The World Bank
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION
1818 H Street N.W.
Washington, D.C. 20433
U.S.A.
(202) 477-1234
Cable Address: INTBAFRAD
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November 25, 2013

H.E. Dr. Ziad Bahaa-Aldin
Deputy Prime Minister and
Minister of International Cooperation
Ministry of International Cooperation
8 Adly Street, Downtown
Cairo, Arab Republic of Egypt

Re: Arab Republic of Egypt: IDF Grant for Establishment of a
Transport Regulatory Authority in Greater Cairo Project
IDF Grant Number: TF 014420

Excellency:

In response to the request for financial assistance made on behalf of the Arab Republic of Egypt ("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 three hundred thousand United States Dollars (U.S.$300,000) ("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, and the Bank being informed by the Recipient of the completion of the Recipient’s internal procedures, this Agreement shall become effective as of the date of the countersignature upon the dispatch by the World Bank to the Recipient of a formal notification of effectiveness; provided, however, that the offer of this Agreement shall be deemed withdrawn if, within 90 days after the date of
signature of this Agreement by the World Bank, the World Bank has not received confirmation from the Recipient that its internal procedures have been completed, unless the World Bank shall have established a later date for such purpose.

Very truly yours,
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By Hartwig Schafer
Director
Egypt, Yemen and Djibouti County Department

AGREED:
ARAB REPUBLIC OF EGYPT

By
Authorized Representative

Name Dr. Ziad Bahaa Eldin
Title Deputy Prime Minister and Minister of International Cooperation
Date: November 25, 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.

(a) "Greater Cairo" means the region in the Recipient’s territory comprising the governorates of Cairo, Giza and Qalyubia and adjacent areas for which a decision is issued by the Prime Minister.

(b) "Ministry of Transport" means the Recipient’s ministry responsible for intercity transport or any successor thereto.

(c) "Transport Regulatory Authority" or "Authority" means the body established pursuant to Presidential Decree approved on November 6, 2012, or any successor decree, to assist the Recipient in addressing transport related issues in the Greater Cairo region.

Article II
Project Execution

2.01. **Project Objectives and Description.** The objective of the Project is to establish and build capacity for the Transport Regulatory Authority in Greater Cairo that will target regulating, planning, follow-up, supervising and assessment of the performance of all activities related to transport in the Greater Cairo region. The Project consists of the following parts:

Part 1: Design the Governance and Organizational Structure of the Transport Regulatory Authority

Preparation of a report detailing the governance and organizational structure of the Transport Regulatory Authority ("Authority"), including: (i) the organizational chart and manpower profile for the Authority with job description for all positions; (ii) specific tasks to be performed by the Authority; (iii) an operations manual; (iv) rules, norms and standards to be used by the Authority; and (v) a data management system specification.

Part 2: Capacity Building for the Transport Regulatory Authority

Provision of capacity building support to the Recipient for the establishment of the Authority, including advisory services, assistance with the recruitment process, and relevant training to staff involved.

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 Ministry of
Transport 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. 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 six months after the Closing Date.

2.04. 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 45 days after the end of each semester covering the semester, in form and substance satisfactory to the World Bank.

(c) The Recipient shall 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.

2.05. Procurement

(a) General. 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:

(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 and Non-consulting Services.** Goods and Non-consulting services 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) Single-source Selection of consulting firms; (C) Selection of Individual Consultants; and (D) 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 arrangements 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 arrangements), 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:
## Category | Amount of the Grant Allocated (expressed in USD) | Percentage of Expenditures to be Financed
--- | --- | ---
(1) Consultants’ Services | 265,000 | 100%
(2) Audit | 10,000 | 100%
(3) Training | 10,000 | 100%
(4) Goods | 15,000 | 100%
**TOTAL AMOUNT** | **300,000** | **100%**

For the purposes of this Section, the term “Training” means the following expenditures incurred for the purpose of the project in providing training or workshop identified as: (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) rental of facilities; (iv) materials, supplies; (v) publication of training materials and (vi) translation and interpretation services. Salaries of government staff including honoraria and sitting allowances are not covered by this project.

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 International Cooperation.

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

Ministry of International Cooperation  
8 Adly Street,  
Cairo, Arab Republic of Egypt  
Facsimile: (202) 2391-2815/(202) 2391-5167

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