



TF017310

**The World Bank**

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT  
INTERNATIONAL DEVELOPMENT ASSOCIATION

Ministries Complex, Kololo Road  
Adjacent to Ministry of Health,  
Juba, Sudan

GSM: (+249)900905458  
GSM: (+249)900905459  
GSM : (+249)900905460

June 30, 2014

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

Honorable:

***Subject: Republic of South Sudan: IDF Grant for Strengthening the Capacity of South Sudan  
Audit Chamber Project IDF Grant No. TF17310***

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 two hundred ninety nine thousand one hundred forty United States Dollars (U.S.\$299,140) ("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effective as of the date of the countersignature; provided, however, that the offer of this Agreement shall be deemed withdrawn if the World Bank has not received the countersigned copy of this Agreement within 90 days after the date of signature of this Agreement by the World Bank,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.

Sincerely,  
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By   
Belka Bird

Country Director for Sudan, South Sudan and Somalia

AGREED:

**REPUBLIC OF SOUTH SUDAN**

By:   
Authorized Representative

Name: Aggrey Tisa Sabuni

Title: Minister

Date: 10/07/2014



Enclosures:

- (1) Standard Conditions for Grants Made by the World Bank out of Various Funds, dated February 15, 2012.
- (2) Disbursement Letter of the same date as this Agreement, together with World Bank Disbursement Guidelines for Projects, dated May 1, 2006.

**IDF Grant No. TF17310  
ANNEX****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) “Accounts Unit” means the unit within the Recipient’s Audit Chamber responsible for maintaining the Grant’s accounting records.
- (b) “Audit Chamber” means the Recipient’s supreme audit institution established and operating pursuant to the National Audit Chamber Act 2011, laws of the Recipient and any successor thereto.
- (c) “Audit Chamber Bill” means the bill dated 7<sup>th</sup> July 2011 prepared by the Recipient for the administration of the National Audit Chamber].
- (d) “Auditor General” means the head of the National Audit Chamber appointed in accordance with Article 8 of the National Audit Chamber Act 2011, laws of the Recipient.
- (e) “Deputy Auditor General” means any of the deputies of the Auditor General appointed in accordance with Article 20 of the National Audit Chamber Act 2011, laws of the Recipient.
- (f) “Federal Ministry of Finance” means the Recipient’s ministry responsible for finance and any successor thereto.

**Article II  
Project Execution**

2.01. **Project Objective and Description.** The objective of the Project is to strengthen the institutional systems and capacity of the Recipient’s Audit Chamber and promotes accountability in the use of public resources. The Project consists of the following parts:

Part 1: South-South Support from Regional Supreme Audit Institutions in Audit of Government Accounts

- (a) Auditing of selected government specialized accounts.
- (b) Provision of technical advisory services to the Auditor General, including supervising activities under 1(a) above, supporting the Audit Chamber in finalizing the draft Audit Chamber Bill, and institutional strengthening.

Part 2: Support in Strengthening National Staff Capacity

- (a) Provision of training on audit manuals, procedures, international standards and financial management to improve the capacity of the Audit Chamber staff.
- (b) Supporting peer learning activities for Audit Chamber executives, including workshops and training.

Part 3: Audit of Grant Activities

Supporting the carrying out of Project financial audit by an independent audit firm.

2.02. ***Project Execution Generally.*** The Recipient declares its commitment to the objective of the Project. To this end, the Recipient shall carry out the Project through the Audit Chamber 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.*** Day-to-day administration and coordination of the Project activities will be carried out by the Audit Chamber with an oversight by the Auditor General and direct supervision by the Deputy Auditor General. The Accounts Unit of the Audit Chamber will manage the financial aspects of the Project.

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 forty (45) days 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 forty (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 and the Project’s 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, 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) 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.

**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:

Category	Amount of the Grant Allocated (expressed in USD)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods and non-consulting services	38,920	100%
(2) Consultants’ Services	170,220	100%
(3) Training	90,000	100%
<b>TOTAL AMOUNT</b>	299,140	

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 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 and Economic Planning  
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:	Telex:	Facsimile:
INTBAFRAD Washington, D.C.	248423 (MCI) or 64145 (MCI)	1-202-477-6391