
GRANT NUMBER TF073203

*Yemen Emergency Multi Donor Trust
Fund*

Grant Agreement

(Third Additional Financing for the Yemen Emergency Crisis Response Project)

between

**UNITED NATIONS CHILDREN'S FUND
(for the benefit of the Republic of Yemen)**

and

**INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
AND INTERNATIONAL DEVELOPMENT ASSOCIATION
(acting as administrator of the Yemen Emergency Multi-Donor Trust Fund)**

GRANT NUMBER TF073203

**YEMEN EMERGENCY MULTI-DONOR TRUST FUND
GRANT AGREEMENT**

AGREEMENT dated as of the Signature Date, entered into between the UNITED NATIONS CHILDREN'S FUND ("Recipient") and the INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT AND INTERNATIONAL DEVELOPMENT ASSOCIATION ("World Bank"), acting as administrator of the Yemen Emergency Multi-Donor Trust Fund.

WHEREAS: (A) the Recipient has in response to the immediate emergency arising as a result of the risk of famine and deteriorating food insecurity in the Republic of Yemen ("Emergency"), and in view of the ongoing conflict situation within the Republic of Yemen, requested the assistance of the World Bank to finance specific costs associated with the Emergency;

(B) pursuant to the Basic Cooperation Agreement between the Recipient and the Republic of Yemen dated January 12, 1994, the Recipient and the Republic of Yemen agreed to cooperate in the program areas for the benefit of children and women within the territory of the Republic of Yemen consistent with the relevant resolutions, decisions, regulations and rules and policies of the competent organs of the United Nations, including the Executive Board of the Recipient;

(C) the original project and the first additional financing are implemented by the United Nations Development Program ("UNDP") and the second additional financing implemented by the Recipient (together, "Original Project"), as recipients of the respective grants made by the World Bank to finance the Original Project, and the project described in Schedule 1 to this Agreement ("Project") constitutes part of the third additional financing of the Original Project and shall supplement the financing for the Project made available pursuant to AF3 Financing Agreement;

(D) the Recipient, having satisfied itself as to the feasibility and priority of the Project, by a letter dated September 26, 2018, requested the World Bank to assist in financing the Project; and

(E) a multi-donor trust fund has been established at the World Bank to assist recipients in carrying out cash transfers for the Project.

WHEREAS the World Bank has agreed, on the basis, *inter alia*, of the foregoing, to extend to the Recipient a grant for the benefit of the Republic of Yemen upon the terms and conditions set forth in this Agreement.

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 February 15, 2012 (“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. The Financial Management Framework Agreement (“FMFA”) (as defined in the Appendix to this Agreement) constitutes an integral part of this Agreement. Without limitation to the provisions of the FMFA, in respect to the Recipient:
- (a) all references in the FMFA to “Letter Agreement(s)” shall be references to this Agreement;
 - (b) all references to “Trust Fund Grant(s)” shall be references to the Financing referred to in Section 3.01 of this Agreement;
 - (c) all references to “the UN” and to a “UN Organization”, including in particular reference in Section 7 of the FMFA, shall be references to “the United Nations Children’s Fund”;
 - (d) all references to “the UN Controller” shall be references to the “UNICEF Comptroller”;
 - (e) all references to the “UN Financial Regulations” shall be references to the “UNICEF Financial Regulations and Rules”; and
 - (f) all references to the “Parties” in Section 11 of the FMFA shall be a reference to the “Association” and the “United Nations Children’s Fund” or, alternatively, to the “Association” on the one hand and the “United Nations Secretariat”, and all “UN Organisations” (as that term is defined in the FMFA) on the other, if a satisfactory consolidated review mechanism is established.
- 1.03. 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.

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.

- 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 not to exceed eight million five hundred seventy-eight thousand one hundred ninety United States Dollars (\$8,578,190) (“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 from the donors to the trust fund. In accordance with Section 3.02 of the Standard Conditions, the World 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 Additional Remedies

- 4.01. The Additional Events of Suspension referred to in Section 4.02(k) of the Standard Conditions consist of the following:
- (a) if, by notice sent to the Recipient pursuant to sub-paragraph (iv) of paragraph 9 of the FMFA, the World Bank confirms that it reasonably believes the actions taken previously in accordance with said Section 9 have not been sufficient to fulfill its fiduciary obligation to ensure that the proceeds of the Grant were used for eligible expenditures; or
 - (b) if, by notice sent to the Recipient pursuant to sub-paragraph (iii)(a) of paragraph 10 of the FMFA, the World Bank confirms that alternative financial management arrangements mutually acceptable to the World Bank and the Recipient were not reached within the period stipulated therein; or
 - (c) if, the World Bank determines at any time that a reference in either paragraph 1 or paragraph 4 of Section II.B of Schedule 2 to this Agreement to the Recipient’s financial regulations and rules is incomplete or inaccurate in any material respect; or

- (d) if, the World Bank for any reason revokes the application of the Alternative Procurement Arrangements set forth in Section III.1 of Schedule 2 to this Agreement.

**Article V
Effectiveness**

- 5.01. This Agreement shall become effective as of the Signature Date.

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

- 6.01. The Recipient's Representative referred to in Section 7.02 of the Standard Conditions is the Recipient's Representative is the UNICEF Representative, Yemen.
- 6.02. The Recipient's Address referred to in Section 7.01 of the Standard Conditions is:

UNICEF, the United Nations Children's Fund
Sana'a
Republic of Yemen

(Attention: The Representative); and

With a copy to:

UNICEF, the United Nations Children's Fund
UNICEF House
Three United Nations Plaza
New York, New York 10017

(Attention: The Comptroller)

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

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

Telex: 248423 (MCI) or 64145 (MCI)
Facsimile: 1-202-477-6391

AGREED as of the Signature Date.

UNITED NATIONS CHILDREN'S FUND
(for the benefit of the Republic of Yemen)

By:



Authorized Representative

Name: Sara Beysolow Nyanti

Title: Representative

Date: 11-Apr-2019

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT AND INTERNATIONAL
DEVELOPMENT ASSOCIATION
(acting as administrator of the Yemen Emergency Multi-
Donor Trust Fund)

By:



Authorized Representative

Name: Marina Wes

Title: Country Director

Date: 11-Apr-2019

SCHEDULE 1

Project Description

The objective of the Project is to provide short-term employment and access to selected basic services to the most vulnerable, preserve existing implementation capacity of two service delivery programs, and provide emergency cash transfers to the poor and vulnerable in response to the food crisis.

The Project constitutes the third component of the Original Project as modified below:

Part A: **(Component 3.1 of the Original Project) Emergency Cash Transfers**

1. Provision of cash (“Cash Transfers”) assistance to reduce the vulnerability of eligible beneficiaries, and to enable targeted households to purchase food and necessities (“Cash Transfer Beneficiaries”).
2. Hiring of Payment Agency(ies), to deliver cash and administer the Cash Transfers within the territory of Yemen.

Part B: **(Component 3.2 of the Original Project) Cash Transfers Program Management and Monitoring**

1. Facilitating Project implementation, administration, management and monitoring and evaluation, including: (a) Recipient’s Direct Cost, including staffing and operating expenses; (b) Recipient’s Indirect Cost and general management; (c) provision of consultancy services required for technical assistance, and implementation support; and (d) Recipient’s Third Party Monitoring.

SCHEDULE 2

Project Execution

Section I. Institutional and Other Arrangements

A. Institutional Arrangements

1. The Recipient shall carry out the Project with due diligence and efficiency and in conformity with appropriate administrative, financial, technical, environmental and social standards and practices, and in accordance with the FMFA, and the Project Operational Manual, and shall promptly provide the funds, facilities, services and other resources required for the Project.
2. The Recipient's Project Management Unit ("PMU") based in the Recipient's office in the Republic of Yemen shall be responsible for day-to-day management and implementation of the Project, including the staffing of core functions, including the technical, fiduciary (*i.e.*, procurement and financial management) aspects of the Project, and coordination of all field activities, as detailed in the Project Operational Manual.

B. Anti-Corruption

1. The Recipient shall carry out the Project subject to the following undertakings:
 - (a) In the event that the Recipient or the World Bank becomes aware of information that indicates the need for further scrutiny of the implementation of the Project or any expenditures under the proceeds of the Grant (including non-frivolous allegations that corrupt, fraudulent, collusive or coercive practices were undertaken in relation to any activity under the Project), the Recipient or the World Bank, as the case may be, shall promptly bring such information to the attention of the appropriate official or officials of the other party, as designated from time to time by each party by written notice to the other party.
 - (b) Following consultation between the Recipient and the World Bank, the Recipient will, to the extent the information relates to actions within the authority or accountability of the Recipient, take timely and appropriate action in accordance with its accountability and oversight framework, including applicable regulations, rules, and administrative instructions, to investigate this information. For greater clarity on this matter, the Recipient and the World Bank agree and acknowledge that the Recipient has no authority over and accordingly shall have no responsibility to investigate, any government official or officials or consultants of the World Bank.

- (c) To the extent such investigation confirms the allegations and to the extent that remedial action is within the authority of the Recipient, the Recipient will take timely and appropriate action in response to the findings of such investigation, in accordance with the Recipient's accountability and oversight framework, including its regulations, rules, policies and procedures.
 - (d) To the extent consistent with the Recipient's accountability and oversight framework, including its regulations, rules, policies and procedures, it will keep the World Bank regularly informed by agreed means of actions taken pursuant to Section I.B.1(c) immediately above, and the results of the implementation of such actions, including where relevant, details of any recovery of funds or writing-off of losses. The Recipient will use its best efforts, consistent with its regulations, rules, policies and procedures to recover any funds misused. The Recipient will, in consultation with the World Bank, credit any funds so recovered to the World Bank or agree with the World Bank to use these funds for a purpose mutually agreed upon.
- 2. In the event that the World Bank reasonably believes that timely and appropriate action has not been taken by the Recipient under Section I.B.1 above, the World Bank may request direct consultations at a senior level between the World Bank and the Recipient in order to obtain assurances that the Recipient's oversight and accountability mechanisms have been and are being fully applied in connection with such allegations. The Recipient and the World Bank take note of the provisions of Article VIII of the United Nations Financial Regulations and Rules and the Recipient's corresponding relevant provisions in its Financial Regulations and Rules.
- 3. The World Bank may, following consultation with the Recipient, by notice to the Recipient, suspend the right of the Recipient to make further withdrawals of the proceeds of the Grant if the World Bank reasonably believes the actions taken by the Recipient under Section I.B.1 above have not been sufficient to fulfill its fiduciary obligation with respect to the Grant.
- 4. The World Bank has the right and authority, pursuant to the Anti-Corruption Guidelines, to investigate allegations or other information relating to possible corrupt, fraudulent, coercive, or collusive practices (as defined in Section I.B.7 below) by any third party, and to sanction any such third party which the World Bank has determined to have engaged in such practices, provided, however, that in this Section, "third party" does not include the Recipient. To the extent consistent with the Recipient's oversight framework, including its regulations, rules, policies and procedures, and if requested by the World Bank, the Recipient shall cooperate with the World Bank in the conduct of such investigations.
- 5. Without limitation to the provisions of paragraph B.1 of this Section, the World Bank retains the right to conduct an investigation in connection with the information referred to in paragraph B.1(a) of this Section and any information

provided to the Recipient regarding allegations of corrupt, fraudulent, coercive, or collusive practice in connection with the bidding process, the award, or implementation of any contract to be or being financed out of the proceeds of the Grant, except that the World Bank may not investigate the Recipient or other UN agency. In all such investigations the Recipient agrees to facilitate such investigations.

6.
 - (a) The Recipient will require any third-party commercial entity with which it has a long-term arrangement or to which it intends to issue a purchase order or a contract financed with the proceeds of the Grant to disclose to the Recipient whether it is subject to any sanction or temporary suspension imposed by any organization within the World Bank Group. The Recipient will give due regard to such sanctions and temporary suspensions, as disclosed to it when issuing contracts during the Project implementation.
 - (b) If the Recipient intends to issue a contract in connection with the Project with a party that has disclosed to the Recipient that it is under sanction or temporary suspension by the World Bank Group, the following procedure will apply: (i) the Recipient will so inform the World Bank, before signing such contract; (ii) the World Bank then may request direct consultations at a senior level, if required, between the World Bank and the Recipient to discuss the Recipient's decision; and (iii) if after such consultation, the Recipient elects to proceed with the issuance of the contract, the World Bank may inform the Recipient by notice, that the proceeds of the Grant may not be used to fund such contract.
 - (c) Any portion of the proceeds of the Grant received by the Recipient under this Agreement that may have been used to fund a contract in respect of which the World Bank Group has exercised its right under paragraph 6(b)(iii) immediately above, shall be used to defray the amounts requested by the Recipient in any subsequent Withdrawal Application, if any, or will be treated as a balance in favor of the Recipient in the calculation of the final balances prior to the Closing Date.
7. For the purposes of the provisions of this Section I.B, the following definitions of sanctionable practices shall apply:
 - (a) "corrupt practice" is the offering, giving, receiving or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party;
 - (b) "fraudulent practice" is any act or omission, including misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain financial or other benefit or to avoid an obligation;

- (c) “collusive practice” is an arrangement between two or more parties designed to achieve an improper purpose, including to influence improperly the actions of another party; and
- (d) “coercive practice” is impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party.

C. Project Operational Manual

- 1. The Recipient shall ensure that the Project is carried out in accordance with the arrangements, procedures and guidelines set out in the Project Operational Manual.
- 2. In case of any conflict between the arrangements and procedures set out in the Project Operational Manual and the provisions of this Agreement, the provisions of this Agreement shall prevail.
- 3. Except as the World Bank shall otherwise agree, the Recipient shall not amend, abrogate, waive or fail to enforce any provision of the Project Operational Manual without the prior written agreement of the World Bank.

D. Third Party Monitoring, Payment Agencies and Grievance Redress Mechanism

- 1. The Recipient shall, maintain a Third-Party Monitoring Agent(s) and shall hire Payment Agency(ies), with terms of reference reviewed and confirmed by the World Bank, and to be financed out of the proceeds of the Grant as set forth in the table under Section IV.A.1 of Schedule 2 to this Agreement.
- 2. The Recipient shall maintain the Grievance Redress Mechanism, under terms and structure satisfactory to the World Bank.

E. Cash Transfers under Part A (Component 3.1) of the Project

- 1. The Recipient shall:
 - (a) ensure the verification of the SWF List of eligible Cash Transfer Beneficiaries, in form and substance satisfactory to the World Bank, and in accordance with the Project Operations Manual.
 - (b) submit to the World Bank, the Third-Party Monitoring Agent’s performance audit report on the basis of the terms of reference for the Third Party Monitoring, related to the use of the full proceeds of the Cash Transfers under Category (1) of the table set forth in Section IV.A of this Schedule.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports; Completion Report

1. 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 as acceptable to the World Bank. Each Project Report shall provide a summary of activities covering a period of six calendar months, and a detailed annual Project Report, not later than forty-five (45) days after the end of the period covered by such report.

B. Financial Management; Financial Reports; Audits

1. The Recipient shall maintain or cause to be maintained a financial management system, including records and accounts, adequate to reflect the transactions related to the Project, in accordance with the requirements of the document United Nations Children's Fund Financial Regulations and Rules, E/ICEF/2011/AB/L.8 (hereinafter referred to as the Financial Regulations).
2. The Recipient shall maintain in a separate account in its records ("Financing Control Account") a complete, true and faithful record of all the advances from the proceeds of the Grant and of all the expenditures paid from such advances.
3. The Recipient shall prepare, on a quarterly basis, interim unaudited financial reports, in accordance with accounting standards established pursuant to the Financial Regulations and in the format agreed with the World Bank, adequate to reflect the operations, resources and expenditures related to the Project. The first said interim unaudited financial reports shall be furnished to the World Bank no later than forty-five (45) days after the end of the first three months after the Effective Date, and shall cover the period from the incurrence of the first expenditure under the Grant through the end of the first three (3) months; thereafter, each interim unaudited financial report shall be furnished to the World Bank not later than forty-five (45) days after each subsequent three month period, and shall cover such three month period.
4. The Recipient shall ensure that the audit of the Project is governed by: (a) Article XIV of the Financial Regulations and (b) the Financial Management Framework Agreement.
5. The Recipient shall retain, until at least one year after the World Bank has received the final interim unaudited financial report referred to in paragraph 3 of this Section II.B covering the three (3) calendar months in which the last withdrawal was made, all records (contracts, orders, invoices, bills, receipts and other documents)

evidencing all expenditures in respect of which withdrawals of the proceeds of the Grant were made.

Section III. Procurement

1. All goods, non-consulting services and consulting services required for the Project and to be financed out of the proceeds of the Grant shall be procured in accordance with the applicable procurement policies, procedures, regulations and practices of the Recipient, as such procurement policies, procedures, regulations and practices have been assessed and found to be acceptable by the World Bank, and the Procurement Plan.
2. If the World Bank determines that the procurement policies, procedures, regulations, or practices of the Recipient have been modified, suspended, or waived such that they are no longer acceptable to the World Bank, the World Bank may, in addition to the World Bank's other rights under the Agreement, revoke the procurement provisions set out in paragraph 1 of this Section III.

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 "Disbursement Guidelines for Investment Project Financing" dated February 2017, as revised from time to time by the World Bank and as made applicable to this Agreement pursuant to such instructions), to finance 100% of Eligible Expenditures.
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:

Category	Amount of the Grant Allocated (expressed in USD)	Percentage of Expenditures to be Financed
(1) Cash Transfer under Part A (Component 3.1) of the Project		100%
(a) Cash Transfers under Part A.1	7,447,000	

(b) Payment Agency(ies) fees under Part A.2 of the Project	520,000	
(2) Consultants' services and Recipient's costs under Part B (Component 3.2) of the Project		100%
(a) Consultants' services	50,000	
(b) Third Party Monitoring	0	
(c) Recipient's Direct Costs	0	
(d) Recipient's Indirect Costs (7% of the total Grant)	561,190	
TOTAL AMOUNT	8,578,190	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of paragraph A.1 above, no withdrawal shall be made for:
 - (a) except that withdrawals up to an aggregate amount not to exceed \$3,431,276 may be made for payments made prior to this date but on or after December 1, 2018 for Eligible Expenditures under the Project, payments made for expenditures prior to the date of this Agreement; or
 - (b) the purpose of any payment to persons or entities, or for any import of goods, if such payment or import, to the World Bank's knowledge, is prohibited by a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations.
2. All withdrawals shall be made on the basis of the interim unaudited financial reports referred to in Section II.B.3 of this Schedule and under such other terms and

conditions as the World Bank shall specify by notice to the Recipient contained in the Disbursement and Financial Information Letter addressed or to be addressed by the World Bank to the Recipient for purposes of the Grant.

3. Without prejudice to the provisions of Section 4.05 of the Standard Conditions, in the event that the World Bank requests a refund of any portion of the proceeds of the Grant that has been used in a manner inconsistent with the provisions of this Agreement, the World Bank and the Recipient will adopt the procedures set forth in paragraph 9 of the FMFA.
4. It is understood that the Recipient shall not be responsible for, and shall have no obligation to initiate or continue implementation of, the pertinent activities under the Project unless the proceeds of the Grant allocated to such activities have been made available to the Recipient. Notwithstanding any suspension of the Grant or any portion of the Grant under this Agreement, the World Bank will make available to the Recipient the portion of the proceeds of the Grant required to meet the obligations entered into by the Recipient prior to the date on which the Recipient shall have received the notice of suspension.
5. The Closing Date is September 30, 2019.

APPENDIX

Section I. Definitions

1. “Cash Transfer” means a cash transfer made by the Recipient under Part A.1 (Component 3.1) of the Project, to an eligible Cash Transfer Beneficiary out of the Proceeds of Grant.
2. “Cash Transfer Beneficiaries” means the eligible vulnerable poor households included in the SWF List, and as verified as per the Project Operational Manual, and to whom the Recipient will make or has made a Cash Transfer.
3. “Direct Costs” means the actual cost of the Recipient that can be directly traced to the deliverables and technical output under the Project.
4. “Emergency” means the occurrence of an event of emergency within the territory of the Republic of Yemen resulting in famine and food insecurity crisis, for which the following notification has been issued: https://www.unicef.org/media/media_95478.html.
5. “Financial Management Framework Agreement” or “FMFA” means the Financial Management Framework Agreement between the World Bank and the United Nations Children’s Fund, dated November 4, 2016.
6. “Financial Regulations and Rules” means the following financial management regulations and rules of the Recipient, *The United Nations Children’s Fund Financial Regulations and Rules E/ICEF/2011/AB/L.8*.
7. “AF2 Financing Agreement” means the agreement for the second additional financing of the Project between the International Development Association and the Recipient dated May 30, 2017.
8. “AF3 Financing Agreement” means the agreement for the third additional financing of the Project between the International Development Association and the Recipient dated December 19, 2018.
9. “Original Agreements” means, respectively, the Disbursement Agreement for the Original Project between the Association and UNDP dated July 20, 2016 (Grant No. D132-RY), the Disbursement Agreement between the Association and UNDP dated January 24, 2017, providing for an Additional Financing for the Original Project (Grant No. D162-RY) (together, “Disbursement Agreements”), and the Financing Agreement between the Association and the Recipient dated May 30, 2017, providing for the Second Additional Financing for the Original Project (Grant No. D197-RY) (“AF2 Financing Agreement”), all as amended to the date of this Agreement.

10. “Grievance Redress Mechanism” or “GRM” means the system aimed to receive and address grievances and complaints associated with the Cash Transfer under Part A.1 (Component 3.1) of the Project.
11. “Original Project” means the Yemen Emergency Crisis Response Project described in Annex B of the Disbursement Agreements and in Schedule 1 to the AF2 Financing Agreement.
12. “Payment Agency(ies)” means commercial banks and micro-finance institutions, acceptable to the World Bank.
13. “Project Management Unit” or “PMU” means the Recipient’s management and Implementation unit referred to in Section I.A.2 of Schedule 2 to this Agreement.
14. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated May 5, 2017, as the same shall be updated from time to time with the concurrence of the World Bank.
15. “Project Operational Manual” means the manual, satisfactory to the World Bank, and referred to in Section I.C of Schedule 2 to this Agreement, as the same may be amended from time to time with agreement of the World Bank.
16. “Signature Date” means the latest of the two dates on which the Recipient and the World Bank signed this Agreement and such definition applied to all references to the date of the Grant Agreement.
17. “SWF” means the Social Welfare Fund of the Republic of Yemen.
18. “SWF List” means the Social Welfare Fund beneficiary list as prepared prior to the ongoing conflict, as said list was verified by the Recipient.
19. “Third Party Monitoring” means monitoring of the Project activities on behalf of the Recipient (including, *inter alia*, periodic site visits, assessment of local context and conditions, interviews, awareness raising, training and preparation of reports) to be carried out by a Third-Party Monitoring Agent with the purpose of carrying out satisfactory monitoring and evaluation of the activities of the Project in the areas where the Recipient has limited or no access due to the current conflict situation in the territory of the Republic of Yemen.
20. “Third-Party Monitoring Agent” means a firm or organization, with internationally recognized expertise in monitoring and evaluation of development projects, including for financial management, procurement, and environmental safeguards aspects of such development projects, said firm or organization to be engaged by the Recipient for carrying out of Third Party Monitoring in accordance with relevant terms of reference reviewed and confirmed by the World Bank.

21. “World Bank Group” means the Association, the Bank, the International Finance Corporation, the International Centre for the Settlement of Investment Disputes, and the Multilateral Investment Guarantee Agency.
22. “Standard Conditions” means the “Standard Conditions for Grants Made by the World Bank Out of Various Funds”, dated February 15, 2012, with the modifications set forth in Section II of this Appendix.

Section II. Modifications to the Standard Conditions

The Standard Conditions are modified as follows:

1. Amendment to Article II: Sections 2.05 (*Documents; Records*) and 2.07 (*Financial Management; Financial Statements; Audits*) are respectively deleted in their entirety, and Sections 2.06, 2.08, 2.09 and 2.10 are respectively renumbered as Sections 2.05, 2.06, 2.07 and 2.08.
2. The newly re-numbered Section 2.07 (*Visits*) is modified to read as follows:

“Section 2.07. *Visits*. The Recipient shall, throughout the implementation of the Project:
 - (a) if it is the Member Country, enable the representatives of the World Bank to visit any part of its territory for purposes related to the Grant;
 - (b) if it is not the Member Country, take all measures required on its part to enable the World Bank to visit any part of the Member Country’s territory for purposes related to the Grant; and
 - (c) enable the World Bank’s representatives to visit any facilities and sites included in the Project.”
3. In Section 2.08 (*Cooperation and Consultation*), paragraph (a) is modified as follows:

“(a) from time to time, at the request of either one of them, exchange views on the Project, the Grant, and the performance of their respective obligations under the Grant Agreement;”
4. Section 4.01 is deleted in its entirety.
5. Amendment to Article III: Section 3.07 is deleted, and Section 3.08 is renumbered as paragraph 3.07.
6. Amendment to Article IV:

- (a) Section 4.02(a)(i) (*Interference*) is modified as follows:

“If the Grant has been made to a Recipient which is not a Member Country and the Member Country has: (i) taken or permitted to be taken any action which would prevent or materially interfere with the execution of the Project or the performance by the Recipient’s obligations under the Grant Agreement. The Bank shall make the determination in consultation with the Recipient.”
 - (b) Sections 4.02(a)(ii) (*Interference*) and 4.02(h) (*Membership*) are deleted and the remaining sections of Article IV are renumbered accordingly.
7. Amendment to Article V: Sections 5.01 (*Enforceability*), 5.02 (*Failure to Exercise Rights*) and 5.03 (*Arbitration*) are respectively deleted and replaced with the provisions of Section 21 of the FMFA.
8. Amendment to the Appendix: The Appendix (**Definitions**) is modified as follows:
- (a) The following paragraphs are respectively deleted: paragraphs 5, 11, 24 and 25, and the following paragraphs 6, 7, 8, 9, 10, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23 and 26, are respectively re-numbered as paragraphs 5 through paragraph 22.
 - (b) The reference to “Member Country” in the Standard Conditions and in this Agreement means the member of the Association in whose territory the Project is carried out or any such member’s political or administrative subdivisions.”