Financing Agreement

(Regional Sahel Pastoralism Support Project)

between

INTERNATIONAL DEVELOPMENT ASSOCIATION

and

COMITE PERMANENT INTER-ETATS DE LUTTE CONTRE LA SECHERESSE DANS LE SAHEL

Dated June 29, 2015
FINANCING AGREEMENT

AGREEMENT dated June 29, 2015, entered into between INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association") and COMITE PERMANENT INTER-ETATS DE LUTTE CONTRE LA SECHERESSE DANS LE SAHEL ("Recipient" or "CILSS"). The Association and the Recipient hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

1.01. The General Conditions (as defined in the Appendix to this Agreement, along with the modifications) 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 five million eight hundred thousand Special Drawing Rights (SDR 5,800,000) ("Financing"), to assist in financing Parts E.1 and E.2 of 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 March 15 and September 15 in each year.

2.05. The Payment Currency is Euro.

ARTICLE III — PROJECT

3.01. The Recipient declares its commitment to the objective of the Project. To this end, the Recipient shall carry out Part E of the Project in accordance with the provisions of Article IV of the General Conditions; provided that the Recipient's obligation to carry out Part E.3 for the benefit of each Participating Country shall be subject to the effectiveness of the Financing Agreement between the Association and such Participating Country.
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 Additional Conditions of Effectiveness consist of the following:

(a) The Recipient has adopted the PIM in form and substance acceptable to the Association.

(b) The Recipient has recruited a regional coordinator for the Project, with the terms of reference and qualifications acceptable to the Association.

4.02. The Effectiveness Deadline is the date ninety (90) days 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:

Comite Permanent Inter-Etats De Lutte Contre La Sècheresse Dans Le Sahel
P.O Box 7049
Boulevard Mouamar Khaddafi, 2754
Ouaga 2000
Ouagadougou 03
Burkina Faso

5.03. The Association’s Address is:

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

Cable: INDEVAS
Telex: 248423 (MCI)
Facsimile: 1-202-477-6391
AGREED at Quagadagou, June 29th, as of the day and year first above written.

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Authorized Representative

Name: Colin Brace
Title: Director Regional Integration

COMITE PERMANENT INTER-ETATS DE LUTTE CONTRE LA SECHERESSE DANS LE SAHEL

By

Authorized Representative

Name: Dr. Djimé Adoum
Title: Executive Secretary
SCHEDULE 1

Project Description

The objective of the Project is to improve access to essential productive assets, services and markets, for pastoralist and agro-pastoralists in selected trans-border areas and along transhumance axes across six Sahel Countries, and strengthen country capacities to respond promptly and effectively to pastoral crises or emergencies.

The Project consists of the following parts:

Part A: Animal Health Improvement

1. Upgrading of Infrastructure and Strengthening of National Veterinary Services (NVS) Capacities in Participating Countries

Strengthening the NVS and improving the local provision of animal health services in pastoral and agro-pastoral areas, through, *inter alia*: (a) the construction and upgrading of essential infrastructure and equipment for NVS to carry out their duties; (b) the establishment of animal health professionals in strategic areas for pastoralists; (c) capacity building through academic and continuing training programs; and (d) the provision of targeted technical assistance.

2. Support for the Surveillance and Control of Priority Animal Diseases and Veterinary Medicines in Participating Countries

Supporting the implementation of: (a) vaccination campaigns; (b) disease surveillance programs for a wide range of diseases; (c) veterinary drugs quality surveillance program; (d) awareness campaigns and training for pastoralists/agro-pastoralists to increase their involvement in surveillance and animal diseases control; and (e) establishment of a consultation mechanism amongst the Participating Countries, including, *inter alia*: (i) provision of equipment and services for the coordination of national animal health activities; (ii) the provision of tailor-made technical assistance mainly on epidemiological surveillance; and (iii) the development and implementation of specific training programs.

Part B: Natural Resource Management (NRM) Enhancement

1. Improved Access to Natural Resource and Sustainable Rangeland Management in Participating Countries

Enhancing the sustainable management of rangeland, *inter alia*, through: (a) awareness raising communication on policies and legal frameworks that deal with cross-border transhumance, access/use rights over natural resources, and related management/organizations; (b) promotion of dispute resolution mechanisms through information and training, as well as cross-border consultation platforms involving local
communities or country level sector stakeholders/officials; (c) strengthening the Recipient’s capacity to monitor selected pastoral related natural resources and disseminate information and decision support tools; and (d) the development, negotiation and implementation of concerted NRM plans, mostly at local levels and along transhumance corridors.

2. Sustainable Management of Infrastructure for Access to Water in Participating Countries

Provision of technical assistance, equipment and logistical assistance for, inter alia: (a) designing, building and rehabilitating water facilities (wells, boreholes, water pans and small earth reservoirs); (b) setting-up and building capacities of water user associations and management committees at community level for the management and maintenance of water facilities; (c) training of maintenance staff and service suppliers; and (d) design of policies, strategies, best practices and priority directions.

Part C: Market Access Facilitation

1. Support to Market Infrastructure and Information Systems in Participating Countries

Financing of a series of investments aimed at developing market infrastructure and small-scale value-added processing facilities, including, inter alia: (a) construction or rehabilitation of livestock markets along selected trade corridors; (b) rehabilitation of targeted rural roads; (c) construction of livestock rest areas equipped with appropriate logistics and services (slaughter areas, paddock, water supply, veterinary services); (d) creation of small-scale value added processing units for livestock products; and (e) establishment or upgrading of second generation livestock market information systems using adapted information and communication technology.

2. Support to Producer and Inter-professional Organizations, and Trade Facilitation in Participating Countries

Strengthening producers’ organizations and inter-professional associations through, inter alia: (a) capacity building programs for organizations’ management and governance; (b) provision of technical assistance and small office equipment to livestock inter-professions for effective governance and adequate value chains integration; (c) provision of services to improve technical capacity of pastoral producers in value-adding activities; (d) provision of services for business development and conduct; and (e) provision of services for trade facilitation and learning.
Part D: Pastoral Crisis Management

1. Pastoral Crisis Preparedness and Livelihood Diversification in Participating Countries

(a) Carrying out, at national level, activities directly related to crisis preparedness, including: (i) infrastructure works; (ii) strengthening and harmonization of pastoralism related Information Systems (IS) and Early Warning System (EWS); (iii) development of pastoral crisis response plans; and (iv) strengthening of the capacity of EWS activation, all through the financing of information technology and communication equipment, training and capacity building activities on pastoral crisis management guidelines, technical assistance.

(b) Promoting viable livelihoods and alternatives for pastoral households, including for peoples moving out of pastoralism, with particular emphasis on women and youth, through the financing of activities: (i) to enhance people employability notably by developing access to adapted vocational training opportunities; and (ii) to support selected diversification Sub-projects generating local value addition and employment opportunities, and provision of Sub-financing through a competitive process.

2. Contingency Emergency Response in Participating Countries

Establishment and implementation of an emergency response and recovery program, including the preparation of an operational guidelines for its implementation.

Part E: Project Management and Institutional Support

1. Project Coordination, Fiduciary Management, Monitoring and Evaluation, Data Generation and Knowledge Management in Participating Countries

Provision of regional technical advisory services, logistical assistance and small construction and rehabilitation work, to facilitate national/regional Project coordination, including the provision of incremental staff salaries, operating costs and carrying out of key national/regional studies aiming at preparing or documenting the Project’s intervention, support for inter-ministerial work and cooperation of regional institutions for Project implementation, and financing of data generation on pastoral activities.

2. Institutional Support, Capacity Building, Advocacy and Communication in Participating Countries

Provision of regional technical and investment support and training, including, inter alia: (a) an internal capacity gap analysis; (b) production of consolidated training plans;
(c) identification of potential synergies and possibilities for cross-fertilization among the various operations in Participating Countries; and (d) development and implementation of a communication strategy.

3. Implementation of Regional Activities in Participating Countries

Implementing targeted technical assistance, training and information and knowledge sharing at regional level under Parts A, B, C, D and E.1 and E.2 of the Project, on behalf of the Participating Countries, including goods and small works, as relevant, and in accordance with the PIM.
SCHEDULE 2

Project Execution

Section I. Implementation and Institutional Arrangements

A. Institutional Arrangements

1. The Recipient, through its Executive Office, shall: (a) oversee the coordination and management of the regional activities under Parts B, C, D and E of the Project, including procurement, monitoring, evaluation and reporting functions; and (b) carry out activities under Part E of the Project.

2. For the purpose of coordinating the regional level activities under Part A of the Project, the Recipient shall enter into a Memorandum of Understanding with OIE, in form and substance satisfactory to the Association, mandating OIE with such responsibility until the formal establishment and operationalization of CRSA, following which such responsibility shall be transferred formally to CRSA.

3. The Recipient shall establish by no later than October 31, 2015, and maintain thereafter until the completion of the Project, a Regional Project Coordination Unit, under terms of reference and staffing satisfactory to the Association.

4. The Recipient shall establish by October 31, 2015, and maintain thereafter until the completion of the Project, a Regional Steering Committee under terms of reference satisfactory to the Association vested with responsibility for providing policy guidance and for overseeing the implementation of regional level activities under the Project. Said Regional Steering Committee shall be chaired jointly by the representatives of the Economic Community of West African States (ECOWAS) and West Africa Economic and Monetary Union (WAEMU).

5. The Recipient: (a) shall ensure that the Project is carried out in accordance with the PIM; provided, however, that in case of any conflict between the provisions of the PIM and the provisions of this Agreement, the provisions of this Agreement shall prevail; and (b) except as the Association shall otherwise agree, shall not amend, abrogate or waive any provision of the PIM.

6. The Recipient shall:

(a) prepare a draft AWP&B for each Fiscal Year, setting forth, inter alia: (i) a detailed description of planned activities for the Project for the following Fiscal Year; (ii) the sources and uses of funds therefor; and (iii) responsibility for execution of said Project activities, budgets, start
and completion date, outputs, and monitoring indicators to track progress of each activity;

(b) not later than November 30 of each Fiscal Year, and after considering the comments provided by the Regional Steering Committee, furnish to the Association for its comments and approval, the draft AWP&B and promptly thereafter, finalize the AWP&B taking into account the Association's views and recommendations thereon; and

(c) adopt the final version of the AWP&B in the form approved by the Association not later than January 31 of such Fiscal Year.

7. For the purpose of smooth implementation of the Project, the Recipient shall:
   (a) no later than one month after the Effective Date, appoint all key staff required for the Project, including a Financial Management Specialist and a Procurement Specialist; (b) no later than three months after the Effective Date, appoint an internal auditor for the Project; and (c) no later than five months after the Effective Date, appoint an external auditor for the Project; all with the terms of reference and qualifications satisfactory to the Association.

8. The Recipient shall, no later than two months after the Effective Date, make available to the Project, a computerized accounting system, with technical specifications satisfactory to the Association.

B. Anti-Corruption

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

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 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 two months after the end of the period covered by such report.

2. The Recipient shall:
   (a) maintain policies and procedures adequate to enable it to monitor and evaluate on an ongoing basis, in accordance with the indicators
acceptable to the Association, the carrying out of the Project and the achievement of the objective thereof;

(b) prepare, under terms of reference satisfactory to the Association, and furnish to the Association, on or about October 31 of each year, a report integrating the results of the monitoring and evaluation activities and setting out the measures recommended to ensure the efficient carrying out of the Project and the achievement of the objective thereof during the period following such date; and

(c) review with the Association, on or about November 30 of each year, or such later date as the Association shall request, the report referred to in the preceding paragraph (b), and, thereafter, take all measures required to ensure the efficient completion of the Project and the achievement of the objective thereof, based on the conclusions and recommendations of the said report and the Association's views on the matter.

B. Financial Management, Financial Reports and Audits

1. The Recipient shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 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, as part of the Project Report, not later than one month 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 Preparation Advance for the Project. The audited Financial Statements for each such period shall be furnished to the Association not later than six months after the end of such period.

Section III. Procurement

A. General

1. Goods, Works and Non-Consulting Services. All goods, works 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**

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods, works 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 Works.** The following methods, other than International Competitive Bidding, may be used for procurement of goods 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; (d) Direct Contracting; and (e) Procurement from an agency of the United Nations.

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) Selection of an agency of the United Nations; (g) Selection of consultants under Indefinite Delivery Contract or Price Agreement; (h) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants; and (i) 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:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Financing Allocated (expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, works, non-consulting services, consultants’ services, Incremental Operating Costs and Training under Parts E.1 and E.2 of the Project</td>
<td>5,100,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Refund of Preparation Advance</td>
<td>700,000</td>
<td>Amount payable pursuant to Section 2.07 of the General Conditions</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>5,800,000</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.

2. The Closing Date is December 31, 2021.
APPENDIX

Section I. Definitions


2. “AWP&B” means the annual work program and budget prepared by the Recipient as referred to in Section I A.6 of Schedule 2 to this Agreement.

3. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.

4. “CRSA” means Centre regional de santé animale, a regional center established to facilitate and enhance collaboration and complementarity in the field of animal health in West Africa.

5. “CILSS” means the Comité Permanent Inter-Etats de lutte contre la sécheresse dans le Sahel, the Permanent Interstate Committee for Drought Control in the Sahel, established as an international organization pursuant to the Convention portant création du Comité Permanent Inter-Etats de lutte contre la sécheresse dans le Sahel, dated September 12, 1973, and revised on April 22, 1994.


8. “FY” or “Fiscal Year” means the Recipient’s Fiscal Year, starting January 1 and ending December 31.

9. “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.

10. “Incremental Operating Costs” means incremental expenditures incurred by the Recipient on account of Project implementation, management and monitoring, including: dissemination of Project related information, travel costs, lodging and per diem for field trips related to Project implementation; vehicle rent; supplies and utilities; salaries of contractual staff; mail, advertisement costs, translation costs, commercial bank charges, communication costs, office equipment and
maintenance, hardware and software, as such costs shall be agreed with the Association on an annual basis, but excluding salaries of officials and/or employees of the Recipient’s civil service.

11. “OIE” or ‘Office International des Epizooties” means the World Organization for Animal Health, an intergovernmental organization established pursuant to an international agreement signed on January 25, 1924, and responsible for improving animal health worldwide.

12. “Participating Countries” means the Sahel Countries (as hereinafter defined) participating in the Project.

13. “Preparation Advance” means the advance referred to in Section 2.07 of the General Conditions, granted by the Association to the Recipient pursuant to the letter agreement signed on behalf of the Association on August 7, 2014, and on behalf of the Recipient on August 8, 2014.


15. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated April 10, 2015, 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. “PIM” means the project implementation manual to be adopted by the Recipient pursuant to Section 4.01 of this Agreement, which shall include provisions, inter alia, on: (i) institutional administration, coordination and day to day execution of Project activities; (ii) capacity building activities for sustained achievement of the Project’s objective; (iii) methods and criteria for the selection of activities to be carried out under the Project; (iv) financial management and disbursement; (v) procurement; (vi) monitoring and evaluation, reporting, information, education and communication of Project activities; and (vii) such other technical and organizational arrangements and procedures as shall be required for the Project.

17. “Regional Project Coordination Unit” means the unit established by the Recipient pursuant to Section I A.3 of Schedule 2 to this Agreement.

18. “Regional Steering Committee” means the committee established by the Recipient pursuant to Section I A.4 of Schedule 2 to this Agreement.

19. “Sahel Countries” shall, for the purpose of this Project, be deemed to include, Burkina Faso, the Republic of Chad, the Republic of Mali, the Islamic Republic
of Mauritania, the Republic of Niger, and the Republic of Senegal, participating in the Project.

20. “Training” means the reasonable costs for 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. Modifications to the General Conditions

The General Conditions are hereby modified as follows:

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. 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."
5. Section 5.01 is deleted in its entirety.

6. 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 (n) is renumbered as paragraph (m), 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.”

7. 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.”

8. 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.”
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."

Renumbered paragraph 46 is modified to read as follows:

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