GRANT NUMBER D824-SS

Financing Agreement

(South Sudan Resilient Agricultural Livelihoods Project)

between

REPUBLIC OF SOUTH SUDAN

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

FINANCING AGREEMENT

AGREEMENT dated as of the Signature Date between REPUBLIC OF SOUTH SUDAN ("Recipient") and INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association"). The Recipient and the Association hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

- 1.01. The General Conditions (as defined in the Appendix to this Agreement) apply to and form part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Agreement.

ARTICLE II — FINANCING

- 2.01. The Association agrees to extend to the Recipient a grant, which is deemed as Concessional Financing for purposes of the General Conditions, in an amount equivalent to forty-four million two hundred thousand Special Drawing Rights (SDR 44,200,000) ("Financing"), to assist in financing the project described in Schedule 1 to this Agreement ("Project").
- 2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section III of Schedule 2 to this Agreement.
- 2.03. The Maximum Commitment Charge Rate is one-half of one percent (1/2 of 1%) per annum on the Unwithdrawn Financing Balance.
- 2.04. The Payment Dates are January 15 and July 15 in each year.
- 2.05. The Payment Currency is Dollar.

ARTICLE III — PROJECT

3.01. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient, through Ministry of Agriculture and Food Security, shall carry out the Project in accordance with the provisions of Article V of the General Conditions and Schedule 2 to this Agreement.

ARTICLE IV — EFFECTIVENESS; TERMINATION

4.01. The Additional Conditions of Effectiveness consist of the following, namely that the Project Implementation Manual, prepared in accordance with provisions in

- Section I.B.1 of Schedule 2 to this Agreement has been deemed satisfactory by the Association and has been adopted by the Recipient.
- 4.02. The Effectiveness Deadline is the date sixty (60) days after the Signature Date.
- 4.03. For purposes of Section 10.05(b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty years after the Signature Date.

ARTICLE V — REPRESENTATIVE; ADDRESSES

- 5.01. The Recipient's Representative is its Minister of Finance and Planning.
- 5.02. For purposes of Section 11.01 of the General Conditions:
 - (a) the Recipient's address is:

Ministry of Finance and Planning P.O. Box 80, Juba Republic of South Sudan; and

(b) the Recipient's Electronic Address is:

E-mail:

aathian@gmail.com

- 5.03. For purposes of Section 11.01 of the General Conditions:
 - (a) The Association's address is:

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

(b) the Association's Electronic Address is:

Telex: Facsimile:

248423 (MCI) 1-202-477-6391

AGREED as of the Signature Date.

REPUBLIC OF SO	OUTH SUDAN				
By:					
-	Hon. Uthian Ding Uthian Authorized Representative				
	Name:				
	Title:Minister of Finance and Planning				
	Date:01-Aug-2021				
INTERNATIONAL DEVELOPMENT ASSOCIATION By:					
	Ousmane Dione				
-	Authorized Representative				
	Name:				
	Title:Country Director				
	Date:				

SCHEDULE 1

Project Description

The objective of the Project is to strengthen capacity of farmers and their organizations and improve agricultural production.

The Project consists of the following parts:

Part 1: Capacity Building in Good Agricultural Practices

Carry out a program of activities to mobilize and build the capacity of targeted farmers and extension services to improve the adoption of climate-smart agriculture for improving agricultural production and enhancing adaptive capacity to climate risks, including the following:

1. Formation and Strengthening of Farmer Organizations

- (a) Provide support for: (i) the formation of new, and strengthening of existing, farmers organizations ("FOs") at the *Payam* and *Boma* levels to enable farmers to harness the multi-fold benefits of group activity, including increased access to inputs, knowledge and skills, modern technologies, extension services, farm labor and value addition for climate and weather variability adaption; and (ii) well-established FOs at the village-level and FOs that become viable under the Project, to be registered as cooperatives, including provision of technical assistance and training.
- (b) Provide support for inclusion and proactive participation of women and youth in FOs, including carrying out an assessment of the gender division of labour and gendered benefits on a farm, including provision of technical assistance and skills enhancement training.
- (c) Provide support for promotion of effective functioning of the FOs, including construction and equipping of *Boma*-level infrastructure (such as farmer organization centers) to ensure meaningful participation of all farmer households through its community engagement framework.

2. Improving Farming Knowledge and Skills

(a) Provision of technical assistance and training to increase the knowledge and skills of farmers, extension staff, and agriculture officials in well-tested and proven agricultural practices, including climate smart agriculture, technologies and tools to enhance farm productivity, as well as strengthen farmers' resilience and adaptive capacity to climate change and variability, and reduce emissions from agricultural production.

(b) Provision of financing for small purchases of equipment (such as computers, desks, printers, projectors, tables, chairs) required for effective advisory services, and for cost of travel and subsistence allowances of extension agents on their field visits.

Part 2. Investment Support for Improved Agricultural Production

Carry out a program of activities to move the farmer beyond subsistence to climatesmart agricultural value chains resulting in increasing production for household level food security and producing surplus for market including the following:

1. Increasing Access to Food for Household Facing Acute Food Insecurity

Provision of support to targeted households to improve the food security of households in a short time and enable them to re-engage in crop production through, *inter alia*, provision of financing for their purchase of inputs and assets including: (a) seeds and samplings for kitchen gardens and growing indigenous vegetables, seasonal fruits to meet the immediate food needs of the family; and (b) small assets such as poultry and small ruminants which have short gestation periods.

2. Increasing Availability of Quality Seeds

- (a) Increase local production, trade and use of good quality, climate-smart seeds and planting materials by farmers by, *inter alia*, promoting community-based, climate-smart seed propagation and bulking, and the formation of farmer-managed seed banks and seed cooperatives to increase local trade in good quality, climate-smart seeds, supporting farmer-led contract climate-smart seed production with private seed companies and the establishment of seed aggregation centers to link with seed out growers and enterprises engaged in seed development, multiplication and distribution/sales.
- (b) Provision of support to access foundation seed of approved varieties in collaboration with MAFS and institutions such as Consultative Group on International Agriculture Research Centers, Alliance for Green Revolution for Africa, and neighboring national agricultural research systems; and assess capacities and needs for producing different classes of seeds; support collection, profiling, conservation and multiplication of local landraces; register community seed producers and seed out growers.
- (c) Development of customized training, skills enhancement programs and infield seed extension support to be provided to community seed producers, plant breeders and seed out-growers, and carrying out exchange visits to develop technology generators, as well as provision of financing

for seed production tools, post-harvesting and processing equipment and for capacity building training to the MAFS staff to fully operationalize MAFS' seed testing laboratory.

3. Enhancing Access to Technology and Mechanization

- (a) Provision of support to raise awareness of modern farm technologies, mechanization, and the use of renewable energy including (i) carrying out an assessment of the technological and mechanization needs of farmers in Project areas, with special attention to women and youth, for improving production, post-harvest handling, value addition and storage, and developing in consultation with the FOs, a menu of appropriate, location-specific equipment needs together with related cost-recovery plan; and (ii) carrying out demonstrations of selected farm technologies and tools in the Project areas to create a demand for their uptake by farmers.
- (b) Provision of financing to target farmer groups and farmers for investments to increase on-farm productivity and value addition, including provision of grants and assets to FOs and Cooperatives to carry out Sub-projects for on-farm productivity, agroecosystem resilience and value addition where these investments lead to increased production and marketed surplus for the selected value chains; and supporting local artisans and youth in the production and maintenance of farming tools and equipment.

Part 3. Project Management, and Technical Assistance

- 1. Provision of support for Project implementation and management, including financing of goods, non-consulting services, consulting services, Operating Costs and Training.
- 2. Provision of technical assistance and training: (a) to enhance the capacity of MAFS (its County Agricultural Development and select associated departments) in priority policy making and technical areas (including in areas of policy formulation and objective setting, budget planning and execution, expenditure tracking towards the achievement of stated objectives, financial management, procurement, monitoring and evaluation and technical issues such as crop production and protection, food safety, nutrition, agricultural technology); (b) for development of new, and revision of existing, policy and regulatory frameworks in South Sudan to enhance its agricultural development; and (c) to build capacity of MAFS with respect to the Bank's safeguards, fiduciary and monitoring and evaluation requirements and build technical capacity of extension staff at the national level and in the selected States and localities to support South Sudan government capacities to coordinate, monitor, evaluate and implement similar agricultural development projects in the future.

Part 4. Contingent Emergency Response

Provision of immediate response to an Eligible Crisis or Emergency, as needed.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

- 1. Within ninety (90) days from the Effective Date, the Recipient shall establish within MAFS, and thereafter maintain at all times during the implementation of the Project, a Project Coordination Unit ("PCU") within MAFS, with the composition, functions, staffing and resources satisfactory to the Association, and responsible for day-to day oversight and management of the Project and for coordination of implementation of Project activities.
- 2. Within sixty (60) days from the Effective Date, the Recipient shall establish and thereafter maintain at all times during the implementation of the Project, a Project Steering Committee ("PSC"), with the composition, functions, staffing and resources satisfactory to the Association, and responsible for providing high-level oversight and guidance on implementation of the Project.

B. Implementation Arrangements

Project Implementation Manual ("PIM")

1. The Recipient shall:

- (a) prepare, in accordance with terms of reference acceptable to the Association, a manual, which contains detailed Project arrangements and procedures for: (i) institutional coordination and day-to-day execution of the Project; (ii) monitoring, evaluation, reporting and communication; (iii) criteria, procedures (including participatory approaches) and responsibilities for selection of Project locations, Project beneficiaries, vouchers to be provided under Part 2.1 of the Project and Sub-projects and investments under Part 2.3 of the Project; (i) administration, procurement, financial management and accounting: (ii) mechanisms accommodating changes in Project implementation due to COVID-19; and (iii) such other administrative, technical and organizational arrangements and procedures as shall be required for purposes of implementation of the Project ("Project Implementation Manual" or "PIM");
- (b) the Recipient shall: (a) carry out the Project in accordance with the PIM that has been approved by the Association and adopted by the Recipient; and (b) not amend, abrogate or waive said PIM or any part thereof without the prior written approval of the Association.

2. In the event of any inconsistency between this Agreement and the PIM, the provisions of this Agreement shall prevail.

Third-Party Monitoring

3. Within one hundred eighty (180) days from the Effective Date, the Recipient shall hire a Third-Party Monitoring Agent, in accordance with terms of reference satisfactory to the Association, to monitor and review performance of the Project.

Grievance Redress Mechanism

4. The Recipient shall no later than ninety (90) days from the Effective Date establish and thereafter maintain at all times during the implementation of the Project, a grievance redress mechanism, under terms and structure satisfactory to the Association.

C. Environmental and Social Standards

- 1. The Recipient shall ensure that the Project is carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Association.
- 2. Without limitation upon paragraph 1 above, the Recipient shall ensure that the Project is implemented in accordance with the Environmental and Social Commitment Plan ("ESCP"), in a manner acceptable to the Association. To this end, the Recipient shall ensure that:
 - (a) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, as provided in the ESCP;
 - (b) sufficient funds are available to cover the costs of implementing the ESCP;
 - (c) policies and procedures are maintained, and qualified and experienced staff in adequate numbers are retained to implement the ESCP, as provided in the ESCP; and
 - (d) the ESCP, or any provision thereof, is not amended, repealed, suspended or waived, except as the Association shall otherwise agree in writing, as specified in the ESCP, and ensure that the revised ESCP is disclosed promptly thereafter.
- 3. Without limitation upon the provisions of paragraph 2 above, if sixty (60) days prior to the Closing Date, the Bank determines that there are measures and actions specified in the ESCP which will not be completed by the Closing Date, the Borrower shall: (a) not later than 30 days before the Closing Date, prepare and present to the Bank, an action plan satisfactory to the Bank on the outstanding measures and actions, including a timetable and budget allocation for such

measures and actions (which action plan shall deemed to be considered an amendment of the ESCP); and (b) thereafter, carry out said action plan in accordance with its terms and in a manner acceptable to the Bank.

- 4. In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.
- 5. The Recipient shall ensure that:
 - (a) all measures necessary are taken to collect, compile, and furnish to the Association through regular reports, with the frequency specified in the ESCP, and promptly in a separate report or reports, if so requested by the Association, information on the status of compliance with the ESCP and the environmental and social instruments referred to therein, all such reports in form and substance acceptable to the Association, setting out, *inter alia*: (i) the status of implementation of the ESCP; (ii) conditions, if any, which interfere or threaten to interfere with the implementation of the ESCP; and (iii) corrective and preventive measures taken or required to be taken to address such conditions; and
 - (b) the Association is promptly notified of any incident or accident related to or having an impact on the Project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers, in accordance with the ESCP, the environmental and social instruments referenced therein and the Environmental and Social Standards.
- 6. The Recipient shall establish, publicize, maintain and operate an accessible grievance mechanism, to receive and facilitate resolution of concerns and grievances of Project-affected people, and take all measures necessary and appropriate to resolve, or facilitate the resolution of, such concerns and grievances, in a manner acceptable to the Association.
- 7. The Recipient shall ensure that all bidding documents and contracts for civil works under the Project include the obligation of contractors, subcontractors and supervising entities to: (a) comply with the relevant aspects of ESCP and the environmental and social instruments referred to therein; and (b) adopt and enforce codes of conduct that should be provided to and signed by all workers, detailing measures to address environmental, social, health and safety risks, and the risks of sexual exploitation and abuse, sexual harassment and violence against children, all as applicable to such civil works commissioned or carried out pursuant to said contracts.

D. Food Security Preparedness Plan

The Recipient shall ensure that not later than six (6) months after the Effective Date, a Food Security Preparedness Plan is prepared and adopted in form and substance acceptable to the Association.

E. PCU Work Plans and Budget

- 1. For purposes of implementation of the Project, the Recipient shall:
 - (a) prepare a draft annual work plan and budget ("AWPB") for each July 1 through June 30 period ("Fiscal Year"), setting forth, *inter alia:* (i) a detailed description of the planned activities under the Project (excluding Part 3.1 of the Project) for the following Fiscal Year; (ii) the sources and proposed use of funds therefor; (iii) procurement arrangements therefor; and (iv) responsibility for the execution of said Project activities, budgets, start and completion dates, outputs and monitoring indicators to track progress of each activity;
 - (b) not later than May 15 of each Fiscal Year, furnish the draft AWPB to the Association for its review, and promptly thereafter finalize the AWPB, taking into account the Association's comments thereon; and
 - (c) by June 30 of each Fiscal Year, adopt and implement the final AWPB after obtaining the Association's approval thereon.
- 2. For purposes of implementation of Part 3.1 of the Project, the Recipient through the PCU shall:
 - (a) prepare a draft six-month work plans covering January through June and July through December periods and budget ("PCU Work Plan and Budget"), setting forth, *inter alia*: (i) a detailed description of the planned activities of the PCU for each six-month period; (ii) the sources and proposed use of funds therefor; (iii) procurement arrangements therefor; and (iv) responsibility for the execution of said activities, budgets, start and completion dates, outputs and monitoring indicators to track progress of each activity;
 - (b) at least thirty (30) days before the start of each six-month period, furnish the draft PCU Work Plan and Budget for the period concerned to the Association for review; and
 - (c) promptly revise the PCU Work Plan and Budget taking into account the Association's comments thereon and implement such PCU Work Plan and Budget as shall have been approved by the Association.

F. Contingent Emergency Response

- 1. In order to ensure the proper implementation of contingent early response activities under Part 4 of the Project ("Contingent Emergency Response Part"), the Recipient shall ensure that:
 - a manual ("CERC Manual") is prepared and adopted in form and (a) substance acceptable to the Association, which shall set forth detailed implementation arrangements for the Contingent Emergency Response Part, including: (i) any structures or institutional arrangements for coordinating and implementing the Contingent Emergency Response Part; (ii) specific activities which may be included in the Contingent Emergency Response Part, Eligible Expenditures required therefor ("Emergency Expenditures"), and any procedures for such inclusion; (iii) financial management arrangements for the Contingent Emergency Response Part; (iv) procurement methods and procedures for the Contingent Emergency Response Part; (v) documentation required for withdrawals of Financing amounts to finance Emergency Expenditures; (vi) a description of the environmental and social assessment and management arrangements for the Contingent Emergency Response Part; and (vii) a template Emergency Action Plan;
 - (b) the Emergency Action Plan is prepared and adopted in form and substance acceptable to the Association;
 - (c) the Contingent Emergency Response Part is carried out in accordance with the ERF CERC Manual and the Emergency Action Plan; provided, however, that in the event of any inconsistency between the provisions of the CERC Manual or the Emergency Action Plan and this Agreement, the provisions of this Agreement shall prevail; and
 - (d) neither the CERC Manual or the Emergency Action Plan is amended, suspended, abrogated, repealed or waived without the prior written approval by the Association.
- 2. The Recipient shall ensure that the structures and arrangements referred to in the CERC Manual are maintained throughout the implementation of the Contingent Emergency Response Part, with adequate staff and resources satisfactory to Association.
- 3. The Recipient shall ensure that:
 - (a) the environmental and social instruments required for the Contingent Emergency Response Part are prepared, disclosed, and adopted in

- accordance with the CERC Manual and the ESCP, and in form and substance acceptable to the Association; and
- (b) the Contingent Emergency Response Part is carried out in accordance with the environmental and social instruments in a manner acceptable to the Association.
- 4. Activities under the Contingent Emergency Response Part shall be undertaken only after an Eligible Crisis or Emergency has occurred.

Section II. Project Monitoring, Reporting and Evaluation

- 1. The Recipient shall furnish to the Association each Project Report (*i.e.*, a progress Project Report providing for a summary of activities covering a period of six (6) 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.
- 2. The Recipient shall ensure that each Third-Party Monitoring Report from the Third-Party Monitoring Agent, prepared in accordance with terms of reference acceptable to the Association is furnished to the Association within sixty (60) days of the end of the period covered by said report.

Section III. Withdrawal of the Proceeds of the Financing

A. General

Without limitation upon the provisions of Article II of the General Conditions and in accordance with the Disbursement and Financial Information Letter, the Recipient may withdraw the proceeds of the Financing to finance Eligible Expenditures in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:

Category	Amount of the Grant Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, works, consulting services, and non-consulting services for the Project but excluding Parts 3.1 and 4 of the Project	41,100,000	100%
(2) Consulting Services, goods Operating Costs,	3,100,000	100%

and Training under Part 3.1 of the Project		
(3) Emergency Expenditures under Part 4 of the Project	0	100%
TOTAL AMOUNT	44,200,000	

B. Withdrawal Conditions; Withdrawal Period

- 1. Notwithstanding the provisions of Part A above, no withdrawal shall be made:
 - (a) for payments made prior to the date of this Agreement; or
 - (b) for Eligible Expenditures under Category (2), the Recipient shall have entered into contracts for the hiring of a financial management specialist and a procurement specialist, with terms of reference satisfactory to the Association, and which contracts are procured in accordance with the Procurement Regulations; or
 - (b) for Emergency Expenditures under Category (3), unless and until all of the following conditions have been met in respect of said expenditures:
 - (i) (A) the Recipient has determined that an Eligible Crisis or Emergency has occurred, and has furnished to the Association a request to withdraw Financing amounts under Category (2); and
 (B) the Association has agreed with such determination, accepted said request and notified the Recipient thereof; and
 - (ii) the Recipient has adopted the CERC Manual and Emergency Action Plan, in form and substance acceptable to the Association.
- 2. The Closing Date is August 23, 2026.

C. Other Undertakings

Eligible Expenditures financed under Category (2) of the table in Section III.A of Schedule 2 to this Agreement for Part 3.1 of the Project shall not be eligible to be financed by other sources of financing, including IDA Grant Number D829-3E.

APPENDIX

Definitions

- 1. "Anti-Corruption Guidelines" means, for purposes of paragraph 5 of the Appendix to the General Conditions, the "Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants", dated October 15, 2006 and revised in January 2011 and as of July 1, 2016.
- 2. "Boma" means the third tier of local government in the Recipient's administrative system in rural areas as set forth under Article 165(5) of the Transitional Constitution of the Republic of South Sudan of July 2011.
- 3. "Category" means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
- 4. "CERC Manual" means the manual referred to in Section I.F.1(a) of Schedule 2 to this Agreement, as such manual may be updated from time to time with the agreement of the Association, and which is an integral part of the Operational Manual.
- 5. "Contingent Emergency Response Part" means any activity or activities to be carried out under Part 4 of the Project to respond to an Eligible Crisis or Emergency.
- 6. "County" means the first tier of local government in the Recipient's administrative system in rural areas as set forth under Article 165 (5) of the Transitional Constitution of the Republic of South Sudan of July 2011.
- 7. "Eligible Crisis or Emergency" means an event that has caused, or is likely to imminently cause, a major adverse economic and/or social impact to the Recipient, associated with a natural or man-made crisis or disaster.
- 8. "Emergency Action Plan" means the plan referred to in Section I.F.1(a), detailing the activities, budget, implementation plan, and monitoring and evaluation arrangements, to respond to the Eligible Crisis or Emergency.
- 9. "Emergency Expenditures" means any of the eligible expenditures set forth in the CERC Manual referred to in Section I.F.1(a) of Schedule 2 to this Agreement and required for the Contingent Emergency Response Part.
- 10. "Environmental and Social Commitment Plan" or "ESCP" means the environmental and social commitment plan for the Project, dated April 29, 2021, as the same may be amended from time to time in accordance with the provisions thereof, which sets out the material measures and actions that the Recipient shall carry out or cause to be carried out to address the potential environmental and

- social risks and impacts of the Project, including the timeframes of the actions and measures, institutional, staffing, Training, monitoring and reporting arrangements, and any environmental and social instruments to be prepared thereunder.
- 11. "Environmental and Social Standards" or "ESSs" means, collectively: (i) "Environmental and Social Standard 1: Assessment and Management of Environmental and Social Risks and Impacts"; (ii) "Environmental and Social Standard 2: Labor and Working Conditions"; (iii) "Environmental and Social Standard 3: Resource Efficiency and Pollution Prevention and Management"; (iv) "Environmental and Social Standard 4: Community Health and Safety"; (v) "Environmental and Social Standard 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement"; (vi) "Environmental and Social Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources"; (vii) "Environmental and Social Standard 7: Indigenous Peoples/Sub-Historically Underserved Traditional Local Communities"; (viii) "Environmental and Social Standard 8: Cultural Heritage": (ix) "Environmental and Social Standard 9: Financial Intermediaries"; (x) "Environmental and Social Standard 10: Stakeholder Engagement and Information Disclosure"; effective on October 1, 2018, as published by the Association.
- 12. "Food Security Preparedness Plan" means the plan referred to in Section I.D of Schedule 2 to this Agreement, setting out the operational procedures to respond to and contain a Food Insecurity Crisis.
- 13. "Food Insecurity Crisis" means an event or events driven by natural disasters, economic shocks, and/or public health threats, which pose a significant threat of becoming a large-scale food security crisis within a country or across countries, in accordance with criteria acceptable to the Association.
- 14. "General Conditions" means the "International Development Association General Conditions for IDA Financing, Investment Project Financing", dated December 14, 2018 (revised on August 1, 2020 and April 1, 2021).
- 15. "MAFS" means the Recipient's Ministry of Agriculture and Food Security, and any successor thereto.
- 16. "Operating Costs" means the incremental expenditures incurred by the Recipient in the implementation of the Project and reflected in the PCU Workplan and Budget, including expenditures for the maintenance of goods and equipment such as vehicles and computers; fuel; office supplies; consumables; communication costs; workshop venues and materials; and authorized travel costs of officials of the government, including *per diems*, travel costs, and accommodation for staff when travelling on duty during the implementation of this project, but excluding salaries of the Recipient's civil service.

- 17. "Payam" means the second tier of local government in South Sudan's administrative system in the rural areas as set forth under Article 165(5) of the Transitional Constitution of the Republic of South Sudan of July 2011.
- 18. "PCU Workplans and Budget" means each six-month work plans referred to in Section I.E.2(a), prepared and adopted in form and substance satisfactory to the Association.
- 19. "Procurement Regulations" means, for purposes of paragraph 87 of the Appendix to the General Conditions, the "World Bank Procurement Regulations for IPF Borrowers", dated November 2020.
- 20. "Project Implementation Manual" or "PIM" means the manual referred to in Section 5.01 of, and Section I.B.1 of Schedule 2 to, this Agreement.
- 21. "Signature Date" means the later of the two dates on which the Recipient and the Association signed this Agreement and such definition applies to all references to "the date of the Financing Agreement" in the General Conditions.
- 22. "South Sudan" means the Republic of South Sudan.
- 23. "States" means the following States in South Sudan: Central Equatoria, Eastern Equatoria, Western Equatoria, Northern Bahr el Ghazal, Western Bahr el Ghazal, Jonglei, Lakes, Unity, Upper Nile, and Warrap.
- 24. "Sub-project" means an investment in community-level infrastructure and services under Part 2.3(b) of the Project and referred to in Section I.B.1 of Schedule 2 to this Agreement.
- 25. "Third-Party Monitoring" means monitoring of the Project activities on behalf of the Recipient 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 South Sudan and referred to in Section I.B.3 of Schedule 2 to this Agreement.
- 26. "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 and social safeguards aspects of such development projects) to be engaged by the Recipient for carrying out of Third-Party Monitoring in accordance with terms of reference reviewed and confirmed by the Association and referred to in Section I.B.3 of Schedule 2 to this Agreement.
- 27. "Third Party Monitoring Report" means each six-monthly report prepared by a Third Party Monitoring Agent, prepared in accordance with the terms of the

Association, which will cover *inter alia*: (i) Project performance through collection and analysis of appropriate gender disaggregated data and other evidence; (ii) identification of any technical or procedural gaps, issues, and bottlenecks to Project implementation; (iii) recommendations to improve Project implementation as necessary; (iv) documentation of key experiences and learning in Project implementation; and (v) such other summary of findings regarding adherence, at all implementation levels, to the procedures set out in relevant Project documents, and verification of all Project activities.

28. "Training" means the cost of training of persons involved in Project-supported activities under Part 3.1 of the Project and reflected in the PCU Workplans and Budget, such term to include seminars, workshops, and study tours, and costs associated with such activity include travel and subsistence costs for training participants, costs associated with securing the services of trainers, rental of training facilities, preparation and reproduction of training materials, and other costs directly related to training preparation and implementation.