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GCF GRANT NUMBER C352-SO

# **Green Climate Fund Financing Agreement**

**(Additional Financing for Improving Healthcare Services in Somalia - “*Damal  
Caafimaad*” - Project)**

**between**

**FEDERAL REPUBLIC OF SOMALIA**

**and**

**INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT  
AND INTERNATIONAL DEVELOPMENT ASSOCIATION  
(Acting as an Accredited Entity of the Green Climate Fund)**

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**GCF GRANT NUMBER C352-SO**

**GCF FINANCING AGREEMENT**

AGREEMENT dated as of the Signature Date between FEDERAL REPUBLIC OF SOMALIA (“Recipient”) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT and INTERNATIONAL DEVELOPMENT ASSOCIATION acting as an Accredited Entity of the Green Climate Fund (“Bank”). The Recipient and the Bank hereby agree as follows:

**ARTICLE I — STANDARD CONDITIONS; DEFINITIONS**

- 1.01. The Standard 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 Standard Conditions or in the Appendix to this Agreement.

**ARTICLE II — PROJECT**

- 2.01. The Recipient declares its commitment to the objective of the project described in Schedule 1 to this Agreement (“Project”). To this end, the Recipient shall carry out Parts 1.3 and 3(b) of the Project in accordance with the provisions of Article II of the Standard Conditions and Schedule 2 to this Agreement.

**ARTICLE III — GCF FINANCING**

- 3.01. The Bank agrees to extend to the Recipient a non-reimbursable grant in the amount of four million two hundred and fifty thousand United States Dollars (US\$ 4,250,000) (variously, “GCF Grant” and “GCF Financing”), to assist in financing the Project.
- 3.02. The Recipient may withdraw the proceeds of the GCF Financing in accordance with Section II of Schedule 2 to this Agreement.
- 3.03. The GCF Financing is funded out of the GCF Accredited Entity Trust Fund for which the Bank receives periodic contributions from the GCF. In accordance with Section 3.02 of the Standard Conditions, the Bank’s payment obligations in connection with this Agreement are limited to the amount of funds made available to it by the GCF under the GCF Accredited Entity Trust Fund, and the Recipient’s right to withdraw the GCF Financing proceeds is subject to the availability of such funds.

**ARTICLE IV — EFFECTIVENESS; TERMINATION**

- 4.01. The Effectiveness Deadline is the date ninety (90) days after the Signature Date.
- 4.02. For purposes of Section 8.05 (b) of the Standard 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 its minister responsible for finance.
- 5.02. For purposes of Section 9.01 of the Standard Conditions:

(a) the Recipient's address is:

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

(b) the Recipient's Electronic Address is:

Email: info@mof.gov.so

- 5.03. For purposes of Section 9.01 of the Standard Conditions:

(a) The Bank's address is:

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

(b) the Bank's Electronic Address is:

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

AGREED as of the Signature Date.

**FEDERAL REPUBLIC OF SOMALIA**

**By**

*H.E. Bihi Iman Egeh*

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**Authorized Representative**

**Name:** H.E. Bihi Iman Egeh

**Title:** Minister of Finance

**Date:** 02-Apr-2024

**INTERNATIONAL BANK FOR RECONSTRUCTION AND  
DEVELOPMENT AND INTERNATIONAL DEVELOPMENT  
ASSOCIATION (acting as an Accredited Entity of the Green Climate  
Fund)**

**By**

*Keith E. Hansen*

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**Authorized Representative**

**Name:** Keith E. Hansen

**Title:** Country Director

**Date:** 27-Mar-2024

## **SCHEDULE 1**

### **Project Description**

The objective of the Project is to improve the coverage of essential health and nutrition services in Project areas and strengthen stewardship capacity of Ministries of Health.

The Project consists of the Original Project and the following Additional Activities:

Part 1: Expanding the coverage of high-impact health and nutrition services in select geographic areas.

1.3 Provision of solar-powered technology for cold chain and electrification of selected healthcare facilities at the Federal Member States.

Part 3: Project management, knowledge management, and learning

(b) Provision of technical assistance to improve the policy and regulatory framework for climate friendly cold chain and electrification through inter alia, the development of policies and mechanisms to dispose of obsolete cold chain equipment, and systems that will ensure continuous maintenance and security for Solar Direct Drives and solar power systems.

## SCHEDULE 2

### Project Execution

#### Section I. Institutional and Implementation Arrangements

1. (a) The Recipient shall implement the Project in accordance with the provisions of Sections I (except section I.F) and II of Schedule 2 to the Original Financing Agreement, which are incorporated by reference into this Agreement, with the following modifications (unless the context otherwise requires):
  - (i) the terms “Association” and “Financing,” whenever used in those sections, shall be construed for purposes of this Agreement as referring, respectively, to the “Bank” (as defined herein above in the opening paragraph of this Agreement) and the “GCF Financing” (as defined in Section 3.01 of Article III of this Agreement).
  - (b) If any part of the Financing provided for under the Original Financing Agreement shall remain outstanding, unless the Recipient has been notified otherwise by the Bank:
    - (i) all actions taken, including approvals given, by the International Development Association (“Association”) pursuant to any Sections of, and/or Schedules to, the Original Financing Agreement shall be deemed to be taken or given in the name, and on behalf of, the Association and the Bank; and
    - (ii) all information or documentation furnished by the Recipient to the Association pursuant to the provisions of any Sections of the Original Financing Agreement, and/or any appendices, schedules or supplemental agreements thereto shall be deemed to be furnished to both the Association and the Bank.
  - (c) If the Original Financing Agreement terminates prior to the termination of this Agreement, the provisions of the Original Financing Agreement referred to in this Agreement shall continue in full force and effect between the Recipient and the Bank.
2. Without limitation to the provisions of Section I.1 above, the Recipient shall, not later than one (1) month after the Effective Date, update and thereafter adopt the Project Operations Manual, in form and substance satisfactory to the Bank.
3. **Output Agreement**
  - (a) For purpose of carrying out Part 1.3 of the Project, the Recipient shall enter into, and thereafter maintain throughout the period of Project implementation, an output agreement with UNICEF, under terms and conditions approved by the Bank (the “Output Agreement”), whereby the Recipient shall: (i) hire the services of UNICEF to carry out the referred activities in accordance with the provisions of the Project Operations Manual, and the requirements of the ESS and ESCP, including: (A) the

procurement and installation of solar powered technology for cold chain and facilities electrification; (B) adequate co-operation with FMS; (C) transfer of beneficiary data to MoH in accordance with appropriate protocols; and (D) regular reporting to MoH on the progress achieved in the implementation of Project activities and any challenges and/or obstacles thereto; and (ii) agree the direct payment/advance of the proceeds of the Financing from the Bank to UNICEF.

- (b) The Recipient shall exercise its rights under the Output Agreement in such manner as to protect the interests of the Recipient and the Bank and to accomplish the purposes of the GCF Financing. Except as the Bank shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive the Output Agreement or any provision contain therein (whether in whole or in part).
- (c) In the event of any conflict between the provisions of the Output Agreement and those of this Agreement, the provisions of this Agreement shall prevail.

#### 4. **Environmental and Social Standards**

- (a) The Recipient shall ensure that the Project is carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Bank.
- (b) Without limitation upon paragraph 1 above, the Recipient shall ensure that the Project is implemented in accordance with the Environmental and Social Commitment Plan (“ESCP”), in a manner acceptable to the Bank. To this end, the Recipient shall ensure that:
  - (i) the measures and actions specified in the ESCP are implemented with due diligence efficiency, as provided in the ESCP.
  - (ii) sufficient funds are available to cover the costs of implementing the ESCP.
  - (iii) 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
  - (iv) the ESCP, or any provision thereof, is not amended, repealed, suspended or waived, except as the Bank shall otherwise agree in writing, as specified in the ESCP, and ensure that the revised ESCP is disclosed promptly thereafter.
- (c) In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.
- (d) The Recipient shall ensure that:
  - i. all measures necessary are taken to collect, compile, and furnish to the Bank through regular reports, with the frequency specified in the ESCP, and promptly in a separate report or reports, if so requested by the Bank, 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 Bank, setting out, inter alia: (A) the status of implementation of the ESCP; (B) conditions, if any, which interfere or threaten to interfere with the implementation of

the ESCP; and (C) corrective and preventive measures taken or required to be taken to address such conditions; and

ii. the Bank 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.

(e) The Recipient shall establish, publicize, maintain and operate an accessible grievance mechanism, 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 Bank.

**Section II. Withdrawal of the Proceeds of the GCF Financing**

**A. General**

Without limitation upon the provisions of Article II of the Standard Conditions and in accordance with the Disbursement and Financial Information Letter, the Recipient may withdraw the proceeds of the GCF 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:

<b>Category</b>	<b>Amount of the GCF Financing Allocated (expressed in USD)</b>	<b>Percentage of Expenditures to be Financed (Inclusive Taxes)</b>
(1) Goods, works, non-consulting services, consulting services, Training, and Operating Costs for Part 1.3 of the Project	<b>4,000,000</b>	100%
(2) Goods, works, non-consulting services, consulting services, Training, and Operating Costs for Part 3(b) of the Project	<b>250,000</b>	100%
<b>TOTAL AMOUNT</b>	<b>4,250,000</b>	

**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; or



- (b) under Category (1) unless and until the Recipient has entered into an Output Agreement with UNICEF, in form and substance satisfactory to the Bank.

- 2. The Closing Date is May 30, 2025.

**Section III. Other Undertakings**

**1. Cooperation with GCF**

Without limitation upon the provisions of Sections 2.10 and 2.11 of the Standard Conditions, the Recipient shall cooperate with the Bank and the GCF and facilitate the conduct of any reviews, ad hoc checks, verifications or evaluations related to the Project and the GCF Financing as may be requested by the GCF.

**2. Use of Military**

The Recipient undertakes that no proceeds of the GCF Financing may be used for law-enforcement, security, military, or paramilitary purposes or for any payments made to any law-enforcement, security, military, or paramilitary forces without the express approval of the Bank (acting as Accredited Entity of the Green Climate Fund).

## **APPENDIX**

### **Definitions**

1. “Additional Activities” means the activities under Parts 1.3 and 3(b) of the Project.
2. “Category” means a category set forth in the table in Section II.A of Schedule 2 to this Agreement.
3. “Environmental and Social Commitment Plan” or “ESCP” means the environmental and social commitment plan for the Project, dated March 11, 2024, 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.
4. “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 African 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 Bank.
5. “Federal Member State” and the acronym “FMS” mean any of the states constituting the Somali federation, as acknowledged in the Recipient’s Provisional Constitution (2012) which participates in the implementation of the Project and term includes Somaliland and Benadir Regional Administration.
6. “Federal Ministry of Health” and the acronym “FMoH” mean the Recipient’s ministry responsible for health or its successor thereto.
7. “FMS-MoH” means each of the ministries of health of the Federal Member States.

8. “Ministry of Finance” and the acronym “MoF” mean the Recipient’s ministry responsible for finance, and/or any successor to it.
9. “Ministries of Health” means both the Federal Ministry of Health and all FMS-MoH(s) as well as the ministry responsible for health in Somaliland.
10. “Operating Costs” means reasonable incremental Project-related costs incurred by the Recipient on account of the carrying out of the Project, including: (a) office rental; (b) office consumables; (c) utility fees; (d) operation and maintenance of office equipment and vehicles; (e) bank charges; (f) advertising and media projections costs; (g) newspaper and periodical subscriptions; (h) printing and stationery costs; (i) in-country travel costs, boarding/lodging and *per-diems* for Project staff; and (j) salaries of contractual staff (other than consultants) required for Project management, but excluding salaries of civil servants.
11. “Original Financing Agreement” means the financing agreement entered into by and between the Recipient and the International Development Association, on June 30, 2021, for the provision of a fifty-two million three hundred thousand Special Drawing Rights (SDR 52,300,000) IDA grant to finance the Original Project (Grant Number D862-SO), as amended from time to time.
12. “Original Project” means the Project activities as described in Schedule 1 to the Original Financing Agreement.
13. “Output Agreement” means the agreement to be entered into between the Recipient and UNICEF, for the implementation of Part 1.3 of the Project, as may be amended.
14. “Procurement Regulations” means, for purposes of paragraph 50 of the Appendix to the Standard Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated September 2023.
15. “Project Operations Manual” and the acronym “POM” means the manual prepared pursuant to Section I.(C) of Schedule 2 to the Original Financing Agreement, as shall be amended to include the Additional Activities under this Agreement, including gender mainstreaming arrangements as required by GCF.
16. “Signature Date” means the later of the two dates on which the Recipient and the Bank signed this Agreement and such definition applies to all references to “the date of the GCF Financing Agreement” in the Standard Conditions.
17. “Solar Direct Drive” means the new generation of solar powered refrigeration systems bypassing the use of a battery and charge controller and using different non battery-based technologies.
18. “Standard Conditions” means the “International Bank for Reconstruction and Development and International Development Association Standard Conditions for

Financing Made by the Bank Acting as an Accredited Entity of the Green Climate Fund Out of the GCF Accredited Entity Trust Fund”, dated October 8, 2019.

19. “Training” means the reasonable costs of training, workshops and conferences conducted in the territory of the Recipient, or, subject to prior approval by the Bank, attended abroad by the Recipient’s or Federal Member State 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.
20. “UNICEF” means the United Nations Children’s Emergency Fund, a specialized agency of the United Nations responsible for providing humanitarian and developmental aid.