Hon. Aggrey Tisa Sabuni,  
Minister of Finance, Commerce, Investment and Economic Planning  
Ministry of Finance, Commerce, Investment and Economic Planning  
P.O. Box 80  
Juba, Republic of South Sudan  

Re: State- and Peace-Building Multi-Donor Trust Fund Grant for Strengthening Core Functions for Managing Resource Dependence in South Sudan  
Grant TF014508  

Excellency:  

I am writing on behalf of the International Bank for Reconstruction and Development ("IBRD") and the International Development Association ("IDA") (IBRD and IDA, collectively, the "Bank") to indicate the Bank’s agreement, as administrator of grant funds provided by various donors, to make a grant in an amount not exceeding three million two hundred sixty thousand United States Dollars (U.S.$3,260,000) (the Grant) to Republic of South Sudan (the Recipient).  

The Grant is made in response to the Recipient’s request for financial assistance and for the purposes and on the terms and conditions set forth in the Annex to this Letter Agreement. The Recipient hereby confirms its request that the Bank carry out the activities described in paragraph 1 of the Annex to this Letter Agreement, and represents that it is authorized to contract the Grant for the said purposes and on the said terms and conditions.  

Please note that it is the Bank’s policy to make publicly available this Letter Agreement and any information related thereto, after this Letter Agreement has become effective and the Recipient has given its consent to such disclosure. The Recipient, by countersigning this Letter Agreement, confirms its consent to such disclosure.
Please confirm your agreement with the foregoing, on behalf of the Recipient, by signing, dating, and returning to us the enclosed copy of this Letter Agreement. Upon receipt by the Bank of the copy of this Letter Agreement countersigned by you, this Letter Agreement will become effective as of the date of the countersignature.

Very truly yours,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Bella Bird
Country Director for South Sudan
Africa Region

AGREED:

REPUBLIC OF SOUTH SUDAN

By: ___________________________  Date: ___________________________

Name: ___________________________

Title: ___________________________
ANNEX

Purposes, Terms and Conditions of the Grant

1. The purpose of the Grant is to support Recipient in building its ability to function as an independent state. The activities (the Activities) for which the Grant is given are as follows:

   (a) Establishing Basic Capacity

       Provision of technical assistance to build the capacity of the Ministry of Petroleum and Mining (MoPM) to execute its core functions.

   (b) Fiscal Policy Administration

       Provision of technical advice to the Recipient to establish an independent macroeconomic and fiscal policy framework, taking into account the challenges of extreme oil dependence.

   (c) Strengthening Accountability Functions of National Legislative Assembly (NLA)

       Provision of technical assistance to the Economy, Development and Finance, and Public Accounts Committee of NLA aimed at building their capacity to carry out their accountability functions for the use of oil resources.

2. The Grant shall be used to finance associated overheads, consultants’ services, contractual services, equipment costs lease, equipment costs purchase, extended terms consultants, media and workshops costs, staff costs, temporary staff costs and travel expenses.

3. The Bank shall carry out the Activities on behalf of the Recipient. The Recipient shall cooperate with the Bank to the extent necessary to permit the Bank to carry out the Activities promptly and effectively, and to evaluate the results of the Activities. The Recipient shall indemnify the Bank against any costs or liabilities incurred by the Bank as a result of claims against the Bank in connection with the Activities, except those resulting from the gross negligence or willful misconduct of its staff or external consultants.

4. The Bank shall carry out the Activities pursuant to this Letter Agreement only to the extent that the Grant funds required for such Activities are available to the Bank from donors.

5. The Activities shall be completed by not later than May 30, 2014, or such later date as the Bank may establish by notice to the Recipient (the Closing Date). After the Closing Date, the Bank may at any time cancel the remaining balance of the Grant.

6. The engagement and supervision of the consultants (the Consultants) required to assist in the carrying out of the Activities shall be the responsibility solely of the Bank and shall be done according to the Bank’s applicable procedures.

7. The Recipient may at any time request the Bank in writing to terminate the Activities. Whether or not the Recipient has made such a request, the Bank may at any time suspend or, after consultation with the Recipient, terminate the right of the Recipient to receive Grant funds for the Activities if any of the following events has occurred and is continuing: (a) the Recipient has failed to perform any of its obligations under this Letter Agreement; or (b) the right of the Recipient, or any other entity to which the Bank has made a loan with the guarantee of the Recipient, to make withdrawals under any loan agreement with the Bank or any development credit, grant or financing agreement with the International Development Association has been suspended.
8. The Bank is not an agent of, or trustee for, the Recipient and shall not have any fiduciary relationship with the Recipient. The Recipient shall have no right to any portion of the Grant that is not expended by the Bank pursuant to this Letter Agreement.