Financing Agreement

(Cholera Emergency Response Project)

between

REPUBLIC OF HAITI

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated January 20, 2011
GRANT NUMBER H639-0-HT

FINANCING AGREEMENT

AGREEMENT dated January 20, 2011, entered into between REPUBLIC OF HAITI (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”). The Recipient and the Association 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 — FINANCING

2.01. The Association agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a grant in an amount equivalent to nine million nine hundred thousand Special Drawing Rights (SDR 9,900,000) (“Financing”) to assist in financing the project described in Schedule 1 to this Agreement (“Project”).

2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section IV of Schedule 2 to this Agreement.

2.03. The Maximum Commitment Charge Rate payable by the Recipient on the Unwithdrawn Financing Balance shall be one-half of one percent (1/2 of 1%) per annum.

2.04. The Payment Dates are June 15 and December 15 in each year.

2.05. The Payment Currency is the Dollar.
ARTICLE III — PROJECT

3.01. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall cause the Project to be carried out by FAES, with technical support from MSPP and DINEPA, in accordance with the provisions of the Subsidiary Agreement and Article IV of the General Conditions.

3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Recipient and the Association 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 IV — REMEDIES OF THE ASSOCIATION

4.01. The Additional Events of Suspension consist of the following:

(a) FAES’s Legislation has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely, in the opinion of the Association, the ability of FAES to perform any of its obligations under the Subsidiary Agreement.

(b) FAES shall have failed to comply with any of its obligations under the Subsidiary Agreement.

ARTICLE V — EFFECTIVENESS; TERMINATION

5.01. The Additional Condition of Effectiveness consists of the following, namely, that the Subsidiary Agreement has been executed on behalf of the Recipient and FAES.

5.02. The Additional Legal Matter consists of the following, namely that the Subsidiary Agreement has been duly authorized or ratified by the Recipient and FAES and is legally binding upon the Recipient and FAES in accordance with its terms.

5.03. Without prejudice to the provisions of the General Conditions, the Effectiveness Deadline is the date ninety days (90) days after the date of this Agreement, but in no case later than the eighteen (18) months after the Association’s approval of the Financing which expires on July 18, 2012.

5.04. For purposes of Section 8.05 (b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty years after the date of this Agreement.
ARTICLE VI — REPRESENTATIVE; ADDRESSES

6.01. The Recipient’s Representative is the Recipient’s Minister of Economy and Finance.

6.02. The Recipient’s Address is:

Ministère de l’Economie et des Finances
5, Avenue Charles Sumner
Port-au-Prince
Republic of Haiti

6.03. The Association’s Address is:

International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Cable: INDEVAS
Telex: 248423 (MCI)
Facsimile: 1-202-477-6391

Washington, D.C.
AGREED at Port-au-Prince, Haiti, as of the day and year first above written.

REPUBLIC OF HAITI

By /s/ Ronald Baudin
Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ Alexandre V. Abrantes
Authorized Representative
SCHEDULE 1

Project Description

The objective of the Project is to improve the health and hygiene practices in order to reduce the spread of cholera and strengthen the Recipient’s institutional capacity to respond to outbreaks.

The Project consists of the following parts:

Part 1: Support to the Recipient’s Response to Cholera at the Decentralized Level

(a) Support a multi-sectoral approach to primary health care, by: (i) designing, through community participation and social mobilization, departmental cholera management plans with comprehensive identification of the department’s needs for an effective response to cholera over a six-month period, including human resources, equipment and vehicles, medical supplies, goods and materials including for medical waste management, and technical assistance; and (ii) implementing the most urgent priorities of such plans.

(b) Support the health, water and sanitation response of non public providers by carrying out a program of activities for immediate response to cholera, including providing immediate access to basic health services for affected population and vulnerable groups, increasing health promotion and hygiene awareness and improving access to clean water and sanitation.

Part 2: Emergency Response Capacity Building

(a) Strengthening the Recipient’s capacity to manage and respond to cholera outbreaks, including: (i) strengthening surveillance, reporting and monitoring of cholera cases and building management and medical waste management capacity of the MSPP at the central and departmental levels; and (ii) building capacity of DINEPA for the implementation of its cholera prevention and control strategy.

(b) Carrying out a program of activities to support the management of the Project, including monitoring, supervision and audits.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements.

1. (a) The Recipient shall cause FAES to be responsible for the coordination of the Project activities, including administration, financial management, supervision, monitoring, evaluation and reporting, as well as for the technical implementation of the Project activities, with support from MSPP and DINEPA for their respective activities.

   (b) No later than three (3) months after the Effective Date, the Recipient shall cause FAES to recruit an accountant for the Project, with terms of reference, qualifications and experience satisfactory to the Association and in accordance with the provisions of Section III of Schedule 2 to this Agreement.

   (c) To assist FAES in its supervision activities, the Recipient shall designate, no later than December 31, 2010, one program officer in the MSPP and one program officer in DINEPA, each with terms of reference, experience and qualification satisfactory to the Association.

2. The Project shall be implemented on the basis of annual work programs and budgets, prepared by FAES, MSPP and DINEPA, each for its respective activities, consolidated by FAES and previously approved by the Association. No activity shall be eligible to a financing from the proceeds of the Financing unless it is included in an annual work program and budget approved by the Association.

B. Subsidiary Agreement.

1. To facilitate the carrying out of the Project, the Recipient shall make the proceeds of the Financing available to FAES under a subsidiary agreement between the Recipient and FAES, under terms and conditions approved by the Association, which shall include the following provisions:

   (a) the obligation of the Recipient to:

   (i) make the proceeds of the Financing available to FAES as a grant under terms and conditions acceptable to the Association; and
(ii) take all actions necessary to permit FAES to carry out the Project and ensure the achievement of the objective thereof;

(b) the obligation of FAES to:

(i) carry out the Project in accordance with this Agreement, the Subsidiary Agreement, the Project Operation Manual, the provisions of the Anti-Corruption Guidelines applicable to recipients of grant proceeds other than the Recipient and the annual work plans and budgets approved by the Association referred to in Section I.A.2 of this Schedule, and the Safeguard Documents;

(ii) promptly refund to the Recipient for further refund to the Association any proceeds from the grant not used for purposes of carrying out the Project or for achieving its objective, or otherwise utilized in a manner inconsistent with the provisions of this Agreement;

(iii) at the request of the Recipient or the Association, exchange views with the Recipient and the Association with regard to the progress of the Project and the achievement of its objective, and FAES's performance of its obligations under the Subsidiary Agreement, the Project Operation Manual, the annual work plans and budgets approved by the Association and the Anti-Corruption Guidelines and the Safeguard Documents;

(iv) enter into the pertinent Service Agreements as provided in Section I.D.1 of Schedule 2 to this Agreement;

(v) maintain staff in adequate number and with terms of reference, qualifications and experience satisfactory to the Association for the implementation of the Project;

(vi) take, or cause to be undertaken, all necessary actions to enable the Recipient to comply with its Project implementation obligations under this Agreement; and

(vii) promptly inform the Recipient of any condition which interferes or threatens to interfere with the implementation of the Project and the achievement of its objective; and
(c) a provision stipulating that, in case of conflict amongst any of the provisions contained in the Subsidiary Agreement or the Project Operation Manual, and those set forth in this Agreement, the provisions of this Agreement shall at all times prevail.

2. The Recipient shall exercise its rights and carry out its obligations under the Subsidiary Agreement in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate, terminate, waive or fail to enforce the Subsidiary Agreement or any of its provisions.

C. Anti-Corruption.

The Recipient shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

D. Service Agreements.

1. For the implementation of Part 1(b) of the Project, the Recipient shall cause FAES to enter into Service Agreements with Eligible NGOs, selected in accordance with the provisions of Section III of this Schedule, for the carrying out of Eligible Activities on the basis of terms and conditions approved by the Association, which shall include the following: the Recipient, through FAES, shall obtain rights adequate to protect its interests and those of the Association, including the right to: (a) suspend or terminate the Service Agreement upon the Eligible NGO’s failure to perform any of its obligations under the Service Agreement; and (b) require each Eligible NGO to: (i) carry out its Eligible Activity with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, procurement, environmental and social standards and practices satisfactory to the Association, including in accordance with the provisions of the Anti-Corruption Guidelines applicable to recipients of grant proceeds other than the Recipient, the Safeguard Documents and the Project Operation Manual; (ii) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the Association, the progress of the Eligible Activity and the achievement of its objectives; (iii) (A) maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Association, both in a manner adequate to reflect the operations, resources and expenditures related to the Eligible Activity; and (B) at the Association’s or the Recipient’s request, have such financial statements audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association, and promptly furnish the statements as so audited to the Recipient and the Association; (iv) enable the Recipient and the Association to inspect the Eligible
Activity, its operation and any relevant records and documents; and (v) prepare and furnish to the Recipient and the Association all such information as the Recipient or the Association shall reasonably request relating to the foregoing.

2. The Recipient shall cause FAES to exercise its rights and carry out its obligations under each Service Agreement in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing. Except as the Association shall otherwise agree, the Recipient shall cause FAES not to assign, amend, abrogate, terminate, waive or fail to enforce any Service Agreement or any of its provisions.

E. Training.

Without limitation to the provisions of Section I.A.2 above, the provision of training shall be carried out on the basis of the annual programs and budgets referred to in said Section, and which shall, inter alia, identify: (a) particulars of the training envisaged (including terms of reference acceptable to the Association); (b) the personnel to be trained; (c) the selection method of the institution or individuals conducting such training; (d) the institution conducting such training if identified; (e) the purpose and justification for such training; (f) the location and duration of the proposed training; and (g) the estimated cost of such training.

F. Manual.

1. No later than three (3) months after the Effective Date, the Recipient shall cause FAES to amend and update the Project Operation Manual in a manner satisfactory to the Association, to reflect the implementation arrangements in respect of this Project.

2. The Recipient shall ensure that the Project is carried out in accordance with the provisions of the Project Operation Manual.

3. In the event that any provision of the Project Operation Manual shall conflict with any provision of this Agreement, the terms of this Agreement shall prevail.

4. The Project Operation Manual may only be amended from time to time in consultation with, and after approval of, the Association.
G. Safeguards.

1. No later than one (1) month after the Effective Date, the Recipient shall prepare and disclose in a manner satisfactory to the Association the Environmental and Social Management Framework, in form and substance satisfactory to the Association, detailing: (a) the guidelines, procedures and timetables to carry out the environmental and social assessments under the Project; (b) the measures to be taken during the implementation and operation of the Project to eliminate or offset adverse environmental and social impacts, or to reduce them to acceptable levels; and (c) the actions needed to implement these measures, including monitoring and institution strengthening.

2. From the date referred to in paragraph (1) above, the Recipient shall ensure that, throughout the implementation of the Project, the Project shall be implemented in accordance with the guidelines, procedures, timetables and other specifications set forth in the Environmental and Social Management Framework. In particular, the Recipient shall ensure: (a) that for each activity under the Project of a category for which the Environmental and Social Management Framework provides that an Environmental and Social Management Plan should be prepared, such Environmental and Social Management Plan, in form and substance satisfactory to the Association, is effectively prepared and locally disclosed, before the implementation of such Project activity, in accordance with the provisions of the Environmental and Social Management Framework; and (b) immediately thereafter, that the relevant activity is implemented in accordance with its Environmental and Social Management Plan.

3. No withdrawal application shall be submitted to the Association with respect to an activity under the Project involving works before the Environmental and Social Management Framework has been prepared and disclosed in accordance with paragraph 1 above.

4. Except as the Association shall otherwise agree in writing and subject to compliance with applicable consultation and public disclosure requirements of the Association, the Recipient shall not abrogate, amend, repeal, suspend, waive or fail to enforce any provisions of any of the Safeguard Documents, nor shall it permit FAES to do so.

5. Without limitation upon its other reporting obligations under this Agreement, the Recipient shall, or shall cause FAES to, regularly collect, compile and submit to the Association, on a quarterly basis, reports on the status of compliance with the Safeguard Documents, giving details of: (a) measures taken in furtherance of the Safeguard Documents; (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of the Safeguard Documents; and (c) remedial measures taken or required to be taken to address such conditions.
6. In the event that any provision of the Safeguard Documents shall conflict with any provision under this Agreement, the terms of this Agreement shall prevail.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

The Recipient shall monitor and evaluate, or cause to be monitored or evaluated, the progress of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of indicators acceptable to the Association. Each Project Report shall cover the period of one calendar quarter, and shall be furnished to the Association not later than thirty (30) days after the end of the period covered by such report.

B. Financial Management, Financial Reports and Audits

1. The Recipient shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 4.09 of the General Conditions.

2. Without limitation on the provisions of Part A of this Section, the Recipient shall prepare and furnish to the Association no later than thirty (30) days after the end of the period covered by such report, interim unaudited financial reports for the Project covering the quarter, in form and substance satisfactory to the Association.

3. The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 4.09 (b) of the General Conditions. Each 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 Association not later than four months after the end of such period. The Recipient shall disclose the audited Financial Statements in a manner acceptable to the Association.

4. For purposes of paragraph 3 above, the Recipient shall appoint, or cause FAES to appoint, not later than four (4) months after the Effective Date, the independent auditors referred to in Section 4.09 (b) (i) of the General Conditions, under terms of reference, qualifications and experience satisfactory to the Association and in accordance with the provisions of Section III of Schedule 2 to this Agreement.
Section III.  Procurement

A. General

1. **Goods and works.** All goods and works required for the Project and to be financed out of the proceeds of the Financing 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 Financing 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 Association 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 table specifies the methods of procurement, other than International Competitive Bidding, which may be used for goods and works. The Procurement Plan shall specify the circumstances under which such methods may be used:

<table>
<thead>
<tr>
<th>Procurement Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) National Competitive Bidding, subject to using standard bidding documents agreed with the Association.</td>
</tr>
<tr>
<td>(b) Procurement from United Nations Agencies, in accordance with paragraph 3.9 of the Procurement Guidelines.</td>
</tr>
<tr>
<td>(c) Shopping, subject to using standard request for quotations agreed with the Association.</td>
</tr>
<tr>
<td>(d) Direct Contracting, subject to the Association’s prior consent.</td>
</tr>
<tr>
<td>(e) Community Participation in accordance with procedures set forth in the Project Operation Manual.</td>
</tr>
</tbody>
</table>
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 table specifies methods of procurement, other than Quality and Cost-based Selection, which may be used for consultants’ services. The Procurement Plan shall specify the circumstances under which such methods may be used.

<table>
<thead>
<tr>
<th>Procurement Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Quality Based Selection.</td>
</tr>
<tr>
<td>(b) Selection under a Fixed Budget.</td>
</tr>
<tr>
<td>(c) Least Cost Selection.</td>
</tr>
<tr>
<td>(d) Selection Based on Consultants’ Qualifications.</td>
</tr>
<tr>
<td>(e) Single Source Selection, subject to the Association’s prior written consent.</td>
</tr>
<tr>
<td>(f) Procedures set forth in Paragraphs 5.2 and 5.3 of the Consultants Guidelines for the Selection of Individual Consultants.</td>
</tr>
<tr>
<td>(g) Sole Source Procedures for the Selection of Individual Consultants set forth in paragraph 5.4 of the Consultant Guidelines for the Selection of Individual Consultants.</td>
</tr>
</tbody>
</table>

D. Review by the Association of Procurement Decisions

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

Section IV. Withdrawal of the Proceeds of the Financing

A. General

1. The Recipient may withdraw the proceeds of the Financing in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Association shall 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 Association 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 Financing (“Category”), the allocations of the amounts of the Financing 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 Financing Allocated (expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, works and consultants services, Training and Operating Costs under the Project</td>
<td>9,900,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>9,900,000</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 for payments made prior to the date of this Agreement, except that withdrawals up to an aggregate amount not to exceed SDR 3,960,000 may be made for payments made prior to this date but on or after October 21, 2010, for Eligible Expenditures, but provided, however, that such expenditures comply with the pertinent provisions of this Agreement as applicable to said expenditures.

2. The Closing Date is June 30, 2013.
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 with the modifications set forth in Section III of this Appendix.

2. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.


5. “Eligible Activity” means an activity for the immediate response to cholera, which meets the eligibility criteria set out in the Project Operation Manual, including activities providing immediate access to basic health services for affected population and vulnerable groups, increasing health promotion and hygiene awareness and improving access to clean water and sanitation, but specifically excluding any activity involving involuntary resettlement, as defined in OP/BP 4.12.

6. “Eligible NGO” means an experienced nongovernmental organization which meets the eligibility criteria set out in the Project Operation Manual, including the following: (a) the NGO is duly organized and operating on the Recipient’s territory in accordance with the laws of the Recipient; (b) the NGO is already carrying out activities for the immediate response to cholera on the Recipient’s territory, similar to those included in the proposed Eligible Activity; and (c) the NGO has the capacity to scale up its activities and carry out the Eligible Activity within a twelve month-period.

7. “Environmental and Social Management Framework” means the Recipient’s framework referred to in Section I.G.1 of Schedule 2 to this Agreement.

8. “Environmental and Social Management Plan” means the Recipient’s plan prepared and disclosed in accordance with the Environmental and Social Management Framework with respect to a Project activity included under an annual work plan and budget approved by the Association in accordance with Section I.A.2 of Schedule 2 to this Agreement, that details: (a) the measures to be taken during the implementation and operation of such activity to eliminate or
offset adverse environmental or social impacts, or to reduce them to acceptable levels; and (b) the actions needed to implement these measures.

9. “FAES” means *Fonds d’Assistance Economique et Sociale*, the Recipient’s Fund for Economic and Social Assistance, an entity with legal personality established by FAES Legislation.

10. “FAES Legislation” means the Recipient’s decree dated May 28, 1990, published in the Recipient’s official Gazette ("Le Moniteur") of June 03, 1990 which created the FAES under the authority of the Recipient’s ministry responsible for economy and finance.

11. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 31, 2010, with the modifications set forth in Section II of this Appendix.


14. “Operating Costs” means the incremental operating expenses, based on annual budgets approved by the Association, incurred by FAES, on account of Project administration, supervision, monitoring and evaluation, as operation and maintenance costs of office, vehicles and office equipment; water and electricity utilities, telephone, office supplies, bank charges, contractual staff costs, travel and supervision costs, *per diem*, but excluding the salaries and indemnities of officials and public servants of the Recipient’s civil service.


16. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated December 16, 2010 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 said paragraphs.

procedures to be maintained for the carrying out of the Project, including the eligibility criteria and procedures for the implementation of Selected Activities and the Environmental and Social Management Framework, as said manual shall have been updated for the Project in accordance with Section I.F.1 of Schedule 2 to this Agreement. “Project Operation Manual” includes all annex to said manual and its amendments, provided that they have been previously approved by the Association.

18. “Safeguard Documents” means collectively the Environmental and Social Management Framework and the Environmental and Social Management Plans prepared for specific activities carried out under the Project, if any.

19. “Subsidiary Agreement” means the agreement referred to in Section I.B.1 of Schedule 2 to this Agreement.

20. “Training” means expenditures (other than those for consultants’ services) for: (a) reasonable travel, room, board and per diem expenditures as incurred by trainers and trainees in connection with their training and by non-consultant training facilitators; (b) course fees; (c) training facility rentals; and (d) training material preparation, acquisition, reproduction and distribution expenses.

Section II. Modifications to the General Conditions

The modification to the General Conditions is as follows:

In section 6.02(l), the term “Project Implementing Entity” includes FAES.

Section III. Modifications to the Anti-Corruption Guidelines

The modifications to the Anti-Corruption Guidelines are as follows:

1. Section 5 is re-numbered as Section 5(a) and a new Section 5(b) is added to read as follows:

“… (b) These Guidelines also provide for the sanctions and related actions to be imposed by the Bank on Borrowers (other than the Member Country) and all other individuals or entities who are recipients of Loan proceeds, in the event that the Borrower or the individual or entity has been debarred by another financier as a result of a determination by such financier that the Borrower or the individual or entity has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of a financing made by such financier.”
2. Section 11(a) is modified to read as follows:

“... (a) sanction in accordance with prevailing Bank’s sanctions policies and procedures (fn13) a Borrower (other than a Member Country) (fn 14) or an individual or entity, including (but not limited to) declaring such Borrower, individual or entity ineligible publicly, either indefinitely or for a stated period of time: (i) to be awarded a Bank-financed contract; (ii) to benefit from a Bank-financed contract, financially or otherwise, for example as a sub-contractor; and (iii) to otherwise participate in the preparation or implementation of the project or any other project financed, in whole or in part, by the Bank, if at any time the Bank determines (fn 15) that such Borrower, individual or entity has engaged in corrupt, fraudulent, coercive or obstructive practices in connection with the use of loan proceeds, or if another financier with which the Bank has entered into an agreement for the mutual enforcement of debarment decisions has declared such person or entity ineligible to receive proceeds of financings made by such financier or otherwise to participate in the preparation or implementation of any project financed in whole or in part by such financier as a result of a determination by such financier that the Borrower or the individual or entity has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of a financing made by such financier.”

Footnotes:

“13. An individual or entity may be declared ineligible to be awarded a Bank financed contract upon completion of sanctions proceedings pursuant to the Bank’s sanctions policies and procedures, or under the procedures of temporary suspension or early temporary suspension in connection with an ongoing sanctions proceeding, or following a sanction by another financier with whom the Bank has entered into a cross debarment agreement, as a result of a determination by such financier that the firm or individual has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of a financing made by such financier.”

“14. Member Country includes officials and employees of the national government or of any of its political or administrative subdivisions, and government owned enterprises and agencies that are not eligible to bid under paragraph 1.8(b) of the Procurement Guidelines or participate under paragraph 1.11(c) of the Consultant Guidelines.”

“15. The Bank has established a Sanctions Board, and related procedures, for the purpose of making such determinations. The procedures of the Sanctions Board sets forth the full set of sanctions available to the Bank. In addition, the Bank has adopted an internal protocol outlining the process to be followed in implementing debarments by other financiers, and explaining how cross-debarments will be posted on the Bank’s website and otherwise be made known to staff and other stakeholders.”