

The World Bank
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION

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April 15, 2016

Mr. Joseph Ole Simel
Executive Director
Mainyoito Pastoralists Integrated Development Organization
P.O Box 226 – 00206
Kiserian
Republic of Kenya

Re: FCPF Grant No. TF0A2297
Pan-African Forest-Dependent Indigenous Peoples Forest Carbon
Partnership Facility Capacity Building Program on REDD+
Project
Letter Agreement

Dear Sir:

In response to the request for financial assistance made on behalf of Mainyoito Pastoralists Integrated Development Organization (“Recipient”), I am pleased to inform you that the International Bank for Reconstruction and Development (“World Bank”), acting as Trustee of the Readiness Fund of the Forest Carbon Partnership Facility, agrees to extend to the Recipient for the benefit of the Participating Countries (“Participating Countries”) a grant in an amount not to exceed seven hundred seventy four thousand five hundred eighty three United States Dollars (U.S \$774,583) (“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 World 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 World 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.

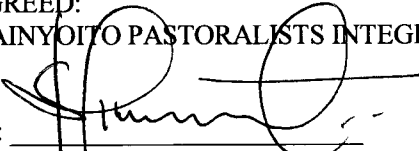
Please confirm the Recipient's agreement to the foregoing by having an authorized official of the Recipient sign and date the enclosed copy of this Agreement, and returning it to the World Bank.

Very truly yours,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By 
Ahmadou Moustapha Ndiaye
Coordinating Director for Regional Integration
Central, Eastern and Southern Africa
Africa Region

AGREED:
MAINYOITO PASTORALISTS INTEGRATED DEVELOPMENT ORGANIZATION

By: 
Authorized Representative
Name: JOSEPH OLESIMEL
Title: EXECUTIVE DIRECTOR
Date: 5TH MAY 2016

Enclosures:

- (1) Standard Conditions for Grants Made by the World Bank Out of Various Funds, dated February 15, 2012
- (2) Disbursement Letter of the same date as this Agreement, together with World Bank Disbursement Guidelines for Projects, dated May 1, 2006
- (3) Guidelines for "Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers", dated January 2011 and revised in July 2014
- (4) Guidelines: "Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers", dated January 2011 and revised in July 2014
- (5) "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

Article I
Standard Conditions; Definitions

1.01. **Standard Conditions.** The Standard Conditions for Grants Made by the World Bank out of Various Funds dated February 15, 2012 (“Standard Conditions), with the modifications set forth in Section I of the Appendix to this Agreement, 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 Agreement, and the following additional terms shall have the following meanings:

(a) “Beneficiary” or “Beneficiaries” means an IP organization and/or network to which the Recipient proposes to make or has made a Sub-grant for a Sub-project.

(b) “Board of Governors” means the Recipient’s Board in charge of management.

(c) “FCPF” means the Forest Carbon Partnership Facility.

(d) “IP” means the indigenous people.

(e) “Operating Costs” means incremental recurrent expenditures incurred on account of Project implementation, as approved by the World Bank in writing, including: local contractual support staff salaries; travel expenditures and other travel-related allowances; equipment rental and maintenance; vehicle operation (including fuel), maintenance and repair; office rental and maintenance, materials and supplies; and utilities, media information campaigns and communications’ expenses, but excluding salaries of the Recipient’s civil servants.

(f) “Participating Countries” means the following Member Countries: Burkina Faso, Republic of Cameroon, Central African Republic, Democratic Republic of Congo, Republic of Congo, Republic of Côte d’Ivoire, Federal Democratic Republic of Ethiopia, Republic of Gabon, Republic of Ghana, Republic of Kenya, Republic of Liberia, Republic of Madagascar, Republic of Mozambique, Federal Republic of Nigeria, Republic of Sudan, United Republic of Tanzania, Republic of Togo and Republic of Uganda.

(g) “Project Operational Manual” means the Recipient’s operational manual prepared for the Project, referred to in Section 2.03 (e) of this Annex, as such operational manual may be amended and/or supplemented from time to time with the prior written agreement of the World Bank.

(h) “R-PP” means REDD+ readiness preparation proposal.

(i) “REDD+” means reducing emissions from deforestation and forest degradation, conservation of forest carbon stocks, sustainable management of forest, and enhancement of forest carbon stocks.

(j) “Sub-grant” means a grant made or to be made out of the proceeds of the Grant to finance a Sub-project.

(k) “Sub-grant Agreement” means the agreement between the Recipient and a Beneficiary, setting forth the terms and conditions under which the proceeds of a Sub-grant are to be made available to the Beneficiary for the purpose of financing a Sub-project.

(l) “Sub-project” means a specific capacity building and/or awareness raising activity to be carried out by a Beneficiary under Part A.1(b) of the Project.

(m) “Technical Advisory Committee” means the technical advisory committee established by the Recipient, pursuant to TORs agreed by IP representatives from the Participating Countries and satisfactory to the World Bank, to provide technical support to the Project.

(n) “TOR” means terms of reference.

(o) “Training” means the reasonable costs associated with training and workshops participation under the Project, consisting of travel and subsistence costs for training participants, costs (other than consulting services) associated with securing the services of trainers and presenters, rental of training facilities, translation and interpretation services, preparation and reproduction of training materials.

Article II Project Execution

2.01. ***Project Objectives and Description.*** The objective of the Project is to strengthen: (i) the knowledge of targeted forest-dependent indigenous peoples of REDD+ readiness at the national level; and (ii) knowledge exchange at the regional level. The Project consists of the following parts:

Part A. National Capacity Building and Awareness Raising

Supporting capacity building and awareness raising activities for forest-dependent IPs and their representative organizations and networks at national-level in eleven Participating Countries. Such activities to include:

1. **Implementation of Capacity Building and Awareness Raising Activities**

Supporting the preparation and implementation of the capacity building and awareness raising program through: (a) the identification and development of knowledge products, including reports, studies and learning materials; and (b) the provision of Sub-grants to IP organizations and networks for the carrying out of capacity building and awareness raising activities.

2. **Support and Empowerment of IP Organizations and Networks**

Carrying out a program of activities to strengthen the capacity of selected national IP organizations and networks to participate in the implementation of REDD+ readiness activities by: (a) strengthening the dialogue between national IP organizations and networks through the organization of workshops and meetings around REDD+ themes; (b) facilitating liaison between national IP organizations and networks and the respective national REDD+ focal points, FCPF IP observers and governmental committees for climate change through joint workshops and meetings around key themes; and (c) supporting IP networks’ participation in R-PP implementation, coordination, supervision and monitoring structures nationally through joint meetings of national IP

organizations and networks, joint preparation of TORs for a self- selection process and training of selected representatives.

Part B. Regional Exchange and Sharing of Lessons Learned

Supporting the design and implementation of a robust regional platform for information exchange and knowledge sharing among forest-dependent IP organizations and networks in all of the Participating Countries through:

1. Regional Learning and Exchange

(a) Carrying out a regional inception workshop and a side event focusing on indigenous women to: (i) disseminate available REDD+ knowledge products for IP communities; (ii) discuss traditional practices in climate change and REDD+ strategies; and (iii) raise participants' awareness of the second phase of the capacity building program.

(b) Carrying out a regional completion workshop, as well as a side event focusing on women, for participants involved in the capacity building and awareness raising activities to share lessons learned, good practices and recommendations.

(c) Carrying out South-South exchanges between advanced and less advanced Participating Countries to encourage first hand learning and sharing of experience from REDD+ readiness processes.

2. Dissemination of Knowledge Products and Lessons Learned

Carrying out a program of activities to: (a) facilitate the development and dissemination of existing and new regional REDD+ educational and knowledge products; and (b) communication of lessons learned and good practices to a wider IP audience in FCPF countries in Africa and elsewhere through the preparation of: (i) a regional communication strategy; and (ii) necessary educational and knowledge products in commonly used languages, including brochures, posters, short documentaries, fact sheets and use of different media platforms.

Part C. Management, M&E and Reporting

Strengthening the Recipient's capacity through the provision of Operating Costs for Project management which includes: (i) fiduciary compliance; (ii) safeguards compliance; (iii) monitoring and evaluation; (iv) Project reporting; (v) preparation of work plans and budget; (vi) Project audits; and (vii) grievance redress mechanism.

2.02. ***Project Execution Generally.*** The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out the Project through its Board of Governors in accordance with the provisions of: (a) Article II of the Standard Conditions; (b) 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 ("Anti-Corruption Guidelines"); and (c) this Article II.

2.03. ***Institutional and Other Arrangements.*** Without limitation upon the provisions of Section 2.02 above:

Institutional Arrangements

(a) The Recipient shall maintain, at all times during the implementation of the Project, a technical advisory committee, with mandate, composition and resources satisfactory to the World Bank, comprising two representatives from Francophone Participating Countries, two representatives from Anglophone Participating Countries and one forest expert from an indigenous community in one of the Participating Countries (“Technical Advisory Committee”).

(b) Without limitation upon the provisions of paragraph (a) immediately above, the Technical Advisory Committee shall meet as needed and shall be responsible for: (i) reviewing Sub-grant proposals; (ii) providing recommendations on awarding of funds; (iii) participating in grievance redress mechanism; and (iv) reviewing Project-funded education and knowledge products.

(c) The Recipient shall maintain, at all times during Project implementation, the Board of Governors with mandate, composition and resources satisfactory to the World Bank, to be responsible for Project oversight, including the fiduciary aspect of the Project as well as Project monitoring and evaluation.

(d) Without limitation upon the provisions of paragraph (c) immediately above, the Board of Governors shall meet on a quarterly basis or more frequently as needed and shall, at all times during Project implementation, comprise a chairperson, a secretary, a program coordinator, a treasurer and two committee members.

Project Operational Manual

(e) The Recipient shall carry out the Project in accordance with a manual (“Project Operational Manual”), satisfactory to the World Bank, setting forth, *inter alia*, detailed arrangements and procedures for: (a) institutional coordination and day-to-day execution of the Project; (b) disbursement and financial management; (c) procurement; (d) consultations with relevant indigenous peoples’ organizations and communities in the selection and implementation of Sub-projects, and disclosure of relevant information; (e) a grievance mechanism process; and (f) monitoring and evaluation of Sub-projects as well as the achievement of the Project objective. Except as the World Bank shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive the Project Operational Manual, or any provision thereof.

(f) In the event of any conflict between the provisions of the Project Operational Manual and those of this Agreement, the provisions of this Agreement shall prevail.

Sub-grants

(g) The Recipient shall make Sub-grants under Part A.1(b) of the Project to Beneficiaries for Sub-projects, in accordance with eligibility criteria and procedures and on terms and conditions acceptable to the World Bank, which, except as the World Bank may otherwise agree in writing, shall include the following (as the same may be elaborated in the Project Operational Manual):

(A) No proposed Sub-project shall be eligible for financing under Part A.1.(b) of the Project unless:

(i) the Recipient has determined, on the basis of an appraisal conducted in accordance with guidelines acceptable to the World Bank, that the proposed Sub-project satisfies the eligibility criteria specified below in paragraph (B) of this Section, and such additional criteria as may be specified in the Project Operational Manual; and

(ii) the World Bank has approved such Sub-project, unless the World Bank shall have previously notified the Recipient in writing that its approval of Sub-projects is no longer required.

(B) Each Sub-project shall be required to satisfy the following criteria:

(i) the proposed Beneficiary is an IP organization and/or network, with the necessary managerial, financial, and technical qualifications and experience to carry out the Sub-project, which has prepared an acceptable financing and implementation plan for the Sub-project;

(ii) the proposed Sub-project is economically, financially and technically feasible, and environmentally sound;

(iii) the proposed Sub-project ensures active and proportionate participation of women and youth;

(iv) each proposed Sub-project is aligned with its respective Participating Country's agreed engagement strategy on climate change, REDD+ and the forestry sector; and

(v) the total estimated cost of the Sub-project does not exceed an amount equivalent to \$50,000, unless otherwise previously agreed in writing by the World Bank.

(C) For each Sub-project which has been determined to be eligible for financing under Part A.1(b) of the Project, the Recipient shall enter into a Sub-grant Agreement with the Beneficiary pursuant to which the Recipient shall obtain rights adequate to protect its interests and those of the World Bank, including the right to:

(i) suspend or terminate the right of the Beneficiary to use the proceeds of the Sub-grant upon the Beneficiary's failure to perform any of its obligations under the Sub-grant Agreement and obtain a refund of any amount of the Sub-grant that is used in a manner inconsistent with the provisions of the Sub-grant Agreement; and

(ii) require each Beneficiary to:

(1) (a) carry out its Sub-project with due diligence and efficiency, in accordance with: (X) sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the World Bank; and (Y) with the provisions of the Anti-Corruption Guidelines applicable to recipients of grant proceeds other than the Recipient; and (b) provide, promptly as needed, the resources required for the purpose;

(2) procure the goods and services to be financed out of the Sub-grant in accordance with the provisions of this Agreement and ensure that the goods and services shall be used exclusively in the carrying out of the Sub-project;

(3) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the World Bank, the progress of the Sub-project and the achievement of its objectives;

(4) (a) maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the World Bank, both in a manner adequate to reflect the operations, resources and expenditures related to the Sub-project; and (b) at the World Bank's or the Recipient's request, have such financial statements audited by independent auditors acceptable to the World Bank, in accordance with consistently applied auditing standards acceptable to the World Bank, and promptly furnish the statements as so audited to the Recipient and the World Bank;

(5) enable the Recipient and the World Bank to inspect the Sub-project, its operation and any relevant records and documents; and

(6) prepare and furnish to the Recipient and the World Bank all such information as the Recipient or the World Bank shall reasonably request relating to the foregoing.

2.04. ***Donor Visibility and Visit.*** (a) The Recipient shall take or cause to be taken all such measures as the World Bank may reasonably request to identify publicly the Donors' support for the Project.

(b) For the purposes of Section 2.09 of the Standard Conditions, the Recipient shall, upon the World Bank's request, take all measures required on its part to enable the representatives of the Donors to visit any part of the Participating Countries' territory for purposes related to the Project.

2.05. ***Documents; Records***

In addition and without limitation to the obligations set forth in Section 2.05 of the Standard Conditions, the Recipient shall ensure that:

(a) all records evidencing expenditures under the Project are retained for seven years and six months after the Closing Date, such records to include: (i) this Agreement, all addenda thereof, and any amendments thereto; (ii) the Recipient's financial and narrative progress reports submitted to the World Bank; (iii) the Recipient's financial information related to the Grant, including audit reports, invoices and payroll records; (iv) the Recipient's implementation documentation (including sub-agreements, procurement files, contracts, purchase orders); and (v) the corresponding supporting evidence referred to in Section 3.04 of the Standard Conditions; and

(b) the representatives of the World Bank are: (i) able to examine all records referred to above in paragraph (a); (ii) provided all such information concerning such records as they may from time to time reasonably request; and (iii) able to disclose such records and information to the Donor.

2.06. ***Project Monitoring, Reporting and Evaluation.*** (a) The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of indicators acceptable to the World Bank. Each Project Report shall cover the period of one calendar quarter, and shall be furnished to the World Bank not later than forty-five (45) days after the end of the period covered by such report.

(b) The Recipient shall prepare the Completion Report in accordance with the provisions of Section 2.06 of the Standard Conditions. The Completion Report shall be furnished to the World Bank not later than six (6) months after the Closing Date.

2.07. **Financial Management.** (a) The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.

(b) The Recipient shall ensure that interim unaudited financial reports for the Project are prepared and furnished to the World Bank not later than forty-five (45) days after the end of each calendar quarter, covering the quarter, in form and substance satisfactory to the World Bank.

(c) The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 2.07 (b) of the Standard 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 World Bank not later than six (6) months after the end of such period.

2.08. **Procurement**

(a) General. All goods, non-consulting services and consultants' services required for the Project and to be financed out of the proceeds of the Grant shall be procured in accordance with the requirements set forth or referred to in:

(i) Section I of 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) ("Procurement Guidelines"), in the case of goods and non-consulting services;

(ii) Sections I and IV of 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) ("Consultant Guidelines") in the case of consultants' services; and

(iii) the provisions of this Section, as the same shall be elaborated in the procurement plan prepared and updated from time to time by the Recipient for the Project in accordance with paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines ("Procurement Plan").

(b) Definitions. The capitalized terms used in the following paragraphs of this Section to describe particular procurement methods or methods of review by the World 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.

(c) Particular Methods of Procurement of Goods and Non-consulting Services

(i) Except as otherwise provided in sub-paragraph (ii) below, goods, and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.

(ii) The following methods, other than International Competitive Bidding, may be used for procurement of goods and non-consulting services for those contracts which are specified in the Procurement Plan: (A) Shopping; and (B) Direct Contracting.

(d) Particular Methods of Procurement of Consultants' Services

(i) Except as otherwise provided in item (ii) below, consultants' services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.

(ii) The following methods, other than Quality- and Cost-based Selection, may be used for the procurement of consultants' services for those assignments which are specified in the Procurement Plan: (A) Quality-based Selection; (B) Selection under a Fixed Budget; (C) Least Cost Selection; (D) Selection based on Consultants' Qualifications; (E) Single-source Selection of consulting firms; (F) Selection of Individual Consultants; and (G) Single-source procedures for the Selection of Individual Consultants.

(e) Review by the World Bank of Procurement Decisions. The Procurement Plan shall set forth those contracts which shall be subject to the World Bank's Prior Review. All other contracts shall be subject to Post Review by the World Bank.

(f) Document Retention. Notwithstanding the provisions of paragraphs 2(j) and 5 of Appendix 1 to the Procurement Guidelines, and paragraphs 2(k) and 5 of Appendix 1 to the Consultant Guidelines, the Recipient: (i) shall retain all documentation with respect to each contract as described in said paragraphs for at least seven years and six months after the Closing Date set forth in Section 3.03 of this Agreement; (ii) shall furnish such documentation to the World Bank at any time upon request; and (iii) hereby authorizes the World Bank to disclose such documentation to the Donor.

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) the Standard Conditions; (b) this Section; and (c) such additional instructions as the World Bank may 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 World Bank and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the following table. The table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Grant ("Category"), the allocations of the amounts of the Grant to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

| Category | Amount of the Grant Allocated (expressed in USD) | Percentage of Expenditures to be Financed (inclusive of Taxes) |
|---|---|---|
| (1) Goods, non-consulting services, consultants' services, Operating Costs and Training under the Project, except for Part A.1(b) | 374,583 | 100% |
| (2) Sub-grants | 400,000 | 100% of amount disbursed |
| TOTAL AMOUNT | 774,583 | |

3.02. **Withdrawal Conditions.** Notwithstanding the provisions of Section 3.01 of this Agreement, no withdrawal shall be made for payments made prior to the date of this Agreement.

3.03. **Withdrawal Period.** The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is June 30, 2018.

Article IV Additional Remedies

4.01. **Additional Events of Suspension.** The Additional Events of Suspension referred to in Section 4.02 (k) of the Standard Conditions consist of the following:

(a) Any Participating Country has taken or permitted to be taken any action which would prevent or interfere with the performance by the Recipient of its obligations under this Agreement.

(b) The Bank has determined after the Effective Date that prior to such date but after the date of this Agreement, an event has occurred which would have entitled the World Bank to suspend the Recipient's right to make withdrawals from the Grant Account if this Agreement had been effective on the date such event occurred.

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 executive director.

5.02. **Recipient's Address.** The Recipient's Address referred to in Section 7.01 of the Standard Conditions is:

Mainyoito Pastoralists Integrated Development Organization
P.O. Box 226 - 00206
Kiserian
Republic of Kenya

Facsimile:

+254-20-388-2944

5.03. **World Bank's Address.** The World Bank's Address referred to in Section 7.01 of the Standard Conditions is:

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

Telex:

Facsimile:

248423 (MCI) or
64145 (MCI)

1-202-477-6391

APPENDIX

Modifications to the Standard Conditions

The Standard Conditions are modified as follows:

1. Paragraph 17 of the Appendix (Definitions) is modified to read as follows:

“17. “Member Country” means a member of the World Bank in whose territory the Project is carried out or any of such member’s political or administrative subdivisions, and refers separately to each such member.”

1. Section 3.07 is modified to read as follows:

“Section 3.07. *Financing Taxes*

(a) The Grant Agreement may specify that the proceeds of the Grant may not be withdrawn to pay for Taxes levied by, or in the territory of, a Member Country on or in respect of Eligible Expenditures, or on their importation, manufacture, procurement or supply. In such case, if the amount of any such Taxes decreases or increases, the World Bank may, by notice to the Recipient, adjust the percentage of such Eligible Expenditures to be financed out of the proceeds of the Grant specified in the Grant Agreement, as required to ensure consistency with such limitation on withdrawals.”

2. Section 4.02 is amended as follows:

- (i) Paragraph (a) is amended to read as follows:

“(a) *Interference*. If the Grant has been made to a Recipient which is not the Member Country, a Member Country has: (i) taken or permitted to be taken any action which would prevent or interfere with the execution of the Project or the performance by the Recipient of its obligations under the Grant Agreement; or (ii) failed to afford a reasonable opportunity for representatives of the World Bank to visit any part of its territory for purposes related to the Grant or the Project.”

- (ii) Paragraphs (c) and (d) are amended to read as follows:

“(c) *Fraud and Corruption*. At any time, the World Bank determines that any representative of the Recipient (or any Member Country, if the Recipient is not the Member Country, or any other recipient of any of the proceeds of the Grant) has engaged in corrupt, fraudulent, coercive or collusive practices in connection with the use of the proceeds of the Grant, without the Recipient (or any such Member Country or any other such recipient) having taken timely and appropriate action satisfactory to the World Bank to address such practices when they occur.

(d) *Cross Suspension*. IBRD or IDA has suspended in whole or in part the right of the Recipient (or of any Member Country, if the Recipient is not the Member Country) to make withdrawals under any agreement with IBRD or with IDA because of a failure by the Recipient (or by any such Member Country) to perform any of its obligations under such agreement or any other agreement with IBRD or IDA.”

(iii) Paragraph (h) is amended to read as follows:

“(h) *Membership*. A Member Country: (i) has been suspended from membership in or ceased to be a member of IBRD or of IDA; or (ii) has ceased to be a member of the International Monetary Fund.”

(iv) The first sentence of paragraph (i) is amended to read as follows:

“(i) *Condition of Recipient*. If the Grant has been made to a Recipient which is not a Member Country:”

(v) Paragraph (j) is amended to read as follows:

“(j) *Ineligibility*. IBRD or IDA has declared the Recipient (other than a Member Country) ineligible to receive proceeds of any financing made by IBRD or IDA or otherwise to participate in the preparation or implementation of any project financed in whole or in part by IBRD or IDA, as a result of: (i) a determination by IBRD or IDA that the Recipient has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of any financing made by IBRD or IDA; and/or (ii) a declaration by another financier that the Recipient is ineligible to receive proceeds of any financing 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 Recipient has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of any financing made by such financier.”

3. Paragraph (c) of Section 4.03 is modified to read as follows:

“(c) *Fraud and Corruption*. At any time, the World Bank determines, with respect to any amount of the proceeds of the Grant, that corrupt, fraudulent, collusive or coercive practices were engaged in by representatives of the Recipient (or any Member Country, if the Recipient is not a Member Country, or any other recipient of the proceeds of the Grant), without the Recipient (or any such Member Country or other recipient of the proceeds of the Grant) having taken timely and appropriate action satisfactory to the World Bank to address such practices when they occur.”

4. Paragraph (a)(ii) of Section 4.05 is modified to read as follows:

“(ii) (A) engaging in corrupt, fraudulent, collusive or coercive practices in connection with the use of such amount, or (B) use of such amount to finance a contract during the procurement or execution of which such practices were engaged in by representatives of the Recipient (or any Member Country, if the Recipient is not a Member Country, or other recipient of such amount of the Grant), in either case without the Recipient (or any such Member Country, or other such recipient) having taken timely and appropriate action satisfactory to the World Bank to address such practices when they occur.”

5. Paragraph (j) of Section 5.03 is modified to read as follows:

“(j) If, within thirty days after counterparts of the award have been delivered to the parties, the award has not been complied with, any party may: (i) enter judgment

upon, or institute a proceeding to enforce, the award in any court of competent jurisdiction against any other party; (ii) enforce such judgment by execution; or (iii) pursue any other appropriate remedy against such other party for the enforcement of the award and the provisions of the Grant Agreement. Notwithstanding the foregoing, if the Recipient is the Member Country, this Section shall not authorize any entry of judgment or enforcement of the award against the Recipient except as such procedure may be available otherwise than by reason of the provisions of this Section.”