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GRANT NUMBER D1200-3A

# **Financing Agreement**

**(Development Response to Displacement Impacts Project in the Horn of Africa)**

**between**

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

**and**

**INTERGOVERNMENTAL AUTHORITY ON DEVELOPMENT (IGAD)**

**Dated** July 11, 2016

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**GRANT NUMBER D1200-3A**

**FINANCING AGREEMENT**

AGREEMENT dated July 11, 2016, entered into between INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”) and INTERGOVERNMENTAL AUTHORITY ON DEVELOPMENT (“Recipient”).

WHEREAS (A) As part of the regional effort to address the challenge of refugees in the Horn of Africa Region, the Participating Countries and the Recipient have each an interest to participate in the Development Response to Displacement Impacts Project in the Horn of Africa (“the Project”) and have requested the Association to extend a credit or a grant, as applicable, to assist them in financing of the Project;

(B) the Project will be implemented by each of the Participating Countries and by the Recipient;

(C) having satisfied itself as to the feasibility and priority of the Project described in Schedule 1 to this Agreement (“Project”), the Recipient has requested the Association to extend a grant to assist in the financing of Part 5 of the Project.

The Recipient and the Association hereby agree as follows:

**ARTICLE I — GENERAL CONDITIONS; DEFINITIONS**

- 1.01. The General Conditions (as defined in the Appendix to this Agreement) constitute an integral part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Agreement.

**ARTICLE II — FINANCING**

- 2.01. The Association agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a Grant in an amount equivalent to three million six hundred thousand Special Drawing Rights (SDR 3,600,000) (variously, “Grant” and “Financing”), to assist in financing the project described in Schedule 1 to this Agreement (“Project”).
- 2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section IV of Schedule 2 to this Agreement.
- 2.03. The Maximum Commitment Charge Rate payable by the Recipient on the Unwithdrawn Financing Balance shall be one-half of one percent (1/2 of 1%) per annum.

- 2.04. The Payment Dates are June 15 and December 15 in each year.
- 2.05. The Payment Currency is the Dollar.

**ARTICLE III — PROJECT**

- 3.01. The Recipient declares its commitment to the objective of the Project. To this end, the Recipient shall: (a) carry out Part 5 of the Project through its Regional Secretariat; and (b) collaborate with the Participating Countries in carrying out Parts 1, 2, 3 and 4 of the Project, all in accordance with the provisions of Article IV of the General Conditions.
- 3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Recipient and the Association 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 IV — EFFECTIVENESS; TERMINATION**

- 4.01. The Effectiveness Deadline is the date one hundred twenty (120) days after the date of this Agreement.
- 4.02. For purposes of Section 8.05(b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty (20) years after the date of this Agreement.

**ARTICLE V — REPRESENTATIVE; ADDRESSES**

- 5.01. The Recipient's Representative is its Executive Secretary.
- 5.02. The Recipient's Address is:

Avenue Georges Clémenceau  
PO Box 2653  
Republic of Djibouti  
Facsimile: +253 21356994

- 5.03. The Association's Address is:

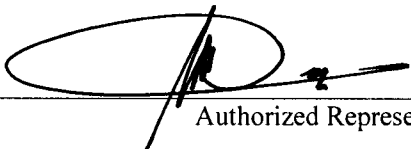
International Development Association  
1818 H Street, N.W.  
Washington, D.C. 20433  
United States of America

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

AGREED at NAIROBI, KENTA, as of the day and year first above written.

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

  
Authorized Representative

Name: Ahmadou Housthapha Ndiaye

Title: Country Director

INTERGOVERNMENTAL AUTHORITY ON DEVELOPMENT

By

  
Authorized Representative

Name: MITBEWIT MULUGET

Title: III ES

## SCHEDULE 1

### Project Description

The objective of the Project is to improve access to social services, expand economic opportunities, and enhance environmental management for communities hosting refugees in the targeted areas of the Participating Countries.

The Project consists of the following parts:

#### **Part 1: Social and Economic Services and Infrastructure**

**1(a) Community Investment Fund:** improve communities' access to basic social services and economic infrastructure through Community Sub-Projects designed to help expand and improve service delivery and build infrastructure for local development in education, water supply, human health, veterinary care, rural roads, market structures, and storage facilities, *inter alia*.

**1(b) Capacity Support for Local Planning and Decentralized Service Delivery:** improve the service delivery capacity of local level government authorities through capacity support interventions in the areas of community driven planning process, management of local development, enhancement of service delivery capacities, mainstreaming of Project interventions with the Recipient's development planning and budgeting process, and coordination of potential development stakeholders at local level and community level.

#### **Part 2: Sustainable Environmental Management**

**2(a) Integrated Natural Resources Management:** enhance the productivity of environmental and natural resources, prevent the degradation of fragile ecosystems, such as forests, range and agricultural lands through soil and water conservation (biological and physical) activities on individual farm lands and communal lands, including construction of soil bunds, stone bunds, artificial waterways, cut-off drains, check dams (gully rehabilitation), bench terraces, hillside terraces, trenches, area closures, planting of multipurpose trees, groundwater recharge interventions; and enhancement of irrigation water use and management.

**2(b) Access to Energy:** improve host communities access to energy, promote better use of energy resources and access to alternative sources of energy through interventions that address energy requirements of host communities related to domestic needs for cooking and lighting, social services such as schools and health services, and productive activities including lighting for small shops/businesses and small manufacturing/processing.

#### **Part 3: Livelihoods Program**

**3(a) Support to Traditional and Non-Traditional Livelihoods:** increase the production and productivity of agriculture (crops and livestock), pastoralism (livestock), agro-pastoralism (crop and livestock) and fisheries; and commercialize livelihood activities for improved

incomes, employment, and self-reliance through improved production practices, access to technology and equipment, access to storage and processing infrastructure, access to finance, and access to input and output markets as well as enhanced skills for increased employability, enterprise development, promotion of other income generating activities such as technological, institutional and process innovations, programs for youth and women in technological innovations, and information-technology-enabled services.

**3(b) Capacity Support of Community-Based Organizations for Livelihoods:** improve the service delivery capacity of farmer/pastoral/agro-pastoral/fisheries organizations, including community based organizations through the establishment and the capacity support of said community-based organizations including farmer/pastoral/agro-pastoral/fisheries organizations, associations and cooperatives, savings and credit cooperatives, and common interest groups.

#### **Part 4: Project Management, Monitoring and Evaluation**

Ensure Project management, coordination, implementation, monitoring and evaluation through a decentralized approach using existing public structures at the national, sub-national and local levels as well as community institutions to be established at the local level, each of them with various sets of roles and responsibilities at various levels, including oversight, coordination and technical bodies with the support of a Project management information system for monitoring inputs, outputs and processes; evaluation of outcomes and impacts; environmental and social safeguards monitoring; and participatory monitoring and evaluation and internal learning, regular monitoring of implementation progress and performance, independent process monitoring, outcome and impact evaluations at baseline, mid-term and end of Project, and annual thematic studies.

#### **Part 5: Regional Support for Coordination, Capacity and Knowledge**

Support the establishment of the Regional Secretariat that will: (i) spearhead the advancement of the development approach to displacement; (ii) facilitate the creation of knowledge with partnerships with relevant think tanks and/or universities in the Participating Countries; (iii) ensure annual learning and sharing workshops for all countries in the region; and (iv) contribute to a better understanding of the nexus between socio-economic development, forced displacement and mixed migration in the region by commissioning studies or focused research.

## **SCHEDULE 2**

### **Project Execution**

#### **Section I. Implementation Arrangements**

##### **A. Institutional Arrangements**

1. The Recipient shall, throughout the period of Project implementation:
  - (a) maintain the Project Implementation Team to ensure day-to-day management, implementation, coordination, monitoring and evaluation of the Project;
  - (b) establish not later than six (6) months after the Effective Date and thereafter maintain the Project Regional Steering Committee to provide overall guidance and oversight for the Project at the regional level; and
  - (c) establish not later than six (6) months after the Effective Date and thereafter maintain The Regional Secretariat to run the day-to-day management of the Project at the regional level, and provide secretariat services to the Project Regional Steering Committee.

all with the composition, staffing, and powers acceptable to the Association as further described in the Project Implementation Manual.

##### **B. Annual Work Program**

1. The Recipient shall, through the Regional Secretariat, not later than November 30 in each calendar year during Project implementation, prepare and furnish to the Association, a program of activities proposed for inclusion in the Project during the following calendar year, including: (a) a detailed timetable for the sequencing and implementation of said activities; (b) the types of expenditures required for such activities; and (c) the planned procurement methods for the expenditures ("Annual Work Program").
2. The Recipient shall exchange views with the Association on each such proposed Annual Work Program, and shall thereafter carry out such program of activities for such following year as shall have been agreed between the Recipient and the Association.
3. Only those activities which are included in an Annual Work Program shall be included in the implementation of the Project for the following year. Notwithstanding the foregoing, the Annual Work Program may be amended from time to time to include new activities with the prior and written concurrence of the Association.

**C. Anti-Corruption**

The Recipient shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

**D. Project Implementation Manual**

1. The Recipient shall carry out the Project in accordance with the Project Implementation Manual.
2. The Recipient shall not amend the Project Implementation Manual without the prior written approval of the Association.
3. In the event of any conflict between the provisions of the Project Implementation Manual and this Agreement, the provisions of this Agreement shall prevail.

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

**A. Project Reports**

1. The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of indicators set forth in the Project Implementation Manual and found acceptable to the Association. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the Association not later than forty-five (45) days after the end of the period covered by such report.

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

1. The Recipient shall maintain a financial management system in accordance with the provisions of Section 4.09 of the General Conditions.
2. Without limitation on the provisions of Part A of this Section, the Recipient shall prepare and furnish to the Association not later than forty-five (45) days after the end of each calendar quarter, interim unaudited financial reports for the Project covering the quarter, in form and substance satisfactory to the Association.
3. The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 4.09(b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one fiscal year of the Recipient, commencing with the fiscal year in which the first withdrawal was made under the Project. The audited Financial Statements for each such period shall be furnished to the Association not later than six (6) months after the end of such period.



**Section III. Procurement**

**A. General**

1. **Goods and Non-consulting Services.** All goods and non-consulting services required for the Project and to be financed out of the proceeds of the Financing 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 Section.
2. **Consultants' Services.** All consultants' services required for the Project and to be financed out of the proceeds of the Financing 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 Section.
3. **Definitions.** The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Association 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.

**B. Particular Methods of Procurement of Goods and Non-consulting Services**

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.
2. **Other Methods of Procurement of Goods and Non-consulting Services.** The following methods, other than International Competitive Bidding, may be used for procurement of goods and non-consulting services for those contracts specified in the Procurement Plan: (a) Limited International Bidding; (b) Shopping; (c) procurement under Framework Agreements in accordance with procedures which have been found acceptable to the Association; and (d) 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 methods, other than Quality- and Cost-based Selection, may be used for procurement of consultants' services for those contracts 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) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants; and (g) Single-source procedures for the Selection of Individual Consultants.

**D. Review by the Association of Procurement Decisions**

The Procurement Plan shall set forth those contracts, which shall be subject to the Association's Prior Review. All other contracts shall be subject to Post Review by the Association.

**Section IV. Withdrawal of the Proceeds of the Financing**

**A. General**

1. The Recipient may withdraw the proceeds of the Financing in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Association shall 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 Association 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 Financing ("Category"), the allocations of the amounts of the Financing 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 SDR)</b>	<b>Percentage of Expenditures to be Financed (inclusive of Taxes)</b>
(1) Goods, non-consulting services, consultant's services, Training and Operating Costs required under Part 5 of the Project	3,600,000	100%
<b>TOTAL AMOUNT</b>	<b>3,600,000</b>	

**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 SDR 36,000 equivalent may be made for payments made up to twelve months prior to this date for Eligible Expenditures.
2. The Closing Date is December 31, 2021.

**Section V. Other Undertakings**

1. By June 30, 2018, or such other date as the Association shall agree upon, the Recipient through the Regional Secretariat shall: (i) carry out jointly with the Association and the Project Regional Steering Committee, a mid-term review of the implementation of operations under the Project, which shall cover the progress achieved in the implementation of the Project; and (ii) following such mid-term review, act promptly and diligently to take any corrective action as shall be agreed by the Association.
2. On or before six (6) months after the Effective Date, the Recipient will prepare and adopt the Project Regional Strategy, in form and substance satisfactory to the Association.

## APPENDIX

### Section I. Definitions

1. “Annual Work Program” means the annual work program to be prepared by the Recipient not later than November 30 in each calendar year during Project implementation including a program of activities, including a training plan, proposed for inclusion in the Project implementation during the following calendar year.
2. “Anti-Corruption Guidelines” means the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006, and revised in January 2011.
3. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
4. “Community Investment Fund” means earmarked credit proceeds under the Participating Countries’ Financing Agreements for the financing of the Community Sub-Projects.
5. “Community Sub-Projects” means sub-projects selected under Parts 1(a), 2 and 3(a) of the Project and to be carried out by the Participating Countries at community level.
6. “Consultant Guidelines” means the “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.
7. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 31, 2010, with the modifications set forth in Section II of this Appendix.
8. “Horn of Africa” means a sub-region of Eastern Africa that includes eight countries, i.e. – the Republic of Djibouti, the State of Eritrea, the Federal Democratic Republic of Ethiopia, the Republic of Kenya, the Federal Republic of Somalia, the Republic of South Sudan, the Republic of Sudan, and the Republic of Uganda.
9. “IGAD” means Intergovernmental Authority on Development, a regional organization set up through the IGAD Constitutive Agreement.
10. “IGAD Constitutive Agreement” means the agreement establishing the Intergovernmental Authority on Development dated March 21, 1996.
11. “Operating Costs” means recurrent costs of the Project: (i) operation and maintenance of vehicle, repairs, fuel and spare parts; (ii) computer maintenance, including hardware and software; (iii) communication costs and shipment costs (whenever these costs are not included in the cost of goods); (iv) small office supplies; (v) rent and maintenance for office facilities; (vi) utilities and insurances; (vii) travel and per diem

costs for technical staff carrying out training, supervisory and quality control activities; and (viii) salaries of support staff for the Project, but excluding salaries of the Recipient's regular staff.

12. "Participating Countries" means the Republic of Djibouti, the Federal Democratic Republic of Ethiopia, and the Republic of Uganda which have signed or are to sign the Participating Countries' Financing Agreements for the financing of Parts 1, 2, 3 and 4 of the Project.
13. "Participating Countries' Financing Agreements" means the agreements signed or to be signed between each of the Participating Countries, respectively, and the International Development Association for the financing of Parts 1, 2, 3 and 4 of the Project.
14. "Procurement Guidelines" means 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 and revised in July 2014.
15. "Procurement Plan" means the Recipient's procurement plan for the Project, dated April 11, 2016, and referred to in paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.
16. "Project Implementation Team" means a team within the administrative structure of IGAD in charge of the day-to-day management, coordination, implementation, monitoring and evaluation of the Project, as further detailed in the Project Implementation Manual.
17. "Project Implementation Manual" or "PIM" means the manual dated April 11, 2016, adopted by the Recipient, for the implementation of the Project, at the regional level, including, *inter alia*: (i) the terms of reference, functions and responsibilities for the members or the personnel of the Project Implementation Team, the Project Regional Steering Committee and the Regional Secretariat; (ii) the procedures for procurement of goods, non-consulting services, consultants' services, Operating Costs, and Training, as well as for financial management and audits under the Project; (iii) the indicators to be used in the monitoring and evaluation of the Project at the regional level; (iv) the model forms for the interim unaudited financial reports, and the Project Reports; (v) the flow of funds and disbursement arrangements; and (vi) the grievance mechanisms; as said manual may be amended from time to time with the Association's prior approval.
18. "Project Regional Steering Committee" means the regional steering Committee for the Project, to be established and operating under IGAD aegis in charge of providing overall guidance and oversight for the Project.
19. "Project Regional Strategy" means a document to be adopted by the Project Regional Steering Committee and that defines the rationale, objectives, key focus areas, skills,

implementation modalities, and partnerships for the Regional Secretariat on Forced Displacement and Mixed Migration.

20. “Regional Secretariat” means the “Regional Secretariat on Forced Displacement and Mixed Migration” to be created within the administrative structure of the Recipient to run the day-to-day management of the Project at the regional level, provide secretariat services to the Project Regional Steering Committee, and be responsible for advancing the dialogue on forced displacement and mixed migration in the Horn of Africa through commissioning research, generating knowledge, capturing lessons, and coordinating sharing and learning both in the Participating Countries and at the regional level.
21. “Training” means the training of persons involved in Project-supported activities, based on the Annual Work Program approved by the Association, such term including scholarships, seminars, workshops, and study tours, and costs associated with such activity including travel and subsistence costs for training participants, costs associated with securing the services of trainers, rental of training facilities, preparation and reproduction of training materials, and other costs directly related to training preparation and implementation.

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

The modifications to the “International Development Association General Conditions for Credits and Grants”, dated July 31, 2010, are as follows (all references to Sections and the Appendix are to Sections of and the Appendix to said General Conditions):

1. Section 2.06 is modified to read as follows:

“Section 2.06. *Financing Taxes*

The use of any proceeds of the Financing to pay for 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, if permitted by the Financing Agreement, is subject to the Association’s policy of requiring economy and efficiency in the use of the proceeds of its credits and grants. To that end, if the Association at any time determines that the amount of any such Tax is excessive, or that such Tax is discriminatory or otherwise unreasonable, the Association may, by notice to the Recipient, adjust the percentage of such Eligible Expenditures to be financed out of the proceeds of the Financing specified in the Financing Agreement, as required to ensure consistency with such policy of the Association.”

2. Sections 3.03, 3.04 and 3.08 are deleted in their entirety, and Sections 3.05, 3.06, 3.07, 3.09 and 3.10 are re-numbered, respectively, as Sections 3.03, 3.04, 3.05, 3.06 and 3.07.
3. Paragraphs (b) and (c) of the newly re-numbered Section 3.07 are modified to read as follows:

“(b) All Financing Payments shall be paid without restrictions of any kind imposed by, or in the territory of, the Member Country, and without deduction for, and free from, any Taxes levied by, or in the territory of, the Member Country.

(c) The Legal Agreements shall be free from any Taxes levied by, or in the territory of the Member Country, or in connection with their execution, delivery or registration.”

4. Paragraph (a) of Section 4.09 (*Financial Management, Financial Statements, Audits*) is modified to read as follows:

“(a) The Recipient shall maintain or cause to be maintained a financial management system and prepare financial statements (“Financial Statements”) in accordance with consistently applied accounting standards acceptable to the Association, both in a manner adequate to reflect the operations and financial condition of the Recipient, including the operations, resources and expenditures related to the Project.”

5. In Section 4.11, paragraph (a) is modified to reads as follows:

“Section 4.11. *Visits*

“(a) The Recipient shall take all action necessary or useful to ensure that the Member Country affords all reasonable opportunity for representatives of the Association to visit any part of their territories for purposes related to the Financing or the Project.”

6. Section 5.01 is deleted in its entirety.

7. Section 6.02 is modified as follows:

(a) Paragraph (j) on *Membership* is modified to read as follows:

(j) *Membership.* The Member Country or any member of the Recipient: (i) has been suspended from membership in or ceased to be a member of the Association; or (ii) has ceased to be a member of the International Monetary Fund.”

(b) Paragraph (m) is renumbered as paragraph (n), and a new paragraph (m) is added to read as follows:

“(m) *Interference.* The Member Country: (i) has 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 Financing Agreement; or (ii) has failed to afford a reasonable opportunity for representatives of the Association to visit any part of its territory for purposes relating to Financing or the Project.”

8. Paragraph (a) of Section 8.01 is modified to read as follows:

“(a) The execution and delivery of each Legal Agreement on behalf of the Recipient which is a party to such Legal Agreement have been duly authorized by all necessary corporate action.”

9. The Appendix (**Definitions**) is modified as follows:

- (a) Paragraph 29 is modified to read as follows:

“29. “Foreign Expenditure” means an expenditure in the Currency of any country other than the Member Country for goods, works or services supplied from the territory of any country other than the Member Country.”

- (b) Paragraph 33 is modified to read as follows:

“33. “Local Expenditure” means an expenditure: (a) in the Currency of the Member Country; or (b) for goods, works or services supplied from the territory of the Member Country; provided, however, that if the Currency of the Member Country is also that of another country from the territory of which goods, works or services are supplied, an expenditure in such Currency for such goods, works or services shall be deemed to be a Foreign Expenditure.”

- (c) A new paragraph 34 with the definition of Member Country is added to read as follows, and the subsequent paragraphs are renumbered accordingly:

““34. “Member Country” means the member of the Association in whose territory the Project is carried out or any such member’s political or administrative subdivisions. If such activity is carried out in the territory of more than one such member, “Member Country” refers separately to each such member.”

- (d) Renumbered paragraph 46 is modified to read as follows:

“46. “Recipient” means the party to the Financing Agreement to which the Financing is extended.”