



July 5, 2017

Mr. Marcel De Souza  
President  
Economic Community of West African States (ECOWAS)  
Abuja  
Federal Republic of Nigeria

Re: GMRHI Grant No. TF0A4885  
West Africa Medicines Regulatory Harmonization Project  
Letter Agreement

Dear Mr. De Souza:

In response to the request for financial assistance made on behalf of the Economic Community of West African States (“Recipient”), I am pleased to inform you that the International Bank for Reconstruction and Development and the International Development Association (“World Bank”), acting as administrator of grant funds provided by various donors (“Donors”) under the Global Medicines Regulatory Harmonization Initiative Trust Fund, proposes to extend to the Recipient for the benefit of: Republic of Benin, Burkina Faso, Republic of Cabo Verde, Republic of Cote d’Ivoire, Republic of Ghana, Republic of The Gambia, Republic of Guinea, Republic of Guinea Bissau, Republic of Liberia, Republic of Niger, Federal Republic of Nigeria, Republic of Senegal, Republic of Sierra Leone and Republic of Togo (“Participating Countries”), a grant in an amount not to exceed three million United States Dollars (USD 3,000,000) (“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.

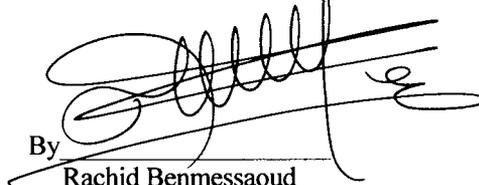
The Recipient represents, by confirming its agreement below, that it is authorized to enter into this Agreement and to carry out the Project in accordance with the terms and conditions set forth or referred to in this Agreement.

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 returning it to the World Bank. Upon receipt by the World Bank of this countersigned copy, this Agreement shall

become effective as of the date of the notice of effectiveness from the World Bank to the Recipient, confirming in accordance with the provisions of Section 5.02 of the Annex to this Agreement that the World Bank has accepted the supporting document provided by the Recipient to the World Bank to establish that the condition of effectiveness listed in Section 5.01 of the Agreement has been satisfied.

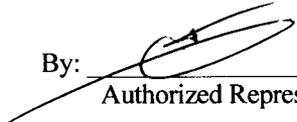
Very truly yours,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT  
AND  
INTERNATIONAL DEVELOPMENT ASSOCIATION

  
By \_\_\_\_\_

Rachid Benmessaoud  
Coordinating Director for the West Africa Regional Integration Program  
Africa Region

AGREED:  
ECONOMIC COMMUNITY OF WEST AFRICAN STATES

By:   
Authorized Representative

Name: XAVIER CRESPIN

Title: DG / WAHO

Date: 2017/17

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, and the following additional terms shall have the following meanings:

(a) “ECOWAS” means the Economic Community of West African States established in 1975 via the treaty of Lagos and comprising the following member states: Republic of Benin, Burkina Faso, Republic of Cabo Verde, Republic of Côte d’Ivoire, Republic of The Gambia, Republic of Ghana, Republic of Guinea, Republic of Guinea-Bissau, Republic of Liberia, Republic of Mali, Republic of Niger, Federal Republic of Nigeria, Republic of São Tomé and Príncipe, Republic of Senegal, and Republic of Togo.

(b) “ECOWAS Treaty” means the treaty signed in Lagos State, Nigeria on May 28, 1975 to create an economic and monetary union for promoting economic growth and development in West Africa.

(c) “NMRA” means the national medicines regulatory authority and “NMRAs” means two or more NMRAs.

(d) “Operating Costs” means the incremental operating costs under the Project incurred on account of utilities and supplies, bank charges, communications, vehicle operation, maintenance and insurance, office space rental, building and equipment maintenance, public awareness-related media expenses, travel and supervision, and salaries of contractual and temporary staff, but excluding salaries, fees, honoraria, and bonuses of members of the Recipient’s civil service.

(e) “Project Coordination Unit” means the unit responsible for coordinating implementation of the Project activities as referred to in Section 2.03 (g) of this Annex.

(f) “Project Implementation Manual” the manual referred to in Section 2.03 (f) of this Annex, as the same may be revised from time to time with the prior consent of the World Bank.

(g) “Project Implementing Entity” means the West African Health Organization or WAHO.

(h) “Regional Steering Committee” means the committee referred to in Section 2.03 (a) of this Annex.

(i) “Regional Expert Working Groups” means expert groups referred to in Section 2.03 (h) of this Annex.

(j) “Subsidiary Agreement” means the agreement referred to in Section 2.03 (d) of this Annex pursuant to which the Recipient shall make the proceeds of the Grant available to the Project Implementing Entity.

(k) “Training” means the costs of training under the Project, including seminars, workshops and study tours, along with travel and subsistence allowances for training participants, services of trainers, rental of training facilities, preparation and reproduction of training materials, and other activities directly related to course preparation and implementation.

(l) “WAEMU” means a regional organization comprising eight West African countries (Republic of Benin, Burkina Faso, Republic of Cote d’Ivoire, Republic of Guinea Bissau, Republic of Mali, Republic of Niger, Republic of Senegal, and Republic of Togo) established to promote regional economic integration and create a common market.

(m) “WAHO Protocol” means the protocol ratified by all ECOWAS member states, pursuant to which WAHO was granted the status of specialized agency of ECOWAS.

(n) “West African Health Organization” and “WAHO”, each means the regional health specialized agency of ECOWAS established and operating within the legal, administrative and financial framework of ECOWAS pursuant to the Protocol A/P2/7/87 on “THE ESTABLISHMENT OF THE WEST AFRICAN HEALTH ORGANISATION” (dated July 9, 1987, as amended), and whose objective consists of the attainment of the highest possible standard and protection of health of the peoples in the sub-region through the harmonization of the policies of its member states, pooling of resources, and cooperation with one another and with others for a collective and strategic combat against the health problems of the sub-region.

## **Article II Project Execution**

2.01. ***Project Objectives and Description.*** The objective of the Project is to improve the availability of quality and safe medicines and vaccines in the Participating Countries’ pharmaceutical market by strengthening and harmonizing regulatory systems, improving efficiency and enhancing transparency in medicines and vaccines registration. The Project consists of the following parts:

### **Part A. Regional Coordination and Capacity Building for Medicines and Vaccines Registration Harmonization**

Carrying out a program of activities to build the Participating Countries’ capacity for medicines and vaccines registration harmonization, including: (a) provision of support to the Regional Expert Technical Working Groups to develop regional harmonization guidelines, including standard operating procedures and manuals; (b) capacity building for medicines and vaccines registration; (c) provision of support to the operation of the Regional Steering Committee, the Project Coordination Unit and four of the seven Regional Expert Technical Working Groups.

### **Part B. Institutional Development and Strengthening of National Medicines Regulatory Authorities**

Provision of support to: (a) strengthen the capacity of the NMRAs through the carrying out of training for staff in priority technical areas; and (b) facilitate country-specific capacity building activities.

2.02. ***Project Execution Generally.*** The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall cause the Project to be carried out by the Project

Implementing Entity in collaboration with WAEMU 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.*** Without limitation upon the provisions of paragraph 2.02 above:

(a) The Recipient shall, throughout Project implementation, maintain the regional steering committee vested with the responsibility to: (i) provide policy guidance and Project implementation oversight; (ii) ensure that performance targets and timelines for activities under the Project action plan are met; and (iii) endorse Project related documents, including annual work plans and budgets (“Regional Steering Committee”).

(b) To this end, the Regional Steering Committee shall be composed of: (i) heads of 15 NMRAs in the ECOWAS region; (ii) the director of the department in charge of epidemic and disease control of WAHO; and (iii) the director of the department in charge of health in WAEMU. The Steering Committee shall meet twice a year with flexibility for extraordinary meetings when necessary.

(c) The Recipient shall, throughout Project Implementation, cause the Project Implementing Entity to be responsible for the management of the overall implementation of the Project, including financial management and procurement.

(d) The Recipient, to facilitate the carrying out of the Project, shall make the proceeds of the Grant available to the Project Implementing Entity on a non-reimbursable grant basis under a subsidiary agreement (“Subsidiary Agreement”) between the Recipient and the Project Implementing Entity, under terms and conditions approved by the World Bank, which shall include the obligations of the Project Implementing Entity to:

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

(ii) (A) procure all goods and services required under the Project and to be financed out of the proceeds of the Grant in accordance with the provisions of Section 2.08 of this Annex; and (B) ensure that all such goods and services are used exclusively for the purposes of the Project;

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

(iv) with respect to records management: (A) maintain records adequate to record the progress of the Project (including its cost and the benefits to be derived from it), to identify the goods and services financed out of the proceeds of the Grant and disclose their use in the Project; (B) furnish such records and information as may be requested by the Recipient or the World Bank; and (C) retain all records evidencing expenditures under the Project for the period of time specified in the Standard Conditions;

(v) with respect to monitoring and evaluation: (A) maintain policies and procedures adequate to enable it to monitor and evaluate on an ongoing basis, in accordance with indicators acceptable to the Recipient and the World Bank, the progress of the Project and the achievement of its objective; (B) prepare periodic reports, in form and substance satisfactory to the Recipient and the World Bank, integrating the results of such monitoring and evaluation activities and setting out measures recommended to ensure the continued efficient and effective execution of the Project, and to achieve its objective, each such report to cover a calendar quarter; (C) furnish each such report to the Recipient and the World Bank within forty-five (45) days after the end of such period; and (D) prepare, and furnish to the Recipient a final report, of such scope and in such detail as the Recipient and the World Bank shall reasonably request, on the execution of the Project, and furnish the same to the Recipient and the World Bank within not later than six (6) months after the end of the Project;

(vi) with respect to financial management: (A) maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Recipient and the World Bank, both in a manner adequate to reflect its operations and financial condition, including the operations, resources and expenditures related to the Project; (B) avail the records pertaining to the Project to external and internal auditors; (C) prepare as part of the Project Report, interim unaudited financial reports covering each quarter, and furnish them to the Recipient and the World Bank not later than forty-five (45) days after the end of the period covered by such reports, and provide such other information concerning such unaudited financial statements as the Recipient or the World Bank may from time to time reasonably request; and (D) have its financial statements audited by independent auditors and applying standards both acceptable to the World Bank at least once in each fiscal year; and

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

(e) The Recipient shall exercise its rights under the Subsidiary Agreement in such manner as to protect the interests of the Recipient and the World Bank and to accomplish the purposes of the Grant. Except as the World Bank shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive the Subsidiary Agreement or any of its provisions.

(f) The Recipient shall: (i) cause the Project Implementing Entity to prepare, under terms of reference satisfactory to the World Bank, and furnish to the World Bank, not later than three (3) months after the Effective Date, for its review and approval, a Project implementation manual containing detailed guidelines and procedures for the implementation of the Project, including in the areas of monitoring and evaluation, procurement, coordination, social and environmental safeguards, financial, administrative and accounting procedures, corruption and fraud mitigation measures and such other arrangements and procedures as shall be required for the Project; and (ii) cause the Project Implementing Entity to thereafter adopt, and carry out the Project in accordance with such Project implementation manual as shall have been approved by the World Bank ("Project Implementation Manual").

(g) The Recipient shall cause the Project Implementing Entity to maintain, throughout Project implementation, a coordination unit comprising: (i) a Project coordinator; (ii) two technical specialists; (iii) an administrative support; and (iv) an accountant, all with qualifications and

expertise acceptable to the World Bank (“Project Coordination Unit”), to be responsible for Project implementation at the regional level.

(h) The Recipient shall cause the Project Implementing Entity to maintain, throughout Project implementation, seven Regional Expert Technical Working Groups, with terms of reference and with qualifications and experience satisfactory to the World Bank to develop harmonized guidelines and standard operating procedures for the technical areas they respectively cover. To this end, each Regional Expert Technical Working Group shall include a representative of the NMRAs.

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 Donors 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 Donors to visit any part of the Member Countries territory for purposes related to the Project.

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 indicators acceptable to the World Bank. Each Project Report shall cover the period of one calendar quarter, and shall be furnished to the World Bank not later than forty-five (45) days 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 not later than forty-five (45) days after the end of each calendar quarter, covering the quarter, 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. Each audit of the Financial Statements shall cover the period of one fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the World Bank not later than six (6) months after the end of such period.

(d) The Recipient shall cause the Project Implementing Entity to recruit, not later than three (3) months after the Effective Date, and thereafter maintain throughout Project implementation an accountant under terms of reference and with qualifications and experience acceptable to the World Bank.

## 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) National Competitive Bidding, subject to the following additional provisions: the Recipient shall use the World Bank's standard bidding documents or other bidding documents which shall have been found acceptable by the World Bank prior to their use; (B) Shopping; and (C) Direct Contracting.

(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.

**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) 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 Eligible Expenditures as set forth in the following table. The 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 USD)</b>	<b>Percentage of Expenditures to be Financed (inclusive of Taxes)</b>
(1) Goods, non-consulting services, consulting services, Operating Costs and Training under the Project	3,000,000	100%
<b>TOTAL AMOUNT</b>	3,000,000	

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 May 14, 2020.

**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) The Recipient has taken or permitted to be taken any action which would prevent or interfere with the performance by the Project Implementing Entity of its obligations under the Project.

(b) the ECOWAS Treaty or the WAHO Protocol has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the Project Implementing Entity to perform any of its obligations under the Project.

(c) IBRD or IDA has declared the Recipient or the Project Implementing Entity 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 (including as administrator of funds provided by another financier), as a result of: (i) a determination by IBRD or IDA that the Recipient 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 IBRD or IDA; and/or (ii) a declaration by another financier that the Recipient or 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 Recipient or 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.

(d) The World Bank has suspended in whole or in part the right of a Participating Country, the Project Implementing Entity or the Recipient, as the case may be, to make withdrawals, respectively, under any agreement with IBRD or with IDA because of failure by a Participating Country, the Project Implementing Entity or the Recipient to perform any of their obligations under such agreement.

(e) As a result of events which have occurred after the date of this Agreement, an extraordinary situation has arisen which makes it improbable that the Project Implementing Entity will be able to perform its obligations under the Project.

(f) The World Bank has determined after the Effective Date referred to in Section 5.02 of this Annex 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 following condition, namely, the Subsidiary Agreement has been executed on behalf of the Recipient and the Project Implementing Entity.

5.02. Except as the Recipient and the World Bank shall otherwise agree, the date on which this Agreement shall enter into effect shall be the date upon which the World Bank dispatches to the Recipient notice of its acceptance of the evidence required pursuant to Section 5.01 of this Annex ("Effective Date"). If, before the Effective Date, any event has occurred which would have entitled the World Bank to suspend the right of the Recipient to make withdrawals from the Grant Account if this Agreement had been effective, the World Bank may postpone the dispatch of the notice referred to in this Section until such event (or events) has (or have) ceased to exist.

5.03. This Agreement and all obligations of the parties under it shall terminate if it has not entered into effect by the date ninety (90) days after the date of this Agreement, unless the World Bank, after consideration of the reasons for the delay, establishes a later date for the purpose of this Section. The World Bank shall promptly notify the Recipient of such later date.

**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 the Director General for WAHO.

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

Economic Community of West African States (ECOWAS)  
101, Yakubu Gowon Crescent  
Asokoro District  
PMB 401 Abuja  
Nigeria

Facsimile:

(239) (9) 3143005 / (234) (9) 3147646

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.”
4. 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.”
5. 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.”

6. 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.”

7. 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.”

8. 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.”