May 16, 2007

H.E. Minister Fayza Aboultag
Minister of International Cooperation
Ministry of International Cooperation
8 Adly Street
Cairo, Egypt

Re: Italian Grant for Poverty Alleviation and Legal Rights for Egyptian Women, Adolescents and Young Children Project
Grant Number TF056265

Excellency:

I am writing on behalf of the International Bank for Reconstruction and Development (the Bank) to indicate the Bank’s agreement, as administrator of grant funds provided by the Ministry of Foreign Affairs, Italian Republic, to make a grant in an amount not exceeding one million four hundred forty-two thousand one hundred Euros (€1,442,100) (the Grant) to the Arab Republic of Egypt (the Recipient).

The Grant is made in response to the Recipient’s request for financial assistance and for the purposes and on the terms and conditions set forth in the Annex to this Letter Agreement. The Recipient 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.

Please note that it is the Bank’s policy to make publicly available this Letter Agreement and any information related thereto, after this Letter Agreement has become effective and the Recipient has given its consent to such disclosure. The Recipient, by countersigning this Letter Agreement, confirms its consent to such disclosure.
Please confirm your agreement with the foregoing, on behalf of the Recipient, by signing,
dating, and returning to us the enclosed copy of this Letter Agreement. This Letter Agreement
shall become effective upon receipt by the Bank of the copy of this Letter Agreement
countersigned by you, and the Bank being informed by the Recipient of the completion of the
completion of the Recipient's domestic constitutional procedures provided, however, this Letter
Agreement shall lapse if such effectiveness does not take place within ninety (90) days of its
countersignature unless the Bank shall have established a later date for such purpose.

Very truly yours,

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

Given by Emmanuel E. Mbi
Director
Egypt, Yemen and Djibouti Country Department
Middle East and North Africa Region

AGREED:

ARAB REPUBLIC OF EGYPT

By,

Name H.E. Minister I'ayza Aboolnaga
Title Minister of International Cooperation
Date 27/5/2002
ANNEX

Purpose, Terms, and Conditions of the Grant

1. **Purposes and Activities**

1.1. The purpose of the Grant is to assist the Recipient with the implementation of the Poverty Alleviation and Legal Rights for Egyptian Women, Adolescents and Young Children Project (the Project), which has as main objectives to empower and improve the status and opportunities of Egyptian children, adolescent girls and young women who bear no official identification documents, through activities that would reduce the barriers they face in accessing services, enhancing opportunities and exercising their citizenship rights and duties. The activities (the Activities) for which the Grant is given are as follows:

   (a) Conducting a nationwide awareness and advocacy campaign on the need for registration;
   (b) raising awareness of policy and decision makers at the national and local levels on the need for procedural and legal reforms;
   (c) providing assistance to households in difficult circumstances targeting girls, teen and younger to obtain birth certificates and identification cards; and
   (d) training social and health workers, registry officials and members of civil society organizations in current registration procedures and on how to inform families on the need to register their children.

2. **Implementation (Generally)**

2.1. The Recipient, through the National Council for Childhood and Motherhood (NCCM), shall:
   (a) carry out the Activities with due diligence and efficiency;
   (b) promptly provide the funds, facilities, services and other resources required for that purpose;
   (c) furnish all information covering the Activities and the use of the proceeds of the Grant as the Bank shall reasonably request;
   (d) from time to time exchange views with the Bank's representatives on the progress and results of the Activities;
   (e) take all necessary measures required to enable the Bank to visit the territory of the Recipient for purposes related to the Grant; and
   (f) cause all goods and consultants' services financed out of the proceeds of the Grant to be used exclusively for the purposes of the Grant. Without limitation on the foregoing, the Recipient shall, if the Bank shall so request, prepare and furnish to the Bank promptly upon completion of the Activities a report, in form and substance satisfactory to the Bank, on the results and impact of the Activities.

3. **Procurement**

3.1. Except as the Bank shall otherwise agree, procurement of the goods and consultants' services required for the carrying out of the Activities and to be financed out of the proceeds of the Grant shall be governed by the provisions of Attachment I to this Annex, as said provisions may be further elaborated in a procurement plan approved by the Bank (the Procurement Plan), covering the initial 18 month (or longer) period of implementation of the Activities. The Recipient shall update the Procurement Plan in accordance with guidelines acceptable to the Bank, and furnish such update to the Bank not later than 12 months after the date of the preceding Procurement Plan, for the Bank's approval.

3.2. The Recipient, through NCCM, 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 Recipient, through NCCM,
shall ensure that any facilities relevant to the Activities 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.

4. Withdrawal of Grant Proceeds

4.1. The amount of the Grant shall be credited to an account opened by the Bank on its books in the name of the Recipient (the Grant Account), and may be withdrawn therefrom by the Recipient, through NCCM, in accordance with the provisions of this paragraph 4, for expenditures in respect of the reasonable cost of goods and consultants' services required for the Activities and to be financed out of the proceeds of the Grant.

4.2. The table below sets forth the Categories of items to be financed out of the proceeds of the Grant, the allocation of the amounts of the Grant to each Category, and the percentage of expenditures for items so to be financed in each Category:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant Allocated (in Euros)</th>
<th>% of Expenditures to be Financed</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Consultants' services,</td>
<td>1,344,100</td>
<td>100%</td>
</tr>
<tr>
<td>Training and Audits</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(2) Goods</td>
<td>50,000</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Incremental Operating Costs</td>
<td>48,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>1,442,100</td>
<td></td>
</tr>
</tbody>
</table>

For purposes of this paragraph, the term “Incremental Operating Costs” means expenditures incurred by the Recipient on account of the Project management and monitoring including office supplies, photocopies, car maintenance and operation; and local transportation.

4.3. Notwithstanding the provisions of paragraph 4.2 above:

(a) No withdrawals shall be made from the Grant Account: (i) for payments made for expenditures prior to the date of signature of this Letter Agreement by the Bank; or (ii) for the purpose of any payment to persons or entities, or for any import of goods, if such payment or import, to the Bank's knowledge, is prohibited by a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations;

(b) The Recipient may withdraw amounts of the Grant only to the extent that such amounts are available to the Bank from the Ministry of Foreign Affairs, Italian Republic for the purposes of the Grant.

(c) No withdrawals shall be made from the Grant Account after February 1, 2009, or such later date that the Bank shall establish by notice to the Recipient (the Closing Date). However, withdrawals may be made after the Closing Date for expenditures incurred prior to the Closing Date if the corresponding withdrawal application is received by the Bank within four months after the Closing Date, after which time any amount of the Grant remaining unwithdrawn from the Grant Account shall be canceled; and
(d) If, in the Bank's opinion, an amount of the Grant allocated to any of the Categories in the table in paragraph 4.2 above will be insufficient to finance the expenditures under such Category, the Bank may, by written notice to the Recipient, reallocate to such Category an amount of the Grant then allocated to another Category which, in the Bank's opinion, will not be necessary to meet other expenditures.

4.4. When the Recipient through NCCM shall desire to withdraw any amount from the Grant Account, it shall deliver to the Bank a written application for withdrawal of such amount in the form specified by the Bank. Withdrawal applications shall be: (a) signed on behalf of the Recipient by the Secretary General of NCCM or such other person as he or she shall have authorized in writing; and (b) accompanied by such evidence in support of the application as the Bank shall reasonably request. Authenticated specimen signatures of the person authorized to sign withdrawal applications shall be provided with the first application bearing his or her signature. Each withdrawal application for an amount of the Grant and its supporting evidence must be sufficient in form and substance to satisfy the Bank that the Recipient, through NCCM, is entitled to withdraw such amount from the Grant Account and that such amount is to be used in the carrying out of the Activities. The Bank shall pay the amounts withdrawn by the Recipient through NCCM from the Grant Account only to or on the order of the Recipient through NCCM.

4.5. The Bank may require withdrawals from the Grant Account to be made on the basis of statements of expenditures for expenditures under contracts for: (a) services of consulting firms costing less than US$10,000 equivalent; (b) services of individual consultants costing less than US$50,000 equivalent; (c) goods; (d) training and (e) incremental operating costs, all under such terms and conditions as the Bank shall specify by notice to the Recipient.

4.6. Withdrawals of the proceeds of the Grant shall be made in the currency of the Grant. The Bank, at the Recipient's request and acting as agent of the Recipient, shall purchase with the currency of the Grant withdrawn from the Grant Account such currencies as shall be required to pay for expenditures to be financed out of the proceeds of the Grant. Whenever it shall be necessary, for the purposes of this Letter Agreement, to determine the value of one currency in terms of another, such value shall be as reasonably determined by the Bank.

4.7. To facilitate the carrying out of the Activities, the Recipient, through NCCM, may open and maintain in United States dollars a special deposit account (the Special Account) in a commercial bank on terms and conditions satisfactory to the Bank, including appropriate protection against set-off, seizure or attachment. Deposits into, and payments out of, the Special Account shall be made in accordance with the provisions of Attachment II to this Annex.

5. Account's and Audit:

(a) The Recipient shall maintain or cause the NCCM to maintain a financial management system, including records and accounts, and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Bank, adequate to reflect the operations, resources and expenditures related to the Activities.

(b) The Recipient shall cause NCCM to: (i) have the financial statements referred to in subparagraph (a) above for each such fiscal year (or other period agreed to by the Bank), audited, in accordance with consistently applied auditing standards, acceptable to the Bank, by independent auditors acceptable to the Bank; (ii) furnish to the Bank as soon as available, but in any case not later than six months after the end of each such year (or such other period agreed to by the Bank), (A) certified copies of the financial statements referred to in subparagraph (a) above for such year (or such other period agreed to by the Bank), as so audited, and (B) an opinion on such statements by
said auditors, in scope and detail satisfactory to the Bank; and (iii) furnish to the Bank such other information concerning such records and accounts and the audit of such financial statements, and concerning said auditors, as the Bank shall have reasonably requested.

(c) For all expenditures with respect to which withdrawals from the Grant Account were made on the basis of statements of expenditure, the Recipient shall cause NCCM to: (i) retain, until at least one year after the Bank has received the audit report for or covering the fiscal year in which the last withdrawal from the Grant Account was made, all records (contracts, orders, invoices, bills, receipts and other documents) evidencing such expenditures; (ii) enable the Bank's representatives to examine such records; and (iii) ensure that such statements of expenditure are included in the audit for each fiscal year, or other period agreed to by the Bank, referred to in subparagraph (b) above.

6. **Suspension and Cancellation**

6.1. The Bank may at any time, by notice to the Recipient and NCCM, suspend the right of the Recipient to make further withdrawals from the Grant Account if any of the following events has occurred and is continuing: (a) the Recipient or NCCM, as the case may be, has failed to comply with any of its obligations hereunder specified; or (b) the right of the Recipient, or any other entity to which the Bank has made a loan with the guarantee of the Recipient, to make withdrawals under any loan agreement with the Bank or any development credit, grant or financing agreement with the International Development Association has been suspended.

6.2. The Bank may, by written notice to the Recipient, terminate the right of the Recipient to make further withdrawals from the Grant Account: (a) at any time after the right of the Recipient to make withdrawals from the Grant Account has been suspended pursuant to the provisions of paragraph 6.1 above; or (b) if the Recipient or NCCM acting on behalf of the Recipient, shall have failed to take action, satisfactory to the Bank, within six months after the effective date of this Agreement, or such later date as the Bank may establish by notice to the Recipient, to carry out the Activities.
Attachment I

Procurement

Section I. General

A. All goods and services (other than consultants’ services) shall be procured in accordance with the provisions of Section I of the “Guidelines: Procurement under IBRD Loans and IDA Credits” dated May 2004 (the Procurement Guidelines), and with the provisions of this Attachment.

B. All consultants’ services shall be procured in accordance with Sections I and IV of the “Guidelines: Selection and Employment of Consultants by World Bank Borrowers” dated May 2004 (the Consultant Guidelines), and with the provisions of this Attachment.

C. The capitalized terms used below in this Attachment to describe particular procurement methods or methods of review by the Bank of particular contracts, have the meanings ascribed to them in the Procurement Guidelines, or Consultant Guidelines, as the case may be.

Section II. Particular Methods of Procurement of Goods and Services (other than Consultants’ Services)

Shopping. Goods shall be procured under contracts awarded on the basis of Shopping.

Section III. Particular Methods of Procurement of Consultants’ Services

A. Quality- and Cost-based Selection. Except as otherwise provided in Part B of this Section, consultants’ services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection. For purposes of paragraph 2.7 of the Consultant Guidelines, the short list of consultants for services estimated to cost less than $200,000 equivalent per contract may comprise entirely national consultants.

B. Other Procedures

1. Quality-based Selection. Services for assignments which the Bank agrees meet the requirements set forth in paragraph 3.2 of the Consultant Guidelines may be procured under contracts awarded on the basis of Quality-based Selection in accordance with the provisions of paragraphs 3.1 through 3.4 of the Consultant Guidelines.

2. Selection Under a Fixed Budget. Services for assignments which the Bank agrees meet the requirements of paragraph 3.5 of the Consultant Guidelines may be procured under contracts awarded on the basis of Fixed Budget in accordance with the provisions of paragraphs 3.1 and 3.5 of the Consultant Guidelines.

3. Least-cost Selection. Services for assignments which the Bank agrees meet the requirements of paragraph 3.6 of the Consultant Guidelines may be procured under contracts awarded on the basis of Least-cost Selection in accordance with the provisions of paragraphs 3.1 and 3.6 of the Consultant Guidelines.

4. Individual Consultants. Services for assignments that meet the requirements set forth in the first sentence of paragraph 3.1 of the Consultant Guidelines may be procured under contracts awarded to individual consultants in accordance with the provisions of paragraphs 5.2 through 5.3.
of the Consultant Guidelines. Under the circumstances described in paragraph 5.4 of the Consultant Guidelines, such contracts may be awarded to individual consultants on a sole-source basis.

Section IV. Review by the Bank of Procurement Decisions

Except as the Bank shall otherwise determine by notice to the Recipient, each contract for consultants' services provided by a firm estimated to cost the equivalent of $100,000 or more shall be subject to Prior Review by the Bank. In addition, with respect to each contract for the employment of individual consultants estimated to cost the equivalent of $50,000 or more, the report on the qualifications and experience of all evaluated candidates, the terms of reference and the terms of employment of the consultants shall be subject to prior approval by the Bank. All other contracts shall be subject to Post Review by the Bank.
Special Account

1. For the purposes of this Attachment:

(a) the term "eligible Categories" means the Categories set forth in the table in paragraph 4.2 of the Annex to this Letter Agreement;

(b) the term "eligible expenditures" means expenditures in respect of the reasonable cost of goods and consultant services required for the Activities and to be financed out of the proceeds of the Grant; and

(c) the term "Authorized Allocation" means the amount of US$200,000 to be withdrawn from the Grant Account and deposited into the Special Account pursuant to paragraph 3 (a) of this Attachment.

2. Payments out of the Special Account shall be made exclusively for eligible expenditures in accordance with the provisions of this Attachment.

3. After the Bank has received evidence satisfactory to it that the Special Account has been duly opened, withdrawal of the Authorized Allocation and subsequent withdrawals to replenish the Special Account shall be made as follows:

(a) The Recipient, through NCCM, shall furnish to the Bank a request or requests for a deposit into the Special Account of an amount or amounts which do not exceed the aggregate amount of the Authorized Allocation. On the basis of such request or requests, the Bank shall, on behalf of the Recipient, withdraw from the Grant Account and deposit into the Special Account such amount or amounts as the Recipient through NCCM shall have requested.

(b) (i) For replenishment of the Special Account, the Recipient, through NCCM, shall furnish to the Bank requests for deposits into the Special Account at such intervals as the Bank shall specify.

(ii) Prior to or at the time of each such request, the Recipient, through NCCM, shall furnish to the Bank the documents and other evidence required pursuant to paragraph 4 of this Attachment for the payment or payments in respect of which replenishment is requested. On the basis of each such request, the Bank shall, on behalf of the Recipient, withdraw from the Grant Account and deposit into the Special Account such amount as the Recipient, through NCCM, shall have requested and as shall have been shown by said documents and other evidence to have been paid out of the Special Account for eligible expenditures. All such deposits shall be withdrawn by the Bank from the Grant Account under the eligible Categories, and in the respective equivalent amounts, as shall have been justifiable by said documents and other evidence.

4. For each payment made by the Recipient, through NCCM, out of the Special Account, the Recipient shall, at such time as the Bank shall reasonably request, furnish to the Bank such documents and other evidence showing that such payment was made exclusively for eligible expenditures.
5. Notwithstanding the provisions of paragraph 3 of this Attachment, the Bank shall not be required to make further deposits to the Special Account:

(a) if, at any time, the Bank shall have determined that all further withdrawals should be made by the Recipient directly from the Grant Account;

(b) if the Recipient shall have failed to furnish to the Bank, within the period of time specified in paragraph 5 of the Annex to this Letter Agreement, any of the audit reports required to be furnished to the Bank pursuant to said paragraph in respect of the audit of the records and accounts for the Special Account;

(c) if, at any time, the Bank shall have notified the Recipient of its intention to suspend in whole or in part the right of the Recipient to make withdrawals from the Grant Account pursuant to the provisions of paragraph 6.1 of the Annex to this Letter Agreement; or

(d) once the total withdrawn amount of the Grant shall equal the equivalent of twice the amount of the Authorized Allocation.

Thereafter, withdrawals from the Grant Account of the remaining unwithdrawn amount of the Grant shall follow such procedures as the Bank shall specify by notice to the Recipient. Such further withdrawals shall be made only after and to the extent that the Bank shall have been satisfied that all such amounts remaining on deposit in the Special Account as of the date of such notice will be utilized in making payments for eligible expenditures.

6. (a) If the Bank shall have determined at any time that any payment out of the Special Account: (i) was made for an expenditure or in an amount not eligible pursuant to paragraph 2 of this Attachment; or (ii) was not justified by the evidence furnished to the Bank, the Recipient shall, promptly upon notice from the Bank: (A) provide such additional evidence as the Bank may request; or (B) deposit into the Special Account (or, if the Bank shall so request, refund to the Bank) an amount equal to the amount of such payment or the portion thereof not so eligible or justified. Unless the Bank shall otherwise agree, no further deposit by the Bank into the Special Account shall be made until the Recipient has provided such evidence or made such deposit or refund, as the case may be.

(b) If the Bank shall have determined at any time that any amount outstanding in the Special Account will not be required to cover further payments for eligible expenditures, the Recipient shall, promptly upon notice from the Bank, refund to the Bank such outstanding amount.