

Public Disclosure Authorized

OFFICIAL DOCUMENTS

GRANT NUMBER D370-SO

Financing Agreement

(Additional Financing for Domestic Revenue Mobilization and Public Financial
Management Capacity Strengthening Project)

between

FEDERAL REPUBLIC OF SOMALIA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

GRANT NUMBER D370-SO

FINANCING AGREEMENT

AGREEMENT dated as of the Signature Date between FEDERAL REPUBLIC OF SOMALIA (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”), for the purpose of providing additional financing for the Original Project and activities related to the Original Project (as defined in the Appendix to this Agreement).

WHEREAS (A) the Recipient is implementing a program of actions, objectives and policies consisting of a public finance management reform program, to meet its commitment in an effort towards clearing its arrears to the Association (the “Program”);

(B) the Recipient having satisfied itself as to the feasibility and priority of the project described in Schedule 1 to this Agreement (the “Project”), and which forms part of the Recipient’s Program has requested the Association to assist in the financing of the Project;

(C) the Government of Somaliland State of the Recipient has requested the Somalia Multi-Partner Fund Trust Fund (the “SMPF”) for a grant in an amount of six million United States Dollars (\$6,000,000) to assist in financing specific activities related to Parts 2, 3 and 4 of the Project, on terms and conditions set forth in an agreement (the “Somaliland SMPF Grant Agreement”) to be entered into between the Government of Somaliland and International Development Association (acting as an administrator of the SMPF Trust Fund);

(D) the Recipient has requested the SMPF for a grant in an amount of four million United States Dollars (\$4,000,000) to assist in the financing of the Project, on terms and conditions set forth in an agreement (the “SMPF Grant Agreement”) to be entered into between the Recipient and the Association (as administrator of the SMPF); and

WHEREAS the Association has agreed on the basis of, inter alia, the foregoing, to extend the grant to the Recipient upon the terms and conditions set forth in this Agreement;

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) 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 General Conditions or in the Appendix to this Agreement.

ARTICLE II — FINANCING

- 2.01. The Association agrees to extend to the Recipient a grant, which is deemed as Concessional Financing for purposes of the General Conditions, in an amount equivalent to fourteen million three hundred thousand Special Drawing Rights (SDR 14,300,000) (“Financing”), to assist in financing the Project described in Schedule 1 to this Agreement.
- 2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section III of Schedule 2 to this Agreement.
- 2.03. The Maximum Commitment Charge Rate is one-half of one percent (1/2 of 1%) per annum on the Unwithdrawn Financing Balance.
- 2.04. The Payment Dates are April 15 and October 15 in each year.
- 2.05. The Payment Currency is Dollar.

ARTICLE III — PROJECT

- 3.01. The Recipient declares its commitment to the objective of the Project. To this end, the Recipient shall carry out Parts 1.A, 2.1.A.1, 2.2.A.1, 2.3.A.1, 2.4.A.1, 3.A.1, 3.A.2 and 4.A.1 of the Project through the Federal Ministry of Finance and cause Parts 1.B, 2.1.B.1, 2.2.B.1, 2.3.B.1, 2.4.B.1, 3.B.1, and 4.B.1 of the Project to be carried out by the Puntland State of Somalia in accordance with the provisions of Article V of the General Conditions, Schedule 2 to this Agreement, and the Subsidiary Agreement.

ARTICLE IV — REMEDIES OF THE ASSOCIATION

- 4.01. The Additional Event of Suspension consist of the following, namely that, the SMPF Grant has been cancelled or suspended for any reason whatsoever.

ARTICLE V — EFFECTIVENESS; TERMINATION

- 5.01. The Additional Conditions of Effectiveness consists of the following:

- (a) the SMPF Grant 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; and
- (b) that the Subsidiary Agreement has been executed and delivered on behalf of the Recipient and Puntland State of Somalia, and said Subsidiary Agreement is legally binding upon the Recipient and Puntland State of Somalia, in accordance with its terms.

- 5.02. The Effectiveness Deadline is the date ninety (90) days after the Signature Date.
- 5.03. For purposes of Section 10.05 (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 years after the Signature Date.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

- 6.01. The Recipient's Representative is the minister responsible for finance.
- 6.02. For purposes of Section 11.01 of the General Conditions: (a) the Recipient's address is:

Ministry of Finance
Villa Somalia
Mogadishu

- 6.03. For purposes of Section 11.01 of the General Conditions: (a) The Association's address is:

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

- (b) the Association's Electronic Address is:

Telex:	Facsimile:
248423 (MCI)	1-202-477-6391

AGREED as of the Signature Date.

FEDERAL REPUBLIC OF SOMALIA

By



Authorized Representative

Name: Abdirahman Bateh
Title: Minister
Date: 27/10/2018

INTERNATIONAL DEVELOPMENT ASSOCIATION

By



Authorized Representative

Name: Bella Baid
Title: COUNTRY DIRECTOR
Date: 31 OCTOBER 2018.

SCHEDULE 1

Project Description

The objective of the Project is to strengthen systems of domestic revenue mobilization, expenditure control and accountability in the Federal Government, Puntland State of Somalia, and Somaliland.

Part 1. Strengthening Tax Policy and Inland Revenue Administration

1.A. *Strengthening Tax Policy and Inland Revenue Administration at the Federal level*

1. Carrying out a program of activities to improve the capacity for tax policy, and establish a tax policy unit in the Federal Ministry of Finance, including: (a) defining structure and job specification for the tax policy unit, and linkage to the Office of the Attorney General, to establish appropriate legal or regulatory framework; and (b) developing a credible and fair revenue policy, and strengthening evidence based research, revenue forecasting and gap analysis capacity of the tax policy unit.
2. Carrying out a program of activities to improve the capacity for inland revenue administration, including: (a) operationalizing a large tax payer office, retooling said large tax payer office, people capacity and organizational structure; (b) business process mapping and redesigning; (c) modernizing and automation; and (d) building the human and institutional capacity of the revenue department, developing skills of tax officials, and provision of required training for tax officials.
3. Carrying out a program of activities to develop taxpayer education, and promote voluntary compliance, inter alia, developing: (a) a taxpayer orientation, or socialization program; (b) a taxpayer service charter; (c) facilitation and grievance redress help-desk; and (d) use of the Somali Revenue Academy to equip the public with tax compliance skills and knowledge.
4. Carrying out a program of activities to support the revenue bill consultations and bridging operationalization of said revenue bill upon enactment.

1.B *Strengthening Tax Policy and Inland Revenue Administration in Puntland State of Somalia*

1. Carrying out a program of identified priority activities designed to improve the capacity for tax policy and revenue administration, and develop taxpayer education in the Puntland State of Somalia on the basis of Annual Work Plans.

Part 2. Strengthening Systems for the Public Funds Management, Transparency and Accountability

2.1 A. *Strengthening systems of Treasury Management, Budget Execution, Accounting and Financial Reporting at Federal level*

1. Carrying out a program of activities to ensure integrity of the Somalia Financial Management Information System (SFMIS), including: (a) development of targeted institutional capacity development programs for sustainable management of the SFMIS; (b) implementation of government cash management policies; (c) development of a sustainable, skills transfer focused capacity development plan to ensure sustainability of the SFMIS; (d) provision of required training for sustainability of the SFMIS; and (e) modernizing internal audit function.

2.1.B. *Strengthening systems of Treasury Management, Budget Execution, Accounting and Financial Reporting in the Puntland State of Somalia*

1. Carrying out a program of activities to strengthen the capacity of the Puntland State of Somalia's Office of Accountant General, ensure the integrity of Puntland State of Somalia's financial management information system (PL-FMIS), including in financial reporting and expenditure management, internal control, potential gaps and data development of targeted institutional capacity development programs, and capacity development activities targeted at improving expenditure management and control, and modernizing internal audit function.

2.2.A *Strengthening the Integrity Systems at the Federal level*

1. Carrying out a program of activities to strengthen the capacity for audit of projects and Federal government-wide annual financial statements, including (a) strengthening the Supreme Audit Institution to implement its strategic plan towards meeting the INTOSAI requirements; and (b) introducing centralized projects audits.

2.2.B *Strengthening the Integrity Systems in the Puntland State of Somalia*

1. Carrying out a program of activities to: (a) strengthen review of the Puntland State Audit Law to ensure consistency with the INTOSAI; and (b) develop and implement capacity building approaches to ensure sustainability of the financial management reforms; and (c) introducing centralized projects audits.

2.3.A *Professionalization of the Public Financial Management Staff at the Federal level*

1. Expanding the Federal Government public finance management professionalization program, including provision of training to the relevant federal

government staff, and developing and implementing an action plan to meet the standards of the International Federation of Accountants and Statement of Membership Obligations.

2.3.B. *Professionalization of the Public Financial Management Staff in Puntland State of Somalia*

1. Expanding the Puntland State's government public finance management professionalization program, including provision of training to the relevant Puntland State government staff, and developing and implementing an action plan to meet the standards of the international Federation of Accountants and Statement of Membership Obligations

Part 3. Rapid Response Facility

3.A. *Federal level*

1. Providing rapid response for emerging domestic revenue mobilization and public finance management priorities, including:
 - (a) provision of technical advisory services, conducting approved consultations, workshops and focus-group discussions; and
 - (b) carrying out the construction of the second phase of the Federal Ministry of Finance headquarters building.
2. Provision of training to the staff of the Project implementation unit in environmental and social safeguards management.

3.B. *Puntland State of Somalia*

1. Providing rapid response for emerging domestic revenue mobilization and public finance management priorities, including provision of technical advisory services, conducting approved consultations, workshops and focus-group discussions.

Part 4. Public Financial Management Reform Oversight, Coordination and Management

4.A *Federal level*

1. Strengthening the capacity for Project management, coordination and implementation of the Project at the Federal level, including carrying out audits, monitoring and evaluation of the Project, acquisition of goods, provision of consultants' services, provision of training to Project staff, approved workshops,

study tours and exchange visits for Project staff and relevant Federal Ministry of Finance officials.

4.B *Puntland State of Somalia*

1. Strengthening the capacity for Project management, coordination and implementation of the Project in Puntland State of Somalia, including carrying out audits, monitoring and evaluation of the Project, acquisition of goods, provision of consultants' services, provision of training to Project staff, approved workshops, study tours and exchange visits for Project staff and relevant Puntland Ministry of Finance officials.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

A.1 Overall Coordination of *the Project*, and *Institutional Arrangements for the Federal Component*

1. Federal Ministry of Finance

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

2. Federal Public Financial Management Reform Coordination Unit (FPMRCU)

(a) The Recipient shall for the purpose of effective implementation of Parts 1.A, 2.1.A.1.2.2.A.1, 2.3.A.1, 2.4.A.1, 3.A.1, 3.A.2 and 4.A.1 of the Project (Federal Component) throughout the Project implementation maintain the FPMRCU within the Federal Ministry of Finance with resources, terms of reference, staffing, and other resources, satisfactory to the Association.

(b) Without limitation to paragraph 2(a) immediately above, the FPMRCU shall be responsible for day-to-day management and administration of the Federal Component of the Project, fiduciary aspects (financial management and procurement), monitoring and evaluation.

3. Federal Public Financial Management FM Reform Oversight Committee

(a) The Recipient shall maintain throughout the project implementation, the Federal PFM Reform Oversight Committee with a mandate, resources, terms of reference and functions, satisfactory to the Association.

(b) Without limitation to the provisions of paragraph 3(a) immediately above, the Federal PFM Reform Oversight Committee shall be responsible for; (i) review and approval of annual work plans and budgets, and Project Reports, including Financial Management Reports; and (ii) provide overall policy and strategic guidance for the Project.

4. Federal Technical Steering Committee

- (a) The Recipient shall maintain throughout the project implementation, the Federal Technical Steering Committee with a mandate, adequate resources, functions and terms of reference, satisfactory to the Association.
- (b) Without limitation to the provisions of paragraph 4(a) immediately above, the Federal Technical Steering Committee shall be responsible for:
 - (i) reviewing the annual work plans and budgets, and Project Reports, including Financial Management Reports, and recommending such annual work plan, budgets and reports to the Federal PFM Reform Oversight Committee for approval; and
 - (ii) providing technical advice and guidance for the Project.

5. Federal Component Implementation Teams

- (a) The Recipient shall for the purpose of the implementation the Federal Component maintain throughout Project implementation, the Federal Component Implementation Teams with resources, functions, qualifications and terms of reference, satisfactory to the Association.
- (b) Without limitation to the provisions of paragraph 5(a) immediately above, the Federal Component Implementation Teams shall be responsible for:
 - (i) preparation of the Federal Component annual work plans and budgets;
 - (ii) day-to-day coordination of the pertinent financial management reform activities; and
 - (iii) preparation of the Federal Component Project Reports, including Financial Management Reports for consideration by the Federal Technical Steering Committee.

A.2 *Institutional Arrangements at the Puntland State of Somalia*

1. Puntland Ministry of Finance

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

2. Puntland Public Financial Management Reform Coordination Unit

- (a) For the purpose of effective implementation of Parts 1.B, 2.1B.1, 2.2.B.1, 2.3.B.1, 2.4.B.1, 3.B.1, and 4.B.1 (Puntland Component) the Recipient shall cause the Puntland State of Somalia, to maintain throughout project implementation, Puntland Public Financial Management Reform Coordination Unit (PPFMRCU) with resources, terms of reference, staffing, and other resources, satisfactory to the Association.

- (b) Without limitation to paragraph 2(a) immediately above, the PPFMRCU shall be responsible for day-to-day management and administration of the Project, fiduciary aspects (financial management and procurement), monitoring and evaluation of the Puntland Component.

3. Puntland Public Financial Management Reform Oversight Committee

- (a) The Recipient shall cause Puntland State of Somalia to maintain throughout the project implementation, Puntland PFM Reform Oversight Committee with a mandate, resources, terms of reference and functions, satisfactory to the Association.
- (b) Without limitation to the provisions of paragraph 3(a) immediately above, Puntland PFM Reform Oversight Committee shall be responsible for (i) review and approval of annual work plans and budgets, and Project Reports, including Financial Management Reports; and (ii) provide overall policy and strategic guidance for the Puntland Component.

4. Puntland Technical Steering Committee

- (a) The Recipient shall cause the Puntland State of Somalia to maintain throughout the project implementation, the Puntland Technical Steering Committee with a mandate, adequate resources, functions and terms of reference, satisfactory to the Association.
- (b) Without limitation to the provisions of paragraph 4(a) immediately above, Puntland Technical Steering Committee shall be responsible for: (i) reviewing the annual work plans and budgets, and Project Reports, including Financial Management Reports, and recommending such annual work plan, budgets and reports to the Puntland PFM Reform Oversight Committee for approval; and (ii) providing technical advice and guidance for the Puntland Component.

5. Puntland Component Implementation Teams

- (a) The Recipient shall for the purpose of the implementation of Puntland Component, cause the Puntland State of Somalia to maintain throughout the Project implementation, the Puntland Component Implementation Teams with resources, functions, qualifications and terms of reference, satisfactory to the Association.
- (b) Without limitation to the provisions of paragraph 5(a) immediately above, the Puntland Component Implementation Teams shall be responsible for: (i) preparation of the Puntland Component annual work plans and budgets; (ii) day-to-day coordination of the pertinent financial management reform

activities; and (iii) preparation of the Puntland Component Project Reports, including Financial Management Reports for consideration by the Puntland Technical Steering Committee.

B. Subsidiary Agreement

1. To facilitate the carrying out of the Puntland Component of the Project, the Recipient shall make part of the proceeds of the Financing allocated from time to time to Category (2) of the table set forth in Section III.1 of this Schedule available to the Puntland State of Somalia under a subsidiary agreement between the Recipient and the Puntland State of Somalia, under terms and conditions approved by the Association ("Subsidiary Agreement").
2. The Recipient shall exercise its rights under the Subsidiary Agreement in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive the Subsidiary Agreement or any of its provisions.

C. Project Implementation Manual

1. The Recipient shall: (a) not later than thirty (30) days after the Signature Date, update the Project Implementation Manual, in form and substance satisfactory to the Association, and thereafter: (b) carry out the Project in accordance with said Project Implementation Manual containing detailed guidelines and procedures for the implementation of the Project, including monitoring and evaluation, procurement, coordination, financial, administrative and accounting procedures, corruption and fraud mitigation measures, criteria for selection, and modality for implementation of any activity to be financed under the Rapid Response Facility under Part 3 of the Project, and such other arrangements and procedures as shall be required for the Project, and except as the Association shall otherwise agree in writing, not amend or waive, or permit to be amended or waived any provision of thereof.
2. In case of a conflict between the provisions of the Project Implementation Manual and this Agreement, the provisions of this Agreement shall prevail.

D. Annual Work Plan and Budget

1. The Recipient shall, not later than December 31 of each year prepare and furnish to the Association, 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, in respect of Part 1.B.5 of Project cause the Puntland State of Somalia to submit the identified priority activities for implementation during the

following Fiscal Year as part of the annual work program. To this end, such priority activities shall be prepared and appraised in consultation with the Recipient and approved by the Association.

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

E. Environmental Safeguards for Part 3.A.2 of the Project

1. The Recipient shall:
 - (a) prepare, in accordance with terms of reference acceptable to the Association, an Environmental Management Plan (“EMP”), including an Environmental Audit (EA); and
 - (b) adopt such EMP and EA as shall have been approved by the Association and publish said EMP and EA, in a manner acceptable to the Association.
2. The Recipient shall carry out the construction of the second phase of the Federal Ministry of Finance headquarters’ building in accordance with the EMP.
3. The Recipient shall include in the Project Reports referred to in Section II.A. of this Schedule adequate information on the implementation of the EMP, giving details of:
 - (a) measures taken in furtherance of the EMP;
 - (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of the EMP; and
 - (c) remedial measures taken or required to be taken to address such conditions and to ensure the continued efficient and effective implementation of the EMP.

Section II. Project Monitoring, Reporting and Evaluation

The Recipient shall furnish to the Association each Project Report not later than forty-five (45) days after the end of each calendar semester, covering the calendar semester.

Section III. Withdrawal of the Proceeds of the Financing

A. General

Without limitation upon the provisions of Article II of the General Conditions and in accordance with the Disbursement and Financial Information Letter, the Recipient may withdraw the proceeds of the Financing to finance Eligible Expenditures; in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:

Category	Amount of the Grant Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, non-consulting services, consulting services, Training and Operating Costs for Parts 1, 2.1.A.1, 2.2.A.1, 2.3.A.1, 2.4.A.1, 3.A.1(b), 3.A.2 and 4.A.1 of the Project	9,700,000	100%
(2) Goods, non-consulting services, consulting services, Training and Operating Costs for Parts 1.B, 2.1B.1, 2.2.B.1, 2.3.B.1, 2.4.B.1, 3.B.1, and 4.B.1 of the Project	3,600,000	100%
(3) Works and non-consulting services for Part 3.A.1(b) of the Project	1,000,000	100%
TOTAL AMOUNT	14,300,000	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A above, no withdrawal shall be made for:
 - (a) payments made prior to the Signature Date; or
 - (b) payments for works in respect of construction of the second phase of the Federal Ministry of Finance headquarters building under Category (3) set forth in the table under Section III.A. of this Schedule, unless the Recipient has prepared, adopted and disclosed the EMP and the EA, in form and substance satisfactory to the Association; or
 - (c) payments under Categories (1), (2) and (3) in respect of any Rapid Response Facility activity under Parts 3.A.1, 3.A.2 and 3.B.1 of the Project, unless the Recipient has, in form and substance satisfactory to the Association, met the respective criteria established in the Project Implementation Manual.
2. The Closing Date is June 30, 2022

APPENDIX

Definitions

1. “Annual Work Plans and Budget” means a consolidated annual plan and budget referred to in Section I.D of Schedule 2 to this Agreement.
2. “Anti-Corruption Guidelines” means, for purposes of paragraph 5 of the Appendix to the General Conditions, 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 and as of July 1, 2016.
3. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
4. “Environmental Management Plan” and “EMP” mean a plan in respect of the construction of the second phase the Federal Ministry of Finance headquarters building under Part 3.A.2 of the Project, said plan approved by the Association for the Project, to be prepared and adopted by the Recipient, setting out appropriate actions, mitigation, monitoring and institutional measures and policies designed to mitigate potential adverse environmental impacts, offset them, reduce them to acceptable levels or enhance positive impacts, and as such plan may be amended from time to time, with the prior written approval of the Association.
5. “Environmental Audit” and “EA” mean the report of the Recipient, approved by the Association, to be prepared and adopted by the Recipient, setting out the context of SIDA-financed construction of the first phase of the Federal Ministry of Finance headquarters building including, identification of needs for the construction, gaps, conditions of the construction site, environmental and social impacts of the first phase of the construction, appropriate actions, mitigation, monitoring and institutional measures and policies required to mitigate potential adverse environmental impacts, offset or reduce them to acceptable levels or enhance positive impacts.
6. “Federal Component Implementation Teams” means the Recipient’s teams referred to in Section I.A.1.5 of Schedule 2 to this Agreement.
7. “Federal Ministry of Finance” means the Recipient’s ministry at the time responsible for finance, or any successor thereto.
8. “Federal Public Financial Management Reform Coordinating Unit” or “FPFMRCU” means the unit referred to in Section I.A.1 2 of Schedule 2 to this Agreement.

9. “Federal Public Financial Management Reform Oversight Committee” means a committee of the Recipient referred to Section I.A.1.3 of Schedule 2 to this Agreement.
10. “Federal Technical Steering Committee” means the committee of the Recipient referred to Section I.A.1.4 of Schedule 2 to this Agreement.
11. “General Conditions” means the “International Development Association General Conditions for IDA Financing, Investment Project Financing”, dated July 14, 2017.
12. “International Federation of Accountants” or “IFAC” means a global organization representing the accounting profession in the establishment and promotion of international standards and advocates for the profession on public policy issues.
13. “INTOSAI” means the International Organization of Supreme Audit Institutions.
14. “Operating Costs” means the incremental cost arising on account of Project implementation, based on Annual Work Plans and Budgets, approved by the Association pursuant to Section II.D of Schedule 2 to this Agreement, including office supplies, vehicle operation and maintenance, maintenance of office equipment, communication, advertisement and insurance costs, office administration costs, bank charges, costs associated with translation of documents, utilities, rental, consumables, accommodation, travel and *per diem* of Project staff on official travel, salaries of Project staff, but excluding the salaries of the Recipient’s civil servants.
15. “Original Project” means the Project described in Schedule 1 to the Original SMPF Grant Agreement.
16. “Original SMPF Grant Agreement” means the SMPF Trust Fund Grant Agreement for Second Public Financial Management Capacity Strengthening Project, between the Recipient and the Association (acting as an administrator of the Somalia Multi-Donor Partner Fund Trust Fund), dated July 22, 2015 (SMPF Trust Fund Number TF0A0388).
17. “Project Implementation Manual” means the Recipient’s manual dated June 2015, and to be updated in accordance with the provisions of Section I.C.1 of Schedule 2 to this Agreement, as said manual may be amended from time to time with the prior written agreement of the Association, and such term includes any annexes or schedules to such manual.
18. “Procurement Regulations” means, for purposes of paragraph 87 of the Appendix to the General Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated July 2016, revised November 2017.

19. “Puntland Component Implementation Teams” means the teams of the Puntland State of Somalia referred to in Section I.A.2.5 of Schedule 2 to this Agreement.
20. “Puntland Ministry of Finance” means the ministry of the Puntland State of Somalia at the time responsible for finance, or any successor thereto.
21. “Puntland Public Financial Management Reform Coordinating Unit” or “PPFMRCU” means a unit of the Puntland State of Somalia within the Puntland Ministry of Finance referred to in Section I.A.2.2 of Schedule 2 to this Agreement.
22. “Puntland PFM Reform Oversight Committee” means a committee of the Puntland State of Somalia referred to Section I.A.2.1 of Schedule 2 to this Agreement.
23. “Puntland Technical Steering Committee” means a committee of the Puntland State of Somalia referred to Section I.A.2.3 of Schedule 2 to this Agreement.
24. “SIDA” means the Swedish International Development Agency.
25. “Signature Date” means the later of the two dates on which the Recipient and the Association signed this Agreement and such definition applies to all references to “the date of the Financing Agreement” in the General Conditions.
26. “SMPF Grant Agreement” means the SMPF Trust Fund agreement for the Project between the Recipient and the Association (acting as an administrator of the Somalia Multi-Donor Partner Fund Trust Fund), dated the same date as this Agreement, as such SMPF Grant agreement may be amended from time to time. “SMPF Grant Agreement” includes all appendices, schedules and agreements.
27. “Somaliland SMPF Grant Agreement” means the SMPF Trust Fund agreement for the related Project between the Government of Somaliland and the Association (acting as an administrator of the Somalia Multi-Donor Partner Fund Trust Fund), dated as of the Signature Date of said Agreement, as such Somaliland SMPF Grant agreement may be amended from time to time. “Somaliland SMPF Grant Agreement” includes all appendices, schedules and agreements.
28. “Statement of Membership Obligations” means set of pronouncements issued by IFAC to provide clear benchmarks to current and potential IFAC members to assist them in ensuring high quality performance by professional accountants.
29. “Supreme Audit Institution” or “SAI” means the Recipient’s supreme audit institution.
30. “Training” means the costs arising under the Project on account of training, workshops, study tours, exchange programs, seminars, and conferences, based on the Annual Work Plans and Budgets, approved by the Association, and referred to in Section I.D of Schedule 2 to this Agreement, and such costs include associated

travel, accommodation 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.