Somalia Multi Partner Fund
Grant Agreement

(Somalia Urban Resilience Project II)

between

FEDERAL REPUBLIC OF SOMALIA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION
(Acting as administrator of the Somalia Multi-Partner Fund)
AGREEMENT dated as of the Signature Date between the FEDERAL REPUBLIC OF SOMALIA ("Recipient"); and INTERNATIONAL DEVELOPMENT ASSOCIATION (the "Bank"), acting as administrator of the Somalia Multi-Partner Fund ("SMPF").

WHEREAS: the Recipient intends to obtain a grant from the International Development Association in an amount equivalent to thirty six million seven hundred thousand Special Drawing Rights (SDR 36,700,000) (the "Financing") to assist in the financing of the project described in Schedule 1 to this Agreement (the "Project"), on terms and conditions set forth in an agreement (the "Financing Agreement") to be entered into between the Recipient and the International Development Association.

The Recipient and the Bank hereby agree as follows:

**Article I**

**Standard Conditions; Definitions**

1.01. The Standard Conditions (as defined in the Appendix to this Agreement) apply to and form part of this Agreement.

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 the Appendix to this Agreement.

**Article II**

**The Project**

2.01. The Recipient declares its commitment to the objective of the Project. To this end, the Recipient shall: (a) carry out Parts A.1, A.2, B, C and D of the Project; and (b) cause Part A.3 of the Project to be carried out as follows: (i) Part A.3(i) and C by Benadir Regional Administration; (ii) Part A.3(iv) and C by Southwest State of Somalia; (iii) Part A.3(iii) and C by Jubbaland State of Somalia; (iv) Part A.3(ii) and C by Puntland State of Somalia, all in accordance with the provisions of Article II of the Standard Conditions and Schedule 2 to this Agreement.

**Article III**

**The Grant**

3.01. The Bank agrees to extend to the Recipient a grant from various sources in the following amounts, which in aggregate do not exceed sixty two million United States Dollars ($62,000,000) ("Grant"), to assist in financing the Project:
3.02. The Recipient may withdraw the proceeds of the Grant in accordance with Section III of Schedule 2 to this Agreement.

3.03. The Grant is funded out of the abovementioned trust fund for which the Bank receives periodic contributions from the donors to the trust fund. In accordance with Section 3.02 of the Standard Conditions, the Bank’s payment obligations in connection with this Agreement are limited to the amount of funds made available to it by the donor 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
Additional Remedies

4.01. The Additional Event of Suspension referred to in Section 4.02 (k) of the Standard Conditions consists of the following, namely that, the Financing has been cancelled or suspended for any reason whatsoever.

Article V
Effectiveness; Termination

5.01. This Agreement shall not become effective until evidence satisfactory to the Bank has been furnished to the Bank that the conditions specified below have been satisfied:

(a) the Financing Agreement has been executed and delivered and all conditions precedent to its effectiveness or to the right of the Recipient to make withdrawals under it (other than the effectiveness of this Agreement) have been fulfilled;

(b) the respective Subsidiary Agreements with at least two Participating FMS have been executed and delivered and are legally binding upon the Recipient and such Participating FMS in accordance with the respective terms of each such Subsidiary Agreement.

5.02 Except as the Recipient and the Bank shall otherwise agree, this Agreement shall enter into effect on the date upon which the Bank dispatches to the Recipient notice of its acceptance of the evidence required pursuant to Section 5.01 (“Effective Date”). If, before the Effective Date, any event has occurred which would have entitled the Bank to suspend the right of the Recipient to make withdrawals from
the Grant Account if this Agreement had been effective, the Bank may postpone
the dispatch of the notice referred to in this Section until such event (or events) has
(or have) ceased to exist.

5.03. 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
one hundred twenty (120) days after the date of this Agreement, unless the Bank,
after consideration of the reasons for the delay, establishes a later date for the
purpose of this Section. The Bank shall promptly notify the Recipient of such later
date.

Article VI
Recipient’s Representative; Addresses

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

6.02. For purposes of Section 7.01 of the Standard Conditions, the Recipient’s address
is:

Ministry of Finance
Corso Somalo Street
Shangaani District
Mogadishu, Somalia

6.03. For purposes of Section 7.01 of the Standard Conditions: (a) the Bank’s address
is:

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

(b) the Bank’s Electronic Address is:

Telex: Facsimile:

248423 (MCI) or 1-202-477-6391
64145 (MCI)
AGREED as of the Signature Date.

FEDERAL REPUBLIC OF SOMALIA

By

[Signature]

Authorized Representative
Name: Dr. A. Batch
Title: 
Date: 23/12/2019

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

By

[Signature]

Authorized Representative
Name: C. Felipe Jaramillo
Title: COUNTRY DIRECTOR
Date: 12/18/2019
SCHEDULE 1

Project Description

The objective of the Project is to strengthen public service delivery capacity of local governments and increase access to urban infrastructure and services in selected areas.

The Project consists of the following parts:

Part A: Urban Infrastructure and Services

1. Carrying out preparatory activities, including feasibility studies, engineering designs, safeguard instruments and institutional assessments, and related analytical work required for infrastructure investment in BRA, Garowe Municipality, Kismayo Municipality and Baidoa Municipality.

2. Carrying out preparatory activities in Eligible Municipalities, including (a) technical studies, engineering designs and bidding documents for priority investments, environment and social due diligence work; (b) institutional assessments of implementing agencies and relevant analytical work; and (c) recruitment and training of Eligible Municipality PIU staff.

3. Investment in Urban Infrastructure:

Supporting city specific infrastructure development, in particular:

(i) Benadir Regional Administration

Carrying out construction and upgrading of selected urban and interconnectivity roads, drainage, pedestrian walkways, bridges, streetlighting, and provision of technical advisory services for engineering supervision of the civil works contracts including: (a) construction of selected community roads; and (b) rehabilitation and construction of part of an identified drainage under the Drainage Masterplan.

(ii) Garowe Municipality, Puntland State of Somalia

Carrying out construction and upgrading of selected urban roads, drainage, pedestrian walkways, bridges, streetlighting, and provision of technical advisory services for engineering supervision of the civil works contracts including, construction of four urban roads and a hospital bridge.

(iii) Kismayo Municipality, Jubbaland State of Somalia

Carrying out construction and upgrading of selected urban roads, drainage, pedestrian walkways, bridges, streetlighting, and provision of technical
advisory services for engineering supervision of the civil works contracts including, construction of urban and interconnectivity roads.

(d) Baidoa Municipality, Southwest State of Somalia

Carrying out construction and upgrading of selected urban roads, drainage, pedestrian walkways, bridges, streetlighting and provision of technical advisory services for engineering supervision of the civil works contracts including, construction of urban and interconnectivity roads.

Part B: Institutional Strengthening and Analytics

1. Provision of technical advisory services to selected Municipalities to, inter alia, conduct technical and related studies on informal settlements.

2. Provision of technical advisory services to selected Municipalities on operation and maintenance of road assets, particularly on technical and financial aspects.

3. Provision of technical advisory services to selected Municipalities on subnational governance and service delivery with a focus on solid waste management.

Part C: Project Management and Capacity Building

Strengthening capacity for Project implementation and management, inter alia: (i) fiduciary aspects (i.e. procurement and financial management), environmental and social standards, communication, monitoring and evaluation, and reporting; (ii) recruitment of PCU and PIU staff; and (iii) provision of training to PCU, PIUs and relevant municipal staff.

Part D: Contingent Emergency Response

Providing immediate response to an Eligible Crisis or Emergency, as needed
SCHEDULE 2

Project Execution

Section I. Institutional and Other Arrangements

A. Institutional Arrangements.

1. Federal Ministry of Finance

   The Federal Ministry of Finance shall be responsible for overall oversight of the Project.

2. Federal Steering Committee

   (a) The Recipient shall, by no later than thirty (30) days from the Effective Date, establish, and thereafter, maintain at all times during the implementation of the Project, a federal inter-ministerial Steering Committee with institutional structure, functions and powers, satisfactory to the Bank.

   (b) Without limitation upon the provisions of paragraph 2(a) immediately above, the Steering Committee shall be responsible for providing strategic guidance to the Project, approving the inclusion of additional Eligible Municipalities into the project and deciding on the funding allocations across Municipalities.

3. Project Coordination Unit (PCU)

   (a) The Recipient shall by no later than one hundred and eighty (180) days from the Effective Date, establish, and thereafter, maintain at all times during the implementation of the Project, the Project Coordination Unit within the Federal Ministry of Public Works with the composition, mandate and resources, satisfactory to the Bank.

   (b) Without limitation upon the provisions of paragraph 3(a) immediately above, the PCU will be responsible for implementation of Parts A.1, A.2, B and C of the Project, and providing technical support and guidance to the Municipalities as needed.

   (c) Without limitation upon the provisions of paragraphs 3(a) and (b) above, the Recipient shall, by no later than one hundred and eighty (180) days after the Effective Date: recruit to the PCU the following staff: a program coordinator, an environmental and social safeguard specialist, a gender specialist, a procurement specialist, a finance specialist, and a monitoring
and evaluation specialist, all in accordance with the provisions of the Procurement Regulations.

4. **Project Implementation Units (PIU)**

(a) **Benadir Regional Administration**

The Recipient shall, for the purpose of Part A.3(i) and C of the Project, maintain throughout Project implementation the Benadir Regional Administration with institutional structure, functions and powers, satisfactory to the Bank, and shall cause the Benadir Regional Administration:

(i) to maintain, throughout the Project implementation period BRA-PIU, with institutional framework, resources, terms of reference and staffing satisfactory to the Bank, including a project coordinator, a financial management specialist and a procurement specialist, environmental and social safeguard specialists, monitoring and evaluation specialist and an engineering consultant specialist, all with qualifications, experience, and terms of reference, satisfactory to the Bank;

(ii) with the prior agreement of the Bank, engage such other staff as may be necessary for the implementation of Part A.3(i) and C of the Project; all said staff with qualifications, experience, and terms of reference satisfactory to the Bank; and

(iii) without limitation upon the provisions of this paragraph 4(a), cause Benadir Regional Administration to, by no later than one hundred and eighty (180) days after the Effective Date, recruit an engineering supervision consultant in accordance with the provisions of the Procurement Regulations.

(b) **Puntland State of Somalia and Garowe Municipality**

The Recipient shall, for the purpose of Part A.3(ii) and C of the Project, take all required action to ensure that the Puntland State of Somalia maintains the Garowe Municipality with the institutional structure, functions and powers, satisfactory to the Bank, and shall cause the said Puntland State of Somalia:

(i) to maintain, throughout the Project implementation period Garowe-PIU within Garowe Municipality, with institutional framework, resources, terms of reference and staffing satisfactory to the Bank, including a project coordinator, a financial
management specialist and a procurement specialist, environmental and social safeguard specialists, monitoring and evaluation specialist and an engineering consultant specialist, all with qualifications, experience, and terms of reference, satisfactory to the Bank;

(ii) with the prior agreement of the Bank, engage such other staff as may be necessary for the implementation of Part A.3(ii) and C of the Project; all said staff with qualifications, experience, and terms of reference satisfactory to the Bank; and

(iii) without limitation upon the provisions of this paragraph 4(b), the Recipient shall cause the Puntland State of Somalia to, by no later than one hundred and eighty (180) days after the Effective Date, recruit an engineering supervision consultant in accordance with the provisions of the Procurement Regulations.

(c) Jubbaland State and Kismayo Municipality

The Recipient shall, for the purpose of Part A.3(iii) and C of the Project, take all required action to ensure that the Jubbaland State of Somalia maintains the Kismayo Municipality with the institutional structure, functions and powers, satisfactory to the Bank, and shall cause the said Jubbaland State of Somalia:

(i) to maintain, throughout the Project implementation period Kismayo-PIU within Kismayo Municipality, with institutional framework, resources, terms of reference and staffing satisfactory to the Bank, including a project coordinator, a financial management specialist and a procurement specialist, environmental and social safeguard specialists, monitoring and evaluation specialist and an engineering consultant specialist, all with qualifications, experience, and terms of reference, satisfactory to the Bank;

(ii) with the prior agreement of the Bank, engage such other staff as may be necessary for the implementation of Part A.3(iii) and C of the Project; all said staff with qualifications, experience, and terms of reference satisfactory to the Bank; and

(iii) without limitation upon the provisions of this paragraph 4(c), cause the Jubbaland State of Somalia to, by no later than one hundred and eighty (180) days after the Effective Date, recruit an engineering supervision consultant in accordance with the provisions of the Procurement Regulations.
Southwest State of Somalia and Baidoa Municipality

The Recipient shall, for the purpose of Parts A.3 (iv) and C of the Project, take all required action to ensure that the Southwest State of Somalia maintains the Baidoa Municipality with the institutional structure, functions and powers, satisfactory to the Bank, and shall cause the South West State of Somalia:

(i) to maintain, throughout the Project implementation period Baidoa-PIU within Baidoa Municipality, with institutional framework, resources, terms of reference and staffing satisfactory to the Bank, including a project coordinator, a financial management specialist and a procurement specialist, environmental and social safeguard specialists, monitoring and evaluation specialist and an engineering consultant specialist, all with qualifications, experience, and terms of reference, satisfactory to the Bank;

(ii) with the prior agreement of the Bank, engage such other staff as may be necessary for the implementation of Part A.3(iv) and C of the Project; all said staff with qualifications, experience, and terms of reference satisfactory to the Bank; and

(iii) without limitation upon the provisions of this paragraph 4(d), cause Southwest State of Somalia to, by no later than one hundred and eighty (180) days after the Effective Date, recruit an engineering supervision consultant and a monitoring and evaluation specialist in accordance with the provisions of the Procurement Regulations.

B. Project Manuals

1. The Recipient shall, and shall cause each Participating FMS to, not later than ninety (90) days after the Effective Date, develop and update the Project Implementation Manual and, adopt said manual for the Project. Said Project Implementation Manual containing detailed guidelines and procedures for the implementation of the Project, including with respect to: administration and coordination, monitoring and evaluation, financial management, procurement and accounting procedures, environmental and social safeguards, corruption and fraud mitigation measures, a grievance redress mechanism, roles and responsibilities for Project implementation, and such other arrangements and procedures as shall be required for the effective implementation of the Project, in form and substance satisfactory to the Bank.
2. Subject to the provisions of Section LF of this Schedule 2, the Recipient shall, and shall cause each Participating FMS to carry out Parts A, B and C of the Project in accordance with the Project Implementation Manual and the EAFS Manual.

3. The Recipient shall ensure that neither the Project Implementation Manual nor the EAFS Manual is amended, suspended, repealed or abrogated without the prior written approval of the Bank.

4. In the event of any conflict between the provisions of the Project Implementation Manual or the EAFS Manual, on the one side and those of this Agreement on the other side, the provisions of this Agreement shall prevail.

C. Annual Work Plans and Budget

1. The Recipient shall, not later than November 30 of each year prepare and furnish to the Bank, a consolidated annual program of activities proposed for implementation under the Project during the following Fiscal Year, together with a proposed budget for the purpose.

2. The Recipient shall exchange views with the Bank on each such proposed consolidated annual work plan, and, shall and shall cause each Participating FMS to thereafter adopt, and carry out such respective program of activities for such following Fiscal Year as shall have been agreed with the Bank, as such plan may be subsequently revised during such following Fiscal Year with the prior written agreement of the Bank (“Annual Work Plan and Budget”).

D. Subsidiary Agreements.

1. To facilitate the carrying out of Part A.3 and C of the Project, the Recipient shall make the proceeds of the Grant allocated under Category (2), in the table set forth in Section III of this Schedule 2 available, respectively, to each Participating FMS, all on grant terms, under respective subsidiary agreements between the Recipient and each Participating FMS. Each such subsidiary agreement under terms and conditions approved by the Bank (“Subsidiary Agreements”)

2. The Recipient shall exercise its right under each Subsidiary Agreement in such manner as to protect the interests of the Recipient and the Bank and to accomplish the purposes of the Grant. Except, as the Bank shall otherwise agree, the Recipient shall not assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, the aforementioned, or any provision thereof.

3. In the event of any conflict between the provisions of any Subsidiary Agreement and those of this Agreement, the latter shall prevail.
E. Environmental and Social Standards.

1. The Recipient shall and shall cause each Participating FMS to ensure that the Project is carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Bank.

2. Without limitation upon paragraph 1 above, the Recipient shall, and shall cause each Participating FMS to ensure that the Project is implemented in accordance with the Environmental and Social Commitment Plan ("ESCP"), in a manner acceptable to the Bank. To this end, the Recipient shall, and shall cause each Participating FMS to, ensure that:

   (a) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, and as further specified in the ESCP;

   (b) sufficient funds are available to cover the costs of implementing the ESCP;

   (c) policies, procedures and qualified staff are maintained to enable it to implement the ESCP, as further specified in the ESCP; and

   (d) the ESCP or any provision thereof, is not amended, revised or waived, except as the Bank shall otherwise agree in writing and the Recipient has, thereafter, disclosed the revised ESCP.

In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.

3. The Recipient shall, and shall cause each Participating FMS to:

   (a) take all measures necessary on its part to collect, compile, and furnish to the Bank through regular reports, with the frequency specified in the ESCP, and promptly in a separate report or reports, if so requested by the Bank, information on the status of compliance with the ESCP and the management tools and instruments referred to therein, all such reports in form and substance acceptable to the Bank, setting out, *inter alia*: (i) the status of implementation of the ESCP; (ii) conditions, if any, which interfere or threaten to interfere with the implementation of the ESCP; and (iii) corrective and preventive measures taken or required to be taken to address such conditions; and

   (b) promptly notify the Bank of any incident or accident related to or having an impact on the Project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers including without limitation any potential Project-related occupational health and safety accidents and incidents or Project-related allegations of GBV or Project-related child labor, in accordance with the
ESCP, the instruments referenced therein and the Environmental and Social Standards.

4. The Recipient shall, and shall cause each Participating FMS to maintain and publicize the availability of a grievance mechanism, in form and substance satisfactory to the Bank, to hear and determine fairly and in good faith all complaints raised in relation to the Project, and take all measures necessary to implement the determinations made by such mechanism in a manner satisfactory to the Bank.

F. Contingent Emergency Response

1. To ensure the proper implementation of the contingent emergency response activities under Part D of the Project ("Emergency Response Part"), the Recipient shall:

   (a) prepare and furnish to the Bank for its review and approval, a contingent emergency response manual ("CER Manual") which shall set forth detailed implementation arrangements for the Emergency Response Part, including: (i) any additional institutional structures or arrangements for coordinating and implementing Part D of the Project ("Emergency Response Part"); (ii) specific activities which may be included in the Emergency Response Part, Eligible Expenditures required therefor ("Emergency Expenditures"), and any procedures for such inclusion; (iii) financial management arrangements for the Emergency Response Part; (iv) procurement methods and procedures for the Emergency Response Part; (v) documentation required for withdrawals of Emergency Expenditures; (vi) environmental and social safeguard management arrangements and instruments for the Emergency Response Part; and (vii) any other arrangements necessary to ensure proper coordination and implementation of the Emergency Response Part;

   (b) afford the Bank a reasonable opportunity to review said proposed CER Manual;

   (c) promptly adopt the CER Manual for the Emergency Response Part as shall have been approved by the Bank and integrate it as an annex to the Project Implementation Manual;

   (d) ensure that the Emergency Response Part is carried out in accordance with the CER Manual; provided, however, that in the event of any inconsistency between the provisions of the CER Manual and this Agreement, the provisions of this Agreement shall prevail; and

   (e) not amend, suspend, abrogate, repeal or waive any provision of the CER Manual without prior written approval by the Bank
2. The Recipient shall, throughout the implementation of the Emergency Response Part, maintain the institutional structures and arrangements established in accordance with the CER Manual, with adequate staff and resources satisfactory to the Bank.

3. The Recipient shall undertake no activities under the Emergency Response 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 Bank a request to include said activities in the Emergency Response Part in order to respond to said Eligible Crisis or Emergency, and the Bank has agreed with such determination, accepted said request and notified the Recipient thereof; and

   (b) the Recipient has ensured the preparation and disclosure of all safeguards instruments required for said activities, in accordance with the CER Manual, the Bank has approved all such instruments, and the Recipient has implemented any actions which are required to be taken under said instruments.

4. The Recipient shall procure the Emergency Expenditures required for the Emergency Response Part of the Project in accordance with the procurement methods and procedures set forth in the CER Manual.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

The Recipient shall ensure that each Project Report is furnished to the Bank not later than forty-five (45) after the end of each calendar quarter covering the calendar quarter.

Section III. 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; and (b) this Section; to finance Eligible Expenditures in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:
<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant from TF 0B1409 Allocated (i.e. Portion A of the Grant) (expressed in USD)</th>
<th>Amount of the Grant from TF 0B1519 Allocated (i.e. Portion B of the 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, consulting services, Operating Costs and Training under Part A.1, A.2, B of the Project and the Recipient’s activities under Part C of the Project</td>
<td>8,000,000</td>
<td>4,000,000</td>
<td>26% from TF 0B1409 (i.e. Portion A of the Grant) and 13% from TF 0B1519 (i.e. Portion B of the Grant)</td>
</tr>
<tr>
<td>(2) Goods, works, non-consulting services, and consulting services under Part A.3 of the Project and the Participating FMS’s activities under Part C of the Project</td>
<td>37,000,000</td>
<td>13,000,000</td>
<td>46% from TF 0B1409 (i.e. Portion A of the Grant) and 16% from TF 0B1519 (i.e. Portion B of the Grant)</td>
</tr>
<tr>
<td>(3) Emergency Expenditures under Part D of the Project</td>
<td>0</td>
<td>0</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>45,000,000</td>
<td>17,000,000</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:

   (a) for payments made prior to the Signature Date, except that withdrawals up to an aggregate amount not to exceed USD 600,000 may be made for payments made prior to this date but on or after July 1, 2019 for Eligible Expenditures under Category (1); or

   (b) under Category (3), for Emergency Expenditures under Part D of the Project, unless and until the Bank is satisfied, and has notified the Recipient of its satisfaction, that all of the following conditions have been met in respect of said expenditures:
(i) the Recipient has determined that an Eligible Crisis or Emergency has occurred, has furnished to the Bank a request to include said activities in the Emergency Response Part and an action plan in order to respond to said Eligible Crisis or Emergency, and the Bank has agreed with such determination, accepted said request and notified the Recipient thereof;

(ii) the Recipient has ensured that all safeguard instruments required for said activities have been prepared and disclosed, and the Recipient has ensured that any actions which are required to be taken under said instruments have been implemented, all in accordance with the provisions of Section I.F of Schedule 2 to this Agreement;

(iii) the entities in charge of coordinating and implementing the Emergency Response Part have adequate staff and resources, in accordance with the provisions of Section I.E of this Schedule 2 to this Agreement, for the purposes of said activities; and

(iv) the Recipient has adopted the CER Manual in form, substance and manner acceptable to the Bank and the provisions of the CER Manual remain or have been updated in accordance with the provisions of Section I.F of this Schedule 2 so as to be appropriate for the inclusion and implementation of said activities under the Emergency Response Part.

2. The Closing Date is December 31, 2024

C. Additional Provision - Eligibility of Participating FMSs Expenditures

Notwithstanding the provisions of Section 3.06 of the Standard Conditions and Section III.A and B (above) in this Schedule, the Recipient shall ensure that no funds shall be transferred/advanced out of the Grant to any Participating FMS, or paid on behalf of such Participating FMS out of the Grant, prior to such Participating FMS having entered into Subsidiary Agreement. Any funds so transferred, advanced and/or paid, shall be deemed ineligible for financing under the Grant.
APPENDIX

Definitions


2. “Annual Work Plan and Budget” means a consolidated plan and budget of the Recipient and each Participating FMS referred to in Section I.C of Schedule 2 to this Agreement.

3. “Baidoa Municipality” means the municipality established and operating pursuant to Article 48 of the Recipient’s constitution of the Recipient’s Constitution.

4. “Baidoa-PIU” means the Project implementation unit for Part A.3 (iv) and C of the Project, referred to in Section I.A (4)(d) of Schedule 2 to this Agreement, with the responsibility for implementation of the Project activities in the Baidoa Municipality within the Southwest state of Somalia.

5. “Benadir Regional Administration” and the acronym “BRA” means the regional authority established and operating as a regional member state administration referred to in Article 48 of the Recipient’s Constitution.

6. “BRA-PIU” means the Project implementation unit for Part A.3 (i) and C of the Project, referred to in Section I.A (4) (a) of Schedule 2 to this Agreement, with the responsibility for implementation of the Project activities in the Benadir Regional Administration.

7. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.

8. “CER Manual” mean the manual referred to in Section I.F of Schedule 2 to this Agreement, to be adopted by the Recipient for the Emergency Response Part and to form part of the Project Implementation Manual in accordance with the provisions of said Section.

9. “Drainage Masterplan” means the Mogadishu Trunk Drainage Masterplan and Road Interconnectivity Assessment Study which was commissioned by the Bank and prepared by UNOPS for BRA in December 2018.

10. “EAFS Manual” means the financial management manual governing the FM procedures as managed and overseen by the EAFS Units dated November 18, 2013 as amended.
11. "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.


13. "Emergency Expenditure" means any of the eligible expenditures set forth in the CER Manual in accordance with the provisions of Section I.F of Schedule 2 to this Agreement and required for the Emergency Response Part.


15. "Environmental and Social Commitment Plan" or the acronym "ESCP" means the Recipient’s environmental and social commitment plan, acceptable to the Bank, dated October 1, 2019 which sets out a summary of the material measures and actions to address the potential environmental and social risks and impacts of the Project, including the timing of the actions and measures, institutional, staffing, training, monitoring and reporting arrangements, and any instruments to be prepared thereunder; as the ESCP may be revised from time to time, with prior written agreement of the Bank, and such term includes any annexes or schedules to such plan.


17. "External Assistance Fiduciary Section Units" or the acronym "EAFS Units" means together the (i) external assistance fiduciary section established within the Recipient’s office of the Accountant General and (ii) the external assistance
fiduciary section established within the ministry of finance in each Participating FMS, both responsible for financial and procurement management of donor financed projects.


19. “Federal Ministry of Finance” means the Recipient’s ministry responsible for finance, or any successor thereto.

20. “Financing Agreement” means the Financing Agreement for the Project between the Recipient and the International Development Association dated the same date as this Agreement, as such Financing Agreement may be amended from time to time. “Financing Agreement” Includes all appendices, schedules and agreements.

21. “Fiscal Year” means the Recipient’s fiscal year from January 1 to December 31 of each calendar year.

22. “Garowe Municipality” means the municipality established and operating pursuant to Article 48 of the Recipient’s Constitution.

23. “Garowe-PIU” means the Project implementation unit for Part A.3 (ii) and C of the Project, referred to in Section L.A (4) (b) of Schedule 2 to this Agreement, with the responsibility for implementation of the Project activities in the Garowe Municipality within the Puntland state of Somalia.

24. “GBV” means gender-based violence as described in the Environmental and Social Standards.

25. “Kismayo Municipality” means the municipality established and operating pursuant to Article 48 of the Recipient’s Constitution.

26. “Kismayo-PIU” means the Project implementation unit for Part A.3(iii) and C of the Project, referred to in Section L.A (4) (c) of Schedule 2 to this Agreement, with the responsibility for implementation of the Project activities in the Kismayo Municipality within the Jubbaland State of Somalia.

27. “Municipality” means BRA, Kismayo Municipality, Garowe Municipality and Baidoa Municipality and each Eligible Municipality.

28. “Operating Costs” means the expenses incurred on account of Project implementation, based on Annual Work Plans and Budgets approved by the World Bank, including office equipment and supplies, vehicle operation and maintenance, maintenance small office works and maintenance, of equipment, communication, advertisement and insurance costs, office administration costs, bank charges, translation costs, utilities, rental, consumables, salaries,
accommodation, travel and *per diem* of Project staff, excluding the salaries of the Recipient’s civil service


31. “Project Implementation Manuals” means, the project implementation manuals adopted by each Participating FMS under the Somalia Urban Resilience Project (TF0A8112) and Somalia Urban Investment Planning Project (TF0A1754) as further updated and consolidated pursuant to section 1.B of schedule 2 to this Agreement, all in a manner, satisfactory to the World Bank, said manuals to be updated and adopted by the Recipient and referred to in Section 1.B (1) of Schedule 2 to this Agreement, as said manuals may be amended from time to time with the prior written agreement of the World Bank, and such term includes any annexes or schedules to such manuals.

32. “Project Implementation Unit” means a project implementation unit set up by a Participating FMS.

33. “Puntland State of Somalia” means a state within the Recipient’s federal unit.

34. “Signature Date” means the later of the two dates on which the Recipient and the Bank signed this Agreement and such definition applies to all references to “the date of the Grant Agreement” in the Standard Conditions.

35. Southwest State of Somalia” means a state within the Recipient’s federal unit.


37. “Subsidiary Agreement” means each agreement referred to in Section L.D of Schedule 2 to this Agreement, to be entered into between the Bank and each Participating PFM and the term, “Subsidiary Agreements” means all such agreements.

38. “Training” means the costs of training under the Project, based on the Annual Work Plans and Budgets as approved by the Bank, and attributable to seminars, and workshops, along with travel and subsistence allowances for training participants, services of trainers, rental of training facilities, preparation and reproduction of training materials, and other activities directly related to course preparation and implementation.