Myanmar Partnership Multi-Donor Trust Fund Grant Agreement

(Decentralizing Funding to Schools Project)

between

REPUBLIC OF THE UNION OF MYANMAR

and

INTERNATIONAL DEVELOPMENT ASSOCIATION
Acting as administrator of the Myanmar Partnership Multi-Donor Trust Fund

Dated October 11, 2014
MDTF GRANT NUMBER TF017814

MYANMAR PARTNERSHIP MULTI-DONOR TRUST FUND
GRANT AGREEMENT

AGREEMENT dated October 1, 2014, entered into between the REPUBLIC OF THE UNION OF MYANMAR ("Recipient") and the INTERNATIONAL DEVELOPMENT ASSOCIATION ("World Bank"), acting as administrator of the Myanmar Partnership Multi-Donor Trust Fund ("Myanmar Partnership MDTF").

WHEREAS (A) the Recipient, having satisfied itself as to the feasibility and priority of the Project described in Schedule 1 to this Agreement ("Project"), has requested the World Bank to extend a grant from the Myanmar Partnership MDTF as provided in Section 3.01 of this Agreement, to assist in the financing of the Project; and

(B) the Recipient has also requested the International Development Association ("Association") to provide additional assistance towards the financing of the Project, and the Association has agreed to make available a credit to the Recipient ("Financing") to assist in the financing of the Project, pursuant to an agreement of even date herewith the Recipient and the Association ("Financing Agreement"); and

WHEREAS the World Bank has agreed, on the basis, inter alia, of the foregoing, to extend a grant from the Myanmar Partnership MDTF to the Recipient upon the terms and conditions set forth in this Agreement;

NOW THEREFORE, 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, this Agreement (including the Preamble hereto), and the Appendix to the Financing Agreement, as the case may be.
Article II
The Project

2.01. The Recipient declares its commitment to the objective of the Project. To this end, the Recipient shall carry out the Project through its Ministry of Education 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 exceeding seventeen million Dollars ($17,000,000) ("Grant") to assist in financing the Project.

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

3.03. The Grant is funded out of the abovementioned trust fund for which the World Bank receives periodic contributions from the donors to the Myanmar Partnership MDTF. 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
Effectiveness; Termination

4.01. This Agreement shall not become effective until evidence satisfactory to the World Bank has been furnished to the World Bank that the conditions specified below have been satisfied:

(a) The execution and delivery of this Agreement on behalf of the Recipient have been duly authorized or ratified by all necessary governmental action.

(b) The Financing Agreement has been executed and delivered and all conditions precedent to its effectiveness or to the right of the Recipient to
make withdrawals under it (other than the effectiveness of this Agreement) have been fulfilled.

4.02. As part of the evidence to be furnished pursuant to Section 4.01 (a), there shall be furnished to the World Bank an opinion or opinions satisfactory to the World Bank of counsel acceptable to the World Bank or, if the World Bank so requests, a certificate satisfactory to the World Bank of a competent official of the Recipient, showing, on behalf of the Recipient, that this Agreement has been duly authorized or ratified by, and executed and delivered on its behalf and is legally binding upon it in accordance with its terms.

4.03. Except as the Recipient and the World Bank shall otherwise agree, this Agreement shall enter into effect on the date upon which the World Bank dispatches to the Recipient notice of its acceptance of the evidence required pursuant to Section 4.01 (“Effective Date”). If, before the Effective Date, any event has occurred which would have entitled the World Bank to suspend the right of the Recipient to make withdrawals from the Grant Account if this Agreement had been effective, the World Bank may postpone the dispatch of the notice referred to in this Section until such event (or events) has (or have) ceased to exist.

4.04. This Agreement and all obligations of the parties under it shall terminate if it has not entered into effect by the date ninety (90) days after the date of this Agreement, unless the World Bank, after consideration of the reasons for the delay, establishes a later date for the purpose of this Section. The World Bank shall promptly notify the Recipient of such later date.

Article V
Recipient’s Representative; Addresses

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

5.02. The Recipient’s Address is:

Ministry of Finance
Building No. 26
Nay Pyi Taw
Myanmar

Facsimile:
95-67-410-198
5.03. The World Bank’s Address is:

International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Facsimile:
1-202-477-6391

AGREED at District of Columbia, United States of America, as of the day and
year first above written.

REPUBLIC OF THE UNION OF MYANMAR

By

Authorized Representative

Name: Maung Maung Maung
Title: Director General

INTERNATIONAL DEVELOPMENT ASSOCIATION
Acting as administrator of the Myanmar Partnership
Multi-Donor Trust Fund

By

Authorized Representative

Name: Axel van Trotsenburg
Title: Regional Vice President
SCHEDULE 1

Project Description

The objective of the Project is to help improve and expand the Recipient’s School Grants Program and Student Stipends Program.

The Project consists of the parts described in Schedule 1 to the Financing Agreement.
SCHEDULE 2

Project Execution

Section I. General

Section I (Implementation Arrangements), Section II (Project Monitoring, Reporting and Evaluation) and Section III (Procurement) of Schedule 2 to the Financing Agreement are hereby incorporated by reference and shall apply, mutatis mutandis, to this Agreement, and the Recipient undertakes to comply with the provisions thereof to the same extent as if such provisions had been set out in full in this Agreement, provided that for the purposes of this Agreement: (1) the references to the “Financing” in said Sections shall be construed as references to the Grant provided for under this Agreement; (2) the references to the “Association” in said Sections shall be construed as references to the World Bank; (3) the reference to Section 4.08 of the General Conditions in Section II.A of Schedule 2 to the Financing Agreement shall be construed as reference to Section 2.06 of the Standard Conditions; and (4) the references to Section 4.09 and 4.09(b) of the General Conditions in Section II.B of Schedule 2 to the Financing Agreement shall be construed as references to Section 2.07 and 2.07(b) of the Standard Conditions.

Section II. Withdrawal of the Proceeds of the Grant

A. General

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 17% (inclusive of Taxes) of Eligible Expenditures.

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made:

(a) for payments made prior to the date of this Agreement; or

(b) unless and until the Recipient has: (i) furnished evidence satisfactory to the World Bank in accordance with the verification protocol set forth in the Project Operational Manual that the Recipient has achieved the respective DLI(s) set forth in Schedule 4 to the Financing Agreement against which such withdrawal is requested; and (ii) complied with the
additional instructions referred to in Section IV.A of Schedule 2 to the Financing Agreement, including furnished to the World Bank the interim unaudited financial reports documenting the incurrence of Eligible Expenditures.

2. Notwithstanding the provisions of Parts A and B.1 of this Section, the amount of the Grant to be withdrawn upon the verified achievement of any DLI shall correspond to the DLI Value of such DLI as set forth in Schedule 4 to the Financing Agreement, adjusted for the percentage of financing specified in Part A of this Section.

3. Notwithstanding the provisions of paragraph 1 of this Part B, if the World Bank shall determine, based on the evidence furnished by the Recipient under paragraph 1 of this Part B, that any DLI has not been achieved by its DLI Target Achievement Date, the World Bank may in its sole discretion, by notice to the Recipient: (a) withhold in whole or in part the amount of the Grant allocated to such DLI; (b) disburse in whole or in part the amount of the Grant allocated to such DLI at any later time if and when such DLI is actually completed, to the extent that such completion remains feasible at a later time; (c) reallocate in whole or in part any withheld amount of the Grant allocated to such DLI; and/or (d) cancel in whole or in part any withheld amount of the Grant allocated to such DLI.

4. The Closing Date is December 31, 2018.