SUDAN MULTI-PARTNER FUND AND
STATE AND PEACEBUILDING FUND
Amended and Restated
Grant Agreement

Strengthening Sub-National Fiscal Policy Management Project

between

REPUBLIC OF THE SUDAN

and

INTERNATIONAL DEVELOPMENT ASSOCIATION
(acting as administrator of the Sudan Multi-Partner Fund
and State and Peacebuilding Fund)

Dated September 26, 2016, as amended and restated on June 5, 2017
AGREEMENT dated September 26, 2016, and amended and restated on June 5, 2017, entered into between:

REPUBLIC OF THE SUDAN ("Recipient"); and

INTERNATIONAL DEVELOPMENT ASSOCIATION ("World Bank"), acting as administrator of the Sudan Multi-Partner Fund (TF072301) ("the Sudan Multi-Partner Fund" or "SMPF") and the State and Peacebuilding Fund (TF071021) (the "State and Peacebuilding Fund" or "SPF").

The Recipient and the World Bank hereby agree as follows:

Article I
Standard Conditions; Definitions


1.02. 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.

Article II
The Project

2.01. The Recipient declares its commitment to the objectives of the project described in Schedule 1 to this Agreement ("Project"). To this end, the Recipient shall carry out the Project through the Ministry of Finance and Economic Planning in accordance with the provisions of Article II of the Standard Conditions.
2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Recipient and the World Bank shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

Article III
The Grant

3.01. The World Bank agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a grant in an amount not to exceed four million nine hundred and ninety-nine thousand United States Dollars ($4,999,000) ("Grant"), of which three million four hundred ninety-nine thousand United States Dollars ($3,499,000) shall come from the Sudan Multi-Partner Fund and one million five hundred United States Dollars ($1,500,000) shall come from the State and Peacebuilding Fund, to assist in financing the Project.

3.02. The Recipient may withdraw the proceeds of the Grant in accordance with Section IV of Schedule 2 to this Agreement.

3.03. The Grant is funded out of the Sudan Multi-Partner Fund for which the World Bank receives periodic contributions from the donors to the trust fund. In accordance with Section 3.02 of the Standard Conditions, 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.

Article IV
Recipient’s Representative; Addresses

4.01. The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is the Minister responsible for finance.

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

Ministry of Finance and Economic Planning
Government of Sudan
Khartoum
Republic of the Sudan
P.O Box 298 – Khartoum
Cable Malisudan
Fax No. +249-183-776081 Telex: +249 – 183- 777563
4.03. **World Bank’s Address.** The World Bank’s Address referred to in Section 7.01 of the Standard Conditions is:

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
AGREED at Khartoum, Sudan, as of the day and year first above written.

REPUBLIC OF THE SUDAN

By

[Signature]

Authorized Representative

Name: Mohd Osman El Rikalri

Title: Minister of Finance and Economic Planning

INTERNATIONAL DEVELOPMENT ASSOCIATION,
(acting as administrator of the Sudan Multi-Partner Fund
and the State and Peacebuilding Fund)

By

[Signature]

Authorized Representative

Name: Xavier Furtado

Title: Country Representative
SCHEDULE 1
Project Description

The objective of the Project is to improve the efficiency and effectiveness of state-level’s fiscal policy management and financial accountability processes, including credibility and transparency in the use of public funds and reduced opportunities for corruption in piloted states (Red Sea, River Nile, Sinnar, and North Kordofan).

The Project consists of the following parts:

Part 1: Promoting Greater Equity in Public Resource Use

Strengthening the planning and analytical underpinning functions of state-level government to improve overall poverty-reducing policy-based budgeting systems for budget formulation; enhance poverty-reducing budget credibility; and reinforce a formula-based state-level intergovernmental transfers. The activities under this part include:

A. Strengthening poverty-reducing policy-based budgeting

Providing technical and advisory support in planning and implementing the shift to the medium term budget framework, and assisting state-level Ministry of Finance to sensitize stakeholders to the change. The activities under this sub-component include:

(i) improving poverty-reducing policy-based budgeting systems and approval processes at state and locality levels;
(ii) strengthening budget framework and formulation to ensure stronger poverty-motivation in the budget;
(iii) improving upstream strategic planning and budgeting, the Medium-term Expenditure Framework and revenue forecasting;
(iv) linking Poverty Reduction Strategy Paper (PRSP) process to the budget;
(v) strengthening Sector Working Groups in preparing sector reports;
(vi) building the capacity of Ministry of Finance and budget units in line ministries and localities by helping line ministries and localities prepare expenditure plans, and training staff in program costing, and strengthening budget submissions;
(vii) institutionalizing a poverty-focused dialogue and participation of budget formulation process and defining pro-poor activities through fostering the involvement of line ministries, Parliaments and Civil Society Organizations (CSOs) in budget process;
(viii) strengthening macro-economic skills and providing: (a) technical support to ensure development of stable long and medium term fiscal and budgetary policy framework; and (b) in-service/on-job training to develop capacity;
(ix) ensuring more transparent intergovernmental revenue sharing system;
(x) revising overall fiscal framework for devolution of fiscal power to localities;
(xi) bringing all revenues need to the budget process to ensure a comprehensive budget; and
(xii) ensuring sufficient time for state assembly discussion, with a realistic timetable for budget deliberations and the approval, and a focus on spending policies and priorities.

B: **Reinforcing a formula-based state-level intergovernmental transfers**

Providing technical and advisory support to the piloted states to develop and apply a sound intergovernmental transfer system to address horizontal imbalances. The activities under this sub-component include:

(i) developing and implementing a user friendly formula system, approved by assembly, to compensate significant shortfalls related to capital investments in local government’s provision of basic services;
(ii) developing a system to build reliable and up-to-date database for indicators and criteria to be used for applying the formula-based allocation system; and
(iii) building the capacity of the state to fully apply the formula-based allocation system and increase the level of execution, supervision and monitoring.

Part 2: **Improving Efficiency of Public Resource Use**

Improving the state-level efficiency of resource allocation and operational efficiency of sector budget allocations as a basis for poverty reduction and improved service delivery. The activities under this part include:

A. **Strengthening state-level public investment management**

Providing technical and advisory support to improve the efficiencies of public investment spending to address the shortcomings in public investment budget management and limitation in the preparation and execution of investment projects in the piloted states. The activities under this sub-component include:

(i) developing procedure manual, guidelines, database, and legal framework for state-level investment projects’ management to provides a set of criteria to be applied for an orderly state
development portfolio re-prioritization, preparation, implementation and evaluation; and
(ii) strengthening state-level capacity for project identification, costing, planning and monitoring the execution of investment projects through training on project cycle and implementation of project preparation procedures.

B. Improving state-level procurement system

Providing technical and advisory support to strengthen the institutional capacity of the state-level procurement function as part of the implementation of overall public procurement reforms agenda in Sudan, including, adoption of a new procurement Act and application of sanctions for violations of procurement rules. The activities under this sub-component include:

(i) improving the performance of the procurement system and procedure that includes Public Procurement manual and Standard Bidding Documents (SDBs);
(ii) supporting the set-up of a public contracts planning system to assist Ministry of Finance and selected line ministries and public bodies to plan their procurement operations and to improve the efficiency and transparency of their procurement units;
(iii) assisting the main state-level spending ministries and public bodies to improve the efficiency and transparency of their procurement units;
(iv) supporting the Ministry of Finance in printing and dissemination of the manuals to final users; and
(iv) design of freely accessible online website and provision of IT equipment to enable procurement department to publish procurement opportunities.

C. Support state-level adoption of a risk based internal audit

Providing technical and advisory support to enhance the internal audit practices to ensure an effective, independent, and objective Internal Audit Department oversight in the piloted states. The support would be provided in the areas of:

(i) internal audit practices to ensure an effective, independent, and objective Internal Audit Department oversight in the piloted states;
(ii) internal audit planning and quality assurance issues surrounding the standard internal audit procedures and processes;
(iii) principles of internal audit controls;
(iv) practical approaches to risk-based assessment audit methodology;
(v) audit procedures for revenue cycle;
(vi) internal audit report writing skills surrounding the report to management that the auditors prepare at the end of an audit;
(vii) providing additional operational tools for internal auditors to facilitate their work to roll out the internal auditor function; and
(viii) support for developing standard operating procedures manual with templates of internal audit procedures.

Part 3: Promoting Greater Accountability in Public Resource Use

Reinforcing accountability and practices at the state-level for management and use of public finances through strengthened oversight functions in the piloted states, and promoting greater accountability and transparency of public institutions and fostering actions for mitigating corruption and political patronage critical for state-level fiscal stability, long-term reduction of conflict and for sustainability of shared growth. The activities under this part include:

A. Strengthening State-level Audit Chamber oversight

Providing technical and advisory support to develop an independent and effective External Audit financial oversight function at state-level and providing support in the areas of:

(i) audit process, planning and standards;
(ii) information technology audits and application controls to: (a) strengthen the capacity of the auditors to examine the management controls within an information technology infrastructure; and (b) determine if the information systems are safeguarding assets, maintaining data integrity, and operating effectively to achieve the organization's goals or objectives;
(iii) forensic audits and fraud investigation to strengthen the capacity of the auditors to apply auditing methods to the track and collect forensic evidence for investigation and support to prosecution of criminal acts;
(iv) risk-based audit methodology to strengthen the capacity of auditors to undertake more efficient and effective audits by focusing on risk profiles of each engagement;
(v) audit report writing skills to strengthen the capacity of auditors in preparing well written audit reports based on the intended audience and purpose of the report; and
(vi) printing and dissemination of audit manuals.
B. Strengthening State-level Assembly oversight

Providing technical and advisory support to strengthen the operational capacity and effectiveness of the Assembly to scrutinize the national budget, fiscal reports, and audit reports, as required under the State Constitution. The activities under this sub-component will support:

(i) provision of awareness and training/ upgrading skill of members of the Assembly, sub-national authorities targeted bodies/committees on prioritization, budgeting and tracking of the transferred fund, monitoring and evaluation and reporting and auditing;
(ii) public administration, including accountability mechanisms;(ii) performing budget analysis;
(iii) conducting analysis of audited public accounts and reporting on audit report reviews/hearings; and
(iv) facilitating federal government engagement with local authorities to strengthen implementing institutions.

C. Enhancing public access to key fiscal information

Providing technical and advisory support to the Ministry of Finance in the piloted states to promote transparency and external accountability in the use of public resources through better public access and improved availability of key fiscal information on state ministry of finance website without restriction, without requirement to register, and free of charge, and to identify the current practice of public information presentation on the state ministry of finance. The activities under this sub-component include:

(i) hiring of a professional consultant to review the website and prepare a review of the existing information environment;
(ii) preparing recommendations to improve transparency and public accessibility; and
(iii) preparing final report to be included on the next generation of state ministry’s website.

Part 4: Promoting State-Level Revenue Collection and Management Capacities

Providing technical support and advisory services to the Ministry of Finance in the piloted states to strengthen revenue policy and oversight of revenue collection; improve the efficiency and integrity of revenue administration to increase domestic revenue; and integrate revenue systems with overall PFM system and encourage private sector investment and development. The activities under this part include:
A. **Improving revenue planning capacity:**

(i) supporting the recently established state's superior council for revenue reforms and planning, including securing coherence and avoiding duplication and inconsistencies between the revenue systems at various government agencies;

(ii) strengthening state own revenue forecasting and economic impact analysis capacity through development of simple models of revenue forecasting and analysis including baseline indicators and updating databases of service subscribers and taxpayers and providing training on how to use these models; and

(iii) assisting revenue department to calculate collection efficiency and cost for each type of revenue.

B. **Improving the existing state own revenue administration efficiency**

(i) developing transparent guidelines/ manual to reduce the cost of revenue collection and clarify roles and responsibilities among various government agencies involved in revenue collection at sub-national levels;

(ii) providing training on these models including the examination and improvement of local revenue assigned and retained, and incentives to raise local revenue;

(iii) streamlining tax exemption regime through more detailed estimates of revenue losses;

(iv) enhancing efficiency in state own revenue administration through introduction of Information and Communications Technology (ICT); and

(v) enhancing taxpayers compliance and attitudes by improved knowledge about the tax system through taxpayer education program and outreach to ensure that taxpayers are aware of their legal obligations.

C. **Increasing controls and financial management to reduce leakage:**

(i) providing technical support to internal audit on quality assurance, audit process, auditing internal controls, materiality, and audit procedures for the revenue cycle and practical approaches to risk assessment; and

(ii) providing support on issues regarding the report to management that the auditors prepare at the end of an audit.
Part 5: Technical Support for Project Management and Implementation

Providing technical and advisory support to strengthen the capacity of the Project Implementing Unit (PIU) for effective management and implementation of the Project, including financial and procurement management, detailed design of activities, coordination and communication of Project activities, terms of reference for consultants, and monitoring and evaluation, to ensure effective implementation of the Project.
SCHEDULE 2

Project Execution

Section I. Institutional and Other Arrangements

A. Institutional Arrangements

1. The Recipient shall carry out the Project through the Ministry of Finance & Economic Planning (MoFEP), responsible for overall Project management and implementation, including administrative and financial management, disbursement and procurement, and monitoring and evaluation.

2. Steering Committee (SC): The Recipient shall, not later than one month after the Effective Date, and thereafter maintain at all times during the implementation of the Project, a Steering Committee with composition, functions and responsibilities satisfactory to the World Bank, as set forth in the Project Implementation Manual, for purposes of providing strategic direction and overseeing Project implementation. The SC shall be headed by the undersecretary of the MoFEP and comprised, *inter alia*, of representatives from the Director Generals in the Ministry of Finance & Economic Planning (International Cooperation, Development Budget, Procurement, Financial & Administrative affairs, Academy for Finance & Economic Studies), the piloted states, Fiscal & Financial Allocation and Monitoring Commission, Chamber of Taxation, General Auditor, Chamber of Final Accounts, and Project coordinator as Rapporteur.

3. Without limitation to the provisions of paragraph 2 of this Part A, the SC will oversee the overall implementation of the Project and will be responsible for: (i) fulfill project startup requirements including PIU staffing selection; (ii) provide overall policy guidance and direction to the project; (iii) review progress made in implementation of the Project; (iv) assess results achieved based on agreed Project indicators; (v) discuss and resolve any implementation issues that cannot be resolved at the PIU level; (vi) such other functions as set forth or elaborated in the Project Implementation Manual; and (vii) Coordination with project beneficiaries.

4. Project Implementation Unit (PIU): The Recipient shall, at all times during the implementation of the Project, maintain the PIU in a manner satisfactory to the World Bank with the responsibility for day-to-day management, coordination and monitoring of Project activities, including: (i) communicating with the piloted state ministries of finance on all implementation matters related to Project activities on revenue mobilization in Pilot States; (ii) implementation and monitoring of outcome and output indicators; (iii) preparing and submitting periodic Project Reports to the MoFEP and the World Bank; (iv) resolving implementation issues and ensuring timely removal of any obstacles to the implementation of the Project; (v) fiduciary (financial and procurement) management; and (vi) such other
technical, administrative, organizational and financial functions as set forth in the Project Implementation Manual.

5. Without limitation to the provisions of paragraph 4 of this Part A, the Recipient shall, not later than one month after the Effective Date, recruit or appoint to the Project Implementation Unit in accordance with the provisions of Section III of Schedule 2 to this Agreement, a Project coordinator, operations officer, financial management specialist, accountant, procurement specialist, monitoring and evaluation specialist, poverty-reducing policy-based budgeting specialist, and administrative and support staff, all with qualifications, experience and terms of reference satisfactory to the World Bank.

B. Implementation Arrangements

1. Project Implementation Manual

   (a) The Recipient shall, not later than two (2) month after the Effective Date, prepare and adopt in form and substance satisfactory to the World Bank, a Project Implementation Manual, which shall include, inter alia, the following provisions: (a) procedures for capacity building activities for sustained achievement of the Project’s objective; (b) arrangements on financial management, including a financial management manual, setting forth the detailed policies and procedures for financial management under the Project; (c) disbursement and procurement procedures; (d) institutional administration, coordination, and day-to-day execution of Project activities; (e) monitoring, evaluation, reporting, and communications; (f) Project performance and implementation indicators, including the procedures for monitoring and evaluation of Project activities; and (g) such other administrative, financial, technical and organizational arrangements and procedures as shall be required for the Project.

   (b) The Recipient shall afford the World Bank a reasonable opportunity to exchange views with the Recipient on said Project Implementation Manual, and thereafter, shall adopt such Project Implementation Manual, as shall have been approved by the World Bank.

   (c) The Recipient shall ensure that the Project is carried out in accordance with the Project Implementation Manual; provided, however, that in case of any conflict between the provisions of the Project Implementation Manual, and those of this Agreement, the provisions of this Agreement shall prevail.

   (d) The Recipient shall not amend or waive any provisions of the Project Implementation Manual without the prior written agreement of the World Bank.

-14-
2. **Annual Work Plan and Budget**

   (a) The Recipient shall prepare and furnish to the World Bank not later than November 30 of each fiscal year during the implementation of the Project, an annual work plan and budget containing all activities proposed to be included in the Project during the following fiscal year, and a proposed financing plan for expenditures required for such activities, setting forth the proposed sources of financing.

   (b) Each such proposed work plan and budget shall specify any Training activities that may be required under the Project, including: (i) the type of Training; (ii) the purpose of the Training; (iii) the personnel to be trained; (iv) the institution or individual who will conduct the Training; (v) the location and duration of the Training; and (vi) the cost of the Training.

   (c) The Recipient shall afford the World Bank a reasonable opportunity to exchange views with the Recipient on each such proposed work plan and budget and thereafter ensure that the Project is implemented with due diligence during said following Fiscal Year in accordance with such work plan and budget as shall have been approved by the World Bank ("Annual Work Plan and Budget").

   (d) The Recipient shall not make or allow to be made any change to the approved Annual Work Plan and Budget without the World Bank's prior approval in writing.

C. **Anti-Corruption**

The Recipient shall ensure that the Project is carried out in accordance with the provisions of 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 (“Anti-Corruption Guidelines”).

D. **Donor Visibility and Visit**

1. The Recipient shall take or cause to be taken all such measures as the World Bank may reasonably request to identify publicly the Donors' support for the Project.

2. For the purposes of Section 2.09 of the Standard Conditions, the Recipient shall, upon the World Bank’s request, take all measures required on its part to enable the representatives of the Donors to visit any part of the Recipient’s territory for purposes related to the Project.
Section II. **Project Monitoring, Reporting and Evaluation**

A. **Project Reports; Completion Report**

1. 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.

2. 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.

B. **Financial Management; Financial Reports; Audits**

1. The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.

2. 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.

3. The Recipient shall, upon the World Bank’s request, have its Financial Statements for the Project 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 months after the end of such period.

Section III. **Procurement**

A. **General**

1. **Procurement and Consultant Guidelines.** All goods, non-consulting-services and consultants’ 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:

   (a) Section I of the “Guidelines: Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by

(b) the provisions of this Section III, as the same shall be elaborated in the procurement plan prepared and updated from time to time by the Recipient for the Project in accordance with paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines ("Procurement Plan").

2. **Definitions.** The capitalized terms used below in 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 Sections II and III of the Procurement Guidelines, or Sections II, III, IV and V of the Consultant Guidelines, as the case may be.

B. **Particular Methods of Procurement of Goods and Non-consulting Services**

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding:

2. **Other Methods of Procurement of Goods and Non-consulting Services.** The following methods, other than International Competitive Bidding, may be used for procurement of goods, works and non-consulting services for those contracts specified in the Procurement Plan: (a) Limited International Bidding; (b) National Competitive Bidding, subject to the following additional provisions: Procurement through National Competitive Bidding (NCB) shall follow procedures acceptable to the Bank including the use of national SBDs prepared to the satisfaction of the Bank and issued in the Arabic language; (c) Shopping; (d) procurement under Framework Agreements in accordance with procedures which have been found acceptable to the World Bank; (e) Direct Contracting; (f) Force Account; (g) Procurement from UNOPS; (h) Well-established Private Sector Procurement Methods or Commercial Practices which have been found acceptable to the World Bank; (i) Procurement under Public Private Partnership Arrangements in accordance with procedures which have been found acceptable to the World Bank; and (j) Community Participation procedures which have been found acceptable to the World Bank.

Additionally, as Sudan is deemed by the World Bank to qualify under paragraph 12 of Bank Operational Policy (OP) 10.00, the World Bank will allow the application to the Project of the flexibility detailed in the Guidance to World Bank.
staff: Simplified Procurement Procedures in Situations of Urgent Need of Assistance or Capacity Constraints, April 2013.

C. Particular Methods of Procurement of Consultants’ Services

1. Quality- and Cost-based Selection. Except as otherwise provided in paragraph 2 below, consultants’ services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.

2. Other Methods of Procurement of Consultants’ Services. The following methods, other than Quality- and Cost-based Selection, may be used for procurement of consultants’ services for those assignments which are specified in the Procurement Plan: (a) Quality-based Selection; (b) Selection under a Fixed Budget; (c) Least-Cost Selection; (d) Selection based on Consultants’ Qualifications; (e) Single-source Selection of consulting firms; (f) Well-established Private Sector Procurement Methods or Commercial Practices which have been found acceptable to the World Bank; (g) Selection of consultants under Indefinite Delivery Contract or Price Agreement; (h) Selection of Individual Consultants; and (i) Single-source procedures for the Selection of Individual Consultants.

D. Review by the World Bank of Procurement Decisions

The Procurement Plan shall set forth 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.

Section IV. Withdrawal of Grant Proceeds

A. General

1. 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 “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 instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below:

2. The following 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:
<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the SMPF Grant Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be Financed by the SMPF (inclusive of Taxes)</th>
<th>Amount of the SPF Grant Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be Financed by the SPF (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goods, non-consulting services, consultants’ services, Training and Operating Costs</td>
<td>3,499,000</td>
<td>70%</td>
<td>1,500,000</td>
<td>30%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>3,499,000</td>
<td></td>
<td>1,500,000</td>
<td></td>
</tr>
</tbody>
</table>

B. **Withdrawal Conditions; Withdrawal Period**

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for payments made prior to the date of this Agreement.

2. The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is September 30, 2020.
APPENDIX

Definitions


2. “Annual Work Plan and Budget” means the annual work plan and budget prepared by the Project Implementing Unit, and approved by the World Bank in accordance with Section I.B.2 of Schedule 2 to this Agreement.

3. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.


6. “National Audit Chamber” means the Recipient’s national audit institution established pursuant to Article 205 (1) of the 2005 Interim National Constitution of the Republic of the Sudan, or any successor thereto.

7. “State-level Assembly” means the Recipient’s state-level legislative authority, or any successor thereto.

8. “Donors” means the donors contributing to the Sudan Multi-Partner Fund.

9. “Operating Costs” means the incremental expenses incurred on account of Project management and implementation, including servicing of office machines and equipment, bank charges, office supplies, consumables, travel costs, including travel per diem, and accommodation, but excluding salaries of the Recipient’s civil servants.


12. "Project Implementation Manual" means the manual for the Project to be prepared and adopted by the Recipient, in form and substance acceptable to the World Bank, and referred to in Section I.B.1 of Schedule 2 to this Agreement, as the same may be amended from time to time with agreement of the World Bank.

13. "Project Implementation Unit" means the PIU, established within MoFEP and referred to in Section I.A.2(b) of Schedule 2 to this Agreement.


15. "State and Peacebuilding Fund" or "SPF" means the State and Peacebuilding Fund, TF No. 071021, administered by the World Bank, from which some of the Grant proceeds are provided.

16. "Steering Committee" means the steering committee to be established under the Project and referred to in Section I.A.1 of Schedule 2 to this Agreement.

17. "Sudan Multi-Partner Fund" or "SMPF" means the Sudan Multi-Partner Fund, TF No. 072301, administered by the World Bank, from which some of the Grant proceeds are provided.

18. "Training" means the cost associated with the training and workshops, based on each Annual Work Plan and Budget approved by the World Bank, for reasonable expenditures (other than expenditures for consultants' services), including: (i) travel, room, board and per diem expenditures incurred by trainers and trainees in connection with Training and by non-consultant training facilitators; (ii) course fees; (iii) training facility rentals; and (iv) training material preparation, acquisition, reproduction and distribution expenses.