



**GRANT NUMBER D621-8S**

# **Financing Agreement**

**(Climate Adaptation and Resilience for South Asia Project)**

**between**

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

**and**

**ASIAN DISASTER PREPAREDNESS CENTER**



**GRANT NUMBER D621-8S**

**FINANCING AGREEMENT**

AGREEMENT dated as of the Signature Date between INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”) and ASIAN DISASTER PREPAREDNESS CENTER (“Recipient”). The Association and the Recipient hereby agree as follows:

**WHEREAS**, the Recipient has agreed to support the Participating Countries to coordinate the regional activities and has requested the Association to assist in financing the activities.

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) apply to and form 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 a grant, which is deemed as Concessional Financing for purposes of the General Conditions, in an amount equivalent to \_seventeen million six hundred thousand Special Drawing Rights (SDR 17,600,000) (“Grant”), to assist in financing the project described in Schedule 1 to this Agreement (“Project”).
- 2.02. The Recipient may withdraw the proceeds of the Grant in accordance with Section III of Schedule 2 to this Agreement.
- 2.03. The Maximum Commitment Charge Rate is one-half of one percent (1/2 of 1%) per annum on the Unwithdrawn Grant Balance.
- 2.04. The Payment Dates are May [1] and November [1] in each year.
- 2.05. The Payment Currency is Dollar.

### **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 2** and **Part 3.2** of the Project (“Respective Part of the Project”) in accordance with the provisions of Article V of the General Conditions and Schedule 2 to this Agreement.

### **ARTICLE IV — REMEDIES OF THE ASSOCIATION**

- 4.01. The Additional Events of Suspension consists of the following:
- (a) Any action has been taken for the dissolution, disestablishment as an intergovernmental organization or suspension of the operation of the Recipient.
  - (b) The legislation and regulations establishing and governing the operations of the Recipient have been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the Recipient to perform any of its obligations under this Agreement.

### **ARTICLE V — EFFECTIVENESS; TERMINATION**

- 5.01. The Additional Condition of Effectiveness consist of the following,
- (a) that the Project Operations Manual, has been prepared and adopted by the Recipient in a manner satisfactory to the Association.
  - (b) The PARCC TF Grant Agreement has been executed and delivered and all conditions precedent to its effectiveness (other than the effectiveness of this Agreement) have been fulfilled
  - (c) The RIMES Financing Agreement has been executed and delivered and all conditions precedent to its effectiveness (other than the effectiveness of this Agreement) have been fulfilled.
- 5.02. The Effectiveness Deadline is the date ninety (90) days after the Signature Date.
- 5.03. For purposes of Section 10.05 (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 Signature Date.

**ARTICLE VI — REPRESENTATIVE; ADDRESSES**

6.01. The Recipient's Representative is the Executive Director.

6.02. For purposes of Section 11.01 of the General Conditions:

(a) the Recipient's address is:

Asian Disaster Preparedness Center  
SM Tower, 24th Floor, 979/69 Paholyothin Road,  
Samsen Nai, Phayathai  
Bangkok 10400, Thailand; and

(b) the Recipient's Electronic Address is:

|                   |                |               |
|-------------------|----------------|---------------|
| Telex:            | Facsimile:     | E-mail:       |
| +66 2 298 0681-92 | +66 2 298 0012 | adpc@adpc.net |

6.03. For purposes of Section 11.01 of the General Conditions:

(a) The Association's address is:

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

(b) the Association's Electronic Address is:

|              |                |
|--------------|----------------|
| Telex:       | Facsimile:     |
| 248423 (MCI) | 1-202-477-6391 |

AGREED as of the Signature Date.

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

**By**

*Cecile Fruman*

\_\_\_\_\_  
**Authorized Representative**

Cecile Fruman

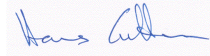
**Name:** \_\_\_\_\_

**Title:** Director, Regional Integration, South Asia

**Date:** 27-May-2020  
\_\_\_\_\_

**ASIAN DISASTER PREPAREDNESS CENTER**

**By**



\_\_\_\_\_  
**Authorized Representative**

Hans Guttman

**Name:** \_\_\_\_\_

**Title:** Executive Director

**Date:** 28-May-2020  
\_\_\_\_\_

## **SCHEDULE 1**

### **Project Description**

The objective of the Project is to contribute to an enabling environment for climate resilience policies and investments in select sectors and countries in South Asia.

The Project consists of the following parts:

#### **Part 1: Promoting Evidence-based Climate Smart Decision Making**

Develop platforms to enhance access to data for resilient planning and investments, including hazard and climate variability data, climate impact knowledge and other sector-specific data.

##### *1.1 Expanding South Asia Regional Resilience Data and Analytics Services*

Support the development of a public domain data and analytics platform, namely the Regional Resilience Data and Analytics Service (RDAS) Platform to make climate-informed policy, planning and investment decisions for climate resilient development.

##### *1.2 Strengthening national-level sectorial decision support systems (DSS) for the Participating Countries*

- (A) (i) Provide support to enable the Participating Countries in developing or enhancing their respective interactive decision support system (DSS) platforms at national and sub-national levels to enable decision making within ministries handling finance, planning, climate smart agriculture, integrated water resource management and transport; and (ii) Support investments in IT infrastructure and appropriate online hosting (e.g. cloud services) where needed for such platforms.
- (B) For Bangladesh, this will also include supporting the development of a water data portal(s)
- (C) For Nepal, this will also include supporting (i) the integration of climate hazard information for resilient rural/local roads network and (ii) in the roll out of agriculture-specific information systems.
- (D) for Pakistan, this will also include supporting the development of decision support systems to track climate resilient projects through incorporation of climate indicators.

### *1.3 Trainings for Climate-Informed Decision-Making*

- (A) Support policymakers and other users within the South Asia region, in utilizing the data and RDAS platform for climate-informed planning and decision-making through the provision of trainings at the regional level.
- (B) Support policymakers and other users within the Participating Countries in utilizing the data and DSS platforms for climate-informed planning and decision-making in various sectors through the provision of trainings at the national and sub-national levels.

## **Part 2: Enhancing Policies, Standards and Capacities for Climate Resilient Development**

### *2.1 Advisory services for policy and investment interventions*

- (A) Support the carrying out of (i) a comprehensive policy, institutional and public expenditure analysis for climate and disaster risk informed investment and the creation of a coordination, investment appraisal and approval framework and (ii) Conduct district-level climate vulnerability assessments within the Participating Countries.
- (B) Support the Participating Countries, to develop and/or strengthen evidence-based resilient policies, strategies and action/investment plans within the Participating Countries for mainstreaming climate resilience within key ministries handling Finance, Planning, and select technical line ministers (climate smart agriculture, livestock, water, and transport); through interventions that include but are not limited to (i) provide evidence-based policy analysis to integrate climate risk management in sector policies and action plans; (ii) develop investment plans for scaling-up existing structural climate resilient measures; (iii) strengthen strategic and policy frameworks for climate smart agriculture and integrated water resources management; (iv) integrate gender-informed resilience into sector- strategies; and (viii) provide policy and knowledge support to implement select adaptation priorities under the NDCs.

For *Pakistan*, this shall include interventions to (i) develop and/or strengthen strategic and policy frameworks for climate smart agriculture and integrated water resources management (ii) Formulate climate indicators to incorporate in the planning policy and documents; (iii) develop a climate-change financing framework implementation plan; and (iv) Support development of a ground water strategy for Sindh in drought affected areas.

For *Bangladesh*, this shall include interventions to, (i) develop and/or strengthen strategic and policy frameworks for climate smart agriculture and integrated water resources; (ii) support the roll-out of existing Develop Bangladesh Climate Fiscal Framework (BCFF) implementation plan; and (iii) Provide climate risk analysis for water accounting.

For *Nepal*, this shall include interventions to, (i) develop and/or strengthen strategic and policy frameworks for climate smart agriculture and integrated water resources management; (ii) develop an implementation plan to roll out the climate change financing framework in select provinces; (iii) support the integration/ operationalization of the recently updated Climate Change Policy 2019, development of NAP and LAPAs, into developing resilient road networks, slope stabilization and protection measures; and (iv) help develop scale-up plan for advanced bio-engineering slope stabilization solutions.

## 2.2 *Promoting Climate Resilient Design and Standards for South Asia Region*

Facilitate (i) the development of regional climate-resilient guidelines in the priority sectors of finance, transport, water, agriculture; and (ii) strengthen national and/or sectoral standards to account for factors like climate conditions and vulnerabilities, geophysical hazards, gender-considerations, environmental and social trends, local practices and priority areas.

## 2.3 *Implementation Support to Climate-Risk Management Solutions for the Participating Countries*

- (A) Provide Training on climate-resilience adaptive policy making, design and solutions in priority sectors (transport, water and agriculture) at the sub-national and local government levels and instituting train-the trainer programs to disseminate climate-smart agriculture technologies.
- (B) Provide technical assistance for (i) enabling the adoption of technology solutions; (ii) supporting the creation of climate smart institutions, governance and finance; (iii) support climate research and development through collaboration with academic institutions; (iv) supporting ministries responsible for finance and planning on analytics for macro-level and fiscal risk management; and (v) assisting the Participating Countries in developing disaster risk financing strategies including supporting accreditation process for its national/sub-national entities.

## 2.4 *Innovation for Climate Adaptation and Resilience*



Support innovative and disruptive technology solutions for resilience through the provision of Sub-grants within the South Asia Region.

**Part 3: Project Management and Specialized Support**

- 3.1 Provision of assistance for Part 1 of the Project: (i) the establishment and operation of the RIMES PIU; (ii) Project implementation and supervision of Part 1 of the Project, (iii) monitoring and evaluation; (iv) Training; (v) carrying out of relevant studies for climate impacts and related interventions, inclusive and gendered practices in climate resilient planning and investments; and (vi) financing of Incremental Operating Costs
  
- 3.2 Provision of assistance for Part 2 of the Project: (i) the establishment and operation of the ADPC PIU; (ii) Project implementation and supervision of Part 2 of the Project, (iii) monitoring and evaluation; (iv) Training for ADPC staff ; (v) (v) financing of Incremental Operating Costs; and (vii) and all costs pertaining to the implementation of the PARCC TF Grant.

## SCHEDULE 2

### Project Execution

#### Section I. Implementation Arrangements

##### A. Institutional Arrangements

###### Regional Level:

1. Within thirty (30) days after the Effective Date, a Coordination Working Group (“CWG”) shall be established jointly with representatives from ADPC and RIMES, to facilitate close coordination and collaboration in the implementation of the Project. Without limitation on the following, the CWG shall meet at least once a month to discuss progress on activities including an outline of next steps and discuss potential areas for more detailed coordination.
2. To facilitate the carrying out of the Respective Part of the Project, the Recipient shall, within thirty (30) days after the Effective Date, establish and thereafter maintain at all times during the Project implementation, a Project Implementation Unit (“ADPC PIU”) with functions and resources satisfactory to the Association, led by a Project Director and with staff in adequate numbers and with qualifications, experience and terms of reference satisfactory to the Association.
3. The Recipient shall utilize the existing mechanism for regional coordination established under the ADPC’s Regional Consultative Committee (RCC) mechanism to establish regional policy dialogue to share access to improved data and knowledge generated and regional guidelines.

###### Country Level:

4. Within thirty (30) days after the Effective Date, Sector Focal Points (SFP) from the departments of the beneficiary ministries of each of the Participating Country shall be identified. The Sector Focal Points shall meet on a bi-annual basis to review progress, share information, assist in removing implementation bottlenecks and avoiding any potential duplication or gaps.
5. The Recipient shall, through its ADPC PIU, work in coordination with its country unit located within each of the Participating Countries, headed by a Country Project Leads, to coordinate the progress of the Respective Part of the Project activities with the relevant Sector Focal Points.

##### B. Project Operations Manual

1. The Recipient shall adopt a Project Operations Manual in form and substance satisfactory to the Association.
2. The Recipient shall ensure, that the Respective Part of the Project is carried out in accordance with the arrangements and procedures set out in the Project Operations Manual, provided, however, that in the case of any conflict between the arrangements and procedures set out in Project Operations Manual and the provisions of this Agreement, the provisions of this Agreement shall prevail.
3. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive any provision of the Project Operations Manual.

**C. Annual Work Plans**

The Recipient shall furnish to the Association, for review and approval as soon as available, but in any case not later than September 30 of each year, the detailed annual work plan and budget for the Respective Part of the Project for each subsequent year of Project implementation, of such scope and detail as the Association shall have reasonably requested and thereafter ensure that the Project is carried out in accordance with such plan and budget as agreed with the Association.

**D. Environmental and Social Standards.**

1. The Recipient shall ensure that the Respective Part of the Project is carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Association.
2. Without limitation upon paragraph 1 above, the Recipient shall ensure that the Respective Part of the Project is implemented in accordance with the Environmental and Social Commitment Plan (“ESCP”), in a manner acceptable to the Association. To this end, the Recipient shall ensure that:
  - (a) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, and as further specified in the ESCP;
  - (b) sufficient funds are available to cover the costs of implementing the ESCP;
  - (c) policies, procedures and qualified staff are maintained to enable it to implement the ESCP, as further specified in the ESCP; and
  - (d) the ESCP or any provision thereof, is not amended, revised or waived, except as the Association shall otherwise agree in writing and the Recipient has, thereafter, disclosed the revised ESCP.

3. In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.
4. The Recipient shall:
  - (a) take all measures necessary on its part to collect, compile, and furnish to the Association through regular reports, with the frequency specified in the ESCP, and promptly in a separate report or reports, if so requested by the Association, information on the status of compliance with the ESCP and the management tools and instruments referred to therein, all such reports in form and substance acceptable to the Association, setting out, inter alia: (i) the status of implementation of the ESCP; (ii) conditions, if any, which interfere or threaten to interfere with the implementation of the ESCP; and (iii) corrective and preventive measures taken or required to be taken to address such conditions; and
  - (b) promptly notify the Association of any incident or accident related to or having an impact on the Respective Part of the Project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers, in accordance with the ESCP, the instruments referenced therein and the Environmental and Social Standards.
5. The Recipient shall maintain and publicize the availability of a grievance mechanism, in form and substance satisfactory to the Association, to hear and determine fairly and in good faith all complaints raised in relation to the Respective Part of the Project, and take all measures necessary to implement the determinations made by such mechanism in a manner satisfactory to the Association.

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

The Recipient shall furnish to the Association each Project Report for the Respective Part of the Project, not later than one month after the end of each calendar semester, covering the calendar semester.

**Section III. Withdrawal of the Proceeds of the Grant**

**A. General**

Without limitation upon the provisions of Article II of the General Conditions and in accordance with the Disbursement and Financial Information Letter, the Recipient may withdraw the proceeds of the Grant to finance Eligible Expenditures in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:

| <b>Category</b>   | <b>Amount of the Grant Allocated<br/>(expressed in SDR)</b> | <b>Percentage of Expenditures to be Financed<br/>(inclusive of Taxes)</b> |
|---|---|---|
| (1) Goods, non-consulting services, consulting services, Incremental Operating Costs and Training for the Part 2 (excluding Part 2.4) and Parts 3.2 (i) to (vi) of the Project. | 17,600,000  | 100%  |
| <b>TOTAL AMOUNT</b>   | <b>17,600,000</b>   |   |

**B. Withdrawal Conditions; Withdrawal Period**

1. Notwithstanding the provisions of Part A above, no withdrawal shall be made for payments made prior to the Signature Date.
2. The Closing Date is August 5, 2025.

## APPENDIX

### Definitions

1. “ADPC PIU” means the Project implementation unit referred to in Section I.A. of Schedule 2 to this Agreement to be established by the Recipient for the overall coordination and management of the Respective Part of the Project
2. “Anti-Corruption Guidelines” means, for purposes of paragraph 5 of the Appendix to the General Conditions, the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 and revised in January 2011 and as of July 1, 2016.
3. “Beneficiary” means an eligible beneficiary selected or to be selected on the basis of eligibility criteria listed in the Project Operations Manual, with legal capacity to receive a grant under the Project Operations Manual, living in the Member Country, who proposes to implement a Sub-project, using the proceeds of a Sub-grant, pursuant to the Sub-grant Agreement.
4. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
5. “Coordination Working Group” or “CWG” means the group to be established by the Recipient and RIMES and referred to in Section I.A.1 of Schedule 2 to this Agreement.
6. “Environmental and Social Commitment Plan” or the acronym “ESCP” means the Recipient’s environmental and social commitment plan, acceptable to the Association, dated *April 10, 2020*, which sets out a summary of the material measures and actions to address the potential environmental and social risks and impacts of the Project, including the timing of the actions and measures, institutional, staffing, training, monitoring and reporting arrangements, and any instruments to be prepared thereunder; as the ESCP may be revised from time to time, with prior written agreement of the Association, and such term includes any annexes or schedules to such plan.
7. “Environmental and Social Standards” means, collectively: (i) “Environmental and Social Standard 1: Assessment and Management of Environmental and Social Risks and Impacts”; (ii) “Environmental and Social Standard 2: Labor and Working Conditions”; (iii) “Environmental and Social Standard 3: Resource Efficiency and Pollution Prevention and Management”; (iv) “Environmental and Social Standard 4: Community Health and Safety”; (v) “Environmental and Social Standard 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement”; (vi) “Environmental and Social Standard 6: Biodiversity

Conservation and Sustainable Management of Living Natural Resources”; (vii) “Environmental and Social Standard 7: Indigenous Peoples/Sub-Saharan Historically Underserved Traditional Local Communities”; (viii) “Environmental and Social Standard 8: Cultural Heritage”; (ix) “Environmental and Social Standard 9: Financial Intermediaries”; (x) “Environmental and Social Standard 10: Stakeholder Engagement and Information Disclosure”; effective on October 1, 2018, as published by the Association at <http://www.worldbank.org/en/projects-operations/environmental-and-social-policies>.

8. “General Conditions” means the “International Development Association General Conditions for IDA Financing, Investment Project Financing”, dated December 14, 2018.
9. “Incremental Operating Costs” means recurrent costs of the Project: (i) operating and maintenance of vehicles, repairs, rental, fuel and spare parts; (ii) computer maintenance, including hardware and software; (iii) communication costs and shipment costs (whenever these costs are not included in the cost of goods); (iv) small office supplies; (v) bank fees and related charges; (vi) rent and maintenance of office facilities; (vii) utilities and insurances; (viii) travel, accommodation and per diem costs for technical staff carrying out training and quality control activities; and (ix) salaries of staff working on the Respective Part of the Project, but excluding apportioned and indirect staff costs.
10. “LAPA” means the local adaptation plan for action.
11. “NAP” means the national adaptation plan.
12. “NDC” means the nationally determined contributions as agreed under the United Nations Framework Convention on Climate Change, December 2015.
13. “PARCC TF” means the Program for Asia Resilience to Climate Change Multi-Donor Trust Fund
14. “PARCC TF Grant” means a grant amount of 3,500,000 Dollars (USD Three Million Five Hundred Thousand United States Dollars), to be provided under the PARCC TF for financing Part 2.4 and Part 3.2 subclause (viii) of the Project in accordance with the PARCC TF Grant Agreement.
15. “PARCC TF Grant Agreement” means the grant agreement entered or to be entered into on or about the date of this Agreement between the Recipient and the World Bank acting as the administrator of funds provided by the Department for International Development under the Program for Asia Resilience to Climate Change Multi-Donor Trust Fund.

16. “Participating Countries” means Federal Democratic Republic of Nepal (Nepal), Islamic Republic of Pakistan (Pakistan), and People’s Republic of Bangladesh (Bangladesh), all supported through the Climate Adaptation and Resilience Project for South Asia.
17. “Procurement Regulations” means, for purposes of paragraph 87 of the Appendix to the General Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated July 2016, revised November 2017 and August 2018.
18. “Project Operations Manual” means the operations manual for the Respective Part of the Project referred to in Section I.B of Schedule 2 to this Agreement, setting forth: (i) the operational and administrative responsibilities, procedures and rules of implementation of the Project; (ii) the flow of funds and disbursement arrangements; (iii) the terms of reference, functions and responsibilities of the members of the ADPC PIU and the personnel of the Recipient working on the Project; (iv) the procurement and financial management procedures under the Project, and (v) the details on the eligibility criteria, screening procedures and implementation of the Sub-grants, as same may be amended and supplemented from time to time with the Association’s prior written approval.
19. “Regional Integrated Multi-Hazard Early Warning System for Africa and Asia” or “RIMES” means the international and intergovernmental institution, established by countries in Africa and Asia on April 30, 2009 and registered with the United Nations on July 1, 2009, as an institution for generation and application of early warning information.
20. “RIMES Financing Agreement” means the agreement entered or to be entered into on or about the date of this Agreement between RIMES and the Association for the implementation of Part 1 of the Project.
21. “Sector Focal Point” shall mean, the focal person identified pursuant to Section I.A.4 of Schedule 2 to this Agreement.
22. “Sub-grant” means the grant awarded by the Recipient to an eligible Beneficiary, out of the proceeds of the PARCC TF, pursuant to the selection criteria and procedures contemplated in the guidelines for Sub-grant set forth in the Project Operations Manual; and “Sub-grants” shall mean all such grants.
23. “Sub-grant Agreement” means the grant agreement to be entered into between the Recipient and a Beneficiary for purposes of providing a Sub-grant to finance the Sub-project.
24. “Sub-project” means an eligible sub-project, selected/to be selected under the Sub-grant on the basis of eligibility criteria listed in the Project Operations Manual, which is proposed to be implemented, under Part 2.4 of the Project.



25. “Signature Date” means the later of the two dates on which the Recipient and the Association signed this Agreement and such definition applies to all references to “the date of the Financing Agreement” in the General Conditions.
26. “Training” means the reasonable cost of training of persons involved in Project-supported activities including seminars, workshops, study tours, and costs associated with such activity including travel and subsistence costs for training participants, costs associated with securing the services of trainers, rental of training facilities, preparation, acquisition and reproduction of training materials, and other costs directly related to training and preparation and implementation.

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

The General Conditions are hereby modified as follows:

1. Section 2.06 is modified to read as follows:

“Section 2.06. *Financing Taxes*

The use of any proceeds of the Grant to pay for Taxes levied by, or in the territory of, the Member Country on or in respect of Eligible Expenditures, or on their importation, manufacture, procurement or supply, if permitted by the Legal Agreements, is subject to the Association’s policy of requiring economy and efficiency in the use of the proceeds of its credits and grants. To that end, if the Association at any time determines that the amount of any such Tax is excessive, or that such Tax is discriminatory or otherwise unreasonable, the Association may, by notice to the Recipient, adjust the percentage of such Eligible Expenditures to be financed out of the proceeds of the Grant.”

2. Paragraphs (b) and (c) of Section 3.18 are modified to read as follows:

“(b) All Financing Payments shall be paid without restrictions of any kind imposed by, or in the territory of, the Member Country, and without deduction for, and free from, any Taxes levied by, or in the territory of, the Member Country.

(c) The Legal Agreements shall be free from any Taxes levied by, or in the territory of the Member Country, or in connection with their execution, delivery or registration.”

3. In Section 5.11, paragraph (a) is modified to read as follows:

“Section 5.11. *Visits*

“(a) The Recipient shall take all action necessary or useful to ensure that the Member Country affords all reasonable opportunity for representatives of the Association to visit any part of their territories for purposes related to the Grant or the Project.”

2. Section 6.01 is deleted in its entirety and the remaining section in Article VI is renumbered accordingly.

3. Section 8.02 is modified as follows:

(a) Paragraph (j) on *Membership* is modified to read as follows:

(j) *Membership.* The Member Country or any member of the Recipient: (i) has been suspended from membership in or ceased to be a member of the Association; or (ii) has ceased to be a member of the International Monetary Fund.”

(b) Paragraph (m) is renumbered as paragraph (n), and a new paragraph (m) is added to read as follows:

“(m) *Interference.* The Member Country: (i) has taken or permitted to be taken any action which would prevent or interfere with the execution of the Project or the performance by the Recipient of its obligations under the Financing Agreement; or (ii) has failed to afford a reasonable opportunity for representatives of the Association to visit any part of its territory for purposes relating to Grant or the Project.”

4. The Appendix (**Definitions**) is modified as follows:

(a) Paragraph 79 (Member Country) is modified to read as follows:

“79. “Member Country” means the member of the Association in whose territory the Project is carried out or any such member’s political or administrative subdivisions. If such activity is carried out in the territory of more than one such member, “Member Country” refers separately to each such member.”

[(b)] [Paragraph 94 (Recipient)] [Renumbered paragraph 92 (Recipient)] is modified to read as follows:

“[94] [92]. “Recipient” means the party to the Financing Agreement to which the Grant is extended.”