

GRANT NUMBER TF0A0362

SUDAN MULTI-PARTNER FUND
Grant Agreement

Social Safety Net Project

between

REPUBLIC OF THE SUDAN

and

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

B

Dated 10-2-2016, 2016

GRANT NUMBER TF0A0362

**SUDAN MULTI-PARTNER FUND
SOCIAL SAFETY NET PROJECT**

GRANT AGREEMENT

AGREEMENT dated Feb. 10, 2016, entered into between the REPUBLIC OF THE SUDAN (“Recipient”); and the INTERNATIONAL DEVELOPMENT ASSOCIATION (“World Bank”), acting as administrator of the Sudan Multi-Partner Fund (TF No.072301).

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 the Appendix to 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 Ministry of Welfare and Social Security 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 three million five hundred thousand United States Dollars (\$3,500,000) (“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 Sudan Multi-Partner Fund into which the World Bank receives contributions from the Donors. 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 to the 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 execution and delivery of this Agreement on behalf of the Recipient have been duly authorized or ratified by all necessary governmental actions.
- 4.02. 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 4.01 ("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.
- 4.03. *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 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 the Minister responsible for finance.

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

Ministry of Finance and Economic Planning
Government of Sudan
Khartoum
Republic of the Sudan
P.O Box 298 – Khartoum
Cable Malisudan
Fax No. +249-183-776081 Telex: +249 – 183- 777563

5.03. **World Bank's Address.** 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

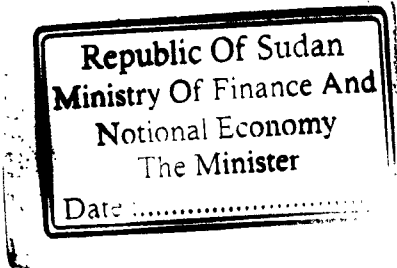
Cable:	Telex:	Facsimile:
INDEVAS Washington, D.C.	248423 (MCI) or 64145 (MCI)	1-202-477-6391



AGREED at Khartoum, Sudan, as of the day and year first above written.

REPUBLIC OF THE SUDAN

By



Authorized Representative

Name: Bedeldin Mohamad Abbas

Title: Minister of Finance and E. P.

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

By

Authorized Representative

Name: XAVIER FURTADO

Title: COUNTRY REPRESENTATIVE

SCHEDULE 1

Project Description

The objective of the Project is to strengthen the capacity of the Ministry of Welfare and Social Security (MoWSS) to transparently and effectively implement the CT Program, and to pilot a PSN approach for poor households.

The Project consists of the following parts:

Part 1: Strengthening the Implementation of the Recipient's CT Program

Improving the effectiveness of the CT Program through:

- (a) Strengthening the Institutional Capacity of the MoWSS. Providing technical support and organizing training and capacity-building activities to enhance the institutional capacity of the MoWSS, including: (i) reviewing, updating, and documenting the processes and procedures for the SIP; (ii) improving the SIP's financial management and process for cash payments to Beneficiaries; (iii) developing complaints and grievance redress procedures for targeting and payments under the CT Program; (iv) developing an evaluation strategy and implementation of selected evaluations and assessments; and (v) providing assistance for the implementation of the MoWSS's advocacy and communications strategy to strengthen outreach to Beneficiaries and key stakeholders under the CT Program.
- (b) Establishing the building blocks of a Management Information System (MIS) for the SIP within the MoWSS. Providing technical support, software development, and technological infrastructure to establish the building blocks of an integrated MIS to support the functional processes of the SIP, including: support for (i) establishing a centralized MIS architecture for the SIP, with a centralized database and an integrated web-based system functioning at all offices of MoWSS and implementing agencies; (ii) providing training to MoWSS staff to use the MIS; (iii) introducing concepts and tools to develop a more integrated information management, rationalize customer service processes and protocols, and increase user friendliness and accessibility of information; (iv) providing network connectivity to federal offices of the Zakat Chamber, the National Health Insurance Fund (NHIF), the CSU, and to federal and state offices of the MoWSS; (v) providing computing equipment and necessary peripherals to MoWSS federal and state offices to effectively utilize the integrated MIS; (vi) assisting MoWSS for software development and data processing to establish a SIP

beneficiary registry; and (vii) providing datacenter hosting services for centralized hardware, connectivity, storage, and database administration.

- (c) Strengthening the Targeting System of the CT Program. Providing technical support to improve the targeting system of the CT Program and initiating the recertification process of the current beneficiaries, including: (i) developing an updated Proxy Means Test (PMT) formula, questionnaire, and cut-off points to determine categorization; (ii) developing operational processes and procedures for the implementation of the targeting system; (iii) financing the recertification process of about fifteen percent of the current SIP beneficiary households, prioritizing the areas where Part 2 of the Project will be implemented, using a community-based targeting and PMT approach; and (iv) developing and implementing the technological infrastructure to support the targeting processes.

Part 2: Piloting a Public Safety Net (PSN) Approach

- (a) Carrying out a PSN Pilot based on a cash-for-work approach in combination with livelihood services in the state of North Kordofano provide temporary employment to the poorest households of selected communities in Public Works Subprojects, including soil and water conservation, small-scale irrigation, and social and economic infrastructure, during the lean season of agricultural activity.
- (b) Supporting resilience building at the community level and providing access to livelihood-enhancing opportunities for Beneficiaries.
- (c) Providing skills training and access to financial services by connecting them to financial service providers.

SCHEDULE 2

Project Execution

Section I. Institutional and Other Arrangements

A. Institutional Arrangements

Federal Level

1. The Recipient shall carry out the Project through the MoWSS, which is responsible for overall Project management and implementation, including administrative and financial management, disbursement and procurement, and monitoring and evaluation, as supported through the PCU under oversight of the NSC. The MoWSS, shall carry out Part 1 of the Project through the PRCC and Part 2 of the Project through the CSU.
2. Poverty Reduction Coordination Center (PRCC): The Recipient shall maintain, throughout the implementation of the Project, the federal level PRCC, which is responsible for the day to day management, supervision, coordination, and monitoring of the SIP. The PRCC is a member of the National Steering Committee(NSC), provides oversight and guidance to the SLPRCCs, and works in daily contact with the PCU.
3. Community Support Unit (CSU): The Recipient shall maintain, throughout the implementation of the Project, the federal level CSU, responsible for the day to day management of the PSN Pilot and working closely with the PCU and the NSC. The federal level CSU provides oversight and guidance to the SLCSU and will consolidate state level reporting for submission to the PCU, NSC and the relevant SLPRCC.
4. Project Coordination Unit (PCU): The Recipient shall, within one (1) month after the Effective Date, establish and thereafter maintain, throughout the implementation of the Project, a Project Coordination Unit in the federal level PRCC, with qualified staff in adequate numbers and with qualifications and experience and terms of reference acceptable to the World Bank.
5. Without limitation to the provisions of paragraphs 4 of this Part A, the PCU shall be responsible for managing day-to-day set up and implementation of the Project, including; (i) preparing Annual Work Plans and Budget, progress reports, quarterly and yearly assessments, and financial reports; (ii) monitoring progress at the national and local levels; (iii) consulting with World Bank specialists on fiduciary, safeguards, and MIS/M&E issues to ensure compliance with World Bank guidelines; (iv) providing updates through quarterly reports to the technical secretariat of the Sudan Multi-Partner Fund; (v) preparing and modifying the

Project Operations Manual; and (vi) recruitment of qualified staff including a project coordinator, a financial management specialist, an accountant, a procurement specialist, an M&E specialist, a Targeting Specialist, a Payments Specialist, a communications and advocacy specialist, three MIS experts (a software architect, database administrator, and a MIS manager), and an environmental and social safeguard specialist.

6. National Steering Committee (NSC): The Recipient shall, within one (1) month after the Effective Date, establish and thereafter maintain, throughout the implementation of the Project, an NSC headed by the undersecretary of the MoWSS and comprised, *inter alia*, of representatives from the Office of the President of the Recipient, the Zakat Chamber, the MoFEP, the NHIF, the PRCC, the MoWSS (Planning, Policies and Research Department), and the SSDB, as well as the Director of the CSU.
7. Without limitation to the provisions of paragraph 6 of this Part A, the NSC will oversee the overall implementation of the Project and will be responsible for: (i) validating the Annual Work Plan and Budget and ensuring its operationalization; (ii) validating the geographical areas in which the Project is to be implemented using the poverty map, proxy means test questionnaire, and Project Operations Manual; (iii) reviewing various documents; (iv) overseeing implementation and reviewing progress reports; (v) validating and disseminating results; and (vi) supervising the Project activities.
8. Federal Level Technical Committees (FLTCs): The Recipient shall establish and thereafter maintain, throughout the implementation of the Project, multiple technical committees at the federal level, on an ad-hoc basis, to lead initiatives that require expert involvement and to provide technical advice to the NSC and the PCU.

State Level

9. State Level Poverty Reduction Coordination Centers (SLPRCCs): The Recipient shall maintain, throughout the implementation of the Project, state-level PRCCs to monitor the implementation of social protection strategies and programs at the state level, including monitoring the PSN Pilot through the North Kordofan SLPRCC.
10. State Level Technical Committees (SLTCs): The Recipient shall maintain, throughout the implementation of the Project, state-level technical committees on an ad-hoc basis, established by the MoWSS under the supervision of PCU, to lead initiatives that require expert involvement and to provide technical advice to the NSC and PCU.

11. North Kordofan State Ministry of Social Affairs (SMoSA): The Recipient shall supervise and coordinate all social protection strategies and programs in North Kordofan, including oversight of implementation of the PSN Pilot, working with and through the SMoSA.
12. North Kordofan State Level Community Support Unit (SLCSU): The Recipient shall maintain, through the implementation of the Project, a SLCSU with responsibility for the day-to-day management and implementation of the PSN Pilot at the local level, including, ensuring cash transfers to Beneficiaries, facilitating community targeting of eligible households, planning and implementing priority public works and livelihood activities, in close coordination with relevant government departments at the local level, and producing and submitting regular monthly reports to the federal level CSU.
13. North Kordofan PSN Steering Committee (PSNSC): The Recipient shall, within one (1) month after the Effective Date, establish and thereafter maintain, throughout the implementation of the Project, a PSN Steering Committee, comprised, *inter alia*, of representatives from implementing partners, as detailed in the Project Operations Manual, with the federal level CSU as its Secretary, responsible for overall strategic guidance to the SLCSU for the implementation of the PSN Pilot and for advising the North Kordofan state government in relation to the alignment of the PSN Pilot plans and operations and other development activities in North Kordofan. The SMoSA will chair the PSNSC.

B. Implementation Arrangements

1. Project Operations Manual
 - (a) The Recipient shall adopt, and thereafter implement a Project Operations Manual, in a manner and substance satisfactory to the World Bank, which manual *inter alia* shall include: (A) Project implementation arrangements; (B) the procurement procedures and standard procurement documentation; (C) reporting requirements, financial management and audit procedures; (D) monitoring and evaluation arrangements; (E) such other administrative, financial, technical and organizational arrangements and procedures as are required for the Project; (F) an administrative, financial management, and procurement manual, setting forth the detailed policies and procedures for administrative, financial management, disbursement and procurement under the Project; and (G) a PSN Pilot procedures manual (prepared as an annex to the Project Operations Manual), setting forth eligibility criteria and procedures for the selection of Beneficiaries receiving CFW-Grants, as well as schedules and modalities of delivering such CFW-Grants, and the operating procedures governing Public Works Subprojects, including, *inter alia*, specific criteria for Public Works Subprojects to be eligible for

financing under Part 2(a) of the Project, and guidelines for selection, approval, implementation, monitoring and evaluation of Public Works Subprojects.

- (b) The Recipient shall afford the World Bank a reasonable opportunity to exchange views with the Recipient on said Project Operations Manual, and thereafter, shall adopt such Project Operations Manual, as shall have been approved by the World Bank Operations Manual”).
- (c) The Recipient shall ensure that the Project is carried out in accordance with the Project Operations Manual; provided, however, that in case of any conflict between the provisions of the Project Operations Manual, and those of this Agreement, the provisions of this Agreement shall prevail.
- (d) The Recipient shall not amend or waive any provisions of the Project Operations Manual without the prior written agreement of the World Bank.

2. Memorandum of Understanding

- (a) The Recipient shall implement Part 2 of the Project in accordance with the arrangements and procedures set out in the Memorandum of Understanding between the MoWSS and the MoFEP; provided, however, that in case of any conflict between the provisions of said memorandum and of this Agreement, the provisions of this Agreement shall prevail.
- (b) Except as the World Bank shall otherwise agree, the Recipient shall not amend, abrogate or waive any provision of the Memorandum of Understanding, if such amendment, abrogation or waiver may, in the opinion of the World Bank, materially or adversely affect the implementation of Part 2 of the Project.

3. Annual Work Plan and Budget

- (a) The Recipient shall prepare and furnish to the World Bank not later than November 30 of each fiscal year during the implementation of the Project, an annual work plan and budget containing all activities (including Public Works Subprojects) proposed to be included in the Project during the following fiscal year, and a proposed financing plan for expenditures required for such activities, setting forth the proposed sources of financing.
- (b) Each such proposed work plan and budget shall specify 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.

- (c) The Recipient shall afford the World Bank a reasonable opportunity to exchange views with the Recipient on each such proposed work plan and budget and thereafter ensure that the Project is implemented with due diligence during said following Fiscal Year in accordance with such work plan and budget as shall have been approved by the World Bank (“Annual Work Plan and Budget”).
- (d) The Recipient shall not make or allow to be made any change to the approved Annual Work Plan and Budget without the World Bank’s prior approval in writing.

4. Environmental and Social Safeguards

- (a) The Recipient shall carry out the Project in accordance with the environmental, social and resettlement guidelines, rules and procedures defined in the Environmental and Social Management Plan (ESMP) and the Resettlement Policy Framework (RPF) that were prepared and disclosed for the Project. To this end, in cases of any activity requiring the maintenance of a site specific Environmental Management Plan Checklist under the ESMP or any subproject requiring the adoption of a site-specific RAP under the RPF, as the case may be, the Recipient shall:
 - (i) prepare, implement and monitor EMP Checklists in accordance with the ESMP and in form and substance acceptable to the World Bank, defining: (i) measures to be taken during the implementation of the Public Works Subprojects to eliminate or offset adverse environmental or social impacts, or to reduce them to acceptable levels; and (ii) plans for monitoring relevant measures; and
 - (ii) prepare, disclose and implement Resettlement Action Plans (RAPs) in accordance with the RPF and in form and substance acceptable to the World Bank, defining a program of actions, measures and policies for compensation and resettlement of Affected Persons, including the magnitude of displacement, proposed compensation and resettlement arrangements, 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 with, the RAPs.

- (b) The Recipient shall not amend or waive, or permit to be waived, the ESMP, RPF, EMP Checklists, and RAPs, or any provision of any one thereof, without the prior written consent of the World Bank.
- (c) The Recipient shall ensure that all measures for carrying out the recommendations of the ESMP, RPF, EMP Checklists and RAPs are taken in a timely manner.
- (d) The Recipient shall include in the Project Reports referred to in Section II.A of this Schedule, adequate information on monitoring the measures defined in the ESMP, RPF, EMP Checklists, and RAPs, giving details of:
 - (i) measures taken in furtherance of such ESMP, EMP Checklists, RPF and RAPs;
 - (ii) conditions, if any, which interfere or threaten to interfere with the smooth implementation of such ESMP, EMP Checklists, RPF and RAPs;
 - (iii) remedial measures taken or required to be taken to address such conditions and to ensure the continued efficient and effective implementation of such ESMP, EMP Checklists, RPF and RAPs; and
 - (iv) afford the World Bank a reasonable opportunity to exchange views with the Recipient on such reports. Each such report shall be furnished to the World Bank not later than one month after the end of the six months covered by such report and the first such report shall be furnished to the World Bank not later than one month after the end of the six months in which the civil works under the first Public Works Subproject commenced.

5. Public Works Subprojects

(a) **Cash for Works Grants (CFW-Grants)**

The Recipient, shall appraise, approve and monitor Public Works Subprojects under the Project and administer the CFW-Grants in accordance with the provisions and procedures set forth or referred to in this Section 5, as further detailed in the Project Operations Manual.

(b) **Terms and Conditions of CFW-Grants**

Public Works Subprojects shall be carried out under CFW-Grant Agreements, each such agreement to be concluded between federal level CSU, on behalf of the Recipient, and the respective Beneficiary, under terms and conditions described or referred to in more detail in the Project Operations Manual and satisfactory to the World Bank, which, *inter alia*, shall include the following:

- (i) the description of the Public Works Subproject activities to be implemented under the respective CFW-Grant Agreement, including the outputs and performance targets to be achieved, and the arrangements for monitoring and reporting;
- (ii) the modalities of transfer of funds by the federal level CSU to the Beneficiary, which should include, *inter alia*, a requirement that the proceeds of the CFW-Grant are disbursed to the Beneficiary only after a CFW-Grant Agreement between CSU and the Beneficiary, satisfactory to the World Bank, has been duly executed;
- (iii) the obligation of the Beneficiary to: (a) carry out the specified activities with due diligence and efficiency and in accordance with sound technical, engineering, environmental, financial, managerial practices, and the Anti-Corruption Guidelines; and (b) maintain adequate records to reflect, in accordance with sound accounting practices, the operations, resources and expenditures relating to the specified activities;
- (iv) the requirement that the goods, works and consultants' services to be financed from the proceeds of the Grant shall be procured in accordance with procedures ensuring efficiency and economy and in accordance with Project Operations Manual and provisions of Section III of this Schedule, and shall be used exclusively in the carrying out of the specified activities; and
- (v) the right of the federal level CSU, on behalf of the Recipient, to: (a) inspect by itself, or jointly with the World Bank, if the World Bank shall so request, the goods, works, sites, plants and construction included in the specified activities, the operations thereof and any relevant records and documents; (b) obtain all information as it, or the World Bank, shall reasonably request regarding the administration, operation and financial conditions of specified activities; and (c) suspend or terminate the right of the Beneficiary to use the proceeds of the Grant upon failure by

the Beneficiary to perform any of its obligations under the respective CFW-Grant Agreement.

(c) **Administration of CFW-Grant Agreements**

The federal level CSU shall exercise its rights under each CFW-Grant Agreement in such manner as to protect the interests of the Recipient and the World Bank and to accomplish the purposes of the Project, and, except as the World Bank shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive any CFW-Grant Agreement or any substantial provision thereof.

C. Anti-Corruption

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

D. 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 agreed with 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 months after the Closing Date (as defined in the Standard Conditions).

B. Financial Management; Financial Reports; Audits

1. The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.
2. The Recipient shall ensure that interim unaudited financial reports for the Project are prepared and furnished 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. 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 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 "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) ("Procurement Guidelines"), in the case of goods, works and non-consulting services, and Sections I and IV of 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) ("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, 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, Works 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) Limited International Bidding; (b) National Competitive Bidding, subject to the following additional provisions: Procurement through National Competitive Bidding (NCB) shall follow procedures acceptable to the Bank including the use of national SBDs prepared to the satisfaction of the Bank and issued in the Arabic language; (c) Shopping; (d) procurement under Framework Agreements in accordance with procedures which have been found acceptable to the World Bank; (e) Direct Contracting; (f) Force Account; (g) Procurement from *UNOPS*; (h) Well-established Private Sector Procurement Methods or Commercial Practices which have been found acceptable to the World Bank; (i) Procurement under Public Private Partnership Arrangements in accordance with procedures which have been found acceptable to the World Bank; and (j) Community Participation procedures which have been found acceptable to the World Bank.

Additionally, as Sudan is deemed by the World Bank to qualify under paragraph 12 of Bank Operational Policy (OP) 10.00, the World Bank will allow the application to the Project of the flexibility detailed in the Guidance to World Bank staff: Simplified Procurement Procedures in Situations of Urgent Need of Assistance or Capacity Constraints, April 2013.

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) Well-established Private Sector Procurement Methods or Commercial Practices which have been found acceptable to the World Bank; (g) Selection of consultants under Indefinite Delivery Contract or Price Agreement; (h) Selection of Individual Consultants; and (i) 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 (each a "Category"), the allocations of the amounts of the Grant to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

Category	Amount of the Grant Allocated (expressed in USD)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, works, non-consulting services, consultants' services, Training and Incremental Operating Costs under	3,000,000	100%

Parts 1 and 2 of the Project		
(2) CFW-Grants under Part 2(a) of the Project	500,000	100%
TOTAL AMOUNT	3,500,000	

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 19, 2019.

APPENDIX

Definitions

1. "Affected Persons" means persons who, on account of the execution of the Project, would suffer direct economic and social impacts resulting in: (a) relocation or loss of shelter; (b) loss of assets or access to assets; (c) loss of income sources or means of livelihood, whether or not the affected persons must move to another location; or(d) adverse impacts on the livelihoods of such persons.
2. "Annual Work Plan and Budget" means the annual program of activities together with the related budget for the Project approved by the World Bank pursuant to the provisions of Section I.B.3 of Schedule 2 to this Agreement.
3. "Anti-Corruption Guidelines" means the World Bank's "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. "Beneficiary" means a household eligible to participate in the PSN Pilot, which has met the eligibility criteria specified in the Project Operations Manual and, as a result, may be extended a CFW-Grant for the carrying out of a Public Works Subproject.
5. "CFW-Grant" means eachcash for works grant to be provided to the selected Beneficiaries under Part 2(a) of Schedule 1 to this Agreement, as further elaborated under Section I.B.5of Schedule 2 to this Agreement and the Project Operations Manual.
6. "CFW-Grant Agreement" means an agreement for each CFW-Grant to be entered into between the CSU (on behalf of the Recipient) and a Beneficiary pursuant to the requirements set out in Section I.B.5(b) of Schedule 2 to this Agreement,as further detailed in the Project Operations Manual.
7. "CSU" means the Community Support Unit established by Decree No.39 issued by the MoFEP dated December 13, 2015, which is authorized to implement the PSN Pilot and engages the SLCSU.
8. "CT Program" means Recipient'snational cash transfer program, administered by the MoWSS,that provides the heads of the poorest households monthly basic income support, as referred to under Part 1 of Schedule 1 to this Agreement.
9. "Donors" means the donors contributing to the Sudan Multi-Partner Fund.

10. “Environmental and Social Management Plan or “ESMP” means the safeguard instrument of the Recipient disclosed in-country on December 28, 2015, and at the Bank’s InfoShop on December 29, 2015, setting forth the modalities for environmental screening and procedures for the preparation and implementation of environmental assessments and management plan checklists under the Project, and such term includes all schedules and annexes to the ESMP, as the same may be amended from time to time with the written agreement of the World Bank, as referred to in Section I.B.4(a) of Schedule 2 to this Agreement.
11. “Environmental Management Plan Checklist” or “EMP Checklist” means any checklist prepared by the Recipient for individual activities under Part 2 of the Project in accordance with the ESMP, as referred to under Section I.B.4(a)(i) of Schedule 2 to this Agreement.
12. “FLTCs” or “Federal Level Technical Committees” means technical committees established on ad hoc basis at the federal level to provide technical advice to the NSC and PCU, as referred to in Section I.A.8 of Schedule 2 to this Agreement.
13. “Incremental Operating Costs” means the incremental operating costs under the Project incurred by the Recipient for purposes of the implementation, management, and monitoring and evaluation of the Project, including office supplies and consumables, utilities, bank charges, communications, mass media and printing services, vehicle rental, operation, maintenance and insurance, office space rental, building and equipment maintenance, domestic travel, lodging, and subsistence allowances, and salaries of contractual and temporary staff, but excluding salaries, fees, honoraria, and bonuses of members of the Recipient’s civil service.
14. “Memorandum of Understanding” or “MOU” means memorandum of understanding to be executed between the MoWSS and MoFEP pursuant to Section I.B.2 of Schedule 2 to this Agreement, as the same may be amended from time to time, providing for common arrangements and procedures with respect to procurement, disbursement accounting, monitoring, reporting, auditing, coordination and exchange of information required for implementation of Part 2 of the Project.
15. “MIS” means management and information systems.
16. “MoFEP” means the Recipient’s Ministry of Finance and Economic Planning, or any successor thereto.
17. “MoWSS” means Recipient’s Ministry of Welfare and Social Safety, or any successor thereto.
18. “M&E” means monitoring and evaluation.

19. "NHIF" means the National Health Insurance Fund, established in 1995 and governed by the National Health Insurance Law of 2003 to provide compulsory social health insurance for public and private sector employees.
20. "NSC" or "National Steering Committee" means the committee responsible for overseeing the overall implementation of the Project, as referred to under Section I.A.6 of Schedule 2 to this Agreement.
21. "PCU" or "Project Coordination Unit" means the unit responsible for managing day-to-day set up and implementation of the Project, as referred to under Section I.A.4 of Schedule 2 to this Agreement.
22. "Project Operations Manual" means the manual dated December 15, 2015, prepared by the Recipient, satisfactory to the World Bank, for the purposes of carrying out the Project pursuant to Section I.B.1 of Schedule 2 to this Agreement, as such manual may be revised from time to time with prior written agreement of the World Bank.
23. "Payment Specialist" means a competitively selected financial institution (or Consultant) that is duly established and operating under the Recipient's laws and regulations, for the purpose of making payments to Beneficiaries under the CT Program and PSN Pilot, under Part 2 of the Project, as referred to in Section I.A.5 of Schedule 2 to this Agreement.
24. "PRCC" or "Poverty Reduction Coordination Center" means the semi-autonomous unit of the MoWSS, established by Decree No.37 in 2002, as referred to in Section I.A.2 of Schedule 2 to this Agreement, including engagement through the SLPRCCs.
25. "PSN Pilot" means the productive safety net project introduced as a pilot approach in North Kordofan to complement Part 1 of the Project by creating short-term income and employment opportunities through CFW-Grants for selected Beneficiaries, as implemented by the CSU in coordination with the MoWSS.
26. "PSNSC" or "PSN Steering Committee" means the PSN Pilot Steering Committee for North Kordofan, chaired by the SMO SA, responsible for overall strategic guidance to the SLCSU for the implementation of the PSN Pilot and advising the North Kordofan state government in relation to the alignment of the PSN Pilot plans and operations and other development activities in North Kordofan, as referred to in Section I.A.13 of Schedule 2 to this Agreement.

27. “Public Works Subproject” means an activity under Part 2(a) of the Project, approved in accordance with the criteria, procedures and guidelines set forth or referred to in the Project Operations Manual.
28. “Resettlement Action Plan” or “RAP” means any resettlement plan, prepared and implemented in accordance with the RPF, as referred to under Section I.B.4(a)(ii) of Schedule 2 to this Agreement.
29. “Resettlement Policy Framework” or “RPF” means the Resettlement Policy Framework of the Recipient disclosed in-country on December 28, 2015 and in the World Bank’s InfoShop on December 29, 2015, setting forth the modalities for resettlement and compensation of Affected Persons under the Project, as the same may be amended from time to time with the written agreement of the World Bank, as referred to in Section I.B.4(a) of Schedule 2 to this Agreement.
30. “SIP” or “Social Initiatives Program” means the program initiated through a Presidential Decision in 2011 that targets poor households nationwide, which is managed by the MoWSS and financed through the MoFEP, as referred to in Part 1 of Schedule 1 to this Agreement.
31. “SMoSA” means the North Kordofan State Ministry of Social Affairs, or any successor thereto.
32. “SLTCs” or “State Level Technical Committees” means technical committees established on ad hoc basis at the state level to provide technical advice to the NSC and PCU, as referred to in Section 1.A.10 of Schedule 2 to this Agreement.
33. “SLCSU” or “State Level Community Support Unit” means the unit in North Kordofan responsible for the day-to-day management and implementation of the PSN Pilot at the local level, as referred to under Section 1.A.12 of Schedule 2 to this Agreement.
34. “SLPRCCs” or “State Level Poverty Reduction Coordination Centers” means state level PRCCs to monitor the implementation of social protection strategies and programs at the state level, as referred to under Section 1.A.9 of Schedule 2 to this Agreement.
35. “SSDB” means the Savings and Social Development Bank established by law in 1996 with the objective of providing finance to small productive sectors to alleviate poverty, stimulating the macro-economy by the contribution of these sectors, and spreading microfinance services.
36. “Standard Conditions” means the World Bank’s “Standard Conditions for Grants Made by the World Bank Out of Various Funds”, dated February 15, 2012.

37. "Sudan Multi-Partner Fund" means the Sudan Multi-Partner Fund, TF No.072301, administered by the World Bank, from which the Grant proceeds are provided.
38. "Targeting Specialist" means a competitively selected institution (or Consultant), which is duly established and operating under the Recipient's laws and regulations, to assist the PCU in (i) coordinating all processes involved in the development of operational activities necessary for the retargeting of SIP beneficiaries, and (ii) planning, executing, and monitoring all logistical activities related to the gathering of information in the field, as referred to in Section 1.A.5 of Schedule 2 to this Agreement.
39. "Training" means the reasonable costs, as approved by the World Bank, for training and workshops conducted under the Project, including tuition, travel and subsistence costs for training and workshop participants, costs associated with securing the services of trainers and workshop speakers, rental of training and workshop facilities, preparation and reproduction of training and workshop materials, and other costs directly related to training course and workshop preparation and implementation (but excluding goods and consultants' services).
40. "Zakat Chamber" means the entity that manages resources raised through the compulsory charity tax in accordance with Islamic law and runs complementary social safety net programs funded by MoFEP, as operated under the Higher Council of Zakat Trustees, presided over by the Minister of the MoWSS.

