

PROCEDURES FOR PROCESSING JAPAN PHRD TA GRANTS DOCUMENTS¹

Please note that [Operational Policy/Bank Procedures OP/BP 14.40](#) and the [Trust Fund Handbook](#) apply to all Trust Funds including the Japan PHRD Program. For additional information on TA grants, see [Annual Policy Document](#) for FY06 and [Cofinancing](#) and [Climate Change](#) Operating Guidelines

I: Project Preparation Grants: Processing period is normally 11 weeks from invitation to grant approval.

| Activities | Responsibilities | Timing | Clearances | Notes |
|---|--|--|--|--|
| <p>Preparation of Grant Proposal in the Lotus Notes (LN) database</p> <hr/> <p>• Retroactive financing² provision in the Grant Proposal</p> | <p>TTL (in consultation with Financial Management Specialist) on accounts and audit issues)</p> <hr/> <p>TTL</p> | <p>Drafts may be prepared any time but finalized after the announcement of submission by TFO which is normally done three times a year</p> <hr/> <p>At the time of preparation of the grant proposal</p> | <p><u>Mandatory:</u></p> <ul style="list-style-type: none"> • Country Director (CD) • Country Lawyer (LEG) • Trust Fund Coordinator (TFC) <p><u>Optional:</u></p> <ul style="list-style-type: none"> • Sector Manager (SM) | <ul style="list-style-type: none"> • Maximum size: US1.0 million • TTL has to be TLAP accredited <hr/> <ul style="list-style-type: none"> • Effective from date of grant approval • TTL to approve procurement procedures for retroactive financing period |
| Submission to TFO | TFC | Four weeks after the announcement by TFO | | |
| Review and submission to Government of Japan (GoJ) | TFO | Three weeks after submission by TFC | | |
| Approval | GoJ | 4 weeks after submission | | TF# inserted by TFO after approval |
| Finalizing Grant Agreement (GA) | <ul style="list-style-type: none"> • LEG and TTL • TTL ensures consistency between grant proposal and GA | After TFO informs the TTL and TFC about approval of grant | LOA | <ul style="list-style-type: none"> • GA automatically generated with the first page of proposal attached as Annex 1 • <u>TFO and ACTTF no longer clear GA</u> |
| Disbursement Letter | LOA in consultation with TTL prepares the letter. | Disbursement letter available at GA signing. | SM or CD to sign (per Regional guidelines) | <ul style="list-style-type: none"> • TTL prepares letter before grant signing; • TTL files letter in IRIS |
| Letter to government | TTL prepares letter listing activities to be financed under the grant | Letter provided during GA signing | SM or CD to sign (per Regional guidelines) | |

| Activities | Responsibilities | Timing | Clearances | Notes |
|--|--|---|--|---|
| Signing | TTL arranges for signing; | | CD and representative of the grant recipient country sign. | Grant signing ceremony to take place in-country, with Japanese Embassy officials invited two weeks in advance |
| Grant Activation | TTL sends scanned countersigned copy of GA to TFO and ACTTF for grant activation | After GA signed and countersigned | | TTL sends <u>original</u> GA to Legal |
| Cancellation | TFO | <u>Grant will be cancelled if GA not signed and countersigned within 6 months of grant approval</u> | | |
| Addition/deletion of components/reallocation of fund among components | TTL (TTL should consult with Legal if a “formal” amendment is required) | | <ul style="list-style-type: none"> ▪ LEG and LOA ▪ SM or CD (per Regional guidelines) signs letter to recipient outlining changes | <ul style="list-style-type: none"> • Max of 10% of the grant to be used for non-consultant costs for eligible expenditures • <u>TFO no longer clears requests for reallocation</u> • TTL files amendment letter in IRIS • TTL reports approved changes in the GRM |
| Remapping of the Grant to another project | TTL sends memo to TFO TFC with justification; TFO informs ACTTF of its approval for changes in SAP | | TFO | Project and grant activities must remain the same; if not, GoJ approval will be required |
| Amendments for: <ul style="list-style-type: none"> • Changes in Development Objectives (DO) <hr/> <ul style="list-style-type: none"> • Reallocation of fund among expenditure categories. | TTL prepares memo with justification <hr/> TTL prepares memo with justification | | SM and LEG, TFO GoJ CD signs the amendment letter <hr/> LEG, LOA, SM and CD | <ul style="list-style-type: none"> • TFO requests GoJ’s approval • TTL files letter outlining changes in IRIS • TTL reports approved changes in GRM |
| Extension of Closing Date | TTL prepares draft extension letter | After consultation and agreement with the recipient, memorandum on request for extension must be prepared | <ul style="list-style-type: none"> • LEG (as per regional policies) • LOA • TFO only for extension beyond the Board date • Draft extension letter signed by CD (copied to TFO and ACTTF) | <ul style="list-style-type: none"> • Closing Date is initially the project Board date • Closing date can be extended, in consultation with TFO, up to 6 months from Board approval or effectiveness (whichever comes first) subject to TTL providing a list of contracts to be financed |

| Activities | Responsibilities | Timing | Clearances | Notes |
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| | | | | after Board <ul style="list-style-type: none"> Request for extension beyond the Board date must be submitted to TFO one month before the expected Board date |
| <ul style="list-style-type: none"> Retroactive Extension | TTL prepares justification memo | | LEG; LOA; RVP | Memo approved by RVP to be copied to TFO and ACTTF |
| Procurement Plan³ | | | | Not required by TFO for grant activation |
| GRM⁴ | TTL | Annually | SM | <ul style="list-style-type: none"> SM to ensure quality check TFO to review |
| Grant Closure⁵ | TTL sends notification to Recipient with copies to TFO and ACTTF | | <ul style="list-style-type: none"> LEG (as per regional guidelines) LOA | Grants should be closed if the associated project dropped from lending program |

II. Project Implementation Grants: Processing period is normally 11 weeks from invitation to approval.

| Activities | Responsibilities | Timing | Clearances | Notes |
|--|--|---|---|--|
| Preparation of Grant Proposal in LN database <ul style="list-style-type: none"> • Retroactive financing² provision in the Grant Proposal | | | | <ul style="list-style-type: none"> • Associated project must be under implementation for about a year and capacity issues emerged • <i>Processing procedures same as Preparation grants</i> |
| Submission to TFO | | | | <i>Same as Preparation grants</i> |
| Review and submission of proposal to GoJ | | | | <i>Same as Preparation grants</i> |
| Approval | | | | <i>Same as Preparation grants</i> |
| Grant Agreement | <ul style="list-style-type: none"> • LEG in consultation with TTL prepares • TFO reviews | After TFO informs the TTL and TFC about grant approval | LOA; Procurement; FMS | <ul style="list-style-type: none"> • FMS carries out financial management assessments (as needed) • DO and expenditure categories are binding with the donor |
| Signing | | | | <i>Same as PHRD Preparation grants</i> |
| Grant Activation | | | | <i>Same as PHRD Preparation grants</i> |
| Cancellation | | | | <i>Same as PHRD Preparation grants</i> |
| Addition/ deletion of components/ reallocation of funds among components | | | | <i>Same as Preparation grants</i> |
| Amendments to the GA for: <ul style="list-style-type: none"> • Changes in DO • Reallocation of fund among expenditure categories | | | | <i>Same as Preparation grants</i> |
| Extension of Closing Date | TTL prepares draft extension letter | After consultation and agreement with the recipient, memorandum on request for extension must be prepared | <ul style="list-style-type: none"> • LEG (as per regional policies) • LOA | <ul style="list-style-type: none"> • TFO no longer clears extension • Closing date for implementation grants are aligned with project closing date • Maximum grant implementation period is four years • TTL notifies recipient of revised |

| Activities | Responsibilities | Timing | Clearances | Notes |
|-------------------------------------|------------------|----------|------------|---|
| | | | | closing date through standard Notification Letter and copied to ACTTF |
| Procurement Plan³ | | | | <i>Same as Preparation grants</i> |
| GRM⁴ | TTL | Annually | SM and CD | <ul style="list-style-type: none"> • GRM is not required • Implementation grant is an integral part of on-going project; TTL reports grant status in the Implementation Status Report (ISR) |

III. Co-financing Grant: Processing period is normally 8 weeks from submission of the proposal to approval.

| Activities | Responsibilities | Timing | Clearances | Notes |
|---|--|---|--|---|
| Preparation of Grant Proposal <ul style="list-style-type: none"> • Retroactive financing² provision in the Grant Proposal | | | | <ul style="list-style-type: none"> • Proposals may be submitted outside the PHRD cycle if the cycle is not consistent with the appraisal schedule • Max size of grant: US\$5 million (ref to PHRD website) • <i>Other processing procedures same as Preparation grants</i> |
| Submission to TFO | TFC | Four months before appraisal date. | | |
| Review and submission of proposal to GoJ | | | | <i>Same as Preparation grants</i> |
| Approval | | | | <i>Same as Preparation grants</i> |
| Grant Agreement | Drafted by LEG | Same time as preparation of Ln/Cr Agreements of the associated project | LOA and TFO | GA should be endorsed by Recipient during Ln/Cr negotiations |
| Signing | TTL to arrange | Simultaneously with the signing of the Ln/Cr Agreement | CD and representative of the grant recipient country. | <i>Same process as Preparation grant</i> |
| Grant Activation | | | | <i>Same process as Preparation grant</i> |
| Cancellation | | | | <i>Same process as Preparation grant</i> |
| Addition/ deletion of components/ reallocations of funds among components | | | | <i>Same process as Preparation grant</i> |
| Amendments to the GA for: <ul style="list-style-type: none"> • Changes in DO • Reallocation of funds among expenditure categories. | | | | <i>Same process as Preparation grant</i> |
| Procurement Plan³ | | | | Plan not required by TFO for grant activation |
| Extension of Closing Date | TTL prepares memo justifying the extension; and draft extension letter | After consultation and agreement with the recipient, memorandum on request for extension must be prepared | <ul style="list-style-type: none"> • LEG; LOA and TFO • Extension letter signed by CD. | <ul style="list-style-type: none"> • Grant closing date is aligned with Cr/Ln closing date. • TTL notifies recipient of revised closing date through standard Notification Letter and copied to ACTTF. |
| Grant Closure⁵ | TTL to send notification to | | LEG; LOA | |

| Activities | Responsibilities | Timing | Clearances | Notes |
|---|--|----------------------------------|------------|--|
| | Recipient with copies to TFO and ACTTF | | | |
| Implementation Completion Memorandum (ICM) | TTL | Within 6 months of grant closing | SM | ICM may not be required if grant performance covered in Implementation Completion Report of the associated project |

IV. Climate Change Initiatives: Processing period is normally 15 weeks from invitation to grant approval.

| Activities | Responsibilities | Timing | Clearances | Notes |
|--|---|-------------------------------------|-------------------|--|
| Preparation of Grant Proposal • Retroactive financing ² provision in the Grant Proposal | | | | <ul style="list-style-type: none"> • Max grant amount: US\$ 1.0 million • Max grant period: 4 yrs • <i>Other processing procedures same as Preparation grants</i> |
| Submission of proposal to TFO | | | | <i>Same as Preparation grants</i> |
| Review and submission to GoJ | TFO seeks comments from environment specialists from Sector Board | Three weeks after submission | | |
| Approval | GoJ | Eight weeks after submission by TFO | | |
| Grant Agreement (GA) | LEG with TTL drafts GA | After approval of grant proposal | LOA; TFO | <ul style="list-style-type: none"> • Closing date set by TTL, in consultation with Legal and TFO • ACTTF no longer clears GA |
| Grant Activation | | | | <i>Same as Preparation grant</i> |
| Cancellation | | | | <i>Same as Preparation grant</i> |
| Addition/ deletion of components/ reallocations of funds among components | | | | <i>Same as Preparation grant</i> |
| Amendment to the GA for: • Changes in DO • Reallocation of funds among expenditure categories | | | | <i>Same as Preparation grant</i> |
| Procurement Plan³ | | | | Not required |
| Grant Closure⁵ | | | | <i>Same as Preparation grants</i> |
| Extension of Closing Date | • TTL prepares memo for extension | | LEG, TFO and CD | <i>Same as Implementation grants</i> |
| GRM⁴ | | | | <i>Same as Preparation grants</i> |

¹ These procedures refer to Recipient-executed PHRD TA grants. In the exceptional cases where PHRD TA grants are Bank-executed, TFO should be consulted on the appropriate process

² [OP 12.10](#) applies to PHRD grants for retroactive financing

³ Procurement Plan should comply with the following (a) Guidelines: Procurement under IBRD loans and IDA Credits (May 2004) and (b) Guidelines: Selection and Employment of Consultants by World Bank Borrowers (May 2004); For grants < or equal to US\$1 million, TTL in consultation with the PAS and the recipient, prepare a draft Schedule of Contracts, to ensure conformed understanding of the basis on which contracts will be awarded

⁴ GRM is not required for Implementation and co-financing grants as these are integral parts of on-going projects; TTL reports grant status in the Implementation Status Report. GRM reports are used by TFO to report to the donor. Country Unit may use the GRM reports in the Annual Portfolio Review.

⁵ OP/BP 13.30 applies to PHRD grants; Closure notification includes confirmation that all invoices have been paid and outstanding balance has been cancelled

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|-------|---|--|
| ACTTF | - | Accounting Trust Funds |
| Cr | - | Credit |
| CD | - | Country Director |
| DO | - | Development Objective |
| FMS | - | Finance Management Specialist |
| GA | - | Grant Agreement |
| GoJ | - | Government of Japan |
| ICM | - | Implementation Completion Memorandum |
| IRIS | - | Information Recording Internal System |
| LEG | - | Country Lawyer in the Legal Department |
| LN | - | Lotus Notes |
| Ln | - | Loan |
| LOA | - | Loan Department |
| TFC | - | Trust Fund Coordinator |
| RVP | - | Regional Vice Presidency |
| SM | - | Sector Manager |
| TFO | - | Trust Funds Operations Department |
| TTL | - | Task Team Leader |