

Banco Mundial
BANCO INTERNACIONAL PARA RECONSTRUÇÃO
E DESENVOLVIMENTO
ASSOCIAÇÃO INTERNACIONAL PARA O DESENVOLVIMENTO

Avenida Kenneth Kaunda, 1224 Tel. (258-21) 482300
Caixa Postal 4053 Fax: (258-21) 482385
Maputo, Moçambique

February 12, 2016

Public Disclosure Authorized

Public Disclosure Authorized

His Excellency Adriano Afonso Maleiane
Minister
Ministry of Economy and Finance
Maputo
Mozambique

Excellency:

Republic of Mozambique: Forest Carbon Partnership Facility (FCPF) Readiness Fund Grant No. TF0A1726 Third Grant Agreement for Mozambique's REDD+ Readiness Preparation Support

I wish to refer to the Grant Agreement between the Republic of Mozambique ("Recipient"), and the International Bank for Reconstruction and Development ("World Bank"), acting as Trustee of the Readiness Fund of the Forest Carbon Partnership Facility ("FCPF"), dated January 25, 2012 ("Readiness Grant Agreement"), pursuant to which the World Bank agreed to provide to the Recipient a grant in an amount not to exceed two hundred thousand Dollars (US\$200,000) ("Grant") for formulating the Readiness Preparation Proposal ("R-PP") ("R-PP Formulation Installment"). Further, the Recipient and the World Bank entered into a Grant Agreement, in the amount of three million six hundred thousand Dollars (US\$3,600,000), dated July 15, 2013, as amended on August 29, 2014, to enable the Recipient to move ahead with preparation for readiness ("Preparation Installment").

The Participants Committee of the FCPF ("PC") has reviewed the request for an additional funding submitted by the Recipient, in accordance with the process as specified in Resolution PC/12/2012/2. Through its Resolution PC/20/2015/2, the PC decided to allocate additional grant funding to the Recipient in the amount of up to five million Dollars (US\$5,000,000), to enable it to continue with its preparation for readiness, subject to the terms and conditions set out in said Resolution ("Additional Grant").

In response to the request for financial assistance made on behalf of the Recipient and the decisions of the PC referred above, I am pleased to inform you that the World Bank agrees to extend the Additional Grant in the amount of five million Dollars (US\$5,000,000) on the terms and conditions set forth or referred to in this letter agreement ("Agreement" or "Third Grant Agreement"), which includes the attached Annex, to assist in the financing of the Additional Readiness Preparation Activities described in the Annex.

This Additional Grant is funded out of the abovementioned FCPF trust fund for which the World Bank receives periodic contributions from the donors. In accordance with Section 3.02 of the Standard Conditions (as defined in the Annex to this Third Grant Agreement), the World Bank's payment obligations in connection with this Third Grant Agreement are limited to the amount of funds made available to it by the donors under the abovementioned trust fund, and the Recipient's right to withdraw the Additional Grant proceeds is subject to the availability of such funds.

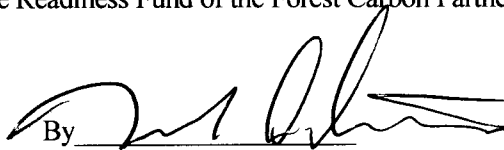
The Recipient represents, by confirming its agreement below, that it is authorized to enter into this Third Grant Agreement and to carry out the Additional Readiness Preparation Activities in accordance with the terms and conditions set forth or referred to in this Third Grant Agreement.

Since the execution of the Readiness Grant Agreement, the Charter Establishing the FCPF ("Charter") has been amended, and the terms and conditions of this Third Grant Agreement are based on the Charter, as so amended. Where there are inconsistencies between the Readiness Grant Agreement, the Second Grant Agreement and this Third Grant Agreement including in the use of terms, the provisions in this Third Grant Agreement shall prevail and deemed to have accordingly amended the provisions of the Readiness Grant Agreement and the Second Grant Agreement to eliminate any such inconsistency.

Please confirm the Recipient's agreement to the foregoing by having an authorized official of the Recipient sign and date the enclosed copy of this Third Grant Agreement, and returning it to the World Bank. Upon receipt by the World Bank of this countersigned copy, this Third Grant Agreement shall become effective as of the date of the countersignature.

Sincerely,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
(Acting as Trustee of the Readiness Fund of the Forest Carbon Partnership Facility)

By 

Mark A. Austin

Acting Country Director

Mozambique, Comoros, Madagascar, Mauritius and Seychelles
Africa Region

AGREED:

REPUBLIC OF MOZAMBIQUE

By: 
Authorized Representative

Name: Adriano Maliciane

Title: Minister

Date: 12.02.2016

Enclosures:

- (1) Standard Conditions for Grants Made by the World Bank Out of Various Funds, dated February 15, 2012.
- (2) Charter Establishing the Forest Carbon Partnership Facility, dated November 23, 2015.
- (3) Disbursement Letter of even date herewith, together with World Bank Disbursement Guidelines for Projects, dated May 1, 2006.
- (4) Guidelines on Preventing and Combating Fraud and Corruption in Project Financed by IBRD Loans and IDA Credits and Grants, dated October 15, 2006 and revised in January 2011.
- (5) Guidelines: Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers, dated January 2011, and revised in July 2014.
- (6) Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers, dated January 2011, and revised in July 2014.

**Article I
Standard Conditions; Definitions**

1.01. **Standard Conditions.** The Standard Conditions for Grants Made by the World Bank out of Various Funds dated February 15, 2012 (“Standard Conditions”), with the modifications set forth in Section I of the Appendix to this Agreement, constitute an integral part of this Agreement.

1.02. **Definitions.** Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Standard Conditions, the Charter or in this Agreement; and the following additional terms shall have the following meanings:.

- (a) “ESMF” means the environmental and social management framework acceptable to the World Bank, to be prepared by the Recipient as part of the readiness process, which establishes the modalities and procedures to address potential negative environmental and social impacts from the implementation of REDD+ investments and demonstration activities as well as associated mitigation measures through employing best practices; and includes the screening criteria, procedures and institutional responsibilities for the safeguard policies that are triggered for subsequent REDD+ investments. The ESMF will also include a Resettlement Policy Framework and a Process Framework, as determined by the outcome of the SESA process.
- (b) “FUNAB” means the national environment fund established within the Recipient's Ministry for Coordination of Environmental Action, created with the aim of promoting activities, promotes environmental management, and serves as background for contingencies in case of accidents or environmental damage in Mozambique.
- (c) “MITADER” means the Recipient’s Ministry of Land, Environment, and Rural Development
- (d) “MRV” means measurement, reporting and verification.
- (e) “Operating Costs” means the incremental expenses incurred on account of implementation of the Additional Readiness Preparation Activities, consisting of reasonable expenditures, agreed with the World Bank, for the following items: vehicle operation and maintenance, communication and insurance costs, banking charges, rental expenses, office and office equipment maintenance, utilities, document duplication/printing, consumables, travel costs and *per diem* for Recipient staff for travel linked to the implementation of the Additional Readiness Activities, and salaries of the Recipient’s contractual staff employed for purposes of the Additional Readiness Preparation Activities (but excluding salaries of civil servants).
- (f) “Process Framework” means the process framework acceptable to the World Bank, to be prepared by the Recipient as part of the readiness process, which establishes the modalities and procedures to address restrictions of access to legally designated parks and protected areas resulting from the implementation of REDD+ investments and demonstration activities.

- (g) “REDD” and “REDD+” means reducing emissions from deforestation and forest degradation, conservation of forest carbon stocks, sustainable management of forest, and enhancement of forest carbon stocks.
- (h) “Resettlement Policy Framework” means the resettlement policy framework acceptable to the World Bank, to be prepared by the Recipient as part of the readiness process, which establishes the modalities and procedures to address potential land acquisition and resettlement from the implementation of REDD+ investments and demonstration activities.
- (i) “Strategy Environmental and Social Assessment” and “SESA”, each means the strategic environmental and social assessment to be conducted as part of the readiness process to assess the potential impact from national REDD+ programs and policies, formulate alternatives and mitigation strategies and enhance the decision-making process around the design of the national REDD+ framework.(i) “Training” means the costs associated with training and workshop participation of personnel involved in the implementation of the Additional Readiness Preparation Activities, including travel and subsistence costs for training and workshop participants, costs associated with securing the services of trainers and workshop speakers, rental of training and workshop facilities, preparation and reproduction of training and workshop materials, and other costs directly related to training courses and workshop preparation and implementation.
- (j) “UT-REDD+” means the Recipient's technical unit responsible for coordination and implementation of REDD+ activities in Mozambique at the federal and local levels.

Article II

Execution of the Additional Readiness Preparation Activities

2.01. ***Additional Readiness Preparation Activities Objectives and Description.*** The objective of the Additional Readiness Preparation Activities is to contribute to the adoption of national REDD+ strategy and of the national legal and institutional framework for REDD+.

The Additional Readiness Preparation Activities consists of the following parts:

Part 1: REDD+ Readiness Management Arrangement, Legal Framework and Pilot Projects

- 1.1. Carrying out REDD+ readiness management arrangements, communication, and consultation activities, through supporting the : (a) day-to-day operation of the UT-REDD+ activities, including decentralization of UT-REDD offices in the Recipient’s selected provinces of Zambézia and Cabo Delgado; (b) UT-REDD+ National Steering Committee’s technical meetings and consultations among participating stakeholders; and (c) maintenance of REDD+ website, preparation of communication material, dissemination campaigns, through electronic and print media at the national, provincial, and local levels.
- 1.2. Forest governance and up-date of the Recipient’s legal framework related to deforestation and forest degradation through carrying out analytical studies to strengthen governance and revisions of the forest related legislation.
- 1.3. Preparation of emissions reduction landscape pilot programs, through: (a) carrying out related studies, and preparation and finalization of any relevant safeguard instruments for

the programs including SESA, ESMF, Process Framework, RPF and any other safeguard instruments, as necessary, public consultations, communication activities, technical support and Operating Costs for local UT- REDD+; and (b) supporting the provincial multi-stakeholders forums of natural resources, management and coordination of existing REDD+ initiatives, meetings, seminars, and testing of pilot small-scale activities.

Part 2: Forest Reference Emission Level /Forest Reference Level

- 2.1. Preparation of yearly forest reference cover maps and mobilize the development of MRV products.
- 2.2. Designing and implementation of the national forest inventory to estimate forest stock and carbon stocks.
- 2.3. Carrying out studies to develop forest reference emission level/reference levels.

Part 3: Monitoring Systems for Forests

Support for improvements in the Recipient's forest monitoring systems, through: (a) establishing and operationalization of an MRV task force and system; (b) providing goods for the development of activity data and forest inventory; and (c) implementation of a grievance redress mechanism.

2.02. ***Additional Readiness Preparation Activities Execution Generally.*** The Recipient declares its commitment to the objectives of the Additional Readiness Preparation Activities. To this end, the Recipient shall carry out the Additional Readiness Preparation Activities through the UT-REDD+ in close collaboration with FUNAB, in accordance with the provisions of: (a) Article II of the Standard Conditions; (b) the "Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants", dated October 15, 2006 and revised in January 2011 ("Anti-Corruption Guidelines"); and (c) this Article II.

2.03. ***Institutional and Other Arrangements.*** Without limitation upon the provisions of Section 2.02 above:

(a) The Recipient shall maintain, throughout the implementation of the Additional Readiness Preparation Activities, UT-REDD+, with functions, composition and organization satisfactory to the World Bank, supported by qualified and experienced staff in adequate numbers to be responsible for the implementation of the Additional Readiness Preparation Activities.

(b) The Recipient shall ensure that all: (i) terms of reference for any technical assistance or studies carried out under the Additional Readiness Preparation Activities; and (ii) safeguard instruments prepared, finalized, adopted, or updated under the Additional Readiness Preparation Activities, including but not limited to the SESA, ESMF, Process Framework, RPF, and any other safeguard instruments for the emissions reductions landscape pilot programs, as necessary, pursuant to Section 2.01 of this Third Grant Agreement are consistent with, and pay due attention to, the World Bank's environmental and social safeguard policies, as well as the Recipient's own laws relating to the environment and social aspects.

(c) The Recipient shall ensure that in drafting laws or regulations under the Additional Readiness Preparation Activities, due attention is given to said policies and laws.

(d) The Recipient shall ensure that the Additional Readiness Preparation Activities do not include the implementation of REDD+ activities on the ground.

2.04. **Donor Visibility and Visit.** (a) The Recipient shall take or cause to be taken all such measures as the World Bank may reasonably request to identify publicly the Donors' support for this Additional Readiness Preparation Activities.

(b) For the purposes of Section 2.09 of the Standard Conditions, the Recipient shall, upon the World Bank's request, enable the representatives of the to visit any part of the Recipient's territory for purposes related to this Additional Readiness Preparation Activities.

2.05. **Documents; Records**

In addition and without limitation to the obligations set forth in Section 2.05 of the Standard Conditions, the Recipient shall ensure that:

(a) all records evidencing expenditures under the Additional Readiness Preparation Activities are retained for seven years and six months after the Closing Date, such records to include: (i) this Agreement, all addenda thereof, and any amendments thereto; (ii) the Recipient's financial and narrative progress reports submitted to the World Bank; (iii) the Recipient's financial information related to the Additional Grant, including audit reports, invoices and payroll records; (iv) the Recipient's implementation documentation (including sub-agreements, procurement files, contracts, purchase orders); and (v) the corresponding supporting evidence referred to in Section 3.04 of the Standard Conditions; and

(b) the representatives of the World Bank are: (i) able to examine all records referred to above in paragraph (a); (ii) provided all such information concerning such records as they may from time to time reasonably request; and (iii) able to disclose such records and information to the Donors.

2.06. **Completion Report.** The Recipient shall prepare the Completion Report in accordance with the provisions of Section 2.06 of the Standard Conditions. The Completion Report shall be furnished to the World Bank not later than six (6) months after the Closing Date.

2.07. **Financial Management.** (a) The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.

(b) The Recipient shall ensure that interim unaudited financial reports for the Additional Readiness Preparation Activities are prepared and furnished to the World Bank not later than forty-five (45) days after the end of each calendar quarter, covering the quarter, in form and substance satisfactory to the World Bank.

(c) The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Each audit of the Financial Statements shall cover the period of one (1) fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the World Bank not later than six (6) months after the end of such period.

2.08. **Procurement**

(a) **General.** All goods, non-consulting services and consultants' services required for the Additional Readiness Preparation Activities and to be financed out of the proceeds of the Additional Grant shall be procured in accordance with the requirements set forth or referred to in:

(i) Section I of the "Guidelines: Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated January 2011 (revised July 2014) ("Procurement Guidelines"), in the case of goods and non-consulting services;

(ii) Sections I and IV of the "Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated January 2011 (revised July 2014) ("Consultant Guidelines") in the case of consultants' services; and

(iii) The provisions of this Section, as the same shall be elaborated in the procurement plan prepared and updated from time to time by the Recipient for the Additional Readiness Activities in accordance with paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines ("Procurement Plan").

(b) **Definitions.** The capitalized terms used in the following paragraphs of this Section to describe particular procurement methods or methods of review by the World Bank of particular contracts, refer to the corresponding method described in Sections II and III of the Procurement Guidelines, or Sections II, III, IV and V of the Consultant Guidelines, as the case may be.

(c) Particular Methods of Procurement of Goods and Non-consulting Services

(i) Except as otherwise provided in sub-paragraph (ii) below, goods and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.

(ii) The following methods, other than International Competitive Bidding, may be used for procurement of goods and non-consulting services for those contracts which are specified in the Procurement Plan: (A) National Competitive Bidding, subject to the following additional procedures:

Additional Procedures for National Competitive Bidding (NCB):

(1) **General**

The procedures to be followed for NCB shall be those set forth in the "*Regulamento de Contratação de Empreitada de Obras Públicas, Fornecimento de Bens e Prestação de Serviços ao Estado*" of the Republic of Mozambique of May 24, 2010 ("the Regulation"), as per Decree No. 15/2010, with the modifications described in the following paragraphs:

(2) **Eligibility**

No restriction based on nationality of bidders and/or origin of goods shall apply. Foreign bidders shall be allowed to participate in NCB without restriction and shall not be subject to any unjustified requirement which will affect their ability to

participate in the bidding process such as, but not limited to, the proof that they are not under bankruptcy proceedings in the Recipient's territory; have a local representative; have an attorney resident and domiciled in the Recipient's territory; form a joint venture with a local firm. In cases of joint ventures, they shall confirm joint and several liability. Prior registration, obtaining a license or agreement shall not be a requirement for any bidder to participate in the bidding process.

Recipient's government-owned enterprises or institutions shall be eligible to participate in the bidding process only if they can establish that they are legally and financially autonomous, operate under commercial law, and are not dependent agencies of the Recipient.

(3) Bidding Documents

Standard bidding documents acceptable to the World Bank shall be used for any procurement process under NCB.

(4) Preferences

No domestic preference shall be given for domestic bidders and/or for domestically manufactured goods.

(5) Applicable Procurement Method under the Regulation

Subject to these NCB exceptions, procurement under NCB shall be carried out in accordance with the Regulation's public competition (*Concurso Público*) method.

(6) Bid Preparation Time

Bidders shall be given at least twenty-eight (28) days from the date of the invitation to bid or the date of availability of bidding documents, whichever is later, to prepare and submit bids.

(7) Bid Opening

Bids shall be opened in public, immediately after the deadline for their submission in accordance with the procedures stated in the bidding documents.

(8) Bid Evaluation

Qualification criteria shall be clearly specified in the bidding documents, and all criteria so specified, and only such criteria so specified shall be used to determine whether a bidder is qualified; the evaluation of the bidder's qualifications should be conducted separately from the technical and commercial evaluation of the bid. Qualification criteria shall be applied on a pass or fail basis. Evaluation of bids shall be made in strict adherence to the criteria declared in the bidding documents; criteria other than price shall be quantified in monetary terms. A contract shall be awarded to the qualified bidder offering the lowest-evaluated and substantially responsive bid. Bidders shall not be eliminated on the basis of minor, non-substantial deviations.

(9) Rejection of All Bids and Re-bidding

All bids shall not be rejected and new bids solicited without the World Bank's prior concurrence.

(10) Complaints by Bidders and Handling of Complaints

The Recipient shall establish an effective and independent complaint mechanism allowing bidders to complain and to have their complaint handled in a timely manner.

(11) Right to Inspect/Audit

In accordance with paragraph 1.16(e) of the Procurement Guidelines, each bidding document and contract financed from the proceeds of the Financing shall provide that: (i) the bidders, suppliers, and contractors and their subcontractors, agents, personnel, consultants, service providers or suppliers, shall permit the World Bank, at its request, to inspect their accounts, records and other documents relating to the submission of bids and contract performance, and to have them audited by auditors appointed by the World Bank; and (ii) the deliberate and material violation by the bidder, supplier, contractor or subcontractor of such provision may amount to obstructive practice as defined in paragraph 1.16(a)(v) of the Procurement Guidelines.

(12) Fraud and Corruption

Each bidding document and contract financed from the proceeds of the Financing shall include provisions on matters pertaining to fraud and corruption as defined in paragraph 1.16(a) of the Procurement Guidelines. The World Bank may sanction a firm or individual, at any time, in accordance with prevailing World Bank sanctions procedures, including by publicly declaring such firm or individual ineligible, either indefinitely or for a stated period of time: (i) to be awarded a World Bank-financed contract; and (ii) to be a nominated sub-contractor, consultant, supplier or service provider of an otherwise eligible firm being awarded a World Bank-financed contract.

(13) Debarment under National System

The World Bank may recognize, if requested by the Recipient, exclusion from participation as a result of debarment under the national system, provided that the debarment is for offenses involving fraud, corruption or similar misconduct, and further provided that the World Bank confirms that the particular debarment procedure afforded due process and the debarment decision is final; (B) Shopping; and (C) Direct Contracting.

(d) Particular Methods of Procurement of Consultants' Services

(i) Except as otherwise provided in item (ii) below, consultants' services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.

(ii) The following methods, other than Quality- and Cost-based Selection, may be used for the procurement of consultants' services for those assignments which are specified in the Procurement Plan: (A) Quality-based Selection; (B) Selection under a Fixed Budget; (C) Least Cost Selection; (D) Selection based on Consultants' Qualifications; (E) Single-source Selection of consulting firms; (F) Selection of Individual Consultants; and (G) Single-source procedures for the Selection of Individual Consultants.

(e) Review by the World Bank of Procurement Decisions. The Procurement Plan shall set forth those contracts which shall be subject to the World Bank's Prior Review. All other contracts shall be subject to Post Review by the World Bank.

(f) Document Retention. Notwithstanding the provisions of paragraphs 2(j) and 5 of Appendix 1 to the Procurement Guidelines, and paragraphs 2(k) and 5 of Appendix 1 to the

Consultant Guidelines, the Recipient: (i) shall retain all documentation with respect to each contract as described in said paragraphs for at least seven years and six months after the Closing Date set forth in Section 3.03 of this Agreement; (ii) shall furnish such documentation to the World Bank at any time upon request; and (iii) hereby authorizes the World Bank to disclose such documentation to the Donors.

**Article III
Withdrawal of Additional Grant Proceeds**

3.01. **Eligible Expenditures.** The Recipient may withdraw the proceeds of the Additional Grant in accordance with the provisions of: (a) the Standard Conditions; (b) this Section; and (c) such additional instructions as the World Bank may specify by notice to the Recipient (including the “World Bank Disbursement Guidelines for Projects” dated May 2006, as revised from time to time by the World Bank and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the following table. The table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Additional Grant (“Category”), the allocations of the amounts of the Additional Grant to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

Category	Amount of the Additional Grant Allocated (expressed in USD)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, non-consulting services, consultants’ services, Operating Costs and Training	5,000,000	100%
TOTAL AMOUNT	5,000,000	

3.02. **Withdrawal Conditions.** Notwithstanding the provisions of Section 3.01 of this Agreement, no withdrawal shall be made for payments made prior to the date of this Agreement.

3.03. **Withdrawal Period.** The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is December 31, 2018.

**Article IV
Remedies**

4.01. The Additional Events of Suspension consist of the following, namely that the World Bank has determined that: (a) at any time before the Closing Date, the Recipient has failed to apply sound environmental or social standards or practices in its management or carrying out of Additional Readiness Preparation Activities; and (b) as a result of such failure, a situation has arisen after the date of this Agreement which makes it improbable that the objective of the Additional Readiness Preparation Activities will be achieved.

Article IV
Recipient's Representative; Addresses

4.01. **Recipient's Representative.** The Recipient's Representative referred to in Section 7.02 of the Standard Conditions is its minister at the time responsible for Economy and Finance.

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

Ministry of Economy and Finance
Praça da Marinha Popular
Av. 10 de Novembro nº 929
Maputo
Republic of Mozambique

Facsimile:
+258 21313747

4.03. **World Bank's Address.** The World Bank's Address referred to in Section 7.01 of the Standard Conditions is:

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

Telex:	Facsimile:
248423 (MCI) or 64145 (MCI)	1-202-477-6391

APPENDIX
Modifications to the Standard Conditions

The Standard Conditions are modified as follows:

1. The following term and definition shall be added to the Appendix to the Standard Conditions as paragraph 18 bis to read as follows:

18bis “‘Additional Readiness Preparation Activities’ means the activities, described in the Third Grant Agreement, for which the Additional Grant is made, as the description of said activities may be amended from time to time by agreement between the Recipient and the World Bank.”

2. The term “Project” and its definition shall be deleted in their entirety from the Standard Conditions; and all references throughout the Standard Conditions to the term “Project” shall be deemed to refer to the “Additional Readiness Preparation Activities.”