
GRANT NUMBER D579-SS

Financing Agreement

(South Sudan Safety Net Project)

between

INTERNATIONAL DEVELOPMENT ASSOCIATION

and

UNITED NATIONS OFFICE FOR PROJECT SERVICES

(for the benefit of the people of the Republic of South Sudan)

GRANT NUMBER D579-SS

FINANCING AGREEMENT

AGREEMENT dated as of the Signature Date between the INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”) and the UNITED NATIONS OFFICE FOR PROJECT SERVICES (“Recipient” or “UNOPS”).

WHEREAS: (A) the Republic of South Sudan (“South Sudan”) has requested the Association to finance projects in South Sudan using various modalities for provision of financing, and the Association has informed South Sudan about the Project described in Schedule 1 to this Agreement (“Project”) and that the Association is providing financing to the United Nations Office For Project Services (“Recipient” or UNOPS”) to implement the Project;

(B) pursuant to a Host Country Agreement consisting of an exchange of letters from UNOPS to South Sudan dated June 14, 2012, and March 11, 2013, and from South Sudan to UNOPS dated February 28, 2013, both UNOPS and South Sudan agreed to apply the Agreement between the United Nations Development Programme (“UNDP”) and South Sudan signed on November 16, 2011, *mutatis mutandis* to UNOPS, wherein the basic governing conditions under which UNOPS assists South Sudan in carrying out its development projects were set out;

(C) South Sudan and UNOPS have entered into an Agreement for the Temporary Transfer of Assets dated August 22, 2019, for the transfer of specified assets (including office furniture, equipment and supplies, and vehicles) by South Sudan to UNOPS for UNOPS to use in the implementation of the Project (“Transfer Agreement for Office-related Goods”); and

(D) South Sudan and UNOPS have entered into an Agreement for the Transfer of Assets dated August 22, 2019, for the transfer of specified assets (including software, data, and manuals in the possession of Frux Software Solutions Pte. Ltd. and Alpha Commercial Bank) by South Sudan to UNOPS, for UNOPS to use in the implementation of the Project (“Transfer Agreement for Software and Data”).

WHEREAS the Association has agreed, on the basis, *inter alia*, of the foregoing, to extend to the Recipient a grant for the benefit of the people of South Sudan upon the terms and conditions set forth in this Agreement.

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. The Financial Management Framework Agreement (“FMFA”) (as defined in the Appendix to this Agreement), constitutes an integral part of this Agreement. Without limitation to the provisions of the FMFA, in respect to the Recipient any references in the FMFA to:
 - (a) “Letter Agreement(s)” shall be deemed as references to this Agreement;
 - (b) “Trust Fund Grant(s)” shall be deemed as references to the Financing referred to in Section 2.01 of this Agreement;
 - (c) “UN” or “UN Organization”, including in particular reference in Section 7 of the FMFA, shall be deemed as references to “the United Nations Office for Project Services”;
 - (d) “the UN Controller” shall be deemed as references to the “UNOPS Comptroller”;
 - (e) “UN Financial Regulations” shall be deemed as references to the “UNOPS Financial Regulations and Rules”; and
 - (f) “Parties” in Section 11 of the FMFA shall be deemed as references to the “Association” and the “United Nations Office for Project Services” or, alternatively, to the “Association” on the one hand, and the “United Nations Secretariat”; and all “UN Organisations” (as that term is defined in the FMFA) on the other, if a satisfactory consolidated review mechanism is established.
- 1.03. 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 twenty-nine million one hundred thousand Special Drawing Rights (SDR 29,100,000 (“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 IV of Schedule 2 to this Agreement.

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, the FMFA, and Schedule 2 to this Agreement.

ARTICLE IV — REMEDIES OF THE ASSOCIATION

- 4.01. The Additional Events of Suspension consist of the following:
- (a) by notice sent to the Recipient pursuant to sub-paragraph (iv) of paragraph 9 of the FMFA, the Association confirms that it reasonably believes the actions taken previously in accordance with said Section 9 have not been sufficient to fulfill its fiduciary obligation to ensure that the proceeds of the Financing were used for eligible expenditures; or
 - (b) by notice sent to the Recipient pursuant to sub-paragraph (iii)(a) of paragraph 10 of the FMFA, the Association confirms that alternative financial management arrangements mutually acceptable to the Association and the Recipient were not reached within the period stipulated therein; or
 - (c) the Association determines at any time that a reference in either paragraph 1 or paragraph 4 of Section II.B of Schedule 2 to this Agreement to the Recipient's Financial Regulations and rules is incomplete or inaccurate in any material respect; or
 - (d) the Association for any reason revokes the application of the Alternative Procurement Arrangements set forth in Section III.1 of Schedule 2 to this Agreement.

ARTICLE V — EFFECTIVENESS

- 5.01. This Agreement shall become effective as of the Signature Date.
- 5.02. 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 five (5) years after the Signature Date.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

- 6.01. The Recipient's Representative is UNOPS Representative, South Sudan.

6.02. For purposes of Section 11.01 of the General Conditions:

- (a) the Recipient's address is:

UNOPS South Sudan Country Office
UN House (Juba 3)
Jebel Kujur
Juba, South Sudan

and

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

E-mail:

petermu@unops.org

6.03. 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.

INTERNATIONAL DEVELOPMENT ASSOCIATION

By:



Authorized Representative

Name: Carolyn Turk

Title: Country director

Date: 02-May-2020

UNITED NATIONS OFFICE FOR PROJECT SERVICES

By:



Authorized Representative

Name: Peter MUTOREDZANWA

Title: Country Director/Representative

Date: 06-May-2020

SCHEDULE 1

Project Description

The objectives of the Project are to provide temporary income opportunities to selected poor and vulnerable households and to strengthen safety net delivery tools in the Republic of South Sudan.

The Project consists of the following parts:

Part 1. Labor Intensive Public Works “Plus”

1. (a) Provision of Labor Intensive Public Works Transfers (“LIPW Transfers”) to Labor Intensive Public Works Beneficiaries (“LIPW Beneficiaries”) aimed at generating income for the poorest households through the implementation of Labor-Intensive Public Works Activities (“LIPW Activities”) by LIPW Beneficiaries in targeted areas; (b) provision of equipment and material required for the purpose; and (c) financing of Payment Agency Fees.
2. Provision of complementary services to LIPW Beneficiaries through the “plus” approach aimed at strengthening the human capital of LIPW Beneficiaries, including carrying out awareness campaigns in the areas of financial skills, water, sanitation and hygiene, early childhood development and nutrition, and provision of Training as required.

Part 2. Direct Income Support

1. (a) Provision of Direct Income Cash Transfers (“DIC Transfers”) to Direct Income Cash Transfer Beneficiaries (“DIC Transfer Beneficiaries”) aimed at providing income to the poorest households in targeted areas; and (b) financing of Payment Agency Fees.

Part 3. Strengthening Safety Net Delivery Tools and Project Management

1. Supporting the Recipient in Project coordination, supervision, monitoring, financial management, and communication and in raising awareness about social safety net programs, including: (a) the provision of consultancy services goods, works, and non-consultancy services, and financing of Operating Costs, and Training; and (b) financing of Third-Party Monitoring Agent(s).
2. Supporting the Recipient in development and operationalization of Project delivery tools, including a grievance redress mechanism, management information system, biometric system; and payment system for the Project, as well as building local level capacity to implement and manage said tools.

SCHEDULE 2

Project Execution

Section I. Institutional and Implementation Arrangements

A. Institutional Arrangements

1. The Recipient shall at all times during the implementation of the Project:
 - (a) maintain the UNOPS offices in South Sudan with the day-to-day responsibility for implementation of the Project; and
 - (b) maintain direct presence and deploy staff in adequate numbers, as may be required for the purpose of carrying out the Project within the territory of South Sudan, including a multidisciplinary team satisfactory to the Association.

B. Implementation Arrangements

Project Operational Manual

1.
 - (a) The Recipient shall maintain, in accordance with terms of reference acceptable to the Association, the Project Operational Manual, which contains detailed arrangements and procedures for: (i) institutional coordination and day-to-day execution of the Project; (ii) monitoring, evaluation, reporting and communication; (iii) eligibility criteria, detailed rules and procedures for identification, registration and selection of Beneficiaries, (iv) requirements to be fulfilled by Beneficiaries as conditions for the provision of LIPW Transfers and DIC Transfers; (v) mechanisms for verification of compliance with LIPW Transfers and DIC Transfer conditions; (vi) detailed procedures for coordination and collaboration among different actors involved in the carrying out the Project; (vii) administration, financial management and accounting; and (viii) such other administrative, technical and organizational arrangements and procedures as shall be required for purposes of implementation of the Project ("Project Operational Manual" or "POM").
 - (b) The Recipient shall carry out the Project in accordance with the POM, and except as the Association shall otherwise agree in writing, the Recipient shall not amend, abrogate, or waive or fail to enforce any provision of the POM.
 - (c) In the event of any inconsistency between this Agreement and the POM, the provisions of this Agreement shall prevail.

Third Party Monitoring

2. The Recipient shall: (a) no later than three (3) months from the Effective Date, or (b) prior to provision of DIC Transfers and LIPW Transfers, whichever is earlier, hire a Third-Party Monitoring Agent, in accordance with terms of reference acceptable to the Association, including quarterly reporting by said agent.

Grievance Redress Mechanism and MIS and Biometric System

3. The Recipient shall: (a) no later than two (2) months from the Effective Date, or (b) prior to the selection of Beneficiaries, whichever is earlier, establish and thereafter carry out the Project, with a grievance redress mechanism, a management information system and a biometric system, under terms and structure satisfactory to the Association.

Direct Income Cash Transfers and LIPW Transfers

4. In order to achieve the objectives of Part 1.1 and 2.1 of the Project, the Recipient shall provide DIC Transfers to DIC Transfer Beneficiaries and LIPW Transfers to LIPW Beneficiaries, respectively, in accordance with eligibility criteria and procedures acceptable to the Association and further detailed in the POM, including the following:
 - (a) **Eligibility criteria for the LIPW Transfers.** The eligibility criteria for a LIPW Beneficiary shall include: (i) the beneficiary has been identified as a representative for a poor household in the POM; (ii) the Recipient has confirmed the beneficiary's compliance with any applicable conditionality; and (iii) the beneficiary has been selected through a combination of community-based targeting and the use of proxies to assess the beneficiary's poverty level.
 - (b) **Eligibility criteria for the DIC Transfers.** The eligibility criteria for a DIC Transfer Beneficiary shall include: (i) the beneficiary has no other source of income; (ii) the beneficiary has been identified by the community as a poor household headed by children and/or pregnant women and/or lactating women and/or chronically ill and/or disabled person and/or an elderly person, as further detailed in the POM; and (iii) the Recipient has confirmed the beneficiary's compliance with any applicable conditionality.
5. In order for a LIPW Activity to be eligible for financing from the proceeds of the Financing, the following minimum conditions have to be satisfied, and subject to such further terms and conditions as may be specified in the POM:

- (a) the LIPW Activity is fully consistent with the Project's development objective;
 - (b) the LIPW Activity does not include any Excluded Expenditures;
 - (c) the LIPW Activity is selected through an inclusive and participatory process of community engagement; and
 - (d) the LIPW Activity is appraised following the guidelines in the POM and the Safeguard Instruments and is in line with other guidelines acceptable to the Association;
6. The Recipient shall ensure that the amount of each LIPW Transfer and DIC Transfer is paid to the intended LIPW Beneficiary and DIC Transfer Beneficiary, respectively; and that LIPW Beneficiaries participate in the accompanying measures provided for under Part 1.2 of the Project.

C. Anti-Corruption

1. The Recipient shall carry out the Project subject to the provisions of the General Conditions and the following undertakings:
- (a) In the event that the Recipient or the Association becomes aware of information that indicates the need for further scrutiny of the implementation of the Project or any expenditures under the proceeds of the Financing (including non-frivolous allegations that corrupt, fraudulent, collusive or coercive practices were undertaken in relation to any activity under the Project), the Recipient or the Association, as the case may be, shall promptly bring such information to the attention of the appropriate official or officials of the other party, as designated from time to time by each party by written notice to the other party.
 - (b) Following consultation between the Recipient and the Association, the Recipient will, to the extent the information relates to actions within the authority or accountability of the Recipient, take timely and appropriate action in accordance with its accountability and oversight framework, including applicable regulations, rules, and administrative instructions, to investigate this information. For greater clarity on this matter, the Recipient and the Association agree and acknowledge that the Recipient has no authority over and accordingly shall have no responsibility to investigate, any government official or officials or consultants of the Association.
 - (c) To the extent such investigation confirms the allegations and to the extent that remedial action is within the authority of the Recipient, the Recipient will take timely and appropriate action in response to the findings of such investigation,

in accordance with the Recipient's accountability and oversight framework, including its regulations, rules, policies and procedures.

- (d) To the extent consistent with the Recipient's accountability and oversight framework, including its regulations, rules, policies and procedures, it will keep the Association regularly informed by agreed means of actions taken pursuant to Section I.B.1(c) immediately above, and the results of the implementation of such actions, including where relevant, details of any recovery of funds or writing-off of losses.
 - (e) The Recipient will use its best efforts, consistent with its regulations, rules, policies and procedures to recover any funds misused. The Recipient will, in consultation with the Association, credit any funds so recovered to the Association or agree with the Association to use these funds for the Project.
- 2. In the event that the Association reasonably believes that timely and appropriate action has not been taken by the Recipient under Section I.B.1 above, the Association may request direct consultations at a senior level between the Association and the Recipient in order to obtain assurances that the Recipient's oversight and accountability mechanisms have been and are being fully applied in connection with such allegations. The Recipient and the Association take note of the provisions of Article VIII of the United Nations Financial Regulations and Rules and the Recipient's corresponding relevant provisions in its Financial Regulations and Rules.
- 3. The Association may, following consultation with the Recipient, by notice to the Recipient, suspend the right of the Recipient to make further withdrawals of the proceeds of the Financing if the Association reasonably believes the actions taken by the Recipient under Section I.B.1 above have not been sufficient to fulfill its fiduciary obligation with respect to the Financing.
- 4. The Association has the right and authority, pursuant to the Anti-Corruption Guidelines, to investigate allegations or other information relating to possible corrupt, fraudulent, coercive, or collusive practices (as defined in Section I.B.7 below) by any third party, and to sanction any such third party which the Association has determined to have engaged in such practices; provided, however, that in this Section, "third party" does not include the Recipient. To the extent consistent with the Recipient's oversight framework, including its regulations, rules, policies and procedures, and if requested by the Association, the Recipient shall cooperate with the Association in the conduct of such investigations.
- 5. Without limitation to the provisions of paragraph B.1 of this Section, the Association retains the right to conduct an investigation in connection with the information referred to in paragraph B.1(a) of this Section and any information provided to the Recipient regarding allegations of corrupt, fraudulent, coercive,

or collusive practice in connection with the bidding process, the award, or implementation of any contract to be or being financed out of the proceeds of the Financing, except that the Association may not investigate the Recipient. The Recipient agrees to facilitate all such investigations.

6.
 - (a) The Recipient will require any third-party commercial entity with which it has a long-term arrangement or to which it intends to issue a purchase order or a contract financed with the proceeds of the Financing to disclose to the Recipient whether it is subject to any sanction or temporary suspension imposed by any organization within the World Bank Group. The Recipient will give due regard to such sanctions and temporary suspensions, as disclosed to it when issuing contracts during the Project implementation.
 - (b) If the Recipient intends to issue a contract in connection with the Project with a party that has disclosed to the Recipient that it is under sanction or temporary suspension by the World Bank Group, the following procedure will apply: (i) the Recipient will so inform the Association, before signing such contract; (ii) the Association then may request direct consultations at a senior level, if required, between the Association and the Recipient to discuss the Recipient's decision; and (iii) if after such consultation, the Recipient elects to proceed with the issuance of the contract, the Association may inform the Recipient by notice, that the proceeds of the Financing may not be used to fund such contract.
 - (c) Any portion of the proceeds of the Financing received by the Recipient under this Agreement that may have been used to fund a contract in respect of which the World Bank Group has exercised its right under paragraph 6(b)(iii) immediately above, shall be used to defray the amounts requested by the Recipient in any subsequent Withdrawal Application, if any, or will be treated as a balance in favor of the Recipient in the calculation of the final balances prior to the Closing Date.
7. For the purposes of the provisions of this Section I.B, the following definitions of sanctionable practices shall apply:
 - (a) "corrupt practice" is the offering, giving, receiving or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party;
 - (b) "fraudulent practice" is any act or omission, including misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain financial or other benefit or to avoid an obligation;

- (c) “collusive practice” is an arrangement between two or more parties designed to achieve an improper purpose, including to influence improperly the actions of another party; and
- (d) “coercive practice” is impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party.

D. Safeguards

1. The Recipient confirms that: (a) there will be no major civil works under the Project; and (b) the Recipient shall implement the Project without any involuntary resettlement, without any physical displacement, and without any significant economic displacement as outlined in the Environmental and Social Management Framework (“ESMF”).
2. The Recipient shall ensure that the Project activities, including all LIPW Activities, are carried out with due regard to appropriate health, safety, social, and environmental practices and standards, and in accordance with ESMF, the Social Assessment (“SA”); the Security Management Plan (“SMP”), and any Environmental Management Plans (“EMPs”).
3. The Recipient shall ensure that: (a) any contractors (including subcontractors) carrying out the Project shall perform their work in accordance with the technical and environmental practices applicable to UNOPS programs (including the Project), including as set forth with regard to the Project specifically in the ESMF and any EMPs and SMP, and under terms of reference and with qualifications and experience necessary to satisfactorily carry out the design and implementation of the Project, and all of which shall have been shared with the Association; and (b) any contracts under the Project include the Recipient’s standard requirements with regard to conduct, including gender-based violence and sexual exploitation and abuse risk mitigation measures.
4. The Recipient shall include in the Project Reports referred to in Section II.A of this Schedule adequate information on the implementation of the Safeguard Instruments, giving details of:
 - (a) measures taken in furtherance of the Safeguard Instruments;
 - (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of the Safeguard Instruments, including detailed information deriving from the Project’s Grievance Redress Mechanism; and

- (c) remedial measures taken, or required to be taken, to address such conditions and to ensure the continued efficient and effective implementation of the Safeguard Instruments.

5. The Recipient shall:

- (a) as soon as reasonably practicable, but no later than 24 hours after it becomes aware of the occurrence of a Significant Event, inform the Association by any electronic means of the nature of the incident, accident, or circumstance and any effect or impact (whether on-site or off-site) resulting or likely to result there from;
- (b) as soon as reasonably practicable, but no later than thirty (30) days after it becomes aware of such Significant Event, provide the Association with a summary report that includes a description of such Significant Event, and the measures, if any, that the Recipient is taking or plans to take to address the consequences of such Significant Event to the extent this is within the scope of the Recipient's control and to mitigate the risk of any future similar event; and
- (c) keep the Association informed of the on-going implementation of the said measures and plans.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

- 1. The Recipient shall furnish to the Association each Project Report (*i.e.*, a progress Project Report providing for a summary of activities covering a period of three (3) calendar months, and a detailed annual Project Report), not later than forty-five (45) days after the end of the period covered by such report.
- 2. The Recipient shall furnish to the Association not later than five (5) days from receipt by Recipient of each quarterly report from the Third-Party Monitoring Agent, prepared in accordance with terms of reference acceptable to the Association, including that such report shall contain a summary of findings regarding adherence, at all implementation levels, to the procedures set out in relevant Project documents, and verification of all Project activities, particularly the LIPW Transfers and DIC Transfers.

B. Accounts and Audits

- 1. The Recipient shall maintain or cause to be maintained a financial management system, including a separate account in its records, adequate to reflect the transactions related to the Project, in accordance with the requirements of the

document United Nations Office for Project Services Financial Regulations and Rules, EOD.ED.2017.04 ("Financial Regulations").

2. The Recipient shall maintain in a separate account in its records ("Financing Control Account") a complete, true and faithful record of all advances from the proceeds of the Financing and of all the expenditures paid from such advances.
3. The Recipient shall prepare and furnish to the Association, interim unaudited financial reports related to the Project (to reflect the Project operations, resources and expenditures), in accordance with accounting standards established pursuant to the Financial Regulations and in the format agreed with the Association. The first said interim unaudited financial report for the Project shall cover the period from the incurrence of the first expenditure under the Financing through the end of the first three-month period following the Effectiveness Date. Thereafter, each interim unaudited financial report shall be furnished to the Association not later than forty-five (45) days after each subsequent quarterly period and shall cover such quarterly period.
4. The Recipient shall have the financial statements of the Project audited in accordance with (i) Article 6 of the Financial Regulations and (ii) the Financial Management Framework Agreement. Each audit of the financial statements shall cover the period of one fiscal year of the Recipient, commencing with the fiscal year in which the first withdrawal of Financing was made. The audited financial statement for each such period shall be furnished to the Bank not later than six (6) months after the end of such period.
5. The Recipient shall retain, until at least one (1) year after the Association has received audited financial statement referred to in paragraph 3 of this Section II.B covering the six (6) months in which the last withdrawal was made, all records (contracts, orders, invoices, bills, receipts and other documents) evidencing all expenditures in respect of which withdrawals of the proceeds of the Financing of the Project were made.

Section III. Procurement

1. All goods, non-consulting services and consulting services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the applicable procurement policies, procedures, regulations and practices of the Recipient, as such procurement policies, procedures, regulations and practices have been assessed and found to be acceptable by the Association, and the Procurement Plan.
2. If the Association determines that the procurement policies, procedures, regulations, or practices of the Recipient have been modified, suspended, or waived such that they are no longer acceptable to the Association, the

Association may, in addition to the Association's other rights under the Agreement, revoke the procurement provisions set out in paragraph 1 of this Section III.

Section IV. 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) LIPW Transfers under Part 1.1(a) of the Project, DIC Transfers under Part 2.1(a) of the Project and Payment Agency Fees under Parts 1.1(c) and 2.1(b) of the Project	17,700,000	100%
(2) Goods, works, non-consulting services, consulting services, Operating Costs, Training under Part 1.1 (b), 1.2 and 3.1 (a) and 3.2 of the Project, and Third Party Monitoring under Part 3.1 (b) of the Project	11,400,000	100%
TOTAL AMOUNT	29,100,000	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of paragraph A.1 above, no withdrawal shall be made for:
 - (a) for payments made prior to the date of this Agreement, except that withdrawals up to an aggregate amount not to exceed SDR 5,000,000 may be made for payments made prior to this date but on or after April 28, 2019, for Eligible Expenditures; or

- (b) the purpose of any payment to persons or entities, or for any import of goods, if such payment or import, to the Association's knowledge, is prohibited by a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations.
- 2. All withdrawals shall be made on the basis of the interim unaudited financial reports referred to in Section II.B.3 of this Schedule and under such other terms and conditions as the Association shall specify by notice to the Recipient contained in the Disbursement and Financial Information Letter addressed or to be addressed by the Association to the Recipient for purposes of the Financing.
- 3. Without prejudice to the provisions of Section 8.07 of the General Conditions, in the event that the Association requests a refund of any portion of the proceeds of the Financing that has been used in a manner inconsistent with the provisions of this Agreement, the Association and the Recipient will adopt the procedures set forth in paragraph 9 of the FMFA.
- 4. It is understood that the Recipient shall not be responsible for, and shall have no obligation to initiate or continue implementation of, the pertinent activities under the Project unless the proceeds of the Financing allocated to such activities have been made available to the Recipient. Notwithstanding any suspension of the Financing or any portion of the Financing under this Agreement, the Association will make available to the Recipient the portion of the proceeds of the Financing required to meet the obligations entered into by the Recipient prior to the date on which the Recipient shall have received the notice of suspension.
- 5. With respect to interest accrued on any advance of the Financing made to the Recipient, the Recipient shall use such interest earned for implementation of the Project and in the event that interest earned remains unutilized for Project implementation on the Closing Date, the Recipient shall refund such interest to the Association.
- 6. The Closing Date is November 30, 2022.

Section V. Other Undertakings

- 1. The Recipient shall carry out its obligations under Transfer Agreement for Office-related Goods and Transfer Agreement for Software and Data and shall not amend, abrogate, waive or permit to be amended, abrogated or waived, the said Agreements, or any provision thereof, without the prior written consent of the Association.
- 2. In undertaking its obligations under the Project and this Agreement, the Recipient shall observe the following:

- (a) The Recipient shall process personal data in a fair manner, in accordance with its mandate and governing instruments and on the basis of the following: (i) the consent of the data subject; and (ii) the best interests of the data subject, consistent with the mandates of the United Nations System Organization concerned.
- (b) The Recipient shall also ensure that personal data:
 - (i) shall be processed only for purposes specified in the Project, taking into account the balancing of relevant rights, freedoms and interests of data subjects. Personal data shall not be processed in ways that are incompatible with such purposes;
 - (ii) shall, when processed, be confined to that which is relevant, limited and adequate to what is necessary in relation to the purposes specified above for personal data processing;
 - (iii) shall only be retained for the time that is necessary to achieve the purposes specified above;
 - (iv) shall be accurate and, where necessary, up to date to fulfill the specified purposes; and
 - (v) shall be processed with due regard to confidentiality.
- (c) The Recipient shall adopt appropriate organizational, administrative, physical and technical safeguards and procedures in order to protect the security of personal data, including against or from misuse, unauthorized or accidental access, damage, loss or other risks presented by data handover, processing or transfer.
- (d) The Recipient shall process personal data with transparency to data subjects, as appropriate and whenever possible, including, for example, provision of information about the processing of their personal data as well as information on how to request access, verification, rectification, and/or deletion of that personal data, insofar as the specified purpose for which personal data is processed is not frustrated.
- (e) The Recipient may only transfer personal data to a third party if, under the circumstances, UNOPS is satisfied that the third party affords protection for the personal data on terms no less favorable than UNOPS does under this Project.
- (f) The Recipient shall establish policies and mechanisms in place to adhere to the foregoing.

APPENDIX

Section I. Definitions

1. “Alternative Procurement Arrangements” or “APA” means the special procurement arrangements set forth in Section III of Schedule 2 to this Agreement, said APA as introduced under the Association’s Procurement Framework, which came into effect in July 2016.
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. “Beneficiary” means any LIPW Beneficiary or DIC Transfer Beneficiary; and “Beneficiaries” means, collectively, all LIPW Beneficiaries and DIC Transfer Beneficiaries.
4. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
5. “Direct Income Cash Transfer” or “DIC Transfer” means a cash transfer to be provided to a Direct Income Cash Transfer Beneficiary under Part 2.1(a) of this Agreement in accordance with the eligibility criteria and procedures set out in the POM; and “Direct Income Cash Transfers” or “DIC Transfers” means, collectively, all such cash transfers.
6. “Direct Income Cash Transfer Beneficiary” or “DIC Transfer Beneficiary” means any household or a person selected in accordance with the eligibility criteria and procedures set out in the POM to receive a Direct Income Cash Transfer under Part 2.1(a) of the Project; and “Direct Income Cash Transfer Beneficiaries” or “DIC Transfer Beneficiaries” means all such selected households and persons.
7. “Environmental and Social Management Framework” or “ESMF” means the framework, prepared and adopted by the Recipient dated February 21, 2019, disclosed in-country, and the Bank’s website on the same day, setting out the principles, rules, guidelines and procedures to screen and assess the potential adverse environmental and social risks and impacts (including health and safety issues, and impacts on physical cultural resources, pest management) of Project activities, including the risks of gender-based violence and sexual exploitation and abuse, adopt measures to avoid, reduce, mitigate or offset environmental and social adverse risks and impacts, including measures that endeavor to prevent and respond to gender-based violence and sexual exploitation and abuse, procedural,

budget and institutional arrangements and actions needed to implement these measures, and information on units responsible for addressing the Projects' risks and impacts; as well as for the preparation of environmental and social management plans, as such framework may be amended by the Recipient from time to time, with the prior written agreement of the Association.

8. "Environmental Management Plan" or "EMP" means the plan to be prepared and adopted by the Recipient in accordance with the procedures and requirements under the ESMF, satisfactory to the Association, which details: (a) the measures to be taken during the implementation of a particular Project activity to avoid, minimize, mitigate or offset adverse environmental and social impacts (including health and safety issues and impacts on physical cultural resources, pest management), or to reduce them to acceptable levels; and (b) measures that endeavor to prevent and respond to gender-based violence and sexual exploitation and abuse, and the actions needed to implement all said measures, as said plan may be amended from time to time with the Association's prior written agreement, and "EMPs" means, collectively, all such EMPs.
9. "Excluded Expenditures" means alcoholic beverages, tobacco, un-manufactured, tobacco refuse, tobacco, manufactured (whether or not containing tobacco substitutes), radioactive and associated materials, pearls, precious and semiprecious stones, unworked or worked, nuclear reactors, and parts thereof; fuel elements (cartridges), nonirradiated, for nuclear reactors, tobacco processing machinery, jewelry of gold, silver or platinum group metals (except watches and watchcases) and goldsmiths' or silversmiths' wares (including set gems), gold, non-monetary (excluding gold ores and concentrates).
10. "Financial Management Framework Agreement" or "FMFA" means the Financial Management Framework Agreement between the World Bank and the United Nations Office for Project Services, dated October 20, 2008.
11. "Financial Regulations and Rules" means the financial management regulations and rules set out in the Recipient's Executive Office Directive Ref. EOD.ED.2017.04.
12. "General Conditions" means the "International Development Association General Conditions for IDA Financing, Investment Project Financing", dated December 16, 2018, with the modifications set forth in Section II of this Appendix.
13. "LIPW" means labor intensive public works.
14. "Labor Intensive Public Works Beneficiary" or "LIPW Beneficiary" means any household or person selected in accordance with the eligibility criteria and procedures set out in the POM to receive a LIPW Transfer under Part 1.1(a) of the Project to participate in any LIPW Activity to be financed from Financing

proceeds; and “LIPW Beneficiaries” or “LIPW Beneficiaries” means, collectively, all such selected households and persons.

15. “Labor Intensive Public Works Transfer” or “LIPW Transfer” means an amount to be financed from Financing and to be provided to a LIPW Beneficiary under Part 1.1(a) of the Project, in accordance with eligibility criteria and procedures set forth in the POM, for participating in LIPW Activities; and “Labor Intensive Public Works Transfer” or “LIPW Transfers” means, collectively, all such amounts.
16. “Labor Intensive Public Works Activity” or “LIPW Activity” means a small-scale public works subproject selected in accordance with eligibility criteria and procedures set out in the POM; and “Labor Intensive Public Works Activities” or “LIPW Activities” means, collectively, all such small-scale public works subprojects.
17. “Operating Costs” means: (a) the incremental operating costs arising under Component 1 of the Project on non-staff related cost, including vehicle operation and transport for field teams, rental of office space and supplies, utilities, and communication charges; and (b) the indirect costs incurred by the Recipient as a function and in support of the Project, which cannot be traced unequivocally to the deliverables and technical outputs of the Project and which is 5% of the overall Financing received by the Recipient.
18. “Payment Agency Fees” means the fees to be paid to a payment service provider, to be selected by the Recipient on a competitive basis, to provide the service of transferring cash payments to Beneficiaries under Parts 1.1(c) and 2.1(b) of the Project.
19. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated May 24, 2019, as the same shall be updated from time to time with the concurrence of the Association.
20. “Project Operational Manual” or “POM” means the manual dated June 4, 2019, and referred to in Section I.B.1 of this Agreement.
21. “Safeguard Instruments” means, collectively, the SA, ESMF, EMPs, and SMP; and “Safeguard Instrument” means any of such Safeguard Instruments.
22. “Security Management Plan” or “SMP” means the plan setting out the policies, procedures and measures to ensure adequate safety and security of Project workers, contractors and sub-contractors, as such plan may be amended by the Recipient from time to time, with the prior written agreement of the Association.

23. “Significant Event” means: (a) any significant social, labor, health and safety, security or environmental incident, accident, or circumstance involving the Project, including, without limitation, explosions, spills, and any workplace accidents that result in death, serious or multiple injury, material pollution, or any violent labor unrest or violent dispute between the Borrower or security forces (assigned to protect the Project) and local communities or any gender-based violence, sexual exploitation or abuse suffered by beneficiaries while engaged under the Project; or (b) any other event or circumstance having, or which could reasonably be expected to have, a material adverse effect on the implementation or operation of the Project in accordance with the ESMF.
24. “Social Assessment” or “SA” means the assessment prepared and adopted by the Recipient dated December 21, 2018, disclosed in-country, and the Association’s website on December 30, 2018, setting out the assessment to evaluate the Project’s potential positive and adverse effects on the Indigenous Peoples. The breadth, depth, and type of analysis in the social assessment is proportional to the nature and scale of the proposed project’s potential risks for the Indigenous Peoples. The document contains details of the specific actions and measures to mitigate such risks, including measures that endeavor to prevent and respond to discrimination, gender-based violence and sexual exploitation and abuse; it also contains respective institutional responsibilities, a monitoring framework, and consultations and feedback procedures, including the description of a Grievance Redress Mechanism; and such assessment may be amended by the Recipient from time to time, with the prior written approval of the Association. Any change in the geographical scope of the project will warrant the preparation of an update or addendum to said SA to the satisfaction of the Association.
25. “Signature Date” the later of the two dates on which the Recipient and the Association signed this Agreement.
26. “Third-Party Monitoring” means monitoring of the Project activities on behalf of the Recipient (including, *inter alia*: periodic site visits; assessment of local context and conditions; interviews; awareness raising; training and preparation of reports) to be carried out by a Third-Party Monitoring Agent with the purpose of carrying out satisfactory monitoring and evaluation of the activities of the Project in the areas where the Recipient has limited or no access due to the current conflict situation in the territory of South Sudan.
27. “Third-Party Monitoring Agent” means a firm or organization, with internationally recognized expertise in monitoring and evaluation of development projects (including for financial management, procurement, and environmental safeguards aspects of such development projects) to be engaged by the Recipient for carrying out of Third Party Monitoring in accordance with terms of reference reviewed and confirmed by the Association and referred to in Section I.B.2 of Schedule 2 to this Agreement.

28. “Training” means the cost of training of persons involved in Project-supported activities, such term to include seminars, workshops, and study tours, and costs associated with such activity include travel and subsistence costs for training participants, costs associated with securing the services of trainers, rental of training facilities, preparation and reproduction of training materials, and other costs directly related to training preparation and implementation.
29. “Transfer Agreement for Office-related Goods” means the agreement described in paragraph (C) of the Preamble to this Agreement.
30. “Transfer Agreement for Software and Data” means the agreement described in paragraph (D) of the Preamble to this Agreement.
31. “World Bank Group” means the Association, the Bank, the International Finance Corporation, the International Center for the Settlement of Investment Disputes, and the Multilateral Investment Guarantee Agency.

Section II. Modifications to the General Conditions

The General Conditions are hereby modified as follows:

1. Section 2.06 (Financing Taxes) is deleted in its entirety, and the remaining sections in Article II are renumbered accordingly.
2. The following sections in Article III are deleted in their entirety: Sections 3.02 (Commitment Charge), 3.14 (Place of Payment), 3.15 (Currency of Payment), 3.16 (Amount of Repayment), 3.18 (Manner of Payment), and 3.19 (Temporary currency Substitution), and the remaining sections are renumbered accordingly.
3. Section 5.07 (Plans; Documents; Records), Section 5.09 (Financial Management, Financial Statements, Audits), Section 5.13 (Procurement) and Section 5.14 (Anti-Corruption) are, respectively, deleted in their entirety, and the remaining sections in Article V are renumbered accordingly.
4. In Section 5.10 (renumbered as Section 5.08) (*Cooperation and Consultation*), paragraph (a) is modified as follows:

 “(a) from time to time, at the request of either one of them, exchange views on the Project, the Financing, and the performance of their respective obligations under the Legal Agreement;”
5. In Section 5.11 (renumbered as Section 5.09) (Visits), paragraphs (a) and (b) are, respectively, modified to reads as follows:

 “(a) The Recipient shall take all action necessary or useful to ensure that the Member Country affords all reasonable opportunity for representatives of

the Association to visit any part of their territories for purposes related to the Financing or the Project.”

“(b) The Recipient shall enable the Association’s representatives: (i) to visit any facilities and construction sites included in the Project; and (ii) to examine the goods financed out of the proceeds of the Financing for the Project, and any plants, installations, sites, works, buildings, property, equipment, relevant to performance of its obligations under the Legal Agreement.”

6. Section 6.01 (Financial and Economic Data) is deleted in its entirety.
7. Sections 8.02(a) (Payment Failure) is modified as follows:
 - (a) “Paragraph (a) on *Payment Failure* is replaced with the following: if the Republic of Yemen has failed to make payment (notwithstanding the fact that such payment may have been made by a third party) of principal, interest, service charges or any other amount due to the Association or the International Bank for Reconstruction and Development (“Bank”): (i) under any agreement between the Republic of Yemen and the Association or the Bank; or (ii) in consequence of any guarantee extended or other financial obligation of any kind assumed by the Association or the Bank to any third party with the agreement of the Republic of Yemen.”
8. Sections 9.01 (Enforceability), 9.02 (Failure to Exercise Rights), and 9.03 (Arbitration) under Article IX are, respectively, deleted and replaced with the provisions of Section 21 of the FMFA.
9. Paragraphs 5, 17, 55, 78, 87 and 109 of the Appendix (Definitions) are, respectively, deleted in their entirety and the remaining paragraphs in the Definitions are renumbered accordingly.
10. Paragraph 79 and 94 (now renumbered as paragraph 75 and 92, respectively) in the Appendix (Definitions) is modified as follows:

“79. “Member Country” means the member of the Association in whose territory the Project is carried out or any such member’s political or administrative subdivisions.”

94. “Recipient” means the party to the Financing Agreement to which the Grant is extended.”