upon its other reporting obligations under Section II.B of Schedule 2 to this Agreement, the Recipient, shall for each of the Safeguard
Instrument, regularly collect, compile and furnish to the World Bank reports in form and substance satisfactory to the World Bank, on the status of compliance with such Safeguard Instrument including, as part of the Project Reports, giving details of: (a) measures taken in furtherance of the Safeguard Instruments; (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of the Safeguard Instruments including; and (c) remedial measures taken or required to be taken to address such conditions.

Section II. Project Monitoring, Reporting and Evaluation

A. 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 Project 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 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.

B. 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 and set out in the Project Operations Manual. Each Project Report shall cover the period of one 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 (6) months after the Closing Date.
C. 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 as part of the Project Report 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, upon the World Bank’s request, have its Financial Statements for the Project 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 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

1. Procurement and Consultant Guidelines. 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:

   (a) Section I of the Procurement Guidelines in the case of goods, works and non-consulting services, and Sections I and IV of the Consultant Guidelines in the case of consultants’ services; and

   (b) the provisions of this Section III, 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”).

2. Definitions. The capitalized terms used below in 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.
B. Particular Methods of Procurement of Goods, Works and Non-consulting Services

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

2. Other Methods of Procurement of Goods and Non-consulting Services. The following table specifies the methods of procurement which may be used for goods and non-consulting services. The Procurement Plan shall specify the circumstances under which such methods may be used:

<table>
<thead>
<tr>
<th>Procurement Method</th>
<th>Procurement Plan specifics</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Limited International Bidding</td>
<td></td>
</tr>
<tr>
<td>(b) National Competitive Bidding <em>(subject to the additional provisions set out in paragraph 3 below)</em></td>
<td></td>
</tr>
<tr>
<td>(c) Shopping</td>
<td></td>
</tr>
<tr>
<td>(d) Direct Contracting</td>
<td></td>
</tr>
<tr>
<td>(a) Procurement under Framework Agreements in accordance with procedures which have been found acceptable to the World Bank</td>
<td></td>
</tr>
<tr>
<td>(f) Procurement from UNOPS</td>
<td></td>
</tr>
</tbody>
</table>

3. Additional Provisions relating National Competitive Bidding

National Competitive Bidding (NCB) shall follow the Recipient’s procurement procedures acceptable to the World Bank, provided that the principles of economy, efficiency, transparency, and fair competition are adhered to, and subject to the following additional procedures:

**Participation in Bidding:**

(a) Government-owned enterprises shall be eligible to participate in bidding only if they can establish that they are legally and financially autonomous, operate under commercial law, and are not a dependent agency of the Government.
(b) Foreign bidders shall be eligible to participate under the same conditions as local bidders. In particular, no preference over foreign bidders shall be granted to local bidders in bid evaluation.

Advertising: Time for Bid Preparation

(c) Invitations to bid shall be advertised in a newspaper of wide circulation, and prospective bidders shall be allowed a minimum of thirty (30) days between the date on which the notification appears for the first time and the deadline for bid submission. In appropriate cases and with the prior approval of the World Bank, the minimum period of thirty (30) days may be reduced to a minimum period of ten (10) days.

Standard Bidding Documents

(d) Until standard bidding documents acceptable to the World Bank have been introduced by the Government of the FRS, customized version of World Bank’s standard bidding documents may be used with the World Bank’s prior approval. In accordance with paragraph 1.16 (e) of the Procurement Guidelines, each bidding document and contract financed out of the proceeds of the Grant shall provide that: (i) The bidders, suppliers and contractors, and their sub-contractors, agents, personnel, consultants, service providers, or suppliers shall permit the World Bank, at its request, to inspect their accounts and records relating to the bid submission and performance of the contract and to have said accounts and records audited by auditors appointed by the World Bank; and (ii) the deliberate and material violation by the consultant, bidder, supplier, contractor or subcontractor of such provision may amount to an obstructive practice as defined in paragraph 1.16(a)(v) of the Procurement Guidelines.

Qualification and Evaluation Criteria

(e) Qualification criteria shall be clearly specified in the bidding documents, and all criteria so specified, and only criteria so specified, shall be used to determine whether a bidder is qualified. Bids of bidders not meeting such criteria shall be rejected as non-qualified. The fact that a bidder meets or surpasses the specified qualification criteria shall not be taken into account in the evaluation of such bidder’s bid.

(f) Evaluation criteria shall be clearly specified in the bidding documents, and all evaluation criteria other than price shall be quantified in monetary terms. All evaluation criteria so specified, and only criteria so specified, shall be used in bid evaluation. Merit points shall not be used in bid evaluation.
Bid submission

(g) Bids shall be submitted in sealed envelopes and shall be accepted whether through post/courier or hand-carried.

Bid Opening

(h) Bids shall be opened in the presence of bidders who wish to attend, and immediately after the deadline for bid submission. Said deadline, and the place of bid opening, shall be announced in the invitation to bid. The name of each bidder, and the amount of his bid, shall be read aloud and recorded when opened in the minutes of bid opening. The minutes of bid opening shall be signed by the members of the bid opening committee immediately after bid opening.

(i) Bids received after the deadline for bid submission shall be returned to the bidders unopened.

Bid Evaluation and Award of Contracts

(j) A bid containing material deviations from or reservations to the terms, conditions and specifications of the bidding documents shall be rejected as not substantially responsive. A bidder shall not be permitted to withdraw material deviations or reservations once bids have been opened.

(k) The bid evaluation shall be carried out in strict adherence to the criteria specified in the bidding documents, and the contract shall be awarded to the qualified bidder offering the lowest evaluated and substantially responsive bid.

(l) A bidder shall not be required, as a condition for award, to undertake obligations not specified in the bidding documents or otherwise to modify his bid as originally submitted.

(m) There shall be no post-bidding negotiations with the lowest or any other bidder.

Publication of Contract Award

(n) Within two weeks of the award decision of the contract, the contract award is published in a newspaper of wide national circulation and/or in the official gazette provided that it is of wide circulation, or on a widely used website or electronic portal with free national and international access. Publications shall include the bid, lot numbers, and the following information: (a) the name of each bidder that submitted a bid; (b) bid prices as read out at bid opening; (c) evaluated prices of each bid that was evaluated; (d) the names of bidders whose bids were either rejected as nonresponsive or not meeting qualification criteria, or not evaluated,
with the reasons thereof; and (e) the name of the winning bidder, the final total contract price, as well as the duration and summary scope of the contract.

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 table specifies the methods of procurement which may be used for procurement of consultants' services for those assignments which are specified in the Procurement Plan:

<table>
<thead>
<tr>
<th>Procurement Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i) Least Cost Selection</td>
</tr>
<tr>
<td>(ii) Selection under a Fixed Budget</td>
</tr>
<tr>
<td>(iii) Selection based on Consultants' Qualifications</td>
</tr>
<tr>
<td>(iv) Single-source Selection of consulting firms</td>
</tr>
<tr>
<td>(v) Selection of consultants under Indefinite Delivery Contract or Price Agreement</td>
</tr>
<tr>
<td>(vi) Selection of Individual Consultants</td>
</tr>
<tr>
<td>(vii) Single-source procedures for the Selection of Individual Consultants</td>
</tr>
</tbody>
</table>

D. 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.

E. Document Retention

Notwithstanding the provisions of paragraphs 2(j) and 5 of Appendix 1 to the Procurement Guidelines, and paragraphs 2(k) and 5 of Appendix 1 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 IV.B.2 of this Schedule; (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.

F. Procurement of Emergency Expenditures under the IRM Part of the Project

Notwithstanding any provision to the contrary in this Section, Emergency Expenditures required for the IRM Part of the Project shall be procured in accordance with the procurement methods and procedures set forth in the IRM Operations Manual.

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:
### Percentage of Amount of the Expenditures to Category Grant Allocated be Financed (expressed in USD) (inclusive of Taxes)

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, works, non-consulting services and consultant services, under Parts A of Project</td>
<td>2,640,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Goods, non-consulting services, consultant services, Training and Operating Costs under Parts B of Project</td>
<td>1,360,000</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Emergency Expenditures under Part C of the Project</td>
<td>0</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>4,000,000</td>
<td></td>
</tr>
</tbody>
</table>

### B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section:

   a. No withdrawal shall be made for payments made prior to the date of this Agreement.

   b. No withdrawal shall be made for payments under Category (1), unless the World Bank has received a certification from the agent referred to under Section I.C.2 of Schedule 2 to this Agreement, whose form and substance shall be acceptable to the World Bank, regarding the eligibility of the payments sought to be financed and the accuracy of the amount(s) requested.

   c. No withdrawal shall be made under Category (3), for Emergency Expenditures under Part C of the Project, unless and until the World Bank is satisfied, and notified the Recipient of its satisfaction, that all of the following conditions have been met in respect of said activities:

      i. the Recipient has determined that an Eligible Crisis or Emergency has, has furnished to the Association a request to include said activities in the IRM Part in order to respond to said Eligible Crisis or Emergency, and the
Association has agreed with such determination, accepted said request and notified the Recipient thereof;

(ii) the Recipient has prepared and disclosed all safeguards instruments required for said activities, and the Recipient has implemented any actions which are required to be taken under said instruments, all in accordance with the provisions of Section I.D.3 of Schedule 2 to this Agreement.

(iii) the Recipient’s Coordinating Authority has adequate staff and resources, in accordance with the provisions of Section I.D.2 of this Schedule 2 to this Agreement, for the purposes of said activities; and

(iv) the Recipient has adopted an IRM Operations Manual in form, substance and manner acceptable to the World Bank and the provisions of the IRM Operations Manual remain -or have been updated in accordance with the provisions of Section I.D.1 of this Schedule 2 so as to be - appropriate for the inclusion and implementation of said activities under the IRM Part.

2. The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is December 31, 2017
APPENDIX

1. “Affected Person” means a person who as a result of: (i) the involuntary taking of land under the Project is affected in any of the following ways: (A) relocation or loss of shelter; (B) loss of assets or access to assets; or (C) loss of income sources or means of livelihood, whether or not the affected person must move to another location; or (ii) the involuntary restriction of access to legally designated parks and protected areas suffers adverse impacts on his or her livelihood.

2. “Agreed Annual Work Plan” means the program of activities agreed each Fiscal Year between the Recipient and the World Bank for implementation under the Project in accordance with Section I.B.3 of Schedule 2 to this Agreement during the following Fiscal Year, as the same may be revised from time to time in accordance with said Section.


4. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.


6. “Coordinating Authority” means the entity or entities designated by the Recipient in the IRM Operations Manual and approved by the World Bank pursuant to Section I.D.2 of Schedule 2 to this Agreement, to be responsible for coordinating the IRM Part of the Project.

7. “Eligible Crisis or Emergency” means an event that has caused, or is likely to imminently cause, a major adverse economic and/or social impact to the Recipient, associated with a natural or man-made crisis or disaster.

8. “Emergency Expenditure” means any of the Eligible Expenditures set forth in the IRM Operations Manual in accordance with the provisions of Section I.D.1 of Schedule 2 to this Agreement and required for the activities included in the IRM Part of the Project.

9. “Environmental and Social Action Plan” or “ESAP” means the plan agreed with the Recipient forming part of the Project appraisal document and which sets out the principles to be followed in complying with the environmental and social management policies of the World Bank for purposes of the Project.

10. “Environmental and Social Management Plan” and “ESMP” means a plan in form and substance satisfactory to the World Bank, prepared and adopted by the Recipient pursuant to the ESAP, providing appropriate mitigation, monitoring and institutional measures designed to mitigate potential adverse environmental and social impacts under the Sub-Project, offset them, reduce them to acceptable levels
or enhance positive impacts, as the same may be amended from time to time with the agreement of the Association.

11. “External Assistance Fiduciary Section” or “EAFS” means a unit in the Recipient’s Ministry of Finance responsible for financial and procurement management under the Project and referred to in Section I.A.4 of Schedule 2 to this Agreement.

12. “Fiscal Year” means the 12-month period from January 1 to December 31; provided, however, that, in the case of the first Fiscal Year of the Project (“First Fiscal Year”), the Fiscal Year period shall run from the date of this Agreement to December 31 next following.

13. “Immediate Response Mechanism Operations Manual” and “IRM Operations Manual” each means the operations manual referred to in Section I.D.1 of Schedule 2 to this Agreement, to be adopted by the Recipient for the IRM Part of the Project in accordance with the provisions of said Section.”

14. “Interim Regional Administration” means the Recipient’s administrative and geographical administrations.

15. “IRM Part of the Project” and “IRM Part” each means Part C of the Project.

16. “Ministry of Finance” means the Recipient’s ministry at the time responsible for finance.


18. “Operating Costs” means the expenses incurred on account of Project implementation, based on Annual Work Plans and Budgets approved by the World Bank pursuant to Section I.B.3 of Schedule 2 to this Agreement, including office equipment and supplies, vehicle operation and maintenance, maintenance of equipment, communication and insurance costs, office administration costs, utilities, rental, consumables, accommodation, travel costs, and salaries of Project staff (excluding the salaries of the Recipient’s civil service).

19. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated December 9, 2015 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 paragraph.

20. “Project Implementation Unit” or “PIU” means a unit of the Recipient within the Ministry of Finance established for purposes of the Project and referred to in Section I.A.4 of Schedule 2 to this Agreement.

21. “Project Officer” means the Recipient’s staff acceptable to the World Bank and appointed to coordinate and implement the Project activities in Regional Administrative Authorities and referred to in Section I.A.8 of Schedule 2 to this Agreement.
22. “Project Operations Manual” means the Project Operations Manual in form and substance acceptable to the World Bank prepared by the Project Implementing Entity in accordance with the provisions of Section 1.B.1 of Schedule 2 to this Agreement, as the same may be amended in accordance with the provisions of said Section.

23. “Project Steering Committee” means a committee of the Recipient established for purposes of the Project and referred to in Section I.A.2 of Schedule 2 to this Agreement comprising the minister of finance as chair and representatives of relevant ministries.

24. “Resettlement Action Plan” and “RAP” means the plan in form and substance satisfactory to the World Bank, prepared by the Recipient for the Project pursuant to the ESAP as the said document may be amended and/or supplemented from time to time with the prior written concurrence of the World Bank.

25. “Safeguard Instrument” means the ESMP or the RAP.

26. “Sub-Project” means the small scale local level investments activities under Part A of the Project to be selected and implemented in accordance with the Project Operations Manual.

27. “Sub-Project Oversight Committees” means the Recipient’s committee established for each of the Sub-Project and referred to in Section I.A.9 of Schedule 2 to this Agreement.

28. “Training” means the costs of training under the Project, based on the Agreed Annual Work Plan, and attributable to seminars, workshops, and study tours, along with travel and subsistence allowances for training participants, rental of training facilities, preparation and reproduction of training materials, and other activities directly related to course preparation and implementation (excluding consultant services).