



**The World Bank**  
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT  
INTERNATIONAL DEVELOPMENT ASSOCIATION

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**Hedi Larbi**  
Director, Middle East Department  
Middle East & North Africa Region

CONFORMED COPY  
July 19, 2010

H.E. Ali Baban  
Minister for Planning and Development Cooperation  
Ministry of Planning and Development Cooperation  
Arrasat Al-Hindia  
Baghdad, Iraq

**Re: IRAQ - Additional Financing for the Emergency Household Survey  
and Policies for Poverty Reduction Project (TF056441)  
Amendment to Grant Agreement**

Excellency:

We refer to the World Bank Iraq Trust Fund Grant Agreement between the Ministry of Planning and Development Cooperation of Iraq (the "Recipient") and the International Development Association, acting as administrator of the World Bank Iraq Trust Fund (the "Administrator"), dated July 24, 2006, as amended (the "Grant Agreement"). We also refer to the letter of Dr. Mehdi M Al-Alak, Deputy Minister of Planning and Development Cooperation, dated April 15, 2010 requesting an additional financing in an amount equal to one million five hundred thousand United States Dollars (US\$1,500,000) for the Project and the letter from the Iraqi Strategic Review Board, dated May 18, 2010, approving the request for additional financing.

I am pleased to inform you that the Administrator has acceded to your request. Accordingly the Grant Agreement is amended and restated as attached to this Amendment Letter.

Please confirm your agreement to this amendment by having authorized representatives of the Recipient and the Iraqi Strategic Review Board sign this Amendment Letter and returning one fully executed original to us at your earliest convenience. Please retain one fully executed original for your records and provide another fully executed original to the Iraqi Strategic Review Board for its records. This Amendment Letter shall become effective as of the date of your countersignature upon receipt by us one fully executed original.

Very truly yours,

INTERNATIONAL DEVELOPMENT ASSOCIATION

/s/ Hedi Larbi  
Hedi Larbi  
Director  
Middle East Department  
Middle East and North Africa Region

CONFIRMED AND AGREED:

MINISTRY OF PLANNING AND DEVELOPMENT COOPERATION

By: /s/ Dr. Mehdim Alalak  
Name: Dr. Mehdim Alalak  
Title: Deputy Minister/ Minister of Planning  
Date: June 30, 2010

IRAQI STRATEGIC REVIEW BOARD

By: /s/ Huela A. Malik  
Name: Huela A. Malik  
Title: ISRB Executive Secretary  
Date: June 30, 2010

Copy to:

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Cleared with and cc: Soubbotin (LEGEM); Demarco (MNSHD)

**ITF GRANT NUMBER TF056441**

# **World Bank Iraq Trust Fund Grant Agreement**

**(Additional Financing for the Emergency Household Survey and Policies for  
Poverty Reduction Project)**

**between**

**MINISTRY OF PLANNING AND DEVELOPMENT COOPERATION  
OF THE REPUBLIC OF IRAQ**

**and**

**INTERNATIONAL DEVELOPMENT ASSOCIATION  
(Acting as Administrator of the World Bank Iraq Trust Fund)**

**Dated July 24, 2006  
(as amended and restated on July 19, 2010)**

**WORLD BANK IRAQ TRUST FUND  
GRANT AGREEMENT**

AGREEMENT dated July 24, 2006 (as amended and restated on July 19, 2010), entered into between the MINISTRY OF PLANNING AND DEVELOPMENT COOPERATION OF THE REPUBLIC OF IRAQ (“MOPDC” or “Recipient”) and the INTERNATIONAL DEVELOPMENT ASSOCIATION (“World Bank” or “Administrator”), acting as administrator of grant funds (“Grant Funds”) contributed by various donors (collectively “Donors”) to the World Bank Iraq Trust Fund (“ITF”).

The Recipient and the World Bank hereby agree as follows:

**Article I  
Standard Conditions; Definitions**

- 1.01. The Standard Conditions for Grants Made by the World Bank Out of Various Funds, dated July 1, 2008 (“Standard Conditions”), with the modifications set forth in Section I of the Appendix to this Agreement, constitute an integral 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 Standard Conditions or in this Agreement.
  - (a) "Central Organization for Statistics and Information Technology" or "COSIT" means the Recipient’s specialized technical body responsible for statistics operations and procedures in the central and southern governorates of Iraq.
  - (b) "Governorate" means a Governorate in Iraq.
  - (c) "IHSES" means Iraq household socio-economic surveys.
  - (d) "Incremental Operating Costs" means costs incurred under the Project on account of:
    - (i) maintenance of office equipment and vehicles; (ii) transportation and travel, including per diem allowances for Project staff in travel status; (iii) rental of office space; (iv) office supplies, utilities and office administration, including translation, printing and advertising; (v) fuel costs; (vi) communication costs; (vii) costs for production of bidding documents and drawings; (viii) commercial bank charges; and (ix) any other Project management support costs as may be agreed between the Recipient and the Administrator from time to time, but excluding salaries of Iraqi civil servants.

- (e) "Iraqi Strategic Review Board" means the Iraqi Strategic Review Board responsible for providing overall guidance on coordination of donors' assistance to Iraq.
- (f) "KRG" means the Iraq Kurdistan Regional Government, or any successor thereto.
- (g) "KRG-MOP" means the Ministry of Planning of KRG, or any successor thereto.
- (h) "Kurdistan Regional Statistical Commission, Iraq" or "KRSCO" means KRG's specialized technical body responsible for statistics operations and procedures in the Kurdistan region.
- (i) "Master Implementation Manual" means the Master Implementation Manual prepared by IDA in August 2005 for use in projects to be carried out in Iraq and financed by IDA, in its own capacity or as administrator of the World Bank Iraq Trust Fund, setting out, *inter alia*, details of procedures and guidelines relating to procurement, financial management and other operational and administrative arrangements for the carrying out of such projects.
- (j) "MOE" means the Ministry of Education of Iraq, or any successor thereto.
- (k) "MOF" means the Ministry of Finance of Iraq, or any successor thereto.
- (l) "MOH" means the Ministry of Health of Iraq, or any successor thereto.
- (m) "MOLSA" means the Ministry of Labor and Social Affairs of Iraq, or any successor thereto.
- (n) "Procurement Plan" means the Recipient's procurement plan for the Project, dated May 31, 2006 and referred to in paragraph 1.16 of the Procurement Guidelines and paragraph 1.24 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.
- (o) "Project Implementation Manual" means the Project Implementation Manual to be prepared by the Recipient and updated in June, 2009 in coordination with KRG-MOP, setting out, *inter alia*, details of all procedures, guidelines, timetables and criteria required for the Project, including the procurement, financial, administrative, safeguard and operational arrangements relating to the carrying out of the Project, and incorporating relevant and applicable provisions of the Master Implementation Manual.
- (p) "Project Management Team" or "PMT" means the project management team to be established and maintained pursuant to Part A, Section I of Schedule 2 to this Agreement.

- (q) "Poverty Reduction Strategy" or "PRS" means the poverty reduction strategy document adopted by the Council of Ministers of the Republic of Iraq under Decree No.409 dated November 24, 2009.
- (r) "Project Committee" means the committee established under Part A, Section I of Schedule 2 to this Agreement.

## **Article II The Project**

- 2.01. The Recipient declares its commitment to the objectives of the project described in Schedule 1 to this Agreement ("Project"). To this end, the Recipient shall implement Parts A, B and D of the Project and cause COSIT to carry out Part C of the Project in accordance with the provisions of Article II of the Standard Conditions.
- 2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Recipient and the World Bank shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

## **Article III The Grant**

- 3.01. The World Bank agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a grant in an amount equal to seven million United States Dollars (USD 7,000,000) ("Grant") to assist in financing the Project.
- 3.02. The Recipient may withdraw the proceeds of the Grant in accordance with Section IV of Schedule 2 to this Agreement.
- 3.03. The Grant is funded out of the abovementioned trust fund for which the World Bank receives periodic contributions. In accordance with Section 3.02 of the Standard Conditions, the Recipient may withdraw the Grant proceeds subject to the availability of such funds.

## **Article IV Recipient's Representative; Addresses**

- 4.01. The Recipient's Representative referred to in Section 7.02 of the Standard Conditions is the Minister of Planning and International Cooperation of Iraq.



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

Ministry of Planning and Development Cooperation  
Arrasat Al-Hindia  
Baghdad, Iraq  
Tel: + 191 48224999

- 4.03. The World Bank's Address referred to in Section 7.01 of the Standard Conditions is:

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

Cable:	Telex:	Facsimile:
INDEVAS Washington, D.C.	248423 (MCI) or 64145 (MCI)	1-202-477-6391

This Agreement may be executed in counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument; signature pages may be detached from multiple separate counterparts and attached to a single counterpart so that all signature pages are physically attached to the same document.

MINISTRY OF PLANNING AND DEVELOPMENT  
COOPERATION OF THE REPUBLIC OF IRAQ

**By** /s/ Dr. Mehdi Al-Alak                      Dr. Mehdi Alalak  
**Authorized Representative**

INTERNATIONAL DEVELOPMENT  
ASSOCIATION  
(acting as administrator of the Iraq Trust Fund)

**By** /s/ Hedi Larbi

/Hedi Larbi/

**Authorized Representative**

IRAQI STRATEGIC REVIEW BOARD

**By** /s/ Huda M. Malik

/Huda M. Malik/

**Authorized Representative**

**SCHEDULE 1**  
**Project Description**

The objective of the Project is to strengthen the ability of the Government of Iraq to make and implement informed policies regarding poverty reduction, job creation and improvement of safety nets.

The Project consists of the following parts:

Part A. Capacity building for implementing the Poverty Reduction Strategy

Provision of support for building the capacities of Iraqi government agencies involved in the implementation of the PRS, including support for integration of the PRS into the budget process, coordination between the PRS and other national and sectoral strategies, and planning PRS-related activities using results-based methods.

Part B. Monitoring the implementation of the PRS

Provision of support for monitoring the implementation of the PRS, including support for developing a set of appropriate monitoring indicators, carrying out analysis against the indicators, and, if necessary, modifying the PRS.

Part C. Measuring poverty and carrying out the 2nd IHSES

Provision of support for carrying out a poverty measurement and the 2nd round IHSES to update the poverty line and analyze the poverty trends in Iraq.

Part D. Project Management

Carrying out of Project management, coordination and support activities necessary for effective implementation of the Project.

## SCHEDULE 2

### Project Execution

#### Section I. Institutional and Other Arrangements

##### A. Project Committee; PMT; COSIT

1. (a) The Recipient shall, not later than September 30, 2006 establish, and thereafter maintain, the Project Committee with functions, staffing and resources satisfactory to the Administrator. The Project Committee's membership shall include representatives of the Recipient, other relevant ministries, including MOF, MOLSA, MOE, MOH, KRG-MOP and other relevant entities.  
  
(b) The Project Committee shall be responsible for, *inter alia*, providing overall guidance to the Project and serving as the principal mechanism through which PMT received guidance from and reports to relevant ministries, KRG and other relevant Iraqi entities. The Recipient shall maintain the Project Committee with resources, composition and terms of reference acceptable to the World Bank.
2. (a) The Recipient shall, not later than September 30, 2006 establish, and thereafter maintain, PMT with functions, staffing and resources satisfactory to the Administrator. PMT shall be headed by a PMT project director assisted by an adequate number of staff (including an assistant to the director, a financial officer, a PMT accountant and a procurement specialist). The project director and staff of PMT shall have qualifications and experience, and be appointed on terms and conditions, satisfactory to the Administrator.  
  
(b) The PMT shall be responsible for, *inter alia*, (i) managing the day-to-day operation of the Project, including the financial and procurement management, Project monitoring and process reporting activities, (ii) coordinating Project implementation including coordinating meetings for the Project Committee and acting as liaison between the Project Committee and research consultants involved in the Project, and (iii) ensuring that issues affecting or potentially affecting the Project implementation are identified and addressed in a timely manner. The Recipient shall maintain the PMT with resources, staffing and terms of reference acceptable to the World Bank.
3. COSIT shall be responsible for carrying out Part C of the Project by providing a management and coordination functions relating to, *inter alia*, (i) ensuring appropriate staffing for the IHSES team (including the IHSES project manager, operations room manager, logistics officer, technical expert, economic expert, fieldwork manager, data manager and secretary, field-based supervisors, survey interviewers and data entry operators); (ii) ensuring consistency in the IHSES

methods used throughout Iraq through its representatives on the IHSES team; (iii) ensuring regular communication between the IHSES team and with KRSCO; (iv) ensuring appropriate space and facilities for the IHSES team in the COSIT's facilities; and (v) merging completed questionnaires and electronic data sets collected from all parts of Iraq into a nation-wide data set and sending it to the IHSES team.

**B. Anti-Corruption**

The Recipient shall ensure that the Project is carried out in accordance with the provisions of the "Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants", dated October 15, 2006 ("Anti-Corruption Guidelines"), with the modifications set forth in Section II of the Appendix to this Agreement.

**C. Master Implementation Manual/Project Implementation Manual:**

1. The Recipient shall ensure that the Project shall be carried out: (i) in accordance with the provisions of the Master Implementation Manual until the Project Implementation Manual satisfactory to the Administrator shall have been prepared; and (ii) thereafter, in accordance with the provisions of the Project Implementation Manual.
  
2. Except as the Administrator shall otherwise agree, the Recipient shall ensure that no provision of the Project Implementation Manual or the Master Implementation Manual is amended or waived, if, in the opinion of the Administrator, such amendment or waiver may materially and adversely affect the carrying out of the Project or the achievement of the objectives thereof.

**Section II. Project Monitoring, Reporting and Evaluation**

**A. Project Reports; Completion Report**

1. (a) The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of the indicators set forth below in sub-paragraph (b) of this paragraph. Each Project Report shall cover the period of one calendar quarter, and shall be furnished to the World Bank not later than 45-days after the end of the period covered by such report.
  
- (b) The performance indicators referred to above in sub-paragraph (a) consist of the following:

- i. Strengthened capacity of the Government of Iraq will be measured using activity evaluations (based on the WBI level 1 training evaluation format)
  - ii. PRS priorities are integrated into the budget. PRS activities are implemented. Links are identified among relevant strategies.
  - iii. First annual PRS monitoring report is issued. The monitoring report measures progress in terms of both inputs (e.g. budget) and outputs. See the PRS document for a preliminary list of monitoring indicators.
  - iv. Second round of IHSES is initiated. Process for updating the poverty line and analyzing poverty is established. Information about poverty is disseminated.
2. The Recipient shall prepare the Completion Report in accordance with the provisions of Section 2.06 of the Standard Conditions. The Completion Report shall be furnished to the World Bank not later than six months after the Closing Date. In order to assist the Recipient in preparing the Completion Report, the Recipient shall employ consultants in accordance with the provisions of Section III of this Schedule.

**B. Financial Management; Financial Reports; Audits**

1. The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.
2. The Recipient shall ensure that interim unaudited financial reports for the Project are prepared and furnished to the World Bank as part of the Project Report not later than 45-days after the end of each calendar quarter, covering the quarter, in form and substance satisfactory to the World Bank.
3. The Recipient shall have its Financial Statements for the Project audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Each audit of the Financial Statements shall cover the period of one fiscal year of the Recipient. The audited Financial Statements for each period shall be furnished to the World Bank not later than six months after the end of such period.

**Section III. Procurement**

**A. General**

1. **Procurement and Consultant Guidelines.** All goods and services required for the Project and to be financed out of the proceeds of the Grant shall be procured in accordance with the requirements set forth or referred to in:

- (a) Section I of the “Guidelines: Procurement under IBRD Loans and IDA Credits” published by the World Bank in May 2004 and revised in October 2006 and May 2010 (“Procurement Guidelines”) in the case of goods and Sections I and IV of the “Guidelines: Selection and Employment of Consultants by World Bank Borrowers” published by the World Bank in May 2004 and revised in October 2006 and May 2010 (“Consultant Guidelines”) in the case of consultants’ services; and
  - (b) the provisions of this Section III, as the same shall be elaborated in the procurement plan prepared and updated from time to time by the Recipient for the Project in accordance with paragraph 1.16 of the Procurement Guidelines and paragraph 1.24 of the Consultant Guidelines (“Procurement Plan”).
2. **Definitions.** The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the World Bank of particular contracts, refer to the corresponding method described in the Procurement Guidelines, or Consultant Guidelines, as the case may be.

**B. Particular Methods of Procurement of Goods**

1. **National Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods shall be procured under contracts awarded on the basis of National Competitive Bidding, subject to the following additional procedures:
- (i) there shall be no eligibility restrictions based on nationality of bidder and/or origin of goods;
  - (ii) pre-qualification shall not be used for simple goods;
  - (iii) entities in which the State or a State official owns a shareholding of whatever size shall not be invited to participate in tenders for the Government, unless they are and can be shown to be legally and financially autonomous and they operate under commercial law;
  - (iv) no national preferences may be applied on the basis of the origin of products or labor;
  - (v) joint venture partners shall be jointly and severally liable for their obligations;
  - (vi) no “participation fee” shall be required of bidders for the purchase of bidding documents. The only charge shall be equivalent to the cost of producing (copying) the bidding documents;

- (vii) in the evaluation of bids, bids may not be rejected where they differ the bid prices exceed the available budget;
- (viii) rebidding shall not be carried out without prior approval of the Bank;
- (ix) prior approval of the Bank shall be required for any modification in the contract scope and conditions during implementation; and
- (x) the standard bidding documents satisfactory to the Bank shall be used for the bidding process

2. **Other Methods of Procurement of Goods.** The following methods, other than National Competitive Bidding, may be used for procurement of goods for those contracts specified in the Procurement Plan: (a) Shopping; and (b) Direct Contracting.

**C. Particular Methods of Procurement of Consultants' Services**

1. **Quality- and Cost-based Selection.** Except as otherwise provided in paragraph 2 below, consultants' services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.

2. **Other Methods of Procurement of Consultants' Services.** The following methods, other than Quality- and Cost-based Selection, may be used for procurement of consultants' services for those assignments which are specified in the Procurement Plan: (a) Least Cost Selection; (b) Selection based on Consultants' Qualifications; (c) Single-source Procedures for the Selection of Firms; (d) Selection of Individual Consultants; and (e) Sole Source Procedures for the Selection of Individual Consultants.

**D. Review by the World Bank of Procurement Decisions**

1. Except as the World Bank shall otherwise determine by notice to the Recipient, following contracts shall be subject to Prior Review by the World Bank: (a) the first two (2) contracts for goods procured on the basis of National Competitive Bidding regardless of value; (b) each contract for goods procured on the basis of National Competitive Bidding or Shopping and estimated to cost the equivalent of \$100,000 or more; (c) the first three (3) contracts for goods procured on the basis of Shopping regardless of value; (d) each contract for goods procured on the basis of Direct Contracting; (e) the first two (2) contracts for consultants' services provided by a firm regardless of value and selection method; (f) each contract for consultants' services provided by a firm and estimated to cost the equivalent of \$100,000 or more; and (g) each contract for consultants' services provided by a firm and procured on the basis of Single- Source Selection.



2. In addition, the following prior review procedures shall apply to: (a) the first three (3) contracts for the employment of individual consultants (other than consultants to be selected on a sole source basis) regardless of value and (b) each contract for the employment of individual consultants (other than consultants to be selected on a sole source basis) estimated to cost the equivalent of \$50,000 or more: (i) the report on the comparison of the qualifications and experience of candidates, terms of reference and conditions of employment of the consultant shall be furnished to the World Bank for its prior review and approval; (ii) the contract shall be awarded only after the World Bank's approval shall have been given; and (iii) the provisions of paragraphs 3 and 4 of Appendix I to the Consultant Guidelines shall apply to the contract. The following prior review procedures shall apply to each contract for the employment of individual consultants to be selected on a sole source basis: (i) the qualifications, experience, terms of reference and conditions of employment of the consultant shall be furnished to the World Bank for its prior review and approval; (ii) the contract shall be awarded only after the World Bank's approval shall have been given; and (iii) the provisions of paragraphs 3 and 4 of Appendix I to the Consultant Guidelines shall apply to the contract.
3. All other contracts shall be subject to Post Review by the World Bank.

#### **Section IV. Withdrawal of Grant Proceeds**

##### **A. General**

1. The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) Article III of the Standard Conditions; (b) this Section; and (c) such additional instructions as the World Bank may specify by notice to the Recipient (including the "World Bank Disbursement Guidelines for Projects" dated May 2006, as revised from time to time by the World Bank and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.
2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Grant ("Category"), the allocations of the amounts of the Grant to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

<b>Category</b>	<b>Amount of the Grant Allocated (expressed in USD)</b>	<b>Percentage of Expenditures to be Financed</b>
(1) Goods	1,157,000	100%
(2) Consultants' services, Studies, Training, Workshops and Study tours	3,610,000	100%
(3) Incremental Operating Costs	2,133,000	100%
(4) Unallocated	100,000	
<b>TOTAL</b>	<b>7,000,000</b>	

**B. Withdrawal Conditions; Withdrawal Period**

1. Notwithstanding the provisions of Part A of this Section no withdrawal shall be made for payments made prior to the date of this Agreement.
2. The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is September 30, 2012.

**Section V. Other Undertakings**

- A. The Recipient shall finance through COSIT the salaries, per diem, accommodation and transportation costs of field-based supervisors, survey interviewers, and data entry operators who are engaged for carrying out the 2<sup>nd</sup> Iraqi Household Socio-Economic Survey specified in Part C of Schedule 1 to this Agreement.

**APPENDIX**  
**Modifications to the Standard Conditions and the Anti-Corruption Guidelines**

**Section I.** The Standard Conditions are modified as follows:

1. Section 4.02(d) is modified to read in its entirety as follows:

“(d) *Cross Suspension.* IBRD or IDA has suspended in whole or in part the right of the Recipient (or of the Member Country if the Recipient is not the Member Country) or of any other recipient of grant funds contributed by various donors to the World Bank Iraq Trust Fund to make withdrawals under any agreement with IBRD or with IDA because of a failure by the Recipient (or by the Member Country) or by such other recipient to perform any of its obligations under such agreement or any other agreement with IBRD or IDA.”

2. A new Section 4.02(k) is added after Section 4.02(j), to read in its entirety as follows, and the existing Section 4.02(k) is re-lettered as Section 4.02(l):

“(k) *Payment Failure.* The Member Country has failed to make payment (notwithstanding the fact that such payment may have been made by a third party) of principal, interest, service charge or any other amount due to IBRD or IDA: (i) under any agreement between the Member Country and IBRD; or (ii) under any agreement between the Member Country and IDA; or (iii) in consequence of any guarantee extended or other financial obligation of any kind assumed by IBRD or IDA to any third party with the agreement of the Member Country.”

3. The provisions of Section 4.02 (j) of the Standard Conditions are modified to read as follows:

... (j) *Ineligibility.* IBRD or IDA has declared the Recipient (other than the Member Country) ineligible to receive proceeds of any financing made by IBRD or IDA or otherwise to participate in the preparation or implementation of any project financed in whole or in part by IBRD or IDA, as a result of: (i) a determination by IBRD or IDA that the Recipient has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of any financing made by IBRD or IDA; and/or (ii) a declaration by another financier that the Recipient is ineligible to receive proceeds of financings made by such financier or otherwise to participate in the preparation or implementation of any project financed in whole or in part by such financier as a result of a determination by such financier that the Recipient has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of a financing made by such financier.”

**Section II.** The modifications to the Anti-Corruption Guidelines are as follows:

1. Section 5 is re-numbered as Section 5(a) and a new Section 5(b) is added to read as follows:

“...(b) These Guidelines also provide for the sanctions and related actions to be imposed by the Bank on Borrowers (other than the Member Country) and all other individuals or entities who are recipients of Loan proceeds, in the event that the Borrower or the individual or entity has been debarred by another financier as a result of a determination by such financier that the Borrower or the individual or entity has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of a financing made by such financier.”

4. Section 11(a) is modified to read as follows:

“... (a) sanction in accordance with prevailing Bank’s sanctions policies and procedures (fn13) a Borrower (other than a Member Country) (fn 14) or an individual or entity, including (but not limited to) declaring such Borrower, individual or entity ineligible publicly, either indefinitely or for a stated period of time: (i) to be awarded a Bank-financed contract; (ii) to benefit from a Bank-financed contract, financially or otherwise, for example as a sub-contractor; and (iii) to otherwise participate in the preparation or implementation of the project or any other project financed, in whole or in part, by the Bank, if at any time the Bank determines (fn 15) that such Borrower, individual or entity has engaged in corrupt, fraudulent, collusive, coercive or obstructive practices in connection with the use of loan proceeds, or if another financier with which the Bank has entered into an agreement for the mutual enforcement of debarment decisions has declared such person or entity ineligible to receive proceeds of financings made by such financier or otherwise to participate in the preparation or implementation of any project financed in whole or in part by such financier as a result of a determination by such financier that the Borrower or the individual or entity has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of a financing made by such financier.”

Footnotes:

“13. An individual or entity may be declared ineligible to be awarded a Bank financed contract upon completion of sanctions proceedings pursuant to the Bank’s sanctions policies and procedures, or under the procedures of temporary suspension or early temporary suspension in connection with an ongoing sanctions proceeding, or following a sanction by another financier with whom the Bank has entered into a cross debarment agreement, as a result of a determination by such financier that the firm or individual has engaged in fraudulent, corrupt, coercive or

collusive practices in connection with the use of the proceeds of a financing made by such financier.”

“14. Member Country includes officials and employees of the national government or of any of its political or administrative subdivisions, and government owned enterprises and agencies that are not eligible to bid under paragraph 1.8(b) of the Procurement Guidelines or participate under paragraph 1.11(c) of the Consultant Guidelines.”

“15. The Bank has established a Sanctions Board, and related procedures, for the purpose of making such determinations. The procedures of the Sanctions Board sets forth the full set of sanctions available to the Bank. In addition, the Bank has adopted an internal protocol outlining the process to be followed in implementing debarments by other financiers, and explaining how cross-debarments will be posted on the Bank’s website and otherwise be made known to staff and other stakeholders.”