



GRANT NUMBER E239-SS

Project Agreement

(Strengthening South Sudan's Financial Sector Project)

between

INTERNATIONAL DEVELOPMENT ASSOCIATION

and

BANK OF SOUTH SUDAN



PROJECT AGREEMENT

AGREEMENT between INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”) and BANK OF SOUTH SUDAN (“Project Implementing Entity”) (“Project Agreement”) in connection with the Financing Agreement (“Financing Agreement”) of the Signature Date between the REPUBLIC OF SOUTH SUDAN (“Recipient) and the Association, concerning Grant No. E239-SS. The Association and the Project Implementing Entity hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

- 1.01. The General Conditions (as defined in the Appendix to the Financing 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 Financing Agreement or the General Conditions.

ARTICLE II — PROJECT

- 2.01. The Project Implementing Entity declares its commitment to the objectives of the Project. To this end, the Project Implementing Entity shall carry out the Project in accordance with the provisions of Article V of the General Conditions and the Schedule to this Agreement, and shall provide promptly as needed, the funds, facilities, services and other resources required for the Project.

ARTICLE III — TERMINATION

- 3.01. For purposes of Section 10.05(c) of the General Conditions, the date on which the provisions of this Agreement shall terminate is twenty (20) years after the Signature Date.

ARTICLE IV — REPRESENTATIVE; ADDRESSES

- 4.01. The Project Implementing Entity’s Representative is the Project’s Implementing Entity’s Governor.
- 4.02. For purposes of Section 11.01 of the General Conditions:
 - (a) the Association’s address is:

International Development Association
1818 H Street, NW
Washington, DC 20433
United States of America; and

(b) the Association's Electronic Address is:

Telex: Facsimile:

248423(MCI) or 1-202-477-6391

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

(a) the Project Implementing Entity's address is:

Bank of South Sudan Address.

Plot No.1, Block D6

P.O Box 136, Juba South Sudan

AGREED as of the later of the two dates written below.

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Doina Petrescu

Authorized Representative

Name: Doina Petrescu

Title: Acting Country Director, Eritrea, Ethiopia, Sudan

Date: 18-Apr-2024

BANK OF SOUTH SUDAN

By



Authorized Representative

Name: James Alic Garang

Title: Governor

Date: 26-Jul-2024

SCHEDULE

Execution of the Project

Section I. Implementation Arrangements

A. Institutional Arrangements

1. BoSS

The Project Implementing Entity shall be responsible for prompt and efficient oversight and management of the implementation of activities under the Project, and shall take all actions including the provision of funding, personnel, and other resources necessary to enable said BoSS to implement said Project.

2. Project Implementing Unit (PIU)

The Project Implementing Entity shall establish and thereafter maintain throughout the Project implementation period an adequately staffed project implementing unit ("PIU"), with composition, mandate and resources satisfactory to the Association. To this end, the PIU shall:

- (a) recruit and hire, a Project coordinator, a financial management specialist, and a procurement specialist, each with qualifications, experience and terms of reference, acceptable to the Association;
- (b) recruit and hire no later than six (6) months after the Effective Date, or such later date as agreed by the Association, an environmental specialist, a social specialist, monitoring and evaluation specialist, and a communication specialist, each with qualifications, experience and terms of reference, acceptable to the Association;
- (c) recruit and hire no later than six (6) months after the Effective Date, or such later date as agreed by the Association, an external auditor, with qualifications, experience and terms of reference, acceptable to the Association;
- (d) install and thereafter maintain an accounting software for the Project, in a manner acceptable to the Association;
- (e) be responsible for day-to-day coordination of the Project activities, including *inter alia*: (i) carrying out Project financial management and procurement activities; (ii) monitoring and evaluating Project activities and preparing Project progress reports and monitoring and evaluation reports; (iii) ensuring compliance with the Environmental and Social

Commitment Plan (“ESCP”) and Environmental and Social Standards for Project activities; and (iv) coordinating with other stakeholders and Service Providers involved in Project implementation.

3. Technical Working Group (TWG)

- (a) The Project Implementing Entity shall, no later than one (1) month after the Effective Date, or such later date as agreed with the Association, establish and thereafter maintain throughout the Project implementation period, a TWG to be chaired by the first deputy governor of BoSS, with composition, mandate and resources satisfactory to the Association (“Technical Working Committee”).
- (b) The TWG shall report to the Project Steering Committee, and shall be responsible for, *inter alia*, (i) technical oversight for implementation of the project; (ii) addressing any key implementation-related challenges; and (iii) preparing and monitoring Annual Work Plans and Budgets.

4. Project Steering Committee (PSC)

- (a) The Project Implementing Entity, through its Board of Directors shall, no later than three (3) months after the Effective Date, or such later date as agreed with the Association, establish and thereafter maintain, throughout the Project implementation period, a project steering committee with composition, mandate and resources satisfactory to the Association, a steering committee, to be chaired by the governor of BoSS, (“ Project Steering Committee”).
- (a) The Steering Committee shall be responsible for, *inter alia*, monitoring the implementation of the Project, providing strategic and policy guidance, approving annual work programs and budgets, and ensuring coordination with other programs.
- (c) The Project Implementing Entity shall ensure that the PSC meets once each quarter.

B. Project Implementation Manual (“PIM”)

- 1. (a) The Project Implementing Entity shall prepare in accordance with terms of reference acceptable to the Association, an implementation manual for the Project, containing, *inter alia*, detailed arrangements and procedures for: (i) implementation arrangements; (ii) administrative, financial management, accounting, and disbursement mechanisms, procedures and protocols; (iii) procurement; (iv) environmental and social aspects; (v) monitoring and evaluation; and (vi) grievance redress mechanism; and

(vii) such other technical, administrative, fiduciary or coordination arrangements as may be necessary to ensure effective Project implementation (“**Project Implementation Manual**” or “**PIM**”).

- (b) The Project Implementing Entity shall afford the Association a reasonable opportunity to review such manual and shall thereafter adopt said manual as shall have been approved by the Association.
- (c) The Project Implementing Entity, shall carry out the Project in accordance with the PIM and shall not amend, abrogate, waive or permit to be amended, abrogated or waived, the aforementioned manual, or any provision thereof, without the prior written consent of the Association.

- 2. Notwithstanding the foregoing, in the event of any inconsistency between the provisions of the PIM and those of this Agreement, the provisions of this Agreement shall prevail.

C. Annual Work Plans and Budget (“AWPB”)

- 1. Without limitation to the obligations set forth in Section I.B above, the Project Implementing Entity, shall, not later than three (3) months after the Effective Date, and thereafter, on November 30 of each subsequent year during the implementation of the Project, or such later date as the Association may agree in writing, prepare and furnish to the Association for its approval, the consolidated Annual Work Plan and Budget containing all proposed activities for inclusion in the Project during the following calendar year, together with the financing plan for such activities and a timetable for their implementation, including: (a) detailed timetables for the sequencing and implementation of proposed Project activities; (b) types of expenditures required for such activities and a proposed financing plan and sources of funding for such expenditures; and (c) any Operating Costs or Training that may be required under the Project.
- 2. The Project Implementing Entity shall afford the Association a reasonable opportunity to exchange views with the Recipient on such proposed Annual Work Plan and Budget and thereafter ensure that the Relevant Parts of the Project are implemented in accordance with such Annual Work Plan and Budget as shall have been approved by the Recipient and the Association (“Annual Work Plan and Budget” or “AWPB”).
- 3. The Project Implementing Entity, shall ensure that the Project is implemented in accordance with the AWPB as it may be subsequently revised or updated with the prior written agreement of the Association; provided, however, that in the event of any conflict between the AWPB and the provisions of this Agreement, the provisions of this Agreement shall prevail.

D. Subsidiary Agreement

1. In order to achieve the objective of the Project, the Project Implementing Entity shall enter into a subsidiary agreement with the Recipient under terms and conditions approved by the Association, which shall include the following:
 - (a) the principal amount of the Financing made available under the Subsidiary Agreement (“Subsidiary Financing”) shall be denominated in Dollars;
 - (b) the Subsidiary Financing shall be made available on grant terms; and
 - (c) the Recipient shall obtain rights adequate to protect its interests and those of the Association, including the right to: (A) suspend or terminate the right of BoSS to use the proceeds of the Subsidiary Financing, or obtain a refund of all or any part of the amount of the Subsidiary Financing then withdrawn, upon BoSS’s failure to perform any of its obligations under the Subsidiary Agreement; and (B) require BoSS to: (I) carry out the Project with due diligence and efficiency and in accordance with sound technical, economic, fiduciary, managerial, environmental and social standards and practices satisfactory to the Association, including in accordance with the provisions of the Anti-Corruption Guidelines applicable to recipients of credit proceeds other than the Recipient; (II) provide, promptly as needed, the resources required for the purpose; (III) procure the goods, works, non-consulting services and services to be financed out of the Subsidiary Financing in accordance with the provisions of this Agreement; (IV) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the Association, the progress of the Project and the achievement of its objective; (V)(1) maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Association, both in a manner adequate to reflect the operations, resources and expenditures related to the Project; and (2) at the Association’s or the Recipient’s request, have such financial statements audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association, and promptly furnish the statements as so audited to the Recipient and the Association; (VI) enable the Recipient and the Association to inspect the Project, its operation and any relevant records and documents; and (VII) prepare and furnish to the Recipient and the Association all such information as the Recipient or the Association shall reasonably request relating to the foregoing (“Subsidiary Agreement”).

2. The Recipient shall exercise its rights under the Subsidiary Agreement in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive the Subsidiary Agreement or any of its provisions.

E. Environmental and Social Standards

1. The Recipient shall, and shall cause the BoSS to, ensure that the Project is carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Association.
2. Without limitation upon paragraph 1 above, the Recipient shall, and shall cause the BoSS to, ensure that the Project is implemented in accordance with the Environmental and Social Commitment Plan (“ESCP”), in a manner acceptable to the Association. To this end, the Recipient shall, and shall cause the BoSS to, ensure that:
 - (a) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, as provided in the ESCP;
 - (b) sufficient funds are available to cover the costs of implementing the ESCP;
 - (c) policies and procedures are maintained, and qualified and experienced staff in adequate numbers are retained to implement the ESCP, as provided in the ESCP; and
 - (d) the ESCP, or any provision thereof, is not amended, repealed, suspended or waived, except as the Association shall otherwise agree in writing, as specified in the ESCP, and ensure that the revised ESCP is disclosed promptly thereafter.
3. In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.
4. The Recipient shall, and shall cause the BoSS to, ensure that:
 - (a) all measures necessary are taken to collect, compile, and furnish to the Association through regular reports, with the frequency specified in the ESCP, and promptly in a separate report or reports, if so requested by the Association, information on the status of compliance with the ESCP and the environmental and social instruments referred to therein, all such reports in form and substance acceptable to the Association, setting out,

inter alia: (i) the status of implementation of the ESCP; (ii) conditions, if any, which interfere or threaten to interfere with the implementation of the ESCP; and (iii) corrective and preventive measures taken or required to be taken to address such conditions; and

- (b) the Association is promptly notified of any incident or accident related to or having an impact on the Project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers, in accordance with the ESCP, the environmental and social instruments referenced therein and the Environmental and Social Standards.
5. The Recipient shall, and shall cause the BoSS to 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 Association.
6. The Recipient shall, and shall cause the BoSS to ensure that all bidding documents and contracts for civil works under the Project include the obligation of contractors, and subcontractors and supervising entities to: (a) comply with the relevant aspects of ESCP and the environmental and social instruments referred to therein; and (b) adopt and enforce codes of conduct that should be provided to and signed by all workers, detailing measures to address environmental, social, health and safety risks, and the risks of sexual exploitation and abuse, sexual harassment and violence against children, all as applicable to such civil works commissioned or carried out pursuant to said contracts.

Section II. Project Monitoring, Reporting and Evaluation

The Recipient shall furnish to the Association each Project Report not later than one month after the end of each calendar semester, covering the calendar semester.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports.

1. The Project Implementing Entity shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 5.08(b) of the General Conditions and on the basis of the indicators acceptable to the Association. Each such Project Report shall cover the period of one calendar semester, and shall be furnished to the Recipient not later than two weeks after the end of the period covered by such report for incorporation and forwarding by the Recipient to the Association of the overall Project Report.
2. The Project Implementing Entity shall provide to the Recipient not later than thirty (30) days, for incorporation in the report referred to in Section 5.08(c) of the General Conditions all such information as the Recipient or the Association shall reasonably request for the purposes of such Section.