CONFORMED COPY

TF GRANT NUMBER TF097478

Grant Agreement

(Finland Grant for the Co-financing of Eastern Nile Watershed Management Project)

between

REPUBLIC OF SUDAN

and

INTERNATIONAL DEVELOPMENT ASSOCIATION
(acting as an administrator of the Trust Fund for the Co-financing of the Eastern Nile Watershed Management Project in Sudan)

Dated September 13, 2010
AGREEMENT dated September 13, 2010, entered into between the REPUBLIC OF THE
SUDAN (“Recipient”)
and INTERNATIONAL DEVELOPMENT ASSOCIATION (“World Bank”), acting as an administrator
of the Trust Fund (“Trust Fund”) for the co-financing of the Eastern Nile Watershed Management Project
in Sudan (“Eastern Nile Watershed Management Project”).

WHEREAS: (A) Pursuant to a Global Environment Facility (“GEF”) Grant Agreement entered
into between the Recipient and the International Bank for Reconstruction and Development
(“IBRD”) (acting as an implementing agency of the GEF) dated August 10, 2009, (the “GEF
Grant Agreement”) (“GEF Grant No. TF094532”), the IBRD granted the Recipient an amount equivalent to four
million United States Dollars (US$ 4,000,000) for the purpose of financing for the Eastern Nile
Watershed Management Project; and

(B) The World Bank acting as administrator of the Grant provided by Finland for the co-
financing of Part A of the Eastern Nile Watershed Management Project and has agreed to make a
grant (the Grant) referred to in Section 3.01 of this Agreement.

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”), 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.

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
MoIWR 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 six million five hundred twenty thousand Euro (€6,520,000) (“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.

3.03. The Grant is funded out of the above-mentioned 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) Any of ENTRO’s Constituent Documents has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the Recipient’s ability to perform any of its obligations under this Agreement.

(b) The right of the Arab Republic of Egypt or of ENTRO to withdraw the proceeds of the financing under its Related GEF Grant Agreement, has been suspended, canceled or terminated in whole or in part, pursuant to the terms of such agreement.

Article V
Recipient’s Representative; Addresses

5.01. The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is the Minister responsible for finance.

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

Minister of Finance and National Economy
Government of National Unity
Khartoum
Republic of the Sudan

5.03. The World Bank’s Address referred to in Section 7.01 of the Standard Conditions is:

International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

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

AGREED at Khartoum, Sudan, as of the day and year first above written.

REPUBLIC OF SUDAN

Dr. El Tayeb Mustapha Abu Ganaya
Undersecretary
Ministry of Finance and National Economy
Government of National Unity
Khartoum, Republic of the Sudan

By: /s/ El Tayeb Mustapha Abu Ganaya
Date: September 25, 2010
Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION
acting as an Administrator of the Trust Fund for the Co-financing of the
Eastern Nile Watershed Management Project in Sudan

Mr. Alassane Sow
Country Manager for Sudan
World Bank

By: /s/ Alassane Sow
Date: September 14, 2010
Authorized Representative
SCHEDULE 1

Project Description

The objectives of the Eastern Nile Watershed Management Project supported by the Trust Fund is to facilitate: (i) the increased adoption by the Eastern Nile Countries of sustainable land and water management practices in selected micro-watersheds in the Eastern Nile Sub-basin; and (ii) development of a framework for integrated and sustainable management of Lake Nasser/Nubia sub-basin.

The Project consists of the following activities:

Part A. Community Watershed Management

1. Natural Resource Management. Carrying out of annual work plans to strengthen community-based natural resource management in Atbara, Bau (Ingessana), Dinder, and Lau sub-watersheds, such programs to consist of:

   (a) capacity building through strengthening of community organizations; development and introduction of guidelines for community based natural resource management; and development and implementation of community natural resource management plans covering, inter alia, priorities for forest and range management and sustainable agriculture; and in the Dinder sub-watershed, measures to facilitate collaborative park management by park staff and local communities; and

   (b) resource management investment activities such as forest management, agro-forestry, reforestation and establishment of community forests and shelterbelts; and range management activities such as mapping of seasonal livestock migration routes and rehabilitation of rangelands through stock management, reseeding, management of water points, and improved grazing systems; and provision of goods required for the purpose.

2. Sustainable agriculture. Carrying out of the following programs to introduce agricultural and water harvesting innovations, based on the priorities for sustainable agriculture outlined in the community natural resource management plans developed under Part (1) (a) of the Project:

   (a) Agricultural innovations: Establishment of demonstration farms on farmers’ fields and provision of supporting services to facilitate the transfer of knowledge and technology to farmers interested in adopting demonstrated agricultural innovations; and provision of goods required for the purpose.

   (b) Water harvesting: Development of rainwater harvesting structures (such as farm ponds, storage tanks and springs for domestic use and small-scale irrigation) to improve access to water; rehabilitation of natural water collection points in the Dinder area to harvest rainwater; and construction of selected small-scale boreholes to provide safe drinking water for local communities; and provision of training required to assist local communities further develop, manage and maintain such structures as well as provision of goods required for the purpose.

3. Sub-Grants: Financing, through the provision of Sub-Grants to Beneficiaries of specific development sub-projects designed to support the scaling up innovations in natural resource management and sustainable agriculture.
SCHEDULE 2

Project Execution

Section I. Institutional and Other Arrangements

A. Institutional Arrangements

1. Under the policy and strategic guidance of the Eastern Nile Council of Ministers and the Eastern Nile Subsidiary Action Program Team, the Recipient shall, throughout the implementation of the Project implement the Project through MoWRI.

2. Without limitation to the provisions of paragraph 1 above, the Recipient shall, throughout the implementation of the Project, maintain the following implementation and coordination arrangements:

   (a) a National Project steering committee (“Project Steering Committee”), with attributions, composition and resources satisfactory to the World Bank, to be responsible for: (i) setting overall policy guidelines and oversight of Project implementation at the national level, (ii) approving the consolidated annual work plans from LIUs, and (iii) reviewing quarterly and annual Project Reports and providing guidance, as needed, to address implementation shortcomings. The Project Steering Committee shall be chaired by the Recipient’s minister responsible for MoIWR or his /her representative and shall include representatives of the key ministries and state ministries.

   (b) Local Project steering committees (“LPSC”) in the sub-watersheds of Lower Atbara, Bau and Dinder to: (i) endorse the annual work plans from the localities; (ii) guide Project implementation at the local level, (iii) assist each LIU to address local Project implementation issues; and (iv) facilitate, as needed, linkages between the Project implementing institutions, the Beneficiaries, local government, and non-governmental organizations.

3. The Recipient shall at all times maintain within MoIWR, and in accordance with terms of reference acceptable to the World Bank, a Project coordination unit with qualified and experienced staff in adequate numbers and sufficient resources, to facilitate implementation of the Project.

4. The Recipient shall maintain in accordance with terms of reference acceptable to the World Bank, each LIU with qualified and experienced staff in adequate numbers and sufficient resources, to facilitate implementation of Project activities within the relevant localities.

5. The Recipient shall carry out the Project in accordance with the PIM (provided, however, that in the event of any inconsistency between the PIM and this Agreement, the provisions of this Agreement shall govern).
B. Anti-Corruption and Environmental and Social Safeguards

1. 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 II of the Appendix to this Agreement.

2. The Recipient shall ensure that the Project activities are at all times implemented in accordance with the guidelines, procedures, timetable and other specifications set forth in the ESMF; and except as the World Bank shall otherwise agree, not amend or waive any provision of the aforementioned frameworks, assessments and plans, if such amendment or waiver may, in the opinion of the World Bank, materially or adversely affect the implementation of the Project activities.

C. 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 to visit any part of the Recipient’s territory for purposes related to the Project.

D. Project Implementation

The Recipient shall: (1) prepare annual work plans, according to the PIM and furnish to the World Bank not later than 90 days before the beginning of each calendar year, a program or activities proposed to be included under Part A of the Project during the following calendar year; (2) afford the World Bank a reasonably opportunity to review each such program; and (3) thereafter, implement during such following year with due diligence such program of activities as shall have been agreed by the World Bank to be included under the Project.

E. Sub-Projects

1. The Recipient shall make Sub-Grant to Beneficiaries in accordance with eligibility criteria and procedures set out in the Sub-Grant Guidelines, which shall include the following:

   (a) the proposed Sub-Project is: (i) consistent with the promotion of sound natural resource management and sustainable agricultural practices and has been endorsed by the LPSC; (ii) technically, environmentally and financially sound; and (iii) complies with the standards and requirements set forth in the Recipient’s applicable laws and regulations relating to the Sub-Project, and the ESMF;

   (b) the Beneficiary: (i) is a legal entity with technical, financial and managerial capacity adequate to implement the proposed Sub-project; and (ii) has undertaken to provide appropriate in-kind contribution for the proposed Sub-Project.

2. The Recipient, acting through LIU, shall make each Sub-Grant under a Sub–Grant Agreement with the respective Beneficiary on terms and conditions approved by the World Bank, which shall include the following:
(a) obligation of the Beneficiary to: (i) carry out its Sub-project with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the World Bank, including in accordance with the provisions of the Anti-Corruption Guidelines applicable to recipients of loan proceeds other than the Recipient; (ii) provide, promptly as needed, the resources required for the purpose; (iii) maintain adequate records to reflect, in accordance with sound accounting practices, the resources, operations, and expenditures relating to the Sub-Project; and (iv) at the request of the World Bank or the Recipient, have such records audited by independent auditors acceptable to the World Bank, in accordance with consistently applied auditing standards acceptable to the World Bank, and promptly furnish the records as so audited to the Recipient and the World Bank;

(b) the requirement that the goods, works and consultants’ services to be financed out of the proceeds of the Sub-Grant shall be procured in accordance with the provisions of Section III of this Schedule, and shall be used exclusively in the carrying out of the Sub-Project;

(c) the right of the Recipient to: (i) inspect by itself, or jointly with the World Bank, if the World Bank shall so request, the Sub-project, its operation and any relevant records and documents; (ii) obtain all information as it or the World Bank shall reasonably request regarding the administration, operation, and financial condition of the Sub-Project and the Beneficiary; and (iii) suspend or terminate the right of the Beneficiary to use the proceeds of the Sub-Grant upon failure by the Beneficiary to perform any of its obligations under the Sub-Grant Agreement;

(d) The Recipient shall exercise its rights under the Sub-Grant Agreement in such manner as to protect its interests and the interests of the World Bank and to achieve the Project objective, and except as the World Bank shall otherwise agree, the LIU shall not assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, any substantive provision of the aforementioned.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports; Completion Report

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 indicators set forth below in sub-paragraph (b) of this paragraph. Each Project Report shall cover the period of one calendar quarter, and shall be furnished to the World Bank not later than 60 days after the end of the period covered by such report.

(b) The performance indicators referred to above in sub-paragraph (a) consist of the following: (i) percentage increase in agricultural landscape under sustainable land and water management; (ii) percentage increase in the average yield of dominant crops.

2. The Recipient shall prepare the Completion Report in accordance with the provisions of Section 2.06 of the Standard Conditions. The Completion Report shall be furnished to the World Bank not later than six months after the Closing Date.
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 45 days after the end of each calendar quarter, covering the calendar quarter, in form and substance satisfactory to the World Bank.

3. The Recipient shall have its Financial Statements for the Project 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: (a) furnished to the World Bank not later than six months after the end of such period; and (b) made publicly available in a timely fashion and in a manner acceptable to the World Bank.

Section III. Procurement

A. General

1. Procurement and Consultant Guidelines. All goods, works 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:

   (a) Section I of the “Guidelines: Procurement under IBRD Loans and IDA Credits” published by the World Bank in May 2004, as revised in October 2006 and May 2010 (“Procurement Guidelines”), in the case of goods and works; and Sections I and IV of the “Guidelines: Selection and Employment of Consultants by World Bank Borrowers” published by the World Bank in May 2004, as revised in October 2006 and May 2010 (“Consultant Guidelines”), in the case of consultants’ services; and

   (b) the provisions of this Section III, as the same shall be elaborated in the procurement plan prepared and updated from time to time by the Recipient for the Project in accordance with paragraph 1.16 of the Procurement Guidelines and paragraph 1.24 of the Consultant Guidelines (“Procurement Plan”).

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 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 methods, other than International Competitive Bidding, may be used for procurement of goods and works for those contracts specified in the Procurement Plan:

(a) National Competitive Bidding, subject to the provisions as set out paragraph 3 below;
(b) Shopping;
(c) Direct Contracting;
(d) Procurement from IAPSO; and
(e) Community Participation procedures which have been found acceptable to the World Bank.

3. The following additional provisions shall apply to NCB:

(a) Goods estimated to cost less than USD 500,000 equivalent per contract and works estimated to cost less than USD 5,000,000 equivalent per contract may be procured under contracts awarded on the basis of national competitive bidding (NCB) in accordance with procedures acceptable to IDA which shall *inter alia* ensure the following:

  * **Participation in bidding:**
    
    (b) Government-owned enterprises in Sudan shall be eligible to participate in bidding only if they can establish that they are legally and financially autonomous, operate under commercial law, and are not a dependent agency of the Government of Sudan.

    (c) Foreign bidders shall be eligible to participate under the same conditions as local bidders. In particular, no preference over foreign bidders shall be granted to local bidders in bid evaluation.

  * **Advertising; time for bid preparation**
    
    (c) Invitations to bid shall be advertised on at least two (2) consecutive days in a local newspaper of wide circulation, and prospective bidders shall be allowed a minimum of thirty (30) days between the date on which the notification appears for the first time and the deadline for bid submission. With the specific approval of IDA, this minimum period of 30 days may be reduced to a minimum period of 10 days in the case of emergency operations.

  * **Standard bidding documents**
    
    (d) Until standard bidding documents acceptable to IDA have been introduced by the GONU, the standard bidding documents of IDA shall be used.

  * **Qualification criteria and evaluation criteria**
    
    (e) Qualification criteria shall be clearly specified in the bidding documents, and *all* criteria so specified, and *only* criteria so specified, shall be used to determine whether a bidder is qualified. Bids of bidders not meeting such criteria shall be rejected as non-qualified. The fact that a bidder meets or surpasses the specified qualification criteria shall not be taken into account in the evaluation of such bidder’s bid.
(f) Evaluation criteria shall be clearly specified in the bidding documents, and all evaluation criteria other than price shall be quantified in monetary terms. All evaluation criteria so specified, and only criteria so specified, shall be used in bid evaluation. Merit points shall not be used in bid evaluation.

**Bid submission**

(g) Bids shall be submitted in sealed envelopes and shall be accepted whether mailed or hand-carried.

**Bid opening**

(h) Bids shall be opened in the presence of bidders who wish to attend, and immediately after the deadline for bid submission. Said deadline, and the place of bid opening, shall be announced in the invitation to bid. The name of each bidder, and the amount of his bid, shall be read aloud and recorded when opened in the minutes of bid opening. The minutes of bid opening shall be signed by the members of the bid opening committee immediately after bid opening.

(i) Bids received after the deadline for bid submission shall be returned to the bidders unopened.

**Bid evaluation and award of contracts**

(j) A bid containing material deviations from or reservations to the terms, conditions and specifications of the bidding documents shall be rejected as not substantially responsive. A bidder shall not be permitted to withdraw material deviations or reservations once bids have been opened.

(k) The bid evaluation shall be carried out in strict adherence to the criteria specified in the bidding documents, and the contract shall be awarded to the qualified bidder offering the lowest evaluated and substantially responsive bid.

(l) A bidder shall not be required, as a condition for award, to undertake obligations not specified in the bidding documents or otherwise to modify his bid as originally submitted.

(m) There shall be no post-bidding negotiations with the lowest or any other bidder.

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 methods, other than Quality- and Cost-based Selection, may be used for procurement of consultants’ services for those assignments which are specified in the Procurement Plan: (a) Quality-based Selection; (b) Selection under a Fixed Budget; (c) Least Cost Selection; (d) Selection based on Consultants’ Qualifications; (e) Single-source Selection; and (f) Selection of 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 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:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant Allocated (expressed in Euro)</th>
<th>Percentage of Expenditures to be Financed (exclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goods, works, consultants’ services, Training and Workshops and Operating Costs under the Project</td>
<td>6,520,000</td>
<td>100</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>6,520,000</td>
<td></td>
</tr>
</tbody>
</table>

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section no withdrawal shall be made for payments made prior to the date of this Agreement, except that withdrawals up to an aggregate amount not to exceed Euro 400,000 equivalent may be made for payments made prior to this date but on or after November 6, 2009, for Eligible Expenditures.

2. The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is December 31, 2014.
APPENDIX

Section I. Definitions


2. “Beneficiary” means an eligible community-based organization of farmers or herders, to which a Sub-Grant has been granted for the financing of a Sub-Project.


4. “Eastern Nile Countries” means, collectively, the Arab Republic of Egypt, the Federal Democratic Republic of Ethiopia and the Republic of The Sudan.

5. “Egypt GEF Grant Agreement” means the agreement between the Arab Republic of Egypt and the World Bank, acting as an implementing agency of the GEF, providing for a GEF grant to assist in financing an Eastern Nile Watershed Management project on Lake Nasser/ Nubia to be carried out by the Arab Republic of Egypt in parallel with this Project.

6. “ENTRO” means the Eastern Nile Technical Regional Office, a legal entity established and operating pursuant to the ENTRO Constituent Documents.

7. “ENTRO Constituent Documents” means the declaration signed by the Ministers of Water Resources of each of the Eastern Nile Countries on January 10, 2002 pursuant to which ENTRO has been established, and its headquarters agreement between the Federal Democratic Republic of Ethiopia and the ENTRO dated February 16, 2002, pursuant to which it is operating with headquarters located in Addis Ababa.

8. “Environmental and Social Management Framework” or “ESMF” means the framework that include the set of mitigation, enhancement, monitoring, and institutional measures to be taken during implementation of the Project to eliminate any adverse environmental and social impacts, offset them, reduce them to acceptable levels, or to enhance positive impacts as set out in the report “Environmental and Social Management Framework dated December 21, 2008, adopted by the Recipient.

9. “IAPSO” means Inter-Agency Procurement Services Office a UN agency responsible for provision of procurement management services.

10. “Local Implementation Unit” or “LIU” means each of the local implementation unit established in the sub-watersheds of Lower Atbara, Bau and Dinder.


13. “Operating Costs” means the incremental expenditures incurred by the Project coordination unit and the local Project implementation units to implement the Project, consisting of office operations and maintenance costs (such as electricity, telephone, internet, advertising expenses and bank charges, office supplies, office space rental, and office equipment maintenance), salaries of support staff (such as drivers, secretaries, cleaners and guards), staff travel, staff recruitment costs (including associated travel), and vehicle operations and maintenance costs.


15. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated June 24, 2010, 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 the said paragraphs.

16. Project Implementation Manual” or “PIM” means the manual referred to in Section 1, paragraph A.5, of Schedule II of this Agreement, containing detailed arrangements and procedures for the Project, including: (i) financial management and disbursement; (ii) a Procurement Manual; (iii) a Sub-Grant Guidelines elaborating on the criteria, guidelines and procedures for the granting of Sub-Grants; (iv) monitoring and evaluation, and reporting; and (vi) such other administrative, financial, technical or organizational arrangements and procedures as shall be required for the Project, as the said Project Implementation Manual may be amended and/or supplemented from time to time with the prior written agreement of the World Bank.

17. “Related GEF Grant Agreements” means, collectively, the ENTRO GEF Grant Agreement and the Egypt GEF Grant Agreement, and individually, any of the Related GEF Grant Agreements.

18. “Sub-Grant” means a grant made or proposed to be made to a Beneficiary to finance a Sub-Project.

19. “Sub-Grant Agreement” means each agreement to be entered into between the Recipient, acting through its LIU, and a Beneficiary providing for a Sub-Grant.

20. “Sub-Grant Guidelines” means as a set of guidelines prepared and adopted by the Recipient in form and substance satisfactory to the World Bank, as a supplemental document of the PIM, elaborating on the eligibility criteria and procedures for approval and monitoring and evaluation (including key output indicators) of Sub-Projects and Sub-Grants.

21. “Sub-Project” means a specific development project referred to in Part A.3 of the Project.

22. ENTRO GEF Grant Agreement” means the agreement between the ENTRO and the World Bank, acting as an implementing agency of the GEF, providing for a GEF grant to assist in financing an Eastern Nile Watershed Management Project to be carried out by ENTRO in parallel with this Project.
23. "Training and Workshops” means the following expenditures incurred in providing training or workshops: travel by participants and presenters to the training or workshop site, per diem allowances of such persons during the training or workshop, honoraria for the presenters, rental of facilities, materials, supplies and translation and interpretation services.

Section II. 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.”