The World Bank  
1818 H Street N.W.  
Washington, D.C. 20433  
U.S.A.  
(202) 477-1234  
Cable Address: INTBAFRAD

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT  
INTERNATIONAL DEVELOPMENT ASSOCIATION

CONFORMED COPY

June 13, 2011

H.E. Minister Fayza Aboulnaga  
Minister of Planning and International Cooperation  
Ministry of Planning International Cooperation  
8 Adly Street, Downtown  
Cairo, Arab Republic of Egypt

Re: Arab Republic of Egypt: Grant for Preparation of Sustainable Persistent Organic Pollutant Management Project  
GEF PPG Grant No. TF097823

Excellency:

In response to the request for financial assistance made on behalf of Arab Republic of Egypt (“Recipient”), I am pleased to inform you that the International Bank for Reconstruction and Development (“World Bank”), acting as Implementing Agency of the Global Environment Facility (“GEF”), proposes to extend to the Recipient a grant in an amount not to exceed one hundred thousand United States Dollars (U.S.$100,000) (“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 activities described in the Annex (“Activities”). This Grant is funded out of the GEF for which the World Bank receives periodic contributions. In accordance with Section 3.02 of the Standard Conditions (as defined in the Annex to this Agreement), the Recipient may withdraw the Grant proceeds 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 Activities in accordance with the terms and conditions set forth or referred to in this Agreement. The award of the Grant does not constitute or imply any commitment on the part of the World Bank, either as Implementing Agency of the GEF or in its own capacity, to assist in the financing of any project which may result from the Activities financed by the Grant.

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. This Agreement shall become effective upon receipt by the World Bank of this Agreement countersigned by you and upon the World Bank being informed by the Recipient of the completion of the Recipient’s internal procedures; provided, however, that the offer of this Agreement shall be deemed withdrawn if the World Bank has not received the countersigned copy of this Agreement and the World Bank being informed by the Recipient of the completion of the Recipient’s internal procedures within 90 days after the date of signature of this
Agreement by the World Bank, unless the World Bank shall have established a later date for such purpose.

Very truly yours,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
Acting as Implementing Agency of the Global Environment Facility

By /s/ A. David Craig
Director
Egypt, Yemen and Djibouti Country Department
Middle East and North Africa Region

AGREED:
ARAB REPUBLIC OF EGYPT

By: /s/ Fayza Aboulnaga
Authorized Representative
Title: Minister of Planning and International Cooperation
Date: June 15, 2011

Enclosures:

(1) Standard Conditions for Grants Made by the World Bank Out of Various Funds, dated July 31, 2010

(2) Disbursement Letter of the same date as this Agreement, together with World Bank Disbursement Guidelines for Projects, dated May 1, 2006
Article I

Standard Conditions; Definitions

1.01. **Standard Conditions.** The Standard Conditions for Grants Made by the World Bank Out of Various Funds dated July 31, 2010 (“Standard Conditions”) constitute an integral part of this Agreement.

1.02. **Definitions.** Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Standard Conditions or in this Agreement; provided that for the purposes of this Agreement the term “Project”, whenever used in the Standard Conditions, shall mean the Activities referred to in Section 2.01 of this Annex.

Article II

Grant Execution

2.01. **Grant Objectives and Description.** The objective of the Grant is to prepare the Sustainable Persistent Organic Pollutants (POPs) Project, which Project has as its objective is to assist the Recipient meet its obligations under the Stockholm Convention by strengthening its technical and management capacity for minimizing exposure to POPs. The activities (“Activities”) for which the Grant is given consist of the following parts:

Provision of consultants’ services and training in:

(i) Policy Strengthening - developing an Action Plan to fulfill its commitments under the Stockholm Convention in setting targets and assigning institutional responsibilities in minimizing exposure to POPs;

(ii) Capacity Building – assessing capacity and establishing a Project Management Unit (PMU) within the Egyptian environmental Affairs Agency (EEAA) and developing a monitoring and evaluation system;

(iii) Staff Training – assessing training needs of PMU and other staff in financial management and procurement;

(iv) Public Awareness – raising awareness of government officials, conducting stakeholder workshops for project preparation;

(v) Developing an Inventory and Tracking System;

(vi) Management of Obsolete Pesticide Stocks (OPSs) – conducting a feasibility study on cost effective options to secure storage and disposal of OPSs;

(vii) Management of Polychlorinated biphenyls (PCBs) – conducting a feasibility study on cost effective options to secure storage and disposal of PCBs; and

(viii) Designing management of dioxins and furans from industrial sources.

2.02. **Grant Execution Generally.** The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out the Activities, through the Egyptian Environmental Affairs Agency (EEAA) in accordance with: (a) the provisions of Article II of the
2.03. **Project Monitoring, Reporting and Evaluation.** (a) The Recipient, through EEAA, 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 set forth below in paragraph (b) of this Section. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the World Bank not later than forty five (45) days after the end of the period covered by such report.

(b) The performance indicators referred to above in paragraph (a) consist of the following:

- delivery of an action plan setting out how Egypt will fulfill its commitments under the Stockholm Convention.
- delivery of a gap-analysis for the legal framework for PCBs, and dioxin/furan emissions
- establishment of a project monitoring unit within EEAA, a development of a Monitoring and Evaluation (M&E) system.
- delivery of a needs-assessment for training needs of staff of the project monitoring unit within EEAA
- conduct stakeholder workshops, at inception and concluding of project preparation.
- delivery of a feasibility study on cost-effective options for secure storage and disposal.
- delivery of a gap-analysis for the inventory of obsolete pesticides, PCBs, and (especially) dioxin/furans

(c) The Recipient, through the EEAA, shall prepare the Completion Report in accordance with the provisions of Section 2.06 of the Standard Conditions. The Completion Report shall be furnished to the World Bank not later than six (6) months after the Closing Date.

2.04. **Financial Management.** (a) The Recipient, through EEAA, 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, through EEAA, shall ensure that interim unaudited financial reports for the Project are prepared and furnished to the World Bank not later than 45 days after the end of each calendar semester, covering the six months period, in form and substance satisfactory to the World Bank.

(c) The Recipient, through EEAA, shall have its Financial Statements for the Project audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Such audit of the Financial Statements shall cover the entire period during which withdrawals from the Grant Account were made. The audited Financial Statements for such period shall be furnished to the World Bank not later than six months after the end of such period.

2.05. **Procurement**
(a) **General.** All consultants’ services required for the Activities and to be financed out of the proceeds of the Grant shall be procured in accordance with the requirements set forth or referred to in:

(i) Sections I (excluding paragraph 1.24) and IV of the “Guidelines: Selection and Employment of Consultants by World Bank Borrowers” published by the World Bank in May 2004 and revised in October 2006 and May 2010 (“Consultant Guidelines”).

(b) **Definitions.** The capitalized terms used in the following paragraphs of this Section to describe particular procurement methods or methods of review by the World Bank of particular contracts, refer to the corresponding method described in the Consultant Guidelines, as the case may be.

(c) **Particular Methods of Procurement of Consultants’ Services**

(i) Except as otherwise provided in item (ii) below, consultants’ services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.

(ii) The following methods may be used for the procurement of consultants’ services for those assignments which the World Bank agrees meet the requirements set forth in the Consultant Guidelines for their use: (A) Quality-based Selection; (B) Selection under a Fixed Budget; (C) Least Cost Selection; (D) Selection based on Consultants’ Qualifications; (E) Single-source Selection; (F) Selection of Individual Consultants; and (G) Sole Source Procedures for the Selection of Individual Consultants.

(d) **Review by the World Bank of Procurement Decisions.** Except as the World Bank shall otherwise specify by notice to the Recipient, the Procurement Plan shall set for those contracts which shall be subject to the World Bank’s Prior Review. All other contracts shall be subject to Post Review by the World Bank.

**Article III**

**Withdrawal of Grant Proceeds**

3.01. **Eligible Expenditures.** The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) Article III of the Standard Conditions; (b) this Section; and (c) such additional arrangements as the World Bank may specify by notice to the Recipient (including the “World Bank Disbursement Guidelines for Projects” dated May 2006, as revised from time to time by the World Bank and as made applicable to this Agreement pursuant to such arrangements), to finance Eligible Expenditures as set forth in the following table. The table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Grant (“Category”), the allocations of the amounts of the Grant to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:
(1) Consultants’ Services, including Training and Audit | 100,000 | 100%
TOTAL AMOUNT | 100,000

For the purposes of this table, “Training” means expenditures for the Project related to training activities not included under service providers’ contracts, including costs of training materials, space and equipment, and rental of facilities.

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

3.03. **Withdrawal Period.** The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is one year after the date of countersignature of this Agreement by the Recipient.

**Article IV**

**Recipient’s Representative; Addresses**

4.01. **Recipient’s Representative.** The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is the Minister of Planning and International Cooperation of the Recipient and the Assistant to the Minister for International, Regional and Arab Financing Organizations of the Ministry of Planning and International Cooperation of the Recipient.

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

Ministry of Planning and International Cooperation
8 Adly Street, Downtown
Cairo, Arab Republic of Egypt

Facsimile:
+202 2458 3884

4.03. **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
Cable: INTBAFRAD
Telex: 248423 (MCI) or 64145 (MCI)
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