January 9, 2013

H.E. Cr. Ulaan
Minister of Finance
Ministry of Finance
Government Building 2
United Nations’ Street 5/1
Ulaanbaatar, 210646

MONGOLIA: Index Based Livestock Insurance Project
Swiss Grant Agreement
Swiss Grant Number TF013074

Amendments to the Swiss Grant Agreement

Excellency:

We refer to the Swiss Grant Agreement dated September 5, 2012 (“Grant Agreement”), between Mongolia (“Recipient”) and the International Development Association, acting as administrator of funds provided by the Government of Swiss Confederation (“World Bank”), for the purpose of providing additional grant financing for activities related to the Index Based Livestock Insurance Project (“Project”).

The second tranche of funds in the amount of four hundred two thousand seven hundred ninety eight United States Dollars and thirty nine cents (US$402,798.39), has been provided by the Swiss Confederation. In light of the availability of additional funds for this Project, we hereby propose to amend the Grant Agreement as follows:

1. Section 3.01 of the Grant Agreement is amended (emphasis added) to read as follows:

“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 equal to eight hundred eighty four thousand eighty nine United States Dollars and thirty nine cents (US$884,089.39) (“Grant”) to assist in financing the Project.”

2. Schedule 2, Section III (Procurement) is hereby amended (emphasis added) to read as follows:

“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:
Section I of the Procurement Guidelines, in the case of goods, and non-consulting services, and Sections I and IV of the Consultant Guidelines in the case of consultants’ services; and

(b) the provisions of this Section III, as the same shall be elaborated in the 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. Except as otherwise provided in paragraph 2 below, goods and non-consulting services shall be procured under contracts awarded on the basis of Shopping

2. Other Methods of Procurement of Goods and Non-consulting Services. The following method, other than Shopping, may be used for procurement of goods and non-consulting services for those contracts specified in the Procurement Plan: Direct Contracting.

C. Particular Methods of Procurement of Consultants’ Services

1. Quality- and Cost-based Selection. Except as otherwise provided in paragraph 2 below, consultant’s 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) Least Cost Selection; (c) Selection based on Consultants’ Qualifications; (d) Single-source Selection of consulting firms; (e) Selection of Individual Consultants; and (f) Single-source procedure 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.

3. The table in Section IV.A.2 of Schedule 2 to the Grant Agreement is amended to read as follows:
4. Section IV.B.1 of Schedule 2 to the Grant Agreement is amended to read as follows:

“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, except that withdrawals up to an aggregate amount not to exceed $176,800 equivalent may be made for payments made prior to this date but on or after November 30, 2011, for Eligible Expenditures under Category (1).”

5. Appendix, Definitions, the following new definition is added and the remaining definitions are renumbered accordingly:


Except as specifically amended by the provisions of this letter of amendment, all terms and conditions of the Grant Agreement shall remain in full force and effect. Upon receipt by the Association of the original of this letter of amendment, duly countersigned by the authorized representative of the Recipient, this letter of amendment shall become effective as of the date of countersignature of the authorized representative of the Recipient.

Please confirm your agreement with the foregoing on behalf of the Recipient to the amendments set forth above by countersigning, dating and returning to us the enclosed copy of this letter of amendment.

Sincerely,

INTERNATIONAL DEVELOPMENT ASSOCIATION
acting as administrator of funds provided by the
Government of the Swiss Confederation

Klaus Rohland
Country Director, Mongolia
East Asia and Pacific Region
CONFIRMED AND AGREED
MONGOLIA

By: 

Name: Ch. ULAAN

Title: Minister of Finance

Date: Feb 13, 2013