

CONFORMED COPY

EFA-FTI GRANT NUMBER TF097263

# **Education for All – Fast Track Initiative Catalytic Trust Fund Grant Agreement**

**(Additional Financing for General Education Quality Improvement Project)**

**between**

**FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA**

**and**

**INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT  
And INTERNATIONAL DEVELOPMENT ASSOCIATION  
acting as Administrator of the Education for All –  
Fast Track Initiative Catalytic Fund**

**Date July 26, 2010**

**EFA-FTI GRANT NUMBER TF097263**

**GRANT AGREEMENT**

AGREEMENT dated July 26, 2010, entered into between FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA (“the Recipient”) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT and INTERNATIONAL DEVELOPMENT ASSOCIATION (collectively, “the World Bank”), acting as administrator of the Education for All – Fast Track Initiative Catalytic Fund (“the Trust Fund”), for the purpose of providing additional financing for activities related to the Original Project (as defined in the Appendix to this Agreement) all in support of first phase of the GEQIP Program (as defined in the Appendix to this Agreement).

Whereas, pursuant to the Original Agreement, the Recipient has received, from the World Bank, an initial grant of US\$ 70,000,000, provided under the Education for All – Fast Track Initiative Catalytic Trust Fund (“Grant No. TF093227”) for financing activities of the Original Project.

The Recipient and the World Bank hereby agree as follows:

**Article I  
Standard Conditions; Definitions**

- 1.01. The Standard Conditions for Grants Made by the World Bank Out of Various Funds, dated July 1, 2008 (“Standard Conditions”), with the modifications set forth in Section II of 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 Standard Conditions or in this Agreement or in the Appendix to this Agreement.

**Article II  
The Project**

- 2.01. The Recipient declares its commitment to the objectives of the project described in Schedule 1 to this Agreement (“Project”). To this end, the Recipient shall carry out the Project through the Ministry of Education in accordance with the provisions of Article II of the Standard Conditions.

- 2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Recipient and the World Bank shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

### **Article III The Grant**

- 3.01. The World Bank agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a grant in an amount equal to ninety eight million United States Dollars (US\$98,000,000.00) (“Grant”) to assist in financing the Project.
- 3.02. The Recipient may withdraw the proceeds of the Grant in accordance with Section IV of Schedule 2 to this Agreement.
- 3.03. The Grant is funded out of the abovementioned trust fund for which the World Bank receives periodic contributions. In accordance with Section 3.02 of the Standard Conditions, the Recipient may withdraw the Grant proceeds subject to the availability of such funds.

### **Article IV Additional Remedies**

- 4.01. The Additional Events of Suspension referred to in Section 4.02 (k) of the Standard Conditions consist of the following:
- (a) a situation has arisen which makes it improbable that the GEQIP Program or a significant part of it can be carried out; and
  - (b) either of the following events occurs with respect to any Contributing Partner Financing:
    - (i) Subject to sub-paragraph (ii) of this paragraph (b), the right to withdraw the proceeds of any Contributing Partner Financing has been suspended, canceled or terminated in whole or in part, pursuant to the terms of the agreement providing for such Contributing Partner Financing.
    - (ii) Sub-paragraph (i) of this paragraph (b) shall not apply if the Recipient establishes to the satisfaction of the World Bank that:
      - (A) such suspension, cancellation, termination was not caused by

the failure of the Recipient to perform any of its obligations under the agreement providing for such Contributing Partner Financing; and (B) adequate funds for the Project are available from other sources on terms and conditions consistent with the Recipient's obligations under this Agreement.

## **Article V Termination**

5.01. This Agreement and all obligations of the parties under it shall terminate if it has not entered into effect by the date 180 days after the date of countersignature 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 its minister at the time responsible for finance.

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

Ministry of Finance and Economic Development  
P. O. Box 1905  
Addis Ababa  
Ethiopia

Cable:	Telex:	Facsimile:
MINFIN	21147	(251-111) 551355

6.03. The World Bank's Address referred to in Section 7.01 of the Standard Conditions 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	1-202-477-6391  (MCI)

AGREED at Addis Ababa, Federal Democratic Republic of Ethiopia, as of the day and year first above written.

**FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA**

**By**

***/s/ Ahmed Shide***  
**Authorized Representative**

**INTERNATIONAL BANK FOR RECONSTRUCTION  
AND DEVELOPMENT and INTERNATIONAL  
DEVELOPMENT ASSOCIATION  
acting as Administrator of the Education for All –  
Fast Track Initiative Catalytic Fund**

**By**

***/s/ Yitbarek Tessema***  
**Authorized Representative**

## **SCHEDULE 1**

### **Project Description**

The objective of the GEQIP Program is to increase the quality of general education in the Recipient's territory through improving teaching and learning conditions in Schools and enhancing management planning and budget capacity of the Ministry of Education and the Regional Education Bureaus. The Project consists of Annual Work Plans designed to implement the first phase of the GEQIP Program.

The Project constitutes the first phase of the GEQIP Program and consists of the Original Project.

## SCHEDULE 2

### Project Execution

#### Section I. Implementation Arrangements

##### A. Institutional Arrangements:

###### 1. Federal Level

- (i) *Ministry of Education (MoE)*. The Recipient shall ensure that the MoE is maintained at all times during the implementation of the Project with mandate, staffing and resources satisfactory to the World Bank for the purpose of ensuring the prompt and efficient overall coordination, monitoring and evaluation of Project activities including the department of planning and policy analysis, and the departments concerns with procurement management and finance. The MoE shall be responsible for Project implementation, management, and monitoring and evaluation, including administrative and financial management, procurement, and disbursement, in accordance with this Agreement.
- (ii) *Ministry of Finance and Economic Development (MoFED)*. The Recipient shall ensure that MoFED is provided with resources and staffing adequate to discharge its responsibilities for overall financial management aspects of the Project.
- (ii) *Federal GEQIP Coordination Committee*. Without limitation upon the provisions of sub-paragraphs (i) and (ii) above, the Recipient shall establish and maintain, at all times until the completion of the Project, the GEQIP Coordination Committee, at the federal level, with a composition, mandate and resources satisfactory to the World Bank.

###### 2. Regional Level

- (i) *Regional Education Bureaus*. The Recipient shall ensure that the departments or units within Regional Education Bureaus responsible for planning and policy analysis are maintained at all times during the implementation of the Project with mandate, staffing and resources satisfactory to the World Bank including responsibility for planning, management and overall coordination of the elements of the Project mandated at the Regional level.
- (ii) *Bureau of Finance and Economic Development (BoFEDs)*. The Recipient shall ensure that BoFEDs have the mandate, resources and

staffing satisfactory to the World Bank for financial management aspects of the Project activities at the Regional level.

- (iii) *Regional GEQIP Coordination Committees and Coordination Units.* Without limitation upon the provisions of sub-paragraphs (i) and (ii) above, the Recipient shall establish and maintain, at all times until the completion of the Project, the GEQIP Coordination Committees as well as GEQIP Coordination Units, at the Regional level, with a composition, mandate and resources satisfactory to the World Bank.

3. Woreda Level

- (i) *Woreda Education Offices.* The Recipient shall ensure that Woreda Education Offices are maintained at all times during the implementation of the Project with mandate, staffing and resources satisfactory to the World Bank.
- (ii) *Woreda Offices of Finance and Economic Development (WoFEDs).* The Recipient shall ensure that the WoFEDs have the mandate, resources and staffing satisfactory to the World Bank for financial management aspects of the Project activities at the Woreda level.

**B. Annual Work Plans**

- 1. The Recipient shall prepare and furnish to the World Bank and Contributing Partners each EFY a proposed annual work plan (“Proposed Annual Work Plan”), consisting of activities proposed for inclusion in the GEQIP Program during the following EFY together with a proposed budget and financing plan for such activities;
- 2. The Recipient shall exchange views with the World Bank and Contributing Partners on each Proposed Annual Work Plan, and shall thereafter adopt, and carry out such work plan for such following EFY as shall have been agreed with the World Bank and Contributing Partners, as such Annual Work Plan may be subsequently revised during such following EFY with the agreement of the World Bank and Contributing Partners;

**C. School Grants**

The Recipient shall ensure that the School Grants sub-component under Part 3 of the Project is carried out in accordance with the criteria, policies, procedures and guidelines of the School Grant Guidelines. The Recipient shall not amend, or abrogate, or waive, or permit to be amended, abrogated or waived, the School



Grant Guidelines, or any provision thereof, in a manner which, in the opinion of the World Bank, may materially and adversely affect the implementation of Part 3 of the Project.

**D. Anti-Corruption**

The Recipient shall ensure that the Project is carried out in accordance with the provisions of the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 (“Anti-Corruption Guidelines”), with the modifications set forth in Section III of the Appendix to this Agreement.

**E. Project Implementation Manual**

The Recipient shall carry out the Project in accordance with the PIM and shall not amend or waive any provision of the PIM without prior approval of the World Bank if such amendment or waiver may, in the opinion of the World Bank, materially or adversely affect the implementation of the Project.

**F. Donor Visibility and Visit**

1. 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.
2. 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(s) to visit any part of the Recipient’s territory for purposes related to the Project.

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

**A. GEQIP Monitoring, Reporting and Evaluation**

1. The Recipient shall monitor and evaluate the progress of the GEQIP Program and prepare Project Reports in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of indicators agreed with the World Bank and the Contributing Partners. Each Project Report shall cover the period of six months of an Ethiopian fiscal year, and shall be furnished to the World Bank and the Contributing Partners not later than seventy-five (75) days after the end of the period covered by such report.
2. Without limitation upon the provisions of paragraph 1 of this Section II.A above relating to semiannual reports, the Recipient shall

each year during the implementation of the Project, furnish to the World Bank and the Contributing Partners a report on the progress of the Project and the GEQIP Program during the given EFY, and shall thereafter review such report jointly with the World Bank and the Contributing Partners, and shall take all action necessary to take into account the views of the World Bank and Contributing Partners thereon.

3. Midterm Review. The Recipient shall:

- (i) not later than April 1, 2011, carry out jointly with the World Bank and other Contributing Partners a mid-term review, which shall cover: (1) overall progress in the implementation of the Project and the GEQIP Program in meeting the objectives thereof; and (2) the results of the monitoring and evaluation activities, as measured against the performance indicators agreed with the World Bank as referred to in paragraph (a) hereof;
- (ii) not later than one month before the review referred to in subparagraph (i) above, prepare and furnish to the World Bank and the Contributing Partners a report in such scope and detail as the World Bank shall reasonably request, on the implementation of the Project and the GEQIP Program and the achievement of the objectives thereof, including a program of action to deal with potential deficiencies in Project implementation as may have been identified prior to carrying out such review; and thereafter, act promptly and diligently in order to take all measures required to ensure the efficient completion of the Project and the achievement of the objectives of the GEQIP Program, based on the conclusions and recommendations of the said report and the World Bank's and the Contributing Partners' views on the matter.

**B. Financial Management; Financial Reports; Audits**

1. The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.
2. The Recipient shall ensure that interim unaudited financial reports for the Project are prepared and furnished to the World Bank not later than 75 days after the end of each fiscal quarter, covering the fiscal quarter, in form and substance satisfactory to the World Bank.
3. The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Each such 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 months after the end of such period.

**Section III. Procurement**

**A. General**

1. **Procurement and Consultant Guidelines.** All goods and 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) the provisions of this Section, as the same have been elaborated in the procurement plan prepared and updated from time to time by the Recipient for the Project in accordance with paragraph 1.16 of the Procurement Guidelines and paragraph 1.24 of the Consultant Guidelines (“Procurement Plan”);
  - (ii) Section I of the Procurement Guidelines, in the case of goods; and
  - (iii) Sections I and IV of the Consultant Guidelines in the case of consultants’ services.
2. **Definitions.** The capitalized terms used below in 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 the Procurement Guidelines, or Consultant Guidelines, as the case may be.

**B. Particular Methods of Procurement of Goods and Services (other than consultant services)**

1. Except as otherwise provided in sub-paragraph (ii) below, goods and services (other than consultant services) shall be procured under contracts awarded on the basis of International Competitive Bidding.
2. The following methods, other than International Competitive Bidding, may be used for procurement of goods and services (other than consultant services) for those contracts specified in the Procurement Plan: (A) Direct Contracting; (B) National Competitive Bidding, subject to the provisions set forth in (iii) below; (C) Shopping; (D); commercial practices which have been found acceptable to the World Bank; (E) Procurement from United Nations Agencies; and (F) Community Participation.
3. National Competitive Bidding (NCB) shall follow the Recipient's procurement procedures, subject to the following additional procedures: (i) the Recipient's standard bid documents for procurement of goods and works shall be used; (ii) if pre-qualification is used, the World Bank's standard prequalification document shall be used; (iii) margin of preference shall not be applicable; (iv) bidders shall be given a minimum of 30 days to submit bids from the date of availability of the bidding documents; (v) use of merit points for evaluation of bids shall not be allowed; (vi) foreign bidders shall not be excluded from participation; (vii) results of evaluation and award of contract shall be made public.

**C. Particular Methods of Procurement of Consultants' Services**

1. 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. For purposes of paragraph 2.7 of the Consultant Guidelines, the short list of consultants for services estimated to cost less than US\$200,000 equivalent per contract may comprise entirely national consultants.
2. The following methods may be used for the procurement of consultants' services for those assignments which are specified in the Procurement Plan: (A) Least Cost Selection; (B) Selection based on Consultants' Qualifications; (C) Single-source Selection; and (D) Selection of Individual Consultants.

**D. 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.

**Section IV. Withdrawal of Grant Proceeds**

**A. General**

1. The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) Article 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 Eligible Expenditures as set forth in the table in paragraph 2 below.
2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Grant (“Category”), the allocations of the amounts of the Grant to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

<b>Category</b>	<b>Amount of the Grant Allocated (expressed in USD)</b>	<b>Percentage of Expenditures to be Financed (inclusive of taxes)</b>
Such goods, services, School Grants, Training and Operating Costs under each Annual Work Plan as the World Bank shall determine and communicate to the Recipient in its Annual Confirmation for such Annual Work Plan	98,000,000.00	Such percentage as the World Bank shall determine and communicate to the Recipient in its Annual Confirmation for the relevant Annual Work Plan
<b>TOTAL AMOUNT</b>	98,000,000.00	

For purposes of the above paragraph: the term “Operating Costs” means the incremental expenses incurred in relation to the implementation, management and

monitoring of the Project, on account of office supplies, transportation, travel, communications, vehicle and equipment operation, but excluding salaries of the Recipient's civil service; and the term "Training" means staff development and other capacity development activities of pre-service and in-service teachers under Part 2 of the Project carried out by the Ministry of Education, Regional Education Bureaus and teacher training institutions in accordance with the Annual Work Plan and Training Plan approved by the World Bank, such term to include travel and subsistence of participants of seminars and workshops, rental of training facilities, services of trainers and presenters, preparation and reproduction of training materials, and other costs directly related to preparation and implementation of training programs.

**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
2. The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is June 30, 2013.

## **APPENDIX**

### **Section I. Definitions**

1. “ABE” means Alternative Basic Education.
2. “Annual Confirmation” means for each Annual Work Plan, the World Bank’s written confirmation of: (i) its agreement with such Annual Work Plan; (ii) the percentage of the Eligible Expenditures under the Annual Work Plan which may be financed out of the proceeds of the Grant; and (iii) as the case may be, the specific expenditures within the Annual Work Plan, which may be financed out of the proceeds of the Grant or which are excluded from eligibility for financing out of the proceeds of the Grant.
3. “Annual Work Plan” means a plan to be submitted by the Recipient during each EFY, pursuant to the provisions of Section I.B of Schedule 2 to this Agreement, setting forth planned activities, budget, as well as financial, accounting, disbursement, procurement and administrative procedures for implementation of the Project, and “Annual Work Plans” means all such plans, as the same may be amended from time to time.
4. “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.
5. “BoFED” means the Bureau of Finance and Economic Development of the Region (or, in the case of Addis Ababa and Dire Dawa, City Administration) which is participating in the Project.
6. “Category” means a category set forth in the table in Section IV in Schedule 2 to this Agreement.
7. “Consultant Guidelines” means the “Guidelines: Selection and Employment of Consultants by World Bank Borrowers” published by the World Bank in May 2004 and revised in October 2006 and May 2010.
8. “Contributing Partner” means a financier other than the World Bank which intends to provide or is providing financing in support of the GEQIP Program; and “Contributing Partners” means, collectively, all such financiers.
9. “Contributing Partner Financing” means the financing provided by any Contributing Partner in support of the GEQIP Program.

10. “Ethiopian Fiscal Year” or “EFY” means the Fiscal Year of the Recipient which commences on July 8 and ends on July 7.
11. “GEQIP Program” means the Recipient’s strategic plan designed to improve the quality of General Education throughout the Recipient’s territory for the period EFY 2001-2006 (2008-2013), issued (in draft) by the MOE in October 2007, and referred to in the first paragraph of this Agreement.
12. “MoE” means the Recipient’s Ministry of Education, or any successor thereto.
13. “MoFED” means the Recipient’s Ministry of Finance and Economic Development, or any successor thereto.
14. “Original Agreement” means the agreement dated November 12, 2008 between the Recipient and the International Bank for Reconstruction and Development and the International Development Association, acting as administrator of grant funds of the Education for All – Fast Track Initiative Catalytic Trust Fund (the “EFA-FTI CTF”).
15. “Original Project” means the Project described in the Original Financing Agreement.
16. “Procurement Guidelines” means the Guidelines: Procurement under IBRD Loans and IDA Credits” published by the World Bank in May 2004 and revised in October 2006 and May 2010.
17. “Procurement Plan” means the Recipient’s procurement plan for the Project 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.
18. “Project Implementation Manual” or “PIM” means the manual referred to in Section 1.E of Schedule 2 to this Agreement adopted by the Recipient pursuant to the provisions of Section 5.01 (d) of the IDA Credit Agreement setting forth all procedures and arrangements governing the implementation of the Project, such as procurement and financial management procedures, as the same such manual may be amended from time to time, and such term shall include any schedules, tables and annexes to the PIM, including the procurement manual, financial management manual and the School Grant Guidelines.
19. “Region” means the second tier of government in the Recipient’s administrative system as established under the Recipient’s Constitution.
20. “Regional Education Bureau” and “REB” mean the Education Bureau of any Region which is participating in the Project.



21. “School” means a public educational institution offering General Education (Grade 1 – 12) in the territory of the Recipient, including ABE Centers.
22. “School Grant” means a grant based on students enrollment rates made or proposed to be made to Schools under Part 3 of the Project.
23. “School Grant Guidelines” means the guidelines referred to in Section 1.C of Schedule 2 to this Agreement, adopted by the Recipient pursuant to the provisions of Section 5.01 (d) of the IDA Credit Agreement, providing guidance on all aspects of implementation of School Grant subcomponent of Part 3 of the Project at school or community levels, and annexed to the Project Implementation Manual, and consisting of various schedules setting forth the eligibility criteria, terms and conditions of School Grants and their procurement, financial management, evaluation and monitoring requirements, including performance indicators to be used for Part 3 of the Project, as the same may be amended from time to time.
24. “School Improvement Plan” means a plan for improving quality of education focusing on inter alia: (i) teaching and learning conditions, (ii) student environment, (iii) leadership and management of Schools, and (iv) community involvement by a School, prepared by a School which is seeking or has been awarded a School Grant.
25. “Woreda” means the third tier of government in the Recipient’s administrative system as established under relevant regional legislation.
26. “Training Plan” means a plan to be prepared by the Recipient summarizing all Training activities to be carried out under the Project for staff development and teacher development programs, covering both pre-service and in-service teacher education activities.

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

The Standard Conditions are modified as follows:

1. The provisions of Section 4.02 (j) of the Standard Conditions are modified to read as follows:

(j) *Ineligibility.* IBRD or IDA has declared the Recipient (other than the 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 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 has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of a financing made by such financier.”

### **Section III. The modifications to the Anti-Corruption Guidelines**

The modifications to the Anti-Corruption Guidelines are as follows:

1. Section 5 is re-numbered as Section 5(a) and a new Section 5(b) is added to read as follows:

“...(b) These Guidelines also provide for the sanctions and related actions to be imposed by the Bank on Borrowers (other than the Member Country) and all other individuals or entities who are recipients of Loan proceeds, in the event that the Borrower or the individual or entity has been debarred by another financier as a result of a determination by such financier that the Borrower or the individual or entity has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of a financing made by such financier.”

2. Section 11(a) is modified to read as follows:

“... (a) sanction in accordance with prevailing Bank’s sanctions policies and procedures (fn13) a Borrower (other than a Member Country) (fn 14) or an individual or entity, including (but not limited to) declaring such Borrower, individual or entity ineligible publicly, either indefinitely or for a stated period of time: (i) to be awarded a Bank-financed contract; (ii) to benefit from a Bank-financed contract, financially or otherwise, for example as a sub-contractor; and (iii) to otherwise participate in the preparation or implementation of the project or any other project financed, in whole or in part, by the Bank, if at any time the Bank determines (fn 15) that such Borrower, individual or entity has engaged in corrupt, fraudulent, collusive, coercive or obstructive practices in connection with the use of loan proceeds, or if another financier with which the Bank has entered into an agreement for the mutual enforcement of debarment decisions has declared such person or entity ineligible to receive proceeds of financings made by such financier or otherwise to participate in the preparation or implementation of any project financed in whole or in part by such financier as a result of a determination by such financier that the Borrower or the individual or entity has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of a financing made by such financier.”

Footnotes:

“13. An individual or entity may be declared ineligible to be awarded a Bank financed contract upon completion of sanctions proceedings pursuant to the Bank’s sanctions policies and procedures, or under the procedures of temporary suspension or early temporary suspension in connection with an ongoing sanctions proceeding, or following a sanction by another financier with whom the Bank has entered into a cross debarment agreement, as a result of a determination by such financier that the firm or individual has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of a financing made by such financier.”

“14. Member Country includes officials and employees of the national government or of any of its political or administrative subdivisions, and government owned enterprises and agencies that are not eligible to bid under paragraph 1.8(b) of the Procurement Guidelines or participate under paragraph 1.11(c) of the Consultant Guidelines.”

“15. The Bank has established a Sanctions Board, and related procedures, for the purpose of making such determinations. The procedures of the Sanctions Board sets forth the full set of sanctions available to the Bank. In addition, the Bank has adopted an internal protocol outlining the process to be followed in implementing debarments by other financiers, and explaining how cross-debarments will be posted on the Bank’s website and otherwise be made known to staff and other stakeholders.”