H.E. Hussein Abdi Halane  
Minister of Finance  
Ministry of Finance and Planning  
Villa Somalia  
Mogadishu, Somalia  

Your Excellency:  

Re: SPF MDTF Grant No. TF017370  
Information and Communication Technology Project  

I am writing on behalf of the International Development Association (the World Bank or Bank) to indicate the World Bank’s agreement, as administrator of grant funds provided by various donors (“Donors”) under the Multi Donor Trust Fund for State- and Peace- Building Fund (SPF) (“TF071021”), to make a grant in an amount not exceeding one million, two hundred thousand United States Dollars (US$1,200,000) (the Grant) to the Federal Republic of Somalia (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 hereby confirms its request that the Bank carry out the activities described in paragraph 1 of the Annex to this Letter Agreement, and represents that it is authorized to contract 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. Upon receipt by the Bank of the copy of this Letter Agreement countersigned by you, this Letter Agreement will become effective as of the date of the countersignature.

Very truly yours,
INTERNATIONAL DEVELOPMENT ASSOCIATION

By
Bella Bird
Country Director for Somalia
Africa Region

AGREED:

FEDERAL REPUBLIC OF SOMALIA

By
Authorized Representative

Name: Mohamed Bashir
Title: Ministry, Post & Telecommunications
Date: May 30, 2014
ANNEX

Purposes, Terms and Conditions of the Grant

1. The Activities for which the Grant is given are as follows:

(a) Carrying out of a program of activities to facilitate the implementation of the communications law, such program to include *inter alia*, stakeholder consultations on the communications law, and provision of advisory services on the implementation of the law.

(b) Carrying out of a program of activities to build the capacity of the Somalia Communications Commission, such program to include *inter alia*, provision of technical assistance for the harmonization of spectrum allocations; provision of training to staff including in-situ training, supporting South-South knowledge exchange initiatives, mounting training workshops and facilitating study tours including in neighboring countries; provision of technical assistance for the establishment of a data collection unit and the carrying out of surveys and studies; support for the development of a website for the Ministry of Posts and Telecommunications and the Somalia Communications Commission, and collecting baseline telecommunication and information and communication technology data.

(c) Carrying out of a program of activities to support the implementation of the information and communication technology licensing framework, such program to include *inter alia*, provision of technical assistance for the development of licensing agreements for mobile operators and internet service providers including establishing fee structures, and facilitating consultations with operators and other private sector players on the proposed licenses.

(d) Carrying out of a program of activities to build capacity of the Recipient and enhance donor coordination, such program to include *inter alia*, conducting a training needs assessment of the Ministry of Posts and Telecommunications and Somalia Communications Commission and developing a training plan; supporting the implementation of the training plan, and supporting donor coordination activities.

(e) Carrying out of a cost-benefit analysis of the contribution of the telecoms to public finance including *inter alia*, assessing potential of various revenue generation scenarios for the telecommunication and information and communication technology sector and preparing a report on the benefits that accrue to operators.

2. The Grant shall be used to finance associated overheads, consultants’ services (including short term and extended term consultant fee and salary and benefits), contractual services, equipment lease or purchase cost, study tours (including travel), media and workshop and travel costs required for the Activities.

3. The Bank shall carry out the Activities on behalf of the Recipient. The Recipient shall cooperate with the Bank to the extent necessary to permit the Bank to carry out the Activities promptly and effectively, and to evaluate the results of the Activities. The Recipient shall indemnify the Bank against any costs or liabilities incurred by the Bank as a result of claims against the Bank in connection with the Activities, except those resulting from the gross negligence or willful misconduct of its staff or external consultants.

4. The Bank shall carry out the Activities pursuant to this Letter Agreement only to the extent that the Grant funds required for such Activities are available to the Bank from the Donors.
5. The Activities shall be completed by not later than March 31, 2016, or such later date as the Bank may establish by notice to the Recipient (the Closing Date). After the Closing Date, the Bank may at any time cancel the remaining balance of the Grant.

6. The engagement and supervision of the consultants (the Consultants) required to assist in the carrying out of the Activities shall be the responsibility solely of the Bank and shall be done according to the Bank's applicable procedures.

7. The Recipient may at any time request the Bank in writing to terminate the Activities. Whether or not the Recipient has made such a request, the Bank may at any time suspend or, after consultation with the Recipient, terminate the right of the Recipient to receive Grant funds for the Activities if any of the following events has occurred and is continuing: (a) the Recipient has failed to perform any of its obligations under this Letter Agreement; or (b) the right of the Recipient or any other entity to which the International Bank for Reconstruction and Development (the IBRD) has made a loan with the guarantee of the Recipient, to make withdrawals under any loan agreement with the IBRD or any development credit, grant or financing agreement with IDA has been suspended.

8. The Bank is not an agent of, or trustee for, the Recipient and shall not have any fiduciary relationship with the Recipient. The Recipient shall have no right to any portion of the Grant that is not expended by the Bank pursuant to this Letter Agreement.