H. E. Dr. Abdul Razaq Al-Issa  
Acting Minister of Finance  
Ministry of Finance  
Baghdad  
Republic of Iraq

Re: Iraq: EITI Implementation Support Project  
Grant Agreement (TF04416)

Excellency:

In response to the request for financial assistance made on behalf of the Republic of Iraq ("Recipient"), I am pleased to inform you that the International Bank for Reconstruction and Development/ International Development Association ("World Bank"), acting as administrator of grant funds provided by Australia, Canada, Finland, Germany, Norway, Switzerland, and the United Kingdom ("Donors") under the Extractives Global Programmatic Support (EGPS) Multi-Donor Trust Fund (TF072347) ("Donor(s)", proposes to extend to the Recipient, a grant in an amount not to exceed United States Dollars three hundred and fifty thousand (US$350,000) ("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").

This Grant is funded out of the abovementioned trust fund for which the World Bank receives periodic contributions from the Donors. In accordance with Section 3.02 of the Standard Conditions (as defined in the Annex to this Agreement), 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.

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.

Very truly yours,
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT/
INTERNATIONAL DEVELOPMENT ASSOCIATION

By
Robert Bou Jaoude
Country Manager for Iraq
Middle East and North Africa Region

AGREED:
REPUBLIC OF IRAQ

By
Authorized Representative

Name Dr. Abdul Razzaq Al-Issa
Title Acting Minister of Finance
Date 2nd of May 2017

Enclosures:


(2) Disbursement Letter of the same date as this Agreement, together with World Bank Disbursement Guidelines for Projects, dated May 1, 2006.
EITI Grant No. TF0A4416

ANNEX

Article I
Standard Conditions; Definitions


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 shall have the following meanings:

(a) "EITI" means Extractive Industry Transparency Initiative.
(b) "IEITI MSG" means the multi-stakeholder group that oversees the implementation of the EITI process in Iraq, and which includes representatives of the government, civil society, and industry.
(c) "IEITI Secretariat" means national EITI Secretariat housed within the Ministry of Oil, to be maintained by the Recipient pursuant to paragraph 2.03 (a) of the Annex to the Agreement.
(d) "Ministry of Oil" means the Recipient’s ministry responsible for oil, or any successor thereto.

Article II
Project Execution

2.01. Project Objectives and Description. The objective of the Project is to enhance transparency in the Recipient’s extractives sector through support of the government’s activities on the implementation of EITI. The Project consists of the activities designed to emphasize the linkage of EITI to government disclosures in line with the government’s commitment to publicly disclose production volumes corresponding to revenue. More specifically, the Project consists of the following activities:

(a) Provision of technical assistance for EITI Report preparation and production, including, data collection, dissemination, stakeholder workshops and consultations.
(b) Provision of training and capacity building support to IEITI MSG and IEITI Secretariat.
(c) Outreach and Public Data: Enhancement of IEITI website, including design of an online interactive web portal.
(d) Provision of technical support for program management.
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 Oil, (IEITI Secretariat) 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 and as of July 1, 2016 ("Anti-Corruption Guidelines"); and (c) this Article II.

2.03. **Institutional and Other Arrangements.** (a) The Recipient shall maintain the IEITI Secretariat at all times, during Project implementation, with functions and resources satisfactory to the World Bank, and with competent staff in adequate numbers, for the purposes of carrying out day-to-day implementation of the Project.

(b) The Recipient shall ensure that the terms of reference for any consultants’ services in respect of any activity under the Project shall be satisfactory to the World Bank following its review thereof, and to that end, such terms of reference shall duly incorporate applicable environmental and social standards equivalent to the World Bank safeguards policies then in force, as applied to the advice conveyed through such technical assistance.

2.04. **Donor Visibility and Visit.** (a) The Recipient shall take or cause to be taken all such measures as the World Bank may reasonably request to identify publicly the Donors’ support for the Project.

(b) For the purposes of Section 2.09 of the Standard Conditions, the Recipient shall, upon the World Bank’s request, take all measures required on its part to enable the representatives of the Donors to visit any part of the Recipient’s territory for purposes related to the Project.

2.05. **Project Monitoring, Reporting and Evaluation.** (a) The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of the indicators acceptable to the World Bank. Each Project Report shall cover the period of six calendar months, and shall be furnished to the World Bank not later than one (1) month after the end of the period covered by such report.

(b) The Recipient shall 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.

2.06. **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 quarter, covering the quarter, 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. Such audit of the Financial Statements shall cover the period of one fiscal year of the Recipient or any period agreed with the World Bank. The audited Financial Statements for such period shall be furnished to the World Bank not later than six (6) months after the end of such period.
2.07. **Procurement**

All goods, consulting services and non-consulting 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 the “World Bank Procurement Regulations for Borrowers under Investment Project Financing” dated July 1, 2016 (“Procurement Regulations”), and the provisions of the Recipient’s procurement plan for the Project (“Procurement Plan”) dated November 22, 2016, provided for under Section IV of the Procurement Regulations, as the same may be updated from time to time in agreement with 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) 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>Consultants' services, non-consulting services, Workshops, and Operating Costs</td>
<td>350,000</td>
<td>100%</td>
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<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>350,000</strong></td>
<td></td>
</tr>
</tbody>
</table>

For the purpose of this Section 3.01 the terms:

(a) “Operating Costs” means the incremental expenses incurred on account of the operations of the IEITI Secretariat for management and implementation of the Project, including office equipment rental and purchase, office supplies, maintenance and repair, transportation for project implementation purposes, banking charges, communication costs, and utilities, excluding the salaries of the Recipient’s civil servants.

(b) “Workshops” means the reasonable costs, as shall have been approved by the World Bank, for workshops conducted under the Project, including, travel and subsistence costs for workshop participants, costs associated with securing the services of workshop speakers, rental of workshop facilities, preparation and reproduction of workshop materials, and other costs directly related to workshop preparation and implementation (but excluding goods, non-consultant, and consultant 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 this Agreement.

3.03. **Withdrawal Period.** The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is December 29, 2017.

### 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 the minister at the time responsible for finance.

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

- Ministry of Finance
- Hay Alaloom
- Bab Al Mu’dhaim
- Baghdad
- Republic of Iraq

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/
International Development Association
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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<td>INDEVAS</td>
<td>248423 (MCI) or 64145 (MCI)</td>
<td>1-202-477-6391</td>
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