

**CONFORMED COPY**

**GEF TRUST FUND GRANT NUMBER TF056744**

# **Global Environment Facility Grant Agreement**

**(Implementation of Adaptation Measures in Coastal Zones)**

**between**

**INTERNATIONAL BANK FOR RECONSTRUCTION  
AND DEVELOPMENT**

**acting as an Implementing Agency of the Global Environment Facility**

**and**

**CARIBBEAN COMMUNITY CLIMATE CHANGE CENTRE**

**Dated October 3, 2006**



**GEF TRUST FUND GRANT NUMBER TF056744**

**GLOBAL ENVIRONMENT FACILITY  
GRANT AGREEMENT**

AGREEMENT dated October 3, 2006, (“Grant Agreement”) entered into between: (a) INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (“World Bank”), acting as an implementing agency of the Global Environment Facility, established pursuant to Resolution No. 91-5 of March 14, 1991 and Resolution No. 94-2 of May 24, 1994 of the Executive Directors of the World Bank (“GEF”), for grant funds provided to the GEF Trust Fund by certain members of the World Bank as participants of the GEF; and (b) CARIBBEAN COMMUNITY CLIMATE CHANGE CENTRE (“Recipient”).

WHEREAS (A) the Recipient, having satisfied itself as to the feasibility and priority of the project described in Schedule 1 to this Agreement (the Project), has requested assistance from the resources of the GEF Trust Fund for funding the Project, and said request having been approved in accordance with the provisions of the Instrument for the Establishment of the Restructured Global Environment Facility approved under Resolution 94-2;

(B) the Participating Countries (as defined in the Appendix to this Agreement), as ultimate beneficiaries of the Project, have each agreed to assist the Recipient in the carrying out of the Project, including the provision of counterpart contribution by each Participating Country in an amount equivalent to five hundred thousand United States Dollars (USD 500,000) for national coordination activities, including as specified in Parts 1.2(e), 2.1(b), and 3.1 of the Project, on terms and conditions that will be detailed in corresponding Participation Agreements to be entered into between the Recipient and each Participating Country concerned (“Participation Agreements”);

(C) by an agreement dated August 3, 2006, between the Recipient and the International Union for Conservation of Nature (“IUCN”), the IUCN has agreed to provide assistance to the Recipient in the form of an in-kind contribution (estimated value in an amount equivalent to USD 125,000) (“IUCN Contribution”) to assist in the financing of Part 3.2 of the Project on terms and conditions set forth in the agreement (“IUCN Contribution Agreement”);

(D) by an agreement dated July 11, 2006, between the Recipient and the Meteorological Research Institute of Japan (“MRI”), the MRI has agreed to provide assistance in the form of an in-kind contribution (estimated value in an amount equivalent to USD 1,390,000) (“MRI Contribution”) to assist in the financing of Parts 1.1(b) and

2.1(a) of the Project on terms and conditions set forth in the agreement (“MRI Contribution Agreement”); and

(E) by an agreement dated December 15, 2004, between the Recipient and the Government of Italy (“GOI”), the GOI has agreed to make a grant in an amount equivalent to USD 320,000 (“GOI Grant”) to assist in the financing of the operation and management of the CCCCC (“GOI Grant Agreement”), which will support the implementation of the Project.

WHEREAS the World Bank has agreed, on the basis, *inter alia*, of the foregoing, to extend a grant (the Grant) to the Recipient upon the terms and conditions set forth in this Agreement.

NOW THEREFORE, the Recipient and the World Bank hereby agree as follows:

**Article I**  
**Standard Conditions; Definitions**

1.01. The Standard Conditions (as defined in the Appendix and included as the Attachment to this Agreement) constitute an integral part of this Agreement.

1.02. Unless the context requires otherwise, the capitalized terms used in the Grant Agreement have the meanings ascribed to them in the Standard Conditions and in the preamble and the Appendix to this Agreement.

**Article II**  
**The Project**

2.01. The Recipient declares its commitment to the objective of the project described in Schedule 1 to this Agreement (“Project”). To this end, the Recipient shall carry out the Project in accordance with the provisions of Article II of the Standard Conditions and, to this end, shall carry out the Project with the assistance of the Participating Countries (as provided in the corresponding Participation Agreements).

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 two million one hundred thousand Dollars (USD 2,100,000) (“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.

**Article IV  
Remedies of the World Bank**

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

(a) *Ineligibility.* IBRD or International Development Association (“IDA”) has declared the Recipient ineligible to be awarded a contract financed by IBRD or IDA.

(b) The CCCCC Legislation (as defined in the Appendix to this Agreement) has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely its ability to perform any of its obligations under the Grant Agreement.

(c) *Donor and Participating Country Financing.* Any of the following events occurs with respect to the financing from Donors and Participating Countries:

(i) Subject to sub-paragraph (ii) of this paragraph, the right to withdraw the proceeds of the relevant Donor or Participating Country financing has been suspended, canceled or terminated in whole or in part, pursuant to the terms of the relevant agreement.

(ii) Sub-paragraph (i) of this paragraph shall not apply if the Recipient establishes to the satisfaction of the World Bank that: (A) such suspension, cancellation, or termination was not caused by the failure of the Recipient to perform any of its obligations under the relevant Donor or Participation Agreement; and (B) adequate funds for the Project are available from other sources on terms and conditions consistent with the Recipient’s obligations under the Grant Agreement.

(d) *Event prior to Effectiveness.* The World Bank has determined after the Effective Date that prior to such date but after the date of the Grant 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 the Grant Agreement had been effective on the date such event occurred.

## **Article V Effectiveness**

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

(a) The execution and delivery of the Grant Agreement on behalf of the Recipient have been duly authorized or ratified by all necessary governmental and corporate action.

(b) The execution and delivery of a Participation Agreement on behalf of the Recipient and each Participating Country has been duly authorized or ratified by all necessary governmental and corporate action.

(c) If the World Bank so requests, the condition of the Recipient, as represented or warranted to the World Bank at the date of the Grant Agreement, has undergone no material adverse change after such date.

5.02. As part of the evidence to be furnished pursuant to Section 5.01 (a) and (b), there shall be furnished to the World Bank an opinion or opinions satisfactory to the World Bank of counsel acceptable to the World Bank or, if the World Bank so requests, a certificate satisfactory to the World Bank of a competent official of the Participating Country, showing the following matters:

(a) on behalf of the Recipient, that the Grant Agreement has been duly authorized or ratified by, and executed and delivered on its behalf and is legally binding upon it in accordance with its terms; and

(b) each Participation Agreement has been duly authorized or ratified by the Recipient and the relevant Participating Country and is legally binding upon each such party in accordance with its terms.

5.03. Except as the Recipient and the World Bank shall otherwise agree, the Grant Agreement shall enter into effect on the date upon which the World Bank dispatches to the Recipient notice of its acceptance of the evidence required pursuant to Section 5.01 ("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 the Grant Agreement had been effective, the World Bank may

postpone the dispatch of the notice referred to in this sub-paragraph until such event (or events) has (or have) ceased to exist.

5.04. *Termination for Failure to Become Effective.* The Grant Agreement and all obligations of the parties under it shall terminate if it has not entered into effect by the date 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 which later date typically may not extend more than eighteen (18) months after September 7, 2006 in which the World Bank approved the Grant. The World Bank shall promptly notify the Recipient of such later date.

## **Article VI Representatives; Addresses**

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

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

Caribbean Community Climate Change Centre  
Second Floor  
Lawrence Nicholas Building  
P.O. Box 563  
Ring Road  
Belmopan City, Belize

Facsimile:

501-822-1365

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 (MCI)	1-202-477-6391

AGREED at the District of Columbia, United States of America, as of the day and year first above written.

**INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT  
as an Implementing Agency of the  
Global Environment Facility**

By /s/ Caroline Anstey

Authorized Representative

**CARIBBEAN COMMUNITY CLIMATE CHANGE  
CENTRE**

By /s/ Kenrick R. Leslie

Authorized Representative



## SCHEDULE 1

### Project Description

The objective of the Project is to assist the Recipient in supporting the efforts of the Participating Countries to implement specific, integrated, pilot adaptation measures that address primarily the impacts of climate change on the Participating Countries' natural resource base, with a focus on biodiversity and land degradation along coastal and near-coastal areas.

The Project consists of the following parts:

#### Part 1. Identification, Evaluation, Selection and Design of Adaptation Measures

1.1. Carrying out of feasibility analyses of proposed adaptation measures including: (a) assessment of the current ecosystem and physical condition and trends in coastal areas of the Participating Countries; (b) provision of data by the MRI that estimates current and future temperature and rainfall patterns along proposed project sites; (c) analysis of specific climate change impacts, primarily concerning biodiversity of global significance and assessment of alternatives including, *inter alia*, technical, environmental, social, institutional, and risk and cost analyses; and (d) selection of recommended actions.

1.2. Design of adaptation measures including: (a) creation of technical and engineering designs; (b) creation of environmental and social management plans; (c) organization of community participation campaigns; (d) establishment of a monitoring and evaluation system to measure the impacts of adopted measures; and (e) establishment and adoption of plans and cooperation agreements by the Participating Countries with local and regional institutions and agencies for the implementation of the respective adaptation measures.

#### Part 2. Implementation of Selected Adaptation Measures in Participating Countries

2.1. Coordination and implementation of selected adaptation measures in seven sites within the Participating Countries, including: (a) provision of required data by MRI for analyzing the pressures on biodiversity and land degradation from anticipated climate projections; and (b) carrying out of in-country coordination and supervision by each Participating Country on the implementation of the relevant adaptation measures in consultation with local communities.

2.2. Morne Diablotin National Park and Neighboring Communities (Dominica). Implementation of adaptation measures in the Morne Diablotin National Park and the neighboring coastal communities of Colihaut, Dublanc and Bioche, including: (a) development of a park management plan consistent with the land use plan of adjoining buffer areas, incorporating climate change considerations and corresponding

enforcement strategy; (b) development of measures to address water supply deficits; and (c) analyses of flood risk including the identification of flood prone areas and key flood mitigation actions, and the strengthening of institutional and community ability to enforce adopted land zoning.

2.3. *Morne Trois Pitons National Park (Dominica)*. Revision and update of the protected area management plan for the Morne Trois Pitons National Park, and establishment of pilot adaptation measures to enhance the resilience of aquatic systems and watershed areas and to improve water resource areas.

2.4. *Vieux-Fort Region (Saint Lucia)*. Establishment of adaptation measures to enhance the efficient use of available water supplies and increase resilience to water scarcity conditions anticipated from climate change impacts in the Vieux-Fort Region and potentially the Pointe Sable National Park.

2.5. *Castries Area (Saint Lucia)*. Carrying out of scientific and engineering studies to assess vulnerabilities and define priorities relating to the strengthening of critical infrastructure (hospitals, shelters, fire stations and storm barriers), to the effects of intensified hurricanes in the Castries region of Saint Lucia, including the retrofitting of one specific building.

2.6. *Bequia and Union Islands (Saint Vincent and the Grenadines)*. Establishment of an integrated ecosystem approach to climate change in the islands of Bequia and Union, including the implementation of adaptation measures to address fresh water needs and coastal vulnerabilities while reducing land degradation and protecting fragile biodiversity.

2.7. *Spring Village (Saint Vincent and the Grenadines)*. Implementation of mitigation and adaptation measures that address land degradation and related impacts on coastal and marine ecosystems, including: (a) implementation of river stabilization measures; (b) implementation of measures to reduce the risk of landslides, flash flooding, and coastal degradation; and (c) development of community natural hazards management plans.

### Part 3. Strengthen Capacity of Participating Members to Implement Multilateral Environmental Agreements.

3.1. Development of a harmonized national reporting framework (i.e., legal, institutional and management structures) by each Participating Country that integrates climate change, biodiversity and land degradation obligations under the United Nations Framework Convention on Climate Change, the Convention on Biological Diversity, and the United Nations Convention to Combat Desertification and Drought, coordinated among the three Participating Countries.

3.2. Provision of technical assistance by IUCN to Participating Countries to develop a single report using the harmonized national reporting framework referred to in Part 3.1 above.

3.3. Testing of the application of the harmonized framework, referred to in Part 3.1 above, in relation to specific adaptation measures under Part 2 of this Project.

#### Part 4. Technical Assistance and Project Management

Provision of: (a) technical assistance to coordinate Project activities, including the implementation of a monitoring system, development and implementation of a communication strategy, administrative and financial management, and annual audits; and (b) operational expenditures related to Project management.

## SCHEDULE 2

### Project Execution

#### Section I. Institutional and Other Arrangements

##### A. Participation Agreements.

1. To facilitate the carrying out of the Project, the Recipient shall enter into an agreement with each Participating Country, under terms and conditions approved by the World Bank, which shall include the following:
  - (a) the Participating Country concerned shall provide, or cause to be provided, promptly as needed, the facilities, services and other resources required for the Project, as stipulated in an annex to the respective Participation Agreement;
  - (b) the Participating Country concerned shall: (i) take or cause to be taken all action to permit the Recipient to carry out the Project, and (ii) not take or permit to be taken any action that would prevent or interfere with the Recipient's compliance with its obligations under this Agreement;
  - (c) the Participating Country concerned shall assign a full time national coordinator responsible for: (i) developing a work plan to undertake national level activities and integrate them with regional activities, (ii) coordinating national level activities, (iii) assisting local communities in designing and implementing site specific activities, (iv) developing terms of reference for the national level activities, (v) assisting the Recipient in the selection and management of consultants, (vi) assisting with the monitoring and evaluation of national level Project activities, (vii) preparing monthly progress reports for submission to the Recipient, and (viii) ensuring the timely execution of community level activities;
  - (d) the Participating Country concerned shall provide the Recipient with the necessary information and/or documentation to enable the Recipient to comply with its obligations under this Agreement;
  - (e) the Participating Country concerned shall, for the purposes related to this GEF Grant Agreement, provide all reasonable opportunity for representatives of the World Bank and the Recipient to visit any part of its territory, and obtain all reasonably requested information;
  - (f) the Participating Country concerned shall assist the Recipient in preparation of annual work plans and progress reports as required under this Agreement; and

(g) for the purposes of carrying out the Project, the Participating Country concerned shall identify resources in connection with the implementation of the Project in each proposed annual budget to its legislature. The total contribution of the Participating Country concerned shall be an amount equivalent to USD 500,000 provided over the course of Project implementation, in addition to the assignment of a national coordinator.

2. The Recipient shall exercise its rights under each Participation Agreement in such manner as to fulfill the obligations of the Recipient and the World Bank to accomplish the purposes of the Grant Agreement. Except as the World Bank shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive any of the provisions of the Participation Agreement.

**B. Other.**

1. Without limitation to the provisions of Article II of the Standard Conditions, the Recipient shall ensure that:

(a) the Project is carried out in accordance with the Operational Manual, including the environmental framework and financial management and procurement arrangements satisfactory to the World Bank;

(b) the Operational Manual or any part thereof is not amended, waived, suspended or abrogated without the World Bank's prior written concurrence, and in case of any inconsistency between the provisions of the Operational Manual and those of this Agreement, the provisions of this Agreement shall prevail; and

(c) the World Bank is promptly informed of any developments in the legislation or regulations of the Participating Countries and/or the rules or procedures of the Participating Countries or the Recipient that may affect the performance of the Project.

2. **Environmental Assessments.** For the purposes of carrying out Part 2 of the Project, the Recipient shall carry out the selected adaptation measure only after conducting an environmental assessment in accordance with the environmental framework contained in the Operational Manual, in consultation with local communities. The assessment shall: (a) identify any potential environmental or social risks associated with the proposed adaptation measure, (b) classify the proposed measures according to the most serious potential adverse effects, and where necessary, (c) examine the potential negative and positive impacts, and (d) recommend actions to prevent, mitigate or compensate for adverse impacts and improve environmental performance and social conditions.

3. Where a proposed adaptation measure is likely to have adverse environmental impacts, the Recipient shall consult with affected groups and local nongovernmental organizations during preparation and implementation, providing in a timely manner prior to consultation (at least 60 days before implementation of related activities) relevant material in a form and language understandable and accessible to the groups being consulted. If the environmental assessment of any particular adaptation measure identifies a potential negative environmental impact or social impact, and the Recipient decides to proceed with the proposed adaptation measure, the Recipient shall take or cause to be taken all mitigation measures acceptable to the World Bank.
4. Without limitation to provision B.2 of this Section, the Recipient confirms that the Project shall not implement adaptation measures that may have significant adverse environmental impacts that are sensitive, diverse or unprecedented.
5. **Donor Agreements.** The Recipient shall exercise its rights and carry out its obligations under each Donor Agreement in such manner as to protect its interest and the interest of the World Bank and to accomplish the purposes of the Grant Agreement and, except as the World Bank shall otherwise agree, the Recipient shall not waive or fail to enforce any such agreement or any provision thereof.

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

### **A. Project Reports.**

1. (a) The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of the performance indicators set forth below in sub-paragraph (b) of this paragraph. The first Project Report shall cover the period between the Effective Date and the first June or December following that date, and shall be furnished to the World Bank not later than one month after the end of that period. Thereafter, each Project Report shall cover the period of six months (being January through June or July through December), and shall be furnished to the World Bank not later than one month after the end of the period covered by such report.
- (b) The performance indicators referred to in sub-paragraph (a) above consist of the following:
  - i. Preserve the ecosystem functioning in Morne Diablotin and Morne Trois Pitons National Parks in Dominica (measured through the stabilization of the population of key flagship species, such as *A. imperials* and *A. araucaria*) that is affected by climate change impacts.

- ii. Stabilization of the health of the coastal ecosystems in the Vieux Fort area (measured through density and productivity of coastal mangroves in Mankote / Savannes Bay) that are affected by climate change and other stressors.
  - iii. Incorporation of lessons from strengthening of key infrastructure into local hazards management plan and building guidelines in Saint Lucia.
  - iv. Stabilization of the population of remaining Black Mangrove (*Avicennia sp*) stands in Union Island (measured through density and productivity) that are affected by climate change.
  - v. Finalization of the Bequia island integrated natural resource management plan, addressing matters including climate change biodiversity and land degradation concerns, and incorporation into the national development planning process.
  - vi. Stabilization of the diversity of coral reefs and associated species (measured by number and density of species) in the Spring Village area that are affected by climate change and land degradation impacts.
2. The Recipient shall prepare a Recipient's Completion Report in accordance with the provisions of Section 2.06 (b)(ii) of the Standard Conditions. The Recipient's Completion Report shall be furnished to the World Bank not later than six months after the Closing Date.

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

1. The Recipient shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 2.07 of the Standard Conditions.
2. Without limitation on the provisions of Part A of this Section, the Recipient shall prepare and furnish to the World Bank as part of the Project Report not later than one month after the end of each six month period, interim un-audited financial reports for the Project covering that six month period, in form and substance satisfactory to the World Bank. The six month periods shall be January through June, and July through December. The first un-audited financial report shall cover the period between the Effective Date and the first June or December following that date. Thereafter, each interim un-audited financial report shall be furnished to the World Bank not later than one month after each subsequent six month period.

3. 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 (January-December) of the Recipient. The audited Financial Statements for each such period shall be furnished to the World Bank not later than four months after the end of such period.

**Section III. Procurement**

**A. General.**

1. **Goods and Works.** All goods and works 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 Section I of the Procurement Guidelines, and with the provisions of this Schedule.
2. **Consultants' Services.** All 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 Sections I and IV of the Consultant Guidelines, and with the provisions of this Schedule.
3. **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 Works**

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

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



**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 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.

<b>Procurement Method</b>
(a) Quality-Based Selection
(b) Selection under a Fixed Budget
(c) Least Cost Selection
(d) Selection Based on Consultants' Qualifications
(e) Single Source Selection
(f) Individual Consultants

**D. Review by the World Bank of Procurement Decisions**

1. 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 the Proceeds of the Grant**

**A. General.**

1. The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of this Section and such additional instructions as the World Bank may specify by notice to the Recipient, 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>
(1) Goods and consultants' services for Part 1 of the Project, with the exception of subparts 1.1(a), 1.1(b) and 1.2(e)	200,000	100%
(2) Goods, works and consultants' services for Part 2 of the Project, with the exception of subpart 2.1	1,500,000	100%
(3) Goods and consultants' services for Part 3.3 of the Project	200,000	100%
(4) Goods and consultants' services for Part 4 of the Project	200,000	100%
<b>TOTAL AMOUNT</b>	2,100,000	

**B. Withdrawal Conditions; Withdrawal Period.**

1. Notwithstanding the provisions of Part A of this Section no withdrawal shall be made:
  - (a) for payments made prior to the date of this Agreement; or
  - (b) for expenditures financed, or to be financed, by the IUCN Contribution, MRI Contribution, GOI Grant, or by the counterpart contributions of the Participating Countries.
  
2. For the purposes of this Schedule the term "operating expenditure" means reasonable expenditure directly related to the implementation, management and monitoring of the Project (which expenditure would not have been incurred absent the Project), consisting of equipment lease and maintenance, office and

scientific supplies and equipment, communications, vehicle fuel, bank charges, travel and per diem of Project staff, and salaries of core Project staff (Project coordinator, procurement specialist, and other required personnel for the Project management) hired for the duration of the Project, but excluding salaries of any permanent staff of the Recipient.

- 3.** The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is June 30, 2011.

## APPENDIX

### Section I. Definitions

1. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
2. “CCCCC” or the “Caribbean Community Climate Change Center” means the center established pursuant to an agreement dated February 4, 2002, provisionally applied by a protocol dated February 5, 2002, upon signature by the representatives of Barbados, Belize, Grenada, Co-operative Republic of Guyana, Jamaica, Saint Kitts and Nevis, Saint Vincent and the Grenadines, Suriname and Trinidad and Tobago.
3. “CCCCC Legislation” means the abovementioned agreement dated February 4, 2002, establishing and governing the CCCCC.
4. “Consultant Guidelines” means the “Guidelines: Selection and Employment of Consultants by World Bank Borrowers” published by the World Bank in May 2004.
5. “Convention on Biological Diversity” means the convention adopted at the June 1992 UN Conference on Environment and Development and entered into force on December 29, 1993.
6. “Dollar”, “\$” and “USD” each means the lawful currency of the United States of America.
7. “Donor” or collectively “Donors” means any of the following entities: IUCN, MRI, or GOI (as the abbreviations are defined herein and in the preamble to this Agreement).
8. “Donor Agreement” or collectively “Donor Agreements” means any of the following agreements: IUCN Contribution Agreement, MRI Contribution Agreement, or GOI Grant Agreement (as the terms are defined in the preamble of this Agreement).
9. “Effective Date” means the date referred to in Section 5.03 of this Agreement.
10. “IUCN” means the International Union for the Conservation of Nature and Natural Resources, also known as the World Conservation Union, which is constituted in accordance with the Swiss Civil Code as an international organization of governmental and non-governmental members, and is governed under its statutes of October 5, 1948, revised on October 22, 1996 and amended on November 24, 2004.

11. “MRI” means the Meteorological Research Institute, an associate institute of the Japan Meteorological Agency under the Japan Ministry of Land, Infrastructure and Transport.
12. “Operational Manual” means the manual, acceptable to the World Bank, which sets forth the policies and procedures that will apply to the carrying out of the Project, including, *inter alia*: (a) an environmental framework; (b) updated financial management procedures (including a chart of accounts and policy for travel advances); and (c) procurement arrangements.
13. “Participating Country” or collectively “Participating Countries” means any of the following countries: (a) Commonwealth of Dominica; (b) Saint Lucia; and (c) Saint Vincent and the Grenadines.
14. “Participation Agreement” or collectively “Participation Agreements” means any of the agreements entered into between the Recipient and the individual Participating Countries for the purposes of governing the assistance to be provided by the Participating Countries to the Recipient under the Project, on terms and conditions acceptable to the World Bank, including, *inter alia*, those set forth in Section I.A of Schedule 2 to this Agreement.
15. “Procurement Guidelines” means the “Guidelines for Procurement under IBRD Loans and IDA Credits” published by the World Bank in May 2004.
16. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated April 28, 2006 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.
17. “Standard Conditions” means the “Standard Conditions for Grants made by the World Bank acting as an Implementing Agency of the Global Environment Facility” dated March 22, 2006, with the modifications set forth in Section II of this Appendix.
18. “United Nations Convention to Combat Desertification and Drought” means the convention adopted at the United Nations in June 1994, and entered into force on December 26, 1996.
19. “United Nations Framework Convention on Climate Change” means the convention adopted at the United Nations on May 9, 1992, and entered into force on March 21, 1994.

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

The modifications to the “Standard Conditions for Grants made by the World Bank acting as an Implementing Agency of the Global Environment Facility” dated March 22, 2006 are as follows:

The reference to “Member Country” in Sections 2.09, 3.07, 4.02, 4.03, 4.05, 5.03 means any of the Participating Countries.

**ATTACHMENT**

**Standard Conditions**

**for  
Grants  
made by  
the**

**World Bank  
as an  
Implementing Agency  
of the  
Global Environment Facility**

**Dated March 22, 2006**

**ARTICLE I**  
**Introductory Provisions**

Section 1.01. *Application of Standard Conditions.* These standard conditions (“Standard Conditions”) set forth certain terms and conditions generally applicable to grants made by the International Bank for Reconstruction and Development (referred to as “IBRD” or the “World Bank”) as an Implementing Agency of the Global Environment Facility. They apply to the extent specified in the grant agreement (“Grant Agreement”) providing for any of such grants (“Grant”) between the World Bank and the party to which the Grant is extended (“Recipient”). The term “Grant Agreement” includes all appendices, schedules, agreements supplemental and amendments to such agreement, as well as these Standard Conditions as applied to such agreement.

Section 1.02. *Inconsistency with Grant Agreement.* If any provision of the Grant Agreement is inconsistent with a provision of these Standard Conditions, the provision of the Grant Agreement shall govern.

Section 1.03. *Definitions.* Except as otherwise provided in the Grant Agreement, wherever capitalized terms are used in these Standard Conditions or in the Grant Agreement, they have the meanings ascribed to them in these Standard Conditions.

Section 1.04. *References; Headings.* References in these Standard Conditions to Articles and Sections are to the Articles and Sections of these Standard Conditions. Their headings are inserted in these Standard Conditions for reference only and shall not be taken into consideration in interpreting these Standard Conditions.

**ARTICLE II**  
**Project Execution**

Section 2.01. *Project Execution Generally.* The Recipient shall ensure that:

(a) the project described in the Grant Agreement (“Project”) is carried out: (i) with due diligence and efficiency; (ii) in conformity with appropriate administrative, technical, financial, economic, environmental and social standards and practices; and (iii) in accordance with the provisions of the Grant Agreement and these Standard Conditions; and

(b) the funds, facilities, services and other resources required for the Project shall be provided promptly as needed.

Section 2.02. *Insurance.* The Recipient shall ensure that adequate provision is made for the insurance of any goods required for the Project and to be financed out of the proceeds of the Grant, against hazards incident to the acquisition, transportation and delivery of the goods to the place of their use or installation. Any indemnity for such insurance shall be payable in a freely usable currency to replace or repair such goods.



Section 2.03. *Land Acquisition.* The Recipient shall ensure that all action is taken to acquire as and when needed all land and rights to land that are required to carry out the Project and shall promptly furnish to the World Bank, upon its request, evidence satisfactory to the World Bank that such land and rights are available for the Project.

Section 2.04. *Use of Goods, Works and Services; Maintenance of Facilities.* The Recipient shall ensure that:

(a) except as the World Bank shall otherwise agree, all goods, works and services financed out of the proceeds of the Grant are used exclusively for the purposes of the Project; and

(b) all facilities relevant to the Project are at all times properly operated and maintained and all necessary repairs and renewals of such facilities are made promptly as needed.

Section 2.05. *Documents; Records.* The Recipient shall ensure that:

(a) all documents related to the Project are promptly furnished to the World Bank upon its request, in such detail as the World Bank shall reasonably request;

(b) records are maintained adequate to record the progress of the Project (including its cost and the benefits to be derived from it), to identify the goods, works and services financed out of the proceeds of the Grant and to disclose their use in the Project, and such records are furnished to the World Bank promptly upon its request;

(c) all records evidencing expenditures under the Project are retained until at least: (i) two years after the Closing Date (as defined below in Section 3.06 (c)); or (ii) if the World Bank requires audits of the Recipient's Financial Statements pursuant to Section 2.07 (b) below, the later of: (A) one year after the World Bank has received the audited Financial Statements covering the period during which the last withdrawal from the Grant Account was made; and (B) two years after the Closing Date; and

(d) the representatives of the World Bank are able to examine all records referred to above in (b) and (c), and are provided all such information concerning such records as they may from time to time reasonably request.

Section 2.06. *Project Monitoring and Evaluation.* The Recipient shall:

(a) ensure the maintenance of policies and procedures adequate to enable it to monitor and evaluate on an ongoing basis, in accordance with indicators acceptable to the World Bank, the progress of the Project and the achievement of its objectives; and

(b) if so required in accordance with the provisions of the Grant Agreement:

- (i) (A) ensure the preparation of periodic reports (“Project Report”), in form and substance satisfactory to the World Bank, integrating the results of such monitoring and evaluation activities and setting out measures recommended by the Recipient to ensure the continued efficient and effective execution of the Project, and to achieve the Project’s objectives; each Project Report to cover the period specified in the Grant Agreement and to be furnished to the World Bank not later than the date specified for that purpose in the Grant Agreement; and (B) afford the World Bank a reasonable opportunity to exchange views with the Recipient on such report, and thereafter implement such recommended measures, taking into account the World Bank’s views on the matter; and
- (ii) ensure the preparation of, and furnish to the World Bank not later than the date specified for that purpose in the Grant Agreement: (A) a report, of such scope and in such detail as the World Bank shall reasonably request, on the execution of the Project, the performance by the Recipient and the World Bank of their respective obligations under the Grant Agreement and the accomplishment of the purposes of the Grant; and (B) a plan designed to ensure the sustainability of the Project’s achievements (“Recipient’s Completion Report”).

Section 2.07. *Financial Management; Financial Statements; Audits.* The Recipient shall ensure that:

(a) a financial management system is maintained and financial statements (“Financial Statements”) are prepared in accordance with consistently applied accounting standards acceptable to the World Bank, both in a manner adequate to reflect the operations, resources and expenditures related to the Project; and

(b) if so required in accordance with the provisions of the Grant Agreement: (i) the Financial Statements are periodically audited by independent auditors acceptable to the World Bank, in accordance with consistently applied auditing standards acceptable to the World Bank; and (ii) the Financial Statements, as so audited, are furnished to the World Bank not later than the date specified in the Grant Agreement for that purpose, together with such other information concerning the audited Financial Statements and such auditors, as the World Bank may from time to time reasonably request.

Section 2.08. *Cooperation and Consultation.* The Recipient and the World Bank shall cooperate fully to assure that the purposes of the Grant and the objectives of the Project will be accomplished, and to this end, throughout the implementation of the Project and for a period of ten years thereafter:

(a) from time to time, at the request of either of them, exchange views on the Project, the Grant, and the performance of their respective obligations under the Grant Agreement, and furnish to the other party all such information related to such matters as it shall reasonably request; and

(b) promptly inform the other party of any condition which interferes with, or threatens to interfere with, such matters.

Section 2.09. *Visits.* The Recipient shall, throughout the implementation of the Project and for a period of ten years thereafter:

(a) if it is the member of the World Bank in whose territory the Project is carried out or any of such member's political or administrative subdivisions ("Member Country"), enable the representatives of the World Bank to visit any part of its territory for purposes related to the Grant;

(b) if it is not the Member Country, take all measures required on its part to enable the World Bank to visit any part of the Member Country's territory for purposes related to the Grant; and

(c) enable the World Bank's representatives: (i) to visit any facilities and sites included in the Project; and (ii) to examine the goods financed out of the proceeds of the Grant, and any documents relevant to the performance of its obligations under the Grant Agreement.

### **ARTICLE III**

#### **Withdrawal of Grant Proceeds**

Section 3.01. *Grant Account; Withdrawals Generally; Currency of Withdrawals.*

(a) The World Bank shall credit the amount of the Grant in the currency of denomination of the Grant to an account opened in its books in the name of the Recipient ("Grant Account"). The Recipient may from time to time request withdrawals of amounts of the Grant from the Grant Account in accordance with the provisions of the Grant Agreement and of these Standard Conditions.

(b) Withdrawals of the proceeds of the Grant from the Grant Account shall be made in the currency of denomination of the Grant. The World Bank may, at the request and acting as an agent of the Recipient, and on such terms and conditions as the World Bank shall determine, purchase with such currency withdrawn from the Grant Account such other currencies as the Recipient shall reasonably request to meet payments for Eligible Expenditures (as defined in Section 3.06). Whenever it shall be necessary for the purpose of the Grant Agreement or these Standard Conditions to determine the value of one currency in terms of another, such value shall be as reasonably determined by the World Bank.

Section 3.02. *Funding Shortfall.* Notwithstanding the provisions of Section 3.01, no withdrawals shall be made if, as a result of such withdrawal, the total amount of the Grant withdrawn from the Grant Account would exceed the amount available to the World Bank from resources provided to it for purposes of the Grant.

Section 3.03. *Special Commitment by the World Bank.* At the Recipient's request and on such terms and conditions as the Recipient and the World Bank shall agree, the World Bank may enter into special commitments in writing to pay amounts for Eligible Expenditures notwithstanding any subsequent suspension or cancellation of an amount of the Grant ("Special Commitment").

Section 3.04. *Applications; Supporting Evidence.*

(a) When the Recipient wishes to withdraw an amount from the Grant Account or to request the World Bank to enter into a Special Commitment, the Recipient shall deliver to the World Bank a written application for the purpose in such form and substance as the World Bank shall reasonably request ("Application").

(b) The Recipient shall furnish to the World Bank: (i) evidence satisfactory to the World Bank of the authority of the person or persons authorized to sign each Application and the authenticated specimen signature of each such person; and (ii) such documents and other evidence in support of each Application as the World Bank shall specify, whether before or after the World Bank has permitted any withdrawal requested in the Application ("Supporting Evidence").

(c) Each Application for an amount of the Grant, and its Supporting Evidence, must be sufficient in form and substance to satisfy the World Bank that the Recipient is entitled to withdraw such amount from the Grant Account, and that such amount will be used only for the purposes specified in the Grant Agreement. Applications shall be made promptly in relation to Eligible Expenditures.

(d) The World Bank shall pay the amounts withdrawn by the Recipient from the Grant Account only to, or on the order of, the Recipient.

Section 3.05. *Designated Accounts.*

(a) The Recipient may open and maintain one or more designated accounts into which the World Bank may, at the request of the Recipient, deposit amounts withdrawn from the Grant Account as advances for purposes of the Project ("Designated Accounts"). All Designated Accounts shall be opened in a financial institution acceptable to the World Bank, and on terms and conditions acceptable to the World Bank.

(b) Deposits into, and payments out of, any Designated Account shall be made in accordance with the Grant Agreement and these Standard Conditions and such additional instructions as the World Bank may specify from time to time by notice to the Recipient. The World Bank may, in accordance with the Grant Agreement and such instructions, cease making deposits into any such account upon notice to the Recipient. In such case, the World Bank shall notify the Recipient of the procedures to be used for subsequent withdrawals from the Grant Account.

Section 3.06. *Eligible Expenditures.* The Recipient shall ensure that the proceeds of the Grant are used exclusively to finance expenditures which, except as otherwise provided in the Grant Agreement, satisfy the following requirements (“Eligible Expenditures”):

(a) the payment is for the reasonable cost of goods, works or services required for the Project, to be financed out of the proceeds of the Grant and procured, all in accordance with the provisions of the Grant Agreement;

(b) the payment is not prohibited by a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations; and

(c) the payment: (i) is made on or after the date specified in the Grant Agreement for that purpose; and (ii) except as the World Bank may otherwise agree, is for expenditures incurred prior to the date specified in the Grant Agreement (or such later date as the World Bank shall establish by notice to the Recipient) after which the World Bank may, by notice to the Recipient, terminate the right of the Recipient to withdraw from the Grant Account (“Closing Date”).

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, imposts, levies, fees or duties of any nature (“Taxes”) levied by, or in the territory of, the 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.

(b) In the absence of such specification, the use of any proceeds of the Grant to pay for such Taxes is nevertheless subject to the World Bank’s policy of requiring economy and efficiency in the use of the proceeds of its credits and grants. To that end, if the World Bank at any time determines that the amount of any such Tax is excessive, or that such Tax is discriminatory or otherwise unreasonable, 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 policy of the World Bank.

Section 3.08. *Reallocation.* If, in the World Bank's opinion, an amount of the Grant allocated to a category of Eligible Expenditures under the Grant Agreement will be insufficient to finance the expenditures under such category, the World Bank may, by notice to the Recipient:

(a) reallocate to such category any other amount of the Grant which in the World Bank's opinion is not needed for other Eligible Expenditures, to the extent required to meet the estimated shortfall; and

(b) if such reallocation will not fully meet the estimated shortfall, reduce the percentage of Eligible Expenditures to be financed under such category, in order that further withdrawals for such expenditures may continue until all such expenditures have been made.

#### **ARTICLE IV**

#### **Cancellation; Suspension; Grant Refund**

Section 4.01. *Cancellation by the Recipient.* The Recipient may, by notice to the World Bank, cancel any unwithdrawn amount of the Grant, except that the Recipient may not cancel any such amount that is subject to a Special Commitment.

Section 4.02. *Suspension by the World Bank.* The World Bank may, by notice to the Recipient, suspend the right of the Recipient to make withdrawals from the Grant Account if any of the following events occurs and is continuing. Such suspension shall continue until the World Bank has notified the Recipient that such right to make withdrawals has been restored.

(a) *Interference.* If the Grant has been made to a Recipient which is not the Member Country, the 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.

(b) *Performance Failure.* The Recipient has failed to perform any obligation under the Grant Agreement.

(c) *Cross Suspension.* IBRD or IDA has suspended in whole or in part the right of the Recipient (or of the 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 the Member Country) to perform any of its obligations under such agreement or any other agreement with IBRD or IDA.

(d) *Extraordinary Situation.* As a result of events which have occurred after the date of the Grant Agreement, an extraordinary situation has arisen which makes it improbable that the Project can be carried out or that the Recipient will be able to perform its obligations under the Grant Agreement.

(e) *Misrepresentation.* A representation made by the Recipient in or pursuant to the Grant Agreement, or any representation or statement furnished by the Recipient and intended to be relied upon by the World Bank in making the Grant, was incorrect in any material respect.

(f) *Assignment of Obligations; Disposition of Assets.* The Recipient (or any other entity responsible for implementing any part of the Project) has, without the consent of the World Bank: (i) assigned or transferred, in whole or in part, any of its obligations arising under or entered into pursuant to the Grant Agreement; or (ii) sold, leased, transferred, assigned, or otherwise disposed of any property or assets financed wholly or in part out of the proceeds of the Grant; provided, however, that the provisions of this paragraph shall not apply with respect to transactions in the ordinary course of business which, in the opinion of the World Bank: (A) do not materially and adversely affect the ability of the Recipient (or such other entity) to perform any of its obligations arising under or entered into pursuant to the Grant Agreement or to achieve the objectives of the Project; and (B) if the Grant has been made to a Recipient which is not the Member Country, do not materially and adversely affect the financial condition or operation of the Recipient (or such other entity).

(g) *Membership.* The 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.

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

- (i) Any action has been taken for the dissolution, disestablishment or suspension of operations of the Recipient (or of any other entity responsible for implementing any part of the Project).
- (ii) The Recipient (or any other entity responsible for implementing any part of the Project) has ceased to exist in the same legal form as that prevailing as of the date of the Grant Agreement.
- (iii) In the opinion of the World Bank, the legal character, ownership or control of the Recipient (or of any other entity responsible for implementing any part of the Project) has changed from that prevailing as of the date of the Grant Agreement so as to materially and adversely affect the ability of the Recipient (or such other entity) to perform any of its obligations arising under

or entered into pursuant to the Grant Agreement, or to achieve the objectives of the Project.

(i) *Additional Event.* Any other event specified in the Grant Agreement for the purposes of this Section has occurred (“Additional Event of Suspension”).

Section 4.03. *Cancellation by the World Bank.* The World Bank may, by notice to the Recipient, terminate the right of the Recipient to make withdrawals with respect to an unwithdrawn amount of the Grant, and cancel such amount, if any of the following events occurs with respect to such amount:

(a) *Suspension.* The right of the Recipient to make withdrawals from the Grant Account has been suspended with respect to any amount of the Grant for a continuous period of thirty days.

(b) *Amounts not Required.* The World Bank determines, after consultation with the Recipient, that an amount of the Grant will not be required to finance Eligible Expenditures.

(c) *Misprocurement; Fraud and Corruption.* The World Bank: (i) determines, with respect to any contract to be financed out of the proceeds of the Grant, that (A) the procurement of such contract is inconsistent with the procedures set forth or referred to in the Grant Agreement; or (B) corrupt, fraudulent, collusive or coercive practices were engaged in by representatives of the Recipient (or the Member Country, if the Recipient is not the Member Country, or other recipient of the Grant proceeds) during the procurement or the execution of such contract, without the Recipient (or Member Country or other such recipient) having taken timely and appropriate action satisfactory to the World Bank to remedy the situation; and (ii) establishes the amount of expenditures under such contract which would otherwise have been eligible for financing out of the proceeds of the Grant.

(d) *Closing Date.* After the Closing Date, there remains an unwithdrawn amount of the Grant.

Section 4.04. *Amounts Subject to Special Commitment Unaffected.* No cancellation or suspension by the World Bank shall apply to amounts subject to any Special Commitment, except as expressly provided in the Special Commitment.

Section 4.05. *Grant Refund*

(a) If the World Bank determines that an amount of the Grant has been used in a manner inconsistent with the provisions of the Grant Agreement or these Standard Conditions, the Recipient shall, upon notice by the World Bank to the Recipient, promptly refund such amount to the World Bank. Such inconsistent use shall include, without limitation, use of such amount to: (i) make a payment for an expenditure that is



not an Eligible Expenditure; or (ii) finance a contract during the procurement or execution of which corrupt, fraudulent, collusive or coercive practices were engaged in by representatives of the Recipient (or the Member Country, if the Recipient is not the Member Country, or other recipient of such amount of the Grant), without the Recipient (or Member Country or other such recipient) having taken timely and appropriate action satisfactory to the World Bank to remedy the situation.

(b) Except as the World Bank may otherwise determine, the World Bank shall cancel all amounts refunded pursuant to this Section.

Section 4.06. *Continued Effectiveness.* Notwithstanding any cancellation, suspension or refund under this Article, all the provisions of the Grant Agreement shall continue in full force and effect, except as specifically provided in these Standard Conditions.

## **ARTICLE V**

### **Enforceability; Arbitration**

Section 5.01. *Enforceability.* The rights and obligations of the Recipient and the World Bank under the Grant Agreement shall be valid and enforceable in accordance with their terms notwithstanding the law of any state or of any of its political subdivisions to the contrary. Neither the Recipient nor the World Bank shall be entitled in any proceeding under this Article to assert any claim that any provision of these Standard Conditions or of the Grant Agreement is invalid or unenforceable because of any provision of the Articles of Agreement of the World Bank.

Section 5.02. *Failure to Exercise Rights.* No delay in exercising, or omission to exercise, any right, power or remedy accruing to any party under the Grant Agreement upon any default shall impair any such right, power or remedy or be construed to be a waiver thereof or an acquiescence in such default. No action of such party in respect of any default, or any acquiescence by it in any default, shall affect or impair any right, power or remedy of such party in respect of any other or subsequent default.

Section 5.03. *Arbitration.* Any controversy between the parties to the Grant Agreement and any claim by any such party against the other arising under the Grant Agreement which has not been settled by agreement of the parties shall be submitted to arbitration by an arbitral tribunal ("Arbitral Tribunal") as hereinafter provided.

(a) The parties to such arbitration shall be the World Bank on the one side and the Recipient on the other side.

(b) The Arbitral Tribunal shall consist of three arbitrators appointed as follows: (i) one arbitrator shall be appointed by the World Bank; (ii) a second arbitrator shall be appointed by the Recipient; and (iii) the third arbitrator ("Umpire") shall be appointed by agreement of the parties or, if they do not agree, by the President of the

International Court of Justice or, failing appointment by said President, by the Secretary-General of the United Nations. If either side fails to appoint an arbitrator, such arbitrator shall be appointed by the Umpire. In case any arbitrator appointed in accordance with this Section resigns, dies or becomes unable to act, a successor arbitrator shall be appointed in the same manner as prescribed in this Section for the appointment of the original arbitrator and such successor shall have all the powers and duties of such original arbitrator.

(c) An arbitration proceeding may be instituted under this Section upon notice by the party instituting such proceeding to the other party. Such notice shall contain a statement setting forth the nature of the controversy or claim to be submitted to arbitration, the nature of the relief sought and the name of the arbitrator appointed by the party instituting such proceeding. Within thirty days after such notice, the other party shall notify to the party instituting the proceeding the name of the arbitrator appointed by such other party.

(d) If within sixty days after the notice instituting the arbitration proceeding, the parties have not agreed upon an Umpire, either party may request the appointment of an Umpire as provided in paragraph (b) of this Section.

(e) The Arbitral Tribunal shall convene at such time and place as shall be fixed by the Umpire. Thereafter, the Arbitral Tribunal shall determine where and when it shall sit.

(f) The Arbitral Tribunal shall decide all questions relating to its competence and shall, subject to the provisions of this Section and except as the parties shall otherwise agree, determine its procedure. All decisions of the Arbitral Tribunal shall be by majority vote.

(g) The Arbitral Tribunal shall afford to the parties a fair hearing and shall render its award in writing. Such award may be rendered by default. An award signed by a majority of the Arbitral Tribunal shall constitute the award of the Arbitral Tribunal. A signed counterpart of the award shall be transmitted to each party. Any such award rendered in accordance with the provisions of this Section shall be final and binding upon the parties to the Grant Agreement. Each party shall abide by and comply with any such award rendered by the Arbitral Tribunal in accordance with the provisions of this Section.

(h) The parties shall fix the amount of the remuneration of the arbitrators and such other persons as are required for the conduct of the arbitration proceedings. If the parties do not agree on such amount before the Arbitral Tribunal convenes, the Arbitral Tribunal shall fix such amount as shall be reasonable under the circumstances. Each party shall defray its own expenses in the arbitration proceedings. The costs of the Arbitral Tribunal shall be divided between and borne equally by the parties. Any question concerning the division of the costs of the Arbitral Tribunal or the procedure for payment of such costs shall be determined by the Arbitral Tribunal.

(i) The provisions for arbitration set forth in this Section shall be in lieu of any other procedure for the settlement of controversies between the parties to the Grant Agreement or of any claim by any such party against the other such party arising under the Grant Agreement.

(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.

(k) Service of any notice or process in connection with any proceeding under this Section or in connection with any proceeding to enforce any award rendered pursuant to this Section may be made in the manner provided in Section 7.01. The parties to the Grant Agreement waive any and all other requirements for the service of any such notice or process.

## **ARTICLE VI**

### **Effectiveness; Termination**

Section 6.01. *Effectiveness.* Unless otherwise specified in the Grant Agreement, the Grant Agreement shall become effective on the date as of which it has been executed by all parties to the Grant Agreement.

Section 6.02. *Termination.* The Grant Agreement and all obligations of the parties under it shall forthwith terminate when all such obligations have been fully performed.

## **ARTICLE VII**

### **Miscellaneous**

Section 7.01. *Notices and Requests.* Any notice (or request) pursuant to the Grant Agreement shall be in writing. Such notice (or request) shall be deemed to have been duly given (or made ) when it has been delivered by hand or by mail, telex or facsimile (or, if permitted under the Grant Agreement, by other electronic means) to the party to which such notice (or request) is directed (“Addressee”), at the address specified in the Grant Agreement for the purpose (or at such other address as the Addressee shall have designated by notice to the party giving such notice (or making such request)) (“Address”). Deliveries made by facsimile transmission shall also be confirmed by mail.

Section 7.02. *Action on Behalf of the Recipient.* The representative designated by the Recipient in the Grant Agreement, for the purpose of this Section (or any person authorized in writing by such representative for the purpose) (“Recipient’s Representative”), may take any action required or permitted to be taken pursuant to the Grant Agreement, and execute any documents required or permitted to be executed pursuant to the Grant Agreement on behalf of the Recipient.

Section 7.03. *Evidence of Authority.* The Recipient shall furnish to the World Bank: (a) sufficient evidence of the authority of the Recipient’s Representative; and (b) the authenticated specimen signature of such representative.

Section 7.04. *Execution in Counterparts.* The Grant Agreement may be executed in several counterparts, each of which shall be an original.

Section 7.05. *Disclosure.* The World Bank may make the Grant Agreement and any information related to the Grant Agreement publicly available in accordance with its policy on disclosure of information, in effect at the time of such disclosure.