Financing Agreement

(Additional Financing for a Transport Sector Project)

between

BURKINA FASO

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated October 25, 2010
FINANCING AGREEMENT

Agreement dated October 25, 2010, entered into between BURKINA FASO ("Recipient") and INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association") for the purpose of providing additional financing for activities related to the Original Project (as defined in the Appendix to this Agreement). The Recipient and the Association hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

1.01. The General Conditions (as defined in the Appendix to this Agreement) constitute an integral part of this Agreement.

1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Agreement.

ARTICLE II — FINANCING

2.01. The Association agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a grant in an amount equivalent to ten million seven hundred thousand Special Drawing Rights (SDR 10,700,000) ("Financing") to assist in financing the project described in Schedule 1 to this Agreement ("Project").

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

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

2.04. The Payment Dates are June 1st and December 1st in each year.

2.05. The Payment Currency is Euro.
ARTICLE III — PROJECT

3.01. The Recipient declares its commitment to the objective of the Project. To this end, the Recipient shall carry out the Project in accordance with the provisions of Article IV of the General Conditions.

3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Recipient and the Association shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV — EFFECTIVENESS; TERMINATION

4.01. The Additional Condition of Effectiveness consists of the following, namely that the Recipient has recruited a second procurement specialist for the PCU, with terms of reference, qualifications, and experience satisfactory to the Association, in accordance with the provisions of Section III of Schedule 2 to this Agreement.

4.02. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.

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

5.01. The Recipient’s Representative is the Minister of the Recipient at the time responsible for finance.

5.02. The Recipient’s Address is:

Minister of Economy and Finance
Ministère de l’Économie et des Finances
03 BP 7050
Ouagadougou 03
Burkina Faso

Cable: SEGEGOUV
Telex: 5555
Facsimile: 226-50-31-27-15

5.03. The Association’s Address is:

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

Cable: INDEVAS
Telex: 248423 (MCI)
Facsimile: 1-202-477-6391
Washington, D.C.
AGREED at Ouagadougou, Burkina Faso, as of the day and year first above written.

BURKINA FASO

By //s// Lucien Marie Noel Bembamba

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By //s// Galina Y. Sotirova

Authorized Representative
SCHEDULE 1

Project Description

The objective of the Project is to assist the Recipient to increase the mobility possibilities for people and goods in its territory through: (i) decreasing social, economic and financial transport costs; (ii) increasing sector management capacity of MITH; (iii) improving mobility for the rural population; and (iv) improving road network conditions.

The Project consists of the following parts already included in the Original Project:

Part A: Institutional Support and Sector Reforms

Carrying out a program of activities to strengthen DGPR’s and DGR’s capacity to better perform their respective duties, for the management and monitoring of the rehabilitation of rural roads and culverts and other road works under Part B of the Project.

Part B: Road Network Improvement

Carrying out a program of activities to: (i) rehabilitate about 180 kilometers of key rural roads; (ii) construct and rehabilitate about 17 culverts; (iii) rehabilitate/periodically maintain about 35 kilometers of key rural roads using labor-based maintenance techniques; and (iv) design and supervise the works.

Part C: Project Coordination

Provision of technical advisory service to the Project Coordination Unit to coordinate, monitor and evaluate the Project.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements.

1. Steering Committee

Throughout the implementation of the Project, the Recipient shall maintain the Steering Committee, which shall be responsible for the strategic definition and oversight of the Project.

2. Project Coordination Unit

(a) Throughout the implementation of the Project, the Recipient shall maintain the Project Coordination Unit (PCU), which shall remain responsible for the Project coordination and implementation including, inter alia, financial management, supervision, monitoring, evaluation, reporting, auditing, capacity building, social and environmental safeguards.

(b) (i) The Recipient shall ensure that the PCU, throughout the implementation of the Project, is staffed with personnel in adequate numbers and with terms of reference, qualification and experience satisfactory to the Association.

(ii) Without limitation to the provisions of paragraph (i) above, the PCU staff shall include a coordinator, an administrative and financial management specialist, two procurement specialists, a monitoring and evaluation specialist, a social and environmental specialist, an operations officer and a financial controller.

3. DGR and DGPR

(a) Throughout the implementation of the Project, and with the support of the regional offices of the Recipient’s Ministry responsible for infrastructures, the Recipient shall ensure that DGR and DGPR shall each carry out the Project’s activities in its respective area of competence.

(b) (i) Without limitation to the generality of paragraph (a), to facilitate the implementation of Part B (iii) of the Project, the Recipient, through the PCU, shall enter into a service agreement (the “Service Agreement”) with a service provider satisfactory to the Association ("Service
Provider") selected in accordance with the provisions of Section III of Schedule 2 to this Agreement, under terms and conditions satisfactory to the Association. The Service Provider shall, *inter alia*, be responsible to: (A) define the administrative, technical and financial standards of the labor based rural road maintenance works; (B) select competitively contractors and consultants in accordance with the provisions of Section III of Schedule 2 to this Agreement; (C) validate the technical studies; (D) process payments for contractors and consultants; and (E) ensure compliance with technical standards and quality of civil works.

(ii) The Service Agreement shall include provisions adequate to protect the interests of the Recipient and the Association, including the right to require the Service Provider to:

(A) carry out its activities under Part B (iii) of the Project with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the Association, including, without limitation to the generality of the foregoing, in accordance with the provisions of the Anti-Corruption Guidelines applicable to recipients of Financing proceeds other than the Recipient, and in accordance with the Environmental and Social Management Framework and the Resettlement Policy Framework, as well as the Environmental and Social Management Plan and the Resettlement Action Plan prepared for its activities under Part B (iii) of the Project, if applicable to this type of activities.

(B) procure the goods, works and services under the Service Agreement in accordance with the provisions of this Agreement.

(C) maintain policies and procedures which are adequate to enable it to monitor and evaluate, in accordance with indicators acceptable to the Association, the progress of the activities carried out under Part B (iii) of the Project and the achievement of the objective of the Project.

(D) (1) maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Association, both in a manner adequate to reflect the operations, resources and expenditures related to the activities carried out under Part B (iii) of the Project; and (2) at the Association's or the Recipient's request, cause such financial statements to be audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing
standards acceptable to the Association, and furnish promptly to the Recipient and the Association the financial statements as so audited.

(E) enable the Recipient and the Association to inspect the activities carried out under Part B (iii) of the Project, and any relevant records and documents.

(F) prepare and furnish to the Recipient and the Association all such information as the Recipient or the Association shall reasonably request relating to the foregoing.

(iii) The Recipient shall exercise its rights under the Service Agreement in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive the Service Agreement or any of its provisions.

B. Project Manuals

(a) The Recipient shall ensure that the Project is carried out in accordance with the provisions of the Project Manuals.

(b) No later than three (3) months after the Effective Date, the Recipient shall amend the Project Manuals in order to reflect the specific requirements of the Project.

(c) Unless the Recipient and the Association shall otherwise agree in writing, the Recipient shall not amend, abrogate, or waive any provision of the Project Manuals.

(d) In the event that any provision of the Project Manuals shall conflict with any provision under this Agreement, the terms of this Agreement shall prevail.

C. Anti-Corruption

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

1. The Recipient shall ensure that, throughout the implementation of Part B of the Project, Part B of the Project shall be implemented in accordance with the guidelines, procedures, timetables and other specifications set forth in the Environmental and Social Management Framework and the Resettlement Policy Framework. In particular, the Recipient shall ensure that:

   (a) for each activity under Part B of the Project of a category for which the Environmental and Social Management Framework provides that an Environmental and Social Management Plan should be prepared, such Environmental and Social Management Plan, in form and substance satisfactory to the Association, is effectively prepared and locally disclosed and approved by the Association, before the implementation of such activity, in accordance with the provisions of the Environmental and Social Management Framework, and the relevant activity is implemented in accordance with its Environmental and Social Management Plan; and

   (b) for each activity under Part B of the Project of a category for which the Resettlement Policy Framework provides that a Resettlement Action Plan should be prepared, such Resettlement Action Plan, in form and substance satisfactory to the Association, is effectively prepared and locally disclosed and approved by the Association, before the implementation of such activity, in accordance with the provisions of the Resettlement Policy Framework, and the relevant activity is implemented in accordance with its Resettlement Action Plan.

2. Except as the Association shall otherwise agree in writing and subject to compliance with applicable consultation and public disclosure requirements of the Association, the Recipient shall not abrogate, amend, repeal, suspend or waive any provisions of any of the Safeguard Documents.

3. Without limitation upon its other reporting obligations under this Agreement, the Recipient shall regularly collect, compile and submit to the Association, on a semi-annual basis, reports on the status of compliance with the Safeguard Documents, giving details of:

   (a) measures taken in furtherance of the Safeguard Documents;

   (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of the Safeguard Documents; and

   (c) remedial measures taken or required to be taken to address such conditions.
4. In the event that any provision of the Safeguard Documents shall conflict with any provision under this Agreement, the terms of this Agreement shall prevail.

E. **Counterpart funds**

1. In accordance with Section 4.03 of the General Conditions and without limitation to the Recipient’s obligations under said Section 4.03 of the General Conditions, the Recipient shall contribute an amount of not less than the equivalent of four million Dollars ($4,000,000) as counterpart funds (“Counterpart Funds”).

2. The Recipient shall maintain throughout the implementation of the Project, the Project Account in CFA Francs at the Recipient’s Treasury Department, on terms and conditions satisfactory to the Association, into which the Counterpart Funds shall be deposited.

3. The Recipient shall deposit into the Project Account the amount of Counterpart Funds in installments as follows:

   (a) no later than March 31, 2011, an initial amount equivalent to five hundred thousand Dollars ($500,000);

   (b) no later than September 30, 2011 an amount equivalent to five hundred thousand Dollars ($500,000);

   (c) no later than March 31, 2012, an amount equivalent to one million five hundred thousand Dollars ($1,500,000); and

   (d) no later than September 30, 2012 an amount equivalent to one million five hundred thousand Dollars ($1,500,000).

4. The Recipient shall ensure that the funds deposited into the Project Account in accordance with Section I.E.3 of Schedule 2 to this Agreement are used exclusively to finance expenditures required for the Project, as described or referred to in Section I.E.1 of Schedule 2 to this Agreement.

F. **Training**

Training shall be carried out on the basis of annual programs and budgets, which shall have been approved by the Association, and which shall, *inter alia*, identify:

(a) particulars of the training envisaged; (b) the personnel to be trained; (c) the selection method of the institution or individuals conducting such training; (d) the institution conducting such training if identified; (e) the purpose and justification for such training; (f) the location and duration of the proposed training; and (g) the estimate of the cost of such training.

Section II. **Project Monitoring, Reporting and Evaluation**
A. **Project Reports**

1. The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of indicators acceptable to the Association. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the Association not later than forty five (45) days after the end of the period covered by such report.

2. For purposes of Section 4.08 (c) of the General Conditions, the report on the execution of the Project and related plan required pursuant to that Section shall be furnished to the Association not later than three months after the Closing Date.

B. **Financial Management, Financial Reports and Audits**

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

2. Without limitation on the provisions of Part A of this Section, the Recipient shall prepare and furnish to the Association not later than forty five (45) days after the end of each calendar quarter, interim unaudited financial reports for the Project covering the quarter, in form and substance satisfactory to the Association.

3. The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 4.09 (b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the Association not later than six months after the end of such period.

Section III. **Procurement**

A. **General**

1. **Goods and Works.** All goods and works required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Section.

2. **Consultants’ Services.** All consultants’ services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines, and with the provisions of this Section.
3. **Definitions.** The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Association of particular contracts, refer to the corresponding method described in the Procurement Guidelines, or Consultant Guidelines, as the case may be.

**B. Particular Methods of Procurement of Goods and Works**

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

2. **Other Methods of Procurement of Goods and Works.** The following table specifies the methods of procurement, other than International Competitive Bidding, which may be used for goods and works. The Procurement Plan shall specify the circumstances under which such methods may be used:

<table>
<thead>
<tr>
<th>Procurement Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) National Competitive Bidding (*)</td>
</tr>
<tr>
<td>(b) Shopping</td>
</tr>
<tr>
<td>(c) Direct Contracting</td>
</tr>
</tbody>
</table>

(*) National Competitive Bidding may be used subject to complying with the following provisions:

(i) bids shall be advertised in national newspapers with wide circulation;

(ii) bid evaluation, bidder qualification and award criteria shall be specified clearly in the bidding documents;

(iii) bidders shall be given adequate response time (minimum four weeks) to prepare and submit bids;

(iv) bids shall be awarded to the lowest evaluated bidder provided that this bidder is qualified;

(v) eligible bidders, including foreign bidders, shall not be precluded from participating; and

(vi) no preference margin shall be granted to domestic contractors.

**C. Particular Methods of Procurement of Consultants’ Services**

1. **Quality- and Cost-based Selection.** Except as otherwise provided in paragraph 2 below, consultants’ services shall be procured under contracts awarded on the basis of Quality and Cost-based Selection.
2. **Other Methods of Procurement of Consultants’ Services.** The following table specifies methods of procurement, other than Quality and Cost-based Selection, which may be used for consultants’ services. The Procurement Plan shall specify the circumstances under which such methods may be used.

<table>
<thead>
<tr>
<th>Procurement Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Least Cost Selection</td>
</tr>
<tr>
<td>(b) Selection on the basis of a Fixed Budget</td>
</tr>
<tr>
<td>(c) Selection of Individual Consultants on the basis of at least three CVs</td>
</tr>
<tr>
<td>(d) Single Source Selection</td>
</tr>
<tr>
<td>(e) Selection on the basis of the Consultant’s Qualifications</td>
</tr>
</tbody>
</table>

D. **Review by the Association of Procurement Decisions**

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

Section IV. **Withdrawal of the Proceeds of the Financing**

A. **General**

1. The Recipient may withdraw the proceeds of the Financing in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Association shall specify by notice to the Recipient (including the “World Bank Disbursement Guidelines for Projects” dated May 2006, as revised from time to time by the Association and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.

2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Financing (“Category”), the allocations of the amounts of the Financing to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:
<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Financing Allocated (expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods and consultants’ services for Part A of the Project, including Training</td>
<td>220,000</td>
<td>25%</td>
</tr>
<tr>
<td>(2) Works and consultants’ services for Part B (i), (ii) and (iv) of the Project</td>
<td>9,470,000</td>
<td>85%</td>
</tr>
<tr>
<td>(3) Works and consultants’ services for Part B (iii) of the Project</td>
<td>410,000</td>
<td>85%</td>
</tr>
<tr>
<td>(4) Consultants’ services for Part C of the Project, including Audits</td>
<td>420,000</td>
<td>85%</td>
</tr>
<tr>
<td>(5) Operating Costs for the Project</td>
<td>180,000</td>
<td>40%</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>10,700,000</strong></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 payments made prior to the date of this Agreement; or

   (b) under Category (3) until: (i) the Service Agreement shall have been duly signed by the Recipient and the Service Provider and shall have become effective; and (ii) the Service Provider shall have recruited a consultant to assist in carrying out procurement activities related to Part B (iii) of the Project, on the basis of terms of reference, qualifications and experience satisfactory to the Association, and in accordance with the provisions of Section III of Schedule 2 to this Agreement.

2. The Closing Date is March 31, 2013.
APPENDIX

Section I. Definitions

1. “Anti-Corruption Guidelines” means the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006, with the modifications set forth in Section II of this Appendix.

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


4. “DGPR” means Direction Générale des Pistes Rurales, the Recipient’s General Directorate of Rural Roads in the MITH (as defined below), and any successor thereto.

5. “DGR” means Direction Générale des Routes, the Recipient’s General Directorate of Roads in the MITH (as defined below), and any successor thereto.

6. “Displaced Persons” means a person who, on account of the execution of Part B of the Project, has experienced or would experience direct economic and social impacts caused by: (a) the involuntary taking of land, resulting in (i) relocation or loss of shelter, (ii) loss of assets or access to assets, or (iii) loss of income sources or means of livelihood, whether or not such person must move to another location; or (b) the involuntary restriction of access to legally designated parks and protected areas, resulting in adverse impacts on the livelihood of such person.

7. “Environmental and Social Management Framework” means the Recipient’s document entitled “Etude d’Evaluation Environnementale et Sociale du Secteur des Transports”, dated November 2002, detailing: (a) the measures to be taken during the implementation and operation of Part B of the Project to eliminate or offset adverse environmental and social impacts, or to reduce them to acceptable levels, and (b) the actions needed to implement these measures, including monitoring and institution strengthening.

8. “Environmental and Social Management Plan” means the Recipient’s document prepared and disclosed in accordance with the Environmental and Social Management Framework with respect to an activity under Part B of the Project, that details: (i) the measures to be taken during the implementation and operation of such activity to eliminate or offset adverse environmental or social impacts, or
to reduce them to acceptable levels, and (ii) the actions needed to implement these measures.


10. “MITH” means Ministère des Infrastructures, du Transport et de l’Habitat, the Recipient’s Ministry of Infrastructure, Transport and Housing.

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

12. “Original Financing Agreement” means the development financing agreement for a Transport Sector Project between the Recipient and the Association, dated April 18, 2003 as amended to the date of this Agreement (Credit No. 3745-BUR and Grant No. H 032-BUR).

13. “Original Project” means the Project described in the Original Financing Agreement.


15. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated September 2, 2010 and referred to in paragraph 1.16 of the Procurement Guidelines and paragraph 1.24 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.

16. “Project Account” means the account opened in the Recipient’s Treasury Department for the Project.

17. “Project Coordination Unit” or “PCU” means the unit named “Coordination du 2ème Programme Sectoriel des Transports et du Tourisme (PST-2)” established by the Recipient by decision (Arrêté) no. 2001-044/MIHU/MTT/MOCFB dated September 13, 2001, and any successor thereto.

“Resettlement Action Plan” means the Recipient’s document prepared and disclosed in accordance with the Resettlement Policy Framework with respect to an activity under Part B of the Project, which, *inter alia*, (i) contains a census survey of Displaced Persons and valuation of assets, (ii) describes compensation and other resettlement assistance to be provided, consultation to be conducted with Displaced Persons about acceptable alternatives, institutional responsibilities for the implementation and procedures for grievance redress, and arrangements for monitoring and evaluation, and (iii) contains a timetable and budget for the implementation of such measures.

“Resettlement Policy Framework” means the Recipient’s document entitled “*Cadre de Politique de Déplacements et de Compensations*” dated October 2002, containing guidelines, procedures, timetables and other specifications for the provision of compensation, rehabilitation and resettlement assistance to Displaced Persons, as amended from time to time with the prior written consent of the Association.

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

“Service Agreement” means the agreement referred to in Section I.A.3(b) of Schedule 2 to this Agreement.

“Service Provider” means the service provider referred to in Section I.A.3(b) of Schedule 2 to this Agreement.


“Training” means the cost of training under the Project, based on annual budgets approved by the Association pursuant to Section III.C.3 of Schedule 2 to this Agreement, including costs associated with seminars, workshops, conference and study tours, travel and subsistence costs for training participants, services of trainers, rental of training facilities, preparation and reproduction of training materials and other activities directly related to course preparation and implementation.
Section II. Modifications to the Anti-Corruption Guidelines

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

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

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

2. Section 11(a) is modified to read as follows:

“… (a) sanction in accordance with prevailing Bank’s sanctions policies and procedures (fn13) a Borrower (other than a Member Country) (fn 14) or an individual or entity, including (but not limited to) declaring such Borrower, individual or entity ineligible publicly, either indefinitely or for a stated period of time: (i) to be awarded a Bank-financed contract; (ii) to benefit from a Bank-financed contract, financially or otherwise, for example as a sub-contractor; and (iii) to otherwise participate in the preparation or implementation of the project or any other project financed, in whole or in part, by the Bank, if at any time the Bank determines (fn 15) that such Borrower, individual or entity has engaged in corrupt, fraudulent, 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.”