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GRiF GRANT NUMBER TF0C1982

*Global Risk Financing Facility*  
**Grant Agreement**

**(Strengthening Morocco's Financial Resilience to Climate Physical Risks Project)**

**between**

**KINGDOM OF MOROCCO**

**and**

**INTERNATIONAL BANK FOR RECONSTRUCTION  
AND DEVELOPMENT**

**acting as administrator of Global Risk Financing Facility**

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**GRiF GRANT NUMBER TF0C1982**

**GLOBAL RISK FINANCING FACILITY  
GRANT AGREEMENT**

AGREEMENT dated as of the Signature Date between the KINGDOM OF MOROCCO (“Recipient”) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (“Bank”), acting administrator of Global Risk Financing Facility.

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 this Agreement.

**Article II  
The 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 cause the Project to be carried out by the Project Implementing Entities in accordance with the provisions of Article II of the Standard Conditions and Schedule 2 to this Agreement.

**Article III  
The Grant**

- 3.01. The Bank agrees to extend to the Recipient a grant in an amount not to exceed five million United States Dollars (\$5,000,000) (“Grant”) to assist in financing the Project.
- 3.02. The Recipient may withdraw the proceeds of the Grant in accordance with Section III of Schedule 2 to this Agreement.
- 3.03. The Grant is funded out of the abovementioned trust fund for which the Bank receives periodic contributions from the donor[s] to the trust fund. 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 donor[s]

under the abovementioned trust fund, and the Recipient's right to withdraw the Grant proceeds is subject to the availability of such funds.

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

The Recipient's Representative referred to in Section 7.02 of the Standard Conditions is its minister in charge of finances.

4.02. For purposes of Section 7.01 of the Standard Conditions:

(a) the Recipient's address is:

Ministère de l'Economie et des Finances  
Quartier Administratif  
Avenue Mohammed V  
Rabat  
Kingdom of Morocco; and

(b) the Recipient's Electronic Address is:

Cable address:	Facsimile:
MINFIN	(+212) 537 67 75 30/31
	(+212) 537 76 40 81

4.03. For purposes of Section 7.01 of the Standard Conditions:

(a) the Bank's address is:

International Bank for Reconstruction and Development  
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) or 64145 (MCI)	(+1) 202 477 6391

AGREED as of the Signature Date.

**KINGDOM OF MOROCCO**

**By**



\_\_\_\_\_  
**Authorized Representative**

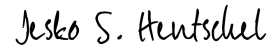
**Name:** \_\_\_\_\_ Minister of Economy and Finance Nadia Fettah Alaou

**Title:** \_\_\_\_\_ Minister of economy and finances

**Date:** \_\_\_\_\_ 26-Oct-2023

**INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT  
ASSOCIATION  
administrator of Global Risk Financing Facility**

**By**



\_\_\_\_\_  
**Authorized Representative**

**Name:** \_\_\_\_\_ Jesko S. Hentschel

**Title:** \_\_\_\_\_ Country Director

**Date:** \_\_\_\_\_ 29-Aug-2023

## **SCHEDULE 1**

### **Project Description**

The objective of the Project is to strengthen the technical, operational and financial capacity of the Recipient and the Fonds de Solidarité contre les Événements Catastrophiques (FSEC) to respond to severe disasters and climate shocks, and alleviate their impact on the most vulnerable part of the population.

The Project consists of the following parts:

#### **Part 1: Climate Risk Understanding and Modeling**

Supporting climate driven disasters modeling to: (i) model earthquake risk, inform the placement by FSEC of a Catastrophe, or Cat, Bond and complement the pre-existing earthquake reinsurance; (ii) update the existing flood model with newly mapped exposure and calibrated vulnerability curves, to inform the placement of a flood reinsurance product; (iii) incorporate climate change into climate driven disasters models; and (iv) implement an e-learning platform for Moroccan DRM/DRF practitioners.

#### **Part 2: Systems Building**

Supporting the development of a climate risk information and software infrastructure, to include: (i) design of a digital platform for compensation of victims; (ii) acquisition of post-disaster impact Near Real Time (NRT) loss estimation tools; and (iii) design and deployment of a crisis communication plan for post-disaster efficient sensibilization of eligible victims.

#### **Part 3: Fostering Parametric Solutions for Financial Coverage Against Floods**

- (a) Provision of technical assistance to FSEC to strengthen the enabling environment for achieving the Project results including, in the use of Parametric Instruments, through, *inter alia*: (i) funding the transaction costs associated with the placement of an optimized risk transfer instrument, covering flood event losses; (ii) carrying out a comprehensive validation of the parametric model, in accordance with markets best practices and lessons; (iii) preparation of: (A) subsequent flood parametric products; and (B) a comparative analysis for basis risk minimization.
- (b) Carrying out of a feasibility study for the use of flash flood remote sensors for measuring flood depth as a parametric trigger; and thereafter (ii) designing a flash flood parametric cover.

**Part 4: Capacity Building**

Provision of capacity building for Project implementation and management, (i) recruiting consultants to support FSEC/SCR implementation team; and (ii) providing Training and knowledge exchange workshops.

## SCHEDULE 2

### Project Execution

#### Section I. Institutional and Other Arrangements

##### A. Project Institutions

1. The Recipient shall vest the overall responsibility for the coordination, monitoring and evaluation of the Project in the DTFE of the MEF, and to this end, shall:
  - (a) be responsible, throughout Project implementation, for the coordination with FSEC and SCR of the implementation of their Respective Parts of the Project, under terms and conditions set forth in the Project Operations Manual (“POM”).
2. Notwithstanding the foregoing, the Recipient through DTFE, shall, within ninety (90) days of the Effective Date, establish and maintain throughout the period of implementation of the Project, a:
  - (a) Project Steering Committee (“PSC”) to be chaired by DTFE’s “*Assurance et Prévoyance Sociale*” Division head, and comprised of the following members: representatives from FSEC, ACAPS, SCR, and other relevant stakeholders, with the FSEC responsible for the secretariat functions. The PSC shall be vested with such powers, functions and competencies, including as regards Project governance, strategic direction and oversight, guidance and high-level risk management, monitoring and facilitating effective working relationships with FSEC and SCR, acceptable to the Bank and as set forth in the POM.
  - (b) Project Technical Committee (PTC) to be chaired by a designated representative from FSEC, and comprised of the following members: representatives from DTFE, SCR and other relevant stakeholder. The PTC shall be responsible for providing technical guidance in scoping, design and implementation of the Project, and performing such other functions as may be further detailed in the POM.
  - (c) Project scientific committee (PScC) include representatives from DTFE, FSEC, SCR and academic institutions and shall provide advice on the modeling orientations considered and other scientific aspects underlying the Project, acceptable to the Bank and to strengthen the Project’s governance and ensure reinforced coordination between stakeholders, and performing such other functions as may be further detailed in the POM.

**B. Implementation Arrangements**

1. DTFE

- (a) The DTFE shall:
  - (i) maintain key staff, with qualifications, experience and terms of reference acceptable to the Bank; and
  - (ii) be responsible for the overall Project monitoring and coordination of the Project activities, including, ensuring that FSEC and SCR: (A) carry out Project financial management and procurement activities; (B) prepare Project progress reports and monitoring and evaluation reports; and (C) comply with the Environmental and Social Commitment Plan (“ESCP”) and Environmental and Social Standards for Project activities.

2. Project Operations Manual

- (a) The Recipient shall, through DTFE, ensure that FSEC and SCR, no later than one hundred and twenty (120) days after the Effective Date, or such later date as agreed by the Bank, prepare and thereafter maintain, throughout Project implementation the Project Operations Manual setting forth the roles and responsibilities of the FSEC and the SCR in the implementation of the Project, and containing detailed guidelines and procedures for the implementation of the Project, including with respect to: administration and coordination, monitoring and evaluation, financial management, procurement and accounting procedures, environmental and social standards, corruption and fraud mitigation measures, a grievance redress mechanism, codes of ethics; Personal Data collection, roles and responsibilities for Project implementation, with relevant requirements for the Project including the Procurement Regulations, the Anti-Corruption Guidelines and the Environmental and Social Standards, the performance indicators and arrangements for the supervision, reporting, monitoring, evaluation, and auditing, and such other arrangements and procedures as shall be required for the effective implementation of the Project, in form and substance satisfactory to the Bank.
- (b) The Recipient shall, through DTFE, ensure that FSEC and SCR carry out the Project in accordance with the Project Operations Manual.
- (c) The Recipient, through DTFE, shall ensure that the Project Operations Manual is not amended, suspended, repealed, or abrogated without the prior written approval of the Bank.



- (d) In the event of any conflict between the provisions of the Project Operations Manual and this Agreement, the provisions of this Agreement shall prevail.

3. Annual Work Plans and Budget

For purposes of implementation of the Project, the Recipient shall, through DTFE, ensure that FSEC and SCR:

- (a) prepare and furnish to the Bank on an annual basis not later than November 30 of each year during the implementation of the Project (the first such Annual Work Plan and Budget being due one month after the Effective Date), a consolidated annual plan and budget, setting forth, *inter alia*: (i) a detailed description of the planned activities, including any proposed Operating Costs and Training, under the Project for the period covered by the plan; (ii) the sources and proposed use of funds therefor; (iii) procurement and environmental and social standards arrangements therefor, as applicable, including the procurement plan; and (iv) responsibility for the execution of said Project activities, budgets, start and completion dates, outputs and monitoring indicators to track progress of each activity;
- (b) promptly furnish the draft Annual Work Plan and Budget to the Bank for its review, and promptly thereafter finalize said draft first Annual Work Plan and Budget, taking into account the Bank's comments thereon; and
- (c) thereafter adopt and carry out such Annual Work Plan and Budget for the relevant period as shall have been agreed with the Bank, such plan to be subsequently revised and updated on or around November 30 of each year for its implementation during the following calendar year during the Project implementation period and with the prior written agreement of the Bank.

C. **Subsidiary Agreement**

- 1. To facilitate the carrying out of the Project Implementing Entities' Respective Parts of the Project, the Recipient shall, no later than one (1) month after the Effective Date, enter into a subsidiary agreement ("Subsidiary Agreement") between the Recipient and the Project Implementing Entities, under terms and conditions approved by the Bank, which shall include the following provisions:
  - (a) the obligation of the Recipient is to:
    - (i) ensure that funds under Category (1) are made available by the Bank to the FSEC, and funds under Category (2) are made

available by the Bank to SCR in the form of a non-reimbursable grant; and

- (ii) take all actions necessary to permit the Project Implementing Entities to carry out the Project Implementing Entities' Respective Parts of the Project and ensure the achievement of the objective thereof;
- (b) the obligation of the Project Implementing Entities to:
- (i) carry out their Respective Parts of the Project in accordance with this Agreement, the Subsidiary Agreement, the POM, the Anti-Corruption Guidelines, the Procurement Regulations, the Annual Work Plans and Budgets, and the Environmental and Social Commitment Plan:
  - (ii) promptly refund to the Bank any proceeds from the Grant not used for purposes of carrying out the Project Implementing Entities' Respective Parts of the Project or for achieving the objective thereof, or otherwise utilized in a manner inconsistent with the provisions of this Agreement;
  - (iii) at the request of the Recipient, through DTFE, or the Bank, exchange views with the Recipient, the DTFE and the Bank with regard to the progress of implementation of the Project Implementing Entities' Respective Parts of the Project and the achievement of the objective thereof, and the Project Implementing Entities' performance of their obligations under the Subsidiary Agreement, the POM, the Annual Work Plans and Budgets, the Anti-Corruption Guidelines, the Procurement Regulations, and the Environmental and Social Commitment Plan; and
  - (iv) promptly inform the Recipient of any condition which interferes or threatens to interfere with the implementation of the Project Implementing Entities' Respective Parts of the Project and the achievement of the objective thereof, including measures and actions specified in the ESCP and provide any action plan as may be requested by the Recipient.
- (c) a provision stipulating that, in case of conflict between any of the provisions contained in the Subsidiary Agreement or the POM, on one hand, and those set forth in this Agreement on the other hand, the provisions of this Agreement shall prevail.

- (d) The Recipient, through DTFE, shall exercise its rights and carry out its obligations under the Subsidiary Agreement in such manner as to protect the interests of the Recipient and the Bank and to accomplish the purposes of the Grant. Except as the Bank shall otherwise agree, the Recipient, through DTFE, shall not assign, amend, abrogate or waive the Subsidiary Agreement or any of its provisions.

**D. Environmental and Social Standards.**

1. The Recipient shall, and shall cause the Project Implementing Entities to, ensure that the Project is carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Bank.
2. Without limitation upon paragraph 1 above, the Recipient shall, and shall cause the Project Implementing Entities to, 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, and shall cause the Project Implementing Entities 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 Bank shall otherwise agree in writing, as specified in the ESCP, and ensure that the revised ESCP is disclosed promptly thereafter.
3. Without limitation upon the provisions of paragraph 2 above, if sixty (60) days prior to the Closing Date, the Bank determines that there are measures and actions specified in the ESCP which will not be completed by the Closing Date, the Recipient shall: (a) not later than thirty (30) days before the Closing Date, prepare and present to the Bank, an action plan satisfactory to the Bank on the outstanding measures and actions, including a timetable and budget allocation for such measures and actions (which action plan shall be deemed to be considered an amendment of the ESCP); and (b) thereafter, carry out said action plan in accordance with its terms and in a manner acceptable to the Bank.
4. In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.

5. The Recipient shall, and shall cause the Project Implementing Entities to, ensure that:
  - (a) 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*: (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 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 including, any case of sexual exploitation and abuse, sexual harassment and violence against minors, in accordance with the ESCP, the environmental and social instruments referenced therein and the Environmental and Social Standards.
  
6. The Recipient shall, and shall cause the Project Implementing Entities 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 Bank.

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

**A. Documents; Records**

In addition, and without limitation to the obligations set forth in Section 2.05 of the Standard Conditions, the Recipient shall ensure that:

- (a) all records evidencing expenditures under the Project are retained for seven years and six months after the Closing Date, such records to include: (i) this Agreement, all addenda thereof, and any amendments thereto; (ii) the Recipient's financial and narrative progress reports submitted to the Bank; (iii) the Recipient's financial information related to the Grant, including audit reports, invoices and payroll records; (iv) the Recipient's implementation documentation (including sub-agreements, procurement files, contracts, purchase orders); and (v) the corresponding supporting evidence referred to in Section 3.04 of the Standard Conditions; and
- (b) the representatives of the Bank are: (i) able to examine all records referred to above in paragraph (a); (ii) provided all such information concerning such records as they may from time-to-time reasonably request; and (iii) able to disclose such records and information to the Donor(s).

**B. Project Reports**

The Recipient shall ensure that each Project Report is furnished to the Bank not later than forty-five (45) days after the end of each calendar semester, covering the calendar semester.

**Section III. 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; and (b) this Section; 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 Grant Allocated (expressed in USD)</b>	<b>Percentage of Expenditures to be Financed (inclusive of Taxes)</b>
(1) Goods, non-consulting services, consulting services, Operating Costs and Training under Parts 2, 3 and 4 of the Project	2,600,000	100%
(2) Goods, non-consulting services, consulting services, Operating Costs and Training under Part 1 of the Project	2,400,000	100%
<b>TOTAL AMOUNT</b>	5,000,000	

**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 Signature Date
2. The Closing Date is June 30, 2026.

## APPENDIX

### Definitions

1. “Annual Work Plan & Budget” or “AWP&B” means each annual work plans, together with their envisioned budgets, to be prepared by the Recipient for its Respective Activities under the Project, pursuant to the provisions of Section I.D of Schedule 2 to this Agreement.
2. “Anti-Corruption Guidelines” means, for purposes of paragraph 2 of the Appendix to the Standard 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. “Cat Bond” means Catastrophe Bond.
4. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
5. DRM/DRF means Disaster Risk Management/Disaster Risk Financing.
6. “DTFE” means the Department of Treasury established within the Recipient’s MEF, as referenced in Section I.A of Schedule 2 to the Agreement.
7. “Environmental and Social Commitment Plan” or “ESCP” means the environmental and social commitment plan for the Project, dated March 30, 2023, 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.
8. “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.

9. “FSEC” means Solidarity Fund against Catastrophic Events.
10. “Ministry of Economy and Finance” and the acronym “MEF” each means the Recipient’s Ministry of Economy and Finance, or any successor to it acceptable to the Bank.
11. “NRT” means Near Real Time.
12. “Operating Costs” means the reasonable incremental expenses incurred by the Recipient, other relevant institutions of the Recipient or the Project Implementing Entities in connection with Project implementation and as defined in the POM, including office equipment and supplies, vehicle operation and maintenance, maintenance small office works and maintenance, of equipment, communication, advertisement and insurance costs, office administration costs, bank charges, translation costs, utilities, rental, consumables, salaries, accommodation, travel and *per diem* of Project staff and supervision costs, but excluding salaries of officials of the Recipient’s civil service and Training.
13. “Procurement Regulations” means, for purposes of paragraph 20 of the Appendix to the Standard Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated November 2020.
14. “Project Implementing Entities” means both the FSEC and the SCR.
15. “Project Operations Manual” and the acronym “POM” mean the manual to be adopted, as set forth in Section I.B.2 of Schedule 2 to this Agreement, and as it might be further updated from time to time with the prior written concurrence of the Bank.
16. “Project Steering Committee” or “PSC” means the steering committee established by the Recipient under the DTFE and referred to in Section I.2(a) of Schedule 2 to this Agreement, the mandate of which will be expanded as needed to reflect activities under the Project.
17. “Project Technical Committee” or “PTC” means the technical committee established by the Recipient under the DTFE and referred to in Section I.2(b) of Schedule 2 to this Agreement, the mandate of which will be expanded as needed to reflect activities under the Project.
18. “Project Scientific Committee” or “ScC” means the scientific committee established by the Recipient under the DTFE and referred to in Section I.2(c) of



Schedule 2 to this Agreement, the mandate of which will be expanded as needed to reflect activities under the Project.

19. “Respective Parts” means:
  - (a) in respect to FSEC: Parts 2, 3 and 4; and
  - (b) in respect to SCR: Part 1.
20. “SCR” means *Société Centrale de Réassurance*.
21. “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 Grant Agreement” in the Standard Conditions.
22. “Standard Conditions” means the “International Bank for Reconstruction and Development and International Development Association Standard Conditions for Grant Financing Made by the Bank out of Trust Funds”, dated February 25, 2019.
23. “Subsidiary Agreement” means, for purposes of the General Conditions, the tripartite Subsidiary Agreement between the Recipient, FSEC and SCR, referred to in Section I.C of Schedule 2 to the Agreement, as the same may be amended from time to time with the prior written agreement of the Bank.
24. “Training” means expenditures incurred by the Recipient, the PIU or the Project Implementing Entities in connection with carrying out training activities under the Project (excluding consulting services), including travel costs and *per diem* for local trainees, study tours, workshops, conferences, scholarships and stipends, rental of facilities and equipment and training materials and related supplies.