Global Environment Facility
Grant Agreement

(Eastern Nile Watershed Management Project)

between

REPUBLIC OF SUDAN

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

(acting as an Implementing Agency of the Global Environment Facility)

Dated August 10, 2009

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 July 1, 2008 (“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 MoIWR 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 four million United States Dollars (US$4,000,000) (“Grant”) to assist in financing the Project.
3.02. The Recipient may withdraw the proceeds of the Grant in accordance with Section IV of Schedule 2 to this Agreement.

3.03. The Grant is funded out of the above-mentioned trust fund for which the World Bank receives periodic contributions. In accordance with Section 3.02 of the Standard Conditions, the Recipient may withdraw the Grant proceeds subject to the availability of such funds.

**Article IV**

**Additional Remedies**

4.01. The Additional Events of Suspension referred to in Section 4.02 (k) of the Standard Conditions consist of the following:

(a) The Finland TF Grant Agreement has failed to become effective by June 30, 2010, or such later date as the World Bank has established by notice to the Recipient; provided, however, that the provisions of this sub-paragraph shall not apply if the Recipient establishes to the satisfaction of the World Bank that adequate funds for the Project are available from other sources on terms and conditions consistent with its obligations under the Grant Agreement.

(b) The World Bank has determined after the Effective Date that prior to such date but after the date of this Agreement, an event has occurred which would have entitled the World Bank to suspend the Recipient’s right to make withdrawals from the Grant Account if this Agreement had been effective on the date such event occurred.

**Article V**

**Effectiveness; Termination**

5.01 This Agreement shall not become effective until evidence satisfactory to the World Bank has been furnished to the World Bank that the conditions specified below have been satisfied:

(a) The execution and delivery of this Agreement on behalf of the Recipient has been duly authorized or ratified by all necessary governmental action.

(b) The Recipient has adopted the Project Implementation Manual (including Procurement Manual and Sub-Grant Guidelines), in form and substance satisfactory to the World Bank.

(c) The Recipient has recruited the following personnel for the National Project Coordination Unit: (i) a Project coordinator; (ii) a financial
management specialist; (iii) a procurement specialist; (iv) a watershed management specialist; and, (v) a monitoring and evaluation specialist, all with qualifications, experience and terms of reference satisfactory to the World Bank.

(d) The Recipient has allocated the amount of the Contribution budgeted for the 2009 Project budget to MoIWR, and provided a schedule for deposit of said Contribution into the Project Account satisfactory to the World Bank.

(e) The Recipient has opened a Designated Account and a Project Account at the Recipient’s Central Bank, both on terms and conditions acceptable to the World Bank.

5.02 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 5.01 of this Agreement (“Effective Date”). If, before the Effective Date, any event has occurred which would have entitled the World Bank to suspend the right of the Recipient to make withdrawals from the Grant Account if this Agreement had been effective, the World Bank may postpone the dispatch of the notice referred to in this Section until such event (or events) has (or have) ceased to exist.

5.03 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 VI
Recipient’s Representative; Addresses

6.01. The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is the Minister responsible for finance.

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

Minister of Finance and National Economy
Government of National Unity
Khartoum
Republic of the Sudan
6.03. The World Bank’s Address referred to in Section 7.01 of the Standard Conditions is:

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

Cable: INTBAFRAD
Telex: 248423 (MCI) or 64145 (MCI)
Facsimile: 1-202-477-6391

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

REPUBLIC OF SUDAN

By /s/ AEltyeb Mustafa Abou
Authorized Representative

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
acting as an Implementing Agency of the
Global Environment Facility

By /s/ Kenichi Ohashi
Authorized Representative
SCHEDULE 1

Project Description

The objectives of the Project are to facilitate: (i) the increased adoption by the Eastern Nile Countries of sustainable land and water management practices in selected micro-watersheds in the Eastern Nile Sub-basin; and (ii) development of a framework for integrated and sustainable management of Lake Nasser/Nubia sub-basin.

The Project consists of the following parts:

Part A. Community Watershed Management

1. Natural resource management. Carrying out of annual work plans to strengthen community-based natural resource management in Atbara, Bau (Ingessana), Dinder, and Lau sub-watersheds, such programs to consist of:

   (a) capacity building through strengthening of community organizations; development and introduction of guidelines for community-based natural resource management; and development and implementation of community natural resource management plans covering, inter alia, priorities for forest and range management and sustainable agriculture; and in the Dinder sub-watershed, measures to facilitate collaborative park management by park staff and local communities; and

   (b) resource management investment activities such as forest management, agro-forestry, reforestation and establishment of community forests and shelterbelts; and range management activities such as mapping of seasonal livestock migration routes and rehabilitation of rangelands through stock management, reseeding, management of water points, and improved grazing systems; and provision of goods required for the purpose.

2. Sustainable agriculture. Carrying out of the following programs to introduce agricultural and water harvesting innovations, based on the priorities for sustainable agriculture outlined in the community natural resource management plans developed under Part A.1(a) of the Project:

   (a) Agricultural innovations: Establishment of demonstration farms on farmers’ fields and provision of supporting services to facilitate the transfer of knowledge and technology to farmers interested in adopting demonstrated agricultural innovations; and provision of goods required for the purpose.

   (b) Water harvesting: Development of rainwater harvesting structures (such as farm ponds, storage tanks and springs for domestic use and small-scale...
irrigation) to improve access to water; rehabilitation of natural water collection points in the Dinder area to harvest rainwater; and construction of selected small-scale boreholes to provide safe drinking water for local communities; and provision of training required to assist local communities further develop, manage and maintain such structures as well as provision of goods required for the purpose.

3. **Sub-Grants:** Financing, through the provision of Sub-Grants to Beneficiaries of specific development sub-projects designed to support the scaling up innovations in natural resource management and sustainable agriculture.

**Part B. Project Management**

Carrying out of Project management, including coordination, technical and financial management, procurement, audits, and monitoring and evaluation, and provision of goods and Operating Costs required for the purpose.
SCHEDULE 2

Project Execution

Section I. Institutional and Other Arrangements

A. Institutional Arrangements

1. Under the policy and strategic guidance of the Eastern Nile Council of Ministers and the Eastern Nile Subsidiary Action Program Team, the Recipient shall, throughout the implementation of the Project implement the Project through MoWRI.

2. Without limitation to the provisions of paragraph 1 above, the Recipient shall, throughout the implementation of the Project, maintain the following implementation and coordination arrangements:

   (a) a National Project steering committee (“Project Steering Committee”), with attributions, composition and resources satisfactory to the World Bank, to be responsible for: (i) setting overall policy guidelines and oversight of Project implementation at the national level, (ii) approving the consolidated annual work plans from LIUs, and (iii) reviewing quarterly and annual Project Reports and providing guidance, as needed, to address implementation shortcomings. The Project Steering Committee shall be chaired by the Recipient’s minister responsible for MoIWR or his /her representative and shall include representatives of the key ministries and state ministries; and

   (b) Local Project steering committees (“LPSC”) in the sub-watersheds of Lower Atbara, Bau and Dinder to: (i) endorse the annual workplans from the localities; (ii) guide Project implementation at the local level; (iii) assist each LIU to address local Project implementation issues; and (iv) facilitate, as needed, linkages between the Project implementing institutions, the Beneficiaries, local government, and non-governmental organizations.

3. The Recipient shall at all times maintain within MoIWR, and in accordance with terms of reference acceptable to the World Bank, a Project coordination unit with qualified and experienced staff in adequate numbers and sufficient resources, to facilitate implementation of the Project.

4. The Recipient shall establish, not later than six (6) months after the Effective Date, and thereafter at all times maintain in accordance with terms of reference acceptable to the World Bank, each LIU with qualified and experienced staff in
adequate numbers and sufficient resources, to facilitate implementation of Project activities within the relevant localities.

5. The Recipient shall adopt the Project Implementation Manual (“PIM”), in form and substance satisfactory to the World Bank; (ii) the PIM shall set out details of all procedures, guidelines, timetables and criteria required for the Project; and (iii) the Recipient shall carry out the Project in accordance with the PIM (provided, however, that in the event of any inconsistency between the PIM and this Agreement, the provisions of this Agreement shall govern).

B. Anti-Corruption

The Recipient shall ensure that the Project is carried out in accordance with the provisions of the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 (“Anti-Corruption Guidelines”).

C. Environmental and Social Safeguards

The Recipient shall ensure that the Project activities are at all times implemented in accordance with the guidelines, procedures, timetable and other specifications set forth in the ESMF; and except as the World Bank shall otherwise agree, not amend or waive any provision of the aforementioned frameworks, assessments and plans, if such amendment or waiver may, in the opinion of the World Bank, materially or adversely affect the implementation of the Project activities.

D. Project Implementation

The Recipient shall: (1) prepare annual workplans, according to the PIM and furnish to the World Bank not later than 90 days before the beginning of each calendar year, a program or activities proposed to be included under Part A of the Project during the following calendar year; (2) afford the World Bank a reasonably opportunity to review each such program; and (3) thereafter, implement during such following year with due diligence such program of activities as shall have been agreed by the World Bank to be included under the Project.

E. Sub-Projects

1. The Recipient shall make Sub-Grant to Beneficiaries in accordance with eligibility criteria and procedures set out in the Sub-Grant Guidelines, which shall include the following:

(a) the proposed Sub-Project is: (i) consistent with the promotion of sound natural resource management and sustainable agricultural practices and has been endorsed by the LPSC; (ii) technically, environmentally and
financially sound; and (iii) complies with the standards and requirements set forth in the Recipient’s applicable laws and regulations relating to the Sub-Project, and the ESMF; and

(b) the Beneficiary: (i) is a legal entity with technical, financial and managerial capacity adequate to implement the proposed Sub-project; and (ii) has undertaken to provide appropriate in-kind contribution for the proposed Sub-Project.

2. The Recipient, acting through LIU, shall make each Sub-Grant under a Sub-Grant Agreement with the respective Beneficiary on terms and conditions approved by the World Bank, which shall include the following:

(a) obligation of the Beneficiary to: (i) carry out its Sub-project with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the World Bank, including in accordance with the provisions of the Anti-Corruption Guidelines applicable to recipients of loan proceeds other than the Recipient; (ii) provide, promptly as needed, the resources required for the purpose; (iii) maintain adequate records to reflect, in accordance with sound accounting practices, the resources, operations, and expenditures relating to the Sub-Project; and (iv) at the request of the World Bank or the Recipient, have such records audited by independent auditors acceptable to the World Bank, in accordance with consistently applied auditing standards acceptable to the World Bank, and promptly furnish the records as so audited to the Recipient and the World Bank;

(b) the requirement that the goods, works and consultants’ services to be financed out of the proceeds of the Sub-Grant shall be procured in accordance with the provisions of Section III of this Schedule, and shall be used exclusively in the carrying out of the Sub-Project;

(c) the right of the Recipient to: (i) inspect by itself, or jointly with the World Bank, if the World Bank shall so request, the Sub-project, its operation and any relevant records and documents; records and documents; (ii) obtain all information as it or the World Bank shall reasonably request regarding the administration, operation, and financial condition of the Sub-Project and the Beneficiary; and (iii) suspend or terminate the right of the Beneficiary to use the proceeds of the Sub-Grant upon failure by the Beneficiary to perform any of its obligations under the Sub-Grant Agreement; and
(d) The Recipient shall exercise its rights under the Sub-Grant Agreement in such manner as to protect its interests and the interests of the World Bank and to achieve the Project objective, and except as the World Bank shall otherwise agree, the LIU shall not assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, any substantive provision of the aforementioned.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports; Completion Report

1. (a) 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 indicators set forth below in sub-paragraph (b) of this paragraph. Each Project Report shall cover the period of one calendar quarter, and shall be furnished to the World Bank not later than 60 days after the end of the period covered by such report.

   (b) The performance indicators referred to above in sub-paragraph (a) consist of the following: (i) percentage increase in agricultural landscape under sustainable land and water management; (ii) percentage increase in the average yield of dominant crops.

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.

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 45 days after the end of each calendar quarter, covering the calendar 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 and 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 under IBRD Loans and IDA Credits” published by the World Bank in May 2004 and revised in October 2006 (“Procurement Guidelines”), in the case of goods and works; and Sections I and IV of the “Guidelines: Selection and Employment of Consultants by World Bank Borrowers” published by the World Bank in May 2004 and revised in October 2006 (“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 1.16 of the Procurement Guidelines and paragraph 1.24 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 the Procurement Guidelines, or Consultant Guidelines, as the case may be.

B.  Particular Methods of Procurement of Goods and Works

1.  International Competitive Bidding.  Except as otherwise provided in paragraph 2 below, goods and works shall be procured under contracts awarded on the basis of International Competitive Bidding.

2.  Other Methods of Procurement of Goods and Works.  The following methods, other than International Competitive Bidding, may be used for procurement of goods and works for those contracts specified in the Procurement Plan:

   (a)  National Competitive Bidding, subject to the additional provisions as set out paragraph 3 below;

   (b)  Shopping;

   (c)  Direct Contracting;
(d) Procurement from IAPSO; and
(e) Community Participation procedures which have been found acceptable to the World Bank.

3. The following additional provisions shall apply to NCB:

(a) Goods estimated to cost less than USD500,000 per contract and works estimated to cost less than USD5,000,000 per contract may be procured under contracts awarded on the basis of national competitive bidding (NCB) in accordance with procedures acceptable to IDA which shall inter alia ensure the following:

Participation in bidding:

(b) Government-owned enterprises in Sudan 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 of Sudan.

(c) 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 on at least two (2) consecutive days in a local 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. With the specific approval of IDA, this minimum period of 30 days may be reduced to a minimum period of 10 days in the case of emergency operations.

Standard bidding documents

(d) Until standard bidding documents acceptable to IDA have been introduced by the GONU, the standard bidding documents of IDA shall be used.

Qualification criteria 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 mailed 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.
There shall be no post-bidding negotiations with the lowest or any other bidder.

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; and (f) Selection of Individual Consultants.

D. Review by the World Bank of Procurement Decisions

1. The Procurement Plan shall set forth those contracts which shall be subject to the World Bank’s Prior Review. All other contracts shall be subject to Post Review by the World Bank.

Section IV. Withdrawal of Grant Proceeds

A. General

1. The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of (a) Article III of the Standard Conditions, (b) this Section, and (c) such additional instructions as the World Bank may specify by notice to the Recipient (including the “World Bank Disbursement Guidelines for Projects” dated May 2006, as revised from time to time by the World Bank and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.

2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Grant (“Category”), the allocations of the amounts of the Grant to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:
<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be Financed</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, works, consultants’ services, Training and Workshops and Operating Costs, under the Project (excluding Part A.3 thereof)</td>
<td>3,050,000</td>
<td>90%</td>
</tr>
<tr>
<td>(2) Goods, works and services for Sub-Projects under Part A.3 of the Project</td>
<td>950,000</td>
<td>90%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>4,000,000</td>
<td></td>
</tr>
</tbody>
</table>

**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, except that withdrawals up to an aggregate amount not to exceed eight hundred thousand United States Dollars (USD 800,000) equivalent may be made for payments made prior to this date but on or after January 1, 2009, for Eligible Expenditures.

   (b) for any payment for Taxes levied by or in the territory of the Sudan.

2. The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is December 31, 2014.
APPENDIX

Definitions


2. “Beneficiary” means an eligible community-based organization of farmers or herders, to which a Sub-Grant has been granted for the financing of a Sub-Project.


4. “Contribution” means an amount equivalent to approximately thirteen million five hundred thousand United States Dollars (USD 13,500,000) to be deposited by the Recipient into the Project Account for purposes of the Project.

5. “Eastern Nile Countries” means, collectively, the Arab Republic of Egypt, the Federal Democratic Republic of Ethiopia and the Republic of The Sudan.

6. “Egypt GEF Grant Agreement” means the agreement between the Arab Republic of Egypt and the World Bank, acting as an implementing agency of the GEF, providing for a GEF grant to assist in financing an Eastern Nile Watershed Management project on Lake Nasser/ Nubia to be carried out by the Arab Republic of Egypt in parallel with this Project.

7. “ENTRO Constituent Documents” means the declaration signed by the Ministers of Water Resources of each of the Eastern Nile Countries on January 10, 2002 pursuant to which ENTRO has been established, and its headquarters agreement between the Federal Democratic Republic of Ethiopia and the ENTRO dated February 16, 2002, pursuant to which it is operating with headquarters located in Addis Ababa.

8. “ENTRO” means the Eastern Nile Technical Regional Office, a legal entity established and operating pursuant to the ENTRO Constituent Documents.

9. “Environmental and Social Management Framework” or “ESMF” means the framework that include the set of mitigation, enhancement, monitoring, and institutional measures to be taken during implementation of the Project to eliminate any adverse environmental and social impacts, offset them, reduce them to acceptable levels, or to enhance positive impacts as set out in the report

10. “Finland TF Grant Agreement” means the agreement to be entered into between the Recipient and the World Bank (acting as administrator) providing for the Finland TF Grant.

11. “Finland TF Grant” means a grant in the amount of Euro 9.25 million to be provided by the Republic of Finland under a Trust Fund administered by the World Bank, to assist in financing the Project.

12. “IAPSO” means Inter-Agency Procurement Services Office, a UN agency responsible for provision of procurement management services.

13. “Local Implementation Unit” or “LIU” means each of the local implementation unit established in the sub-watersheds of Lower Atbara, Bau and Dinder.


16. “Operating Costs” means the incremental expenditures incurred by the Project coordination unit and the local Project implementation units to implement the Project, consisting of office operations and maintenance costs (such as electricity, telephone, internet, advertising expenses and bank charges, office supplies, office space rental, and office equipment maintenance), salaries of support staff (such as drivers, secretaries, cleaners and guards), staff travel, staff recruitment costs (including associated travel), and vehicle operations and maintenance costs. Project Account” means the account in local currency to be opened and maintained by the Recipient at its Central Bank into which the Contribution shall be deposited and maintained.

17. “Procurement Guidelines” means the “Guidelines: Procurement under IBRD Loans and IDA Credits” published by the Bank in May 2004, as revised in October 2006.

18. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated January 28, 2009, 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 the said paragraphs.
19. “Project Implementation Manual” or “PIM” means the manual referred to in Section 1, paragraph A.5, of Schedule II of this Agreement, containing detailed arrangements and procedures for the Project, including: (i) financial management and disbursement; (ii) a Procurement Manual; (iii) a Sub-Grant Guidelines elaborating on the criteria, guidelines and procedures for the granting of Sub-Grants; (iv) monitoring and evaluation, and reporting; and (vi) such other administrative, financial, technical or organizational arrangements and procedures as shall be required for the Project, as the said Project Implementation Manual may be amended and/or supplemented from time to time with the prior written agreement of the World Bank.

20. “Related GEF Grant Agreements” means, collectively, the ENTRO GEF Grant Agreement and the Egypt GEF Grant Agreement, and individually, any of the Related GEF Grant Agreements.

21. “Sub-Grant” means a grant made or proposed to be made to a Beneficiary to finance a Sub-Project.

22. “Sub-Grant Agreement” means each agreement to be entered into between the Recipient, acting through its LIU, and a Beneficiary providing for a Sub-Grant.

23. “Sub-Grant Guidelines” means as a set of guidelines prepared and adopted by the Recipient in form and substance satisfactory to the World Bank, as a supplemental document of the PIM, elaborating on the eligibility criteria and procedures for approval and monitoring and evaluation (including key output indicators) of Sub-Projects and Sub-Grants.

24. “Sub-Project” means a specific development project referred to in Part A.3 of the Project.

25. “ENTRO GEF Grant Agreement” means the agreement between the ENTRO and the World Bank, acting as an implementing agency of the GEF, providing for a GEF grant to assist in financing an Eastern Nile Watershed Management Project to be carried out by ENTRO in parallel with this Project.

26. “Training and Workshops” means the following expenditures incurred in providing training or workshops: travel by participants and presenters to the training or workshop site, per diem allowances of such persons during the training or workshop, honoraria for the presenters, rental of facilities, materials, supplies and translation and interpretation services.