Dr. Esther Ofei - Aboagye  
Director  
The Institute of Local Government Studies  
P. O. Box LG 549, Legon  
Accra  
Ghana  

Re: Ghana: Cities Alliance Grant No. TF011279  
Sustainable Urban Local Government Capacity Building Project  

Dear Dr. Ofei - Aboagye:

In response to the request for financial assistance made on behalf of the Institute of Local Government Studies ("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 the Bill and Melinda Gates Foundation ("Donor") under the Cities Alliance Land, Services, and Citizenship Trust Fund, proposes to extend to the Recipient a grant in an amount not to exceed four hundred fourteen thousand and one hundred sixty United States Dollars (USD414,160) ("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 Donor. 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 Donor under the abovementioned trust fund, and the Recipient's right to withdraw the Grant proceeds is subject to the availability of such funds. Accordingly, in the event that the Donor cancels or fails to pay any contributions under the trust fund to the World Bank for any reason, or that as a result of currency exchange variations the amount of funds available in the trust fund is insufficient for the purposes of the Grant, the Recipient shall bear the risk of such funding shortfall and the World Bank shall not have any liability whatsoever to the Recipient or to any third parties in respect of any expenditures or liabilities incurred by the Recipient or any third parties in connection with this Agreement which exceed the amount of funds made available to the World Bank by the Donor for the purposes of the Grant.

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 of the countersignature; provided, however, that the offer of this Agreement shall be deemed withdrawn if the World Bank has not received the countersigned copy of this Agreement within ninety (90) days after the date of signature of this Agreement by the World Bank, unless the World Bank shall have established a later date for such purpose ("Effective Date").

Very truly yours,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT/INTERNATIONAL DEVELOPMENT ASSOCIATION
(Acting as administrator of the Cities Alliance Land, Services, and Citizenship Trust Fund)

By
Sergiy V. Kulyk
Acting Country Director
Ghana, Africa Region

AGREED:
INSTITUTE OF LOCAL GOVERNMENT STUDIES

By
Authorized Representative
Name: ESTHER OFEI-ABOWAYE
Title: DR. (DIRECTOR)
Date: 28TH FEBRUARY, 2012

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 July 31, 2010 (“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. The following additional terms have the meanings ascribed to them below:

(a) “Greater Accra Metropolitan Area” means the metropolitan area of the Republic of Ghana’s capital city of Accra, which comprises the following eight local government districts: Accra Metropolitan Assembly, Tema Metropolitan Assembly, Adenta Municipal Assembly, Ashaiman Municipal Assembly, Ledzokuku-Krowor Municipal Assembly, Ga East Municipal Assembly, Ga West Municipal Assembly, and Ga South Municipal Assembly.

(b) “Operating Costs” means the incremental expenses incurred on account of Project implementation, consisting of reasonable expenditures for office supplies, vehicle operation and maintenance, communication and insurance costs, banking charges, rental expenses, office and office equipment maintenance, utilities, document duplication/printing, consumables, travel cost and **per diem** for Project staff for travel linked to the implementation of the Project, and salaries of contractual staff for the Project (but excluding salaries of officials of the Recipient’s or the Republic of Ghana’s civil service).

(c) “Workshops and Training” means the reasonable costs associated with training and workshop participation under the Project, consisting of travel and subsistence costs for training participants, costs associated with securing the services of trainers (but excluding consulting services), rental of training facilities, preparation and reproduction of training materials, and other costs directly related to course or workshop preparation and implementation.

Article II
Project Execution

2.01. **Project Objectives and Description.** (a) The objectives of the Project are: (i) to enhance the strategic planning, governance and resource mobilization capabilities of urban local governments of the Greater Accra Metropolitan Area, so as to contribute to economic growth and urban poverty reduction, and (ii) to strengthen and enlarge previous and on-going urban development interventions.

(b) The Project consists of the following parts:

1. Strengthening local governments to strategically lead and manage inclusive cities through:
i. Organizing an international training of trainers program in strategic leadership and inclusive city management for the Recipient’s staff;

ii. Developing training modules on strategic leadership and inclusive city management;

iii. Conducting trainings in strategic leadership and inclusive city management, the preparation of inclusive strategic plans and mainstreaming gender into strategic planning;

iv. Conducting gender sensitive case studies on governance issues relating to public-private partnerships.

2. Strengthen strategic, spatial and human settlement planning skills of local government staff to proactively manage urbanization through:

   i. Developing training modules on human settlement and spatial planning;

   ii. Conducting training in human settlement and spatial planning;

   iii. Conducting case studies on new governance paradigms for managing human settlements;

   iv. Conducting training in mainstreaming gender in human and spatial settlement planning;

   v. Providing coaching on and monitor development of gender-sensitive human and spatial settlement plans;

   vi. Conducting workshops on dispute resolution in urban planning, citizen participation in the spatial planning process and strategic spatial planning and sustainable cities – practices and perspectives;

   vii. Organizing experience-sharing sessions/practitioners’ forums on gender dimensions and issues in urban spatial/human settlement planning.

3. Strengthening the capacity of local government staff to identify and access alternative financing mechanisms to ensure better service delivery through:

   i. Conducting training in the development of marketable investment proposals;

   ii. Providing coaching on and monitor process of the development of marketable investment proposals.

4. Strengthening the capacity of local governments and other urban stakeholders to develop responsive and accountable local governance through:

   i. Conducting training in the development of citizen report cards;

   ii. Providing coaching on and monitor process of development of citizen report cards;

   iii. Organising workshops on mechanisms and applications of social accountability for public service delivery; civic engagement, social accountability and the use of strategic communications; gender and inclusive social accountability for public service delivery; participatory local governance with traditional leaders including queen-mothers and social organizations and local government officials;
iv. Organising interactive sessions between urban local government planners and stakeholders/beneficiaries (e.g. market women, female residents);

v. Conducting training in gender responsive, participatory budgeting.

5. Enhancing the knowledge and understanding on the part of local governance staff on the metropolis-wide interventions in planning service delivery and disaster management through:

i. Planning and carrying out a learning visit to a city with similar fragmented administrative zones that has successfully developed the framework and approaches for strategic metropolis-wide interventions in planning, service delivery and disaster management;

ii. Organizing and facilitating planning convergence forums for metropolitan stakeholders in planning, service delivery and disaster management to develop operational arrangements that enable the achievement of metropolis-wide interventions.

6. Strengthening the operational capacity of the Recipient to implement capacity building activities for cities through the establishment of a business operating unit.

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 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 establish and maintain, at all times during the implementation of the Project, an internal panel with a composition, mandate and resources satisfactory to the World Bank, for the purposes of, *inter alia:* (i) monitoring the implementation of the Project, and (ii) designing interventions for the removal of any obstacles to the implementation of the Project.

(b) The Recipient shall establish and maintain, at all times during the implementation of the Project, a steering committee with a composition, mandate and resources satisfactory to the World Bank, for the purposes of, *inter alia:* (i) reviewing Project progress and results, and (ii) providing overall strategic and policy direction on all activities supported under the Project.

2.04. **Donor Visibility and Visit.** (a) 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.

(b) For the purposes of Section 2.09 of the Standard Conditions, the Recipient shall, upon the World Bank’s request, enable the representatives of the Donor 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 indicators acceptable to the World Bank. Each Project Report shall cover the period of one calendar semester, 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.

(b) 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. 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. Unless the World Bank shall otherwise agree, the Recipient’s final audit report on completion of the Project shall be furnished to the World Bank, one (1) month before the Closing Date.

(d) The Recipient shall, not later than twelve (12) months after the Effective Date, employ consultants whose qualifications, experience and terms and conditions of employment shall be acceptable to the World Bank, and who shall be employed in accordance with the provisions of Section 2.07 of this Agreement, in order to carry out the audits required under paragraph (c) of this Section 2.06.

2.07. **Procurement**

(a) **General.** All 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:

(i) Sections I and IV of the “Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated January 2011 (“Consultant Guidelines”) in the case of consultants’ services; and

(ii) 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 1.25 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, III, IV and V of the Consultant Guidelines, as the case may be.
(c) **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 may be used for the procurement of consultants’ services for those assignments which are specified in the Procurement Plan: (A) Selection based on Consultants’ Qualifications; (B) Selection of Individual Consultants; and (C) Single-source procedures for the Selection of Individual Consultants.

(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.

### 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) Consultants’ services (including audits), Workshops and Training</td>
<td>375,685</td>
<td>100</td>
</tr>
<tr>
<td>(2) Operating Costs</td>
<td>38,475</td>
<td>100</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>414,160</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 countersignature of this Agreement by the Recipient.

3.03. **Withdrawal Period.** The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is June 30, 2014.
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 Director.

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

The Institute of Local Government Studies
P. O. Box LG 549, Legon
Accra, Ghana

Attention: Dr. Kwadwo Ohene Sarfoh
Dean of Consultancy and Advisory Services

Telephone: 011-233-302-508817
Facsimile: 011-233-302--508818
E-mail: ilgs@ilgs-edu.org

4.03. **World Bank’s Address.** The World Bank’s Address referred to in Section 7.01 of the Standard Conditions is:

The World Bank
1818 H Street, NW
Washington, DC 20433
United States of America

Attention: William John Cobbett
Program Manager
Mail Stop: MC4-413
Finance, Economics and Urban Development Department

Telephone: 1-202-473-1422
E-mail: ca-projects@citiesalliance.org
Facsimile: 1-202-477-6391