

OFFICIAL DOCUMENTS



THE WORLD BANK
IBRD • IDA | WORLD BANK GROUP

Guatemala June 24, 2016

Mr. Francisco Ramiro Batzín Chojoj
Executive Director
Asociación Sotz'il
4 Callejón Final 195 Zona 2
Colonia San Rafael
Chimaltenango, Guatemala

Re: REDD+ for Indigenous Peoples in LAC Project
FCPF Grant No. TF0A2446

Dear Sir,

In response to the request for financial assistance made on behalf of *Asociación Sotz'il* ("Recipient"), I am pleased to inform you that the International Bank for Reconstruction and Development/International Development Association ("World Bank"), acting as a Trustee of the Readiness Fund of the Forest Carbon Partnership Facility ("Donors"), agrees to extend to the Recipient for the benefit of the Participating Countries ("Participating Countries"), a grant in an amount not to exceed seven hundred twenty seven thousand six hundred and nine United States Dollars (U.S.\$727,609) ("Grant") on the terms and conditions set forth or referred to in this letter agreement ("Agreement"), which includes the attached Annex, to assist in the financing of the project described in the Annex ("Project").

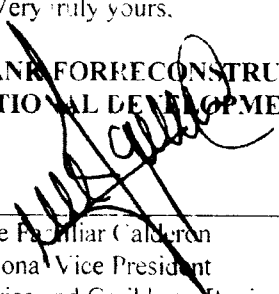
This Grant is funded out of the abovementioned trust fund for which the World Bank receives periodic contributions from the Donors. In accordance with Section 3.02 of the Standard Conditions (as defined in the Annex to this Agreement), the World Bank's payment obligations in connection with this Agreement are limited to the amount of funds made available to it by the Donors under the abovementioned trust fund, and the Recipient's right to withdraw the Grant proceeds is subject to the availability of such funds.

The Recipient represents, by confirming its agreement below, that it is authorized to enter into this Agreement and to carry out the Project in accordance with the terms and conditions set forth or referred to in this Agreement.

Please confirm the Recipient's agreement to the foregoing by having an authorized official of the Recipient sign and date the enclosed copy of this Agreement, and return it to the World Bank.

Very truly yours,

**INTERNATIONAL BANK FOR RECONSTRUCTION AND
DEVELOPMENT/INTERNATIONAL DEVELOPMENT ASSOCIATION**

By: 
Jorge Parrilliar Calderon
Regional Vice President
Latin America and Caribbean Region

AGREED:

ASOCIACIÓN SOTZ'IL

By: 
Authorized Representative

Name: Ramiro Batziñ

Title: Director Ejecutivo

Date: 24-06-2016

Enclosures:

- (1) Standard Conditions for Grants Made by the World Bank Out of Various Funds, dated February 15, 2012.
- (2) Disbursement Letter of the same date as this Agreement, together with World Bank Disbursement Guidelines for Projects, dated May 1, 2006.
- (3) Guidelines for "Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers", dated January 2011 and revised in July 2014.
- (4) Guidelines: "Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers", dated January 2011 and revised in July 2014.
- (5) "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.

Article I
Standard Conditions; Definitions

1.01 **Standard Conditions.** The Standard Conditions for Grants Made by the World Bank out of Various Funds dated February 15, 2012 ("Standard Conditions"), with the modifications set forth in Section I of the Appendix to this Agreement, constitute an integral part of this Agreement.

1.02 **Definitions.** Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Standard Conditions or in this Agreement:

- (a) "Asociación Sotz'il" means, a non-profit organization duly registered, in the Guatemalan public registry of legal entities (*Registro de las Personas Jurídicas de la República de Guatemala*), established and operating with legal personality identification number B3318810.
- (b) "FCPF" means the Forest Carbon Partnership Facility.
- (c) "IP" means the Indigenous Peoples, a social group of people with a distinct social and cultural identity that makes them vulnerable to being disadvantaged in the development process, including the presence in varying degrees of the following characteristics: (i) a close attachment to ancestral territories and to the natural resources in these areas; (ii) self-identification and identification by others as members of a distinct cultural group; (iii) an indigenous language, often different from the national language; (iv) presence of customary social and political institutions; and (v) primarily subsistence oriented production.
- (d) "GRM" means grievance redress mechanism.
- (e) "NGO" means non-governmental organization.
- (f) "Operating Costs" means incremental expenditures incurred on account of Project implementation, as approved by World Bank in writing, including, travel expenditures and other travel-related allowances, equipment rental and maintenance, vehicle operation (including fuel, maintenance and repair); office rental and maintenance, materials and supplies, and utilities, media information campaigns and communications' expenses, but excluding the salaries of the Recipient's permanent staff.
- (g) "Operations Manual" means the manual referred to in Section 2.03(b) of this Agreement as said manual may be updated and/or amended from time to time with the agreement of the World Bank.
- (h) "Participating Countries" means the following Member Countries: Argentina, Belize, Chile, Colombia, Costa Rica, El Salvador, Guatemala, Guyana, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Suriname and Uruguay, or any other country agreed by the World Bank.

- (i) "Performance Indicators" means the indicators acceptable to the World Bank, to be used in the monitoring and evaluation of the Project, as set forth in the Operations Manual.
- (j) "REDD+" means reducing emissions from deforestation and forest degradation, conservation of forest carbon stocks, sustainable management of forest, and enhancement of forest carbon stocks.
- (k) "REDD+ Readiness" refers to a process for putting in place the preconditions necessary to enable REDD+ countries to implement REDD+, in accordance with their respective REDD strategy.
- (l) "Safeguards Policies" means the World Bank's environmental and social safeguards operational policies and procedures (OPs/BPs) 4.01, 4.04, 4.09, 4.10, 4.11, 4.12, 4.36, 4.37, 7.50 and 7.60 set forth in the Association's Operational Manual and applicable to the Project.
- (m) "Secretariat" means the Recipient's Secretariat as referred to in Section 2.03(c)(i) of this Agreement.
- (n) "Sub-grant" means a grant to be made out of the proceeds of the Grant to finance goods, consultant services, non-consultant services, Training and Workshops, for the carrying out of a Subproject, subject to specific terms and conditions set forth in the relevant Sub-grant Agreement.
- (o) "Sub-grant Agreement" means any of the agreements to be entered into by the Recipient and a Targeted Entity pursuant to Section 2.03(d) of this Agreement.
- (p) "Subproject" means a specific set of capacity building and/or awareness raising activities under Part I of the Project, selected according to the eligibility criteria and procedures set forth in this Agreement and the Operations Manual, to be implemented by a Targeted Entity.
- (p) "Targeted Entity" means any NGO and/or IP organization/network, from any Participating Country and selected in accordance with the selection criteria and mechanisms set forth in the Operations Manual to participate in the Project activities.
- (q) "Technical Advisory Committee or TAC" means the committee referred to in 2.03(c)(ii) of this Agreement.
- (r) "Training and Workshops" means the reasonable costs, as shall have been approved by the World Bank, for training and workshops conducted under the Project, including tuition, travel and subsistence costs for training and workshop participants, costs associated with securing the services of trainers and workshop speakers, rental of training and workshop facilities, preparation and reproduction of training and workshop materials, and other costs directly related to training course and workshop preparation and implementation (but excluding consultants' services).

Article II Project Execution

2.01. *Project Objectives and Description.* The objective of the Project is to strengthen (a) targeted forest-dependent indigenous peoples' knowledge of REDD+ Readiness at the national level, and (b) related knowledge exchange at the regional level in Central and South America. The Project consists of the following parts

Part 1. National Capacity Building and Awareness Raising

Carrying out of capacity building and awareness raising activities for Targeted Entities in Participating Countries, including, *inter alia*:

- (a) development of knowledge products, including reports, studies and learning materials for the use of Targeted Entities;
- (b) provision of Sub-grants to selected Targeted Entities for the implementation of Subprojects; and
- (c) carrying out Workshops in Participating Countries, to promote Targeted Entities dialog and engagement between each other and among relevant REDD+ stakeholders (including FCPF IP entities) in a given Participating Country.

Part 2. Regional Exchange and Sharing Lessons Learned

Design and implementation of regional information exchange and knowledge sharing activities with Targeted Entities, including, through:

- (a) design of and implementing a training and certification program on IPs, forests and REDD+, for IP leaders, technicians and negotiators, and
- (b) carrying out of sub-regional workshops aimed at, *inter alia* (i) disseminating REDD+ knowledge products, including those developed under Part 1(a) of the Project; (ii) sharing lessons learned, good practices and recommendations from activities under Part 1(b) and (c) above; (iii) discussing challenges and good practices related to women and youth participation and representation in REDD+ processes; and (iv) sharing experiences among IP organizations on their engagements in REDD+ processes
- (c) development and dissemination of existing and new REDD+ knowledge products, and communication of lessons learned/good practices under Part 1 of the Project to the wider IP audience

Part 3: Management, Monitoring and Evaluation and Reporting

Provision of support for the implementation, monitoring and evaluation of the Project activities, including, *inter alia*, the carrying out of Project audits and the operation of the feedback mechanisms, including the GRM.

2.02. **Project Execution Generally.** (a) The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out the Project in accordance with the provisions of (a) Article II of the Standard Conditions, (b) 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 ("Anti-Corruption Guidelines"), and (c) this Article II

2.03 **Institutional and Other Arrangements.**

(a) **Participating Country's Non-objection:** Prior to the initiation of the Project activities in each Participating Country, the Recipient shall request and obtain a non-objection from said Participating Country to implement the Project activities in its territory, in a manner satisfactory to the World Bank.

(b) **Operations Manual:** (i) The Recipient shall carry out the Project in accordance with a manual (the "Operations Manual"), satisfactory to the World Bank, setting forth, *inter alia* (A) a detailed description of the Project activities, (B) the administrative, financial, accounting, auditing, procurement and disbursement procedures for the implementation of the Project, including the relevant standard documents and the Procurement Plan, (C) the plan for the monitoring, evaluation and supervision of the Project, including the Performance Indicators; (D) the criteria and procedures for the selection and approval of Subprojects, (E) the criteria for identification and selection of Targeted Entities; (F) the procedures for the provision of Sub-grants, and (G) the rules and procedures of the GRM.

(ii) Except as the World Bank shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive the Project Operations Manual, or any provision thereof. In case of any conflict between the terms of the Operations Manual and those of this Agreement, the terms of this Agreement shall prevail.

(c) **Institutional Arrangements**

(i) The Recipient shall establish and thereafter operate and maintain at all times during Project implementation, a Secretariat with professional staff in adequate numbers and with terms of reference, qualifications and functions acceptable to the World Bank, to perform all Project related functions including, *inter alia*, procurement and financial management

(ii) No later than ninety (90) days after the Effective Date of this Agreement, the Recipient shall establish a Technical Advisory Committee (TAC), with members in adequate numbers and with terms of reference, qualifications and functions acceptable to the World Bank, to provide technical support to the Recipient in the implementation of the Project

(iii) The Recipient shall establish, and thereafter, operate and maintain at all times during the implementation of the Project, a GRM, to address grievances related to the implementation of the Project

(d) **Sub-grants**

(i) Upon approval of a given Subproject by the Recipient, and prior to the provision of a Sub-grant, the Recipient shall enter into an agreement with the corresponding

Targeted Entity (the "Sub-grant Agreement") under terms and conditions acceptable to the World Bank, including, *inter alia*

- (A) the obligation of the Recipient to make available, on a grant basis, part of the proceeds of the Grant (the "Sub-grant") for the implementation of a given Subproject to the corresponding Targeted Entity;
- (B) the right of the Recipient to take remedial actions against the pertinent Targeted Entity in case said Targeted Entity shall have failed to comply with any of its obligations under the pertinent Sub-grant Agreement in respect of any Subproject, which actions may include, *inter alia*, the partial or total suspension and/or cancellation of the proceeds of the Sub-grant (as the case may be), and
- (C) the obligation of the Targeted Entity to
 - (1) implement the corresponding Subproject with due diligence and efficiency and in accordance with the provisions of the Sub-grant Agreement, and the applicable provisions of this Agreement and the Operations Manual;
 - (2) procure goods, non-consultant services, Training and Workshops, and/or consultant services, as the case may be, in accordance with the provisions of Section 2.08 of this Agreement;
 - (3) maintain adequate records and accounts, and make available such documentation to the Recipient and the World Bank, and any other information that the Recipient may request in order to comply with its obligations under Section 2.05 of this Agreement;
 - (4) maintain policies and procedures adequate to enable monitoring and evaluation of the progress of the implementation of the Subproject and the achievement of its objective in accordance with the Performance Indicators;
 - (5) use the Sub-grant exclusively for the purposes of the Subproject;
 - (6) comply with the provision of the Anti-corruption Guidelines and the applicable Safeguard Policies in connection with the carrying out of the Subproject;
 - (7) enable the Recipient and the World Bank to inspect the Subproject, its operation and any relevant records and documents, and prepare and furnish to the Recipient and the World Bank all such information as the Recipient or the World Bank shall reasonably request relating to the Subproject;
 - (8) take or permit to be taken all actions to enable the Recipient to comply with its obligations referred to in the Sub-grant Agreement and this Agreement

(ii) The Recipient shall exercise its rights and carry out its obligations under each Sub-grant Agreement in such manner as to protect the interest of the Recipient and the World Bank and to accomplish the purposes and objectives of the Grant. Except as the World Bank may otherwise agree, the Recipient shall not amend, assign, waive or fail to enforce any Sub-grant Agreement or any provision thereof. In case of any conflict between the terms of any Sub-grant Agreement and those of this Agreement, the terms of this Agreement shall prevail.

2.04 Donor Visibility and Visit. (a) The Recipient shall take or cause to be taken all such measures as the World Bank may reasonably request to identify publicly the Donor's support for the Project.

(b) For the purposes of Section 2.09 of the Standard Conditions, the Recipient shall, upon the World Bank's request, take all measures required on its part to enable the representatives of the Donor to visit any part of the Participating Countries territory for purposes related to the Project.

2.05 Documents; Records.

In addition and without limitation to the obligations set forth in Section 2.05 of the Standard Conditions, the Recipient shall ensure that:

(a) all records evidencing expenditures under the Project are retained for seven (7) years and six (6) months after the Closing Date, such records to include (i) this Agreement, all addenda thereof, and any amendments thereto; (ii) the Recipient's financial and narrative progress reports submitted to the World Bank; (iii) the Recipient's financial information related to the Grant, including audit reports, invoices and payroll records; (iv) the Recipient's implementation documentation (including sub-agreements, procurement files, contracts, purchase orders); and (v) the corresponding supporting evidence referred to in Section 3.04 of the Standard Conditions; and

(b) the representatives of the World Bank are: (i) able to examine all records referred to above in paragraph (a); (ii) provided with all such information concerning such records as they may from time to time reasonably request, and (iii) able to disclose such records and information to the Donor.

2.06. Project Monitoring, Reporting and Evaluation. (a) The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of the indicators acceptable to the World Bank. Each Project Report shall cover the period of one (1) calendar quarter, and shall be furnished to the World Bank not later than one (1) month after the end of the period covered by such report.

(b) The Recipient shall prepare the Completion Report in accordance with the provisions of Section 2.06 of the Standard Conditions. The Completion Report shall be furnished to the World Bank not later than six (6) months after the Closing Date.

2.07. Financial Management. (a) The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.

(b) The Recipient shall ensure that interim unaudited financial reports for the Project are prepared and furnished to the World Bank as part of the Project Report not later than one (1) month after the end of each calendar semester, covering the semester in form and substance satisfactory to the World Bank

(c) The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Such audit of the Financial Statements shall cover the entire period during which withdrawals from the Grant Account were made. The audited Financial Statements for such period shall be furnished to the World Bank not later than six (6) months after the end of such period

2.08 *Procurement*

(a) General. All goods, non-consulting services and consultants' services required for the Project and to be financed out of the proceeds of the Grant shall be procured in accordance with the requirements set forth or referred to in:

(i) Section I of the "Guidelines: Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated January 2011 (revised July 2014) ("Procurement Guidelines"), in the case of goods and non-consulting services.

(ii) Sections I and IV of the "Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated January 2011 (revised July 2014) ("Consultant Guidelines") in the case of consultants' services, and

(iii) the provisions of this Section, as the same shall be elaborated in the procurement plan prepared and updated from time to time by the Recipient for the Project in accordance with paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines ("Procurement Plan")

(b) Definitions. The capitalized terms used in the following paragraphs of this Section to describe particular procurement methods or methods of review by the World Bank of particular contracts, refer to the corresponding method described in Sections II and III of the Procurement Guidelines, or Sections II, III, IV and V of the Consultant Guidelines, as the case may be

(c) Particular Methods of Procurement of Goods and Non-consulting Services

(i) Except as otherwise provided in sub-paragraph (ii) below, goods, and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding

(ii) The following methods, other than International Competitive Bidding, may be used for procurement of goods, and non-consulting services for those contracts which are specified in the Procurement Plan: (A) Shopping, (B) Direct Contracting, and (C) National Competitive Bidding

(d) Particular Methods of Procurement of Consultants' Services

(i) Except as otherwise provided in item (ii) below, consultants' services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection

(ii) The following methods, other than Quality- and Cost-based Selection, may be used for the procurement of consultants' services for those assignments which are specified in the Procurement Plan: (A) Quality-based Selection, (B) Selection under a Fixed Budget, (C) Least Cost Selection, (D) Selection based on Consultants' Qualifications, (E) Single-source Selection of consulting firms; (F) Selection of Individual Consultants; and (G) Single-source procedures for the Selection of Individual Consultants

(e) Review by the World Bank of Procurement Decisions The Procurement Plan shall set forth those contracts which shall be subject to the World Bank's Prior Review. All other contracts shall be subject to Post Review by the World Bank

(f) Document Retention. Notwithstanding the provisions of paragraphs 2(j) and 5 of Appendix 1 to the Procurement Guidelines, and paragraphs 2(k) and 5 of Appendix 1 to the Consultant Guidelines, the Recipient: (i) shall retain all documentation with respect to each contract as described in said paragraphs for at least seven (7) years and six (6) months after the Closing Date set forth in Section 3.03 of this Agreement, (ii) shall furnish such documentation to the World Bank at any time upon request, and (iii) hereby authorizes the World Bank to disclose such documentation to the Donor

Article III Withdrawal of Grant Proceeds

3.01. **Eligible Expenditures.** The Recipient may withdraw the proceeds of the Grant, in accordance with the provisions of: (a) Article III of the Standard Conditions, (b) this Section, and (c) such additional instructions as the World Bank may specify by notice to the Recipient (including the "World Bank Disbursement Guidelines for Projects" dated May 2006, as revised from time to time by the World Bank and as made applicable to this Agreement pursuant to such instructions), to finance 100% of Eligible Expenditures consisting of goods, non-consulting services and consultants' services, Training and Workshops, Operating Costs and Sub-grants under the Project, inclusive of Taxes.

3.02. **Withdrawal Conditions.** Notwithstanding the provisions of Section 3.01 of this Agreement, no withdrawal shall be made for payments made prior to the date of this Agreement.

3.03. **Withdrawal Period.** The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is June 30, 2018.

Article IV Additional Remedies

4.01. **Additional Events of Suspension.** The Additional Events of Suspension referred to in Section 4.02 (k) of the Standard Conditions consist of the following:

(a) Any Participating Country has taken or permitted to be taken any action which would prevent or interfere with the performance by the Recipient of its obligations under this Agreement.

(b) The World Bank has determined after the Effective Date that prior to such date but after the date of this Agreement, an event has occurred which would have entitled the World Bank to suspend the Recipient's right to make withdrawals from the Grant Account if this Agreement had been effective on the date such event occurred

Article V
Effectiveness; Termination

5.01 This Agreement shall not become effective until evidence satisfactory to the World Bank has been furnished to the World Bank that the conditions specified below have been satisfied.

(a) The Operations Manual referred to in Section 2.03(b) of the Annex has been adopted by the Recipient in a manner satisfactory to the World Bank

(b) The GRM referred to in Section 2.03(c)(iii) has been established in a manner satisfactory to the World Bank

Article VI
Recipient's Representative; Addresses

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

6.02 *Recipient's Address* The Recipient's Address referred to in Section 7.01 of the Standard Conditions is:

4 Callejón Final 195 Zona 2
Colonia San Rafael
Chimaltenango,
Guatemala

Telephone: (502) 78394477

Fax: (502) 78394477

6.03. *World Bank's Address* The World Bank's Address referred to in Section 7.01 of the Standard Conditions is:

International Bank for Reconstruction and Development/
International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Telex

Facsimile:

248423 (MCI) or
64145 (MCI)

1-202-477-6391

APPENDIX

Modifications to the Standard Conditions

The Standard Conditions are modified as follows.

- 1 Paragraph 17 of the Appendix (Definitions) is modified to read as follows.

“17 “Member Country” means a member of the World Bank in whose territory the Project is carried out or any of such member’s political or administrative subdivisions, and refers separately to each such member.”

- 2 Section 3.07 is modified to read as follows.

“Section 3.07. *Financing Taxes*

(a) The Grant Agreement may specify that the proceeds of the Grant may not be withdrawn to pay for Taxes levied by, or in the territory of, a Member Country on or in respect of Eligible Expenditures, or on their importation, manufacture, procurement or supply. In such case, if the amount of any such Taxes decreases or increases, the World Bank may, by notice to the Recipient, adjust the percentage of such Eligible Expenditures to be financed out of the proceeds of the Grant specified in the Grant Agreement, as required to ensure consistency with such limitation on withdrawals.”

- 3 Section 4.02 is amended as follows

(i) Paragraph (a) is amended to read as follows:

“(a) *Interference*. If the Grant has been made to a Recipient which is not the Member Country, a Member Country has: (i) 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 Grant Agreement, or (ii) failed to afford a reasonable opportunity for representatives of the World Bank to visit any part of its territory for purposes related to the Grant or the Project.”

(ii) Paragraphs (c) and (d) are amended to read as follows

“(c) *Fraud and Corruption*. At any time, the World Bank determines that any representative of the Recipient (or any Member Country, if the Recipient is not the Member Country, or any other recipient of any of the proceeds of the Grant) has engaged in corrupt, fraudulent, coercive or collusive practices in connection with the use of the proceeds of the Grant, without the Recipient (or any such Member Country or any other

such recipient) having taken timely and appropriate action satisfactory to the World Bank to address such practices when they occur

(d) *Cross Suspension* IBRD or IDA has suspended in whole or in part the right of the Recipient (or of any Member Country, if the Recipient is not the Member Country) to make withdrawals under any agreement with IBRD or with IDA because of a failure by the Recipient (or by any such Member Country) to perform any of its obligations under such agreement or any other agreement with IBRD or IDA.

(iii) Paragraph (h) is amended to read as follows:

“(h) *Membership* A Member Country (i) has been suspended from membership in or ceased to be a member of IBRD or of IDA, or (ii) has ceased to be a member of the International Monetary Fund.”

(iv) The first sentence of paragraph (i) is amended to read as follows:

“(i) *Condition of Recipient*: If the Grant has been made to a Recipient which is not a Member Country.”

(v) Paragraph (j) is amended to read as follows:

“(j) *Ineligibility*. IBRD or IDA has declared the Recipient (other than a Member Country) ineligible to receive proceeds of any financing made by IBRD or IDA or otherwise to participate in the preparation or implementation of any project financed in whole or in part by IBRD or IDA, as a result of: (i) a determination by IBRD or IDA that the Recipient has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of any financing made by IBRD or IDA; and/or (ii) a declaration by another financier that the Recipient is ineligible to receive proceeds of any financing 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 Recipient has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of any financing made by such financier.”

4 Paragraph (c) of Section 4.03 is modified to read as follows

“(c) *Fraud and Corruption*. At any time, the World Bank determines, with respect to any amount of the proceeds of the Grant, that corrupt, fraudulent, collusive or coercive practices were engaged in by representatives of the Recipient (or any Member Country, if the Recipient is not a Member Country, or any other recipient of the proceeds of the Grant), without the Recipient (or any such Member Country or other recipient of the proceeds of the Grant) having taken timely and appropriate action satisfactory to the World Bank to address such practices when they occur.”

5 Paragraph (a)(ii) of Section 4.05 is modified to read as follows

“(ii) (A) engaging in corrupt, fraudulent, collusive or coercive practices in connection with the use of such amount, or (B) use of such amount to finance a contract during the procurement or execution of which such practices were engaged in by representatives of the Recipient (or any Member Country, if the Recipient is not a

Member Country, or other recipient of such amount of the Grant), in either case without the Recipient (or any such Member Country, or other such recipient) having taken timely and appropriate action satisfactory to the World Bank to address such practices when they occur.”

6 Paragraph (j) of Section 5.03 is modified to read as follows

“(j) If, within thirty days after counterparts of the award have been delivered to the parties, the award has not been complied with, any party may: (i) enter judgment upon, or institute a proceeding to enforce, the award in any court of competent jurisdiction against any other party; (ii) enforce such judgment by execution; or (iii) pursue any other appropriate remedy against such other party for the enforcement of the award and the provisions of the Grant Agreement. Notwithstanding the foregoing, if the Recipient is the Member Country, this Section shall not authorize any entry of judgment or enforcement of the award against the Recipient except as such procedure may be available otherwise than by reason of the provisions of this Section.”