Financing Agreement

(Kenya Coastal Development Project)

between

THE REPUBLIC OF KENYA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated November 17, 2010

Amended and restated on 26TH OCTOBER, 2015
CREDIT NUMBER 4801-KE

FINANCING AGREEMENT

AGREEMENT dated November 17, 2010, amended and restated on 26th October, 2015 entered into between REPUBLIC OF KENYA (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”). 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 credit in an amount equivalent to twenty million five hundred seven thousand and four hundred five Special Drawing Rights (SDR 20,507,405) (variously, “Credit” and “Financing”) to assist in financing the project described in Schedule I 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 The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.

2.05. The Payment Dates are May 15 and November 15 in each year.

2.06. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.

2.07. The Payment Currency is Dollars.

ARTICLE III — PROJECT

3.01. The Recipient declares its commitment to the objective of the Project. To this end, the Recipient shall carry out Part 1 of the Project through the State Department of Fisheries (SDF) and the Kenya Marine Fisheries Research Institute (KMFRI); Part 2 of the Project through the Kenya Forestry Research Institute (KRFI).
Institute (KEFRI), Kenya Wildlife Service (KWS) and the KMFRI; and Part 3 of the Project through the KMFRI, the Coast Development Authority (CDA), the Department of Physical Planning (DPP) and the National Environment Management Authority (NEMA), all in accordance with the provisions of Article IV of the General Conditions and with respect to KEFRI, KWS, NEMA, CDA and KMFRI (Project Implementing Agencies) in accordance with their respective Subsidiary Agreement.

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 — REMEDIES OF THE ASSOCIATION

4.01. The Additional Events of Suspension consist of the following:

(a) Any of the Project Implementing Agencies has failed to perform any of its obligations under its respective Subsidiary Agreement.

(b) Any of the Project Implementing Agency’s Legislation has been amended, suspended, abrogated, repealed or waived so as to materially and adversely affect the ability of any of the Project Implementing Agency’s ability to perform any of its obligations under this Agreement or under its respective Subsidiary Agreement.

(c) The Recipient has failed to perform any of its obligations under the GEF Grant Agreement, or any of the Project Implementing Agencies has failed to perform any of its obligations under its respective Subsidiary Agreement entered into between the Recipient and such Project Implementing Agency in connection with the GEF Grant Agreement.

4.02. The Additional Event of Acceleration consists of the following: any event specified in Section 4.01 of this Agreement occurs and is continuing for a period of sixty (60) days after notice of the event has been given by the Association to the Recipient.

ARTICLE V — EFFECTIVENESS; TERMINATION

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

(a) The Recipient has revised the Project Implementation Manual satisfactory to the Association.

(b) The Recipient has adopted the HMP Manual satisfactory to the Association.

(c) The Recipient and the Project Implementing Agencies have executed Subsidiary Agreements satisfactory to the Association.
(d) The Recipient has designated procurement staff to SDF, KMFRI, DPP, KEFRI, KWS, CDA, and NEMA with qualifications and experience satisfactory to the Association.

(e) The GEF Grant Agreement has been executed and delivered and all conditions precedent to its effectiveness or to the right of the Recipient to make withdrawals under it (other than the effectiveness of this Agreement) have been fulfilled.

5.02. The Additional Legal Matters consist of the following: the Subsidiary Agreements have been duly authorized or ratified by the Recipient and the Project Implementing Agencies and are legally binding upon the Recipient and the Project Implementing Agencies in accordance with their respective terms.

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

5.04. 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 VI — REPRESENTATIVE; ADDRESSES

6.01. The Recipient’s representative is its Minister for Finance.

6.02. The Recipient’s Address is:

Ministry of Finance
Treasury Building
P.O Box 30007-00100
Nairobi
Republic of Kenya

Cable: FINANCE Nairobi
Telex: 22921 minfin-ke
Facsimile: 254 20 330426

6.03. 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 Nairobi, Republic of Kenya, as of the day and year first above written.

REPUBLIC OF KENYA

By

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Authorized Representative
SCHEDULE 1

Project Description

The objective of the Project is to improve management effectiveness and enhance revenue generation of the Recipient’s coastal and marine resources.

The Project consists of the following parts:

Part 1: Sustainable Management of Fisheries Resources

(a) Promoting and developing fisheries governance including support for the development of increased capacity to undertake monitoring, control and surveillance and optimizing the use of deep-sea resources within the Recipient’s Exclusive Economic Zone through provision of goods, services, works and technical assistance required for that purpose.

(b) Promoting and developing the Recipient’s fisheries management and research capacity including assessment of fish stocks, ecosystem approach to fisheries, and co-management of fisheries, all through the provision of goods, works, training and technical advisory services required for that purpose.

(c) Promoting and developing value addition of fish catches in the coastal fisheries and the affected communities through provision of goods, works, training and services required for that purpose.

(d) Carrying out research to promote the development of aquaculture through provision of goods and training required for that purpose.

(e) Constructing buildings and carrying out minor infrastructure improvements for the management of relevant natural resources.

Part 2: Sound Management of Natural Resources

(a) Carrying out co-management and partnerships arrangements to improve the management and regeneration of natural resources and biodiversity through provision of technical advisory services, goods, works, and training required for that purpose.

(b) Improving research capacity and information systems for natural resource management and biodiversity conservation through training, provision of goods, works and technical advisory services required for that purpose.

(c) Identifying biodiversity products and markets to assist in promoting eco-tourism and related industries through provision of technical advisory services required for that purpose.

(d) Strengthening the capacity of local communities and institutions through conducting awareness campaigns and capacity building activities for
sustainable natural resource management, and providing improved extension services through training and technical advisory services required for that purpose.

(e) Constructing buildings and carrying out minor infrastructure improvements for the management of relevant natural resources.

Part 3: Building Coastal Capacity for Sustainable Natural Resource Use and Management

(a) Building the capacity of the implementing agencies’ decentralized offices in the Coast Region through training, provision of goods and technical advisory services required for that purpose.

(b) Preparing a land capability plan for the Coast Region and land use plans for Selected Counties and wards, through provision of goods, training and technical advisory services required for that purpose.

(c) Enhancing NEMA’s capacity to strengthen and implement the Integrated Coastal Zone Management framework, through training, provision of goods and services required for that purpose.

(d) Carrying out value chain studies and provision of business development and financial services for promoting the development of micro, small and medium enterprises through provision of technical advisory services, goods, and training required for that purpose.

(e) Piloting of public-private partnerships to promote sustainable management of coastal and marine resources through provision of technical advisory services and training required for that purpose.

(f) Establishing and building capacity of the Project staff through training, technical advisory services and provision of goods required for that purpose.

(g) Establishing and implementing a Development Fund of the Coast, the Hazina ya Maendeleo ya Pwani (HMP), to provide micro-credit banking fees and grants to Beneficiaries to implement eligible demand driven sub-projects that promote micro and small enterprises, natural resources management and community services; all through provision of technical advisory services, goods and provision of grants and banking fees required for that purpose.

(h) Developing an information and communication strategy for the Project through provision of technical assistance, goods and advisory services required for that purpose.

(i) Developing and implementing an effective monitoring and evaluation system through provision of goods and advisory services required for that purpose.
(j) Establishing efficient coordination mechanisms and management procedures through provision of goods and technical advisory services required for that purpose.

(k) Constructing buildings and carrying out minor infrastructure improvements.
SCHEDULE 2
Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

Ministry of Agriculture, Livestock and Fisheries

1. The Ministry of Agriculture, Livestock and Fisheries (MoALF) shall be responsible for the overall coordination of the Project.

National Project Steering Committee

2. The Recipient shall maintain throughout Project implementation, a National Project Steering Committee (NPSC) in form and substance and with functions and resources satisfactory to the Association.

3. Without limitation upon the provisions of paragraph 2 of this Section, the NPSC shall meet twice a year or as needed, and shall be responsible for: (i) providing overall policy guidance on all issues relating to the Project; (ii) facilitating coordination among the Relevant Ministries; and (iii) reviewing and approving annual work plans and budgets.

National Technical Committee

4. The Recipient shall maintain throughout Project implementation, the National Technical Committee composed of directors from the Project Implementing Agencies to be responsible for: (i) monitoring and guiding the Project activities and programs; (ii) reviewing work plans and budgets; (iii) reviewing the Procurement Plan; and (iv) recommending policy interventions to the NPSC.

Coastal Area Advisory Committee

5. The Recipient shall maintain throughout Project implementation, a Coastal Area Advisory Committee (CAAC) in form and substance and with functions and resources satisfactory to the Association.

6. Without limitation upon the provisions of paragraph 5 of this Section, the CAAC shall be responsible for: (i) promoting community participation in the Project’s activities; (ii) providing advice to the Project Management Unit on the work program and its implementation; and (iii) conducting social audits.

Project Manager

7. The Recipient shall maintain, throughout Project implementation, a full time Project Manager (PM) with qualifications, experience, resources and terms of reference satisfactory to the Association.
8. Without limitation upon the provisions of paragraph 7 of this Section, the PM shall be responsible for overall Project coordination and management and serve as secretary to the National Project Steering Committee.

Project Management Unit

9. The Recipient shall maintain throughout Project implementation, a Project Management Unit (“PMU”) within KMFRI with staffing, resources and terms of reference satisfactory to the Association.

10. Without limitation upon the provisions of paragraph 9 of this Section, the PMU shall: (i) undertake the day-to-day administration of the Project including financial management, consolidation of procurement plans, procurement processing, preparation of annual work plans and budgets and compilation and consolidation of progress reports, financial management and monitoring and evaluation reports; and (ii) not later than December 15, 2015 appoint a communication specialist, a private sector development specialist, a website manager, an auditor and monitoring and evaluation assistants, all with experience, qualification and terms of reference satisfactory to the Association.

Project Component Managers

11. The Recipient shall maintain throughout Project implementation, Project Component Managers with qualifications, terms of reference and experience satisfactory to the Association.

12. Without limitation upon the provisions of paragraph 11 of this Section, the Project Component Managers shall: (i) directly report to the PMU; and (ii) be responsible for the coordination of the technical implementation of the activities under their respective component of the Project.

B. Subsidiary Agreements

13. To facilitate the carrying out of the Project Implementing Agencies’ respective parts of the Project, the Recipient shall make the proceeds of the Financing allocated from time to time for the respective Categories, available to the Project Implementing Agencies under a subsidiary agreement between the Recipient and each Project Implementing Agency (Subsidiary Agreement) under terms and conditions approved by the Association, which shall require the Project Implementing Agency to, inter alia:

(a) carry out its respective part of the Project with due diligence and efficiency and in conformity with appropriate administrative, technical, financial, economic, environmental and social standards and practices, including the provisions of the Anti-Corruption Guidelines and in accordance with the provisions of this Agreement;

(b) procure all goods and services required for its respective part of the Project and to be financed out of the proceeds of the Financing in
accordance with the provisions of Section III of this Schedule; and (ii) ensure that all such goods and services are used exclusively for the purposes of the Project;

(c) ensure that all facilities relevant to its respective part of the Project shall at all times be properly operated and maintained and that all necessary repairs and renewals of such facilities shall be made promptly as needed;

(d) with respect to records management, (i) maintain records adequate to record the progress of its respective part of the Project (including its cost and the benefits to be derived from it), to identify the goods and services financed out of the proceeds of the Financing and disclose their use in the Project; (ii) furnish such records and information as may be requested by the Recipient or the Association; and (iii) retain all records evidencing expenditures under its respective part of the Project for the period of time specified in the General Conditions;

(e) with respect to monitoring and evaluation (i) maintain policies and procedures adequate to enable it to monitor and evaluate on an ongoing basis, in accordance with indicators acceptable to the Association, the progress of its respective part of the Project and the achievement of its objective; (ii) prepare periodic reports, in form and substance satisfactory to the Association, integrating the results of such monitoring and evaluation activities and setting out measures recommended to ensure the continued efficient and effective execution of its respective part of the Project, and to achieve its objectives, each such report to cover every quarter; (iii) furnish each such report to the Recipient within two weeks after such period to enable the Recipient to incorporate such report in its Project Report for the same period and to comply with its reporting obligations under Section II of this Schedule 2; and (iv) prepare, and furnish to the Recipient a final report, of such scope and in such detail as the Association shall reasonably request, on the execution of its respective part of the Project, and furnish the same to the Recipient within two weeks after the end of such period to enable the Recipient to incorporate such report in its report and comply with its obligations under Section II of this Schedule 2;

(f) with respect to the financial management (i) 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 its operations and financial condition, including the operations, resources and expenditures related to its respective part of the Project; (ii) avail the records pertaining to the Project to external and internal auditors for audit; and (iii) prepare and submit, on the fifth day of each month interim unaudited financial reports relating to the previous month to the PMU for consolidation and such other information concerning
such unaudited financial statements as the Association may from time to time reasonably request;

(g) open and maintain a dedicated Project Account, until the completion of the Project, in a commercial bank at the coast and on terms and conditions acceptable to the Association; and ensure that the funds deposited into the Project Account shall be used exclusively to finance the cost of expenditures related to the Project;

(h) designate and maintain staff in the coastal region as appropriate, with qualifications, resources, terms of reference and experience satisfactory to the Association, for the implementation of the Project.

(i) participate in and implement the relevant recommendations of the Mid-Term Review.

14. Without limitation upon the provisions of paragraph 13 of this Section, the Subsidiary Agreement with KMFRI shall include a requirement for KMFRI through the PMU to undertake within the first year of Project implementation, the day-to-day coordination of the Project including financial oversight.

15. The Recipient shall exercise its rights and carry out its obligations under the Subsidiary Agreements 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 Subsidiary Agreements or any of their provisions.

C. Project Implementing Ministries

16. In order to promote effective implementation of their respective parts of the Project, the Recipient shall ensure that the Project Implementing Ministries observe the requirements referred to in paragraph 13 of this Section.

D. Project Implementation Manual

17. In implementing the Project, the Recipient shall:

(a) update the Project Implementation Manual ("PIM") in form and substance satisfactory to the Association; and

(b) implement the Project in accordance with the Project Implementation Manual and except as the Association shall otherwise agree in writing, not amend or waive, or permit to be amended or waived any provision of the Project Implementation Manual, if such amendment or waiver may, in the opinion of the Association, materially or adversely affect the implementation of the Project;
E. HMP Manual

18. The Recipient shall implement Part 3(g) of the Project in accordance with the HMP Manual in form and substance satisfactory to the Association, and except as the Association shall otherwise agree in writing, not amend or waive, or permit to be amended or waived any provision of the HMP Manual, if such amendment or waiver may, in the opinion of the Association, materially or adversely affect the implementation of the Project.

F. The Development Fund for the Coast and Subprojects

19. In implementing Part 3(g) of the Project, the Recipient shall maintain at all times during the implementation of the Project, the PMU with mandate, staffing, and resources satisfactory to the Association with the overall responsibility for overseeing the implementation of the Development Fund for the Coast (HMP).

20. Without limitation upon the provisions of paragraph 19 of this section, the Recipient shall administer the Development Fund for the Coast (HMP) to finance eligible Subprojects in accordance with eligibility criteria specified in the Project Implementation Manual and the HMP Manual which shall include the following:

(a) Subproject Financing shall be provided to support alternative livelihoods and promote sustainable management of fisheries resources and the sound management of natural resources.

(b) Beneficiaries implementing Subprojects shall: (i) contribute to the total costs for income-generation initiatives in cash or in kind, in accordance with criteria set-forth in the Project Implementation Manual and the HMP Manual; (ii) open and maintain a bank account, on terms and conditions satisfactory to the Association, for receiving therein the community contributions and funds from the proceeds of the Subproject Financings.

(c) Subproject Financings shall be made under a Subproject Agreement with the respective Beneficiary on terms and conditions acceptable to the Association, which shall cover rights adequate to protect its interests and those of the Association, including the right to: (i) suspend or terminate the right of the Beneficiary to use the proceeds of the Subproject Financing, or obtain a refund of all or any part of the amount of the Subproject Financings then withdrawn, upon the Beneficiary’s failure to perform any of its obligations under the Subproject Agreement; and (ii) require each Beneficiary to: (A) carry out its Subproject 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 in accordance with the provisions of the Anti-Corruption Guidelines applicable to recipients of loan proceeds other than the
Recipient; (B) provide, promptly as needed, the resources required for the purpose; (C) procure the goods, works and services to be financed out of the Subproject Financing in accordance with the provisions of this Agreement; (D) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the Association, the progress of the Subproject and the achievement of its objectives; (E) (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 Subproject; and (2) at the Association’s or the Recipient’s request, have such financial statements audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association, and promptly furnish the statements as so audited to the Recipient and the Association; (F) enable the Recipient and the Association to inspect the Subproject, its operation and any relevant records and documents; (G) prepare and furnish to the Recipient and the Association all such information as the Recipient or the Association shall reasonably request; and (H) take such measures as shall be necessary or appropriate to comply with the requirements of the Environmental and Social Management Framework, the Vulnerable and Marginalized Group Plan, the Indigenous Peoples Planning Framework or the Process Framework as the case may be.

(d) The Recipient shall exercise its rights and carry out its obligations under each Subproject 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 any Subproject Agreement or any of its provisions.

G. Anti-Corruption

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

H. Environmental and Social Safeguards

22. The Recipient shall:

(a) implement the Project in compliance with the requirements of the Environmental and Social Management Framework (ESMF), the Indigenous Peoples Planning Framework (IPPF), the Process Framework (PF), the VGMP, and the RAP, if applicable, except as the Association shall otherwise agree in writing and, subject to the initial requirements for consultations and disclosure, the Recipient shall not amend or waive any provision of the ESMF, IPPF or the PF if any
such amendment or waiver may, in the opinion of the Association, materially or adversely affect the implementation of the Project;

(b) without limitation to paragraph 22(a) immediately above, ensure that all technical assistance under the Project, application of whose results would have environmental or social implications (such as, but not limited to, technical assistance to prepare plans under Part 3(b) of the Project), shall only be undertaken pursuant to terms of reference reviewed and found satisfactory by the Association, such terms of reference to ensure that the technical assistance takes into account, and calls for application of, the Association’s environmental and social safeguard policies;

(c) ensure that the Project is implemented in accordance with VGMP. To that end, if any Project activities would, pursuant to the Framework, require the preparation of a VGMP, the Recipient shall ensure that said activities shall not be implemented unless and until said VGMP has been: (a) prepared, in accordance with the relevant Framework and furnished to the Association for approval; (b) disclosed following approval of the Association; and (c) all measures required to be taken thereunder prior to the commencement of said activities have been taken. Except as the Association shall otherwise agree in writing, and subject to compliance with the same consultation and information disclosure requirements as applied to the adoption of the aforesaid VGMP in the first instance, the Recipient shall not amend or waive any provision thereof;

(d) except as otherwise agreed in writing by the Association, the Recipient shall require that in implementing the Subprojects the Beneficiaries take such measures as shall be necessary or appropriate to comply with the requirements of the ESMF, VGMP, IPPF or the PF as the case may be; and

(e) ensure that Project reports referred to in Section II.A of this Schedule shall include adequate information on the implementation and monitoring of the measures undertaken to implement the provisions of the ESMF, VGMP, IPPF and PF.

I. Disclosure of Information and Social Accountability

23. The Recipient shall throughout the implementation of the Project, ensure that there are adequate Social Accountability Measures to ensure that stakeholders participate effectively in the monitoring of the use of Project resources.

J. Other Covenants

24. The Recipient shall carry out on annual basis a post procurement review of all Subproject Financings.
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 the indicators agreed with the Association and set forth in the Project Implementation Manual. Each Project Report shall cover the period of ninety (90) days 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 six (6) 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 as part of the Project Report not later than forty-five (45) days after the end of each 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, commencing with the fiscal year in which the first withdrawal was made under the Preparation Advance for the Project. The audited Financial Statements and a Management Letter for such period shall be furnished to the Association not later than six months (6) 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>Other Methods of Procurement of Goods and Works</th>
</tr>
</thead>
<tbody>
<tr>
<td>Procurement Method</td>
</tr>
<tr>
<td>(a) International Competitive Bidding</td>
</tr>
<tr>
<td>(b) National Competitive Bidding*</td>
</tr>
<tr>
<td>(c) Shopping</td>
</tr>
<tr>
<td>(d) Direct Contracting</td>
</tr>
<tr>
<td>(e) Force Account</td>
</tr>
<tr>
<td>(f) Community Participation procedures which have been found acceptable to the Association</td>
</tr>
</tbody>
</table>

(*) National Competitive Bidding shall be undertaken in accordance with the Recipient’s Public Procurement and Disposal Act, 2005 (No. 3 of 2005) (herein referred to as the “PPDA”), and its Public Procurement Disposal Regulations, 2006 (herein referred to as the “Regulations”), as may be amended from time to time, subject, however, to the following qualifications:

(i) the tender submission date shall be set so as to allow a period of at least 30 days from the later of (A) the date of advertisement, and (B) the date of availability of the tender documents.

(ii) recipient-owned enterprises shall be allowed to participate in the tendering only if they can establish that they are legally
and financially autonomous, operate under commercial law and are independent agencies of the Recipient's Government.

(iii) the Recipient shall use, or cause to be used, bidding documents and tender documents containing, *inter alia*, draft contracts and conditions of contracts, including provisions on fraud and corruption, audit and publication of award in form and substance satisfactory to the Association.

(iv) extension of tender validity shall be allowed once only, and for not more than thirty (30) days, unless otherwise previously agreed in writing by the Association.

(v) evaluation tender shall be based on quantifiable criteria expressed in monetary terms as defined in the tender documents, and not on a merit points system.

(vi) no domestic preference shall be used in the evaluation of tenders. Accordingly, contracts shall be awarded to qualified tenderers having submitted the lowest evaluated substantially responsive tender.

(vii) notification of contract award shall constitute formation of the contract. No negotiation shall be carried out prior to contract award.

(viii) the two envelope bid opening procedure shall not apply.

(ix) Shopping procedure will apply for each low value contracts in lieu of Direct Procurement, except as otherwise previously agreed in writing by the Association.

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.
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 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 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>Prior to the date of signature of the Financing Agreement as amended and restated.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Goods, Works, Services, Training and Operating Costs under Part 1 and 2 of the Project</td>
<td>634,037</td>
<td>70%</td>
</tr>
<tr>
<td>2. Goods, Works, Services, Training and Operating Costs under Part 3 and 4 (excluding Part 3(k) and Part 4(a) of the Project)</td>
<td>1,035,971</td>
<td>100%</td>
</tr>
<tr>
<td>3. Investments under Part 3(k) of the Project</td>
<td>0</td>
<td>100%</td>
</tr>
<tr>
<td>4. Grants under the Coastal Village Fund under Part 4(a) of the Project</td>
<td>0</td>
<td>100%</td>
</tr>
<tr>
<td>As of the date of signature of the Financing Agreement as amended and restated.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Goods, Works, Services, Training and Operating Costs under Parts 1 and 2 of the Project (excluding Parts 1(b) and 2(b))</td>
<td>7,346,571</td>
<td>100%</td>
</tr>
<tr>
<td>6. Goods, Works, Services, Training and Operating Costs under Parts 3 (excluding Parts 3(e) and 3(g) of the Project)</td>
<td>6,343,724</td>
<td>100%</td>
</tr>
<tr>
<td>7. Investments under Part 3(e) of the Project</td>
<td>0</td>
<td>100%</td>
</tr>
<tr>
<td>8. Grants and micro-credit banking fees under the Development Fund of the Coast (HMP) under Part 3(g) of the Project</td>
<td>5,147,102</td>
<td>100%</td>
</tr>
<tr>
<td>9. Unallocated</td>
<td>0</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>20,507,405</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) with respect to category 4 until a Resettlement Action Plan satisfactory to the Association has been prepared; and (c) with respect to category 4 until the Recipient has updated the Project implementation Manual to include details on the Development Fund of the Coast satisfactory to the Association.

2. The Closing Date is October 29, 2016.
SCHEDULE 3

Repayment Schedule

<table>
<thead>
<tr>
<th>Date Payment Due</th>
<th>Principal Amount of the Credit repayable (expressed as a percentage)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>On each November 15 and May 15</td>
<td></td>
</tr>
<tr>
<td>commencing November 15, 2020 to and including May 15, 2030</td>
<td>1%</td>
</tr>
<tr>
<td>commencing November 15, 2030 to and including May 15, 2050</td>
<td>2%</td>
</tr>
</tbody>
</table>

* The percentages represent the percentage of the principal amount of the Credit to be repaid, except as the Association may otherwise specify pursuant to Section 3.03(b) of the General Conditions.
APPENDIX

Section I. Definitions


2. “Beach Management Unit” means community based membership organizations bringing together fisheries stakeholders (government officials, boat crew, boat owners, managers, charterers, fish processors, fish mongers, local gear makers or repairers and fishing equipment dealers) at a beach or fish landing site with a view to improving the management of fisheries resources and the livelihoods of the community members.

3. “Beneficiaries” means the community groups which meet the eligibility criteria specified in the Project Implementation Manual and the HMP Manual for receiving Subproject Financings and to which or for whose benefit a Subproject Financing is made or proposed to be made, and in its singular form the term means any one such grouping.

4. “Business Development Services” or “BDS” means business capacity building services, including strategic and operational services such as assistance in setting up a new business, existing product enhancement, export development services, training, coaching, and mentoring.

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

6. “Coast Development Authority” or “CDA” means the Recipient’s regional development agency established and operating pursuant to the Coast Development Authority Act, Chapter 449 of the Laws of Kenya or its legal successor thereto.

7. “Coast Interfaith Council of Clerics” means a voluntary association of Christian and Muslim clerics in the coast region established to advance the mutual interests of its members.

8. “Coastal Area Advisory Committee” or “CAAC” means a committee established by the Recipient in accordance with Section I. A (5) of Schedule 2 to this Agreement, comprising representatives from: Beach Management Units; Beneficiaries implementing Subprojects; the Coast Interfaith Council of Clerics; human health based community based organizations; tourism based nongovernmental organizations or community based organizations; forestry based nongovernmental organizations or community based organizations; agricultural based nongovernmental organizations or community based organizations;
organizations and such other organizations as may be identified from time to time with the prior concurrence of the Association.

9. "Coastal Village Fund" or "CVF" means the fund established under Part 4(a) of the Project.

10. "Co-financier" means the Global Environmental Facility (GEF) referred to in paragraph 10 of the Appendix to the General Conditions.

11. "Co-financing Agreement" or "GEF Grant Agreement" means the agreement to be entered into between the Recipient and the Co-financier providing for the Co-financing.

12. "Co-financing" means an amount of five million Dollars (US $5,000,000) to be provided by the Co-financier to assist in financing the Project.

13. "Community Action Plan" means a plan prepared by a community through a participatory process for purposes of identifying and prioritizing community development needs.

14. "Community Development Committees" means the committees established by the Recipient at the local level and consisting of community leaders and other local level stakeholders.


16. "Department of Physical Planning" or "DPP" means the department under the Ministry of Land, Housing and Urban Development, and responsible for achieving balanced regional development in the Recipient's territory and for preparing regional and local physical development plans.

17. "Development Fund of the Coast" or "Development Fund of the coast (HMP)" means the fund established under Part 3(g) of Schedule 1 to this Agreement to provide funds to Beneficiaries for the implementation of investment activities.

18. "Environmental and Social Management Framework" or "ESMF" means an instrument satisfactory to the Association, prepared and adopted by the Recipient and dated February 5, 2010, outlining the process for management of the environmental and social aspects of the Project as the same may be amended from time to time with the Association's prior written concurrence.

19. "Exclusive Economic Zone" means the sea zone stretching sea wards to 200 nautical miles measured from the low water line, in which the Recipient by virtue of international law has special rights over the exploration and use of resources found therein.
20. “GEF Grant Agreement” means the agreement of same date as this Agreement between the Recipient and the World Bank, acting as an Implementing Agency of the Global Environment Facility (GEF), providing a grant to the Recipient to assist in financing Parts 1(b) and 2(b) of the Project, as such agreement may be amended from time to time. “GEF Grant Agreement” includes all appendices, schedules and agreements supplemental to the GEF Grant Agreement.

21. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 1, 2005 (as amended through October 15, 2006), with the modifications set forth in Section II of this Appendix.

22. “HMP Manual” means the manual prepared by the Recipient setting forth the rules, procedures, standards and guidelines for the implementation of HMP funded sub-projects.

23. “Indigenous Peoples Planning Framework” or “IPPF” means an instrument prepared by the Recipient satisfactory to the Association and dated February 5, 2010 outlining the basis for identifying Indigenous Peoples and their rights, the appropriate consultative process as well as guidelines to avert, minimize, mitigate, or provide culturally appropriate compensation for any potentially adverse effects as the same may be amended from time to time with the Association’s prior written concurrence.

24. “Indigenous Peoples” means distinct, vulnerable, social and cultural groups that may be identified pursuant to the studies outlined in the IPPF (as hereinafter defined) for the purposes of this Project.

25. “Integrated Coastal Zone Management” or “ICZM” means a holistic and dynamic process of resource management for environmentally sustainable development in coastal areas.

26. “Investment” means: (i) an eligible demand driven subproject that promotes micro and small enterprises (MSME), natural resource management and community services; and (ii) a larger infrastructure subproject for tourism development, natural resource management and capacity building.

27. “Kenya Forestry Research Institute” or “KEFRI” means a research institute mandated to carry out research in forestry and allied natural resources, established and operating pursuant to the Recipient’s Science and Technology Act, Chapter 250 of the Laws of Kenya or its legal successor thereto.

28. “Kenya Marine Fisheries Research Institute” or “KMFRI” means the marine research institute established and operating pursuant to the Recipient’s Science and Technology Act, Chapter 250 of the Laws of Kenya or its legal successor thereto.
29. “Kenya Wildlife Service” or “KWS” means an agency responsible for conserving and managing wildlife in Kenya and for enforcing related laws and regulation, established and operating pursuant to the Recipient’s Wildlife (Conservation and Management) Act, Chapter 376 of the Laws of Kenya was repealed and replaced by the Wildlife Conservation and Management Act of 2013.”

30. “Management Letter” means a letter issued by the external auditors as part of the annual audit report setting forth internal control weaknesses identified during the audit period.

31. “Marine Protected Areas” or “MPA” means areas of inter-tidal or sub-tidal terrain, together with their overlying waters and associated flora, fauna, and historical and cultural features, which have been reserved for special protection pursuant to the relevant laws of the Recipient.

32. “Ministry of Agriculture, Livestock and Fisheries” or “MoALF” means the Recipient’s Ministry responsible for agriculture, livestock and fisheries.

33. “Ministry of Environment, Natural Resources and Regional Development” means the Recipient’s Ministry responsible for environmental and natural resources, and regional development.

34. “Ministry of Finance” means the Recipient’s Ministry responsible for finance.

35. “Ministry of Land, Housing and Urban Development” means the Recipient’s Ministry responsible for land, housing and urban development.

36. “MSME” means a micro, small and medium enterprise established and operating pursuant to the Recipient’s relevant laws.

37. “National Environment Management Authority” or “NEMA” means the Recipient’s agency responsible for promoting sustainable environmental management, established and operating pursuant to the Environmental Management and Coordination Act, Act No. 8 of 1999 of the Laws of Kenya or its legal successor thereto.

38. “National Project Steering Committee” or “NPSC” means a committee established by the Recipient in accordance with Section I. A (2) of Schedule 2 to this Agreement, comprising Permanent Secretaries of the Relevant Ministries, Directors of the Project Implementing Agencies, relevant directors in Relevant Ministries, the PM and chaired by PS Ministry of Fisheries Development.

39. “Operating Costs” means the expenses incurred on account of Project implementation including expenditures for maintaining equipment and vehicles, fuel, office supplies, utilities, consumables, travel per diems and allowances, travel and accommodation, workshop venues and materials and communication costs.
40. "Selected Counties" means the counties of Kilifi, Kwale, Lamu, Malindi, Mombasa, and Taita Taveta and any other areas which may be agreed with the Association in writing.

41. "Process Framework" or "PF" means an instrument satisfactory to the Association, prepared and adopted by the Recipient and dated April 30, 2010 outlining the process by which members of potentially affected communities participate in design of project activities, determination of criteria for eligibility and compensating measures to assist those adversely affected, and implementation and monitoring of relevant Project activities as the same may be amended from time to time with the Association’s prior written concurrence.

42. "Procurement Guidelines" means the "Guidelines: Procurement under IBRD Loans and IDA Credits" published by the Bank in May 2004 and revised in October 2006 and May 2010.

43. "Procurement Plan" means the Recipient’s procurement plan for the Project, dated June 4, 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.

44. "Project Account" means an account to be opened in a commercial bank acceptable to the Association and operated by the Recipient, the Project Implementing Agencies or the Beneficiaries for purposes of receiving the proceeds of the Financing.

45. "Project Component Manager" means an officer appointed by the Recipient with responsibility for coordinating the implementation of component activities and referred to in Section I.A (11) of Schedule 2 to this Agreement.

46. "Project Implementation Manual" means the set of manuals, including the HMP Manual, prepared by the Recipient setting forth the rules, procedures, standards and guidelines for the implementation of the Project, including administrative and financial management procedures and an annex detailing the risk based internal audit approach and referred to in Section I.D (17) of Schedule 2 to this Agreement, as the same may be amended and supplemented from time to time with the prior written agreement of the Association.

47. "Project Implementing Agency’s Legislation" means the Coast Development Authority Act, Chapter 449 of the Laws of the Recipient (as the same may be amended from time to time), or the Wildlife (Conservation and Management) Act, Chapter 376 of the Laws of the Recipient (as the same may be amended from time to time), or the Science and Technology Act, Chapter 250 of the Laws of the Recipient (as the same may be amended from time to time) or the Environmental Management and Coordination Act, Act No. 8 of 1999 of the Laws of the Recipient (as the same may be amended from time to time).
48. “Project Implementing Agency” means CDA, KEFRI, KMFRI, KWS, and NEMA.

49. “Project Implementing Ministries” means the Ministry of Agriculture, Livestock and Fisheries, the Ministry of Environment, Natural Resources and Regional Development and the Ministry of Land, Housing and Urban Development.

50. “Project Management Unit” or “PMU” means the project implementing unit within KMFRI established pursuant to Section LA (9) of Schedule 2 to this Agreement comprising of a Project Manager, Project Component Managers, a procurement officer, an accountant, a secretary, an assistant accountant, a monitoring and evaluation officer supported by consultant specialists including a monitoring and evaluation specialist, a communication specialist, a procurement specialist and a financial management specialist.

51. “Project Manager” or “PM” means an officer appointed by the Recipient with responsibility for the overall Project coordination and referred to in Section LA (7) of Schedule 2 to this Agreement.

52. “Relevant Ministry” means the Ministry of Agriculture, Livestock and Fisheries; the Ministry of Environment, Natural Resources and Regional Development; Ministry of Land, Housing and Urban Developments; and the Ministry of Finance.

53. “Resettlement Action Plan” or “RAP” means a plan in form and substance satisfactory to the Association prepared and adopted by the Recipient setting out the proposed resettlement and its impact on displaced persons and other adversely affected groups and the actions planned to be undertaken to mitigate the potential negative impact of the Project activities on the affected persons as the said document may be amended and/or supplemented from time to time with the prior written concurrence of the Association.

54. “Social Accountability Measures” means the measures taken by the Recipient for periodic disclosure of information related to the Project and includes information on budget allocation, allocation of funds, Project operational results, Project implementation progress, audit findings; reports on corruption and fraud; and mechanisms for public complaints and feedback, and referred to in Section I. H (23) of Schedule 2 to this Agreement.

55. “State Department of Fisheries” or “SDF” means the department that was created vide Executive Order No. 1 of April 18, 2013, under the Ministry of Agriculture Livestock and Fisheries. SDF is mandated to facilitate the exploration, exploitation, utilization, management, development and conservation of fisheries resources as well as aquaculture development and to undertake research in marine and fresh water fisheries in the Recipient’s territory.
56. “Subproject Agreement” means an agreement satisfactory to the Association, between the Recipient and the Beneficiary through which the Recipient provides Subproject Financing to eligible Beneficiaries, and referred to in Section I.E (20) of Schedule 2 to this Agreement.

57. “Subproject Financing” means a grant or loan made or proposed to be made by the Recipient out of the Development Fund of the Coast (HMP) for the purpose of financing eligible Subprojects and referred to in Section I.E (19) of Schedule 2 to this Agreement.

58. “Subproject” means community level investments which meet the eligibility criteria set out in the Project Implementation Manual and the HMP Manual, the provisions of Section I.E (20) of Schedule 2 to this Agreement, and are eligible to receive financing under the Development Fund of the Coast (HMP), and Subprojects means collectively, all such community level investments.

59. “Subsidiary Agreement” means the agreement entered into between the Recipient represented by the Ministry of Agriculture, Livestock and Fisheries Development and a Project Implementing Agency pursuant to which the Recipient makes part of the proceeds of the Financing available to the Project Implementing Agency.

60. “Training” means the costs incurred on account of training programs and seminars, workshops and study tours including travel and subsistence costs for training participants, costs associated with securing the services of trainers, rental of training facilities, preparation and reproduction of training materials, and other activities incidental to the preparation and implementation of training activities but excluding consultants’ services.

61. “VGMP” or “Vulnerable and Marginalized Group Plan” means each of the plans to be prepared by the Recipient, satisfactory to the Association, disclosed in country and in the Association’s Infoshop, which sets out the measures to be carried out by the Recipient to ensure that: (a) VMGs affected by the Project receive culturally appropriate social and economic benefits; and (b) when potential adverse effects on VMGs are identified, those adverse effects are compensated for, avoided, minimized, or mitigated.

**Section II. Modifications to the General Conditions**

The modifications to the General Conditions for Credits and Grants of the Association, dated July 1, 2005 (as amended through October 15, 2006) are as follows:

1. Section 2.07 is modified to read as follows:

   “Section 2.07. Refinancing Preparation Advance"
If the Financing Agreement provides for the repayment out of the proceeds of the Financing of an advance made by the Association or the Bank ("Preparation Advance"), the Association shall, on behalf of the Recipient, withdraw from the Financing Account on or after the Effective Date the amount required to repay the withdrawn and outstanding balance of the advance as at the date of such withdrawal from the Financing Account and to pay all accrued and unpaid charges, if any, on the advance as at such date. The Association shall pay the amount so withdrawn to itself or the Bank, as the case may be, and shall cancel the remaining unwithdrawn amount of the advance.

2. Paragraph (i) of Section 6.02 is modified to read as follows:

"Section 6.02. Suspension by the Association

...(i) Ineligibility. The Association or the Bank has declared the Project Implementing Entity ineligible to receive proceeds of any financing made by the Association or the Bank or otherwise to participate in the preparation or implementation of any project financed in whole or in part by the Association or the Bank, as a result of: (i) a determination by the Association or the Bank that the Project Implementing Entity has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of any financing made by the Association or the Bank; and/or (ii) a declaration by another financier that the Project Implementing Entity is 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 Project Implementing 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."

3. The following terms and definitions set forth in the Appendix are modified or deleted as follows, and the following new terms and definitions are added in alphabetical order to the Appendix as follows, with the terms being renumbered accordingly:

(a) The term "Project Preparation Advance" is modified to read "Preparation Advance" and its definition is modified to read as follows:

"Preparation Advance' means the advance referred to in the Financing Agreement and repayable in accordance with Section 2.07."

Section III. 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 (fn 13) 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.”