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**GRANT NUMBER H602-TG**

# **Financing Agreement**

**(Additional Financing for Community Development Project)**

**between**

**REPUBLIC OF TOGO**

**and**

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

**Dated July 20, 2010**

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**GRANT NUMBER H602-TG**

**FINANCING AGREEMENT**

AGREEMENT dated July 20, 2010, entered into between REPUBLIC OF TOGO (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”) for the purpose of providing additional financing for activities related to the Original Project (as defined in the Appendix to this Agreement). The Recipient and the Association hereby agree as follows:

**ARTICLE I — GENERAL CONDITIONS; DEFINITIONS**

- 1.01. The General Conditions (as defined in the Appendix to this Agreement) constitute an integral part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Agreement.

**ARTICLE II — FINANCING**

- 2.01. The Association agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a grant in an amount equivalent to five million eight hundred thousand Special Drawing Rights (SDR 5,800,000) (variously “Grant” and “Financing”) to assist in financing Parts A.2 and A.3 of the Project.
- 2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section IV of Schedule 2 to this Agreement.
- 2.03. The Maximum Commitment Charge Rate payable by the Recipient on the Unwithdrawn Financing Balance shall be one-half of one percent (1/2 of 1%) per annum.
- 2.04. The Payment Dates are January 1 and July 1 in each year.
- 2.05. The Payment Currency is Euro.

**ARTICLE III — PROJECT**

- 3.01. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out Parts A.2, B, C and D of the Project through the Technical Secretariat, and shall cause each of the Project Implementing Entities to carry out Parts A.1 and A.3 of the Project within its respective territorial jurisdiction, in accordance with the provisions of Article IV of the General Conditions, and the relevant Project Agreements.

- 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 Entity's Legislation has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the relevant Project Implementing Entity to perform any of its obligations under the relevant Project Agreement.
  - (b) The Project Decree has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the Technical Secretariat to perform any of its obligations under this Agreement.

**ARTICLE V — EFFECTIVENESS; TERMINATION**

- 5.01. The Additional Condition of Effectiveness consists of the following: an Amended Subsidiary Agreement, in form and substance acceptable to the Association, has been executed on behalf of the Recipient and each Project Implementing Entity in accordance with Section I.C of Schedule 2 to this Agreement.
- 5.02. The Effectiveness Deadline is the date falling ninety (90) days after the date of this Agreement.
- 5.03. For purposes of Section 8.05 (b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty years after the date of this Agreement.

**ARTICLE VI — REPRESENTATIVE; ADDRESSES**

6.01. The Recipient's Representative is its minister responsible for finance.

6.02. The Recipient's Address is:

Ministry of Economy and Finance  
*Immeuble CASEF*  
*B.P. 387*  
*Lomé*  
Togo

Facsimile:

228-221-0905

6.03. The Association's Address is:

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

Cable:

Telex:

Facsimile:

INDEVAS  
Washington, D.C.

248423 (MCI)

1-202-477-6391

AGREED at *Lomé*, Republic of Togo, as of the day and year first above written.

**REPUBLIC OF TOGO**

**By //s// H.E.Adji Oteth Ayassor**

**Authorized Representative**

**INTERNATIONAL DEVELOPMENT ASSOCIATION,  
in its individual capacity, and solely for the purposes of  
Section V.B of Schedule 2 to this Agreement, acting as  
Trustee of the Food Price Crisis Response Trust Fund**

**By //s// Herve Assah**

**Authorized Representative**

ACKNOWLEDGEMENT and AGREEMENT, solely for the purposes of Sections VI and VII of Schedule 2 to this Agreement:

***AGAIB-Centrale***

**By: //s// Batakpali M. Toure**

**Authorized Representative**

**AGAIB-Kara**

**By: //s// Reverend Patrice Limdeyou**

**Authorized Representative**

**AGAIB-Maritime**

**By: //s// Inoussa Bouraima**

**Authorized Representative**

**AGAIB-Plateaux**

**By: //s// Yawo Edem Konou**

**Authorized Representative**

**AGAIB-Savanes**

**By: //s// Raymond Lare Monoka**

**Authorized Representative**



## **SCHEDULE 1**

### **Project Description**

The objective of the Project is to provide selected poor communities with improved basic socio-economic infrastructures, income-generating and labor intensive activities and access to food, by financing, among others, sub-projects to be identified and implemented directly by communities.

The Project consists of the following parts:

#### Part A: Community Development

##### 1. Community Development Sub-projects

Facilitation of the access of the poor population of the Recipient to improved health, education, water and sanitation, and other basic services and to income generating opportunities, through the provision of works, equipment and consultant services for Sub-projects to be implemented by poor communities through their Village Development Committees with the support of each of the Project Implementing Entities for their respective region.

##### 2. School Feeding Emergency Operation

As part of the Recipient's emergency school feeding operation, provision of support to supply meals, prepared locally in compliance with food safety and hygiene norms, to approximately 36,000 children attending primary school in selected poor communities.

##### 3. Labor Intensive Public Works

Carrying out of a program aimed at supporting selected rural poor households by financing income generating activities, using a labor intensive public works approach; such labor intensive public works to include the rehabilitation of degraded lands and reforestation.

#### Part B: Training

Provision of training

1. at the national level to support liaison and coordination functions;
2. at the regional levels on community driven development activities and procedures, and environmental and social safeguard policies of the Association; and
3. at the community levels for preparation and implementation of Sub-projects.

### Part C: Management and Operating Costs

Provision of support for Project implementation and coordination, environmental management and mitigation, financial and fiduciary management, monitoring and evaluation, technical audits and financial audits, all through technical advisory services and operating costs, and the acquisition of equipment and the financing of Small Works for the Technical Secretariat and the Project Implementing Entities.

### Part D: Enhanced Cereal Production

1. Delivery of commercial and foundation improved seeds and fertilizers to producers of cereals in the productive areas of the Recipient's territory.
2. Provision of technical assistance for capacity building activities within the MAFL in Project supervision and for the preparation of studies designed to develop a sustainable system of delivery and distribution of fertilizers and seeds.

**SCHEDULE 2****Project Execution****Section I. Implementation Arrangements****A. General Institutional and Implementation Arrangements**

1. The provisions of Section I of Schedule 2 to the TF Additional Financing Agreement (including defined terms therein, unless otherwise defined herein) shall apply to this Agreement, *mutatis mutandis*; provided that any reference therein to the term “World Bank” shall be deemed to refer to the term “Association” for the purposes hereof.
2. Without limitation to the terms of Section I.A.1 above and for the purposes of implementing Part A.3, the Recipient shall maintain, throughout the implementation of the Project, a project steering committee chaired by the Recipient’s Minister of Community Development, Handicrafts, Youth and Youth Employment. Such steering committee shall be responsible for providing policy guidance in respect of the implementation of Part A.3 of the Project. The Recipient’s Minister of Community Development, Handicrafts, Youth and Youth Employment shall be responsible for supervision and decision-making at the regional level, within the existing structures of the Project Implementing Entities, of the implementation of Part A.3 of the Project. The overall responsibility for the implementation of Part A.3 of the Project shall rest with the Recipient’s Ministry of Planning, Development and Regional Planning.

**B. Revised Project Implementation Manual**

1. In order to facilitate the implementation of the activities under Part A.3 of the Project, the Recipient, through the Technical Secretariat, shall (i) adopt a revised Project Implementation Manual, in form and substance satisfactory to the Association, which supplements the existing provisions thereof to include, *inter alia*, the eligibility, appraisal and implementation modalities for the activities under Part A.3 of the Project (“Revised Project Implementation Manual”); and (ii) prior to such adoption, shall provide the Association with the opportunity to review and comment on such revisions. The Recipient shall thereafter carry out the Project in accordance with the provisions of the Revised Project Implementation Manual.
2. In the event of any inconsistency between the Revised Project Implementation Manual and the provisions of this Agreement, the provisions of this Agreement shall govern.

**C. Amendment to the Subsidiary Agreements**

1. To facilitate the carrying out of each of the Project Implementing Entities Respective Part of the Project, the Recipient shall amend each Subsidiary Agreement so as to make part of the proceeds of the Financing, on a grant basis, available to each Project Implementing Entity, under terms and conditions which shall have been approved by the Association, and which shall include the amounts of the Financing to be transferred to each such Project Implementing Entity (each an “Amended Subsidiary Agreement”).
2. The Recipient shall exercise its rights under each Amended Subsidiary 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 Subsidiary Agreement or any of its provisions

**D. Safeguards**

Without limitation to the terms of Section I.A.1 above, the Recipient shall, prior to implementing any activities under Part A.3 of the Project, ensure that it has complied with the provisions of the Environmental and the Social Management Framework.

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

**A. Project Reports**

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

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

1. The provisions of Part B of Section II of Schedule 2 to the Original Financing Agreement (including defined terms therein, unless otherwise defined herein) shall apply to this Agreement, *mutatis mutandis*.
2. The Recipient shall recruit an accountant for the Technical Secretariat in accordance with Section III of Schedule 2 to this Agreement no later than three (3) months after the Effective Date.

3. The Recipient shall amend the terms of reference of the existing external auditor for the Project in order to include the activities related to Part A.3 of the Project no later than three (3) months after the Effective Date, in form and substance satisfactory to the Association.

### **Section III. Procurement**

The provisions of Section III of Schedule 2 to the Original Financing Agreement (including defined terms therein, unless otherwise defined herein) shall apply to this Agreement, *mutatis mutandis*.

### **Section IV. Withdrawal of Grant Proceeds**

#### **A. General**

1. The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) Article II of the General Conditions, (b) this Section, and (c) such additional instructions as the World Bank may specify by notice to the Recipient (including the “World Bank Disbursement Guidelines for Projects” dated May 2006, as revised from time to time by the World Bank and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.
2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Grant (“Category”), the allocations of the amounts of the Grant to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

<b>Category</b>	<b>Amount of the Grant Allocated (expressed in SDR)</b>	<b>Percentage of Expenditures to be Financed (inclusive of Taxes)</b>
1. Goods, works, consultant services, Operating Costs and Training for Part A.2 of the Project	2,850,000	100%
2. Goods, consultant services, Operating Costs and Training for Part A.3 of the Project	900,000	100%
3. Works for Part A. of the Project	2,050,000	100%
<b>Total</b>	<b>5,800,000</b>	

**B. Withdrawal Conditions; Withdrawal Period**

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made:
  - (a) for payments made prior to the date of this Agreement; or
  - (b) for payments made under Categories (2) and (3), until the Association has received evidence satisfactory to it that the Recipient has adopted the Revised Project Implementation Manual in accordance with Section I.B of Schedule 2 to this Agreement, in form and substance satisfactory to the Association.
2. The Closing Date is June 30, 2013.

**Section V. Amendments to Original Financing Agreement and TF Additional Financing Agreement**

- A. The Original Financing Agreement is hereby amended as follows:
  1. the closing date specified in paragraph 3 of Section IV of Schedule 2 to the Original Financing Agreement (i.e., June 30, 2012) is deleted and replaced by the Closing Date (i.e., June 30, 2013);
  2. Schedule 1 (*Project Description*) of the Original Financing Agreement is deleted in its entirety and replaced by Schedule 1 (*Project Description*) to this Agreement (together with any related definitions included in the Appendix to this Agreement); and
  3. Section II (*Project Monitoring; Reporting and Evaluation*) of Schedule 2 to the Original Financing Agreement is deleted in its entirety and replaced by Section II (*Project Monitoring; Reporting and Evaluation*) of Schedule 2 to this Agreement.
- B. The TF Additional Financing Agreement is hereby amended as follows:
  1. the closing date specified in paragraph 2 of Section IV of Schedule 2 to the TF Additional Financing Agreement (i.e., June 30, 2012) is deleted and replaced by the Closing Date (i.e., June 30, 2013); and
  2. Schedule 1 (*Project Description*) of the TF Additional Financing Agreement is deleted in its entirety and replaced by Schedule 1 (*Project Description*) to this Agreement (together with any related definitions included in the Appendix to this Agreement).

**Section VI. Acknowledgement and Agreement of the Project Implementing Entities**

Each Project Implementing Entity hereby (A) acknowledges (i) the terms of Section 3.01 of this Agreement and (ii) that Schedule 1 (*Project Description*) of the Original Financing Agreement is deleted in its entirety and replaced by Schedule 1 (*Project Description*) to this Agreement; and (B) agrees that its obligations under its respective Project Agreement shall be interpreted accordingly to apply to its Respective Part of the Project as set forth in this Agreement.

**Section VII. Other Undertakings**

1. Annual Work Plan and Budget

- A. Each Project Implementing Entity shall prepare, under terms of reference acceptable to the Association, an annual work plan and budget (“AWPB”) for the following year, which will list the various actions or steps that are proposed to be taken by such Project Implementing Entity to implement its Respective Part of the Project and the related costs of those activities and a budget therefor, and furnish the same to the Recipient, through the Technical Secretariat, no later than October 31 of each year; and
- B. No later than on November 30 of each year, the Recipient, through the Technical Secretariat, shall furnish to the Association for its non objection the AWPBs of each Project Implementing Entity and its own AWPB for the following year.
- C. Thereafter, each Project Implementation Entity shall carry out its Respective Part of the Project during such following year in accordance with such AWPB as shall have been approved by the Association.

**APPENDIX****Section I. Definitions**

1. “AGAIB Centrale” means the *Agence d’Appui aux Initiatives de Base* for the Central region of the Recipient, established pursuant to Law July 1, 1901 and officially registered with the Ministry of Interior under number 0293 on February 27, 2004.
2. “AGAIB Kara” means the *Agence d’Appui aux Initiatives de Base* for the Kara region of the Recipient, established pursuant to Law July 1, 1901 and officially registered with the Ministry of Interior under number 0292 on February 27, 2004.
3. “AGAIB Maritime” means the *Agence d’Appui aux Initiatives de Base* for the Maritime region of the Recipient, established pursuant to Law July 1, 1901 and officially registered with the Ministry of Interior under number 067 on January 22, 1999.
4. “AGAIB Plateaux” means the *Agence d’Appui aux Initiatives de Base* for the *Plateaux* region of the Recipient, established pursuant to Law July 1, 1901 and officially registered with the Ministry of Interior under number 0362 on March 10, 2004.
5. “AGAIB Savanes” means the *Agence d’Appui aux Initiatives de Base* for the *Savanes* region of the Recipient, established pursuant to Law July 1, 1901 and officially registered with the Ministry of Interior under number 066 on January 22, 1999.
6. “Amended Subsidiary Agreement” means, for each Project Implementing Entity, the Subsidiary Agreement concluded between the Recipient and said Project Implementing Entity, as amended pursuant to the provisions of Section I.C of Schedule 2 to this Agreement.
7. “Anti-Corruption Guidelines” means the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 with the modifications set forth in Section III of this Appendix.
8. “AWPB” has the meaning given to such term in Section VII.1.A of Schedule 2 to this Agreement.
9. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.



10. “Consultant Guidelines” means the “Guidelines: Selection and Employment of Consultants by World Bank Borrowers” published by the Bank in May 2004 and revised in October 2006 and May 2010.
11. “Environmental and Social Management Framework” or “ESMF” means the environmental and social management framework document (*Cadre de Gestion Environnementale et Sociale*) of February 2009 (as supplemented by an addendum dated May 19, 2010) adopted by the Recipient and which outlines, *inter alia*, the environmental and social screening process to be followed in identifying, assessing, and mitigating the potential adverse environmental and social impacts and shall be applied by the Recipient in accordance with the provisions of Section I.F of Schedule 2 to the Original Financing Agreement and Section I.D of Schedule 2 to this Agreement.
12. “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.
13. “Ministry of Agriculture, Fishery and Livestock” and “MAFL” each means the *Ministère de l’Agriculture, de l’Élevage et de la Pêche*; and any successor ministry of the Recipient responsible for agriculture
14. “Operating Costs” means the incremental expenses incurred by the Recipient in accordance with annual budgets approved by the Association, on account of Project implementation, management, and monitoring, including for office space rental, utilities, and supplies, bank charges, communications, vehicle operation, maintenance, and insurance, building and equipment maintenance, advertising expenses, travel and supervision, salaries and statutory contributions of contractual and temporary staff, but excluding salaries, fees, *honoraria*, and bonuses of members of the Recipient’s civil service.
15. “Original Financing Agreement” means the financing agreement dated July 16, 2008 (Grant No. H409-TG) between the Recipient and the Association for a Community Development Project, as same was amended on October 23, 2008.
16. “Original Project” means the Project described in the Original Financing Agreement prior to the Effective Date of this Agreement.
17. “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.

18. “Procurement Plan” means the Recipient’s procurement plan for the Project dated May 20, 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.
19. “Project Agreement” means the project agreement entered into between each Project Implementing Entity and the Association, each dated July 16, 2008 (in connection with the Original Financing Agreement; and each Project Agreement also constitutes a “Project Agreement” within the meaning of the General Conditions, for purposes of this Agreement.
20. “Project Decree” means the decree of the Recipient’s Minister of Cooperation, Development, and Regional Planning, number 005/08/MCDAT/CAB, dated June 11, 2008 establishing the Technical Secretariat and specifying its mandates, composition, reporting arrangements, staff and resources.
21. “Project Implementation Manual” (*Manuel d’Exécution*) means the manual adopted by the Recipient on August 18, 2008, pursuant to Section V.5 of Schedule 2 to the Original Financing Agreement, and such term includes any schedules to the Project Implementation Manual.
22. “Project Implementing Entity” means each of AGAIB *Centrale*, AGAIB *Kara*, AGAIB *Maritime*, AGAIB *Plateaux* and AGAIB *Savanes*.
23. “Project Implementing Entity’s Legislation” means the Law of July 1, 1901 and the Decree of August 16, 1901 establishing and governing associations in Togo and the statutes of each of the Project Implementing Entities.
24. “Revised Project Implementation Manual” means the Project Implementation Manual as revised pursuant to Section I.B of Schedule 2 to this Agreement, as the same may be further revised from time to time with the prior approval of the Association.
25. “Small Works” means minor office refurbishment such as painting, plastering and any other small works with the prior written approval of the Association.
26. “Sub-project” means a specific activity under Part A.1 of the Project, financed or proposed to be financed under a Sub-project Grant, in accordance with the criteria set forth in Schedule 2 of the Original Financing Agreement and in the Project Implementation Manual.
27. “Sub-project Grant” means a grant made or proposed to be made out of the proceeds of the Original Financing to finance a Subproject.

28. “Subsidiary Agreement” means the subsidiary agreement entered into between each Project Implementing Entity and the Recipient in connection with the Original Financing Agreement pursuant to Section I.B of Schedule 2 to the Original Financing Agreement.
29. “Technical Secretariat” means the technical secretariat established by the Recipient pursuant to the Project Decree.
30. “TF Additional Financing Agreement” means the grant agreement (FPCR TF Grant No. TF093124) dated October 23, 2008 between the Recipient and the Association, acting as trustee of the Food Price Crisis Response Trust Fund, for the provision of additional financing for the Original Project out of the proceeds of such trust fund.
31. “Training” means the training of persons involved in Project-supported activities, such term including seminars, workshops, and 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 and reproduction of training materials, and other costs directly related to training preparation and implementation.
32. “Village Development Committees” or “VDC” mean *Comité Villageois de Développement*, established by communities within the territory of the Recipient in accordance with guidelines and procedures of the Ministry of Social Affairs and Gender, including the *Comités de Développement de Quartiers*.

## **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 (1) of Section 6.02 is modified to read as follows:

“Section 6.02. *Suspension by the Association*

... (1) *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:

- ( ) 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.”