The World Bank
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION
1818 H Street N.W. 1818 H Street N.W.
Washington, D.C. 20433 (202) 477-1234
U.S.A. Cable Address: INTBAFRAD

Date: September 5, 2013

Honorable Aggrey Tisa Sabuni
Minister
Ministry of Finance, Commerce, Investment and Economic Planning
Juba, Republic of South Sudan

Re: Republic of South Sudan: IDF Grant for Procurement
Capacity Development Support Project
IDF Grant No. TF014718

Honorable Minister Sabuni:

In response to the request for financial assistance made on behalf of the Republic of South Sudan ("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 seven hundred fifty thousand United States Dollars (U.S.$750,000) ("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 returning 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effective as of the date of the countersignature; provided, however, that the offer of this Agreement shall be deemed withdrawn if the World Bank has not received the countersigned copy of this Agreement within 90 days after the date of signature of this Agreement by the World Bank,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
Bella Bird
Country Director for South Sudan
Africa Region
AGREED:
REPUBLIC OF SOUTH SUDAN

By
Authorized Representative

Name
Aggrey Tito Sap

Title
Minister

Date: 10/09/2013

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) "IPPDR" or "Interim Public Procurement and Disposal Regulations" means the interim legislation issued by the Recipient in June 2006 that lays out the public procurement policy as well as the procedures and processes to be followed to ensure that public procurement in all levels of government is transparent, efficient and fair.

(b) "PPU" or "Procurement Policy Unit" means the unit established within the Recipient’s Ministry of Finance, Commerce, Investment and Economic Planning to be responsible for the management and coordination of the Project.

Article II
Project Execution

2.01. **Project Objectives and Description.** The objective of the Project is to assist the Recipient in building the capacity of public procurement institutions. The Project consists of the following parts:

**Part 1: Strengthening of Regulatory Framework**

(i) Revision of the IPPDR into Public Procurement and Disposal Regulations (PPDR) to ensure its alignment with the new procurement bill law to be enacted and carrying out of information and dissemination activities through workshops and media;

(ii) preparation of standard bidding documents based on the new procurement bill law and updated regulations; and

(iii) printing of new law and revised PPDR.

**Part 2: Strengthening of Institutional Framework and Capacity Building Efforts**

(i) Carrying out of workshops to disseminate existing capacity needs assessment report and capacity building plan; and

(ii) provision of training in procurement management and bidding to the Recipient’s staff and the private sector.
Part 3: Strengthening of Procurement Operations

(i) Developing a central procurement information and tracking system for the Recipient to monitor commitments and payments; and

(ii) setting-up a procurement website to make available procurement related information.

Part 4: Strengthen Integrity and Transparency of the Procurement System

(i) Carrying out a procurement compliance audit for the Recipient’s key central ministries; and

(ii) preparation of manuals providing guidance for complaints review and for inspection and compliance monitoring.

Part 5: Project Management

Carrying out the efficient management of the grant including: (i) financial management; (ii) procurement; and (iii) audits.

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 Procurement Policy Unit (“PPU”) of the Ministry of Finance, Commerce, Investment and Economic Planning, 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 limitation upon Section 2.02 above, the Recipient shall maintain throughout the implementation of the Project, the PPU with staff in number and with qualification and experience acceptable to the World Bank.

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 indicators acceptable to the World Bank. 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 month after the date of such request.

(b) 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 five 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 one month after the end of each calendar semester, covering the semester, in form and substance satisfactory to the World Bank.
The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Each 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.

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 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) 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) Selection of Individual Consultants; and (G) 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.
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>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods</td>
<td>42,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Consultants’ Services</td>
<td>423,000</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Training</td>
<td>285,000</td>
<td>100%</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>750,000</strong></td>
<td></td>
</tr>
</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 it minister responsible for finance, commerce, investment and economic planning.
4.02. **Recipient’s Address.** The Recipient’s Address referred to in Section 7.01 of the Standard Conditions is:

Ministry of Finance, Commerce, Investment and Economic Planning  
P.O. Box 80  
Juba, Republic of South Sudan

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

Cable: INTBAFRAD  
Telex: 248423 (MCI) or 64145 (MCI)  
Facsimile: 1-202-477-6391