
CREDIT NUMBER D630-SO

Financing Agreement

(Somalia Crisis Recovery Project)

between

FEDERAL REPUBLIC OF SOMALIA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

GRANT NUMBER D630-SO

FINANCING AGREEMENT

AGREEMENT dated as of the Signature Date between the FEDERAL REPUBLIC OF SOMALIA (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”). The Recipient and the Association hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

- 1.01. The General Conditions (as defined in the Appendix to this Agreement) apply to and form part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Agreement.

ARTICLE II — FINANCING

- 2.01. The Association agrees to extend to the Recipient a grant, which is deemed as Concessional Financing for purposes of the General Conditions, in an amount equivalent to one hundred million eight hundred thousand Special Drawing Rights (SDR 100,800,000) (“Financing”), to assist in financing the project described in Schedule 1 to this Agreement (“Project”).
- 2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section III of Schedule 2 to this Agreement.
- 2.03. The Maximum Commitment Charge Rate is one-half of one percent (1/2 of 1%) per annum on the Unwithdrawn Financing Balance.
- 2.04. The Payment Dates are April 15 and October 15 in each year.
- 2.05. The Payment Currency is Dollar.

ARTICLE III — PROJECT

- 3.01. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out the Project in accordance with the provisions of Article V of the General Conditions and Schedule 2 to this Agreement.

ARTICLE IV — EFFECTIVENESS; TERMINATION

- 4.01. The Additional Conditions of Effectiveness consist of the following, namely, that the Recipient has prepared, adopted and/or approved the Project Operations Manual, in a manner and substance satisfactory to the Association:

- 4.02. The Effectiveness Deadline is the date ninety (90) days after the Signature Date.
- 4.03. For purposes of Section 10.05 (b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty (20) years after the Signature Date.

ARTICLE V — REPRESENTATIVE; ADDRESSES

- 5.01. The Recipient's Representative is the Recipient's Minister of Finance.
- 5.02. For purposes of Section 11.01 of the General Conditions, the Recipient's address is:

Ministry of Finance
Corso Somalo Street
Shangani District
Mogadishu, Somalia; and

- 5.03. For purposes of Section 11.01 of the General Conditions:

- (a) the Association's address is:

International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America; and

- (b) the Association's Electronic Address is:

Telex:	Facsimile:
248423 (MCI)	1-202-477-6391

AGREED as of the Signature Date.

FEDERAL REPUBLIC OF SOMALIA

By

Abdirahman Duale Beileh

Authorized Representative

Name: Abdirahman Duale Beileh

Title: Minister

Date: 14-Jun-2020

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

C. Felipe Jaramillo

Authorized Representative

Name: C. Felipe Jaramillo

Title: Country Director

Date: 18-May-2020

SCHEDULE 1

Project Description

The objective of the Project is to support the recovery of livelihoods and infrastructure in Flood and/or Drought Affected Areas and strengthen capacity for disaster preparedness nationwide.

The Project consists of the following parts:

Component 1: Immediate Basic Services and Livelihood Support

- (a) Establishing a cash-for-work scheme for vulnerable households in Flood and/or Drought Affected Areas.
- (b) Controlling the desert locust population through ground and aerial spraying operations and carrying related impact assessment and surveillance activities.
- (c) Restoring and protecting farmers' capacity for agricultural production through the provision of inputs, the pro-positioning of feedstock, and the control of vectors and vector-borne livestock disease.
- (d) Revitalizing basic health provisions strengthening response services and referral pathways for survivors of GBV.
- (e) Supporting household hygiene promotion and treatment.

Component 2: Medium-Term Flood Recovery

Rehabilitating critical public and community infrastructure in line with build-back-better and climate resilient standards, including water and sanitation systems, broken or non-functioning pre-existing flood control systems (e.g. embankments, drainage, irrigation canals, and restoration of river channels through dredging), health facilities, bridges, and small feeder roads, and implementing associated risk mitigation measures such as slope protection and environmental rehabilitation.

Component 3: Longer-Term Disaster Risk Preparedness

Strengthening the institutional capacity and preparedness of governmental ministries agencies and departments to respond to flood and draught related emergencies through, *inter alia*: (a) piloting integrated flood-drought preparedness and response solutions including community level structural and non-structural interventions; (b) carrying out flood risk management strengthening enabling policy and institutional framework ,flood risk assessment and hazard mapping, and pilot for structural flood risk

reduction interventions; (c) supporting hydromet and early warning systems for the generation and dissemination of hydromet data; (d) operationalizing the National Drought Recovery and Resilience Framework Secretariat, institutionalizing investment planning processes, aid tracking, inter-institutional coordination and programmatic monitoring and evaluation; (e) establishing the National Emergency Operations Center and developing and rolling out public-civil society collaboration models for crisis response and preparedness; (f) establishing a locusts early warning system; (g) strengthening the Integrated Disease Surveillance and Response System and enhancing laboratory capacity for the timely detection of pathogens (including for COVID-19); and (h) rehabilitating, developing and equipping selected health facilities for the delivery of essential health services.

Component 4: Project Management

Strengthening the institutional capacity of the Project Implementation Unit and State Project Teams for the implementation of the Project including procurement and financial management activities and audits, preparation of subproject designs and construction supervision, implementation of environmental and social monitoring actions and mitigation measures therefor, quality assurance responsibilities, technical management and oversight, grievance redressal system (including protection from GBV/SEA and incidents referrals), Project monitoring and evaluation (including independent verification agents) and reporting requirements.

Component 5: Contingent Emergency Response

Provision of immediate response to an Eligible Crisis or Emergency, as needed, including: (a) providing health and nutrition services under the Essential Package of Health Services; (b) setting up temporary field health facilities; (c) strengthening the Integrated Disease Surveillance and Response System to detect pathogens, and the primary health systems' ability to diagnose emergency pathogens; (d) developing an emergency operation and response health center; and (e) ensuring and strengthening emergency response communications.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements.

1. The Project shall be implemented by the Recipient in coordination with the Federal Member States. To this end, the Recipient shall:
 - (a) establish by no later than two (2) months after the Effective Date, and thereafter maintain throughout Project implementation, a Project steering committee ("Project Steering Committee"): (i) chaired by senior staff from the Prime Minister's Office, and comprised of the Director Generals and/or Permanent Secretaries of MoF, MoPIED and FMS-MoPIEDs, as set forth in the Project Operations Manual; and (ii) vested with such powers, functions and competencies, acceptable to the Association and set forth in the Project Operations Manual, as shall be required to review and approve the investment sub-project and Annual Work Plans and Budgets, review quarterly Progress Reports and IVAs' Project implementation assessments, provide strategic decision-making and troubleshooting, and ensure smooth federal (Recipient-FMS) inter-coordination and cooperation; and
 - (b) maintain throughout Project implementation, a Project implementation unit (variously the "Project Implementation Unit" or "PIU"): (i) established within MoF, co-managed with MoPIED, and led by a Project Coordinator assisted by competent, experienced and qualified staff from MoF and MoPIED, in sufficient numbers and under terms of reference acceptable to the Association, as set forth in the Project Operations Manual; and (ii) vested with such powers, financial resources, functions and competencies, acceptable to the Association and set forth in the Project Operations Manual, as shall be required to: (A) coordinating all activities under the Project among all institutional stakeholders and liaising with the Association, UN agencies and other development partners; (B) carrying out the day-to-day implementation of the Project including, procurement and contract management, financial management, budgeting and planning, safeguards (ESCP) compliance and monitoring including establishing and operating grievance redress mechanism(s), quality assurance, communications, awareness and outreach, and audits and reporting; and (C) serving as secretariat for the Project Steering Committee.

2. Prior to implementing any activities under the Project in, or for the benefit of, any Federal Member State, the Recipient shall cause that Federal Member States to:
(a) enter into a MoU in accordance with Sub-section I.B (below) of this Schedule; and
(b) establish within the respective FMS-MoPIED, and thereafter maintain throughout the period Project implementation, a state Project team ("State Project Team"): (i) headed by a State Project Coordinator assisted by competent, experienced and qualified staff, in sufficient numbers and under terms of reference acceptable to the Association, as set forth in the Project Operations Manual; and (ii) vested with such powers, financial resources, functions and competencies, acceptable to the Association and set forth in the Project Operations Manual, as shall be required to support the PIU in managing the contract within the respective FMS, assist the PIU with the design, compliance review and supervision of civil works in the respective FMS, consolidate procurement and work plans of MDAs in the respective FMS, manage the local grievance redress mechanisms, ensure compliance with the ESCP, the ESSs and applicable safeguard documents; and carry out community outreach, awareness raising and consultations, as set further elaborated in the Project Operations Manual.
3. The Recipient shall select and engage:
 - (a) by no later than one (1) months after the Effective Date, and thereafter maintain for at least the first two (2) years of the Project implementation, the project management services of UNOPS, under terms of reference acceptable to the Association, to assist the PIU with the day-to-day implementation of Component 1 of the Project, including: (i) providing guidance and recommendation on technical and policy matters; (ii) assisting with the preparation of bidding documents and subsequent changes/variations thereof; (iii) assisting with the evaluation of technical and financial proposals; (iv) advising on contractual matters and procurement disputes, and assist with the establishment of an automated contract management system; (v) assessing quality assurance and supervision of construction works; (vi) providing training, guidance and recommendations to the PIU and the State Project Teams; (vii) ensuring compliance with the ESCP; and (viii) preparing Project Reports;
 - (b) by not later than one (1) month after the Effective Date, and thereafter maintain throughout the period of implementation of Sub-Component 1.(b) of the Project, the services of one or more service providers and/or international organizations, under terms of reference acceptable to the Association in order to: (i) provide surveillance to guide locust control operations; (ii) procuring bio-pesticides to facilitate ground and aerial spraying in and around breeding areas; (iii) conducting impact assessments on the effectiveness and safety of control measures; (iv) rolling out sensitization campaigns to alert communities of control operations and corresponding safeguard measures; and (v) procuring and

distributing farming and pastoral packages to mitigate the impact of the locust infestation on affected vulnerable rural households;

- (c) by not later than three (3) months after the Effective Date, and thereafter maintain throughout the period of implementation of Project, the services of one or more independent verification/audit agency/ies (“IVA(s)”) or consultant(s), with qualification and experience and under terms of reference acceptable to the Association, to carry out qualitative and quantitative assessments on Project impacts and implementation progress (including stakeholders/beneficiaries’ surveys), and prepare and submit bi-annual reports with its/their conclusions and observations to the Project Steering Committee and the Association; and
- (d) prior to carrying out any sub-activities under items (g) and (h) of Component 3 of the Project, and thereafter throughout the period of implementation of such activities, the services of one or more service providers and/or international organizations (the “Covid-19 Response Consultant(s)”), under terms of reference acceptable to the Association, to be primarily responsible for the implementation of any activities thereunder, unless the Association otherwise agree on the basis of the capacity of the proposed leading MDAs.

B. Memorandum of Understanding

1. For purposes of carrying out the Project, and prior to the provision any funds and/or the financing of any activities implemented under the Project in/for any Federal Member State, the Recipient shall have entered into a memorandum of understanding with such Federal Member State (variously the “Memorandum of Understanding” or “MoU”), under terms and conditions acceptable to the Association, setting forth the obligations and responsibilities of the parties thereto (i.e. the Recipient and the signing FMS) in the implementation of the Project, in consistency with this Agreement, the ESCP and the Project Operations Manual.
2. The Recipient shall exercise its right under the pertinent MoU (s) in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing.
3. The Recipient shall not assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, whether in whole or in part, any of the terms the MoU, without the prior written consent of the Association.
4. Further to the provisions of paragraph 1 and 2 above in this Sub-section I.B of this Schedule, and for avoidance of any doubts, the Recipient shall ensure that no funds shall be transferred, advanced, or paid out of the Financing for activities implemented in relation to, or for the benefit of, any particular FMS, until and

unless such FMS has duly entered into a MoU to that end. Any funds so transferred, advanced and/or paid, shall be deemed ineligible for financing under this Financing.

5. In the event of any conflict between the provisions of any MoU and those of this Agreement, the latter shall prevail.

C. Operations Manual

1. The Recipient shall prepare and adopt a Project operations manual (“Project Operations Manual”) in a manner and substance satisfactory to the Association, and shall thereafter implement the Project, and cause the FMS to carry out their respective responsibilities under the Project, in accordance therewith; which manual shall set forth, *inter alia*: (a) the detailed description of activities and the respective implementation arrangements and modalities, including the setup and job descriptions/terms of reference and allocation of functions and responsibilities, reporting lines and accountabilities across MDAs and the various implementation units to be established as per Section I.A of this Schedule; (b) all necessary inter-institutional coordination arrangements for the Project, including allocation decision-making powers the various implementation units; (c) the procedures for the preparation and approval of the Annual Work Plans and Budgets; (d) the project procurement arrangements; (e) the prioritization criteria for the selection of investment activities and interventions and/or, when applicable, the eligibility of beneficiaries; (f) the financial management requirements including detailed arrangements and procedures for financial approvals hierarchies and segregation of duties; management of bank accounts and payment processes; management and accounting of assets, and preparation of internal audits and annual Financial Statements, including the terms of reference for the external auditor; (g) the mechanics of community engagement by State Project Teams; (h) the environmental and safeguards procedures, including details of the grievance redress mechanism and GBV Action Plan, disclosure and reporting; and (i) the Project monitoring and evaluation, and reporting requirements.
2. The Recipient shall refrain, and cause the FMS to refrain, from materially and/or substantially amending, revising, waiving, voiding, suspending or abrogating, any provision of the Project Operations Manual, whether in whole or in part, without the prior written concurrence of the Association.
3. In the event of any inconsistency between a provision of the Project Operations Manual and those of this Agreement, the provisions of this Agreement shall prevail.

D. Annual Work Plans and Budgets

The Recipient, through its PIU and with the assistance of the State Project Teams, shall:

- (a) prepare and furnish to the Association on an annual basis, by no later than June 15th of each year, commencing on June 15th, 2021, the annual work plan and budget for the Project (the “Annual Work Plan and Budget”), covering the activities proposed for the next following Fiscal Year of Project implementation; which plan and budget shall be of such scope and detail as set forth in the Project Operations Manual and/or as the Association shall reasonably request. Notwithstanding the foregoing, the Annual Work Plan and Budget for the first year of Project implementation shall be prepared by the Recipient by not later than July 15th, 2020;
- (b) immediately thereafter, submit through the PIU to the Project Steering Committee for review and approval within forty-five (45) days each such Annual Work Plan and Budget, jointly with the Association’s comments thereon; and
- (c) finally, ensure that the Project is carried out in accordance with the Annual Work Plans and Budgets as agreed with the Association and approved by the Project Steering Committee.

E. Environmental and Social Standards.

- 1. The Recipient shall ensure, and shall cause the Federal Member States to ensure, that the Project is carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Association.
- 2. Without limitation upon paragraph 1 above, the Recipient shall ensure, and cause the Federal Member States to ensure, that the Project is implemented in accordance with the Environmental and Social Commitment Plan (“ESCP”), in a manner acceptable to the Association. To this end, the Recipient shall ensure that:
 - (a) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, and provided in the ESCP;
 - (b) sufficient funds are available to cover the costs of implementing the ESCP;
 - (c) policies and procedures are maintained, and qualified and experienced staff in adequate numbers are retained to implement the ESCP, as provided in the ESCP; and
 - (d) the ESCP, or any provision thereof, is not amended, repealed, suspended or waived, except as the Association shall otherwise agree in writing, as

specified in the ESCP, and ensure that the revised ESCP is disclosed promptly thereafter.

3. In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.
4. The Recipient shall ensure, and cause the Federal Member States to ensure, that:
 - (a) all measures necessary are taken to collect, compile, and furnish to the Association through regular reports, with the frequency specified in the ESCP, and promptly in a separate report or reports, if so requested by the Association, information on the status of compliance with the ESCP and the environmental and social instruments referred to therein, all such reports in form and substance acceptable to the Association, setting out, *inter alia*: (i) the status of implementation of the ESCP; (ii) conditions, if any, which interfere or threaten to interfere with the implementation of the ESCP; and (iii) corrective and preventive measures taken or required to be taken to address such conditions; and
 - (b) the Association is promptly notified of any incident or accident related to or having an impact on the Project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers, in accordance with the ESCP, the environmental and social instruments referenced therein and the Environmental and Social Standards.
5. The Recipient shall, and shall cause the FMS to, establish, publicize, maintain and operate accessible grievance mechanisms, to receive and facilitate resolution of concerns and grievances of Project-affected people, and take all measures necessary and appropriate to resolve, or facilitate the resolution of, such concerns and grievances, in a manner acceptable to the Association.
6. The Recipient shall ensure that all bidding documents and contracts for civil works under the Project include the obligation of contractors, subcontractors and supervising entities to: (a) comply with the relevant aspects of ESCP and the environmental and social instruments referred to therein; and (b) adopt and enforce codes of conduct that should be provided to and signed by all workers, detailing measures to address environmental, social, health and safety risks, and the risks of sexual exploitation and abuse, sexual harassment and violence against children, all as applicable to such civil works commissioned or carried out pursuant to said contracts.

F. Contingency Emergency Response

1. In order to ensure proper implementation of the Component 5 of the Project (“CER Component”), the Recipient shall:
 - (a) prepare and furnish to the Association for its review and approval, an operations manual (“CER Manual”) which shall set forth detailed implementation arrangements for the CER Component, including: (i) the designation of, terms of reference for, and resource allocation to, the entity/ies to be responsible for the coordination and implementation of the CER Component (the “Coordinating Authority”); (ii) specific activities which may be included in the CER Component, Eligible Expenditures required therefor (“Emergency Expenditures”), and any procedures for such inclusion; (iii) financial management arrangements for the CER Component; (iv) procurement methods and procedures for the Emergency Response to be financed under the CER Component; (v) documentation required for withdrawals of Emergency Expenditures; (vi) environmental and social safeguard management arrangements and instruments for the CER Component, including management frameworks, assessments and/or plans consistent with the Association’s Environmental and Social Standards and other policies on the matter; and (vii) any other arrangements necessary to ensure proper coordination and implementation of the CER Component;
 - (b) afford the Association a reasonable opportunity to review the proposed CER manual;
 - (c) promptly adopt the CER Manual for the CER Component as shall have been approved/accepted by the Association;
 - (d) ensure that the CER Component is carried out in accordance with the CER Manual; provided, however that, in the event of any inconsistency between the provisions of the CER Manual and those of this Agreement, the provisions of this Agreement shall prevail; and
 - (e) refrain from amending, suspending, abrogating, repealing or waiving, whether in whole or in part, any provision of the CER Manual without prior approval by the Association.
2. The Recipient shall, throughout the implementation of the CER Component, maintain the Coordinating Authority, with adequate staff and resources satisfactory to the Association.
3. The Recipient shall undertake no activities under the CER Component unless and until the following conditions have been met in respect of said activities:

- (a) (i) the Recipient has determined that an Eligible Crisis or Emergency has occurred; (ii) has furnished to the Association a request to include said activities in the CER Component in order to respond to said Eligible Crisis or Emergency; and (iii) the Association has agreed with such determination, accepted said request and notified the Recipient thereof; and
 - (b) (i) the Recipient has ensured the preparation and disclosure of all safeguards instruments as may be required for said activities, in accordance with the CER Manual; (ii) the Association has approved all said instruments; and (iii) the Recipient has ensured implementation of any actions which are required to be taken under said instruments prior to the commencement of such activities.
- 4. Notwithstanding any provisions to the contrary in this Section, Emergency Expenditures required for activities included in the CER Component shall be procured in accordance with the procurement methods and procedures set forth in the CER Manual and in consistency with the Procurement Regulations.

Section II. Project Monitoring, Reporting and Evaluation

The Recipient shall furnish to the Association each Project Report not later than forty-five (45) days after the end of each calendar quarter, covering the calendar quarter.

Section III. Withdrawal of the Proceeds of the Financing

A. General

Without limitation upon the provisions of Article II of the General Conditions and in accordance with the Disbursement and Financial Information Letter, the Recipient may withdraw the proceeds of the Financing to finance Eligible Expenditures; in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:

Category	Amount of the Grant Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, works, non-consulting services, consulting services, Incremental Operating Costs, Workshops and Training for	52,800,000	100%

Category	Amount of the Grant Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
Components 1 and 2 of the Project.		
(2) Goods, works, non-consulting services, consulting services, Incremental Operating Costs, Workshops and Training for Component 3 (except for sub-activities 3(g) and 3(h)) and Component 4 of the Project.	20,500,000	100%
(3) Goods, works, non-consulting services, consulting services for sub-activities under Component 3.(g) and 3.(h) of the Project	12,500,000	100%
(4) Emergency Expenditures	15,000,000	100%
TOTAL AMOUNT	100,800,000	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A above, no withdrawal shall be made:
 - (a) for payments made prior to the Signature Date, except that withdrawals up to an aggregate amount not to exceed SDR40,320,000 may be made for payments made prior to this date but: (i) on or after November 1, 2019 for the financing of Eligible Expenditures under Categories (1); and (ii) on or after January 1, 2020 for the financing Eligible Expenditures under Category (4) above; or
 - (b) under Category (1), until and unless the Recipient has
 - (i) hired and appointed in the PIU environmental and social specialists, with qualification and experience acceptable to the Association, and mobilized additional technical resources, pursuant to the ESCP;
 - (ii) entered into a MoU with at least one (1) Federal Member State comprising Flood and/or Drought Affected Areas; and

- (iii) prepared and adopted the Environmental and Social Management Framework, the Pest Management Plan, an updated Stakeholder Engagement Plans, the GBV Action Plan, the Security Management Plan and the Labor Management Procedures; or
- (c) under Category (2), until and unless, the Recipient has prepared and adopted the: (i) Environmental and Social Management Framework; (ii) the Security Management Plan; and (iii) the Labor Management Procedures; or
- (d) under Category (3), until and unless the Recipient has:
 - (i) furnished to the Association for review, comments and concurrence a work plan with detail activities and applicable implementation arrangements satisfactory to the Association, for sub-activities (g) and (h) in Component 3 of the Project;
 - (ii) updated the Environmental and Social Management Framework, the Stakeholder Engagement Plans, the Security Management Plan and the Labor Management Procedures, as deemed necessary by the Association, as well as the Procedures for Health/Medical Waste Management satisfactory to the Association, for the implementation of such work plan; and
 - (iii) hired the Covid-19 Response Consultant(s), as required by the Association.
- (e) under Category (4), until and unless the Association is satisfied, and has notified the Recipient of its satisfaction, that all of the following conditions have been met:
 - (i) the Recipient has determined that an Eligible Crisis or Emergency has occurred, has furnished to the Association a request to include certain activities in the CER Component in order to respond to said Eligible Crisis or Emergency, and the Association has agreed with such determination, accepted said request, and notified the Recipient thereof;
 - (ii) the Recipient has ensured that all safeguard instruments required for the said activities have been prepared and disclosed, in a manner and substance acceptable to the Association, and the Recipient has ensured that any actions which are required to be taken under said instruments have been implemented, all in accordance with the provisions of Section I.F.3(b) of this Schedule;

- (iii) the Recipient has provided sufficient evidence satisfactory to the Association, that the Coordinating Authority has adequate staff and resources in accordance with the provision of Section I.F.2 of this Schedule, for the purposes of said activities; and
- (iv) the Recipient has adopted a CER Manual in form, substance and manner acceptable to the Association, and the provisions of the CER Manual remain or have been updated in accordance with the provisions of Section I.F.1 of this Schedule so as to be appropriate for the inclusion and implementation of the CER Component.

2. The Closing Date is May 31, 2024.

APPENDIX

Definitions

1. “Annual Work Plan and Budget” means the yearly work plans and budgets to be prepared, approved and implemented by the Recipient pursuant to Section I.D of Schedule 2 to this Agreement as further elaborated in the Project Operations Manual.
2. “Anti-Corruption Guidelines” means, for purposes of paragraph 5 of the Appendix to the General Conditions, 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.
3. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
4. “CER Component” means Component 5 of the Project, as described in Schedule 1 to this Agreement.
5. “CER Manual” means the immediate response mechanism operations manuals referred to in Section I.F.1 of Schedule 2 to this Agreement, acceptable to the Association, to be adopted by the Recipient for the implementation of the CER Component, in accordance with the provision of said Section.
6. “Component” means each of the clustered Project activities grouped under the titles: “*Component 1: Immediate Basic Services and Livelihood Support*”; “*Component 2: Medium-Term Flood Recovery*”; “*Component 3: Longer-Term Disaster Risk Preparedness*”; “*Component 4: Project Management*”; and “*Component 5: Contingent Emergency Response*” in the Project description in Schedule 1 to this Agreement.
7. “Coordinating Authority” means the entity or entities designated by the Recipient in the CER Manual, and approved by the Association, pursuant to Sections I.F.1 and I.F.2 of Schedule 2 to this Agreement, which entity/ies shall be responsible for coordinating the implementation of the CER Component.
8. “Covid-19 Response Consultant(s)” means the service provider(s) and/or international organization(s) to be hired pursuant to Section I.A.3.(d) of Schedule 2 to this Agreement.
9. “Eligible Crisis and Emergency” means an event, associated with a natural or man-made crisis or disaster, that has caused, or is likely to imminently cause, a major adverse economic and/or social impact to the Recipient.

10. “Emergency Expenditures” means any of the eligible expenditures set forth in the CER Manual, in accordance with the provision of Section I.F.1 of Schedule 2 to this Agreement and required for the activities described in such manual to be financed under the CER Component.
11. “Environmental and Social Commitment Plan” or “ESCP” means the environmental and social commitment plan for the Project, dated April 16, 2020, as the same may be amended from time to time in accordance with the provisions thereof, which sets out the material measures and actions that the Recipient shall carry out or cause to be carried out to address the potential environmental and social risks and impacts of the Project, including the timeframes of the actions and measures, institutional, staffing, training, monitoring and reporting arrangements, and any environmental and social instruments to be prepared thereunder.
12. “Environmental and Social Management Framework” means the environmental and social framework to be prepared and adopted by the Recipients in a manner and substance satisfactory to the Association pursuant to the ESCP, and to be disclosed in-country, and at the Association’s website, setting out the modalities to be followed in assessing the potential adverse environmental and social impacts of Project activities in accordance with the ESSs, including impacts on natural habitat, forests, and physical cultural resources, pest management, and risks of gender-based violence and sexual exploitation and abuse and the measures to be taken to offset, reduce or mitigate such adverse impacts, including measures that endeavor to prevent and respond to GBV and SEA, occupational, health and safety (OHS) measures, protocols for managing waste and hazardous materials; as well as procedures for the preparation of site-/activity-specific environmental and social management plans, as such framework may be amended by the Recipient from time to time, with the prior written concurrence of the Association.
13. “Environmental and Social Standards” or “ESSs” means, collectively:
(i) “Environmental and Social Standard 1: Assessment and Management of Environmental and Social Risks and Impacts”; (ii) “Environmental and Social Standard 2: Labor and Working Conditions”; (iii) “Environmental and Social Standard 3: Resource Efficiency and Pollution Prevention and Management”; (iv) “Environmental and Social Standard 4: Community Health and Safety”; (v) “Environmental and Social Standard 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement”; (vi) “Environmental and Social Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources”; (vii) “Environmental and Social Standard 7: Indigenous Peoples/Sub-Saharan Historically Underserved Traditional Local Communities”; (viii) “Environmental and Social Standard 8: Cultural Heritage”; (ix) “Environmental and Social Standard 9: Financial Intermediaries”; (x) “Environmental and Social Standard 10: Stakeholder Engagement and Information Disclosure”; effective on October 1, 2018, as published by the Association.

14. “Essential Package of Health Services” means a standard set of outreach, health promotion, and referral services emphasizing maternal, newborn, and child health and sexual reproductive health-based on World Health Organization standards.
15. “FAO” means the United Nations Food and Agriculture Organization, established on October 16, 1945.
16. “Federal Member State” and the acronym “FMS” mean each of the states constituting the Somali federation, as acknowledge in the Recipient’s Provisional Constitution (2012).
17. “Fiscal Year” means the Recipient’s fiscal year commencing on January 1 of each calendar year and finishing on December 31 of the same calendar year.
18. “FMS-MoPIED” means, individually, each of the FMS’s Ministries of Planning Investment and Economic Development, and/or any successors to them.
19. “Flood and/or Draught Affected Areas” means: (a) the areas impacted/damaged by riverine and flash flooding from the 2019 Deyr rains as identified in the Flood Impact Needs Assessment; and (b) the areas impacted by drought and dry conditions, such as the 2016-2017 drought, poor 2018 Deyr rains, dry conditions during the 2019 Jilaal season, below-average, and erratic 2019 Gu’ rains.
20. “Flood Impact Needs Assessment” means the assessment published on February 2020, prepared under the overall leadership of the Prime Minister’s Office in partnership with the Recipient’s Ministry of Humanitarian Affairs and Disaster Management and with strategic support from development partners (including the Association), which quantifies damages, losses, and needs across multiple sectors and in arears affected by the riverine and flash flooding from the 2019 Deyr rains.
21. “GBV” means gender-based violence.
22. “GBV Action Plan” refers to the action plan to be prepared by the Recipient, in a manner and substance satisfactory to the Association pursuant to the ESCP, and to be disclosed on the Association’s website, setting out the precautionary measures to be set in place to mitigate and/or address any project-related incident of sexual exploitation and abuse, sexual harassment and other forms of gender based violence, as well as considerations related to child protection, as said instrument may be updated from time to time with the prior written concurrence of the Association.
23. “General Conditions” means the “International Development Association General Conditions for IDA Financing, Investment Project Financing”, dated December 14, 2018.

24. “Incremental Operating Costs” means the reasonable incremental expenses incurred on account of Project implementation, including office equipment and supplies, vehicle operation and maintenance, maintenance small office works and maintenance, of equipment, communication, advertisement and insurance costs, office administration costs, bank charges, translation costs, utilities, rental, consumables, salaries, accommodation, travel and *per diem* of Project staff, excluding the salaries of the Recipient’s and the FMS’ civil service.
25. “Integrated Disease Surveillance and Response System” means a system to be established by the Recipient at federal to harmonized and coordinate disease surveillance activities in a country as a common public service.
26. “IVA(s)” means, collectively, the independent verification/audit agency/ies (firm(s) or organization(s)) to be hired pursuant to Section I.A.3.(c) of Schedule 2 to this Agreement.
27. “Labor Management Procedures” means the labor management procedures to be prepared by the Recipient as part of the Environmental Management Framework, in a manner and substance satisfactory to the Association pursuant to the ESCP, and to be disclosed on the Association’s website, setting out the Project’s approach and requirements to labor in meeting national requirements as well as the objectives of ESS #2 (on labor and working conditions and ESS #4 (on community health and safety), including procedures on incident investigation and reporting, recording and reporting of non-compliance, emergency preparedness and response procedures, protection of project workers from discrimination, forced labor and child labor, occupational health and safety (OHS), codes of conducts and continuous training and awareness for workers, as said instrument may be updated from time to time with the prior written concurrence of the Association.
28. “MDAs” means the ministries, departments and public agencies of the Recipient and/or the Federal Member States.
29. “Memorandum of Understanding” and “MoU” mean each of the agreements to be entered into between the Recipient and a FMS, implementing and/or benefiting from Project activities, pursuant to the provisions of Section I.B.1 of Schedule 2 to this Agreement and in conformity with the provisions of the Project Operations Manual.
30. “MoF” means the Recipient’s Ministry of Finance, and/or any successor to it, acceptable to the Association.
31. “MoPIED” means the Recipient’s Ministry of Planning, Investment and Economic Development, and/or any successor to it, acceptable to the Association.

32. “National Drought Recovery and Resilience Framework Secretariat” means the steering group to be established within MoPIED, for the purpose of supporting the operationalization of a government-led recovery and resilience framework, and responsible, *inter alia*, for strengthening aid coordination, monitoring recovery and resilience-related outcomes.
33. “National Emergency Operations Center” means an inter-ministerial facility to be established within the inter-agency National Emergency Operations Center Steering Committee under the aegis of the Prime Minister’s Office, within a mandate to lead the establishment and operationalization of a civic protection center for coordination and management of emergencies.
34. “Pest Management Plan” means the pest management plan to be prepared by the Recipient, in a manner and substance satisfactory to the Association pursuant to the ESCP, and to be disclosed on the Association’s website, setting out the measures modalities, pesticide products, policy, regulatory framework, institutional capacity, monitoring and evaluation, and application/spraying protocols admissible under the Project, as well as any measures to be taken/followed to offset, reduce or mitigate any potential harms to people’s health, their livelihoods and/or their environments in accordance with the ESSs, as said instrument may be updated from time to time with the prior written concurrence of the Association.
35. “Prime Minister’s Office” means the office of the Recipient’s Prime Minister.
36. “Procedures for Health/Medical Waste Management” means the health and medical waste management procedures to be prepared by the Recipient as part of the Environmental Management Framework, in a manner and substance satisfactory to the Association, pursuant to the ESCP, and to be disclosed on the Association’s website, setting out the protocols for the management of medical wastes in a safe manner (including advocacy measures for good practices occupational, health and safety measures with emergency preparedness and response procedures) to be used by health, sanitary and cleaning workers associated with the Project in order to prevent the spread of infection and reduce the exposure of health workers, patients and the public to the risks from medical wastes and associated pathogens; as said instrument may be updated from time to time with the prior written concurrence of the Association.
37. “Procurement Regulations” means, for purposes of paragraph 87 of the Appendix to the General Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated July 2016, revised November 2017 and August 2018.
38. “Project Implementation Unit” and the acronym “PIU” mean the Project implementation unit established by the Recipient within MoF and referred to in Section I.A.1(b) of Schedule 2 to this Agreement.

- 39. “Project Operations Manual” means the operations manual for the Project to be prepared and adopted by the Recipient as a condition precedent to the effectiveness of this Agreement, pursuant to Section I.C.1 of Schedule 2 to this Agreement, as the same may be amended from time to time with the prior written concurrence of the Association.
- 40. “Project Steering Committee” means the steering committee to be established by the Recipient pursuant to Section I.A.1(a) of Schedule 2 to this Agreement and in conformity with the provision of the Project Operations Manual.
- 41. “SEA” means sexual exploitation and abuse.
- 42. “Security Management Plan” means the security management plan to be prepared by the Recipient, in a manner and substance satisfactory to the Association pursuant to the ESCP, and to be disclosed on the Association’s website, setting out the security guidelines, protocols and principles, to safeguard the lives and properties of individuals and communities involved in, affected by or benefiting from, the Project, as well as the assets created/acquired thereunder, all in accordance with the requirements of the ESSs, as said instrument may be updated from time to time with the prior written concurrence of the Association.
- 43. “Signature Date” means the later of the two dates on which the Recipient and the Association signed this Agreement and such definition applies to all references to “the date of the Financing Agreement” in the General Conditions.
- 44. “Stakeholder Engagement Plan” means the stakeholder engagement plan dated April 22, 2020, prepared by the Recipient, in a manner and substance satisfactory to the Association, and disclosed on the Association’s website, as the same shall be further updated after stakeholders consultations and prior to Project disbursements as set forth in the ESCP, which plan sets out the mechanisms for identifying stakeholders, gauging their interests and providing them and their communities with systematic means and processes for inclusive and meaningful engagement to influence Project design and implementation, including a grievance redress mechanism, as said instrument may be updated from time to time with the prior written concurrence of the Association.
- 45. “State Project Team” means each of the state teams to be established by the respective FMS within each of their FMS-MoPIEDs, pursuant to Section I.A.2.(b) of Schedule 2 to this Agreement and in conformity with the provisions of the Project Operations Manual.
- 46. “Sub-Component” means each of the clustered Project activities singled out in the paragraphs (a) through (e) of Component 1 of the Project, individually considered.
- 47. “UN” means the United Nations.

48. “UNOPS” means the United Nations Office for Project Services, established pursuant to the UN General Assembly decision 48/501 of September 19, 1994.
49. “Workshop and Training” means the reasonable costs of training, workshops and conferences conducted in the territory of the Recipient, or, subject to prior approval by the Association, attended abroad by the Recipient’s and the FMS’s officials and staff in connection with the Project, including the purchase and publication of materials, rental of facilities, course fees and travel and subsistence of trainees.