

**OFFICIAL
DOCUMENTS**

LOAN NUMBER ~~8496-EG~~

Loan Agreement

(Strengthening Social Safety Net Project)

between

ARAB REPUBLIC OF EGYPT

and

**INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT**

Dated April 17, 2015

LOAN AGREEMENT

AGREEMENT dated April 17, 2015, between ARAB REPUBLIC OF EGYPT (“Borrower”) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (“Bank”). The Borrower and the Bank hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

- 1.01. The General Conditions (as defined in the Appendix to this Agreement) 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 General Conditions or in the Appendix to this Agreement.

ARTICLE II — LOAN

- 2.01. The Bank agrees to lend to the Borrower, on the terms and conditions set forth or referred to in this Agreement, the amount of four hundred million United States Dollars, (US\$400,000,000), as such amount may be converted from time to time through a Currency Conversion in accordance with the provisions of Section 2.08 of this Agreement (“Loan”), to assist in financing the Project described in Schedule 1 to this Agreement (“Project”).
- 2.02. The Borrower may withdraw the proceeds of the Loan in accordance with Section IV of Schedule 2 to this Agreement. The Borrower’s representative for purposes of taking any action required or permitted to be taken pursuant to this Section is the MOSS.
- 2.03. The Front-end Fee payable by the Borrower shall be equal to one quarter of one percent (0.25%) of the Loan amount.
- 2.04. The Commitment Charge payable by the Borrower shall be equal to one quarter of one percent (0.25%) per annum on the Unwithdrawn Loan Balance.
- 2.05. The interest payable by the Borrower on the principal amount of the loan withdrawn and the amount outstanding from time to time for each Interest Period shall be at a rate equal to the Reference Rate (as defined in paragraph 82 of the General Conditions) for the Loan Currency plus the Variable Spread; provided, that upon a Conversion of all or any portion of the principal amount of the Loan, the interest payable by the Borrower during the Conversion Period on such amount shall be determined in accordance with the relevant provisions of Article IV of the General Conditions.
- 2.06. The Payment Dates are January 15 and July 15 in each year.
- 2.07. The principal amount of the Loan shall be repaid in accordance with the amortization schedule set forth in Schedule 3 to this Agreement.

- 2.08. (a) The Borrower may at any time request any of the following Conversions of the terms of the Loan in order to facilitate prudent debt management: (i) a change of the Loan Currency of all or any portion of the principal amount of the Loan, withdrawn or unwithdrawn, to an Approved Currency; (ii) a change of the interest rate basis applicable to: (A) all or any portion of the principal amount of the Loan withdrawn and outstanding from a Variable Rate to a Fixed Rate, or vice versa; or (B) all or any portion of the principal amount of the Loan withdrawn and outstanding from a Variable Rate based on a Reference Rate and the Variable Spread to a Variable Rate based on a Fixed Reference Rate and the Variable Spread, or vice versa; or (C) all of the principal amount of the Loan withdrawn and outstanding from a Variable Rate based on a Variable Spread to a Variable Rate based on a Fixed Spread; and (iii) the setting of limits on the Variable Rate or the Reference Rate applicable to all or any portion of the principal amount of the Loan withdrawn and outstanding by the establishment of an Interest Rate Cap or Interest Rate Collar on the Variable Rate or the Reference Rate.
- (b) Any conversion requested pursuant to paragraph (a) of this Section that is accepted by the Bank shall be considered a “Conversion”, as defined in the General Conditions, and shall be effected in accordance with the provisions of Article IV of the General Conditions and of the Conversion Guidelines.
- (c) Promptly following the Execution Date for an Interest Rate Cap or Interest Rate Collar for which the Borrower has requested that the premium be paid out of the proceeds of the Loan, the Bank shall, on behalf of the Borrower, withdraw from the Loan Account and pay to itself the amounts required to pay any premium payable in accordance with Section 4.05 (c) of the General Conditions up to the amount allocated from time to time for the purpose in the table in Section IV of Schedule 2 to this Agreement.
- 2.09 The Borrower represents that it has designated its Ministry of Finance for the purpose of handling, on behalf of the Borrower, debt service payments with respect to the Loan.

ARTICLE III — PROJECT

- 3.01. The Borrower declares its commitment to the objective of the Project. To this end, the Borrower shall carry out the Project through MOSS, in accordance with the provisions of Article V of the General Conditions.
- 3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Borrower and the Bank shall otherwise agree, the Borrower shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV — EFFECTIVENESS; TERMINATION

- 4.01. Subject to the other provisions of this Article and Section 9.01 of the General Conditions, this Agreement shall become effective once the Bank has received evidence that all necessary constitutional procedures have been taken by the Borrower in accordance with the provisions of Section 9.01 of the General Conditions.

- 4.02. The Effectiveness Deadline is the date one hundred and eighty (180) days after the date of this Agreement, or such later date as may be established by the Bank in accordance with Section 9.04 of the General Conditions.

ARTICLE V — REPRESENTATIVE; ADDRESSES

- 5.01. The Minister of International Cooperation of the Borrower and the Assistant to the Minister for International, Regional and Arab Financing Organizations of the Ministry of International Cooperation of the Borrower are severally designated as the Borrower's Representative.

- 5.02. The Borrower's Address is:

Ministry of International Cooperation
8 Adly Street
Cairo, Arab Republic of Egypt

Cable address:

Facsimile:

Ministry of International Cooperation
Cairo, Arab Republic of Egypt

(202) 2391-2815
(202) 2391-5167

- 5.03. The Bank's Address is:

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

Cable address:

Telex:

Facsimile:

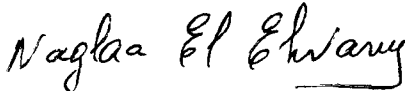
INTBAFRAD
Washington, D.C.

248423(MCI) or
64145(MCI)

1-202-477-6391

AGREED at Washington D.C., United States of America, as of the day and year first above written.

ARAB REPUBLIC OF EGYPT

By 

Authorized Representative

Name: Naglaa El-Ehwany

Title: Minister of International Cooperation

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

By



Authorized Representative

Name: Hafez M. H. Ghanem

Title: Regional Vice President

SCHEDULE 1

Project Description

The objective of the Project is to support the Borrower to establish an efficient and effective Takaful and Karama Cash Transfer Program.

The Project consists of the following parts:

PART A: Provision of Conditional and Unconditional Cash Transfers

Provision of conditional and unconditional Cash Transfers to Beneficiaries under the Takaful and Karama Cash Transfer Programs of the Borrower.

PART B: Support of SSN Targeting and Operational Systems

1. Provision of support for the development and implementation of the targeting and operational systems of the Takaful and Karama Cash Transfer Program, through, *inter alia*: (i) designing and developing systems and business process of the Program, through technical assistance and information technology infrastructure; (ii) improving the administrative infrastructure of social units of MOSS and operational support to Program roll-out; (iii) providing training for officials and staff of MOSS and other relevant officials of the Borrower to carry out the Takaful and Karama Cash Transfer Program; and (iv) carrying out monitoring of the Takaful and Karama Cash Transfer Program.
2. Provision of support to MOPAR for developing a Unified National Registry (UNR), consisting, *inter alia*, of: (i) designing and developing systems and business process and protocols of the UNR through providing technical assistance, information technology infrastructure, and connectivity to databases of participating agencies; (ii) providing training for officials and staff of MOPAR working on the UNR; and (iii) carrying out monitoring activities of the UNR.

PART C: Project Management and Monitoring and Evaluation

Provision of Project management and implementation support, including: (i) carrying out of Project monitoring, regular internal audits, annual external audits and annual independent verification of the Cash Transfers; (ii) establishing the PIU and supporting the operational and implementation capacity of the PIU staff; and (iii) undertaking independent targeting, process and impact evaluations of the Project.

SCHEDULE 2

Project Execution

Section I. Institutional and Implementation Arrangements

A. Institutional Arrangements

1. The Borrower shall cause MOSS to maintain, throughout the implementation of the Project, the PIU, CUSP and PTF, with mandate, functions and resources, terms of reference, and with staff of adequate qualifications and experience, all acceptable to the Bank, to be responsible for overall implementation and coordination of Project activities and such other functions as set forth in the Project Operations Manual.
2. Without limitation on the provisions of paragraph 1 of this Section, the Borrower shall maintain, throughout the implementation of the Project, the PIU with a director, a financial management specialist, a procurement specialist and a monitoring and evaluation specialist, acceptable to the Bank.
3. The Borrower shall carry out oversight and coordination of the implementation of the Project through the Ministerial Committee for Social Justice.

B. Project Operations Manual

1. The Borrower shall cause MOSS to implement the Project in accordance with the provisions of the Project Operations Manual.
2. Except as the Bank may agree after due consultation, the Borrower shall ensure that MOSS shall not amend, abrogate or waive any provision of the Project Operations Manual without the prior written agreement of the Bank.
3. In the case of any conflict between the arrangements and procedures set out in the Project Operations Manual and the provisions of this Agreement, the provisions of this Agreement shall prevail.

C. Selection of Beneficiaries

1. Without limitation on the provisions of Section I.B of this Schedule, the Borrower shall ensure that the selection of Beneficiaries for purposes of Part A of the Project shall be undertaken in a manner and in accordance with eligibility criteria and procedures as set out in the Project Operations Manual.

D. Anti-Corruption

1. The Borrower shall cause MOSS to carry out the Project in accordance with the provisions of the Anti-Corruption Guidelines.

E. Other Implementation Arrangements

1. The Borrower shall, through MOSS, no later than 3 months after the Effective Date, hire an independent Verification Agent under terms of reference, acceptable to the Bank, to carry out annual Cash Transfer performance audits. The Borrower shall ensure that reports of said performance audits of the Takaful and Karama Cash Transfers Program are furnished to the Bank not later than forty-five (45) days after the end of each Fiscal Year during the implementation of the Project.
2. Not later than two months after the Effective Date and throughout implementation, the Borrower shall cause MOSS to appoint project director, procurement and financial management specialists, and monitoring and evaluation specialist for the Project in accordance with terms of reference acceptable to the Bank.
3. The Borrower shall, through MOSS hire in a timely manner an independent entity under terms of reference acceptable to the Bank: (a) to evaluate the targeting of Beneficiaries, once after the first wave of enrolment of Beneficiaries and second during the last year of Project implementation; and (b) to undertake process evaluation after the end of the first wave of enrolment of Beneficiaries and provision of Cash Transfer payments to them.
4. The Borrower shall through MOSS, no later than the end of the first round of the first wave of enrollment of Beneficiaries, as set-out in the Project Operations Manual, establish a complaints and grievance redress mechanism to handle complaints and grievances from Beneficiaries or third parties relating to any aspects of the Project, including allegations of fraud and corruption. Such mechanism shall, *inter alia*, contain procedures for recording of complaints and grievances, directing the complainants to the appropriate level for action, the review process, and provision of feedback to the complainant on the action taken on the basis of best practice service standards.

Section II. Project Monitoring Reporting and Evaluation

A. Project Reports

1. The Borrower shall, through MOSS, monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 5.08 of the General Conditions and on the basis of indicators acceptable to the Bank. Each Project Report shall cover the period of one (1) calendar semester, and shall be furnished to the Bank not later than forty-five (45) days after the end of the period covered by such report.

B. Financial Management, Financial Reports and Audits

1. The Borrower shall cause MOSS to maintain a financial management system in accordance with the provisions of Section 5.09 of the General Conditions.
2. Without limitation on the provisions of Part A of this Section, the Borrower, through MOSS, shall prepare and furnish to the Bank not later than forty-five (45) days after the end of each calendar quarter, interim unaudited financial reports for the Project covering the quarter, in form and substance satisfactory to the Bank.

3. The Borrower shall cause MOSS to have the Financial Statements audited in accordance with the provisions of Section 5.09 (b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one (1) Fiscal Year of the Borrower or such other period as the Bank may agree. The audited Financial Statements for each such period shall be furnished to the Bank not later than six (6) months after the end of such period.

Section III. Procurement

A. General

1. **Goods, Works and Non-consulting Services.** All goods, works and non-consulting services required for the Project and to be financed out of the proceeds of the Loan shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Section.
2. **Consultants' Services.** All consultants' services required for the Project and to be financed out of the proceeds of the Loan shall be procured in accordance with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines and with the provisions of this Section.
3. **Definitions.** The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the 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) National Competitive Bidding, subject to the additional provisions set forth in paragraph 3 below; (b) Shopping; and (c) Direct Contracting.
3. **Additional Provisions Applicable to National Competitive Bidding.** The following additional provision shall apply to the procurement of goods, works, and non-consulting services under National Competitive Bidding procedures:

A Project Standard Bidding Document acceptable to the Bank will be used for National Competitive Bidding.

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 contracts which are specified in the Procurement Plan: (a) Least Cost Selection; (b) Single-source Selection of consulting firms; (c) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants; and (d) Single-source procedures for the Selection of Individual Consultants.

D. Review by the Bank of Procurement Decisions

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

Section IV. Withdrawal of Loan Proceeds

A. General

1. The Borrower may withdraw the proceeds of the Loan in accordance with the provisions of Article II of the General Conditions, this Section, and such additional arrangements as the Bank shall specify by notice to the Borrower (including the "World Bank Disbursement Guidelines for Projects" dated May 2006, as revised from time to time by the Bank and as made applicable to this Agreement pursuant to such arrangements), 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 Loan ("Category"), the allocation of the amounts of the Loan to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category.

Category	Amount of the Loan Allocated (expressed in USD)	Percentage of Expenditures to be financed
(1) Cash Transfers	375,000,000	100% of each DLI Amount set out in the Annex to this Schedule
(2) Goods, non-consulting services, consultants' services, training, and Operating Cost under Parts B and C of the Project	24,000,000	100%
(3) Front-end Fee	1,000,000	Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.07 (b) of the General Conditions
(4) Interest Rate Cap or Interest Rate Collar premium	0	Amount due pursuant to Section 2.08(c) of this Agreement
TOTAL AMOUNT	400,000,000	

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 \$80,000,000 may be made for payments made prior to this date but on or after July 1, 2014, for Eligible Expenditures;
 - (b) for payments for Cash Transfers under Category (1) for which a withdrawal request has been submitted, unless such payments are made and verified in accordance with the provisions of paragraph 2 below.

2. No payments for Cash Transfers shall be eligible for financing from the proceeds of the Loan unless:
 - (a) the Borrower has identified Beneficiaries eligible to receive Cash Transfers in accordance with criteria and procedures set forth in Project Operations Manual;
 - (b) the Borrower has enrolled said Beneficiaries for the Takaful and Karama Cash Transfer Program and issued the relevant identification cards;
 - (c) payments for Cash Transfers have been made to Beneficiaries following completion of the above actions and in accordance with criteria, procedures and arrangements set out in the Borrower's Project Operations Manual;

- (d) for each withdrawal request, one or more DLIs set out in the Annex to Schedule 2 to this Agreement has been achieved, and the amount of Cash Transfer that is eligible to be financed from the proceeds of the Loan shall be an amount not exceeding the amount allocated for the achievement of one or more DLIs (the “DLI/s” Amount); and
 - (e) the Borrower has furnished all required verification documents acceptable to the Bank showing that Cash Transfers have been made in accordance with the above clauses and that the relevant DLI(s) has/have been achieved, such verification to be provided in accordance with procedures and arrangements, as set out in the Project Operations Manual.
- 3. If, at any time, the Bank determines that any portion of the amounts disbursed by the Bank to the Borrower under Category (1) was: (i) made for reimbursement of expenditures which are not eligible under the Takaful and Karama Cash Transfer Program; or (ii) not in compliance with the provisions of Section IV.B.1 (b) and the provisions of the Project Operations Manual, the Borrower shall promptly refund any such amount to the Bank as the Bank shall specify by notice to the Borrower.
- 4. The Closing Date is November 30, 2019

Annex to Schedule 2

DLI Number	Disbursement-linked indicator (DLI)	DLI Amount (expressed in USD)
1	Proxy Means Test (PMT) using poverty predictions designed and used to identify Beneficiaries under the first wave of the Takaful and Karama Cash Transfer Program consisting of at least 50,000 Beneficiaries	10,000,000
2	Freeze on new entrants to the Social Solidarity Pensions program of the Borrower for the Beneficiary categories that are covered by the Karama Cash Transfer Program, where Karama Program has been rolled out.	10,000,000
3	Verification of self-reporting carried out for Beneficiaries identified under the first wave of the Takaful and Karama Cash Transfer Program undertaken, and an action plan (listing actions to be taken based on the findings of the verification, by whom and when prepared and adopted).	20,000,000
4	Independent process evaluation of wave one (covering processes of Beneficiary identification, enrolment, payment, grievance redress and database management) undertaken and an action plan prepared, adopted and published to ensure an effective process in the further roll-out of the Takaful and Karama Cash Transfer Program.	20,000,000
5	The PMT for identifying Beneficiaries has been adjusted based on the finding of an independent targeting accuracy assessment designed to show how well the PMT is targeting the poorest so as to ensure that the inclusion and exclusion errors in the PMT are minimized.	20,000,000
6	Baseline survey of the Impact Evaluation Study is undertaken, to establish the status of surveyed households prior to the Project interventions.	10,000,000
7	Impact Evaluation Study completed and the results have been published detailing how well the Project has met its objective.	10,000,000
8	At least 180,000 Beneficiaries enrolled in the Takaful and Karama Cash Transfer Program using the PMT.	30,000,000
9	At least an aggregate of 500,000 Beneficiaries enrolled in the Takaful and Karama Cash Transfer Program using the PMT.	40,000,000

10	At least an aggregate of 750,000 Beneficiaries enrolled in the Takaful and Karama Cash Transfer Program using the PMT.	60,000,000
11	At least an aggregate of 1,000,000 Beneficiaries enrolled in the Takaful and Karama Cash Transfer Program using PMT.	65,000,000
12	A basic registration module of the MIS for registering applicants under the Takaful and Karama Cash Transfer Program is operational and being used for the registration of applicants.	10,000,000
13	A back-office registry module of the MIS is operational and used to cross-check applicants of the Takaful and Karama Cash Transfer Program with MOSS databases	10,000,000
14	A payment module of the MIS is operational and used to process payment for eligible Beneficiaries of the Takaful and Karama Cash Transfer Program	10,000,000
15	A case management module of the MIS is operational for providing update to life events of Beneficiaries.	10,000,000
16	A conditionality compliance module of the MIS is operational and capable of identifying cases of non-compliance with the conditions in the Takaful Cash Transfer Program.	10,000,000
17	A Grievance Mechanism module of the MIS is operational, and incoming grievances and replies are logged in the system.	10,000,000
18	A Grievance Redress Mechanism has been established and at least 50% grievances have been addressed.	10,000,000
19	A Grievance Redress Mechanism established for the Takaful and Karama Cash Transfer Program and at least 80% of grievances have been addressed within stipulated timeframe as per the Project Operations Manual.	10,000,000
	TOTAL AMOUNT	375,000,000

SCHEDULE 3

Amortization Schedule

1. The following table sets forth the Principal Payment Dates of the Loan and the percentage of the total principal amount of the Loan payable on each Principal Payment Date (“Installment Share”). If the proceeds of the Loan have been fully withdrawn as of the first Principal Payment Date, the principal amount of the Loan repayable by the Borrower on each Principal Payment Date shall be determined by the Bank by multiplying: (a) Withdrawn Loan Balance as of the first Principal Payment Date; by (b) the Installment Share for each Principal Payment Date, such repayable amount to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.

Principal Payment Date	Installment Share (Expressed as a Percentage)
On each January 15 and July 15 Beginning July 15, 2020 through July 15, 2049	1.67%
On January 15, 2050	1.47%

2. If the proceeds of the Loan have not been fully withdrawn as of the first Principal Payment Date, the principal amount of the Loan repayable by the Borrower on each Principal Payment Date shall be determined as follows:
- (a) To the extent that any proceeds of the Loan have been withdrawn as of the first Principal Payment Date, the Borrower shall repay the Withdrawn Loan Balance as of such date in accordance with paragraph 1 of this Schedule.
 - (b) Any amount withdrawn after the first Principal Payment Date shall be repaid on each Principal Payment Date falling after the date of such withdrawal in amounts determined by the Bank by multiplying the amount of each such withdrawal by a fraction, the numerator of which is the original Installment Share specified in the table in paragraph 1 of this Schedule for said Principal Payment Date (“Original Installment Share”) and the denominator of which is the sum of all remaining Original Installment Shares for Principal Payment Dates falling on or after such date, such amounts repayable to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.
3. (a) Amounts of the Loan withdrawn within two calendar months prior to any Principal Payment Date shall, for the purposes solely of calculating the principal amounts payable on any Principal Payment Date, be treated as withdrawn and outstanding on the second Principal Payment Date following the date of withdrawal and shall be repayable on each Principal Payment Date commencing with the second Principal Payment Date following the date of withdrawal.
- (b) Notwithstanding the provisions of sub-paragraph (a) of this paragraph, if at any time the Bank adopts a due date billing system under which invoices are issued on

or after the respective Principal Payment Date, the provisions of such subparagraph shall no longer apply to any withdrawals made after the adoption of such billing system.

4. Notwithstanding the provisions of paragraphs 1 and 2 of this Schedule, upon a Currency Conversion of all or any portion of the Withdrawn Loan Balance to an Approved Currency, the amount so converted in the Approved Currency that is repayable on any Principal Payment Date occurring during the Conversion Period, shall be determined by the Bank by multiplying such amount in its currency of denomination immediately prior to the Conversion by either: (a) the exchange rate that reflects the amounts of principal in the Approved Currency payable by the Bank under the Currency Hedge Transaction relating to the Conversion; or (b) if the Bank so determines in accordance with the Conversion Guidelines, the exchange rate component of the Screen Rate.
5. If the Withdrawn Loan Balance is denominated in more than one Loan Currency, the provisions of this Schedule shall apply separately to the amount denominated in each Loan Currency, so as to produce a separate amortization schedule for each such amount.

APPENDIX

Section I. Definitions

1. “Anti-Corruption Guidelines” means the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 and revised in January 2011.
2. “Beneficiaries” means poor households or individuals enrolled under the Takaful and the Karama Cash Transfer Program and eligible to receive cash transfers and selected in accordance with procedures and criteria set out in Project Operations Manual
3. “Cash Transfers” means the Cash Transfers provided by the Borrower to Beneficiaries under the Takaful and Karama Cash Transfer Program.
4. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
5. “Consultant Guidelines” means the “Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated January 2011 (revised July 2014).
6. “CUSP” means the Central Unit for Social Pension under the Social Protection Department of MOSS that will be responsible for day-to-day management of the Project.
7. “DLIs” means Disbursement Linked Indicators on the basis of which Cash Transfers may be financed from the proceeds of the Loan as set out in Section IV.B of Schedule 2 to this Agreement and the Annex thereto.
8. “General Conditions” means the “International Bank for Reconstruction and Development General Conditions for Loans”, dated March 12, 2012, with the modifications set forth in Section II of this Appendix.
9. “Ministerial Committee for Social Justice” established by the Borrower headed by the Prime Minister and with the representatives of relevant Ministries of the Borrower to provide, *inter alia*, oversight to the overall coordination and progress of the Project.
10. “MOPAR” means the Ministry of Planning and Administrative Reform of the Borrower or any successor thereof.
11. “MOSS” means the Ministry of Social Solidarity of the Borrower or any successor thereof.
12. “Operating Costs” means costs of communication, office space and equipment, utilities and supplies, bank charges, translation, transportation, maintenance and insurance of buildings and equipment, travel and *per diem* incurred in connection with the implementation of the Project, excluding salaries and incentives of civil servants of the Borrower, and fees associated with issuance of National Identification Cards for Beneficiaries who do not have the said cards needed to enroll in the Program.

13. "Procurement Guidelines" means the "Guidelines: Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated January 2011 (revised July 2014).
14. "Procurement Plan" means the Borrower's procurement plan for the Project, dated February 24, 2015 and referred to in paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.
15. "PTF" means the Program Task Force comprising the PIU and the staff of MOSS established by the Borrower for leading the implementation of the day-to-day activities of the Project.
16. "PIU" means the Project Implementation Unit established by the Borrower to provide support to MOSS in the day-to-day management and implementing the Project.
17. "Project Operations Manual" means the manual for the Project prepared and adopted by the Borrower dated: March 10, 2015 which contains detailed implementation arrangements as well as responsibilities and procedures to ensure proper coordination of Project activities, including the following provisions: (a) eligibility criteria and procedures for selecting Beneficiaries; (b) disbursement, financial management, and procurement procedures; (c) institutional administration, coordination and day-to-day execution of Project activities; (d) monitoring and evaluation, reporting, and communications; (e) detailed procedures for coordination and collaboration among the agencies involved in the implementation of the Project; and (f) such other administrative, financial, technical and organizational arrangements and procedures as shall be required for the Project, as the same may be amended from time to time with prior written approval of the Bank.
18. "SSN Programs" means the Social Safety Net Programs of the Borrower designed to provide protection to the poor through income support.
19. "Takaful and Karama Cash Transfer Program" means the national targeted program under the MOSS of the Borrower providing conditional and unconditional Cash Transfers to Beneficiaries to provide income support aimed at the protection and inclusion of poor households with children, the poor elderly (above age 65) and persons with permanent disability.
20. "Unified National Registry" (UNR) means the registry developed by the MOPAR to establish a national database platform to support consolidation of the SSN Programs and other social service programs of the Borrower and facilitate coordinated targeting and delivery mechanisms.
21. "Verification Agent" means an independent entity to be hired by the Borrower to carry-out performance audits of the Project, as referred to in Section I.E(1) of Schedule 2 to this Agreement.

Section II. Modifications to the General Conditions

The General Conditions are hereby modified as follows:

1. In the **Table of Contents**, the references to Sections, Section names and Section numbers are modified to reflect the modifications set forth in the paragraphs below.
2. Section 3.01. (*Front-end Fee*) is modified to read as follows:

“Section 3.01. *Front-end Fee; Commitment Charge*

(a) The Borrower shall pay the Bank a front-end fee on the Loan amount at the rate specified in the Loan Agreement (the “Front-end Fee”).

(b) The Borrower shall pay the Bank a commitment charge on the Unwithdrawn Loan Balance at the rate specified in the Loan Agreement (the “Commitment Charge”). The Commitment Charge shall accrue from a date sixty days after the date of the Loan Agreement to the respective dates on which amounts are withdrawn by the Borrower from the Loan Account or cancelled. The Commitment Charge shall be payable semi-annually in arrears on each Payment Date.”

3. In the Appendix, **Definitions**, all relevant references to Section numbers and paragraphs are modified, as necessary, to reflect the modification set forth in paragraph 2 above.
4. The Appendix is modified by inserting a new paragraph 19 with the following definition of “Commitment Charge”, and renumbering the subsequent paragraphs accordingly:

“19. “Commitment Charge” means the commitment charge specified in the Loan Agreement for the purpose of Section 3.01(b).”