

November 18 , 2021

Her Excellency  
Ms. Maria de Fátima Bezerra  
Governor of the State of Rio Grande do Norte  
Government of the State of Rio Grande do Norte  
Centro Administrativo, BR 101, Km 0 - Lagoa Nova  
59064-901, Natal, RN  
Brazil

Re: GovTech TF Grant No. TF0B7220-BR  
Brazil *Scaling up the Procurement Application for CDD: SOL*  
Project  
Letter Agreement

Excellency:


In response to the request for financial assistance made on behalf of State of Rio Grande do Norte (“Recipient”), I am pleased to inform you that the International Bank for Reconstruction and Development (“Bank”), acting as administrator of grant funds provided by donors (“Donors”) under the Government Technology (GovTech) Global Partnership (GTGP) Multi-Donor Trust Fund, proposes to extend to the Recipient, a grant in an amount not to exceed one hundred thousand United States Dollars (USD 100,000) (“Grant”) on the terms and conditions set forth or referred to in this letter agreement (“Agreement”), which includes the attached Annex, to assist in the financing of the project described in the Annex (“Project”).

This Grant is funded out of the abovementioned trust fund for which the Bank receives periodic contributions from the Donors. In accordance with Section 3.02 of the Standard Conditions (as defined in the Annex to this Agreement), the Bank’s payment obligations in connection with this Agreement are limited to the amount of funds made available to it by the Donors under the abovementioned trust fund, and the Recipient’s right to withdraw the Grant proceeds is subject to the availability of such funds.

The Recipient represents, by confirming its agreement below, that it is authorized to enter into this Agreement and to carry out the Project in accordance with the terms and conditions set forth or referred to in this Agreement.

Please confirm the Recipient’s agreement to the foregoing by having an authorized official of the Recipient sign and date this Agreement and returning one duly executed copy to the Bank.

Very truly yours,  
INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT

By   
\_\_\_\_\_  
Paloma Anós Casero  
Country Director

AGREED:  
STATE OF RIO GRANDE DO NORTE

By Maria de Fátima Bezerra  
Authorized Representative

Name Maria de Fátima Bezerra

Title Governadora do Estado

Date 24-nov-2021

Enclosures:

- (1) “International Bank for Reconstruction and Development and International Development Association Standard Conditions for Grant Financing Made by the Bank out of Trust Funds” dated February 25, 2019
- (2) Disbursement and Financial Information Letter of the same date as this Agreement, together with the “Disbursement Guidelines for Investment Project Financing”, dated February 2017

**GovTech TF Grant No. TF0B7220-BR  
ANNEX**

**Article I  
Standard Conditions; Definitions**

1.01. **Standard Conditions.** The Standard Conditions (as defined in Section 1.02 below) constitute an integral part of this Agreement.

1.02. **Definitions.** 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 Section:

- (a) “Anti-Corruption Guidelines” means, for purposes of paragraph 2 of the Appendix to the Standard Conditions, the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006, and revised in January, 2011, and as of July 1, 2016.
- (b) “Category” means a category set forth in the table in Section 3.01 of this Agreement.
- (c) “CDD” means community-driven development.
- (d) “Environmental and Social Commitment Plan” or “ESCP” means the environmental and social commitment plan for the Project, dated September 21, 2021, as the same may be amended from time to time in accordance with the provisions thereof, which sets out the material measures and actions that the Recipient shall carry out or cause to be carried out to address the potential environmental and social risks and impacts of the Project, including the timeframes of the actions and measures, institutional, staffing, training, monitoring and reporting arrangements, and any environmental and social instruments to be prepared thereunder.
- (e) “Environmental and Social Standards” or “ESSs” means, collectively: (i) “Environmental and Social Standard 1: Assessment and Management of Environmental and Social Risks and Impacts”; (ii) “Environmental and Social Standard 2: Labor and Working Conditions”; (iii) “Environmental and Social Standard 3: Resource Efficiency and Pollution Prevention and Management”; (iv) “Environmental and Social Standard 4: Community Health and Safety”; (v) “Environmental and Social Standard 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement”; (vi) “Environmental and Social Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources”; (vii) “Environmental and Social Standard 7: Indigenous Peoples/Sub-Saharan Historically Underserved Traditional Local Communities”; (viii) “Environmental and Social Standard 8: Cultural Heritage”; (ix) “Environmental and Social Standard 9: Financial Intermediaries”; (x) “Environmental and Social Standard 10: Stakeholder Engagement and Information Disclosure”; effective on October 1, 2018, as published by the Bank.
- (f) “GitHub” means a code hosting platform for version control and collaboration, accessible at [github.com](https://github.com).
- (g) “MVP” means minimum viable product.
- (h) “Operating Costs” means the reasonable incremental operational costs related to the Project technical and administrative management, preparation, monitoring and supervision

required under the Project, including, *inter alia*, supplies, travel costs (including accommodations, transportation costs and *per diem*), bank charges, printing services, communication costs, utilities, maintenance and rental of office or equipment and facilities, licensing, local contractual staff working on the Project, and logistics services, but excluding the Recipient's regular staff.

- (i) "Project Implementation Unit" or "PIU" means the unit within the Recipient in charge of the overall coordination of the Project.
- (j) "Procurement Regulations" means, for purposes of paragraph 20 of the Appendix to the Standard Conditions, the "World Bank Procurement Regulations for IPF Borrowers", dated November 2020.
- (k) "SOL" or "Application" means *Solução Online de Licitação* (Online Bidding Solution). An application that covers all procurement steps from advertising to contract signing.
- (l) "Standard Conditions" means the "International Bank for Reconstruction and Development and International Development Association Standard Conditions for Grant Financing Made by the Bank out of Trust Funds", dated February 25, 2019.

## **Article II Project Execution**

2.01. ***Project Objectives and Description.*** The objective of the Project is to scale up the adoption of open source electronic procurement software by governments for CDD projects in Brazil and in other countries of Latin America and the Caribbean region and to foster a collaborative community to maintain the software.

The Project consists of the following part:

### **Part 1. SOL Upgrades and Project Management**

**1.1** Provision of support for the customization, upgrading, and internationalization of SOL, including through:

- (i) making the required modifications to implement the internationalization of the Application;
- (ii) implementing enhancements to the MVP version of the Application for better user experience and easier customization and installation by other users;
- (iii) translating the front-end interface, manuals and other relevant documentation of the Application into the Bank's official languages; and
- (iv) fostering the growth of the sharing community in GitHub, including the preparation of a comprehensive governance framework for the Application.

**1.2** Provision of support for the implementation, monitoring and supervision of the Project activity.

2.02. **Project Execution Generally.** The Recipient declares its commitment to the objective of the Project. To this end, the Recipient shall carry out the Project through the Secretariat of Planning and Finances (“SEPLAN”); all in accordance with the provisions of: (a) Article II of the Standard Conditions; (b) the Anti-Corruption Guidelines; (c) the Operational Manual; and (d) this Article II.

2.03. **Institutional and Other Arrangements.**

- (a) **Operational Manual:** (i) the Recipient shall carry out the Project in accordance with a manual (the “Operational Manual”), satisfactory to the Bank, setting forth, *inter alia*: (a) a detailed description of the Project activity, (b) the administrative, financial, accounting, auditing, procurement and disbursement procedures for Project implementation, including relevant standard documents and the Procurement Plan, and (c) the plan for monitoring, evaluation and supervision of the Project according to the agreed Project’s development indicators.
- (ii) Except as the Bank shall otherwise agree in writing, the Recipient shall not assign, amend, abrogate, waive, or fail to enforce any provision of the Operational Manual. In case of any conflict between the terms of the Operational Manual and those of this Agreement, the terms of this Agreement shall prevail.
- (b) The Recipient shall maintain at all times during the implementation of the Project, the Secretariat of the SEPLAN and of the PIU; all with sufficient resources, decision making capacity, competent staff in adequate numbers and responsibilities, as acceptable to the Bank and as set forth in the Operational Manual.

2.04. **Environmental and Social Standards.**

- (a) The Recipient shall ensure that the Project is carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Bank.
- (b) Without limitation upon paragraph (a) above, the Recipient shall ensure that the Project is implemented in accordance with the Environmental and Social Commitment Plan (“ESCP”), in a manner acceptable to the Bank. To this end, the Recipient shall ensure that:
  - (i) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, as provided in the ESCP;
  - (ii) sufficient funds are available to cover the costs of implementing the ESCP;
  - (iii) policies and procedures are maintained, and qualified and experienced staff in adequate numbers are retained to implement the ESCP, as provided in the ESCP; and
  - (iv) the ESCP, or any provision thereof, is not amended, repealed, suspended or waived, except as the Bank shall otherwise agree in writing, as specified in the ESCP, and ensure that the revised ESCP is disclosed promptly thereafter.
- (c) In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.
- (d) The Recipient shall ensure that:

- (i) all measures necessary are taken to collect, compile, and furnish to the Bank through regular reports, with the frequency specified in the ESCP, and promptly in a separate report or reports, if so requested by the Bank, information on the status of compliance with the ESCP and the environmental and social instruments referred to therein, all such reports in form and substance acceptable to the Bank, setting out, *inter alia*: (A) the status of implementation of the ESCP; (B) conditions, if any, which interfere or threaten to interfere with the implementation of the ESCP; and (C) corrective and preventive measures taken or required to be taken to address such conditions; and
  - (ii) the Bank is promptly notified of any incident or accident related to or having an impact on the Project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers, in accordance with the ESCP, the environmental and social instruments referenced therein and the Environmental and Social Standards.
- (e) The Recipient shall establish, publicize, maintain and operate an accessible grievance mechanism, to receive and facilitate resolution of concerns and grievances of Project-affected people, and take all measures necessary and appropriate to resolve, or facilitate the resolution of, such concerns and grievances, in a manner acceptable to the Bank.

**Article III  
Withdrawal of Grant Proceeds**

3.01. **Eligible Expenditures.** The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) Article III of the Standard Conditions; and (b) this Section; to finance Eligible Expenditures in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:

| <b>Category</b>   | <b>Amount of the Grant Allocated (expressed in USD)</b> | <b>Percentage of Expenditures to be Financed (inclusive of Taxes)</b> |
|---|---|---|
| (1) Non-consulting services, consulting services, and Operating Costs under the Project | 100,000   | 100%  |
| <b>TOTAL AMOUNT</b>   | 100,000   |   |

3.02. **Withdrawal Period.** The Closing Date is December 31, 2022.

**Article IV  
Effectiveness; Termination**

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

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

(b) The Operational Manual referred to in Section 2.03(a) has been adopted by the Recipient, through the SEPLAN, in a manner satisfactory to the Bank.

4.02. As part of the evidence to be furnished pursuant to Section 5.01 (a), there shall be furnished to the Bank an opinion or opinions satisfactory to the Bank of counsel acceptable to the Bank or, if the Bank so requests, a certificate satisfactory to the Bank of a competent official of the Recipient, showing the following matters: on behalf of the Recipient, that this Agreement has been duly authorized or ratified by, and executed and delivered on its behalf and is legally binding upon it in accordance with its terms.

**Article V**  
**Recipient's Representative; Addresses**

5.01. **Recipient's Representative.** The Recipient's Representative referred to in Section 7.02 of the Standard Conditions is its Governor.

5.02. **Recipient's Address.** For purposes of Section 7.01 of the Standard Conditions:

(a) the Recipient's Address is:

Government of the State of Rio Grande do Norte  
Centro Administrativo, BR 101, Km 0 - Lagoa Nova  
59064-901, Natal, RN  
Brazil;

and

(b) the Recipient's Electronic Address is:

E-mail:  
[governadora@rn.gov.br](mailto:governadora@rn.gov.br)

5.03. **Bank's Address.** For purposes of Section 7.01 of the Standard Conditions:

(a) the Bank's address is:

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

(b) the Bank's Electronic Address is:

|                                |                |  |
|--------------------------------|----------------|--|
| Telex:                         | Facsimile:     | E-mail:  |
| 248423 (MCI) or<br>64145 (MCI) | 1-202-477-6391 | <a href="mailto:panoscasero@worldbank.org">panoscasero@worldbank.org</a> |