OFFICIAL DOCUMENTS

GRANT NUMBER D186-SS

Financing Agreement
(Emergency Food and Nutrition Security Project)

between

REPUBLIC OF SOUTH SUDAN

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated May 13th, 2017
shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV — TERMINATION

4.01. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.

4.02. For purposes of Section 8.05(b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty (20) years after the date of this Agreement.

ARTICLE V — REPRESENTATIVE; ADDRESSES

5.01. The Recipient’s Representative is its Minister of Finance and Planning.

5.02. The Recipient’s Address is:

   Ministry of Finance and Planning
   P.O. Box 80, Juba
   Republic of South Sudan

5.03. The Association’s Address is:

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

   Telex: 248423 (MCI)  
   Facsimile: 1-202-477-6391
AGREEED at **JUBA, SOUTH SUDAN**, as of the day and year first above written.

REPUBLIC OF SOUTH SUDAN

By

[Signature]

Name: **Stephen Dhieu Dau**

Title: **Minister**

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

[Signature]

Authorized Representative

Name: **Sachir Kundi**

Title: **Country Manager**
SCHEDULE 1

Project Description

The objectives of the Project are: (a) to provide food and nutrition support for the protection of lives and human capital of eligible beneficiaries; and (b) to help farmers re-engage in agricultural production in selected drought affected areas in South Sudan.

The Project consists of the following parts:

Part 1: Support to Human Capital and Livelihoods Protection

(a) Provision of direct food support to eligible beneficiaries as to counter starvation, prevent hunger related deaths, livelihood erosion and also mitigate against conflict that could arise from lack of food.

(b) Provision of nutrition to eligible beneficiaries (including children under the age of five years, pregnant women and lactating mothers) to be identified based on surveys and through a facilitated community targeting process.

Part 2: Support to Re-engagement in Crop and Livestock Production

(a) Provision of support to farmers for recovery of crop production, including purchase and distribution of agricultural inputs and planting materials (such as seeds and tools); rebuilding or distribution of assets for post-harvest handling and food storage (such as household granaries and food storage bins); and provision of extension services around the package of production inputs and post-harvest handling technologies supported by the Project.

(b) Provision of support to farmers for recovery of livestock production to improve food security, incomes and nutrition of drought affected communities through interventions, including restocking of livestock; promoting animal health care through campaigns, vaccinations, de-worming, provision of mobile veterinary services; and provision of advisory services and capacity building for livestock farmers.

Part 3: Support to Project Implementation Arrangements

Provision of support for Project implementation, including financing of Operating Costs, goods and consulting services.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. The Recipient shall:

   (a) maintain the Project Implementation Unit established within MAFS, with composition, staffing, functions and resources acceptable to the Association, responsible for: (i) ensuring overall coordination and linkages across the teams directly responsible for implementation of Project activities; (ii) procurement, disbursement, accounts, audit, monitoring, evaluation, and reporting; and (iii) interacting regularly with other donor organizations working on activities similar to the Project activities; and

   (b) without limitation to sub-paragraph (a) above, not later than two (2) months after the Effective Date, have in place at the Project Management Unit, an environmental and social safeguards officer responsible for overseeing the preparation, and implementation, of Safeguards Instruments and a procurement officer, all with terms of reference acceptable to the Association.

B. Implementation Arrangements

Project Implementation Manual

1. In order to facilitate the implementation of the Project, the Recipient shall:

   (a) adopt, not later than one (1) month after the Effective Date, a Project Implementation Manual, which shall have been prepared in accordance with terms of reference satisfactory to the Bank, and approved by the Association; such terms of reference to include that the manual sets out: (i) detailed Project implementation procedures, including for administrative, procurement, financial, technical and implementation arrangements; (ii) basic principles of a free, prior, and informed consultation leading to broad community support for the proposed Project, as well as pre-determined criteria for targeting Project beneficiaries; (iii) terms and conditions, process and criteria for selecting beneficiaries to receive food and nutrition support under Part 1 of the Project, and (iv) terms and conditions, process and criteria for selecting farmers to receive support under Part 2 of the Project;
(b) carry out the Project in accordance with the PIM that has been approved by the Association and adopted by the Recipient; and

(c) not amend, abrogate or waive said PIM or any part thereof without the prior written approval of the Association.

Annual Work Plan and Budget

2. (a) The Recipient shall prepare and furnish to the Association for its approval, not later than June 30 of each year during the implementation of the Project, a proposed annual work plan and budget containing all activities proposed to be carried out under the Project in the following fiscal year.

(b) The Recipient shall afford the Association a reasonable opportunity to exchange views with the Recipient on each such proposed annual work plan and budget; and thereafter, implement the Project with due diligence in accordance with such annual work plan and budget as shall have been approved by the Association.

Selecting Beneficiaries and Farmers

3. The Recipient shall select beneficiaries to receive food and nutrition support under Part 1 of the Project in accordance with criteria and process set out in the PIM and farmers to receive support under Part 2 of the Project in accordance with the criteria and process set out in the PIM.

C. Anti-Corruption

The Recipient shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

D. Safeguards

1. Within three (3) months from the Effective Date, the Recipient shall:

(a) prepare, in accordance with terms of reference acceptable to the Bank, ESMF and IPMP; and

(b) adopt such ESMF and IPMP as shall have been approved by the Association and publish the ESMF and IPMP in a manner acceptable to the Association.

2. The Recipient shall carry out the Project in accordance with the ESMF, IPMP and RPF.
3. (a) Implementation of those activities under the Project that, pursuant to the ESMF, require the adoption and implementation of an environmental and social management plan ("ESMP") shall not commence unless and until such ESMP has been prepared in accordance with the ESMF and approved by the Association in writing and publicly disclosed as required by the ESMF; and

(b) thereafter, the Recipient shall carry out such activities in accordance with the provisions of the ESMP.

4. If a Resettlement Action Plan ("RAP") would be required for any Project activity on the basis of the Resettlement Policy Framework ("RPF"): (a) said RAP shall be prepared in accordance with the requirements of the RPF, disclosed locally and furnished to the Association for review and approval; and (b) no works under said activity shall commence until all measures required to be taken under said RAP prior to the initiation of said works have been taken.

5. (a) Without limitation upon its other reporting obligations under this Agreement, the Recipient shall collect, compile and furnish to the Association reports, in form and substance satisfactory to the Association, on the status of compliance with the Safeguards Instruments, as part of the Project Reports, giving details of:

(i) measures taken in furtherance of the Safeguards Instruments;

(ii) conditions, if any, which interfere or threaten to interfere with the smooth implementation of the Safeguards Instruments; and

(iii) remedial measures taken or required to be taken to address such conditions.

(b) The Recipient shall afford the Association a reasonable opportunity to review and exchange views with the Recipient on the reports prepared under paragraph (a) immediately above, and thereafter, shall carry out, or cause to be carried out, with due diligence, all remedial measures agreed with the Association so as to ensure the proper implementation of the Project in accordance with the Safeguards Instruments.

6. The Recipient shall not amend, abrogate or waive, or permit to be amended, abrogated or waived, any of the Safeguards Instruments or any provision thereof without the prior written approval of the Association.
Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of indicators acceptable to the Association and set forth in the PIM. Each Project Report shall cover the period of one calendar quarter, and shall be furnished to the Association not later than forty-five (45) days after the end of the period covered by such report.

B. Financial Management, Financial Reports and Audits

1. The Recipient shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 4.09 of the General Conditions.

2. Without limitation on the provisions of Part A of this Section, the Recipient shall prepare and furnish to the Association as part of the Project Report not later than forty-five (45) days after the end of each calendar quarter, interim unaudited financial reports for the Project covering the quarter, in form and substance satisfactory to the Association.

3. The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 4.09(b) of the General Conditions. Each 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 Association not later than six (6) months after the end of such period.

Section III. Procurement

All goods, works, non-consulting services and consulting services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in the Procurement Regulations and the provisions of the Procurement Plan.

Section IV. Withdrawal of the Proceeds of the Financing

A. General

1. The Recipient may withdraw the proceeds of the Financing in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Association shall specify by notice to the Recipient (including the “Disbursement Guidelines for Investment Project Financing” dated February 2017, as revised from time to time by the Association 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 Financing ("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 SDR)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, works, consulting services, and non-consulting services under Part 1 of the Project</td>
<td>31,000,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Goods, works, consulting services, and non-consulting services under Part 2 of the Project</td>
<td>5,500,000</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Goods, Operating Costs and Consulting Services under Part 3 of the Project</td>
<td>400,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>36,900,000</td>
<td></td>
</tr>
</tbody>
</table>

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for payments made prior to the date of this Agreement, except that withdrawals up to an aggregate amount not to exceed SDR 14,750,000 may be made for payments made prior to this date but on or after April 17, 2017, for Eligible Expenditures under Categories 1 and 2.

2. The Closing Date is July 31, 2019.
APPENDIX

Definitions


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

3. "ESMF" or "Environment and Social Management Framework" means the framework to be prepared pursuant to Section I.D.1 of Schedule 2 to this Agreement, setting out mitigation, monitoring, and institutional measures that have been identified by the Recipient to eliminate any adverse environmental and social impacts of Project activities, offset them, or reduce them to acceptable levels, or enhance positive impacts, as the same may be modified from time to time with the prior written concurrence of the Association, and such term includes any schedules or annexes to said ESMF.

4. "Environmental and Social Management Plan" or "ESMP" means any environmental and social management plan, acceptable to the Association and consistent with the ESMF, which gives details of the specific actions, measures and policies designed to facilitate the achievement of the objectives of the ESMF under the Project along with the procedural and institutional measures needed to implement such actions, measures and policies; and the term "ESMPS" means, collectively, all such plans.


6. "IPMP" or "Integrated Pest Management Plan" means a plan to be prepared pursuant to Section I.D.1 of Schedule 2 to this Agreement, setting out the measures to be taken for the development and implementation of integrated pest management and safe handling of agro-chemicals in the course of Project implementation, as the same may be modified from time to time with the prior written concurrence of the Association, and such term includes any schedules or annexes to said plan.

7. "MAFS" means the Ministry of Agriculture and Food Security of the Recipient, and any successor thereto.

8. "Operating Costs" means the incremental expenditures incurred by the Recipient in the implementation of the Project, on account of office supplies, office rent,
communication and insurance charges, maintenance of office equipment, vehicle operations and maintenance costs, utilities, travel and travel allowances, and salaries of locally contracted employees, but excluding salaries of officials of the Recipient’s civil service.

9. "PIU" means the Project implementation Unit, established within MAFS and referred to in Section I.A.1 of Schedule 2 to this Agreement.

10. "Procurement Plan" means the Recipient’s procurement plan for the Project, dated April 18, 2017, and provided for under Section IV of the Procurement Regulations, as the same may be updated from time to time in agreement with the Association.


12. "Project Implementation Manual" or "PIM" means the manual to be prepared and adopted by the Recipient pursuant to Section I.B.1(a) of Schedule 2 to this Agreement, setting out details of all procedures, guidelines, timetables and criteria, including administrative, financial, procurement, monitoring and evaluation, technical and organizational arrangements, guidelines and procedures as shall be required for the Project, as the same may be amended from time to time with the prior written approval of the Association, and such term includes any schedules to the Project Implementation Manual.

13. "RAP" or "Resettlement Action Plan" means the Recipient’s plan, prepared pursuant to the Resettlement Policy Framework and agreed with the Association, setting out the procedures, including related compensation measures, to be applied in the event of the physical or economic displacement of persons affected by activities to be implemented under the Project in accordance with the provisions of the Resettlement Policy Framework (as hereinafter defined), as the same may be modified from time to time with the prior written concurrence of the Association, and such term includes any schedules or annexes to said Plan.

14. "RPF" or "Resettlement Policy Framework" means the Recipient’s framework, dated November 16, 2015, agreed with the Association and setting out arrangements for the resettlement and compensation of persons affected by potential changes in land use associated with activities to be implemented under the Project, as the same may be modified from time to time with the prior written concurrence of the Association, and such term includes any schedules or annexes to said Framework.

15. "Safeguards Instruments" means the ESMF, ESMP, RPF, RAP, and IPMP.
FINANCING AGREEMENT

AGREEMENT dated ________________, 201__, entered into between the REPUBLIC OF SOUTH SUDAN ("Recipient") and the INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association"). The Recipient and the Association hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

1.01. The General Conditions (as defined in the Appendix to this Agreement) constitute an integral 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 General Conditions or in the Appendix to this Agreement.

ARTICLE II — FINANCING

2.01. The Association agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a grant in an amount equivalent thirty-six million nine hundred thousand Special Drawing Rights (SDR 36,900,000) ("Financing"), to assist in financing the project described in Schedule 1 to this Agreement ("Project").

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

2.03. The Maximum Commitment Charge Rate payable by the Recipient on the Unwithdrawn Financing Balance shall be one-half of one percent (1/2 of 1%) per annum.

2.04. The Payment Dates are July 15 and December 15 in each year.

2.05. The Payment Currency is Dollar.

ARTICLE III — PROJECT

3.01. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out the Project through MAFS in accordance with the provisions of Article IV of the General Conditions.

3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Recipient and the Association shall otherwise agree, the Recipient