December 16, 2010

Brian Tucker
GeoHazards International
200 Town and Country Village
Palo Alto, CA 94301

Re: Global Facility for Disaster Reduction and Recovery Grant for GeoHazards International
Partnership for School and Hospital Earthquake Safety in the GFDRR Priority
Countries: GFDRR Grant No. TF097721

Dear Mr. Tucker:

In response to the request for financial assistance made on behalf of GeoHazards International (GHI) (the “Recipient”), I am pleased to inform you that the International Bank for Reconstruction and Development and the International Development Association (collectively, the “World Bank”), acting as administrator of grant funds provided by various donors under the Global Facility for Disaster Reduction and Recovery (GFDRR), proposes to extend to the Recipient a grant in an amount not to exceed two hundred ninety-nine thousand and nine hundred United States Dollars ($299,900.00) (“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. In accordance with Section 3.02 of the Standard Conditions (as defined in the Annex to this Agreement), the Recipient may withdraw the Grant proceeds 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. Upon receipt by the World Bank of this countersigned copy, this Agreement shall become effective as of the date of the countersignature.

Very truly yours,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION

By: /s/ Zoubida Allaoua
Director, Finance, Economics, and Urban Development Department
Sustainable Development Network
AGREED:

GeoHazards International

By: /s/ Brian Tucker

Name: Brian Tucker

Date: December 20, 2010

Enclosures:

(1) Standard Conditions for Grants Made by the World Bank Out of Various Funds, dated July 31, 2010
(2) Disbursement Letter, of even date, together with World Bank Disbursement Guidelines for Projects, dated May 1, 2006
Article I

Standard Conditions; Definitions

1.01.  Standard Conditions.  The Standard Conditions for Grants Made by the World Bank out of Various Funds dated July 31, 2010 (“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.

Article II

Project Execution

2.01.  Project Objectives and Description.  The objective of the Project is to support the Recipient’s national and local governments in its actions to reduce the risks of earthquake to schools and hospitals through raising awareness and support for earthquake safety in the communities by developing models of comprehensive safety in schools and hospitals and develop two consensus-based, country-owned draft national action plans (NAPs) for school and hospital earthquake safety in one major at-risk region.

The project consists of the following two main components:

Components 1: Carry out consultation workshops to assess the status of school and hospital earthquake safety efforts in the region and gathering input for draft action plans for school and hospital earthquake safety, launching the Project through sensitization of the stakeholders.

Components 2: Develop draft national action plans each for school and hospital earthquake safety in collaboration with local governments through regional and national workshops and smaller consultations and focused interactions with stakeholder working groups.

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 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 (“Anti-Corruption Guidelines”) with the modifications set forth in Section II of the Appendix to this Agreement; and (c) this Article II.

2.03.  Institutional and Other Arrangements.  (a) The Recipient shall maintain, particularly in its center appropriate staff in adequate numbers to carry out the Project, with experience and qualifications satisfactory to the World Bank, until completion of the Project.
2.04. **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 the indicators set forth below in paragraph (b) of this Section. Each Project Report shall cover the period of one calendar quarterly, and shall be furnished to the World Bank not later than one month after the end of the period covered by such report.

(b) The performance indicators referred to above in paragraph (a) consist of the following:

**Deliverable 1: Workshops and Status Assessing/Stock Taking.** The regional-level consultation workshop will allow GHI and GFDRR to determine the current status, including needs, gaps, and accomplishments to date, in school and hospital earthquake safety in various countries in the region. Participants from nations in the region will provide information on current school and hospital earthquake safety policies, practices and efforts, as well as on hazards, vulnerabilities, and needs. GHI will showcase examples of policies and practices from locations with successful school and hospital earthquake safety policies and programs, detailing the processes, stakeholders and the timelines for those efforts. GHI will convene the national level consultation workshops with key stakeholders in order to lay down a baseline for developing draft national action plans for school and hospital earthquake safety through a consensus process.

**Deliverable 2: Action plans.** Using information gathered prior to and during the consultative workshops, GHI will work with the working groups for school and hospital earthquake safety (one for schools and one for hospitals in each participating country) to develop a draft action plan for each of the project jurisdictions. Action plans can include the following components, as needed: institutional and organizational capacity building, developing policies to make the health and education sectors earthquake resilient, assessing overall levels of school and hospital earthquake risk, adopting building standards for new construction, developing or adopting retrofit guidelines with timelines, assessing vulnerability of existing school and hospital buildings, assuring quality construction, developing emergency preparedness plans and raising awareness, and conducting campaigns to create demand for safe education and health systems.

(c) 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 months after the Closing Date. In order to assist the Recipient in preparing the Completion Report, the Recipient shall employ consultants whose qualifications, experience and terms of reference are acceptable to the World Bank in accordance with the provisions of Section 2.06 of this Agreement.

2.05. **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 as part of the Project Report not later than 45 days after the end of each calendar semester, covering the semester, 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 such 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 months after the end of such period.

2.06. **Procurement**

(a) **General.** All goods and 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 (excluding paragraph 1.16) of the “Guidelines: Procurement under IBRD Loans and IDA Credits” published by the World Bank in May 2004 and revised in October 2006 and May 1, 2010 (“Procurement Guidelines”), in the case of goods;

(ii) Sections I (excluding paragraph 1.24) and IV of the “Guidelines: Selection and Employment of Consultants by World Bank Borrowers” published by the World Bank in May 2004 and revised in October 2006 and May 1, 2010 (“Consultant Guidelines”), in the case of consultants’ services; and

(iii) the provisions of this Section.

(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 the Procurement Guidelines, or the Consultant Guidelines, as the case may be.

(c) **Particular Methods of Procurement of Goods**

Except as the World Bank may otherwise agree, goods shall be procured under contracts awarded on the basis of Shopping

(d) **Particular Methods of Procurement of Consultants’ Services**

The following methods may be used for the procurement of consultants’ services for those assignments which the Bank agrees meet the requirements set forth in the Consultant Guidelines for their use: (i) Selection Based on the Consultants’ Qualifications; (ii) Selection of Individual Consultants; and (iii) Sole Source Procedures for the Selection of Individual Consultants.
(e) Review by the World Bank of Procurement Decisions. Except as the World Bank shall otherwise determine by notice to the Recipient, the following contracts shall be subject to Prior Review by the World Bank: each contract for consultants’ services provided under Single Source Selection. All other contracts shall be subject to Post Review by the World Bank.

**Article III**

**Withdrawal of Grant Proceeds**

3.01. **Eligible Expenditures.** The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) Article III of the Standard Conditions; (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 100% of Eligible Expenditures consisting of consultants’ services, Training and Workshops, dissemination costs, goods, and Operating Costs, all exclusive of Taxes in respect of income and services, irrespective of whether Taxes are deducted at the source.

For purposes of Section 3.01: (i) the term “Training and Workshops” means all costs associated with training and workshops, including local travel and subsistence costs for workshop participants, rental of facilities, workshop materials, dissemination costs, secretarial support, and other costs directly related to the organizing of the workshops; and (ii) the term “Operating Costs” means the incremental expenditures incurred by the Recipient as a result of Project implementation, management and monitoring, including communications costs, utilities, office supplies, and overheads.

3.02. **Withdrawal Conditions.** Notwithstanding the provisions of Section 3.01 of this Agreement, no withdrawal shall be made:

(a) for payments made prior to the date of countersignature of this Agreement by the Recipient.

(b) for any payment for Taxes levied by or in the territory of the Member Country in respect of income and services.

3.03. **Withdrawal Period.** The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is November 30, 2012.

**Article IV**

**Effectiveness**

4.01. This Agreement shall become effective upon receipt by the World Bank of this countersigned copy. This Agreement shall become effective as of the date of the countersignature.
4.02. If, before the Effective Date, any event has occurred which would have entitled the World Bank to suspend the right of the Recipient to make withdrawals from the Grant Account if this Agreement had been effective, the World Bank may postpone the dispatch of the notice referred to in this Section until such event (or events) has (or have) ceased to exist.

4.03. Termination for Failure to Become Effective. This Agreement and all obligations of the parties under it shall terminate if it has not entered into effect by the date 90 days after the date of this Agreement, unless the World Bank, after consideration of the reasons for the delay, establishes a later date for the purpose of this Section. The World Bank shall promptly notify the Recipient of such later date.

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 the Geo Hazards International President.

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

President
GeoHazards International
200 Town and Country Village
Palo Alto, CA 94301

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

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

Cable: INDEVAS
Telex: 248423 (MCI) or 64145 (MCI)
Facsimile: 1-202-477-6391
**APPENDIX**

**Modifications to the Standard Conditions and the Anti-Corruption Guidelines**

**Section I.** The Standard Conditions are modified as follows:

1. The provisions of Section 4.02 (d) of the Standard Conditions are deleted in their entirety.

**Section II.** 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, collusive, 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.”