Ms. Victoria Tauli-Corpuz  
Executive Director  
Indigenous Peoples’ International Centre for  
Policy Research and Education (Tebtebba)  
1 Roman Ayson Road  
Baguio City, Philippines  

Re:  FCPF Grant No. TF0A3570  
FCPF Capacity Building on REDD+ for Forest-Dependent Indigenous Peoples in East Asia and Pacific and South Asia Regions Project  
Letter Agreement  

Dear Ms. Corpuz:  

In response to the request for financial assistance made on behalf of Indigenous Peoples’ International Centre for Policy Research and Education (Tebtebba) (“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 Participating Countries (“Participating Countries”), a grant in an amount not to exceed four hundred ninety thousand seven hundred fifty United States Dollars (U.S.$490,750) (“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

Xiaoqing Yu
Director, Strategy and Operations
East Asia and Pacific

AGREED:

INDIGENOUS PEOPLES' INTERNATIONAL CENTRE FOR POLICY RESEARCH AND EDUCATION (TEBTEBBA)

By:

Authorized Representative
Name: VICTORIA Tauli-Corpuz
Title: EXECUTIVE DIRECTOR
Date: 21 Oct 2014

Enclosures:


(2) Disbursement Letter of the same date as this Agreement, together with World Bank Disbursement Guidelines for Projects, dated May 1, 2006


(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.

(a) "Beneficiary" or "Beneficiaries" means an IP organization or an institution from any of the Participating Countries to which the Recipient proposes to make or has made a Sub-grant for a Sub-project.

(b) "FCPF" means the Forest Carbon Partnership Facility.

(c) "Incremental Operating Costs" means the reasonable costs incurred on account of the implementation of the Project (which expenditures would not have been incurred absent the Project) including local contractual support staff salaries, consumable materials and supplies (including office supplies), office equipment, communications, translation services, mass media and printing services, operation and maintenance, charges for opening and operation of bank accounts required for the project, postage and handling, travel, lodging and per diems for Project staff travelling for the purpose of the Project, and salaries of staff of the Recipient, but excluding benefits to Project staff.

(d) "Indigenous People" or the acronym "IP" mean social groups residing or engaged in capacity building activities under the Project from time to time; each of which possesses a distinct social and cultural identify that makes it vulnerable to being disadvantaged in the development process, including the presence of varying degrees of the following characteristics: (i) self-identification as members of a distinct indigenous cultural group and recognition of this identity by others; (ii) collective attachment to geographical distinct habitats or ancestral territories in the Project area and to the natural resources in these habitats and territories; (iii) customary cultural, economic, social, or political institutions that are separate from those of the dominant society and culture; and (iv) an indigenous language, often different from the official language of the country of origin.

(e) "Project Operational Manual" means the manual, satisfactory to the World Bank, setting forth, *inter alia*, detailed arrangement and procedures for: (i) institutional coordination and day-to-day execution of the Project; (ii) disbursement and financial management; (iii) procurement; (iv) consultations with relevant IP organizations and institutions in the selection and implementation of Sub-projects, and disclosure of relevant information; (v) eligibility criteria and procedures for the selection of sub-grants under Part A.1 of the Project; (vi) a grievance mechanism process; and (vii) monitoring and evaluation of the Projects as well as achievements of the Project objectives, as the same may be modified from time to time.
time with the prior written agreement of the World Bank, and such term includes any annexes or schedules to such manual.

(f) "Participating Countries" means the following Member Countries: Kingdom of Bhutan, Kingdom of Cambodia, Republic of Fiji, Republic of Indonesia, Nepal, Independent State of Papua New Guinea, Islamic Republic of Pakistan, Kingdom of Thailand, Republic of Vanuatu and Socialist Republic of Vietnam.

(g) "R-PP" means REDD+ readiness preparation proposal.

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

(i) "Regional Steering Committee" or the acronym "RSC" mean the regional steering committee established by the Recipient, pursuant to the TOR agreed by IP representatives from the Participating Countries and satisfactory to the World Bank, to provide technical support and advice to the Project.

(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 an IP organization or an institution in the Participating Country, setting forth the terms and conditions under which proceeds of a Sub-grant are to be made available to the IP organization or institution for the purpose of financing a Sub-project.

(a) "Sub-project" means a specific capacity building and/or awareness raising activity to be carried out by an IP organization or institution under Part A.1 of the Project.

(l) "TOR" means terms of reference.

(m) "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.

(n) "World Bank Safeguard Policies" means the World Bank’s operational policies and procedures set forth in the World Bank’s Operational Manual under OPs/BPs 4.01, 4.04, 4.36, 4.09, 4.10, 4.11, 4.12, 4.37 and 7.50 as said manual is published under www.WorldBank.org/opmanual.

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 IPs 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 in six (6) of the Participating Countries, namely Kingdom of Bhutan, Republic of Fiji, Islamic Republic of Pakistan, Independent State of Papua New Guinea, Republic of Vanuatu and Socialist Republic of Vietnam, through their IP organizations and institutions, with specific focus on women and youth. Activities under this Part includes:

1. Implementation of Capacity Building and Awareness Raising

Provision of Sub-grants to IP organizations or institutions in carrying out capacity building and awareness raising of targeted IP communities of REDD+ Readiness at the national level.

2. Support and Empowerment of IP Organizations and Institutions

Strengthening the capacities of IP organizations and institutions selected to execute capacity building Sub-projects to participate in the implementation of REDD+ Readiness actions by facilitating liaisons between IP organizations and institutions and respective REDD+ focal points, FCPF IP observers and governmental committees for climate change at both local and national levels through joint workshops and meetings around key themes.

Part B: Regional Exchange and Sharing of Lessons Learned

Designing and implementing a robust regional platform for information exchange and knowledge sharing between forest-dependent IP organizations and institutions in the Participating Countries through:

1. Regional Learning and Exchange

Carrying out regional workshops to: (i) disseminate available REDD+ knowledge products for IP communities; (ii) discuss the relevance of traditional knowledge and practice for climate change and REDD+ strategies; (iii) highlight recent advances in various climate change processes in the region and globally; and (iv) raise participants' awareness of the Project.

2. Dissemination of Knowledge Products and Lessons Learned

Developing new knowledge products, including regional research and policy work on land tenure and forest policy and analytical work on benefit-sharing and grievance redress mechanisms, and disseminating existing and new REDD+ educational and knowledge products and good practices learned with the Participating Countries' IP audience.

Part C: Management, M&E and Reporting

Project implementation and supervision support including procurement, financial management, environmental and social safeguard compliance, monitoring and evaluation, reporting, external auditing, and preparation of annual work plans and budgets.

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 and revised in January 2011 (“Anti-Corruption Guidelines”); and (c) this Article II.

2.03. **Institutional and Other Arrangements.**

**Management Committee**

(a) The Recipient shall maintain for the duration of the Project, a Management Committee, having compositions and terms of reference acceptable to the World Bank, responsible for overseeing the performance of the Project Management Team.

**Regional Steering Committee**

(b) The Recipient shall maintain for the duration of the Project, the RSC, having compositions and terms of reference acceptable to the World Bank, as shall be responsible, among others, for: (i) prioritizing the national and regional needs and timeline for the Project; (ii) providing guidance as needed during supervision of national activities and implementation of regional activities; (iii) reviewing technical aspects of proposals and provide recommendations to the Recipient; and (iv) facilitating exchange of information among IP communities and other stakeholders, including supporting the Recipient’s grievance and redress mechanisms.

**Project Management Team**

(c) The Recipient shall maintain for the duration of the Project, the Project Management Team comprising of staff with experience and qualification under terms of reference acceptable to the World Bank, as shall be responsible, among others, to oversee the entire Project operation including disbursement, financial management, procurement, safeguard compliance, and monitoring and evaluation of the Sub-projects.

**Annual Work Plans**

(d) The Recipient shall prepare and furnish to the World Bank by not later than June 30 of each year, beginning from the date of the effectiveness of the Grant, during the implementation of the Project, or such later date as the World Bank may agree, for the World Bank’s no-objection, annual work plans containing eligible Project activities and Eligible Expenditures proposed to be included in the Project in the following calendar year. The annual work plan shall be composed of updated Procurement Plan and the updated training plan, as well as the budget for Project activities in the next twelve (12) calendar months.

(e) The Recipient shall ensure that the Project is implemented in accordance with the annual work plan accepted by the World Bank for the respective calendar year, provided, however, that in the event of any conflict between the annual work plan and the provisions of this Agreement, the provision of this Agreement shall prevail.

(f) The Recipient shall not make or allow to be made any change to the annual work plans without the World Bank’s prior no-objection in writing.

**Project Operations Manual**

(g) The Recipient shall carry out the Project in accordance with the provisions of the Project Operations Manual. Except as the World Bank shall otherwise agree in writing, the
Recipient shall not amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, the Project Operations Manual or any provisions thereof. In the event of a conflict between the provisions of the Project Operations Manual and those of this Agreement, the latter shall govern.

Sub-grants

(h) To facilitate the carrying out of the Project, the Recipient shall make Sub-grants under Part A.1 of the Project available to IP organizations and institutions under a Sub-grant Agreement, 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 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 or an institution with proven legal status, 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 US$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 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. **Safeguards**

The Recipient shall ensure that the terms of reference for any consultants’ services in respect of any activity financed under the Project shall be satisfactory to the World Bank following its review thereof, and to that end, such terms of reference shall duly incorporate applicable World Bank Safeguard Policies then in force, as applied to the advice conveyed through such technical assistance.

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 Donor’s 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 Country’s 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 semester, 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 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.

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 furnished to the World Bank as part of the Project Report not later than one month 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. Such audit of the Financial Statements shall cover the entire period during which withdrawals from the Grant Account were made. The audited Financial Statements for such period shall be furnished to the World Bank not later than six 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:


(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.** Goods and non-consulting services shall be procured under contracts awarded on the basis of: (i) Shopping; and (ii) Well-established Private Sector Procurement Methods or Commercial Practices which have been found acceptable to the World Bank.

(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) Least Cost
Selection; (B) Selection based on Consultants' Qualifications; (C) Well-established Private Sector Procurement Methods or Commercial Practices which have been found acceptable to the World Bank; (D) Selection of Individual Consultants; and (E) 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:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Sub-grants under Part A.1 of the Project</td>
<td>294,450</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Goods, non-consulting services, consultants’ services, Incremental Operating Costs, and Training</td>
<td>196,300</td>
<td>100%</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>490,750</strong></td>
<td></td>
</tr>
</tbody>
</table>

**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 October 31, 2018.

Article IV
Recipient's Representative; Addresses

4.01. **Recipient's Representative.** The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is the Executive Director.

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

Indigenous Peoples’ International Centre for
Policy Research and Education (TEBTEBBA)
1 Roman Ayson Road
Baguio City, Philippines

Facsimile:
+64 74 4439459

4.03. **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: 248423 (MCI) or 64145 (MCI)
Facsimile: 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 carried out or any of such member’s political or administrative subdivisions, and refers separately to each such member.”

2. 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.”

3. 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.”

4. 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.”

5. 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.”

6. 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 a 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.”