Mr. Laurent Thomas  
Director, Emergency Operations and Rehabilitation Division  
Food and Agriculture Organization (FAO) of the United Nations  
Rome  

Re: Somalia JSDF Grant for the Tsunami Livelihoods Recovery Project  
(Grant No. TF 098367)  

Dear Mr. Thomas:

I am writing on behalf of the International Development Association (the “Association” or the “Disbursing Organization”), as administrator of grant funds provided by Japan under the Japan Social Development Fund (the “Trust Fund”) to indicate the Disbursing Organization’s agreement to make a grant in an amount not exceeding one million, five hundred and seventy nine thousand, six hundred and forty six US Dollars (US $1,579,646) (the Grant) to the Food and Agricultural Organization (“FAO”) (the “Receiving Organization”) for the benefit of Somalia (the “Beneficiary”).

The Grant is made in accordance with instructions from the Japan Social Development Fund (JSDF) Committee (the “Trust Fund Steering Committee”), which has authority to determine the allocation of funds in connection with the Trust Fund by virtue of an administration agreement and/or resolution(s) for the establishment of the Trust Fund. The Grant is made for the purposes and on the terms and conditions set forth in the annexes to this Agreement.

The Receiving Organization represents, by confirming its agreement below, that it is authorized to contract and withdraw the Grant for the said purposes and on the said terms and conditions, and the Receiving Organization makes this representation knowing that the Disbursing Organization will rely on it for purposes of disbursing the Grant.

In light of the fact that both the Disbursing Organization and the Receiving Organization are signatories to the Fiduciary Principles Accord dated December 5, 2008 (the “FPA”), the funds transferred under this Grant will be received, administered, managed, expended, reported on, and audited, exclusively in accordance with the regulations, rules, procedures and administrative practices of the Receiving Organization, including those relating to its environmental, social and resettlement policies as well as those relating to direct and indirect costs (including indirect program support costs) and interest, and will be subject to the terms of this Agreement. In this regard, it is understood that indirect costs of the Receiving Organizations recovered through programme support costs will be 7 % and that in accordance with the UN General Assembly resolution 62/208 (2007 Triennial Comprehensive Policy Review principle of full cost recovery), all other costs incurred by such Receiving Organization in carrying out the Activities under this Grant will be recovered as direct costs. It is also understood that the Financial Management Framework Agreement between the United Nations and the World Bank dated March 10, 2006, does not apply to the Grant.

Please note that, in accordance with the Disbursing Organization’s policy on disclosure of information, the Disbursing Organization will make this Agreement publicly available after this Agreement has become effective and the Receiving Organization, by countersigning this Agreement,
gives its consent to such disclosure, it being understood, however, that the Disbursing Organization will consult with the Receiving Organization regarding whether to disclose any information in Annex B to this Agreement that the Receiving Organization regards as sensitive.

Please confirm your agreement with the foregoing, on behalf of the Receiving Organization, by signing, dating, and returning to us the enclosed copy of this Agreement. Upon receipt by the Disbursing Organization of the copy of this Agreement countersigned by you this Agreement will become effective as of the date of the countersignature.

Sincerely,
International Development Association

/s/Johannes Zutt
Country Director for Somalia
Africa Region

AGREED ON BEHALF OF THE RECEIVING ORGANIZATION:

FAO (Food and Agriculture Organization)

By __________________________
Authorized Representative

Name: /s/ Luca Alinovi

Title: Officer in Charge

Date: 20/12/2010
ANNEX A

Purposes, Terms and Conditions of the Grant

1. Purposes and Activities

1.1. The purpose of the Grant is to support the implementation of the Tsunami Livelihoods Recovery project (the “Project”) in accordance with the decision of the Trust Fund Steering Committee dated March 10, 2010. A description of the Project (“Project Description”), including project outcomes and specific activities (the “Activities”) together with the Project budget approved by the Trust Fund Steering Committee (the “Project Budget”), are set out in the attached Annex B.

2. Implementation Generally

2.1. The Receiving Organization will:

(a) carry out the Activities with due diligence and efficiency;

(b) promptly provide the Grant funds, facilities, services and other resources required for that purpose;

(c) take all reasonable steps to ensure that all goods and services financed out of the proceeds of the Grant will be used exclusively for the purposes of the Project;

(d) exercise the same care in the administration of the Grant as it exercises in the administration of all other funds it administers (including in particular its own funds), having due regard for economy and efficiency and the need to uphold highest standards of integrity in the administration of public funds including the prevention of fraud and corruption, consistent with the standards reflected in the FPA;

(e) implement the Activities in conformity with the agreed design, including with respect to the applicable environmental, social (including resettlement) arrangements for such implementation, it being understood that such implementation shall be subject to the application of the Receiving Organization’s own environmental and social policies and procedures;

(f) provide the financial and programmatic reports referred to in Sections 5.3 and 6.2 below in a timely manner, and furnish all other information covering the Activities and the use of the proceeds of the Grant as the Disbursing Organization shall reasonably request that are both consistent with this Agreement and consistent with its role as the administrator of the Trust Fund;

(g) notify the Disbursing Organization in writing of any substantial deviation from agreed plans or budgets in connection with the Activities as set out in Annex B, including as to their nature, content, sequencing, and duration, it being understood that all changes to the budget that would result in an increase in the total amount of the Grant are subject to the approval of the Trust Fund Steering Committee; and

(h) if necessary, upon the Disbursing Organization's request, use its best efforts with the authorities of the Beneficiary to enable representatives of the Disbursing Organization and/or the Trust Fund Steering Committee to visit the territory where the Activities are being carried out for the purposes of this Agreement.
3. **Procurement**

3.1. The Receiving Organization will carry out procurement of goods, works and non-consulting services and selection of consultants in accordance with the provisions of the Receiving Organization’s procurement policies, guidelines, methods and procedures and with the same care and diligence with which it undertakes all procurement, having due regard to economy and efficiency, transparency and the need to uphold the highest standards of integrity in the administration of public funds including the prevention of fraud and corruption, consistent with the standards reflected in the FPA.

3.2. (a) The Receiving Organization will require any party with which it has either a long-term arrangement or with which it intends to enter into a contract in connection with the Activities financed by the Grant to disclose whether it is subject to any sanction or temporary suspension imposed by any organization within the United Nations System including the organizations of the World Bank. The Receiving Organization will give due regard to any such sanctions or temporary suspensions, when issuing contracts in connection with the Activities.

(b) If the Receiving Organization proposes to issue a contract in connection with the Activities financed by the Grant to a party which has disclosed to the Receiving Organization that it is under sanction or temporary suspension by the Disbursing Organization, the following procedure will apply: (i) the Receiving Organization will so inform the Disbursing Organization, before signing such contract; (ii) the Disbursing Organization then may request direct consultations at a senior level between the Receiving Organization and the Disbursing Organization to discuss such decision; and (iii) the Disbursing Organization may thereafter inform the Receiving Organization by notice that funds disbursed to it under Section 4 of this Annex A may not be used to fund such contract.

(c) Any funds received by the Receiving Organization under this Agreement that were to be used to fund a contract in respect to which the Disbursing Organization has exercised its rights as set out in Section 3.2 (b) above shall be used to defray the amounts that may be requested by the Receiving Organization in any subsequent notice of withdrawal pursuant to Section 4.3 of this Annex A, or if no subsequent notice of withdrawal is made, such funds will be transferred by the Receiving Organization to the Disbursing Organization pursuant to Section 8.3 of this Annex A.

3.3. The Receiving Organization shall retain all documentation with respect to the Activities in accordance with Section 5.6 below and upon the Disbursing Organization’s reasonable request, the Receiving Organization shall provide relevant information drawn from such documentation to the Disbursing Organization. Should the Disbursing Organization identify any need for further clarification with respect to a particular transaction, the provisions of Section 7 of this Agreement will apply.

3.4. In the event that either the Receiving Organization or the Disbursing Organization becomes aware of factors that would indicate that corrupt, fraudulent, collusive, obstructive or coercive practices were undertaken in relation to any procurement activities under the Grant, including during contract award process or contract implementation, the provisions of Section 7 of this Annex A will apply.

3.5. Unless self-insured, the Receiving Organization shall ensure that all imported goods to be financed out of the proceeds of the Grant shall be insured against hazards incident to the acquisition, transportation and delivery thereof to the place of use or installation, and that any indemnity for such insurance is payable in a freely usable currency to replace or repair such goods. The Receiving Organization shall ensure that any supplies and equipment procured using Grant funds are at all times operated and maintained in accordance with appropriate practices and that any repairs or renewals of such facilities are promptly made as needed.
3.6. Upon completion of the Activities, the Receiving Organization will deal with all equipment and materials financed out of the proceeds of the Grant in accordance with the provisions of the relevant provisions of the basic agreement between the Receiving Organization and the Beneficiary that governs the treatment of such equipment and materials or, if there is no relevant provisions, in accordance with the Receiving Organization’s policies and usual practices and procedures and shall so advise the Beneficiary.

4. Withdrawal of Grant Proceeds

4.1. Subject to the availability of funds in the Trust Fund, the Disbursing Organization will credit the proceeds of the Grant to an account opened by the Disbursing Organization on its books in the name of the Receiving Organization (the “Grant Account”), in line with the Project Budget set forth in Annex B, and as may be amended from time to time by the Trust Fund Steering Committee. The proceeds of the Grant may be withdrawn from the Grant Account by the Receiving Organization in accordance with the provisions of this Section 4. The Disbursing Organization will notify the Receiving Organization in writing as soon as any amount of the Grant has been credited to, and is available for disbursement from, the Grant Account.

4.2. The Receiving Organization will make withdrawals from the Grant Account by delivering to the Disbursing Organization a written notice of withdrawal, in line with the attached Annex B and Annex C, and the Disbursing Organization will be entitled to rely upon such instructions. The notice of withdrawal must be signed on behalf of the Receiving Organization by official(s) designated by the Receiving Organization to sign such notices. The amounts set out in each notice of withdrawal will be disbursed to the bank account set out in section 4.3(b) of this Annex A unless the Disbursing Organization is otherwise notified in writing by the Receiving Organization.

4.3 (a) The Receiving Organization’s first notice of withdrawal will cover projected expenditures for the Activities for the first nine (9) months of implementation. The Receiving Organization will deliver to the Disbursing Organization subsequent notices of withdrawal each six (6) months thereafter, and each such notice will cover an amount representing the Recipient’s good faith projection of the expenditures for the Activities for the following nine (9) months, reconciling against amounts previously withdrawn and against the Project Budget.

(b) The Disbursing Organization will disburse to the Receiving Organization the full amount requested in each notice of withdrawal and will do so (i) by wire transfer in the currency of the Grant; (ii) within five (5) working days of receiving a notice of withdrawal; and (iii) to the following bank account or such other bank account as the Receiving Organization may nominate and notify in writing to the Disbursing Organization.

<table>
<thead>
<tr>
<th>Bank Name:</th>
<th>HSBC New York</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank Address:</td>
<td>452 Fifth Avenue, New York, NY, USA, 10018</td>
</tr>
<tr>
<td>Account Name:</td>
<td>FAO Trust Fund (USD)</td>
</tr>
<tr>
<td>Account No:</td>
<td>000156426</td>
</tr>
<tr>
<td>ABA:</td>
<td>021001088</td>
</tr>
<tr>
<td>Swift Code:</td>
<td>MRMDUS33</td>
</tr>
</tbody>
</table>

When making the disbursements, the Disbursing Organization will notify the Receiving Organization’s Head, Projects Accounting Group, by fax +39-06-57056023 or by e-mail Charlotta.Oqvist@fao.org, of the following: (i) the amount transferred; (ii) the value date of the transfer; (iii) that the transfer is from
the Disbursing Organization’s Grant Account for the JSDF Tsunami Livelihoods Recovery Project Grant No TF 098367; and (iv) the date of the notice of withdrawal to which the disbursement relates.

(c) The Receiving Organization will not make any commitments and/or file a notice of withdrawal for amounts that exceed the Project Budget, unless the increase or reallocations within the Project Budget have been specifically authorized by the Trust Fund Steering Committee.

4.4. Withdrawals will be made only in the currency of the Grant.

4.5. Notwithstanding the provisions of Section 4.2 above:

(a) No withdrawals may be made from the Grant Account: (i) for payments made for expenditures prior to the date of signature of this Agreement by the Receiving Organization; (ii) on account of payments for any taxes unless the Receiving Organization is required to make payment for such taxes; or (iii) for the purpose of any payment to persons or entities, or for any import of goods, if such payment or import is prohibited by a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations;

(b) The Receiving Organization may withdraw amounts of the Grant only to the extent that such amounts are available to the Disbursing Organization from the Trust Fund for the purposes of the Grant, it being understood that the Receiving Organization shall not be required to initiate or continue implementation of the Activities (including implementation using any amounts then already withdrawn from the Grant Account where the Receiving Organization determines that suspension of implementation is appropriate) while any amounts set out in the written notice of withdrawal from the Grant Account is unpaid; and

(c) No withdrawals may be made from the Grant Account after June 30, 2012 or such other date as may be approved by the Trust Fund Steering Committee (the “Closing Date”).

4.6. Following the Closing Date, and subject to the provisions of Section 4.5 above, the Receiving Organization will promptly reconcile the amounts withdrawn from the Grant Account against the amounts expended for the implementation of the Activities and refund to the Disbursing Organization any amounts not expended to finance the implementation of the Activities in accordance with Section 8.3 of this Annex A.

5. Accounts and Audits

5.1. The Receiving Organization will maintain or cause to be maintained a financial management system, including records and accounts, adequate to reflect the transactions related to the Activities, in accordance with the requirements of the relevant Financial Regulations and Rules of the Receiving Organization (the “Financial Regulations”).

5.2. The Receiving Organization will maintain in a separate ledger account in its records (the “Grant Control Account”) a complete, true and fair record of all disbursements to it from the Grant Account and all expenditures using the funds so disbursed to it.

5.3. During the term of this Agreement:

(a) The Receiving Organization shall prepare, on a six-monthly basis or more frequently should the Trust Fund Steering Committee, the Receiving Organization and the Disbursing Organization agree, interim unaudited financial reports, in accordance with accounting standards established pursuant to the
Financial Regulations and in the format agreed (as per Annex D) with the Disbursing Organization, adequate to reflect the expenditures related to the Grant. The first interim unaudited financial reports will be provided to the Disbursing Organization no later than forty-five (45) days after the end of the first six-months period after the effectiveness of this Agreement, and will cover the period from the incurring of the first expenditure under the Grant through the end of such first six-month period; thereafter, each interim unaudited financial report will be provided to the Disbursing Organization no later than forty-five (45) days after the end of each subsequent six-month period, and will cover such six-month period.

(b) The Receiving Organization will provide the Disbursing Organization with an annual financial statement of account certified by the Receiving Organization’s chief financial officer, showing income and the expenditure as of December 31st each year with respect to the Grant. Such financial statement of accounts will be provided within six (6) months after the closure of the Receiving Organization’s accounts for the year to which the annual financial statement relates. This financial statement will be in United States dollars. The exchange rate used for converting expenditures in other currencies will be the UN Operational Rate of Exchange in effect on the date the expenditure was made.

5.4. The Grant Control Account will be subject exclusively to the internal and external audit arrangements applicable to the Receiving Organization as set out in the Financial Regulations. The Parties will make their externally-audited financial statements and accompanying reports of their external auditors on their financial statements available to all other signatories to the FPA in accordance with Article 2(b) (II) of the FPA.

5.5. In the event that either the Receiving Organization or the Disbursing Organization becomes aware of factors that would indicate the need for further scrutiny of the implementation of Activities or any Grant expenditures (including non-frivolous allegations that corrupt, fraudulent, collusive or coercive practices were undertaken in relation to such Activities) the provisions of Section 7 of this Annex A will apply.

5.6. The Receiving Organization will retain all records evidencing all expenditures in respect of which withdrawals from the Grant Account were made, in accordance with its regulations, rules, policies and procedures relating to retention of records.

6. Monitoring and Evaluation; Programme Reporting

6.1. The Receiving Organization will monitor and evaluate implementation of the Activities in accordance with its applicable rules, regulations, policies and procedures, consistent with the standards reflected in the FPA.

6.2. The Receiving Organization will, at the same time it provides the semi-annual interim unaudited financial reports referred to in Section 5.3 (a) above (or at such other times as may be agreed between the Receiving Organization and the Trust Fund Steering Committee), provide to the Disbursing Organization, narrative progress reports on the impact of the Activities and progress towards achieving the identified outcomes for the Activities during the period to which such report relates.

6.3. The Disbursing Organization, in its capacity as administrator of the Trust Fund, will consolidate all reports provided by the Receiving Organization with relevant reports issued by other recipients of grants under this Trust Fund (including financial and narrative statements and reports) and furnish them to the Trust Fund Steering Committee in accordance with the timetable established by the Trust Fund Steering Committee, it being understood that the Disbursing Organization’s consolidation of the reports is not intended to confirm the Receiving Organization’s use of any Grant proceeds made hereunder, or to implement or supervise the Activities financed by the Grant.
7.  **Further Assurances; Consultation; Suspension and Termination of Withdrawals**

7.1. In fulfillment of the undertakings of the Receiving Organization under Article 2(b) (I) of the FPA:

(a) In the event that the Receiving Organization or the Disbursing Organization becomes aware of information that indicates the need for further scrutiny of the implementation of Activities or any Grant expenditures (including non-frivolous allegations that corrupt, fraudulent, collusive or coercive practices were undertaken in relation to such Activities) the entity that has become aware of such factors shall promptly notify the other.

(b) This information will be brought promptly to the attention of the appropriate official or officials of the Receiving Organization and to the attention of the Trust Fund Steering Committee.

(c) Following consultation between the Receiving Organization, the Disbursing Organization, and the Trust Fund Steering Committee, the Receiving Organization will, to the extent the information relates to actions within the authority or accountability of the Receiving Organization, take timely and appropriate action in accordance with its accountability and oversight framework, including applicable regulations, rules, and administrative instructions, to investigate this information. For greater clarity on this matter the Parties agree and acknowledge that the Receiving Organization has no authority and accordingly shall have no responsibility to investigate any Government official or officials or consultants of the Disbursing Organization.

(d) To the extent such investigation confirms the allegations and to the extent that remedial action is within the authority of the Receiving Organization, the Receiving Organization will take timely and appropriate action in response to the findings of such investigation, in accordance with the Receiving Organization’s accountability and oversight framework and established procedures, including its Financial Regulations and Rules, where applicable. It is agreed and understood that such action may include, where the Receiving Organization concludes it is appropriate, the invoking and enforcement of the Receiving Organization’s contractual rights against third parties.

(e) To the extent consistent with the Receiving Organization’s oversight framework and established procedures, it will keep the Disbursing Organization and the Trust Fund Steering Committee regularly informed by agreed means of actions taken pursuant to Section 7.1(d) and the results of the implementation of such actions, including where relevant, details of any recovery of funds or writing-off of losses. The Receiving Organization will use its best efforts, consistent with its regulations rules policies and procedure to recover any funds misused. The Receiving Organization will, in consultation with Disbursing Organization and the Trust Fund Steering Committee, credit any funds so recovered to the Grant Account or agree with them to use these funds for a purpose mutually agreed upon.

7.2. In the event that the Disbursing Organization reasonably believes that timely and appropriate action has not been taken, it may request direct consultations at a senior level between the Disbursing Organization and the Receiving Organization (in consultation with the Trust Fund Steering Committee) in order to obtain assurances that the Receiving Organization’s oversight and accountability mechanisms have been and are being fully applied in connection with such allegations. The Parties take note of the provisions of Article VIII of the United Nations Financial Regulations and Rules on external audit [and its analogous provisions in the financial regulations and rules of the Special Agencies].
7.3. The Disbursing Organization may, following consultation with the Receiving Organization and the Trust Fund Steering Committee, by notice to the Receiving Organization with a copy to the Trust Fund Steering Committee, suspend the right of the Receiving Organization to make further withdrawals from the Grant Account if any of the following events has occurred and is continuing:

(a) The Receiving Organization substantially deviates from agreed plans and budgets without prior approval of the Trust Fund Steering Committee and/or fails, without justification, materially to fulfill any of its substantive obligations pursuant to this Agreement, including its reporting obligations, and, after being given notice by letter to comply with those obligations, still fails to do so and fails to furnish a satisfactory explanation within thirty (30) days of receipt of the letter;

(b) The Disbursing Organization reasonably believes the actions taken by the Receiving Organization under Section 7.1 have not been sufficient to fulfill its fiduciary obligation with respect to the funds constituting the Grant; or

(c) The Receiving Organization has withdrawn or was deemed to have withdrawn from the FPA in accordance with Article 2(b) (IV) or Article 5 of the FPA.

7.4. The Disbursing Organization may, upon giving thirty (30) days’ written notice to the Receiving Organization with a copy to the Trust Fund Steering Committee, terminate the right of the Receiving Organization to make further withdrawals from the Grant Account at any time after the right of the Receiving Organization to make withdrawals of the Grant Account has been suspended pursuant to the provisions of Section 7.3 above.

7.5. For the purposes of this Agreement, the following definitions shall apply:

(a) “corrupt practice” is the offering, giving, receiving or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party;

(b) “fraudulent practice” is any act or omission, including misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain financial or other benefit or to avoid an obligation;

(c) “collusive practice” is an arrangement between two or more parties designed to achieve an improper purpose, including to influence improperly the actions of another party; and

(d) “coercive practice” is impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party.

8. **Term and Termination**

8.1. This Agreement will come into operation, effective as of the date the Receiving Organization countersigns the Agreement, as soon as the Disbursing Organization receives a copy of this Agreement countersigned by the Receiving Organization.

8.2. This Agreement will expire on completion of the Activities; provided however that the Receiving Organization may terminate it before that time by giving thirty (30) days’ notice to the Disbursing Organization, with a copy to the chair of the Trust Fund Steering Committee (a) if the Disbursing Organization exercises its rights under Section 7.4 above, or (b) for any reason.
8.3. Upon expiry or termination of this Agreement, the Receiving Organization will consult with the Trust Fund Steering Committee and the Disbursing Organization as to the proper use of any funds remaining unexpended in the Grant Control Account following satisfaction of outstanding commitments and liabilities. Upon termination of this Agreement prior to the completion of the Activities the Parties will fully cooperate with each other to put in place arrangements for the completion of the Activities.

9. **Privileges and Immunities; Dispute Resolution**

9.1. Nothing in or related to this Agreement shall be or be construed to be a waiver, express or implied, of the privileges and immunities of either the Disbursing Organization or the Receiving Organization.

9.2. This Agreement shall be interpreted in a manner that is consistent with any applicable basic texts and conventions on privileges and immunities to which the Receiving Organization or the Disbursing Organization is a party.

9.3. The Parties shall use their best efforts to amicably resolve any dispute, controversy, or claim arising out of or relating to this Agreement and in the event that it is not thus resolved, it shall be settled by arbitration in accordance with the UNCITRAL Arbitration Rules.

10. **Notices**

10.1. Any notice or request required or permitted to be given under this Agreement shall be given in writing. All notices given under this Agreement will be copied to the head of the Trust Fund Steering Committee.

10.2. The following addresses are specified for purposes of this Agreement:

**For the Disbursing Organization:**

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

Cable: INDEVAS  
Telex: 248423 (MCI) or 64145 (MCI)  
Facsimile: 1-202-477-6391
For the Receiving Organization:

Laurent Thomas  
Director,  
Emergency Operations and Rehabilitation Division  
Food and Agriculture Organization of the United Nations  
Viale delle Terme di Caracalla  
Rome  
00153, Italy  
Fax: +39-06-57053152  

with a copy to:  

Charlotta Oqvist  
Head,  
Projects Accounting Group  
Central Accounting Service  
Finance Division  
Viale delle Terme di Caracalla  
Rome 00153, Italy  
Fax: +39-06-57056023
ANNEX B

Project Description and Budget

1. Project Description

1.1. The objective of the Grant is to support the implementation of the Tsunami Livelihoods Recovery Project (Project). The objective of the Project is to recover and strengthen the fishing based livelihoods of approximately 1000 families, who were affected by the 2004 Tsunami in three communities (Tohin, Huriya and Eyl) Puntland, Somalia.

1.2. The activities financed by this Grant (Activities) and expected outcomes are as follows:

Activities

Part A. Capacity Building for Fishermen Associations and the Ministry of Fisheries

Strengthen local capacities for small-scale fisheries planning, coordination and implementation of livelihoods rehabilitation activities through:

(i) provision of technical support for the design and implementation of a small-scale fishing vessel licensing system and safety-at-sea scheme in the target areas;

(ii) provision of technical support for the review of the current fisheries legislation to strengthen the regulation of fisheries associations including providing for regular audit and supervisory procedures for the associations;

(iii) provision of technical support for the development of a suitable legal framework to regulate the design and implementation of PPP agreements including audit and supervisory procedures;

(iv) training of representatives of fisheries associations in organization and management of fisheries associations;

(v) training of staff of the Ministry of Fisheries in organization and management of fishery extension services; organization and management of fisheries data collection and analysis; organization and management of small fishing vessel registration and safety at sea;

(vi) provision of technical support to the Ministry of Fisheries for (a) designing pilot consumer education schemes to promote increased fish consumption in both rural and urban areas, including the design and preparation of adequate fish consumption promotion materials (radio programmes and printed materials); and (b) designing an integrated small-scale fisheries training scheme to develop suitable skills and income generating activities; and
(vii) support for field assessment and on-site consultations in the target areas to identify suitable sites and technical and economic parameters for the construction and installation of the fish receiving and marketing facilities.

Part B. Improved fish receiving and marketing facilities

Improvement of fish receiving and marketing facilities through:

(i) support for the design and construction of fish receiving and marketing facilities including low-cost fish silage and fish drying facilities and water supply and sanitary facilities;

(ii) provision of equipment required for fish handling and receiving facilities including ice production and storage equipment, containerized chilled rooms, diesel electric generators, HDPE fish boxes, insulated fish boxes, stainless steel fish washing and display tables, and on-line water chlorinators; and

(iii) training and capacity building of fisheries associations and Ministry of Fisheries in (a) improved fish handling and management of fish receiving and marketing facilities for ensuring sustainability of the interventions; (b) improved supervision and financial management of fish receiving and marketing facilities; and (c) improved fish waste utilization and production of biological fish silage.

**Outcomes expected are detailed in the table below**
<table>
<thead>
<tr>
<th>Key Outcome Indicators</th>
<th>Reporting Mechanism(s)</th>
<th>Plan and Timetable for M&amp;E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technical support provided for the design and implementation of the small scale licensing system</td>
<td>Inception report, six monthly progress reports, field visit observation reports, photos, and final technical and evaluation reports.</td>
<td>Supervision missions will be conducted regularly (every month) by FAO Sr. Staff based in the Region (Puntland and NBO). Reports to be circulated to the Bank monthly. Final report will be submitted within 3 months of project completion.</td>
</tr>
<tr>
<td>Technical support provided for the review of the current fisheries legislation and for the establishment of supervisory capacity at the Ministry of Fisheries</td>
<td>Inception report, six monthly progress reports, field visit observation reports, photos, and final technical and evaluation reports.</td>
<td>Same as above</td>
</tr>
<tr>
<td>Technical support provided for the development of the PPP agreements: Guidelines for entering into PPP agreements approved by the Government of Puntland</td>
<td>Inception report, six monthly progress reports, field visit observation reports, photos, and final technical and evaluation reports.</td>
<td>Same as above</td>
</tr>
<tr>
<td>Detailed Work Plan for each facility prepared and submitted to the Bank by 31 March 2011.</td>
<td>Inception report, six monthly progress reports, field visit observation reports, photos, and final technical and evaluation reports.</td>
<td>Same as above</td>
</tr>
<tr>
<td>each fishery facility</td>
<td>Inception report, six monthly progress reports and final technical and evaluation reports</td>
<td>Same as above</td>
</tr>
<tr>
<td>-----------------------</td>
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<td>--------------</td>
</tr>
<tr>
<td>Fishing associations in Tohin, Hurdiya and Eyl, and one fishing association at district level established and minimum 5 staff per association trained to strengthen the management of each association.</td>
<td>Inception report, six monthly progress reports and final technical and evaluation reports</td>
<td>Same as above</td>
</tr>
<tr>
<td>Operational training to improve fish handling and utilization, management and supervision of fish receiving and marketing facilities, and improve fish waste utilization and fish silage production to a minimum of 5 staff from each association and 4 Ministry of Fisheries staff completed.</td>
<td>Inception report, six monthly progress reports and final technical and evaluation reports.</td>
<td>Same as above</td>
</tr>
<tr>
<td>Training of minimum of 4 Ministry of Fisheries staff on: a) organization and management of fishery extension services; b) organization and management of fisheries data collection and analysis; c) organization and management of small fishing vessel registration and safety at sea completed.</td>
<td>Inception, six monthly progress reports and final technical and evaluation reports.</td>
<td>Same as above</td>
</tr>
<tr>
<td>Short Term Consultant hired to work with the Ministry of Fisheries to: a) design pilot consumer education schemes to promote increased fish consumption in both rural and urban areas, including the design and preparation of adequate fish consumption promotion materials (radio programmes and printed materials); b) strengthen local capacities for small-scale fisheries training schemes and end of mission report finalized.</td>
<td>Inception report, six monthly progress reports and final technical and evaluation reports</td>
<td>Same as above</td>
</tr>
</tbody>
</table>
2. **Project Budget**

<table>
<thead>
<tr>
<th>Category 1</th>
<th>USD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goods, Works, Consultancy Services, Training and</td>
<td>1,476,305</td>
</tr>
<tr>
<td>Operating Costs</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Category 2</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>FAO Project Servicing costs</td>
<td>103,341</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,579,646</strong></td>
</tr>
</tbody>
</table>


[FAO letterhead]
Notice of Withdrawal

[Date]
[Loan Department]
The World Bank
1818 H Street, NW, MSN MC7 - 714
Washington, DC 20433, USA

RE: Somalia JSDF Grant for the Tsunami Livelihoods Recovery Project  
(Grant No. TF 098367)

Dear [name of Bank Contact]:

Reference is made to the Disbursement Agreement between the International Development Association (the “Association”) and the Food and Agricultural Organization (FAO), effective [………] (the “Disbursement Agreement”), in which the Bank has agreed to transfer funds to FAO for the Tsunami Livelihoods Recovery Project, Grant No. TF No. 098367.

Pursuant to Paragraph 4.2 of the Disbursement Agreement, FAO hereby requests you to transmit ______________ [insert amount] from the JSDF Grant Account for the Tsunami Livelihoods Recovery Project in Somalia,

Please make the payment by wire transfer to:

Beneficiary Name:
Beneficiary Address:
Beneficiary A/C No.:
Branch No.: (If any)
Ben. Bank Name and SWIFTCode :
Bank Address :
Ben. Bank account No (if any) (with)
Intermediary Bank: [if disbursement is to be made in US dollars]

Sincerely,
Food and Agricultural Organization

[Name]
[Title]
Authorized Signatory
FAO

CC: [Bank Contact]
## ANNEX D

**Somalia JSDF Grant for the Tsunami Livelihoods Recovery Project**  
(Grant No. TF 098367)  
Sources and Uses of Funds (Receipts and Payments) Statement  
for the Semester ended……………

(In US dollars)

<table>
<thead>
<tr>
<th>Sources of Funds/ Receipts</th>
<th>Ref for Annexes</th>
<th>Semester ending……</th>
<th>Cumulative for Project Life to date</th>
</tr>
</thead>
<tbody>
<tr>
<td>-</td>
<td></td>
<td>Actual</td>
<td>Planned</td>
</tr>
<tr>
<td><strong>Opening Cash Balance</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grant account</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Others (e.g. Imprest, advances etc)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Add: Receipts</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grant Account Replenishment</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Financing (Opening bal + Receipts)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Less: Expenditure by Category:</strong></td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Goods, works, consultancy services, training and operating costs</td>
<td></td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>FAO Project servicing costs</td>
<td></td>
<td>1</td>
<td></td>
</tr>
<tr>
<td><strong>Total Uses of Funds/ Payments by Category</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Expected Closing Cash Balance (Total Financing- Total uses of funds/payments by Category)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Actual Cash Balances</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grant Account</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Others (e.g Imprest, advances etc)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Actual Total Closing Cash Balance (Cf Expected Closing Cash Balance)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Annex I

Somalia JSDF Grant for the Tsunami Livelihoods Recovery Project
(Grant No. TF 098367)

Interim un-audited Financial Report (IFR)

Analysis of Expenditure by sub-category
for the Semester ended……………

<table>
<thead>
<tr>
<th>Expenditure by sub-category</th>
<th></th>
<th>Semester ending…….</th>
<th>Cumulative for Project Life to date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Actual  Planned Variance</td>
<td>Actual  Planned Variance</td>
</tr>
<tr>
<td>Category I: Goods, Works, Consultant Services, Training &amp; Operating Costs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total for Category 1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Category 2: FAO Project Servicing Costs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total for Category 2</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL EXPENDITURE</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>