GRANT NUMBER TF015033

Trust Fund Grant Agreement

(Additional Financing for Palestinian NGO-IV Project)

between

INTERNATIONAL DEVELOPMENT ASSOCIATION

and

NGO DEVELOPMENT CENTER

Dated August 26, 2013
AGREEMENT, dated August 26, 2013, between the INTERNATIONAL DEVELOPMENT ASSOCIATION, acting as administrator of the Trust Fund for Gaza and West Bank (the "World Bank"), established on October 19, 1993, by Resolution No. 93-11 and IDA 93-7, as amended by Resolution No. 95-6 and IDA 95-3 and Resolution No. 96-11 and IDA 96-7, and as further amended by Resolution No. 99-3 and IDA 99-2 and Resolution No. 03-193 and IDA 03-208, of the Executive Directors of the International Bank for Reconstruction and Development and the International Development Association (the "Trust Fund"), and the NGO Development Center (NDC or the "Recipient").

WHEREAS (A) the Board of Governors of the International Bank for Reconstruction and Development and the International Development Association has resolved, on May 24, 2012, to, inter alia, replenish the Trust Fund in the amount of fifty five million dollars ($55,000,000), such amount to be transferred from the surplus of the International Bank for Reconstruction and Development and to be used for financing rehabilitation projects in parts of the Gaza Strip ("Gaza") and the West Bank (the "West Bank"), which are under the jurisdiction of the Palestinian Authority;

(B) the Palestine Liberation Organization and the Government of the State of Israel have entered, on September 28, 1995, into an agreement which, among other things, sets out certain interim self-government arrangements in Gaza and the West Bank (the "Interim Agreement");

(C) Section 5(b) of Article IX of the Interim Agreement authorizes the Palestine Liberation Organization to conduct negotiations and, in certain cases described thereunder, sign agreements with states and international organizations for the benefit of the Palestinian Authority;

(D) the Palestine Liberation Organization, through the Palestinian Authority, having satisfied themselves as to the feasibility and priority of the project described in Schedule 1 to this Agreement (the "Project"), have requested the World Bank to assist in financing the project described in Schedule 1 to this Grant Agreement ("Project"); and

(E) the Palestinian Authority, through its letter to the World Bank, dated April 30, 2013 has agreed that the Grant amount set forth in Section 3.01 of this Agreement be provided directly to the Recipient under the terms and conditions set forth in this Agreement;

WHEREAS the World Bank has agreed, on the basis, inter alia, of the foregoing to extend the Grant to the Recipient upon the terms and conditions set forth in this Agreement.
The Recipient and the World Bank hereby agree as follows:

**Article I - Standard Conditions; Definitions**

1.01. 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 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 Standard Conditions or in this Agreement.

**Article II - The Project**

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

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 five million United States Dollars ($5,000,000) ("Grant" or "Additional Financing") 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.

**Article IV - Remedies of the World Bank**

4.01. The Additional Event of Suspension referred to in Section 4.02 (k) of the Standard Conditions consists of the following namely that the World Bank has determined after the Effective Date referred to in Section 5.03 of this Agreement that prior to such date but after the date of this Agreement, an event has occurred which would have entitled the World Bank to suspend the Recipient's right to
make withdrawals from the Grant Account if this Agreement had been effective on the date such event occurred.

Article V - Effectiveness; Termination

5.01. This Agreement shall not become effective until evidence satisfactory to the World Bank has been furnished to the World Bank that the execution and delivery of this Agreement on behalf of the Recipient have been duly authorized or ratified by all necessary governmental and corporate actions.

5.02. As part of the evidence to be furnished pursuant to Section 5.01, there shall be furnished to the World Bank an opinion or opinions satisfactory to the World Bank of counsel acceptable to the World Bank or, if the World Bank so requests, a certificate satisfactory to the World Bank of a competent official of the Recipient, showing that this Agreement has been duly authorized or ratified by, and executed and delivered on behalf of the Recipient and is legally binding upon it in accordance with its terms.

5.03. Except as the Recipient and the World Bank shall otherwise agree, this Agreement shall enter into effect on the date upon which the World Bank dispatches to the Recipient notice of its acceptance of the evidence required pursuant to Section 5.01 ("Effective Date"). If, before the Effective Date, any event has occurred which would have entitled the World Bank to suspend the right of the Recipient to make withdrawals from the Grant Account if this Agreement had been effective, the World Bank may postpone the dispatch of the notice referred to in this Section until such event (or events) has (or have) ceased to exist.

5.04. This Agreement and all obligations of the parties under it shall terminate if it has not entered into effect by the date ninety (90) days after the date of this Agreement, unless the World Bank, after consideration of the reasons for the delay, establishes a later date for the purpose of this Section. The World Bank shall promptly notify the Recipient of such later date.
Article V - Representative; Addresses

6.01. The Recipient's Representative referred to in Section 7.02 of the Standard Conditions is its Director.

6.02. The Recipient's Address is:

NGO Development Center
P.O. Box 2173
Ramallah, West Bank

Telephone: 972 2 234 7771
Facsimile: 972 2 234 7776

6.03. The World Bank'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
AGREED at the West Bank as of the day and year first above written.

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

[Signature]

Authorized Representative

Name: Mariam Sherman

Title: Country Director

NGO DEVELOPMENT CENTER

By

[Signature]

Authorized Representative

Name: Sharon Kepich

Title: Director
The objective of the Project is to provide social services through non-governmental organizations (NGOs) to those who are poor, vulnerable or marginalized and to strengthen the institutional capacity of these NGOs.

The Project consists of the following parts:

Part 1: Grants for Service Delivery

Provision of Sub-grants to selected NGOs for basic social services delivery.

Part 2: NGO Sector Development

(a) Provision of technical assistance to NGOs selected for the purposes of Part 1 of the Project to strengthen their capacity for Sub-projects preparation and implementation.

(b) Assistance with rolling-out of the NGO Code of Conduct Compliance System through: (i) provision of technical assistance to NGOs accredited under the Original Project to address any capacity weaknesses with their compliance with the NGO Code of Conduct; and (ii) provision of Sub-grants to four NGO umbrella networks organizations, namely, Palestinian General Union for Charitable Societies, Palestinian NGO Network, National Institute for Palestinian NGOs, and the Palestinian General Union for NGOs–Gaza, to raise awareness on the NGO Code of Conduct Compliance System among their member NGOs.

Part 3: Project Management, Monitoring and Evaluation

Strengthening the NDC’s capacity for Project management, monitoring and evaluation through financing of office equipment, consultants' services, including audit, Training and Incremental Operating Costs.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements.

1. The Recipient shall, and shall cause the Beneficiaries to, carry out the Project, including Sub-projects under Part 1 and Part 2(b)(ii) of the Project, in accordance with the Project Operational Manual and the Environmental and Social Management Framework and shall not amend or waive said documents or any provision thereof, except with the prior written approval of the World Bank.

2. The Recipient shall be responsible for Project management and overall implementation, including administrative and financial management, disbursement, procurement, safeguards and monitoring and evaluation. To this end, the Recipient shall ensure that it maintains, until completion of the Project, procedures, resources and staff, including a project manager, a procurement specialist and a financial controller, adequate and sufficient for successful implementation of the Project.

B. Sub-Projects

1. For purposes of Part 1 and Part 2(b)(ii) of the Project, the Recipient shall ensure:
   (a) that Sub-projects to be financed from the Grant are approved by the World Bank;
   (b) the selection and approval of Sub-projects in accordance with the eligibility criteria and selection procedures set forth in the Project Operational Manual; and
   (c) the conclusion of Sub-grant Agreements with the Beneficiaries on terms and conditions satisfactory to the World Bank and specified in the Project Operational Manual, which shall include the following:

   (i) the financing of Sub-projects shall be on a grant basis; and

   (ii) the Recipient shall obtain rights adequate to protect its interests and those of the World Bank, including the right to: (A) suspend or terminate the right of the Beneficiaries to use the proceeds of the Sub-grant upon the Beneficiaries' failure to perform any of their obligations under the related Sub-grant Agreement; and (B) require the Beneficiaries to: (I) carry out their Sub-project 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 requirements of the Project Operational Manual and
the provisions of the Anti-Corruption Guidelines applicable to recipients of Grant proceeds other than the Recipient; (II) provide, promptly as needed, the resources required for the purposes of the Sub-project; (III) procure the goods, works and services to be financed out of the Sub-grant in accordance with the provisions of this Agreement and the procedures set forth in the Procurement Manual; (IV) maintain policies and procedures adequate to monitor and evaluate the progress of the Sub-project and the achievement of its objectives in accordance with indicators acceptable to the World Bank; (V) enable the Recipient and the World Bank to inspect the Sub-project, their operations and any relevant records and documents; and (VI) 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 Sub-project.

2. The Recipient shall exercise its rights under each Sub-grant 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 any Sub-grant Agreement or any of its provisions.

C. Safeguards

The Recipient shall ensure that: (i) the Project, including Sub-projects under Parts 1 and 2(b)(ii) of the Project, is carried out in accordance with the Environmental and Social Management Framework; (ii) in those cases when a site specific environmental management plan is required for a Sub-project pursuant to provisions of ESMF, such a plan, satisfactory to the World Bank, is prepared and publically disclosed prior to approval of the respective Sub-project to be financed from the proceeds of the Grant; and (iii) no Sub-projects which are likely to have significant adverse environmental or social impacts that are sensitive, diverse, or unprecedented selected for financing under the Project.

D. Anti-Corruption

The Recipient shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.
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 2.06 of the Standard Conditions and on the basis of the indicators agreed with the World Bank. Each Project Report shall cover the period of six (6) months, 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 three (3) months after the Closing Date.

B. Financial Management, Financial Reports and 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 forty five (45) days 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 such audit of the Financial Statements shall cover the period of one fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the World Bank not later than six (6) months after the end of such period.

Section III. Procurement

A. General

1. Procurement and Consultant Guidelines. All goods, works and services required for the Project and to be financed out of the proceeds of the Grant shall be procured in accordance with the requirements set forth or referred to in:

   (i) Section I of the Procurement Guidelines, in the case of goods, works and non-consulting services.
(ii) Sections I and IV of the Consultant Guidelines in the case of consultants’ services.

(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").

3. 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.

B. Particular Methods 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, other than International Competitive Bidding, may be used for procurement of goods, works and Non-consulting Services for those contracts specified in the Procurement Plan: (a) National Competitive Bidding; (b) Shopping; (c) Direct Contracting; and (d) Community Participation procedures which have been found acceptable to the World Bank. The procedures to be followed for National Competitive Bidding shall be subject to the following additional provisions:

   (i) public enterprises in parts of the West Bank and Gaza under the jurisdiction of the Palestinian Authority 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 Palestinian Authority;

(ii) foreign bidders shall be eligible to participate under the same conditions as local bidders. In particular, no preference over foreign bidders shall be granted to local bidders in bid evaluation;

(iii) invitations to bid shall be advertised on at least two (2) consecutive days in a local newspaper of wide circulation, and prospective bidders shall be allowed a minimum of thirty (30)
days between the date on which the notification appears for the first time and the deadline for bid submission. With the specific approval of the World Bank, this minimum period of 30 days may be reduced to a minimum period of 10 days in the case of emergency operations;

(iv) until standard bidding documents acceptable to the World Bank have been introduced by the Project Implementing Entity, the standard bidding documents of the World Bank shall be used;

(v) qualification criteria shall be clearly specified in the bidding documents, and all criteria so specified, and only criteria so specified, shall be used to determine whether a bidder is qualified. Bids of bidders not meeting such criteria shall be rejected as non-qualified. The fact that a bidder meets or surpasses the specified qualification criteria shall not be taken into account in the evaluation of such bidder’s bid;

(vi) evaluation criteria shall be clearly specified in the bidding documents, and all evaluation criteria other than price shall be quantified in monetary terms. All evaluation criteria so specified, and only criteria so specified, shall be used in bid evaluation. Merit points shall not be used in bid evaluation;

(vii) if classification of contractors is required, contractors that have not yet been classified but meet the required qualifications shall be enabled to obtain the necessary classification during the bidding procedure. Any contractor that has been classified in a class higher than the lowest class shall not be restricted to bidding in his own class but shall be eligible also to bid in any lower class;

(viii) bids shall be submitted in sealed envelopes and shall be accepted whether mailed or hand-carried;

(ix) bids shall be opened in the presence of bidders who wish to attend, and immediately after the deadline for bid submission. Said deadline, and the place of bid opening, shall be announced in the invitation to bid. The name of each bidder, and the amount of his bid, shall be read aloud and recorded when opened in the minutes of bid opening. The minutes of bid opening shall be signed by the members of the bid opening committee immediately after bid opening;
(x) bids received after the deadline for bid submission shall be returned to the bidders unopened;

(xi) a bid containing material deviations from or reservations to the terms, conditions and specifications of the bidding documents shall be rejected as not substantially responsive. A bidder shall not be permitted to withdraw material deviations or reservations once bids have been opened;

(xii) the bid evaluation shall be carried out in strict adherence to the criteria specified in the bidding documents, and the contract shall be awarded to the qualified bidder offering the lowest evaluated and substantially responsive bid;

(xiii) a bidder shall not be required, as a condition for award, to undertake obligations not specified in the bidding documents or otherwise to modify his bid as originally submitted; and

(xiv) there shall be no post-bidding negotiations with the lowest or any other bidder.

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 methods, other than Quality- and Cost-based Selection, may be used for procurement of consultants' services for those assignments which are specified in the Procurement Plan: (a) Quality-based Selection; (b) Least Cost Selection; (c) Selection based on Consultants' Qualifications; (d) Single-source Selection; (e) Selection of Individual Consultants, including selection on a sole source basis subject to proper justification.

D. Procurement of Incremental Operating Costs

Expenditures included in the Incremental Operating Costs category can be procured in accordance with the established Recipient's administrative procedures acceptable to the World Bank.
E. Review by the Association 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 the Proceeds of the Financing

A. General

1. The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of (a) Article III of the Standard Conditions, (b) this Section, and (c) such additional instructions as the World Bank may specify by notice to the Recipient (including the “World Bank Disbursement Guidelines for Projects” dated May 2006, as revised from time to time by the World Bank and as made applicable to this Agreement pursuant to such instructions), to finance 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 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 US Dollars)</th>
<th>Percentage of Expenditures to be Financed</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, works, non-consulting services and consultants' services, including audit and Training</td>
<td>378,100</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Sub-grant under Part 1 and Part 2(b)(ii) of the Project</td>
<td>3,420,000</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Incremental Operating Costs</td>
<td>1,201,900</td>
<td>100%</td>
</tr>
</tbody>
</table>
B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made prior to the date of this Agreement.

2. The Closing Date referred to in Section 3.06(c) of the Standard Conditions is September 30, 2016.

| TOTAL AMOUNT | 5,000,000 |
APPENDIX

Section I. Definitions


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

3. “Beneficiary” means an NGO which is a recipient of a Sub-grant provided or proposed to be provided under Part 1 or Part 2 (b)(ii) of the Project for the purposes of a Sub-project.


5. “Environmental and Social Management Framework” means the Environmental and Social Management Framework for the Project adopted by the Recipient for the Original Project and updated for the purposes of the Additional Financing and setting forth the mitigating, monitoring and institutional measures to be taken during the implementation and operation of the Project to offset or reduce adverse environmental or social impacts to acceptable levels, and setting forth policies and procedures for environmental screening of Sub-projects, for conducting environmental and social assessments and specifying requirements for environmental and social mitigation measures to be included, as necessary, in site-specific environmental management plans.

6. “Incremental Operating Costs” means incremental operating costs incurred by the Recipient on account of the Project implementation, including: (i) operation and vehicle maintenance; (ii) rent, operation and maintenance of office and office equipment; (iii) transportation and travel, including per diem allowances for Project staff in travel status; (iv) vehicles’ running costs; (v) office supplies, utilities and office administration, including translation, printing and advertising; (vi) communication costs; (vii) reasonable bank charges; (viii) insurance premiums; (ix) salaries and benefits, including worker-compensation insurance for staff working on the Project; and (x) other Project related miscellaneous costs as may be agreed with the World Bank.

7. “Original Project” means the project described in the Original Trust Fund Grant Agreement.
8. "Original Trust Fund Grant Agreement" means the Trust Fund Grant Agreement for the Palestinian NGO-IV Project between the International Development Association and NGO Development Center, dated August 2, 2010 (TF997371).


10. "Project Operational Manual" means the manual, including the Procurement Manual, Financial Manual, Administrative Manual and Project Cycle Management Manual, developed for the purposes of the Original Project, as modified and updated for the purposes of the Additional Financing, and describing procedures for implementation of the Project, consistent with the provisions of this Agreement and with applicable laws and regulations as the same may be amended from time to time with the agreement of the World Bank.

11. "Sub-grant" means a grant made or proposed to be made out of the proceeds of the Grant to a Beneficiary for purposes of a Sub-project under Part I or Part 2(b)(i) of the Project in accordance with the provisions of the Project Operational Manual.

12. "Sub-project" means a specific activity to be carried out by a Beneficiary in accordance with the provisions of the Project Operational Manual under Part I or Part 2(b)(i) of the Project and to be financed by a Sub-grant.

13. "Training" means Project related study tours, training courses, seminars, workshops and other training activities, not included under service providers’ contracts, including costs of training materials, space and equipment rental, travel, accommodation and per diem costs of trainees and trainers, trainers’ fees, and other training related miscellaneous costs.

Section II. Modifications to the Standard Conditions

The Standard Conditions are modified as follows:

1. "Section 2.09. Visits. The Recipient shall, throughout the implementation of the Project and for a period of ten (10) years thereafter:

   (a) enable representatives of the World Bank to visit any part of the West Bank and Gaza under the jurisdiction of the Palestinian Authority for purposes related to the Grant; and
(b) enable the World Bank's representatives: (i) to visit any facilities and sites included in the Project; and (ii) to examine the goods financed out of the proceeds of the Grant, and any documents relevant to the performance of its obligations under the Grant Agreement."

2. Sub-section (a) of Section 3.07 is amended 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 parts of West Bank and Gaza under the jurisdiction of the Palestinian Authority 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. Sub-sections (a) and (h) of Section 4.02 are deleted, and consequently, Sub-sections (b) through (k) are re-lettered as Sub-sections (a) through (i).

4. Re-lettered Sub-section (b) of Section 4.02 is amended to read as follows:

"(b) Fraud and Corruption. At any time, the World Bank determines that any representative of the Recipient (or any agency thereof or any entity in the West Bank and Gaza under the jurisdiction of the Palestinian Authority, 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 agency thereof or any such entity in the West Bank and Gaza under the jurisdiction of the Palestinian Authority or any other such recipient) having taken timely and appropriate action satisfactory to the World Bank to address such practices when they occur."

5. Re-lettered Sub-section (c) of Section 4.02 is amended to read as follows:

"(c) Cross Suspension. IBRD or IDA has suspended in whole or in part the right of the Recipient or any agency thereof, or any entity in the West Bank and Gaza under the jurisdiction of the Palestinian Authority, to make withdrawals under any agreement with IBRD or with IDA because of a failure by the Recipient, or any agency thereof, or any entity in the West Bank and Gaza under the jurisdiction of the Palestinian Authority, to perform any of its obligations under such agreement or any other agreement with IBRD or IDA."

6. Re-lettered Sub-section (f) of Section 4.02 is amended to read as follows:
“(f) Assignment of Obligations; Disposition of Assets. The Recipient or any other entity responsible for implementing any part of the Project has, without the consent of the World Bank: (i) assigned or transferred, in whole or in part, any of its obligations arising under or entered into pursuant to the Grant Agreement; or (ii) sold, leased, transferred, assigned, or otherwise disposed of any property or assets financed wholly or in part out of the proceeds of the Grant; provided, however, that the provisions of this paragraph shall not apply with respect to transactions in the ordinary course of business which, in the opinion of the World Bank: (A) do not materially and adversely affect the ability of the Recipient (or such other entity) to perform any of its obligations arising under or entered into pursuant to the Grant Agreement or to achieve the objectives of the Project; and (B) do not materially and adversely affect the financial condition or operation of the Recipient (or such other entity).”

7. Re-lettered Sub-section (g) of Section 4.02 is amended to read as follows:

“(g) Condition of Recipient. If the Grant has been made to a Recipient which is not a member of IBRD:

(i) Any action has been taken for the dissolution, disestablishment or suspension of operations of the Recipient (or of any other entity responsible for implementing any part of the Project).

(ii) The Recipient (or any other entity responsible for implementing any part of the Project) has ceased to exist in the same legal form as that prevailing as of the date of the Grant Agreement.

(iii) In the opinion of the World Bank, the legal character, ownership or control of the Recipient (or any other entity responsible for implementing any part of the Project) has changed from that prevailing as of the date of the Grant Agreement so as to materially and adversely affect the ability of the Recipient (or such other entity) to perform any of its obligations arising under or entered into pursuant to the Grant Agreement, or to achieve the objectives of the Project.”

8. Re-lettered Sub-section (h) of Section 4.02 is amended to read as follows:

“(h) Ineligibility. IBRD or IDA has declared the Recipient 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 (including as administrator of funds provided by another financier), as a result of 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.

9. Sub-section (c) of Section 4.03 is amended 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 agency thereof or any entity in the West Bank and Gaza under the jurisdiction of the Palestinian Authority, or any other recipient of the proceeds of the Grant) without the Recipient (or any agency thereof or any such entity in the West Bank and Gaza under the jurisdiction of the Palestinian Authority, or any such 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."

10. Sub-section (a) of Section 4.05 is amended to read as follows:

"(a) If the World Bank determines that an amount of the Grant has been used in a manner inconsistent with the provisions of the Grant Agreement or these Standard Conditions, the Recipient shall, upon notice by the World Bank to the Recipient, promptly refund such amount to the World Bank. Such inconsistent use shall include, without limitation:

(i) use of such amount to make a payment for an expenditure that is not an Eligible Expenditure; or

(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 agency thereof or any entity in the West Bank and Gaza under the jurisdiction of the Palestinian Authority, or other recipient of such amount of the Grant), in either case without the Recipient (or such agency thereof or such entity in the West Bank and Gaza under the jurisdiction of the Palestinian Authority, or other such recipient) having taken timely and appropriate action satisfactory to the World Bank to address such practices when they occur."

11. Sub-section (j) of Section 5.03 is amended to read as follows:

"(j) If, within thirty (30) 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