

10-Aug-2021, 2021

Mr. Abdirahman Mohamed Abdullahi  
Gargaara Company Limited  
District Airport Zone  
Wadada Waaberi  
Mogadishu, Somalia

***Re: Somalia Capacity Advancement, Livelihoods and Entrepreneurship, through Digital Uplift Program (SCALED-UP) Project***

***Amendment to the Project Agreement (Grant No. D433-SO)***

Excellency:

We refer to the Project Agreement (“Project Agreement”) between the International Development Association (“Association”) and Gargaara Company Limited (“Gargaara”), dated April 10, 2019 for the above-referenced Capacity Advancement, Livelihoods and Entrepreneurship through Digital Uplift Program (SCALED-UP) Project (“Project”).

We further refer to the additional financing recently approved by the Association’s Board on June 9, 2021 for the Project, whereby it was agreed to include a new sub-component to finance a matching grant program to eligible firms.

Accordingly, the Association proposes to amend the Project Agreement as follows:

1. Section I of the schedule to the Project Agreement is amended to include the following sub-section:

**H. Matching Grants**

1. For purposes of carrying out Part B.1(g) of the Project, the Project Implementing Entity, through an [administrative entity] shall:
  - (a) after having selected a Matching Grant Subproject, in accordance with eligibility criteria and procedures acceptable to the Association and set forth in the Matching Grants Manual, enter into an agreement with the selected MSME (“Matching Grant Agreement”), under terms and conditions approved by the Association and included in the Matching Grants Manual, for the provision of Matching Grants for the implementation of said Matching Grant Subproject.

- (b) ensure that each Matching Grant Agreement is prepared based on the model included in the Matching Grant Manual, in which the Recipient through the Project Implementing Entity shall obtain rights adequate to protect its interests and those of the Association, including the right to:
  - i. suspend or terminate the right of the MSME to use the proceeds of the Matching Grant, or obtain a refund of all or any part of the amount of the Matching Grant then withdrawn, upon the MSME's failure to perform any of its obligations under the Matching Grant Agreement; and;
  - ii. require each MSME to: (i) carry out the Matching Grant Subproject with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the Association, including in accordance with the provisions of the Anti-Corruption Guidelines and the Safeguards Instruments; (ii) provide, promptly as needed, the resources required for the purpose of carrying out the Matching Grant Subproject; (iii) procure the goods, works, non-consulting services and consultant's services to be financed out of the Matching Grant in accordance with the provisions included in the Matching Grant Manual and this Agreement; (iv) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the Association, the progress of the Matching Grant Subproject and the achievement of its objective; (v) (A) maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Association, both in a manner adequate to reflect the operations, resources and expenditures related to the Matching Grant Subproject; and (B) at the Association's or the Recipient's request, have such financial statements audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association, and promptly furnish the statements as so audited to the Recipient and the Association; (vi) enable the Recipient and the Association to inspect the Subproject and any relevant records and documents; and (vii) prepare and furnish to the Recipient and the Association all such information as the Recipient or the Association shall reasonably request relating to the foregoing.
- (i) exercise its rights and carry out its obligations under the Matching Grant Agreements in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing. Except as the Association shall otherwise agree, the Project Implementing Entity through the [administrative entity] shall not assign, amend, abrogate, waive, terminate or fail to enforce any Matching Grant Agreement or any provisions thereof.

The capitalized terms used in this amendment letter (“Amendment Letter”) and not defined herein have the meaning ascribed to them in the Financing Agreement.

Please, kindly confirm your agreement, on behalf of the Recipient, to the amendment mentioned above by countersigning and dating this letter of amendment.

Except as specifically amended hereby, all other provisions of the Financing Agreement remain in full force and effect.

The above amendment to the Project Agreement shall be deemed effective upon the effectiveness of the financing agreement for the Additional Financing for the Capacity Advancement, Livelihoods and Entrepreneurship, through Digital Uplift Program (SCALED-UP) Project (Grant No. D843-SO).

Sincerely,  
**INTERNATIONAL DEVELOPMENT ASSOCIATION**



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Kristina Svensson  
Country Manager  
Somalia

**CONFIRMED:**

**FEDERAL REPUBLIC OF SOMALIA**

By: 

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Authorized Representative

Name: Mohamed O. Ibrahim

Title: Ag. CEO

Date: 10-Aug-2021