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GAFSP GRANT NUMBER TF0A0645

*Global Agriculture and Food  
Security Program*  
**Grant Agreement**

(Agricultural Productivity and Nutrition Improvement Project)

between

**KYRGYZ REPUBLIC**

and

**INTERNATIONAL DEVELOPMENT ASSOCIATION**  
acting as Trustee of the Global Agriculture and Food Security Multi-Donor Trust Fund

Dated *March 18*, 2016

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**GLOBAL AGRICULTURE AND FOOD SECURITY FUND  
GRANT AGREEMENT**

AGREEMENT dated *March 18*, 2016, entered into between: KYRGYZ REPUBLIC (“Recipient”), and INTERNATIONAL DEVELOPMENT ASSOCIATION (“World Bank”), acting as Trustee of the Global Agriculture and Food Security Multi-Donor Trust Fund.

The Recipient and the World Bank hereby agree as follows:

**Article I  
Standard Conditions; Definitions**

- 1.01. The Standard Conditions (as defined in the Appendix to this Agreement) constitute an integral 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 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 carry out the Project, through the Department of Water Resources and Land Improvement (hereinafter, “DWRLI”) 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 equal to thirty eight million United States Dollars (\$38,000,000) (“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; namely:
- (a) that the World Bank has determined, after the Effective Date referred to in Section 5.03 of this Agreement, that prior to such date but after the date of this Agreement, an event has occurred which would have entitled the World Bank to suspend the Recipient's right to make withdrawals from the Grant Account if this Agreement had been effective on the date such event occurred; and,
  - (b) that any law or regulation in force governing the water resources management and setting of irrigation fees has been amended, suspended, abrogated, repealed or waived so as to materially and adversely affect, in the opinion of the World Bank, the implementation of the Project.

**Article V  
Effectiveness**

- 5.01. This Agreement shall not become effective until evidence satisfactory to the World Bank has been furnished to the World Bank that the conditions specified below have been satisfied:
- (a) the execution and delivery of this Agreement on behalf of the Recipient has been duly authorized or ratified by all necessary governmental action; and
  - (b) the Recipient has updated and adopted the Project Implementation Manual (PIM) in form and substance acceptable to the World Bank.

- 5.02. As part of the evidence to be furnished pursuant to Section 5.01, there shall be furnished to the World Bank an opinion or opinions satisfactory to the World Bank of counsel acceptable to the World Bank or, if the World Bank so requests, a certificate satisfactory to the World Bank of a competent official of the Member Country, showing that on behalf of the Recipient, that this Agreement has been duly authorized or ratified by, and executed and delivered on its behalf and is legally binding upon it in accordance with its terms.
- 5.03. Except as the Recipient and the World Bank shall otherwise agree, this Agreement shall enter into effect on the date upon which the World Bank dispatches to the Recipient notice of its acceptance of the evidence required pursuant to Section 5.01 ("Effective Date"). If, before the Effective Date, any event has occurred which would have entitled the World Bank to suspend the right of the Recipient to make withdrawals from the Grant Account if this Agreement had been effective, the World Bank may postpone the dispatch of the notice referred to in this Section until such event (or events) has (or have) ceased to exist.
- 5.04. *Termination for Failure to Become Effective.* This Agreement and all obligations of the parties under it shall terminate if it has not entered into effect by the date one hundred and eighty (180) days after the date of this Agreement, unless the World Bank, after consideration of the reasons for the delay, establishes a later date for the purpose of this Section. The World Bank shall promptly notify the Recipient of such later date.

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

- 6.01. The Recipient's Representative referred to in Section 7.02 of the Standard Conditions is its Minister of Finance.
- 6.02. The Recipient's Address referred to in Section 7.01 of the Standard Conditions is:
- Ministry of Finance  
58 Erkindik Blvd.  
Bishkek City, 720040  
Kyrgyz Republic
- Telex:                      Facsimile:  
245-156 NUR KH        (996-312) 661645
- 6.03. The World Bank's Address referred to in Section 7.01 of the Standard Conditions is:

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

Cable:	Telex:	Facsimile:
INTBAFRAD		
INDEVAS	248423 (MCI) or	1-202-477-6391
Washington, D.C.	64145 (MCI)	

AGREED at Bishkek, Kyrgyz Republic, as of the day and year first above written.

KYRGYZ REPUBLIC

By:



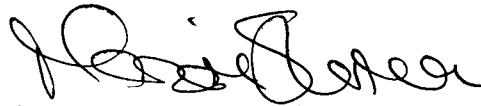
Authorized Representative

Name: Adylbek Kasymalyev

Title: Minister of Finance

INTERNATIONAL DEVELOPMENT ASSOCIATION  
acting as a Trustee of Global Agriculture and Food Security Multi-  
Donor Trust Fund

By:



Authorized Representative

Name: Mariam J. Sherman

Title: Acting Regional Director  
for Central Asia

## **SCHEDULE 1 Project Description**

The objective of the Project is to increase agricultural productivity, and food and nutrition security of rural households in selected areas of the Recipient's territory.

The Project consists of the following parts:

### Part 1: Rehabilitation and Modernization of Irrigation and Drainage Infrastructure

Increasing agricultural productivity and ensuring access to adequate agriculture water resources through: (a) rehabilitation and modernization of selected existing irrigation and drainage systems; (b) provision of maintenance equipment to Water Users Associations (WUAs) and Federations of WUAs; (c) provision of off-farm irrigation infrastructure and water measurement structures; and (d) carrying out limited rehabilitation works on critical off-farm structures.

### Part 2: Agricultural Advisory Services

Carrying out of activities to increase irrigated agricultural production and food and nutrition security, including:

(a) provision of training and technical advisory services to: (i) Participating WUAs on the rehabilitation of irrigation drainage systems; and (ii) Participating WUAs on the preparation and implementation of Agricultural Development Plans;

(b) provision of Small Grants to Participating WUAs to implement the Agriculture Development Plans;

(c) providing technical advisory services and promoting knowledge dissemination through: (i) fostering exchange visits between non-Participating WUAs and Participating WUAs to view demonstration agricultural activities; (ii) conducting public awareness programs; and (iii) publishing newspaper articles and studies on agriculture development; and

(d) conducting demonstrations on on-farm water management and facilitating selected WUA members to attend said demonstration events.

### Part 3: Nutrition Improvements

(a) Carrying out of a household nutrition education program for women, children and adolescent girls to improve household nutrition.

(b) Provision of micronutrient supplements to targeted women and children to improve their nutritional health.

(c) Carrying out of activities to improve household nutrition and dietary consumption through: (i) improving domestic gardening and providing options for household plot improvement; (ii) the identification of the most vulnerable households to receive nutrition assistance; (iii) the establishment of women self-help groups; (iv) the establishment of community seed banks; (v) carrying out detailed technical assessment of current agronomic and production practices, seed and crop status, soil fertility and soil testing; (vi) development of household plot production guidelines and demonstration materials; and (vii) the establishment of demonstration plots.

(d) Improving national coordination for food and nutrition security through: provision of support to the Food Security Council (FSC) to carry out its mandate which includes *inter alia* coordinating, overseeing and monitoring the Recipient's national food security and nutrition programs.

Part 4: Project Management

Strengthening the institutional capacity of the PIU to carry out Project management activities, including the administration, coordination and monitoring and evaluation of the Project through the provision of Training and office equipment and financing of Operating Costs.

## SCHEDULE 2

### Project Execution

#### Section I. Institutional and Implementation Arrangements

##### A. Institutional Arrangements

1. The Recipient, through DWRLI, shall be responsible for overall Project implementation including:
  - (a) maintaining throughout implementation of the Project, a Project Implementation Unit (PIU) with key staff including a Chief engineer, a financial management specialist, a disbursement specialist, a procurement specialist; an agriculture coordinator and a nutritionist coordinator, all with qualifications, experience and terms of reference acceptable to the World Bank;
  - (b) maintaining, throughout the implementation of the Project, the WUA Support Units with adequate technical and financial resources to assist Participating WUAs in carrying out the pertinent Agricultural Development Plans;
  - (c) ensuring that the PIU prepares the Project Reports and the pertinent Annual Work Plan and Budget and supervises contractors and suppliers;
  - (d) ensuring that Part 3(a) of the Project is implemented by the PIU with technical oversight of the MoH and UNICEF; and
  - (e) ensuring that Part 3(d) of the Project is implemented by the PIU with technical oversight of the MoH, FAO WFP and UNICEF.
2. **Steering Committee**

The Recipient, through DWRLI, shall maintain throughout implementation of the Project, a Steering Committee chaired by the DWRLI and comprising representatives from MoF, MoH and MoALI responsible for monitoring Project implementation.

##### B. Implementation Arrangement

##### 1. Project Implementation Manual

- (a) The Recipient shall update and adopt the PIM and thereafter carry out the Project in accordance with the PIM in form and substance satisfactory to the World Bank, which consists of different schedules setting forth rules,



methods, guidelines, standard documents and procedures for the carrying out of the Project including the following:

- (i) the Project administrative, monitoring, financial, accounting, auditing, procurement and disbursement procedures, including all relevant documents;
  - (ii) eligibility criteria for Small Grants under Part 2(b) of the Project;
  - (iii) a model Small Grant Agreement;
  - (iv) a detailed selection criteria of the Participating WUAs;
  - (v) the detailed description of all Project activities supported under this Agreement, their sequencing and the prospective timetable and benchmarks in relation thereto;
  - (vi) other Project related administrative arrangements; and
  - (vii) the Terms of Reference for PIU staff.
- (b) Except as the World Bank shall otherwise agree in writing, the Recipient shall not assign, amend, abrogate, waive or fail to enforce the PIM. In case of any inconsistency between the provisions of the PIM and those of this Agreement, the provisions of this Agreement shall prevail.

**C. Small Grants**

1. Upon selection of a Participating WUAs and approval of the corresponding Agriculture Development Plan under Part 2 (b) of the Project, the Recipient through the PIU shall:

- (a) make a portion of the Grant available to said Participating WUAs under an agreement (Small Grant Agreement) to be entered into the between the Recipient, through the DWRLI, and said Participating WUA (consistent with the model Small Grant Agreement set forth in the PIM), on terms and conditions approved by the World Bank, which shall *inter alia* include the following:
  - (i) require the eligible WUA to:
    - A. contribute at least ten percent (10%) of the estimated costs for the implementation of the pertinent Agriculture Development Plan either in cash labor resources, goods including materials, and equipment for demonstrations;

- B. where equipment is financed with the Small Grant funds, provide a detailed plan for its operation and maintenance;
- C. implement in the Agriculture Development Plan with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the World Bank, including in accordance with the provisions of the Anti-Corruption Guidelines applicable to recipients of loan proceeds other than the Recipient and the pertinent provisions of this Agreement, as applicable to Part 2 (b) of the Project;
- D. (1) provide, promptly as needed, the resources required for the purpose; and (2) procure the goods, works and services to be financed by the Small Grant under Part 2(b) of the Project in accordance with the PIM and the provisions of this Agreement;
- E. maintain policies and procedures adequate to enable it to monitor and evaluate, in accordance with indicators acceptable to the World Bank, the progress of the activities related to the pertinent Agriculture Development Plan and the achievement of its objectives;
- F. maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the World Bank, both in a manner adequate to reflect the operations, resources and expenditures related to the implementation of the Agriculture Development Plans;
- G. at the World Bank's or the Recipient's request, have such financial statements audited by independent auditors acceptable to the World Bank, in accordance with consistently applied auditing standards acceptable to the World Bank, and promptly furnish the statements as so audited to the Recipient and the World Bank;
- H. enable the Recipient and the World Bank to inspect the activities implemented under the Agriculture Development Plans and any relevant records and documents; and

- I. prepare and furnish to the World Bank all such information as the World Bank shall reasonably request relating to the foregoing; and
  - (ii) the Recipient shall obtain rights adequate to protect its interests and those of the World Bank, including the right to suspend or terminate the right of the Participating WUA to use the proceeds of the Small Grant or obtain a refund of all or any part of the amount of the Small Grant then withdrawn, upon the Participating WUA's failure to perform any of its obligations under the Small Grant Agreement.
2. The Recipient shall, through the DWRLI, exercise its rights and carry out its obligations under each Small Grant Agreement in such a manner as to protect the interests of the Recipient and the World Bank and to accomplish the purposes of the Grant. Except as the World Bank shall otherwise agree, the Recipient shall not assign, amend, abrogate, terminate, waive or fail to enforce any Small Grant Agreement or any of its provisions.

**D. Safeguards**

1. The Recipient shall ensure that the Project is carried out in accordance with the EMP, site specific EMPs, the Guidelines for Dealing with Irrigation, Dams and Water Storage Reservoirs, the site-specific EMPs, the Resettlement Policy Framework ("RPF"), as well as with any site-specific Resettlement Action Plans (RAPs), as the case may be.
2. Except as the World Bank shall otherwise agree in writing, the Recipient shall not assign, amend, abrogate, waive or fail to enforce the EMP, site specific EMPs, the Guidelines for Dealing with Irrigation, Dams and Water Storage Reservoirs, RPFs, RAPs, site specific RAPs or any of their provision.
3. In case of a conflict between the EMP, any site specific EMPs, RPF, any site specific RAPs, Guidelines for Dealing with Irrigation, Dams and Water Storage Reservoirs and the provision of this Agreement, the provisions of his Agreement shall prevail.
4. The Recipient shall ensure that no activities are carried out in connection with the Project that may adversely change the quality or quantity of water flows to other riparians of international waterways or the tributaries of any such international waterways, as determined by the World Bank.

**E. Annual Work Plan and Budget**

1. The Recipient shall, not later than October 31 of each year during the implementation of the Project, prepare and furnish to the World Bank for its approval a work plan and budget containing all activities proposed to be included in the Project during the following calendar year, and a proposed financing plan for expenditures required for such activities, setting forth, *inter alia*: (a) the proposed amounts and sources of financing therefor; (b) any training activities that may be required under the Project, including: (i) the type of training; (ii) the purpose of the training; (iii) the personnel to be trained; (iv) the institution or individual who will conduct the training; (v) the location and duration of the training; and (vi) the cost of the training.
2. The Recipient shall afford the World Bank a reasonable opportunity to exchange views with the Recipient on each such proposed Annual Work Plan and Budget, and shall thereafter ensure that the Project is implemented during said calendar year in accordance with its the terms in a manner acceptable to the World Bank.
3. The Recipient shall not modify the approved Annual Work Plan and Budget without prior approval in writing by the World Bank.

**F. Anti-Corruption**

The Recipient, through the DWRLI, shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

**G. Donor Visibility and Visits**

1. The Recipient shall take or cause to be taken all such measures as the World Bank may reasonably request to identify publicly the Donors' support for the Project.
2. For the purposes of Section 2.09 of the Standard Conditions, the Recipient shall, upon the World Bank's request, take all measures required on its part to enable the representatives of the Donors to visit any part of the Recipient's territory for purposes related to the Project.

**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 and on the basis of the indicators acceptable to the World Bank. Each Project Report shall cover the period of one calendar semester, and shall be

furnished to the World Bank not later than one month after the end of the period covered by such report.

2. The Recipient shall prepare the Completion Report in accordance with the provisions of Section 2.06 of the Standard Conditions. The Completion Report shall be furnished to the World Bank not later than six (6) months after the Closing Date.

**B. Financial Management; Financial Reports; Audits**

1. The Recipient shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 2.07 of the Standard Conditions.
2. The Recipient shall prepare and furnish interim unaudited financial reports for the Project to the World Bank not later than forty-five (45) days after the end of each calendar quarter, covering the quarter, in form and substance satisfactory to the World Bank.
3. The Recipient shall have its Financial Statements for the Project audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions and terms of reference acceptable to the World Bank (which terms of reference shall require, *inter alia*, that the scope of the audit also includes a representative sample of Small Grants provided during the pertinent year of Project implementation) Each such audit of the Financial Statements shall cover the period of one fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the World Bank not later than six (6) months after the end of such period.

**Section III. Procurement**

**A. General**

1. **Procurement and Consultant Guidelines.** All goods, works, non-consulting services and consultants' services required for the Project and to be financed out of the proceeds of the Grant shall be procured in accordance with the requirements set forth or referred to in:
  - (a) Section I of the Procurement Guidelines in the case of goods, works and non-consulting services, and Sections I and IV of the Consultant Guidelines in the case of consultants' services; and
  - (b) the provisions of this Section III, as the same shall be elaborated in the Procurement Plan.

2. **Definitions.** The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the World Bank of particular contracts, refer to the corresponding method described in Sections II and III of the Procurement Guidelines, or Sections II, III, IV and V of the Consultant Guidelines, as the case may be.
- B. Particular Methods of Procurement of Goods, Works and Non-consulting Services**
1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods, works and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.
  2. **Other Methods of Procurement of Goods and Non-consulting Services.** The following methods, other than International Competitive Bidding, may be used for procurement of goods, works and non-consulting services for those contracts specified in the Procurement Plan: (a) National Competitive Bidding, subject to the additional provisions set forth in the Annex to this Schedule 2; (b) Shopping; (c) Direct Contracting; (d) Procurement from UNICEF; and (e) Community Participation Procedures which have been found acceptable to the World Bank.
- C. Particular Methods of Procurement of Consultants' Services**
1. **Quality- and Cost-based Selection.** Except as otherwise provided in paragraph 2 below, consultants' services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.
  2. **Other Methods of Procurement of Consultants' Services.** The following methods, other than Quality- and Cost-based Selection, may be used for procurement of consultants' services for those assignments which are specified in the Procurement Plan: (a) Quality-based Selection; (b) Selection under a Fixed Budget; (c) Least-Cost Selection; (d) Selection based on Consultants' Qualifications; (e) Single-source Selection of consulting firms; (f) Selection of UNICEF; (g) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultants Guidelines for the Selection of Individual Consultants and (h) Single-source procedures for the Selection of Individual Consultants.
- D. Review by the World Bank of Procurement Decisions**  
The Procurement Plan shall set forth those contracts which shall be subject to the World Bank's Prior Review. All other contracts shall be subject to Post Review by the World Bank.

**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 “World Bank Disbursement Guidelines for Projects” dated May 2006, as revised from time to time by the World Bank and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.
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:

<b>Category</b>	<b>Amount of the Grant Allocated (expressed in USD)</b>	<b>Percentage of Expenditures to be Financed (inclusive of Taxes)</b>
Works, goods, Training, Operating Costs, consultants' services, non-consultant services and Small Grants	38,000,000	100%
<b>TOTAL AMOUNT</b>	<u>38,000,000</u>	

**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 date of this Agreement.
2. The Closing Date referred to in Section 3.06(c) of the Standard Conditions is June 30, 2022.

**Section V. Other Undertakings**

**Accounting System Installation**

Within thirty (30) days from the Effective Date, the Recipient, shall install an automated accounting system acceptable to the World Bank, with capacity to, *inter alia*, generate IFRs, statement of expenditures and annual financial statements, in a manner acceptable to the World Bank.



## ANNEX TO SCHEDULE 2

### Modifications to National Competitive Bidding (NCB) Procedures

The procedure to be followed for National Competitive Bidding shall be the “Single-Stage Bidding” method set forth in the Public Procurement Law of the Recipient dated April 3, 2015 № 72 (the “PPL”) provided, however, that such procedure shall be subject to the provisions of Section I and Paragraphs 3.3 and 3.4 of the “Guidelines for Procurement of Goods, Works, and Non-Consulting Services under IBRD Loans and IDA Credits & Grants by World Bank Borrowers” (January 2011, revised July 2014) (the “Procurement Guidelines”) and the following additional provisions:

1. Procuring entities shall use the appropriate standard bidding documents, including forms of contract acceptable to the Association, which shall be prepared so as to ensure economy, efficiency, transparency and broad consistency with the provisions of Section I of the Procurement Guidelines.
2. The eligibility of bidders shall be as defined under Section I of the Procurement Guidelines; accordingly, no bidder or potential bidder shall be declared ineligible for contracts financed by the Association for reasons other than those provided in Section I of the Procurement Guidelines.
3. No restrictions in respect of eligibility to participate in bidding for contracts shall be placed on the basis of nationality of the bidder and/or the origin of goods other than those imposed by primary boycotts.
4. Foreign bidders shall be allowed to participate in National Competitive Bidding procedures without restrictions of any kind.
5. No preference of any kind shall be applied for domestic bidders and/or for domestically manufactured goods.
6. Bidding shall not be restricted to pre-registered firms, and foreign bidders shall not be required to be registered with local authorities as a prerequisite for submitting bids.
7. Foreign firms shall not be required to associate with a local partner in order to bid as a joint venture, and joint venture partners shall be jointly and severally liable for their obligations.
8. Government-owned enterprises in the Recipient’s territory shall be eligible to participate in bidding only if they can establish that they are legally and financially autonomous, operate under commercial law, and are not dependent agencies of the Borrower or Sub-Borrower. Such enterprises shall be subject to the same bid and performance security requirements as other bidders.

9. Prequalification procedures acceptable to the Association shall be used for large, complex and/or specialized projects.
10. Bidders shall be given at least thirty (30) days from the date of the invitation to bid or the date of availability of bidding documents, whichever is later, to prepare and submit bids.
11. Bids shall be submitted in a single-envelope.
12. An extension of bid validity, if justified by exceptional circumstances, may be requested in writing from all bidders before the expiration date and for a minimum period required to complete the evaluation or award a contract, but not to exceed thirty (30) days. No further extensions shall be requested without the prior concurrence of the Association.
13. Bids shall be opened in public, immediately after the deadline for their submission in accordance with procedures stated in the bidding documents. No bids should be rejected at bid opening unless they are late.
14. Evaluation of bids shall be made in strict adherence to the quantifiable criteria declared in the bidding documents. Qualification criteria for bid evaluation shall be applied on a pass or fail basis. Evaluation criteria other than price shall be quantified in monetary terms.
15. Bids that are not substantially responsive to the technical specifications, contract conditions, or other critical requirements in the bidding documents shall be rejected.
16. Bid evaluations shall be confidential, and bidding committee meetings shall not be open to bidders and/or their representatives.
17. Post-qualification criteria shall only pertain to past contract performance, financial and technical capabilities of bidders.
18. Contracts shall be awarded to the bidder who submits the lowest-evaluated, substantially-responsive bid, and who is determined to be qualified to perform the contract in accordance with pre-defined and pre-disclosed evaluation criteria. No negotiation as to the price or substance of the bid shall take place.
19. If the procuring entity fails to conclude a contract with the lowest evaluated bidder, a contract may be awarded to the qualified bidder who is next ranked and whose bid is found substantially responsive.

20. All bids (or the sole bid if only one bid is received) shall not be rejected, the procurement process shall not be cancelled, and new bids shall not be solicited without the Association's prior concurrence.
21. Bidders shall be given at least twenty-eight (28) days from the receipt of notification of contract award to submit performance securities.
22. Each bidding document and contract financed out of the proceeds of the Financing shall include provisions stating the Association's policy to sanction firms or individuals, found to have engaged in fraud and/or corruption as defined in the paragraph 1.16(a) of the Procurement Guidelines. The Association will sanction a firm or an individual, at any time, in accordance with prevailing Association sanctions procedures, including by publicly declaring such firm or individual ineligible, either indefinitely or for a stated period of time: (i) to be awarded an Association-financed contract; and (ii) to be a nominated sub-contractor, consultant, supplier, or service provider of an otherwise eligible firm being awarded an Association-financed contract.
23. In accordance with the paragraph 1.16(e) of the Procurement Guidelines, each bidding document and contract financed out of the proceeds of the Financing shall provide that bidders, suppliers and contractors, and their subcontractors, agents, personnel, consultants, service providers, or suppliers, shall permit the Association to inspect all accounts, records, and other documents relating to the submission of bids and contract performance, and to have them audited by auditors appointed by the Association. Acts intended to materially impede the exercise of the Association's inspection and audit rights provided for in the Procurement Guidelines constitute an obstructive practice as defined in the Procurement Guidelines.
24. Complaints related to the procurement process shall be handled in accordance with the provisions of the Procurement Guidelines.

## APPENDIX

### Definitions

1. "Agricultural Development Plan" means any given plan developed by a Participating WUA which defines on- and off- farm constrains in crop and livestock production and marketing; and includes measures for addressing them, as said plan may be amended from time to time with the agreement from the World Bank.
2. "Annual Work Plan and Budget" means any work plan and budget prepared by the Recipient on annual basis and approved by the World Bank in accordance with Section E (1) of Schedule 2 to this Agreement; and "Annual Work Plans and Budgets" means more than one Annual Work Plan and Budget.
3. "Anti-Corruption Guidelines" means 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.
4. "Category" means a category set forth in the table in Section IV of Schedule 2 to this Agreement."
5. "Consultant Guidelines" means the "Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated January 2011 (revised July 2014).
6. "Displaced Person" means a person who, on account of the execution of the Project, has experienced or would experience direct economic and social impacts caused by: (i) the involuntary taking of land, resulting in: (A) relocation or loss of shelter; (B) loss of assets or access to assets; or (C) loss of income sources or means of livelihood, whether or not such person must move to another location; or (ii) the involuntary restriction to access to legally designated parks and protected areas, resulting in adverse impacts on the livelihood of such person, and "Displaced Persons" means, collectively, the plural thereof.
7. "DWRLI" means the Department of Water Resources and Land Improvement within MoALI (as hereinafter defined), or its legal successor thereto.
8. "Environmental Management Plan" or "EMP" means the environmental management plan prepared by the Recipient, for the Project dated February 20 2015, acceptable to the World Bank, setting forth, *inter alia*, the modalities and guidelines/procedures for site-specific environmental screening and preparation of site-specific EMPs, the set of mitigation, monitoring, and institutional measures and procedures required under the Project, in order to eliminate adverse

environmental impacts, offset them, or reduce them to acceptable levels, as well as actions needed to implement said measures, as the same may be amended from time to time with the agreement of the World Bank.

9. "FAO" means Food and Agriculture Organization established by the General Assembly of the United Nations, or its legal successor thereto.
10. "Food Security Council" means an advisory body established by the Recipient pursuant to Resolution No. 454 of October 8, 2007; to assist in prompt decision making on provision of reliable and continuous food supply and improving the quality of nutrition in the Recipient's territory; or its legal successor thereto.
11. "FWUAs" or Federation of Water Users Association means as association of WUAs established pursuant to the Recipient's Water User Association Law No. 38, dated March 27, 2002, as amended to the date of this Agreement.
12. "Guidelines for Dealing with Irrigation, Dams and Water Storage Reservoirs" means the guidelines set forth in Annex C of the EMP, acceptable to the World Bank to guide implementation of activities in connection with irrigation, dams and water storage reservoirs, as the same may be amended from time to time with the agreement of the World Bank.
13. "MoALI" means the Recipient's Ministry of Agriculture and Land Improvement, or its legal successor thereto.
14. "MoF" means the Recipient's Ministry of Finance, or its legal successor thereto.
15. "MoH" means the Recipient's Ministry of Health, or its legal successor thereto.
16. "Operating Costs" means: (a) the incremental expenses incurred by the PIU on account of Project implementation, management and monitoring, including operation and maintenance of vehicles, office equipment operation and supplies, communication costs, support for information systems, translation costs, bank charges, travel and *per diem* costs and other reasonable expenditures directly associated with the implementation of the Project activities; (b) the incremental expenses incurred by the WUA support units for vehicle operation and maintenance, office administration costs, and other reasonable expenditures directly associated with the carrying out of the Project; and (c) the incremental expenses incurred by the FSC to carry out its responsibilities all based on the pertinent Annual Work Plan and Budget acceptable to the World Bank (excluding consultants' services and salaries of officials of the Recipient's civil service) and Social Charges, all based on an annual budget acceptable to the Association.
17. "Participating WUAs" means any WUA which has been selected in accordance with the criteria set forth the in the PIM to receive a Small Grant.

18. "Procurement Guidelines" means the "Guidelines: Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated January 2011 (revised July 2014).
19. "Procurement Plan" means the Recipient's procurement plan for the Project, dated October 6, 2015 and referred to in paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.
20. "Project Implementation Manual" or "PIM" means the manual to be prepared and adopted by the Recipient, in a manner satisfactory to the World Bank and referred to in Section I.B.1 (a) of Schedule 2 to this Agreement, as the same may be amended from time to time with the World Bank's prior written concurrence.
21. "Project Implementation Unit" or "PIU" means the coordination unit within DWRLI, (as herein defined) and referred to in Section I.A.1 (a) of Schedule 2 to this Agreement.
22. "Resettlement Action Plan" means any site-specific resettlement action plan to be prepared by the Recipient and containing, inter alia, a program of actions, measures and policies for resettlement compensation of Displaced Persons, including budget and cost estimates, and sources of funding, together with adequate institutional, monitoring and reporting arrangements capable of ensuring proper implementation of, and regular feedback on compliance each plan.
23. "Resettlement Policy Framework" or "RPF" means the framework dated February 28, 2015, prepared and adopted by the Recipient and acceptable to the World Bank, said framework setting out the policies and procedures for the acquisition of land and other assets, resettlement compensation, resettlement and rehabilitation of Displaced Persons, as the case may be, and for the preparation of site-specific RAPs as may be required for Project activities, as said framework may be revised from time to time with the prior written concurrence of the World Bank; and such term includes all schedules and agreements supplemental to said framework.
24. "Site-specific EMP" means the site-specific environmental management plans, to be prepared by the Recipient and acceptable to the World Bank, setting out details of the specific actions, measures and policies designed to facilitate the achievement of the objective of the EMP, the mitigating, monitoring and institutional measures to be taken during the implementation and operation of the Project to offset or reduce adverse environmental impacts to levels acceptable to the World Bank, including the budget and cost estimates, and sources of funding, along with the institutional and procedural measures needed to implement such actions, measures and policies.

25. "Small Grant " means a grant made or proposed to be made out of the proceeds of the Grant to a Participating WUA to finance works, goods, non-consulting services and consultants' services under the pertinent Agriculture Development Plan.
26. "Social Charges" means any payments, *premia*, or contributions for health benefits, unemployment benefits, disability insurance, workers' compensation benefits, retirement (pension or social security) benefits, and life insurance, which constitute payment for the drawdown of future benefits to the staff concerned.
27. "Standard Conditions" means the Standard Conditions for Grants Made by the World Bank Out of Various Funds, dated February 15, 2012.
28. "Training" means expenditures (other than for consultants' services), incurred during the implementation of the Project, based on periodic budgets acceptable to the World Bank, for: (i) reasonable travel, room, board and *per diem* expenditures incurred by trainers and trainees in connection with their training; (ii) course fees; (iii) training/workshop facility and equipment rentals; and (iv) training material preparation, acquisition, reproduction and distribution expenses not otherwise covered under this paragraph.
29. "UNICEF" means the United Nations Children Fund established by the General Assembly of the United Nations by Resolution No. 57(I) of the 11th December 1946 as a subsidiary organ of the United Nations.
30. "WFP" means the World Food Program established by the General Assembly of the United Nations or its legal successor thereto.
31. "WUA Support Unit" means any of the units established by MoALI pursuant to decree No164 dated June 2, 2008 or its legal successor thereto.
32. "WUA" means Water Users Association established pursuant to the Recipient's Water User Association Law No. 38 dated March 27, 2002, as amended to the date of this Agreement.