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SMPF GRANT NUMBER TF B3136-SO

# **Somalia Multi-Partner Fund Grant Agreement**

**(Additional Grant for the Somali Electricity Access Project)**

**between**

**FEDERAL REPUBLIC OF SOMALIA**

**and**

**INTERNATIONAL DEVELOPMENT ASSOCIATION  
(acting as administrator of the Somalia Multi-Partner Fund)**

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**SMPF GRANT NUMBER TF B3136-SO**

**SOMALIA MULTI-PARTNER FUND  
GRANT AGREEMENT**

AGREEMENT dated as of the Signature Date between FEDERAL REPUBLIC OF SOMALIA (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Bank”), acting as administrator of the Somalia Multi-Partner Fund (“SMPF”).

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 objectives of the project described in Schedule 1 to this Agreement (“Project”). To this end, the Recipient shall carry out the Project 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 one million four hundred and fifty thousand United States Dollars (\$1,450,000) (“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 donors 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 donors 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**

4.01. The Recipient's Representative referred to in Section 7.02 of the Standard Conditions is its Minister responsible for finance.

4.02. For purposes of Section 7.01 of the Standard Conditions: (a) the Recipient's address is:

Ministry of Finance  
Federal Republic of Somalia  
Mogadishu, Somalia

4.03. For purposes of Section 7.01 of the Standard Conditions: (a) the Bank's address is:

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) or 64145 (MCI)	1-202-477-6391

AGREED as of the Signature Date.

**FEDERAL REPUBLIC OF SOMALIA**

**By**

*Abdirahman Duale Beileh*

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

**Name:** \_\_\_\_\_  
Abdirahman Duale Beileh

**Title:** \_\_\_\_\_  
Minister

**Date:** \_\_\_\_\_  
23-Jul-2020

**INTERNATIONAL DEVELOPMENT ASSOCIATION  
(acting as administrator of the Somalia Multi-Partner Fund)**

**By**

*Camille Nuamah*

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

**Name:** \_\_\_\_\_  
Camille Nuamah

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

**Date:** \_\_\_\_\_  
21-Jul-2020

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

The objective of the Project is to expand access to electricity in targeted urban, peri-urban, and rural communities in Somalia.

The Project consists of the following parts:

### Part 1. Electrification of Households and Small Businesses through Standalone Solar Home Systems

Improving access among off-grid households and small enterprises, in particular:

- (a) Carrying out a program of activities to facilitate a range of market-building supply- and demand-side interventions, through the provision of Expansion Grants and Seed Grants to solar distributors (collectively, Beneficiaries) for investment to catalyze key solar business functions.
- (b) Promoting quality assurance to limit availability of and demand for poor quality and / or counterfeit solar products.
- (c) Carrying out consumer awareness and citizen engagement campaigns to improve household understanding and use of quality off-grid solar technology.

### Part 2. Analytical work for enabling electrification through Solar-Powered / Hybrid Mini-grids

Carrying out analytic work for development of mini-grid sector, in particular:

- (a) Carrying out detailed geospatial mapping to undertake a more comprehensive inventory of the current mini-grid situation in Somalia, identify potential future sites, and estimate future location-specific demand.
- (b) Reviewing property rights and land issues pertaining to energy infrastructure investment.
- (c) Carrying out pre-feasibility studies for hybridization, operational enhancements, and densification of brownfield (existing) mini-grid sites.
- (d) Carrying out pre-feasibility studies for greenfield (new) sites identified in geospatial mapping.
- (e) Developing structuring options for the financing, operation, and ownership of new mini-grids.

- (f) Defining legal, institutional, and financing arrangements for developing mini-grids.

Part 3. Technical Assistance, Capacity Building, and Project Management

- (a) Strengthening the capacity of the Ministry of Energy and Water Resources (MoEWR) for overall energy sector management, power and access planning, and implementation of future development projects, including:
  - (i) developing energy strategies; (ii) reviewing energy policies; (iii) carrying out analytical work; (iv) improving internal MoEWR infrastructure and systems; (v) provision of relevant training to staff of the MoEWR, and conducting workshops and study tours; and (vi) establishing a federal PIU.
- (b) Carrying out a needs assessment to identify priority capacity-building interventions for MoEWR and training needs for the relevant staff of MoEWR.
- (c) Carrying out energy sector studies aimed at identification and prioritization of sector investments that would increase access to cheaper and reliable electricity services; including:
  - (i) Carrying out options analysis for electricity sub-transmission and distribution integrated development for major load centers in the Recipient's territory.
  - (ii) Identification and prioritization of public facilities for grid and off-grid electrification.
  - (iii) Carrying out strategic environmental and social assessment for the energy sector.
  - (iii) Supporting the implementation of the Multi-tier Framework (MTF) Electricity Access baseline survey to establish households' access to electricity and modern energy cooking services.
  - (iv) Strengthening of the capacity of the PIU and related agencies towards preparation and implementation of electrification projects.

## SCHEDULE 2

### Project Execution

#### Section I. Institutional and Other Arrangements

##### A. Institutional Arrangements

1. The institutional and implementation arrangements for the Project shall be as set forth in this Schedule to the Agreement.
2. Ministry of Energy and Water Resources  
  
MoEWR shall be responsible for overall coordination and implementation of the Project.
3. Federal Project Implementation Unit
  - (a) The Recipient shall: (i) maintain the Federal PIU with an institutional framework, resources, terms of reference and staffing satisfactory to the Bank; (ii) engage within the Federal PIU, and thereafter maintain throughout Project implementation, a project coordinator, a financial management specialist, and a procurement specialist, all with qualifications, experience, and terms of reference satisfactory to the Bank; and (iii) with the prior agreement of the Bank, engage such other staff as may be necessary for the implementation of the Project, all said staff with qualifications, experience, and terms of reference satisfactory to the Bank.
  - (b) Without limitation to paragraph 1 immediately above, the PIU shall be responsible for the day-to-day administration of the Project at the federal level, including responsibility for financial management and procurement.
4. Federal Project Steering Committee
  - (a) The Recipient shall maintain throughout Project implementation, the Federal Project Steering Committee with a mandate, resources, and terms of reference satisfactory to the Bank.
  - (b) Without limitation to paragraph 1 immediately above, the functions of the Federal Project Steering Committee shall be to provide overall policy and strategic guidance to the Project, in accordance with the provision of the Project Implementation Manual.

**B. Project Implementation Manual**

1. The Recipient shall carry out the Project in accordance with the revised Project Implementation Manual containing detailed guidelines and procedures for the implementation of the Project, including monitoring and evaluation, procurement, and coordination, financial, administrative and accounting procedures, corruption and fraud mitigation measures, eligibility criteria for the selection of Beneficiaries, and such other arrangements and procedures as shall be required for the Project, and except as the Bank shall otherwise agree in writing, not amend or waive, or permit to be amended or waived any provision of the Project Implementation Manual.
2. In case of a conflict between the provisions of the Project Implementation Manual and this Agreement, the provision of this Agreement shall prevail.

**C. Environmental and Social Safeguards**

1. The Recipient shall ensure that the Project is carried out in accordance with the provisions of the Environmental and Social Management Framework (ESMF) and, except as the World Bank shall otherwise agree, the Recipient shall not assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, any provision of the ESMF.
2. If any activity under the Project would require the adoption of any environmental management plan, the Recipient shall:
  - (a) prepare: (i) such environmental management plan in accordance with the ESMF; (ii) furnish such environmental management plan to the World Bank for review and approval; and (iii) thereafter adopt such environmental management plan prior to implementation of the activity; and
  - (b) thereafter take such measures as shall be necessary or appropriate to ensure full compliance with the requirements of such environmental management plan.
3. Without limitation upon its other reporting obligations under this Agreement, the Recipient shall, on a semester basis as part of the Project Reports (or with more frequency or in a separate report whenever the circumstances warrant), collect, compile, and furnish to the World Bank, reports, in form and substance satisfactory to the World Bank, on the status of compliance with the ESMF and any environmental management plan, giving details of:
  - (a) measures taken in furtherance of any environmental management plan;



- (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of such environmental management plan; and
- (c) remedial measures taken or required to be taken to address such conditions.

**D. Annual Work Plan and Budget**

1. The Recipient shall, not later than November 30 of each year, prepare and furnish to the Bank, an annual program of activities proposed for implementation under the Project during the following Fiscal Year, together with a proposed budget for the purpose.
2. The Recipient shall exchange views with the Bank on each such proposed annual work plan and shall thereafter adopt and carry out such program of activities for such following Fiscal Year as shall have been agreed with the Bank, as such plan may be subsequently revised during such following Fiscal Year with the prior written agreement of the Bank (Agreed Annual Work Plan).

**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>
Goods, works, non-consulting services, consulting services, Expansion Grants, Seed Grants, Training, and Operating Costs	1,450,000	100%
<b>TOTAL AMOUNT</b>	1,450,000	

**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, 2022.

## APPENDIX

### Definitions

1. “Annual Work Plan and Budget” means a plan and budget referred to in 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. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
4. “Environmental and Social Management Framework” or “ESMF” means the framework dated and disclosed by the Recipient on September 24, 2018, and disclosed by the World Bank on September 25, 2018, setting out modalities to be followed in assessing the potential adverse environmental and social impact associated with the Project activities, and the measures to be taken to offset, reduce or mitigate such adverse impacts, as well as for the preparation of environmental management plans, as such framework may be amended by the Recipient from time to time with the prior written agreement of the World Bank.
5. “Expansion Grants” means results-based financing provided to eligible approved off-grid solar distributors under the Project to incentive the sale of lighting global quality verified solar products.
6. “Federal Ministry of Energy and Water Resources” or “MoEWR” means the Recipient’s ministry responsible for energy, or any successor thereto.
7. “Federal Project Implementation Unit” or “PIU” means a unit of the Recipient within the MoEWR referred to in Section I.A.2 of Schedule 2 to this Agreement.
8. “Federal Project Steering Committee” means a committee of the Recipient referred to in Section I.A.4 of Schedule 2 to this Agreement.
9. “Operating Costs” means the expenses incurred on account of Project implementation, based on Annual Work Plans and Budgets approved by the Bank, including office equipment and supplies, vehicle operation and 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, excluding the salaries of the Recipient’s civil service.

10. “Procurement Regulations” means, for purposes of paragraph 20 of the Appendix to the Standard Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated July 2016, revised November 2017 and August 2018.
11. “Project Implementation Manual” means the manual, referred to in Section I.B of Schedule 2 to this Agreement, as said manual may be amended from time to time with the prior written agreement of the Bank, and such term includes any annexes or schedules to said manual.
12. “Seed Grants” upfront funding provided to eligible approved off-grid solar distributors under the Project to enable smaller or inexperienced distributors build capacity to participate in the Project.
13. “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.
14. “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.
15. “Training” means the costs of training under the Project, based on the Annual Work Plans and Budgets as approved by the Bank, and attributable to seminars, workshops, and study tours, along with travel and subsistence allowances for training participants, services of trainers, rental of training facilities, preparation and reproduction of training materials, and other activities directly related to course preparation and implementation.