August 15th, 2013

H. E. Nizar Baraka  
Minister of Economy and Finance  
Ministry of Economy and Finance  
Avenue Mohammed V, Quartier Administratif  
Rabat  
Kingdom of Morocco

Re: Kingdom of Morocco: IDF Grant for Support to Procurement Regulatory Body Project  
IDF Grant No. TF014780

Excellency:

In response to the request for financial assistance made on behalf of the Kingdom of Morocco (“Recipient”), I am pleased to inform you that the International Bank for Reconstruction and Development (“World Bank”) proposes to extend to the Recipient a grant from the World Bank’s Institutional Development Fund (“IDF”) in an amount not to exceed four hundred thousand United States Dollars (U.S.$400,000) (“Grant”) on the terms and conditions set forth or referred to in this letter agreement (“Agreement”), which includes the attached Annex, to assist in the financing of the project described in the Annex (“Project”).

The Recipient represents, by confirming its agreement below, that it is authorized to enter into this Agreement and to carry out the Project in accordance with the terms and conditions set forth or referred to in this Agreement.

Please confirm the Recipient’s agreement to the foregoing by having an authorized official of the Recipient sign and date the enclosed copy of this Agreement, and return it to the World Bank. Upon receipt by the World Bank of this countersigned copy, this Agreement shall become effective as of the date of the countersignature (“Effective Date”); provided, however, that the offer of this Agreement shall be deemed withdrawn if the World Bank has not received
the countersigned copy of this Agreement within ninety (90) days after the date of signature of this Agreement by the World Bank, unless the World Bank shall have established a later date for such purpose.

Very truly yours,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By Simon Gray
Country Director for Morocco
MNA Region

AGREED:
KINGDOM OF MOROCCO

Ministre de l’Economie et des Finances

By: Signé NMABUKA

Name: ______________________

Title: ______________________

Date: 22 AOUT 2013

Enclosures:


(2) Disbursement Letter of the same date as this Agreement, together with World Bank Disbursement Guidelines for Projects, dated May 1, 2006
Article I
Standard Conditions; Definitions

1.01. **Standard Conditions.** The Standard Conditions for Grants Made by the World Bank Out of Various Funds dated February 15, 2012 ("Standard Conditions") constitute an integral part of this Agreement.

1.02. **Definitions.** 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 and the following terms have the following meanings:

(a) "CDM/CNCP" or "Commission des Marchés et Commission Nationale de la Commande Publique" means the Recipient’s national procurement regulation body established pursuant to the Recipient’s Decree No. 2-12-349, dated March 20, 2013.

(b) "PIM" or "Project Implementation Manual" means the manual describing the implementation, financial management, procurement, disbursement, monitoring and evaluation, and reporting arrangements for the Project and adopted by the SGG pursuant to Section 2.03 (a) of this Annex.

(c) "PMU" or "Project Management Unit" means the unit established within the SGG pursuant to Decision No. 1991-12, dated June 27, 2013.

(d) "SGG" or "Secretary General of Government" means the Recipient’s ministerial level entity whose function is to coordinate and implement, *inter alia*, the activities funded by this Grant.

Article II
Project Execution

2.01. **Project Objectives and Description.** The objective of the Project is to provide capacity building and institutional development support to assist the Recipient in strengthening its evolving national procurement regulatory body to successfully perform its nation-wide mandate which includes: (i) the regulation of policies, documents and standards for public procurement, (ii) the coordination and oversight of training in procurement and (iii) the handling and management of complaints. The Project consists of the following parts:

Part 1: CDM/CNCP Capacity Building Support

Provision of technical assistance for strengthening the capacity of CDM/CNCP including:

(i) the drafting of a procedural manual, the carrying out of a training needs assessment and the provision of training and knowledge transfer activities to CDM/CNCP current and prospective staff; and

(ii) the setting up of an effective mechanism for handling and monitoring complaints.
Part 2: Design and Initiate Development of Sustainable Training Programs in Procurement for all Stakeholders

Provision of technical assistance for:

(i) the development of harmonized training tools and material and the provision of procurement training to trainers and public buyers; and

(ii) building the foundation of a national network of qualified trainers through the identification and the delivery of training of potential trainers.

Part 3: Update/Issue Procurement Documents

Provision of technical assistance for: (i) the design and dissemination of procurement documents to procurement stakeholders; and (ii) the development and dissemination of related user guides and manuals.

2.02. Project Execution Generally. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out the Project through the SGG in accordance with the provisions of: (a) Article II of the Standard Conditions; (b) 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”); and (c) this Article II.

2.03. Institutional and Other Arrangements. Without limitations upon Section 2.02 above, the Recipient shall:

(a) cause the SGG to adopt an implementation manual (“Project Implementation Manual”) satisfactory to the World Bank no later than one (1) month after the Effective Date;

(b) recruit a financial management specialist in compliance with the provisions of paragraph 2.06 of this Annex, no later than one (1) month after the Effective Date;

(c) maintain the PMU with adequate staffing and resources satisfactory to the World Bank for the purpose of coordinating the implementation of the Project; and

(d) provide funds for (i) office facilities, (ii) training facilities; (iii) counterpart staff time; (iv) trainee staff time; (v) administrative support; and (vi) audit.

2.04. Project Monitoring, Reporting and Evaluation. (a) The Recipient shall monitor and evaluate the progress of the Project and, upon the World Bank’s request, prepare Project Reports, in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of the indicators set forth below in paragraph (b). Each Project Report shall cover such period as shall be indicated in the World Bank’s request and shall be furnished to the World Bank not later than one (1) month after the date of such request.

(b) The performance indicators referred to above in paragraph (a) consist of the following:
(i) complaints information system used and accessible to all public procurement stakeholders with internet access and complaints recorded and decisions on complaints made in compliance with the time allowed by the CNCP decree. Number of complaints recorded will increase by 100% minimum over baseline;

(ii) sustainable capacity building programs in public procurement are defined, harmonized, and approved by the CDM/CNCP with implementation ongoing at the national level and in at least 50% of the provinces; and

(iii) harmonized documents and templates for public buyers, private operators, controllers and CSO provided through different communication means (electronic, printed paper and/or training / seminars) and are used by more than 1,000 procuring entities.

(c) The Recipient shall, upon the World Bank’s request, 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 (6) months after the Closing Date.

2.05. Financial Management. (a) The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.

(b) 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 semester, covering the semester, in form and substance satisfactory to the World Bank.

(c) The Recipient shall have its Financial Statements 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 (6) months after the end of such period.

2.06. Procurement.

(a) General. All goods 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:

(i) Section I of the “Guidelines: Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated January 2011 (“Procurement Guidelines”), in the case of goods and non-consulting services;
(ii) Sections I and IV of the “Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated January 2011 (“Consultant Guidelines”) in the case of consultants’ services; and

(iii) the provisions of this Section, 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”).

(b) Definitions. The capitalized terms used in the following paragraphs of 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.

(c) Particular Methods of Procurement of Goods. Goods shall be procured under contracts awarded on the basis of Shopping.

(d) Particular Methods of Procurement of Consultants’ Services

(i) Except as otherwise provided in item (ii) below, consultants’ services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.

(ii) The following methods may be used for the procurement of consultants’ services for those assignments which are specified in the Procurement Plan: (A) Least Cost Selection; (B) Selection based on Consultants’ Qualifications; (C) Single-source Selection of consulting firms; (D) Selection of Individual Consultants; and (E) Single-source procedures for the Selection of Individual Consultants.

(e) 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.

Article III
Withdrawal of Grant Proceeds

3.01. Eligible Expenditures. 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 following table. The 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 Grant Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
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<tbody>
<tr>
<td>(1) Goods</td>
<td>19,400</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Consultants’ Services</td>
<td>362,600</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Training</td>
<td>18,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>400,000</td>
<td></td>
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</tbody>
</table>

For the purposes of this Section, the term “Training” means the following expenditures incurred in providing training or workshops: (i) travel by participants and presenters to the training or workshop site; (ii) per diem allowances of such persons during the training or workshop; (iii) honoraria for the presenters; (iv) rental of facilities; (v) materials, supplies; and (vi) translation and interpretation services.

3.02. Withdrawal Conditions. Notwithstanding the provisions of Section 3.01 of this Agreement, no withdrawal shall be made for payments made prior to the date of countersignature of this Agreement by the Recipient.

3.03. Withdrawal Period. The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is three years after the date of countersignature of this Agreement by the Recipient.

Article IV
Recipient’s Representative; Addresses

4.01. Recipient’s Representative. The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is its Minister of Finance.

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

Ministère de l’Économie et des Finances
Avenue Mohammed V
Rabat
Kingdom of Morocco

Cable address: MINFIN
Facsimile: 213-37-67-75-30/31
4.03. **World Bank’s Address.** The World Bank’s Address referred to in Section 7.01 of the Standard Conditions is:

International Bank for Reconstruction and Development  
1818 H Street, N.W.  
Washington, D.C. 20433  
United States of America

<table>
<thead>
<tr>
<th>Cable:</th>
<th>Telex:</th>
<th>Facsimile:</th>
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<tbody>
<tr>
<td>INTBAFRAD</td>
<td>248423 (MCI)</td>
<td>1-202-477-6391</td>
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<tr>
<td>Washington, D.C.</td>
<td>64145 (MCI)</td>
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</tbody>
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