

**OFFICIAL  
DOCUMENTS**

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SMPF TF GRANT NUMBER TF0A2810

**Somalia Multi Partner Fund  
Grant Agreement**  
(Civil Service Strengthening Project)

between

**GOVERNMENT OF SOMALILAND**

and

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

Dated 29 July , 2016

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**SMPF TF GRANT NUMBER TF0A2810**

**SOMALIA MULTI-PARTNER FUND  
GRANT AGREEMENT**

AGREEMENT dated 29 JULY, 2016, entered into between the GOVERNMENT OF SOMALILAND (“Recipient”); and INTERNATIONAL DEVELOPMENT ASSOCIATION (“World Bank”), acting as administrator of the Somalia Multi- Partner Fund (“SMPF”).

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”), 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 objectives of the project described in Schedule 1 to this Agreement (“Project”). To this end, the Recipient shall carry out the Project through the Civil Service Commission 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 two million five hundred thousand United States Dollars (\$2,500,000) (“Grant”), as a first installment 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 SMPF 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**  
**Effectiveness; Termination**

- 4.01. This Agreement shall not become effective until evidence satisfactory to the World Bank has been furnished to the World Bank that the following conditions have been satisfied:
- (a) the Recipient has established the Project Coordination Unit (PCU) and has engaged to said PCU, a project coordinator, a financial management specialist, and a procurement specialist, all in accordance with the provisions of Section III.C of Schedule 2 to this Agreement; and
  - (b) the Recipient has prepared and adopted, a Project Implementation Manual, in form and substance satisfactory to the World Bank.
- 4.02. Except as the Recipient and the World Bank shall otherwise agree, the date on which this Agreement shall enter into effect (Effective Date) shall be the date upon which the World Bank dispatches to the Recipient notice of its acceptance of the evidence required pursuant to Section 4.01 of this Agreement. 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 has ceased to exist.
- 4.03. This Agreement and all obligations of the parties under it shall terminate if it has not entered into effect by the date ninety (90) 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 V**  
**Recipient's Representative; Addresses**

- 5.01. The Recipient's Representative referred to in Section 7.02 of the Standard Conditions is its minister for finance.

5.02. The Recipient's Address referred to in Section 7.01 of the Standard Conditions is:

Ministry of Finance  
Ministry of Finance Headquarters  
Hargeisa, Somaliland

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


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

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

AGREED at Nairobi, Kenya, as of the  
day and year first above written.

GOVERNMENT OF SOMALILAND

By

  
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Authorized Representative

Name: SAAD A. SHIRE

Title: MINISTER OF FOREIGN AFFAIRS

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

By

  
\_\_\_\_\_

Authorized Representative

Name: HUGH RIDDELL

Title: COUNTRY REPRESENTATIVE

## **SCHEDULE 1 Project Description**

The objective of the Project is to strengthen basic functions for payroll, human resources and policy management in selected central agencies and line ministries.

The Project consists of the following parts:

### Part A: Strengthening the Policies, Procedures and Systems for Civil Service Management

Strengthening foundations for management of the Recipient's workforce and reduction of development risks, in particular:

1. Maintaining a clean and accurate civil service payroll and introduction of personnel files, including: (a) conducting a civil service census and payroll audit; (b) strengthening payroll processing and payroll controls; (c) introducing personnel files in the ministries, departments and agencies (MDAs); and (d) strengthening the CSC to manage human resource data and payroll changes more effectively.
2. Establishing and strengthening CSC's central civil service management functions, including: (a) review, and as required amend the relevant civil service legislation, and update relevant regulations for civil service management; (b) developing a set of improved human resource policies and business processes; (c) developing options for a revised pay and grading structure for managerial and professional groups within the civil service; (d) strengthening CSC's capacity in functional areas relating to establishment control, human resource management, pay/salary administration and job analysis, and grading.
3. Developing tailored solutions for retiring civil servants, including, designing a viable severance policy and interim pension arrangements for existing employees who are near or above the retirement age.

### Part B: Strengthening Core Capacity of Targeted Ministries

Improving core human resource and policy functions in two central and two sector MDAs on a pilot basis, in particular:

1. Establishing and/or strengthening of departments responsible for human resources and the policy and planning in selected MDAs, including: (a) carrying out an organizational diagnostic to identify priority problems and critical organizational changes; (b) implementing an action plan on organizational and staffing changes; and (c) strengthening the capacity of a central organization development team in the Civil Service Institute (CSI).

2. Designing and implementing a civil service talent management program, including: (a) designing the talent and management program; and (b) implementing the talent management program, and developing capacity to manage said program in the CSC.
3. Designing and delivering relevant and practical training, including: (a) establishing a partnership arrangement with a regional and/or international public service training institution or provider; (b) conducting coaching and mentoring programs for common functions units in the MDAs; and (c) strengthening CSI's capacity to manage and deliver civil service training.

Part C: Strengthening Policy Management Capabilities at the Center of Government

1. Building basic processes and standards for policy management and monitoring at the center of the government, in particular; strengthening the capacity of the Ministry of Presidency (MoP) for policy planning and development, including: (a) developing basic standards and procedures for policy development; and (b) improving capacity within the MoP for reviewing policy proposals and tracking progress of critical government priorities.

Part D: Management and Support Delivery

Strengthening the capacity for management, coordination, and monitoring and evaluation of the Project, in particular:

1. Strengthening the capacity for Project management and monitoring and evaluation, including: (a) developing PCU as a central coordination unit, and building the capacity of said PCU for coordination, communication, management, implementation, supervision and monitoring and evaluation of Project activities; (b) hiring an independent monitoring and evaluation consultant, and independent verification of disbursement-linked indicators (DLIs); and (c) conducting a retreat or a workshop designed to facilitate trust and consensus building, and piloting result-based strategic planning and delivery approaches.

**SCHEDULE 2**  
**Project Execution**

**Section I. Institutional and Other Arrangements**

**A. Institutional Arrangements**

1. *Civil Service Commission and Civil Service Institute*

The Civil Service Commission, and the Civil Service Institute, respectively shall be responsible for overall coordination and implementation, and monitoring and evaluation of the Project.

2. *Project Coordination Unit*

(a) The Recipient shall maintain throughout Project implementation, the Project Coordination Unit with institutional framework, terms of reference and staffing satisfactory to the World Bank, and with resources adequate to perform its functions under the Project; and (b) with the prior agreement of the World Bank, engage to the PCU such staff as may be necessary for the proper implementation of the Project; all said staff with qualifications, experience, and terms of reference satisfactory to the World Bank.

(b) Without limitation to the provision of Section I.A.2(a) immediately above, the PCU shall be responsible for, *inter alia*: (a) day-to-day administration of the Project; (b) fiduciary (*i.e.*, procurement, disbursement and financial management) aspects under the Project; and (c) overall planning, coordination, monitoring, evaluation, reporting and communication of the activities under the Project.

3. *Public Service Reform Steering Committee*

(a) The Recipient shall maintain throughout project implementation, the PSRSC with terms of reference satisfactory to the World Bank and with adequate resources to carry out its functions.

(b) Without limitation to the provisions of Section I.A.3(a) immediately above, the PSRSC shall be responsible for providing overall policy and strategic guidance over the Project.

**B. Implementation Arrangements**

1. *Project Implementation Manual*

(a) The Recipient shall carry out the Project in accordance with the provisions of a manual satisfactory to the World Bank ("Project Implementation



Manual”), containing detailed guidelines and procedures for the implementation of the Project, including the following: (i) institutional coordination and day-to-day execution of the Project; (ii) Project budgeting, disbursement, eligible activities, respective DLIs and corresponding Targets, and verification mechanism; (iii) financial management, administrative and accounting procedures, and corruption and fraud mitigation measures; (iv) procurement; (v) monitoring, evaluation, reporting and communication of Project activities; and (vi) such other administrative, financial, technical, and organizational arrangements and procedures as shall be required for the Project.

- (b) Except as the World Bank shall otherwise agree in writing, not amend or waive, or permit to be amended or waived any provision of the Project Implementation Manual, and in case of a conflict between the provisions of the Project Implementation Manual and this Agreement, the provision of this Agreement shall prevail.

2. *Annual Work Plan and Budget*

- (a) The Recipient shall, not later than October 31 of each year prepare and furnish to the World 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.
- (b) The Recipient shall exchange views with the World 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 World Bank, as such plan may be subsequently revised during such following Fiscal Year with the prior written agreement of the World Bank (Agreed Annual Work Plan and Budget).

**C. External Controls**

**1. Independent Verification**

- (a) The Recipient shall, by no later than thirty (30) days after the Effective Date, appoint external monitoring and evaluation experts (“Independent Verifiers”), acceptable to the World Bank, to act as third-party verifiers of the proper fulfillment of the DLIs set forth in Schedule 3 to this Agreement.
- (b) The Recipient shall cause the Independent Verifiers to carry out, prior to each Withdrawal, an assessment of the level of fulfillment of DLIs set forth in Schedule 3 to this Agreement, and provide to the Recipient and the World Bank, an EEP Spending Report containing, *inter alia*, said

assessment on the fulfillment of the DLIs and a proposal for disbursement under each Withdrawal.

**2. EEP Spending Reports**

- (a) The Recipient shall cause the Independent Verifiers to furnish to the World Bank every six (6) calendar months, starting six (6) months after the Effective Date, regular reports (“EEP Spending Reports”) prepared in accordance with the provisions of the Project Implementation Manual.
- (b) The EEPs shall comply with the eligibility criteria and procedures set forth in the Project Implementation Manual.
- (c) If, at any time, the World Bank determines that any portion of the financing under the Project: (i) was used for items improperly procured in violation of Section III of this Schedule; (ii) was not used for Eligible Expenditures; or, (iii) in case of the EEPs under Part B.2 of the Project, was not supported by evidence of actual spending by the Recipient under said EEPs and/or by evidence of satisfaction of other criteria set forth in this Agreement or in the Project Implementation Manual, the Recipient shall refund any such portion to the World Bank as the World Bank shall specify by notice to the Recipient.
- (d) The Recipient shall not later than January 31 of each year during the implementation of the Project, furnish to the World Bank information regarding the approved EEP budget codes for the Project.

**D. Anti-Corruption**

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

**E. Donor Visibility and Visit**

- 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 and set out in the Project Implementation Manual. Each Project Report shall cover the period of one quarter and shall be furnished to the World Bank not later than forty-five (45) days 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. Documents; Records**

1. 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 World 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 World 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.

**C. Financial Management; Financial Reports; Audits**

1. The Recipient shall maintain a financial management system in accordance with the provisions of Section 2.07 of the Standard Conditions.
2. Without limitation on the provisions of Part A of this Section, the Recipient shall prepare and furnish to the World Bank not later than forty-five (45) days after the

end of each calendar quarter, interim unaudited financial reports for the Project 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. 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, 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 Procurement Guidelines in the case of goods 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 prepared and updated from time to time by the Recipient for the Project in accordance with paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines ("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 and Non-consulting Services**

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods, 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 table specifies the methods of procurement which may be used for goods and non-consulting services. The Procurement Plan shall specify the circumstances under which such methods may be used:

<b>Procurement Method</b>
(a) Limited International Bidding
(b) National Competitive Bidding <i>(subject to the additional provisions set out in paragraph 3 below)</i>
(c) Shopping
(d) Direct Contracting
(e) Procurement under Framework Agreements in accordance with procedures which have been found acceptable to the World Bank
(f) Procurement from UNOPS

**3. Additional Provisions relating National Competitive Bidding**

National Competitive Bidding (NCB) shall follow the Recipient's procurement procedures acceptable to the World Bank, provided that the principles of economy, efficiency, transparency, and fair competition are adhered to, and subject to the following additional procedures:

Participation in Bidding:

- (a) Government-owned enterprises 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 a dependent agency of the Government.
- (b) Foreign bidders shall be eligible to participate under the same conditions as local bidders. In particular, no preference over foreign bidders shall be granted to local bidders in bid evaluation.

Advertising: Time for Bid Preparation

- (c) Invitations to bid shall be advertised in a newspaper of wide circulation, and prospective bidders shall be allowed a minimum of thirty (30) days between the date on which the notification appears for the first time and the deadline for bid submission. In appropriate cases and with the prior approval of the World Bank, the minimum period of thirty (30) days may be reduced to a minimum period of ten (10) days.

#### Standard Bidding Documents

- (d) Until standard bidding documents acceptable to the World Bank have been introduced by the Recipient, customized version of World Bank's standard bidding documents may be used with the World Bank's prior approval. In accordance with paragraph 1.16(e) of the Procurement Guidelines, each bidding document and contract financed out of the proceeds of the Grant shall provide that: (i) The bidders, suppliers and contractors, and their sub-contractors, agents, personnel, consultants, service providers, or suppliers shall permit the World Bank, at its request, to inspect their accounts and records relating to the bid submission and performance of the contract and to have said accounts and records audited by auditors appointed by the World Bank; and (ii) the deliberate and material violation by the consultant, bidder, supplier, contractor or subcontractor of such provision may amount to an obstructive practice as defined in paragraph 1.16(a)(v) of the Procurement Guidelines.

#### Qualification and Evaluation Criteria

- (e) Qualification criteria shall be clearly specified in the bidding documents, and all criteria so specified, and only criteria so specified, shall be used to determine whether a bidder is qualified. Bids of bidders not meeting such criteria shall be rejected as non-qualified. The fact that a bidder meets or surpasses the specified qualification criteria shall not be taken into account in the evaluation of such bidder's bid.
- (f) Evaluation criteria shall be clearly specified in the bidding documents, and all evaluation criteria other than price shall be quantified in monetary terms. All evaluation criteria so specified, and only criteria so specified, shall be used in bid evaluation. Merit points shall not be used in bid evaluation.

#### Bid submission

- (g) Bids shall be submitted in sealed envelopes and shall be accepted whether through post/courier or hand-carried.

#### Bid Opening

- (h) Bids shall be opened in the presence of bidders who wish to attend, and immediately after the deadline for bid submission. Said deadline, and the place of bid opening, shall be announced in the invitation to bid. The name of each bidder, and the amount of his bid, shall be read aloud and recorded when opened in the minutes of bid opening. The minutes of bid opening shall be signed by the members of the bid opening committee immediately after bid opening.
- (i) Bids received after the deadline for bid submission shall be returned to the bidders

unopened.

Bid Evaluation and Award of Contracts

- (j) A bid containing material deviations from or reservations to the terms, conditions and specifications of the bidding documents shall be rejected as not substantially responsive. A bidder shall not be permitted to withdraw material deviations or reservations once bids have been opened.
- (k) The bid evaluation shall be carried out in strict adherence to the criteria specified in the bidding documents, and the contract shall be awarded to the qualified bidder offering the lowest evaluated and substantially responsive bid.
- (l) A bidder shall not be required, as a condition for award, to undertake obligations not specified in the bidding documents or otherwise to modify his bid as originally submitted.
- (m) There shall be no post-bidding negotiations with the lowest or any other bidder.

Publication of Contract Award

- (n) Within two weeks of the award decision of the contract, the contract award is published in a newspaper of wide national circulation and/or in the official gazette provided that it is of wide circulation, or on a widely used website or electronic portal with free national and international access. Publications shall include the bid, lot numbers, and the following information: (a) the name of each bidder that submitted a bid; (b) bid prices as read out at bid opening; (c) evaluated prices of each bid that was evaluated; (d) the names of bidders whose bids were either rejected as nonresponsive or not meeting qualification criteria, or not evaluated, with the reasons thereof; and (e) the name of the winning bidder, the final total contract price, as well as the duration and summary scope of the contract.

**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.
- 3. **Other Methods of Procurement of Consultants' Services.** The following table specifies the methods of procurement which may be used for procurement of consultants' services for those assignments which are specified in the Procurement Plan:

<b>Procurement Method</b>
(a) Least Cost Selection
(b) Selection under a Fixed Budget
(c) Selection based on Consultants' Qualifications
(d) Single-source Selection of consulting firms
(e) Selection of consultants under Indefinite Delivery Contract or Price Agreement
(f) Selection of Individual Consultants
(g) 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.

**E. Document Retention**

Notwithstanding the provisions of paragraphs 2(j) and 5 of Appendix 1 to the Procurement Guidelines, and paragraphs 2(k) and 5 of Appendix 1 to the Consultant Guidelines, the Recipient: (i) shall retain all documentation with respect to each contract as described in said paragraphs for at least seven years and six months after the Closing Date set forth in Section IV.B.2 of this Schedule; (ii) shall furnish such documentation to the World Bank at any time upon request; and (iii) hereby authorizes the World Bank to disclose such documentation to the Donors.

**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>
(1) Goods, non-consulting services, and consultants’ services under Part A of the Project	1,000,000	100%
(2) Eligible Expenditure Program under Part B.2 of the Project: (a) First scheduled disbursement (on or about November 30, 2016, or on the Effective Date, if said date is later than November 30, 2016) (b) Second Scheduled disbursement (on or about June 30, 2017)	150,000	100% of DLI values for FY 2016 100% of DLI values for FY 2017
(3) Goods, non-consulting services, and consultants’ services under Part B.1 and B.3 of the Project	400,000	100%
(4) Goods, non-consulting services, and consultants’ services under Part C of the Project	-	-
(5) Goods, non-consulting services, and consultants’ services under Part D of the Project	950,000	100%
<b>TOTAL AMOUNT</b>	<b>2,500,000</b>	

**B. Withdrawal Conditions; Withdrawal Period**

1. Notwithstanding the provisions of Part A of this Section no withdrawal shall be made:
  - (a) for payments made prior to the date of this Agreement; or
  - (b) under Category (2), unless the Recipient has:
    - (i) in respect of Category (2)(a) submitted, in form and substance satisfactory to the World Bank, the applicable EEP Spending Report referred to in Section I.C.1(b) of this Schedule, detailing the expenditures incurred under the EEP from the date of this Agreement up to and including the date six (6) months after the Effective Date; and
    - (ii) by no later than November 15, 2016, furnished evidence satisfactory to the World Bank of the achievement of all year 1 DLIs for FY 2016, which actions are set forth in the table in Schedule 3 to this Agreement (“DLI Table”);
    - (iii) in respect of Category 2(b) submitted, in form and substance satisfactory to the World Bank, the applicable EEP Spending Report referred to Section I.C.1(b) of this Schedule detailing the expenditures incurred under the EEP: up to May 31, 2017, or the date of the respective WA, whichever is later; and
    - (iv) by no later than June 15, 2017, for Category 2(b), furnished evidence satisfactory to the World Bank of the achievement of the respective DLIs for the actions to be achieved in the respective FY, which actions are set forth in the DLI Table.
2. The Closing Date referred to in Section 3.06(c) of the Standard Conditions is June 30, 2021.

**SCHEDULE 3  
Disbursement Linked Indicators (DLIs)**

<b>DLI Actions to be Completed</b>	<b>Targets</b>	<b>Amount of the Financing Allocated per DLI (expressed in US\$)</b>
<b>DLI 1.1:</b> Share of civil servants with verified and completed personnel records in central human resources personnel database of satisfactory quality	<b>FY 2017</b> <b>Target:</b> about 50% in FY 2017	-
<b>DLI 2:</b> Payroll annual audits to identify control weaknesses and ghost workers		
<b>DLI 2.1:</b> Number of improved human resource procedures approved by the Public Service Reform Steering Committee (PSRSC) and submitted to the Cabinet	<b>FY 2017</b> <b>Target 2.1:</b> Two (2) procedures completed in FY 2017	-
<b>DLI 3.1:</b> Newly established or reorganized human resource units in targeted MDAs are adequately staffed	<b>FY 2017</b> <b>Target 3.1:</b> One MDA in FY 2017	
<b>DLI 4.1:</b> Talent program manual approved by the PSRSC	<b>Target 4.1:</b> Approval in FY 2016	150,000
<b>TOTAL</b>		<b>150,000</b>

**APPENDIX  
Definitions**

1. “Annual Work Plan and Budget” means a plan and budget referred to in Section I.B.2 of Schedule 2 to this Agreement.
2. “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.
3. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
4. “Civil Service Commission” or “CSC” means the Recipient’s commission responsible for the civil service.
5. “Civil Service Institute” or “CSI” means the Recipient’s institution responsible for progressive and continued learning and training of its civil servants.
6. “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).
7. “Disbursement-Linked Indicator” and the acronym “DLI” each means a set of indicators as specified in Schedule 3 to this Agreement; and “Disbursement-Linked Indicators” or “DLIs” means more than one Disbursement-Linked Indicator or DLI.
8. “EEPs” or “Eligible Expenditure Programs” means a set of defined expenditures for goods, consultants’ and non-consulting services, Training, Operating Costs, and allowances under the talent management program (TMP) made by the Ministry of Finance (MOF) under Part B.2 of the Project, as specified in Section I.C.2 of Schedule 2 to this Agreement.
9. “EEP Spending Report” means the report prepared by the Independent Verifiers in accordance with the details provided in the Project Implementation Manual and, referred to in Section I.C.2 of Schedule 2 to this Agreement, to make disbursement recommendation for each Withdrawal based on the spending status of the Eligible Expenditure Programs under Part B.2 of the Project and the compliance with the DLIs.
10. “Fiscal Year” or “FY” means the 12-month period from January 1 to December 31 provided, however, that, in the case of the first Fiscal Year of the Project (“First Fiscal Year”), the Fiscal Year period shall run from the date of this Agreement to December 31 next following.

11. “Independent Verifiers” means the independent verifiers referred to in Section I.C of Schedule 2 to this Agreement, recruited by the Recipient in order to prepare the EEP Spending Reports.
12. “MDAs” means the Recipient’s ministries, departments and agencies.
13. “Operating Costs” means the expenses incurred on account of Project implementation, based on Annual Work Plans and Budgets approved by the World Bank pursuant to Section I.B.2 of Schedule 2 to this Agreement, including office equipment and supplies, vehicle operation and maintenance, maintenance small office works and maintenance of equipment, communication, advertisement and insurance costs, office administration costs, bank charges, translation costs, utilities, rental, consumables, accommodation, travel and *per diem* of Project staff, salaries of Project staff (but excluding the salaries of the Recipient’s civil service).
14. “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).
15. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated May 26, 2016, and referred to in paragraph 1.16 of the Procurement Guidelines and paragraph 1.24 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraph.
16. “Project Implementation Manual” means the Recipient’s manual, referred to in Section I.B.1 of Schedule 2 to this Agreement, as the same may be amended from time to time with the prior written agreement of the World Bank, and such term includes any annexes or schedules to such Manual.
17. “Project Coordination Unit” or “PCU” means a unit of the Recipient within the CSC established for the implementation of this Project and referred to in Section I.A.2 of Schedule 2 to this Agreement.
18. “Public Service Reform Steering Committee” means a committee of the Recipient established for purposes of this Project, and referred to Section I.A.3 of Schedule 2 to this Agreement.
19. “Training” means the costs of training under the Project, based on the annual work plans and budgets referred to in Section I.B.2 of Schedule 2 to this Agreement as approved by the World 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.

20. "Withdrawal" means each withdrawal under Category (2) of the table in Section IV of Schedule 2 to this Agreement.
21. "Withdrawal Application" or "WA" means each application relating to Withdrawal under Category (2) of the table in Section IV of Schedule 2 to this Agreement.