

CONFORMED COPY

LOAN NUMBER 7641-MU

Loan Agreement

(Economic Transition Technical Assistance Project)

between

REPUBLIC OF MAURITIUS

and

**INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT**

Dated February 16, 2009

LOAN NUMBER 7641-MU

LOAN AGREEMENT

Agreement dated February 16, 2009, between the REPUBLIC OF MAURITIUS (“Borrower”) and the INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (“Bank”). The Borrower and the Bank 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 — LOAN

- 2.01. The Bank agrees to lend to the Borrower, on the terms and conditions set forth or referred to in this Agreement, the amount of eighteen million Dollars (\$18,000,000), as such amount may be converted from time to time through a Currency Conversion in accordance with the provisions of Section 2.07 of this Agreement (“Loan”) to assist in financing the project described in Schedule 1 to this Agreement (“Project”).
- 2.02. The Borrower may withdraw the proceeds of the Loan in accordance with Section IV of Schedule 2 to this Agreement. The Borrower’s Representative for purposes of taking any action required or permitted to be taken pursuant to this Section is the Minister of Finance and Economic Empowerment.
- 2.03. The Front-end Fee payable by the Borrower shall be equal to one quarter of one percent (0.25%) of the Loan amount.
- 2.04. The interest payable by the Borrower for each Interest Period shall be at a rate equal to LIBOR for the Loan Currency plus the Variable Spread; provided, that upon a Conversion of all or any portion of the principal amount of the Loan, the interest payable by the Borrower during the Conversion Period on such amount shall be determined in accordance with the relevant provisions of Article IV of the General Conditions. Notwithstanding the foregoing, if any amount of the Withdrawn Loan Balance remains unpaid when due and such non-payment continues for a period of thirty days, then the interest payable by the Borrower shall instead be calculated as provided in Section 3.02 (d) of the General Conditions.

- 2.05. The Payment Dates are February 15 and August 15 in each year.
- 2.06. The principal amount of the Loan shall be repaid in accordance with the amortization schedule set forth in Schedule 3 to this Agreement.
- 2.07. (a) The Borrower may at any time request any of the following Conversions of the terms of the Loan in order to facilitate prudent debt management: (i) a change of the Loan Currency of all or any portion of the principal amount of the Loan, withdrawn or unwithdrawn, to an Approved Currency; and (ii) a change of the interest rate basis applicable to all or any portion of the principal amount of the Loan withdrawn and outstanding from a Variable Rate to a Fixed Rate, or vice versa.
- (b) Any conversion requested pursuant to paragraph (a) of this Section that is accepted by the Bank shall be considered a “Conversion”, as defined in the General Conditions, and shall be effected in accordance with the provisions of Article IV of the General Conditions and of the Conversion Guidelines.

ARTICLE III — PROJECT

- 3.01. The Borrower declares its commitment to the objectives of the Project. To this end, the Borrower shall carry out the Project in accordance with the provisions of Article V of the General Conditions.
- 3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Borrower and the Bank shall otherwise agree, the Borrower shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV — EFFECTIVENESS; TERMINATION

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

ARTICLE V — REPRESENTATIVE; ADDRESSES

5.01. The Borrower's Representative is the Minister of Finance and Economic Empowerment.

5.02. The Borrower's Address is:

Ministry of Finance and Economic Empowerment
Government House
Port Louis
Mauritius

Cable:	Telex:	Facsimile:
MINFIN Port Louis	4247 EXTERN IW	(230) 213 6450

5.03. The Bank's Address is:

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

Cable address:	Telex:	Facsimile:
INTBAFRAD Washington, D.C.	248423(MCI) or 64145(MCI)	1-202-477-6391

AGREED at Port Louis, Republic of Mauritius, as of the day and year first above written.

REPUBLIC OF MAURITIUS

By: /s/ Ramakrishna Sithanen

Authorized Representative

**INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT**

By: /s/ Ruth Kagia

Authorized Representative

SCHEDULE 1

Project Description

The objective of the Project is to improve the performance of selected public enterprises and services that contribute to an improved investment climate in Mauritius.

The Project consists of the following parts:

Part 1. Business Facilitation

1.A. *Simplifying Business Licensing Procedures.* (i) Design and implementation of a program to streamline the business licensing regime in Mauritius. (ii) Development of an information technology infrastructure to enhance efficiency of the business licensing system, and an information technology based business registration system. (iii) Creation of a national database of business licenses. (iv) Mapping of the re-engineered business licensing processes and workflow systems to allow online submission and processing of applications for business licenses. (v) Development of an effective ex-post control program across line ministries to verify compliance with established business licensing guidelines. (vi) Carrying out of related outreach seminars to public service officials and the business community.

1.B. *Improving Access to Commercial Justice.* Establishment and operation of a dedicated commercial division of the Supreme Court and mediation services, including: (i) installation of information systems to provide efficient case and mediation services management; (ii) carrying out of a systematic training needs assessment for judges and other officials of the Commercial Division of the Supreme Court; (iii) provision of relevant training and study tours to the said judges and officials, and training to other officers and mediators that support commercial courts; and (iv) provision of commercial law reports, including specialized reports on intellectual property and building contracts, for the commercial division of the Supreme Court.

1.C. *Improving Land Title Registration Services.* Improvement of the land registries' effectiveness in facilitating the registration and securitization of land based assets through training and technical assistance to the Registrar General's Office to reengineer and computerize the registration process for immovable property and to set up an online registry for collaterals.

1.D. *Extending Coverage of the Credit Reference Bureau.* Provision of technical assistance to the Bank of Mauritius ("BoM") to: (i) determine an appropriate business model for information collection and sharing between BoM, lenders, private credit rating bureaus and borrowers; (ii) create an appropriate licensing and regulatory framework for private credit bureaus; (iii) consider options for upgrading or replacing the information technology platform to facilitate the gathering, processing and distribution of

credit information to include banks and other sectors; and (iv) train Credit Information Bureau officers, including provision of study tours to countries that have the same model of credit bureaus.

1.E. *Streamlining the Legal Framework for Business.* (i) Carrying out of a comprehensive census and study of the business, economic and trade laws of Mauritius. (ii) Provision of technical assistance for drafting of identified priority legislation and legislative amendments that impact the business environment of Mauritius. (iii) Strengthening the capacity of the Attorney General's Office to draft legislation through provision of training for its officers. (iv) Establishment of a specialized library on legislative drafting and business and trade law in the Attorney General's Office.

Part 2. Public Enterprise Reform

2.A. *Support for the Public Enterprise Reform Unit and Cross-Cutting Reforms.*

(i) Design and implementation of a public enterprise management and information and tracking system by: (a) carrying out an information availability and needs assessment, and designing an information and reporting system, including linkage with other information systems of the Ministry of Finance and Economic Empowerment ("MoFEE"), sector ministries and parastatals; (b) acquiring related software and hardware for such system; and (c) providing related training to the Public Enterprise Reform Unit ("PERU") staff.

(ii) Provision of technical assistance to MoFEE and to the public utilities, agro-industry, industry and commerce, and social services technical working groups to design and implement a comprehensive five year parastatal reform strategy and action plan.

(iii) Provision of training to PERU staff in public enterprise diagnostics and implementation of reform programs at sector and enterprise levels, including staff exchange arrangements with similar units in other countries that have implemented such reforms.

(iv) Provision of technical assistance in cross-cutting aspects of the parastatal reform program, including corporate governance reforms, design of performance management systems for parastatals, treasury management, mergers, rationalizations and divestments, and design and implementation of public information and outreach strategies and of social mitigation strategies.

2.B. *Support for Sector and Enterprise Level Reforms.* (i) Improvement of parastatal monitoring information systems, through the provision of related hardware and software and training, at the line ministry level. (ii) Provision of technical assistance to

sector working groups and public enterprises to prepare and implement enterprise level restructuring programs, reform action plans and interventions.

2.C. *Support for the Establishment of the Competition Commission.* (i) Design, establishment and implementation of the new Competition Commission. (ii) Development of the Competition Commission's operational strategies and methodologies. (iii) Carrying out of a program to develop the capacity of the Competition Commission and other parties, such as judges, legal practitioners and public officials, involved with the implementation of competition law and policies. (iv) Provision of training, including staff exchanges and twinning arrangements with similar bodies in other countries. (v) Provision of information technology support to the Competition Commission. (vi) Devising and execution of an advocacy and public outreach program to communicate the implications of the Competition Act 2007 and related policies.

Part 3. Utility Regulation and Public Private Partnerships

3.A. *Strengthening the Institutional Framework for Public Private Partnerships.* Provision of technical assistance to the Public Private Partnership Unit ("PPP Unit") to: (i) prepare a pipeline of public private partnership ("PPP") projects; (ii) provide in-house training to PPP Unit staff on appropriate PPP development strategies; (iii) structure PPP transactions; (iv) prepare a ten-year infrastructure development plan; (v) assist Contracting Authorities to identify private investors; (vi) implement a specialized information technology system in the PPP Unit; (vii) provide training to the public and relevant stakeholders on the preparation and promotion of PPP projects; and (viii) assess, and conduct related stakeholder consultations on, enhancements of the legal and institutional framework for PPPs in Mauritius. Provision of training, including study tours, to PPP Unit staff.

3.B. *Establishing the Utility Regulation Authority.* (i) Establishment of reporting and monitoring systems for the Utility Regulation Authority. (ii) Provision of information technology investments to build the Utility Regulation Authority's capacity to carry out its mandate. (iii) Provision of training, including study tours, to the Utility Regulation Authority staff.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. The Borrower shall maintain until the completion of the Project:
 - (a) PERU to (i) carry out the procurement, financial management and monitoring and evaluation responsibilities of the Project, (ii) initiate the baseline data collection for each of the Project performance indicators referred to in Section II.A.1 of this Schedule, in collaboration with the designated focal points referred to in Part A.3 of this Section (“Focal Points”), and (iii) serve as coordinator for the overall Project, including to consolidate the progress reports and inputs received from the Focal Points, and to provide the consolidated, periodic reports to the Project Coordinating Committee, referred to in Part A.1(b) of this Section, for review; and
 - (b) a Project Coordinating Committee, chaired by a Director of MoFEE and comprising the Focal Points and a representative from the private sector, to (i) provide strategic guidance on, and oversight of, the overall reform process undertaken under the Project, (ii) approve annual Project work programs and budgets, (iii) review and clear all Project progress reports prepared by PERU, including reviewing and clearing all Project reports specified in Section II of this Schedule, before furnishing them to the Bank, and (iv) address any major problems affecting Project implementation.
2. The Borrower shall carry out:
 - (a) Part 1 of the Project through the Board of Investment;
 - (b) Parts 2.A and 2.B of the Project through PERU;
 - (c) Part 2.C of the Project through the Ministry of Business, Enterprise and Cooperatives;
 - (d) Part 3.A of the Project through the PPP Unit; and
 - (e) Part 3.B of the Project through the Ministry of Renewable Energy and Public Utilities.

3. The Borrower shall ensure that the individual executing agencies referred to in Part A.2 of this Section, and the other agencies benefitting from the Project, specifically the Supreme Court, Registrar General's Office, Bank of Mauritius and Attorney General's Office, maintain Focal Points, who will be designated respectively by the head of each agency. Each Focal Point shall be responsible for: (a) the day-to-day implementation of the activities under the respective parts of the Project, including (i) managing the technical aspects of the Project activities, (ii) preparing the terms of reference for, and supervising, the relevant consultants, and (iii) coordinating with government agencies; (b) the programming of the annual plans and budget for the relevant Project activities; (c) the monitoring and reporting of the relevant Project activities; and (d) the related public relations.
4. Without limitation to the provisions of Article V of the General Conditions, the Recipient shall ensure that:
 - (a) the Project is carried out in accordance with the Project Implementation Manual, including the financial management and procurement arrangements satisfactory to the Bank; and
 - (b) the Project Implementation Manual or any part thereof is not amended, waived, suspended or abrogated without the Bank's prior written concurrence, and in case of any inconsistency between the provisions of the Project Implementation Manual and those of this Agreement, the provisions of this Agreement shall prevail.

B. Anti-Corruption

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

Section II. Project Monitoring Reporting and Evaluation

A. Project Reports

1. The Borrower shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 5.08 of the General Conditions and on the basis of the indicators agreed with the Bank. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the Bank not later than one month after the end of the period covered by such report.

2. For purposes of Section 5.08 (c) of the General Conditions, the report on the execution of the Project and related plan required pursuant to that Section shall be furnished to the Bank not later than six months after the Closing Date.

B. Financial Management, Financial Reports and Audits

1. The Borrower shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 5.09 of the General Conditions.
2. Without limitation on the provisions of Part A of this Section, the Borrower shall prepare and furnish to the Bank not later than 45 days after the end of each calendar quarter, interim unaudited financial reports for the Project covering the quarter, in form and substance satisfactory to the Bank.
3. The Borrower shall have its Financial Statements audited in accordance with the provisions of Section 5.09 (b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one fiscal year of the Borrower. The audited Financial Statements for each such period shall be furnished to the Bank not later than six months after the end of such period.

Section III. Procurement

A. General

1. **Goods.** All goods required for the Project and to be financed out of the proceeds of the Loan shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Section.
2. **Consultants' Services.** All consultants' services required for the Project and to be financed out of the proceeds of the Loan shall be procured in accordance with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines and with the provisions of this Section.
3. **Definitions.** The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Bank of particular contracts refer to the corresponding method described in the Procurement Guidelines, or Consultant Guidelines, as the case may be.

B. Particular Methods of Procurement of Goods

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods shall be procured under contracts awarded on the basis of International Competitive Bidding.
2. **Other Methods of Procurement of Goods.** The following table specifies the methods of procurement, other than International Competitive Bidding, which may be used for goods. The Procurement Plan shall specify the circumstances under which such methods may be used.

<u>Procurement Method</u>
(a) National Competitive Bidding
(b) Shopping

C. Particular Methods of Procurement of Consultants' Services

1. **Quality- and Cost-based Selection.** Except as otherwise provided in paragraph 2 below, consultants' services shall be procured under contracts awarded on the basis of Quality and Cost-based Selection.
2. **Other Methods of Procurement of Consultants' Services.** The following table specifies the methods of procurement, other than Quality and Cost-based Selection, which may be used for consultants' services. The Procurement Plan shall specify the circumstances under which such methods may be used.

<u>Procurement Method</u>
(a) Selection under a Fixed Budget
(b) Least Cost Selection
(c) Selection based on Consultants' Qualifications
(d) Single Source Selection

D. Review by the Bank of Procurement Decisions

The Procurement Plan shall set forth those contracts which shall be subject to the Bank's Prior Review. All other contracts shall be subject to Post Review by the Bank.

Section IV. Withdrawal of Loan Proceeds**A. General**

1. The Borrower may withdraw the proceeds of the Loan in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Bank shall specify by notice to the Borrower (including the "World Bank Disbursement Guidelines for Projects")

dated May 2006, as revised from time to time by the 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 Loan (“Category”), the allocation of the amounts of the Loan to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category.

Category	Amount of the Loan Allocated (expressed in USD)	Percentage of Expenditures to be financed (inclusive of Taxes)
(1) Goods, consultants’ services and training for the Project	17,955,000	100%
(2) Front-end Fee	45,000	Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.07 (b) of the General Conditions
TOTAL AMOUNT	18,000,000	

3. For the purposes of this Schedule, the term “training” means reasonable expenditure directly related to the provision of training, including twinning arrangements, staff exchanges, study tours and outreach seminars, under the Project.

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for payments made prior to the date of this Agreement, except that withdrawals up to an aggregate amount not to exceed \$600,000 equivalent may be made for payments made prior to this date but on or after November 1, 2008, for Eligible Expenditures.
2. The Closing Date is September 30, 2014.

SCHEDULE 3

1. Subject to the provisions of paragraph 2 of this Schedule, the Borrower shall repay each Disbursed Amount in semiannual installments payable on each February 15 and August 15, the first installment to be payable on the eleventh (11th) Interest Payment Date following the Maturity Fixing Date for the Disbursed Amount and the last installment to be payable on the thirtieth (30th) Interest Payment Date following the Maturity Fixing Date for the Disbursed Amount. Each installment except for the last one shall be equal to one-twentieth (1/20) of the Disbursed Amount. The last installment shall be equal to the remaining outstanding amount of the Disbursed Amount.
2. If any one or more installments of principal of the Disbursed Amount would, pursuant to the provisions of paragraph 1 of this Schedule, be payable after February 15, 2029, the Borrower shall also pay on such date the aggregate amount of all such installments.
3. The Bank shall notify the Loan Parties of the amortization schedule for each Disbursed Amount promptly after the Maturity Fixing Date for the Disbursed Amount.
4. Notwithstanding the provisions of paragraphs 1 through 3 of this Schedule, in the event of a Currency Conversion of all or any portion of a Disbursed Amount to an Approved Currency, the amount so converted in the Approved Currency that is repayable on any Principal Payment Date occurring during the Conversion Period, shall be determined by the Bank by multiplying such amount in its currency of denomination immediately prior to the Conversion by either: (i) the exchange rate that reflects the amounts of principal in the Approved Currency payable by the Bank under the Currency Hedge Transaction relating to the Conversion; or (ii) if the Bank so determines in accordance with the Conversion Guidelines, the exchange rate component of the Screen Rate.
5. If the Withdrawn Loan Balance is denominated in more than one Loan Currency, the provisions of this Schedule shall apply separately to the amount denominated in each Loan Currency.

APPENDIX**Section I. Definitions**

1. “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.
2. “Attorney General’s Office” means the office of the Attorney General, who is the principal legal adviser to the Government of Mauritius, as established under the Constitution of Mauritius.
3. “Bank of Mauritius Act 2004” means the Act No. 34 published in the Government Gazette of Mauritius No. 98 of 14 October 2004.
4. “BoI” means the Board of Investment, which operates under the aegis of MoFEE (as defined herein) and was established under the Investment Promotion Act 2000 (as defined herein).
5. “BoM” means the Bank of Mauritius as defined in Bank of Mauritius Act 2004 (as defined herein).
6. “Category” means a category set forth in the table in Section IV of Schedule 4 to this Agreement.
7. “Competition Act 2007” means the Act No. 25 of 2007 published in the Government Gazette of Mauritius No. 119 of 22 December 2007.
8. “Competition Commission” means the commission established by the Competition Act 2007 (as defined herein).
9. “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.
10. “Contracting Authority” means any of the Borrower’s ministries, government departments, local authorities or statutory corporations, as the term is defined in the Public-Private Partnership Act 2004 (as defined herein).
11. “Credit Information Bureau” means the bureau established by the Bank of Mauritius Act 2004 (as defined herein).
12. “Director” means a director of MoFEE (as defined herein).

13. “Focal Points” means the focal points described in Section I.A.3 of Schedule 2 to this Agreement.
14. “General Conditions” means the “International Bank for Reconstruction and Development General Conditions for Loans”, dated July 1, 2005 (as amended through February 12, 2008) with the modifications set forth in Section II of this Appendix.
15. “Investment Promotion Act 2000” means the Act No. 42 of 2000, published in the Government Gazette of Mauritius No. 137 of December 30, 2000.
16. “Ministry of Business, Enterprise and Cooperatives” means the Borrower’s ministry responsible for facilitating and assisting the development of business, enterprise and cooperatives.
17. “Ministry of Renewable Energy and Public Utilities” means the Borrower’s ministry that is responsible for formulating the country’s policies in the energy, water and waste water sectors and establishing a legal framework to govern the development of these sectors.
18. “MoFEE” means the Ministry of Finance and Economic Empowerment, which is the Borrower’s ministry responsible for the country’s financial affairs.
19. “PERU” means the Public Enterprise Reform Unit of MoFEE (as defined herein), as referred to in Schedule 2, Section I.A.1(a) of this Agreement.
20. “PPP” means public private partnership, as referred to in Part 3.A of the Project.
21. “PPP Unit” means the Public Private Partnership Unit, which operates under the aegis of MoFEE (as defined herein) and was established under the Public-Private Partnership Act 2004 (as defined herein) to deal with public private partnership projects in Mauritius.
22. “Procurement Guidelines” means the “Guidelines: Procurement under IBRD Loans and IDA Credits” published by the Bank in May 2004 and revised in October 2006.
23. “Procurement Plan” means the Borrower’s procurement plan for the Project, dated December 9, 2008 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.
24. “Project Coordinating Committee” means the committee referred to in Section I.A.1(b) of Schedule 2 to this Agreement.

25. “Project Implementation Manual” means the manual, dated December 9, 2008, referred to in Section I.A.4(a)-(b) of Schedule 2 to this Agreement.
26. “Public-Private Partnership Act” means the Act No. 37 of 2004, published in the Government Gazette of Mauritius No. 113 of November 27, 2004.
27. “Registrar General’s Office” means the department within the MoFEE (as defined herein) that is responsible for registering land and property titles.
28. “Supreme Court” means the court established and defined under the Constitution of Mauritius.
29. “Utility Regulatory Authority” means the regulatory authority established by the Utility Regulatory Authority (Amendment) Act 2008 (as defined herein).
30. “Utility Regulatory Authority (Amendment) Act 2008” means the Act No. 27 of 2008, published in the Government Gazette of Mauritius No. 77 of August 7, 2008.

Section II. Modifications to the General Conditions

The modifications to the General Conditions are as follows:

1. Paragraph (a) of Section 2.07 is modified to read as follows:

“Section 2.07. *Refinancing Preparation Advance; Capitalizing Front-end Fee and Interest*

(a) If the Loan Agreement provides for the repayment out of the proceeds of the Loan of an advance made by the Bank or the Association (“Preparation Advance”), the Bank shall, on behalf of such Loan Party, withdraw from the Loan 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 Loan Account and to pay all accrued and unpaid charges, if any, on the advance as at such date. The Bank shall pay the amount so withdrawn to itself or the Association, as the case may be, and shall cancel the remaining unwithdrawn amount of the advance.”

2. Paragraph (l) of Section 7.02 is modified to read as follows:

“Section 7.02. *Suspension by the Bank*

... (l) *Ineligibility*. The Bank or the Association has declared the Borrower (other than the Member Country) or the Project Implementing Entity ineligible to receive proceeds of any financing made by the Bank or the Association or otherwise to participate in the preparation or implementation of any project

financed in whole or in part by the Bank or the Association, as a result of a determination by the Bank or the Association that the Borrower or 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 Bank or the Association.”

3. The following terms and definitions set forth in the Appendix are modified or deleted as follows, and the following new terms and definitions are added in alphabetical order to the Appendix as follows, with the terms being renumbered accordingly:
 - (a) The term “Project Preparation Advance” is modified to read “Preparation Advance” and its definition is modified to read as follows:

“‘Preparation Advance’ means the advance referred to in the Financing Agreement and repayable in accordance with Section 2.07.”
 - (b) The definition of the term “Conversion Date” is modified to read as follows:

“‘Conversion Date’ means, in respect of a Conversion, the Execution Date (as herein defined) or such other date as requested by the Borrower and accepted by the Bank, on which the Conversion enters into effect, and as further specified in the Conversion Guidelines.”