

**On approval of the Agreement between the Government of the Republic of Kazakhstan and the Islamic Development Bank on the grant of technical assistance to prepare a study on the preliminary institutional structure of the Islamic Organization for Food Security of the Organization of Islamic Cooperation**

*Unofficial translation*

Decree of the Government of the Republic of Kazakhstan dated August 31, 2016 No. 505.

*Unofficial translation*

The Government of the Republic of Kazakhstan HEREBY DECREES:

1. To approve the attached Agreement between the Government of the Republic of Kazakhstan and the Islamic Development Bank on the grant of technical assistance to prepare a study on the preliminary institutional structure of the Islamic Organization for Food Security of the Organization of Islamic Cooperation, executed in Jiddah on February 29, 2016.

2. This decree shall come into force upon signing.

*Prime Minister  
of the Republic of Kazakhstan*

*K. Massimov*

Approved  
by decree of the Government  
of the Republic of Kazakhstan  
dated August 31, 2016 no.505

**Agreement**

**between the Government of the Republic of Kazakhstan and the Islamic Development Bank on the grant of technical assistance to prepare a study on the preliminary institutional structure of the Islamic Organization for Food Security of the Organization of Islamic Cooperation**

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The Agreement executed on \_\_\_\_/\_\_\_\_/1437 A.H., corresponding to \_\_\_\_/\_\_\_\_/2016.  
between

the Government of the Republic of Kazakhstan (hereinafter referred to as the "Government"); and

The Islamic Development Bank, an international financial institution established in accordance with the Articles of the Agreement signed, ratified by the participating countries, with headquarters located in the city of Jeddah, Kingdom of Saudi Arabia (hereinafter referred to as the "Bank").

The Government and the Bank hereinafter separately referred to as the "Party" and jointly as "Parties".

whereas

A. The Government requested the Bank to provide a grant for preparation of a study on the preliminary institutional structure for the Islamic Food Security Organization of the Organization of Islamic Cooperation (OIC) described in Annex II to this Agreement (hereinafter referred to as the "Study").

B. The Bank 02/06/1435 A.H. (02/04/2014) approved and agreed on the basis, in particular, of the foregoing, to provide a grant within the time frame and under the conditions specified below.

Hereby the Parties have agreed as follows:

### **Article 1. Definitions**

Capitalized terms have the meanings assigned to them in Annex 1.

### **Article 2. The Grant Amount**

The Bank will provide the Government with a grant in the amount not exceeding ID200,000 (two hundred thousand Islamic dinars) approximately equivalent to US \$ 300,000 (three hundred thousand US dollars) (hereinafter referred to as the "The Grant Amount").

### **Article 3. Withdrawal and use of the funds of the Grant Amount**

1. Withdrawal from the account: The Grant Amount will be withdrawn in accordance with the Procedure of payments of the Bank and according to Annex 3.

2. The funds of the Grant Amount will be used, according to paragraph 4 of this article, only to cover the costs of the work specified in Annex 2.

3. Procurement Procedure: The procurement procedure for the Study will be carried out in the manner described below and in accordance with the Procurement Guidelines:

The Study will be performed by a recognized international consulting company, which will be hired based on a shortlist of consulting companies from the member countries of the Bank using the "quality-based selection" (QBS) method of assessment.

4. Use of the Grant Amount: The Grant Amount should be used only for the purpose of a Bank-funded Research. In fact, the Government is committed to ensuring that the funds of the Grant Sum will not be used to finance any expenses in respect of which the Bank determines that there is an Activity subject to sanctions by representatives of the Government or other governments to receive the Grant Sum without timely adoption by the Government and appropriate measures satisfactory to the Bank to permit such practice, if any.

5. Date of application for the First payment: if within 6 (six) months from the date of signing this Agreement or at a later date by agreement of the Government and the Bank, through the Executive Agency, the Government does not submit an application for the First payment to the Bank, the Bank may cancel the Grant Sum and terminate this Agreement after notification to the Government.

6. date of closure – December 31, 2017.

#### **Article 4. Annulment and suspension of the grant**

1. Suspension by the Bank: The Bank may suspend, after notifying the Government, the Grant Amount or any part thereof in one of the following cases:

(a) The Government has violated any provision or condition of the present Agreement or has not performed any obligation under the present Agreement;

(b) there is an emergency situation:

(i) in result of which fulfillment of the Study by the Government is impossible, or

(ii) that prevents the achievement of the goals, for which the Agreement has been concluded;

(c) membership of the Republic of Kazakhstan in the Bank has been suspended or terminated;

(d) the representations made by the Government in accordance with the Agreement, or any statement made in this regard and intended as the basis for the Bank to provide the Grant Amount, were incorrect in any material respect;

(e) if at any time the Bank determines that any individual or legal entity engages in the Activity that is subject to sanctions, in relation to procurement, execution or implementation of the Study including in relation to procurement or performance of some contract for financing in full or in part at the expense of proceeds from financing, and the Government did not take its time and did not take appropriate actions acceptable to the Bank to correct the situation or to resolve such practices if they arise.

The right of the Government to withdraw from the account shall be suspended in whole or in part, depending on the circumstances, until the event or events that caused such a suspension cease, or until the Bank notifies the Government that its right to withdraw from accounts restored. However, in cases of such notification or restoration, the right to withdraw

from the account will be restored only to the extent and in accordance with the conditions specified in such notification. In addition, no such notice shall affect or prejudice any rights, powers or remedies of the Bank in relation to any other or subsequent event described in this paragraph.

2. Annulment by the Bank: The Bank may annul, after notification to the Government, the Grant Amount or its part, if:

(a) the right of the Government to withdraw from the account was suspended in relation to any part of the Grant Amount continuously for 30 days; or

(b) at any time after consultation with the Government, the Bank will determine that any part of the Grant Amount is not required to finance the cost of the Study; or

(c) a part of the Grant Amount remains unclaimed after the Date of closure.

4.3. In cases of partial cancellation or suspension, all provisions of the Agreement shall continue to have full force and effect.

## **Article 5. Representations and warranties**

The Government shall represent and warrant that:

(i) it is duly authorized to conclude the Agreement and fulfill its obligations under it and all the actions necessary to entrust the execution of this Agreement and the fulfillment by the Government of its obligations under this document;

(ii) the obligations expressed as accepted by the Government in this Agreement are legal valid obligations binding on the Government in accordance with the terms;

(iii) the execution of this Agreement and the fulfillment by the Government of its obligations under it are not and will not lead to any violation of any agreement, contract or law.

## **Article 6. Fulfillment of the study**

1. The executive agency will be the Ministry of Agriculture of the Republic of Kazakhstan (MoA), and it will be responsible for the full implementation of the study, its coordination, monitoring and evaluation.

2. The Executing Agency shall monitor and report on all aspects of the Study, including, but not limited to, procurement of goods and services, operations with bank accounts, submitting applications for Payments to the Bank, maintaining records and using the Grant Amount.

3. Implementation measures: The implementation of the study shall be governed by the MoA.

4. Implementation Schedule: The Study will be completed within 13 (thirteen) months, starting from the moment of First Payment.

## **Article 7. Obligations of the Government**

1. The Government will cooperate with the Bank to ensure that the Study is executed in a timely and efficient manner, in accordance with relevant financial and administrative

practices, and for this purpose will provide the Bank with all existing information related to the Study..

2. The Government shall participate in the Activity of the Study in accordance with Annex 3. For the avoidance of doubt, the Grant Amount shall not cover the payment of any Taxes, duties, fees, expenses or other similar taxes.

3. The Government, through the Executive Agency, must maintain or ensure maintenance of reports and records to reflect the use of the Grant Amount and the implementation of the Study, including its cost, and shall inform the Bank in accordance with paragraph 4 of article 6.

4. The Government, through the Executive Agency, must submit quarterly reports to the Bank with details of the work performed, problems encountered, actions taken and other details that the Bank may request from time to time.

5. The Government, through the Executive Agency, shall undertake to provide free access to accredited representatives of the Bank to all premises and structures associated with the execution of the Study.

6. Within 90 (ninety) days after the completion of the Study, the Government, through the Executive Agency, shall submit to the Bank a report on the evaluation of the grant results provided by the Bank in accordance with this Agreement and the degree to which the goal of fulfilling the Study has been achieved.

7. The Government, through the Executing Agency, shall immediately inform the Bank of any circumstance that impedes or threatens to impede the fulfillment of the objectives of the Research, the provision of services for it or the fulfillment of its obligations under this Agreement.

8. The Government will provide or take measures to ensure that all Contractors and Consultants providing goods for the performance of work and / or services for the Study, the performance of their research activities at an appropriate level and in accordance with reasonable, technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the Bank, including the provisions of any anti-corruption guidelines applicable to the Government.

9. Any Taxes or duties that may be recovered from hired consultants should be charged to the local costs of the Study and will be funded by the Government. The Government shall undertake to inform the hired consultant before submitting its financial proposal about all Taxes and duties that may be collected by the Government.

## **Article 8. Reports and recommendations**

1. The Government through the Executive Agency and the Bank will from time to time, at the request of either Party, exchange views on the grant and hold consultations on any reports prepared by any consultant hired and on the implementation of any consultant recommendations presented in these reports.

2. The Bank may use any report prepared by any consultant hired and any other report prepared as part of the Study for any purpose that the Bank considers appropriate, but such reports may not be published without the consent of the Bank and the Government.

3. The provision of assistance by the Bank under this Agreement shall not oblige the Bank to provide financial or further technical assistance to the Government regarding the implementation of any consultant recommendations.

#### **Article 9. Entering into force**

This Agreement shall enter into force upon written notification through diplomatic channels of the implementation by the Government of domestic procedures required for its entry into force.

#### **Article 10. Coordination and notifications**

1. Coordination: The Government hereby appoints the Minister of Agriculture of the Republic of Kazakhstan as the authorized representative of the Government (representative of the Government) on all issues and in all respects without restrictions under this Agreement; respectively:

(i) to work with the Bank and be directly responsible for the fulfillment of the obligations entrusted to the Government by virtue of this Agreement;

(ii) all messages of any kind transmitted by the Bank to a representative of the Government shall be considered to be duly transmitted to the Government;

(iii) all messages received by the Bank from the Government Representative shall be considered to be duly transmitted or executed and received from the Government; and

(iv) The representative of the Government must constantly carry out appropriate and effective coordination, cooperation and ensure that the Government and the Executive Agency fulfill their duties under this Agreement.

2. Notifications: any notification, request or other message transmitted or sent under this Agreement shall be made in writing and shall be deemed to have been duly delivered upon delivery by air mail, a specific courier service or facsimile received by the Party at the address below of this Party, or at another the address indicated in the notification to the Party that sends such notification, request or message.

For the Bank:	For the Government:
Jeddah-21432, PO Box: 5925 Kingdom of Saudi Arabia Tel: 966 2 636 1400 Fax: 966 2 636 6871 Email: archives@isdb.org	Ministry of Investment and Development ( I D B M a n a g e r ) Astana, Republic of Kazakhstan Fax : +7 7172 290873 Ministry of Agriculture (Executive Agency) 36 Kenesary st., Astana city, Republic of Kazakhstan, 010000 Fax: +77172 555995

3. Each Party may replace its representative by provision of a written notification to other Party.

#### **Article 11. Miscellaneous**

1. The narrative and annexes shall be an integral part of this Agreement.

2. Powers: persons signing this Agreement on behalf of each Party hereby assure and guarantee to the other Party that he or she has the necessary legal capacity and authority to enter into this Agreement on behalf of the Party and accept the obligations of the Parties specified in this Agreement.

3. Integral parts: this Agreement, including any changes, may be made in the form of integral parts, which together constitute a single agreement. Copies of this Agreement shall be equally binding as the originals, and the signatures of the other party sent by fax or scanned and sent by e-mail will be sufficient to testify to the signing, however, the Parties may require the presentation of the originals of the signed documents.

4. Indivisibility of the Agreement: this Agreement is an indivisible agreement and supersedes all previous oral or written agreements or correspondence between the Parties related to its subject.

5. Violation of the term: any insolvency or violation of the term by the Bank in the exercise of any right under this document shall not be a refusal, or will not affect such a right until such a refusal is submitted in writing. No single or partial exercise of any such right shall impede the fulfillment of any other or its further fulfillment or exercising of any other right, or shall be deemed a waiver of any other right under this document.

6. Amendment: this Agreement may be amended by mutual written agreement between the Parties. Any such change will be an integral part of this Agreement..

In witness whereof, duly authorized representatives of the Parties have signed this Agreement with respect to the preparation of a study on the preliminary institutional structure for the Islamic Food Security Organization of the Organization of Islamic Cooperation for an amount not exceeding ID200,000.00 (two hundred thousand Islamic dinars), approximately equivalent to US \$ 300,000.00 ( three hundred thousand US dollars) on the day specified above.

*For the Government of the Republic of Kazakhstan*

*Signature: .....*

*Date: .....*

*For the Islamic Dev*

*Signature: .....*

*Date: .....*

Annex 1  
to the Agreement between the  
Government of the Republic of  
Kazakhstan and the Islamic  
Development Bank on the grant of  
technical assistance to prepare a  
study on the preliminary  
institutional structure of the Islamic  
Organization for Food Security of  
the Organization of Islamic  
Cooperation

## Definitions

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date of closure:	the date specified in the Agreement, or such a late date agreed by the Parties on which the Bank may cancel the part of the grant amount that has not been paid.
Consultant:	shall include individual consultant, as well as any consulting company, chosen in accordance with the provisions of the Agreement for execution of the Study.
Contractor/ Supplier:	the contractor / supplier who will be responsible for construction / procurement in accordance with the provisions of the Agreement.
Payment procedure:	Bank's payment procedure.
Payment:	withdrawal of the Grant Amount from the account.
Executive agency:	a legal entity indicated in paragraph 1 of article 6, responsible for the fulfillment of the study.
First payment:	the first payment following the entry into force of the Agreement in accordance with the relevant policies and guidelines of the Bank.
The Grant Amount:	as specified in article 2.
Islamic dinar:	as stated in the Articles of the Bank's Agreement, this value will be equivalent to one special drawing right in the International Monetary Fund.
Procurement guidelines:	"Guidelines for procurement of goods and services" of the Bank.
Study:	Study, described in the Narrative.
Sanctioned Activities:	<p>any practice of corruption, coercion, conspiracy, fraud or obstructionism:</p> <p>(a) the practice of corruption: means offering, giving, receiving or extorting, directly or indirectly, anything of value to unduly influence on the actions of the other Party.</p> <p>(b) coercion practice: means any action or omission that causes damage or harm, or threatens to cause damage or harm, directly or indirectly, to any Party or property of a Party in order to unduly influence on the actions of the other Party.</p> <p>(c) conspiracy practice: means an agreement between two or more parties aimed at achieving an inappropriate goal, including improper influence on the actions of the other Party.</p> <p>(d) Fraud practice: means any act or omission, including misrepresentation that knowingly or recklessly misleads, or attempts to mislead a Party to obtain financial or other benefits or to avoid liability.</p> <p>(e) obstructionism practice: means</p> <p>(i) the intentional destruction, falsification, alteration or concealment of evidence of the investigation material or false testimony to investigators in order to substantially complicate the Bank's investigation of allegations of corruption, fraud, coercion or conspiracy and / or threatening, harassment or intimidation of any Party, to prevent her from disclosing information relevant to the investigation or investigation, or</p> <p>(ii) actions aimed at significantly hampering the access of the Bank to the necessary information in connection with the investigation of the Bank for corruption, fraud, coercion or conspiracy.</p>
Taxes:	means any tax, fee, fee, interest, fee or any other similar fee associated with Studies.
US dollars:	legal currency of the United States of America.

Annex 2  
to the Agreement between the  
Government of the Republic of  
Kazakhstan and the Islamic  
Development Bank on the grant of  
technical assistance to prepare a  
study on the preliminary  
institutional structure of the Islamic  
Organization for Food Security of



## Description of the study

### Purpose of the Technical Assistance (TA):

The overall purpose of the proposed TA is to respond effectively to food security issues in OIC member countries by strengthening the institutional structure / mechanisms of OIC to improve coordination and responsiveness to food safety related activities and programs. TA will support the Government of Kazakhstan to create and launch the Islamic Organization for Food Security OIC (IOFS OIC).

Creation of the organization shall be implemented in two milestones:

Phase 1 includes a preliminary Study of the organization's institutional arrangements, including the necessary methods, guidelines, and modalities of the IOFS Secretariat.

Phase 2 will include the development of a detailed institutional structure, including the rules for organizing procedures, for managing all functions, as well as a business plan and strategy.

The proposed TA will be send for financing of consulting services for implementation of Phase 1.

Phase 2 will be implemented after creation of the Secretariat of the organization. The MoA will be the Executive agency of TA.

### Sphere of application of TA:

Sphere of application of TA shall include two components:

A) preliminary Study on institutional structures of organizations and modes of actions. The Study will allow:

- determining the modes of actions, operational guidelines and methods for the Secretary;
- propose the structure of the Secretariat, including its various legal entities, departments, divisions and departments;
- determine the competence of management, including the Director General, who will manage the Secretariat;
- propose the number and profile (minimum and optimal options) of staff for each established department within the Secretariat and the development of their competencies;
- propose a financial management system for the Secretariat;
- prepare detailed guidance and rules of procedures, policies and procedures for managing human resources, financial rules; mission, vision, organization strategy and internal evaluation mechanism;

B) project management: The government will determine / appoint a project management group (PMG) consisting of the project coordinator and supporting work procurement expert, international relations expert and agriculture expert in the MoA. PMG will be located in the MoA.

### Withdrawal of the Grant Amount

The Grant Amount will be withdrawn as follows:

1. The payment schedule will be developed by the Executive Agency and agreed with the consultant. This will be defined in a contract for consulting services, which will be signed between the Government and the Consultant.
2. The Bank will make direct payments to the Consultant. The payment procedure and Bank guidelines will apply to this Study.
3. The contribution of the Government will be in specie and will cover the following:
  - a) The project management group, consisting of the Project Coordinator (24 months) and other experts, as an expert on legislation / procurement (8 months), an expert on international relations (6 months) and an expert on agriculture (4 months); and
  - b) any costs in local currency exceeding the planned volumes, which may arise in the course of implementation of the Study.