EC IPA GRANT NUMBER TF015881

Grant Agreement

(Second Solid Waste Management Project: Neum, Bosanska Krupa, Srebrenik, and Sarajevo)

between

BOSNIA AND HERZEGOVINA

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT
acting as an administrator of the European Commission for the European Union
Instrument for Pre-Accession Trust Fund

Dated October 29, 2014
EC IPA TF GRANT NUMBER TF015881

EC IPA GRANT AGREEMENT


The Recipient and the World Bank hereby agree as follows:

Article I
Standard Conditions; Definitions


1.02. 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:


(b) “Environmental Assessment” means a site-specific environmental assessment conducted to identify and evaluate the potential impact on the environment of the Sub-project (as hereinafter defined), evaluating alternatives and designing appropriate mitigation, management, and monitoring measures.

(c) “Environmental Framework and Management Plan” and “EF” means the environmental framework, satisfactory to the World Bank, dated March 11, 2008, adopted by the Recipient and describing the procedures to be used by the Project Management Unit for the preparation and approval of a Sub-project specific Environmental Assessment and Environmental Management Plan (as hereinafter defined).

(d) “Environmental Management Plan” and “EMP” means the site-specific environmental management plan prepared in accordance with the procedures set forth in the EF, acceptable to the World Bank, to be
developed by the Project Management Unit for each applicable Sub-project, setting forth a set of mitigation, monitoring, and institutional measures to be taken during Sub-project implementation and operation to eliminate adverse environmental and social impacts, offset them, or reduce them to acceptable levels, and including the actions needed to implement these measures.

(e) “Federation” means the Federation of Bosnia and Herzegovina, a constitutive part of the Recipient, and includes any successor or successors thereto.

(f) “FMET” means the Ministry of Environment and Tourism of the Federation, and includes any successor thereto.

(g) “Operation Manual” means the manual, including the Financial Management Manual, and the Environmental Framework, satisfactory to the World Bank and adopted by the Recipient and the Federation, respectively, and setting out the operational and administrative procedures, responsibilities, and rules for the implementation of the Project, and including, inter alia, the eligibility criteria, selection procedures, terms and conditions and procurement arrangements for the Sub-Grants.

(h) “Participating Utility” or collectively, “Participating Utilities” means, the Utility located in the Federation which will participate in the carrying out of the Project pursuant to the Sub-Grant Agreement between the Federation and such Utility.

(i) “PIT” means the Project Implementation Team comprised of a qualified procurement analyst and accountant and such other qualified personnel, as necessary, established in each Participating Utility managing a landfill site under the Project.

(j) “PMU” means the Project Management Unit headed by a Manager and comprising a qualified Procurement Manager, a Procurement Analyst, a Financial Manager, an Accountant, a Project Engineer and such other qualified personnel, as necessary, established in FMET.


(l) “Project Agreement” means the Project Agreement to be entered into between the World Bank and the Federation for the purposes of carrying
out the Project, as the same may be amended from time to time, and such term includes all schedules and agreements supplemental to the Project Agreement.

(m) "Second Solid Waste Management Financing Agreement" means the Financing Agreement for the Second Solid Waste Management Project signed by the Recipient and the World Bank on June 25, 2009, Credit No. 4540-BA.

(n) "Second Solid Waste Management Loan Agreement" means the Loan Agreement for the Second Solid Waste Management Project signed by the Recipient and the World Bank on June 25, 2009, Loan No. 7629-BA.

(o) "Sub-Grant" means the grant to be provided by the Federation to a Participating Utility under a Sub-Grant Agreement.

(p) "Sub-Grant Agreement" means the agreement to be entered into between the Federation and the Participating Utility for the purposes of carrying out a part of the Project, acceptable to the World Bank, as the same may be amended from time to time, and such term includes all schedules to the Sub-Grant Agreement.

(q) "Sub-project" means a high-priority, low-cost water supply or sanitation capital investment project, and related investments, to be carried out by the Participating Utility.

(r) "Subsidiary Agreement" means the Subsidiary Agreement to be entered into between the Recipient and the Federation, acceptable to the World Bank and pursuant to which the Recipient makes the proceeds of the Grant available to the Federation for carrying out the Project, as the same may be amended from time to time with the prior approval of the World Bank, and such term includes all schedules and agreements supplemental to the Subsidiary Agreement.

(s) "Utility" means a local body in the Federation responsible for the disposal of municipal waste and management and operation of the regional landfill site; and Utilities means more than one Utility.

Article II
The Project

2.01. The Recipient declares its commitment to the objectives of the project described in Schedule 1 to this Agreement ("Project"). To this end, the Recipient shall cause the Federation to carry out the Project in accordance with the provisions of
Article II of the Standard Conditions and the provisions of the Project Agreement.

2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Recipient and the World Bank 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 III
The Grant

3.01. The World Bank agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a grant in an amount equal to Euros four million four hundred sixty-five thousand (€4,465,000) ("Grant") to assist in financing the Project.

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

3.03. The Grant is funded out of the above-mentioned trust fund for which the World Bank has received periodic contributions from the Donor to the trust fund. In accordance with Section 3.02 of the Standard Conditions, the World Bank’s payment obligations in connection with this Agreement are limited to the amount of funds made available to it by the Donor under the above-mentioned trust fund, and the Recipient’s rights to withdraw the Grant proceeds is subject to the availability of such funds. Accordingly, in the event that the Donor cancels or fails to pay any contribution under the trust fund to the World Bank for any reason, or that as a result of currency exchange variations the amount of funds available in the trust fund is insufficient for the purposes of the Grant, the Recipient shall bear the risk of such funding shortfall and the World Bank shall not have any liability whatsoever to the Recipient or to any third parties in respect of any expenditures or liabilities incurred by the Recipient or to any third parties in connection with this Agreement which exceed the amount of funds made available to the World Bank by the Donor for the purposes of the Grant.

Article IV
Additional Remedies

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

(a) The Federation shall have failed to perform any of its obligations under the Project Agreement or the Subsidiary Agreement;
as a result of events which have occurred after the date of this Agreement, an extraordinary situation shall have arisen which shall make it improbable that the Federation shall be able to perform its obligations under the Project Agreement, Subsidiary Agreement, or the Operational Manual, or that the FMET, the PMU or any Participating Utility shall be able to perform their respective obligations under this Agreement, the Project Agreement, the Operational Manual, the EF, the EMP or any of the Sub-Grant Agreements, as the case may be;

(c) the Operational Manual shall have been amended, suspended, abrogated, repealed or waived, without the prior approval of the World Bank, so as to affect materially and adversely, in the opinion of the World Bank, the carrying out of the Project or the realization of its objectives; and

(d) the World Bank shall have suspended in whole or in part the right of the Recipient to make withdrawals under the Second Solid Waste Management Loan Agreement or the Second Solid Waste Management Financing Agreement.

Article V
Effectiveness; Termination

5.01. The Additional Conditions of Effectiveness consist of the following:

(a) The Project Agreement has been executed on behalf of the World Bank and the Federation on terms and conditions satisfactory to the World Bank;

(b) The Subsidiary Agreement has been executed on behalf of the Recipient and the Federation on terms and conditions satisfactory to the World Bank; and

(c) a Sub-Grant Agreement has been executed by the Federation with a Participating Utility on terms and conditions satisfactory to the World Bank.

5.02. The Additional Legal Matters consist of the following:

(a) the Project Agreement referred to in paragraph (a) of Section 5.01 of this Agreement has been duly authorized or ratified by the Federation and is legally binding in accordance with its terms;
the Subsidia-y Agreement referred to in paragraph (b) of Section 5.01 of this Agreement has been duly authorized or ratified by the Recipient and the Federation and is legally binding upon the Recipient and the Federation in accordance with its terms; and

the Sub-Grant Agreement referred to in paragraph (c) of Section 5.01 of this Agreement has been duly authorized or ratified by the Federation and a Participating Utility concerned and is legally binding in accordance with its terms.

5.03. This Agreement and all obligations of the parties under it shall terminate if it has not entered into effect by the date one hundred and twenty (120) 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 VI**

**Recipient's Representative; Addresses**

6.01. The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is its Minister of Finance and Treasury.

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

Ministry of Finance and Treasury
Trg BiH 1
71000 Sarajevo
Bosnia and Herzegovina

Facsimile:
(387-33) 202-930

6.03. 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
USA

Cable: INTBAFRAD
Telex: INDEVAS
Facsimile: 248423 (MCI) or 1-202-477-6391
Washington, D.C. 64145 (MCI)

AGREED at Sarajevo, Bosnia and Herzegovina, as of the day and year first above written.

BOSNIA AND HERZEGOVINA

[Signature]
Authorized Representative

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
acting as Administrator of the EC IPA Trust Fund

[Signature]
Authorized Representative
SCHEDULE 1
Project Description

The objective of the Project is to improve the availability, quality, environmental soundness and financial viability of solid waste management services in the Recipient's participating regions and Participating Utilities in the Neum, Bosanska Krupa, and Srebrenik Municipalities, and the city of Sarajevo.

The Project consists of the following parts:

**Part I: Rehabilitation of the existing landfill “Klepovica” in the Municipality of Neum**

Rehabilitation of the existing landfill “Klepovica” in the Municipality of Neum, including relocation of existing waste to a new sanitary disposal cell.

**Part II: Expansion of the sanitary landfill “Smiljevici” in the City of Sarajevo**

Expansion of the sanitary landfill “Smiljevici” in the City of Sarajevo through construction of (i) an imperious disposal cell for waste after the sorting process with a drainage system; (ii) a facility for treatment of construction waste with relevant equipment and disposal area for waste; and (iii) a recycling yard with containers and equipment for separation of waste toward reduction of disposed waste.

**Part III: Closure and remediation of the wild dumpsites in Bosanska Krupa and Srebrenik**

Closure and remediation of the wild dumpsites in:

(a) “Krivodol” in the Municipality of Bosanska Krupa, including sealing of the landfill surface and drainage water collection; and

(b) “Babunovic” in the Municipality of Srebrenik, including construction of covering layer and collection of leachate water and degasification system.
SCHEDULE 2
Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

The Recipient shall, and shall cause the Federation to, carry out the Project in accordance with the following institutional and other arrangements:

1. The Project shall be implemented under the overall responsibility of FMET in the Federation. The PMU, which shall report to FMET, shall be responsible for Project management, including procurement and financial management.

2. PITs shall be established in each Participating Utility managing a landfill site under the Project. PITs shall handle procurement and financial aspects in relation to their respective landfill site under the Project, which shall be subsequently reviewed by PMU to ensure compliance with World Bank guidelines and procedures. PITs shall report to the PMU at least on a quarterly basis.

B. Implementation Covenants and Safeguards

1. The Recipient shall cause the Federation to maintain its PMU at all times during Project implementation with terms of reference and resources satisfactory to the World Bank, and with competent staff in adequate numbers.

2. The Recipient shall, and shall cause the Federation to:

   (a) duly perform all obligations under the Operational Manual and the EF in a timely manner and in accordance with their respective terms, and apply and implement, as the case may be, the actions, criteria, policies, procedures and arrangements therein set forth;

   (b) not amend or waive, or permit to be amended or waived the Operational Manual or the EF or any provisions of any one thereof, except with the prior written approval of the World Bank; and

   (c) prior to the commencement of any works at a specific site, prepare a site-specific Environmental Assessment and Environmental Management Plan in accordance with the EF and the Operational Manual, and acceptable to the World Bank.
3. The Recipient shall ensure, and shall cause the Federation to ensure, that no private land shall be affected by the Project and that no land acquisition or resettlement shall be required.

C. Subsidiary Agreement

1. To facilitate the carrying out and financing of the Project, the Recipient shall make the proceeds of the Grant available to the Federation under a Subsidiary Agreement between the Recipient and the Federation, under the same terms and conditions as the Grant, approved by the World Bank and including the Anti-Corruption Guidelines, for on-granting by Federation to the Participating Utilities on terms and conditions set forth in Part D of this Section I.

2. The Recipient shall exercise its rights under the Subsidiary Agreement in such manner as to protect the interests of the Recipient and the World Bank and to accomplish the purposes of the Grant. Except as the World Bank shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive the Subsidiary Agreement or any provision thereof.

D. Sub-projects

1. For purposes of the Project, the Recipient shall cause the Federation to on-grant proceeds of the Grant to the respective Participating Utilities under Sub-Grant Agreements to be entered into between the Federation and the Participating Utilities in accordance with eligibility criteria and procedures set forth in the Operational Manual, under terms and conditions which shall have been approved by the World Bank and including the Anti-Corruption Guidelines, and which shall include the following:

   (a) each sub-project proposal shall include a feasibility study, an Environmental Assessment and an Environmental Management Plan for the proposed landfill site prepared in accordance with the EF, the Operational Manual, and the World Bank’s policies and procedures;

   (b) each sub-project proposal shall be appraised, implemented and evaluated in accordance with the principles and procedures set forth in the Operational Manual, the Consultant Guidelines, the Procurement Guidelines, the Anti-Corruption Guidelines and the EF and on the basis of the relevant Environmental Assessment and Environmental Management Plan; and

   (c) implementation progress for each sub-project shall, within eighteen (18) months from the date of the relevant Sub-Grant Agreement, be measured by the relevant PMU and project implementing team on the basis of the action plan and performance targets provided in said Agreement and satisfactory to the World Bank.
2. The Recipient shall, and shall cause the Federation to, obtain rights adequate to protect their interests and those of the World Bank, including the right to:

(a) suspend or terminate the right of a Participating Utility to use the proceeds of the Sub-Grant, upon the Participating Utility's failure to perform any of its obligations under the Sub-Grant Agreement;

(b) require each Participating Utility to:

(i) carry out its obligations under the Sub-Grant Agreement with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the World Bank, including in accordance with the provisions of the Anti-Corruption Guidelines applicable to recipients of Grant proceeds;

(ii) provide, promptly as needed, the resources required for the purpose of the Sub-Grant Agreement;

(iii) procure the goods, works and services to be financed out of the Sub-Grant Agreement in accordance with the provisions of this Agreement, the Consultant Guidelines, and the Procurement Guidelines;

(iv) maintain adequate policies and procedures to enable the monitoring and evaluation, in accordance with indicators acceptable to the World Bank, the progress of the sub-project and the achievement of its objective;

(v) 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 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;

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

(vii) 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.
3. The Recipient shall cause the Federation to exercise its rights under each Sub-Grant Agreement in such a manner as to protect the interests of the Recipient and the World Bank and to accomplish the purposes of the Grant. Except as the World Bank shall otherwise agree, the Recipient shall cause the Federation not to assign, amend, abrogate or waive any Sub-Grant Agreement or any of its provisions.

E. Anti-Corruption

The Recipient shall ensure that the Project is carried out in accordance with the provisions of the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Grants and IDA Credits and Grants”, dated October 15, 2006 and revised in January 2011 (“Anti-Corruption Guidelines”).

F. Donor Visibility and Visit

1. 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.

2. 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 Donor to visit any part of the Recipient’s territory for purposes related to the Project.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports; Completion Report

1. 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 forty-five (45) days after the end of the period covered by such report.

2. 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.
B. **Financial Management; Financial Reports; Audits**

1. The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.

2. The Recipient shall ensure that interim unaudited financial reports for the Project are prepared and furnished to the World Bank not later than one month after the end of each calendar quarter, covering the quarter, in form and substance satisfactory to the World Bank.

3. The Recipient shall have its Financial Statements for the Project 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.

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**Section III. Procurement**

**A. General**

1. **Procurement and Consultant Guidelines.** All goods, works, 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:

   (a) Section I of the Procurement Guidelines in the case of goods, works and non-consulting services, and Sections I and IV of the Consultant Guidelines in the case of consultants' services; and

   (b) the provisions of this Section III, 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").

2. **Definitions.** The capitalized terms used below in 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.
B. Particular Method of Procurement of Goods, Works and Non-consulting Services

1. International Competitive Bidding. Except as otherwise provided in paragraph 2 below, goods, works and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.

2. Other Methods of Procurement of Goods, Works and Non-consulting Services. The following methods may be used for procurement of goods, works and non-consulting services for those contracts specified in the Procurement Plan.

   (a) National Competitive Bidding, subject to the following additional provisions:

      (i) Registration
          (A) bidding shall not be restricted to pre-registered firms;

          (B) where registration is required, bidders (1) shall be allowed a reasonable time to complete the registration process, and (2) shall not be denied registration for reasons unrelated to their capability and resources to successfully perform the contract, which shall be verified through post-qualification; and

          (C) foreign bidders shall not be precluded from bidding. If a registration process is required, a foreign bidder declared the lowest evaluated bidder shall be given a reasonable opportunity to register.

      (ii) Advertising
          Invitations to bid shall be advertised in at least one widely circulated national daily newspaper allowing a minimum of thirty (30) days for the preparation and submission of bids.

      (iii) Pre-qualification
          When pre-qualification shall be required for large or complex works, invitations to pre-qualify for bidding shall be advertised in at least one widely circulated national daily newspaper a minimum of thirty (30) days prior to the deadline for the submission of pre-qualification applications. Minimum experience, and technical and financial requirements, shall be explicitly stated in the pre-qualification documents.
(iv) **Participation by Government-owned enterprises**

Government-owned enterprises in Bosnia and Herzegovina, including those in the Federation, shall be eligible to participate in bidding only if they can establish that they are legally and financially autonomous, operate under commercial law and are not a dependent agency of the contracting authority. Furthermore, they will be subject to the same bid and performance security requirements as other bidders.

(v) **Bidding Documents**

Procuring agencies shall use the appropriate standard bidding documents for the procurement of goods, works or services, acceptable to the World Bank.

(vi) **Bid Opening and Bid Evaluation**

(A) Bids shall be opened in public, immediately after the deadline for submission of bids;

(B) Evaluation of bids shall be made in strict adherence to the monetarily quantifiable criteria declared in the bidding documents; and

(C) Contracts shall be awarded to the qualified bidder having submitted the lowest-evaluated, substantially responsive bid and no negotiation shall take place.

(vii) **Price Adjustment**

Civil works contracts of long duration (more than 18 months) shall contain an appropriate price adjustment clause.

(viii) **Rejection of Bids**

(A) All bids shall not be rejected and new bids solicited without the World Bank’s prior concurrence.

(B) When the number of bids received is less than three, rebidding shall not be carried out without the World Bank’s prior concurrence.

(b) **Shopping**;

(c) **Direct Contracting**.
C. Particular Method 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 methods, other than Quality- and Cost-based Selection, may be used for procurement of consultants' services for the assignments which are specified in the Procurement Plan:

(a) Least Cost Selection;
(b) Selection based on Consultants' Qualifications;
(c) Single-source Selection; and
(d) Selection of Individual Consultants.

D. 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.

Section IV. Withdrawal of Grant Proceeds

A. General

1. The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) Article 11 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 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 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 Euros)</th>
<th>Percentage of Expenditures to be Financed (exclusive of taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Part I of the Project</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(1) Goods, works, and consultants' services under the Project</td>
<td>1,140,000</td>
<td>100%</td>
</tr>
<tr>
<td>Part II of the Project</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(2) Goods, works, and consultants' services under the Project</td>
<td>1,425,000</td>
<td>100%</td>
</tr>
<tr>
<td>Part III of the Project</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(3) Goods, works, and consultants' services under the Project</td>
<td>1,900,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>4,465,000</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:
   
   (a) for payment made prior to the date of this Agreement;
   
   (b) for expenditures incurred by any of the Participating Utilities unless such Participating Utility has concluded a Sub-Grant Agreement with the Federation acceptable to the World Bank.

2. The Closing Date referred to in Section 3.06(c) of the Standard Conditions is June 30, 2015.