December 6, 2017

His Excellency Gillmore Hoefdraad
Minister of Finance
Ministry of Finance
03 Tamarindelaan
Onafhankelijkheidsplein
Paramaribo, Suriname

Re:  EGPS Grant No. TF0A6097
Extractive Industries Technical Assistance Project
Letter Agreement

Dear Minister Hoefdraad:

In response to the request for financial assistance made on behalf of the Republic of Suriname ("Recipient"), I am pleased to inform you that the International Bank for Reconstruction and Development ("World Bank"), acting as administrator of grant funds provided by ("Donor(s)") under the Extractive Global Programmatic Support (EGPS) Multi-Donor Trust Fund, proposes to extend to the Recipient, a grant in an amount not to exceed three hundred fifty thousand United States Dollars (USD 350,000) ("Grant") on the terms and conditions set forth or referred to in this letter agreement ("Agreement"), which includes the attached Annex, to assist in the financing of the project described in the Annex ("Project").

This Grant is funded out of the abovementioned trust fund for which the World Bank receives periodic contributions from the Donors. In accordance with Section 3.02 of the Standard Conditions (as defined in the Annex to this Agreement), the World Bank’s payment obligations in connection with this Agreement are limited to the amount of funds made available to it by the Donors under the abovementioned trust fund, and the Recipient’s right to withdraw the Grant proceeds is subject to the availability of such funds.

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

Very truly yours,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By Pierre Nadji
Senior Country Officer, Suriname
Latin America and the Caribbean Region

AGREED:

REPUBLIC OF SURINAME

By: 

Name: Minister Gillmore Hoefdraad
Title: Minister of Finance
Date: December 6, 2017

Enclosures:

2. Disbursement Letter of the same date as this Agreement, together with the “Disbursement Guidelines for Investment Project Financing”, dated February 2017
4. World Bank Procurement Regulations for Borrowers under Investment Project Financing” dated July 1, 2016, and revised in November 2017
Article I
Standard Conditions; Definitions

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

1.02. **Definitions.** Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Standard Conditions or in this Agreement.

   (a) "BIS" means "Bauxite Institute Suriname" a public institute established by the Recipient’s decree E-14, date February 17, 1981.

   (b) "EITI" or "Extractive Industries Transparency Initiative" an international initiative to promote transparency in extractive industries adopted by the Recipient in the EITI International Board Meeting of May 24, 2017.

   (c) "Training" means the reasonable costs, as shall have been approved by the World Bank, for training and workshops conducted under the Project, including tuition, travel and subsistence costs for training and workshop participants, costs associated with securing the services of trainers and workshop speakers, rental of training and workshop facilities, preparation and reproduction of training and workshop materials, and other costs directly related to training course and workshop preparation and implementation (but excluding goods and consulting services).

   (d) "Operating Costs" means the reasonable costs, as shall have been approved by the World Bank, for the incremental expenses incurred on account of Project administration, implementation, monitoring and evaluation consisting of vehicle operation and maintenance, communication and insurance costs, banking charges, office rental expenses, freight charges, office (and office equipment) maintenance, utilities, printing, non-durable goods, travel cost and per diem for Project staff for travel linked to the implementation, monitoring and supervision of the Project, and salaries of contractual staff working for the Project (but excluding consultants’ services and salaries of officials of the Recipient’s civil service).

   (e) "Operational Manual" means the manual including all appendices and schedules thereto satisfactory to the World Bank, and adopted by the Recipient, setting forth the policies and procedures that apply to the Project, which include, *inter alia:* (a) the roles and responsibilities of all entities involved in Project implementation; (b) the staffing requirements for the Project; (c) the estimated implementation schedule; (d) procedures assessing, disbursing and accounting for funds under the Project; (e) the indicators to be used in the monitoring and evaluation of the Project; (f) procedures for Project monitoring, supervision and evaluation, including the format and content of the Project Reports; and (g) the procurement and financial management procedures as such manual may be amended from time to time with agreement of the World Bank.
Article II
Project Execution

2.01. Project Objectives and Description. The objective of the Project is to support the Recipient’s participation in the Extractive Industries Transparency Initiative (EITI) towards more transparent and efficient management of its mining and oil sectors. The Project consists of the following parts:

Part A. EITI, Transparency and Accountability

Support to the implementation of the Recipient’s EITI, through the preparation and dissemination of EITI reports, the preparation and implementation of communications, outreach and awareness-raising activities, and the carrying out of Trainings and Workshops for EITI implementation.

Part B. Project Management

Support Project implementation, management, monitoring and evaluation including inter alia, Operating Costs.

2.02. Project Execution Generally. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall cause BIS to carry out the Project ("Project Implementing Entity") in accordance with the provisions of: (a) Article II of the Standard Conditions; (b) the "Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants", dated October 15, 2006 and revised in January 2011 and as of July 1, 2016 ("Anti-Corruption Guidelines"); and (c) this Article II.

2.03. Institutional and Other Arrangements.

(a) Project Implementation Unit

The Recipient shall cause the Project Implementing Entity to operate and maintain, through the Project implementation, a Project Implementation Unit ("PIU"), with key staff with functions and responsibilities acceptable to the World Bank, including monitoring and evaluation of the Project activities.

(b) Operational Manual

(i) the Recipient shall ensure that the Project is carried out in accordance with the Operational Manual; and

(ii) except as the World Bank shall otherwise agree in writing, the Operational Manual shall not be amended, waived, suspended or abrogated, and in case of any inconsistency between the provisions of the Operational Manual and those of this Agreement, the provisions of this Agreement shall prevail.
(c) **Subsidiary Agreement**

(i) To facilitate the carrying out of the Project, the Recipient shall make the proceeds of the Grant available to the Project Implementing Entity pursuant to an agreement ("Subsidiary Agreement") between the Recipient and the Project Implementing Entity, under terms and conditions acceptable to the World Bank ("Subsidiary Agreement"), which shall include *inter alia*:

(A) the obligation of the Project Implementing Entity to comply with the pertinent provisions of this Agreement, as applicable, including to:

1. use the proceeds of the Grant, exclusively for Eligible Expenditures required for carrying out the Project.
2. carry out the Project with due diligence and efficiency, and in conformity with appropriate administrative, technical, financial, economic, environmental and social standards and practices, and in accordance with the provisions of this Agreement, the Operational Manual;
3. comply with the provisions of the Anti-Corruption Guidelines in connection with the carrying out of the Project;
4. maintain, until completion of the Project, key staff in number and with experience and qualifications that shall be at all times acceptable to the World Bank for purposes of implementing the Project;
5. carry out the procurement and financial management aspects of the Project in accordance to the provisions of this Agreement;
6. monitor and evaluate the progress of the Project in accordance to the provisions of this Agreement; and
7. exercise its rights and carry out its obligations under the Subsidiary Agreement in such manner as to protect the interests of the Recipient and the World Bank and to accomplish the purposes of the Project.

(B) the Recipient's right to terminate the use the proceeds of Grant, or obtain a refund of all or any part of the amount of the Grant received, upon the Project Implementing Entity failure to perform any of its obligations under the Subsidiary Agreement.

2.04. **Project Monitoring, Reporting and Evaluation.** (a) The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of the indicators acceptable to the World Bank. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the World Bank not later than one month after the end of the period covered by such report.

(b) The Recipient shall prepare the Completion Report in accordance with the provisions of Section 2.06 of the Standard Conditions. The Completion Report shall be furnished to the World Bank not later than six months after the Closing Date.
2.05. **Financial Management.** (a) The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.

(b) The Recipient shall ensure that interim unaudited financial reports for the Project are prepared and furnished to the World Bank not later than forty-five (45) days after the end of each calendar quarter, covering the quarter, in form and substance satisfactory to the World Bank.

(c) The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 2.07(b) of the Standard Conditions. Each such audit of the Financial Statements shall cover the period of one fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the World Bank not later than six (6) months after the end of such period.

2.06. **Procurement.** All goods non-consulting services and consulting services required for the Project and to be financed out of the proceeds of the Grant shall be procured in accordance with the requirements set forth or referred to in the “World Bank Procurement Regulations for Borrowers under Investment Project Financing” dated July 1, 2016 (“Procurement Regulations”), and the provisions of the Recipient’s procurement plan for the Project (“Procurement Plan”) dated November 22, 2017 provided for under Section IV of the Procurement Regulations, as the same may be updated from time to time in agreement with the World Bank.

### Article III

**Withdrawal of Grant Proceeds**

3.01. **Eligible Expenditures.** The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) Article III of the Standard Conditions; (b) this Section; and (c) such additional instructions as the World Bank may 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 World Bank and as made applicable to this Agreement pursuant to such instructions), to finance 100% of Eligible Expenditures consisting of goods, non-consulting services, consultant services, Training and Workshops and Operating Costs.

3.02. **Withdrawal Conditions.** Notwithstanding the provisions of Section 3.01 of this Agreement, no withdrawal shall be made for payments made prior to the date of this Agreement.

3.03. **Withdrawal Period.** The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is March 30, 2020.

### Article IV

**Effectiveness; Termination**

4.01 **Effectiveness.** This Agreement shall not become effective until evidence satisfactory to the World Bank has been furnished to the World Bank that the conditions specified below have been satisfied:

(a) The execution and delivery of this Agreement on behalf of the Recipient have been duly authorized or ratified by all necessary governmental action.
(b) The Operational Manual has been adopted by the Recipient in a manner acceptable to the World Bank.

(c) the Subsidiary Agreement referred to in Section 2.03(c) of this Annex, has been executed on behalf of the Recipient and the Project Implementing Entity in a manner acceptable to the World Bank.

4.02. Except as the Recipient and the World Bank shall otherwise agree, this Agreement shall enter into effect on the date upon which the World Bank dispatches to the Recipient notice of its acceptance of the evidence required pursuant to Section 4.01 ("Effective Date"). If, before the Effective Date, any event has occurred which would have entitled the World Bank to suspend the right of the Recipient to make withdrawals from the Grant Account if this Agreement had been effective, the World Bank may postpone the dispatch of the notice referred to in this Section until such event (or events) has (or have) ceased to exist.

4.03. Termination for Failure to Become Effective. This Agreement and all obligations of the parties under it shall terminate if it has not entered into effect by the date ninety (90) days after the date of this Agreement, unless the World Bank, after consideration of the reasons for the delay, establishes a later date for the purpose of this Section. The World Bank shall promptly notify the Recipient of such later date.

Article V
Recipient’s Representative; Addresses

5.01. Recipient’s Representative. The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is its Minister of Finance.

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

Ministry of Finance
Tamarindelaan 3
Paramaribo
Republic of Suriname

Telex: Facsimile:
(597) 472610 (597) 476314

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

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

Telex: Facsimile:
248423 (MCI) or 1-202-477-6391
64145 (MCI)