H.E. U Win Shein  
Union Minister  
Ministry of Finance  
Building No. 26  
Nay Pyi Taw  
Myanmar

Re: EITI Grant No. TF0A0156  
Implementation of the Extractive Industries Transparency Initiative Project

Excellency:

In response to the request for financial assistance made on behalf of Republic of the Union of Myanmar ("Recipient"), I am pleased to inform you that the International Bank for Reconstruction and Development/International Development Association ("World Bank"), acting as administrator of grant funds provided by Australia, Belgium, Canada, Denmark, the European Commission, Finland, France, Germany, Japan, the Netherlands, Norway, Spain, Switzerland, the United Kingdom and the United States of America ("Donors") under the Multi-Donor Trust Fund for Extractive Industries Transparency Initiative ("EITI") Implementation Support ("TF053509"), proposes to extend to the Recipient, a grant in an amount not to exceed two hundred ninety thousand United States Dollars (U.S.$290,000) ("Grant") on the terms and conditions set forth or referred to in this letter agreement ("Agreement"), which includes the attached Annex, to assist in the financing of the project described in the Annex ("Project").

This Grant is funded out of the abovementioned trust fund for which the World Bank receives periodic contributions from the Donors. In accordance with Section 3.02 of the Standard Conditions (as defined in the Annex to this Agreement), 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.

The Recipient represents, by confirming its agreement below, that it is authorized to enter into this Agreement and to carry out the Project in accordance with the terms and conditions set forth or referred to in this Agreement.
Please confirm the Recipient’s agreement to the foregoing by having an authorized official of the Recipient sign and date the enclosed copy of this Agreement, and returning it to the World Bank. Upon receipt by the World Bank of this countersigned copy, this Agreement shall become effective as of the date set forth in page 1 of this Agreement.

Very truly yours,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT/INTERNATIONAL DEVELOPMENT ASSOCIATION

By Mathew Verghis
Acting Country Director

AGREED:
REPUBLIC OF THE UNION OF MYANMAR

By: Authorized Representative

Name: (MAUNG MAUNG WIN)
Title: DIRECTOR GENERAL BUDGET DEPARTMENT
MINISTRY OF FINANCE
Date: August 21, 2015

Enclosures:


(2) Disbursement Letter of the same date as this Agreement, together with World Bank Disbursement Guidelines for Projects, dated May 1, 2006
Article I

Standard Conditions; Definitions

1.01. **Standard Conditions.** The Standard Conditions for Grants Made by the World Bank out of Various Funds dated February 15, 2012 ("Standard Conditions"), constitute an integral part of this Agreement.

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 including, without limitation, in the paragraphs set forth below.

(a) "CSO" means a civil society organization legally established and operating in the Recipient’s territory and selected according to the criteria agreed between the Recipient and the World Bank; and “CSOs” means the plural thereof.

(b) "EITI Secretariat" means EITI Secretariat within the Ministry of Finance, headed by the National EITI Coordinator charged with the responsibility of day to day operations and coordinating the Project activities.

(c) "Ministry of Finance" means the Recipient’s Ministry of Finance, or any successor thereto.

(d) "MSG" means the Recipient’s multi-stakeholder group established in January 2014, which comprises 21 representatives of government, civil society and private sector to oversee the EITI process, and published in the Recipient’s National Gazette dated February 8, 2014.

(e) “Operating Costs” means the reasonable expenditures directly related to the Project incurred by the Recipient, on account of the implementation, management, coordination, and monitoring and evaluation of the Project (and include only expenditure that would not have been incurred in the absence of the Project), including expenditure on travel, lodging and per diems, consumable materials, office supplies, communications services (including postage handling, telephone and internet costs), publication services, translation services, operations and maintenance of office equipment and vehicles, but excluding salaries, bonuses, fees and honoraria or equivalent payments of members of the Recipient’s civil service.

(f) “Training” means the reasonable costs of training under the Project, and directly attributable to seminars, workshops, and study tours, along with travel and subsistence allowances for training participants, course fees, services of trainers, rental of training facilities, preparation, acquisition, distribution and reproduction of training materials, and other activities directly related to course preparation and implementation.

(g) “World Bank Safeguard Policies” means the World Bank’s operational policies and procedures set forth in the World Bank’s Operational Manual and identified as
OP/BPs 4.01, 4.04, 4.09, 4.10, 4.11, 4.12, 4.36, 4.37, 7.50 and 7.60 as said manual is published under www.WorldBank.org/opmanual.
Article II
Project Execution

2.01. Project Objectives and Description. The objective of the Project is to strengthen the Recipient’s institutional structure for EITI implementation and to facilitate an informed multi-stakeholder debate about the extractive industries in Myanmar. The Project consists of the following parts:

(a) Part 1: Production and Publication of First EITI Report

Carrying out a set of activities to: (i) prepare, produce, and launch its first EITI report on oil, gas, and mining, as well as on jade and gemstones, based on official data from the sales through the gems emporium; and (ii) training to use reporting templates for targeted operators and government agencies having reporting obligations.

(b) Part 2: Operationalization of the EITI Secretariat

Provision of support for the EITI Secretariat staff for the purposes of coordinating Project activities, financing of its operating costs and support for its daily operation, including organization of MSG meetings and outreach events.

2.02. Project Execution Generally. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out the Project through its EITI Secretariat in accordance with the provisions of: (a) Article II of the Standard Conditions; (b) 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”); and (c) this Article II.

2.03. Institutional and Other Arrangements. (a) The Recipient shall maintain the EITI Secretariat throughout the period of Project implementation, with functions and resources satisfactory to the World Bank, and with competent staff in adequate numbers, for the purposes of carrying out day-to-day implementation of the Project, and for ensuring close cooperation with CSOs and MSGs.

(b) The Recipient shall ensure that the terms of reference for any consultants’ services in respect of any activity under the Project shall be satisfactory to the World Bank following its review thereof, and to that end, such terms of reference shall duly incorporate applicable environmental and social standards equivalent to the World Bank Safeguards Policies then in force, as applied to the advice conveyed through such technical assistance.

(c) The Recipient shall ensure that representatives of CSOs: (i) are appropriately and fully represented, and have their views taken into account in the MSG; (ii) have access to all relevant EITI-related information in a culturally appropriate and accessible form, manner and language; and (iii) operate in an enabling environment where they are allowed to be an integral part of the EITI-related debate.
2.04. **Donor Visibility.** (a) 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.

(b) 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.

2.05. **Project Monitoring, Reporting and Evaluation.** (a) 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 set forth below in paragraph (b) of this Section. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the World Bank not later than one month after the end of the period covered by such report.

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

(i) EITI Secretariat operationalized with appointment of competent staff in adequate numbers and adoption of an implementation procedure.

(ii) The first EITI report finalized and disseminated by December 31, 2015, and ten major events (MSG meetings, sub-national EITI meetings, and out-reach events) organized during 2015.

(c) 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.

2.06. **Financial Management.** (a) The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.

(b) 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 semester, covering the semester, in form and substance satisfactory to the World Bank.

(c) The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 2.07(b) of the Standard Conditions. Such audit of the Financial Statements shall cover the entire period during which withdrawals from the Grant Account were made. The audited Financial Statements for such period shall be furnished to the World Bank not later than six months after the end of such period.
2.07. **Procurement**

(a) **General.** All goods, 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:


(ii) 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 (revised July 2014) (“Consultant Guidelines”) in the case of consultants’ services; and

(iii) 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, and Non-consulting Services**

(i) Except as otherwise provided in sub-paragraph (ii) below, goods, and non-consulting services shall be procured on the basis of shopping method

(ii) The following methods, other than shopping may be used for procurement of goods and non-consulting services for those contracts which are specified in the Procurement Plan: (A) Direct Contracting.

(d) **Particular Methods of Procurement of Consultants’ Services**

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

(ii) 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 based on Consultants’ Qualifications; (C) Single-source Selection of consulting firms; (D) Selection of Individual Consultants; and (E) Single-source procedures for the Selection of Individual Consultants.
(e) **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.

### Article III

**Withdrawal of Grant Proceeds**

3.01. **Eligible Expenditures.** The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) 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 following table. The 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 Grant Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, non-consulting services, consultants’ services, Training and Operating Costs under the Project</td>
<td>290,000</td>
<td>100%</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>290,000</strong></td>
<td></td>
</tr>
</tbody>
</table>

3.02. **Withdrawal Conditions.** Notwithstanding the provisions of Section 3.01 of this Agreement, 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 $30,000 equivalent may be made for payments made prior to this date but on or after May 10, 2015, for Eligible Expenditures.

3.03. **Withdrawal Period.** The Closing Date referred to in Section 3.06(c) of the Standard Conditions is December 31, 2015.
Article IV
Recipient’s Representative; Addresses

4.01. **Recipient’s Representative.** The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is its Minister at the time responsible for finance.

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

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Ministry of Finance
Building No. 26
Nay Pyi Taw
Myanmar

Facsimile: 95-67-410-198
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4.03. **World Bank’s Address.** The World Bank’s Address referred to in Section 7.01 of the Standard Conditions is:

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International Bank for Reconstruction and Development/
International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Facsimile: 1-202-477-6391
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