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TOWER HILL FREETOWN

REGARDING SUPPORT TO CAPACITY BUILDING INITIATIVES FOR THE PARLIAMENT OF
SIERRA LEONE

(ACBF)

THE AFRICAN CAPACITY BUILDING FOUNDATION

and

THE REPUBLIC OF SIERRA LEONE

Between

GRANT AGREEMENT

PARLIAMENT LIBRARY
TOWER HILL FREETOWN

PARLIAMENT LIBRARY
TOWER HILL FREETOWN

GRANT NUMBER 288

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TOWER HILL BUILDING
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- a) "ACBF" means the African Capacity Building Foundation;
- b) "AGREEMENT" means this agreement and all schedules and agreements supplemental hereto, as the same may be amended from time to time;
- c) "BENEFICIARY" has the meaning assigned thereto in the preamble to this Agreement;
- d) "CLOSING DATE" means the date specified in Section 2.05 of this Agreement at which date the right of the Beneficiary to withdraw funds from the Grant will terminate unless ACBF has established a later Closing Date;
- e) "DISBURSEMENT MANUAL" means the Disbursement Manual for Grant Recipients issued by ACBF in August 2011, as the same may be revised from time to time by ACBF;
- f) "DOLLAR" and "US\$" mean the currency of the United States of America;
- g) "EFFECTIVE DATE" means the date on which ACBF notifies the Beneficiary as provided in Section 11.02 of this Agreement;
- h) "FISCAL YEAR" means the Beneficiary's fiscal year, which is the twelve month period commencing January 1st to December 31st;
- i) "FUNDING PARTNER" means means "International Development Association", the institution providing funding to ACBF for purposes of financing this Grant;
- j) "GRANT" means the grant referred to in Section 2.01 of this Agreement;

Whenever used in this Agreement, unless the context otherwise requires, the following capitalized terms have the meanings ascribed to them or set forth below:

Section 1.01. Definitions

Definitions & Interpretations

ARTICLE I

NOW, THEREFORE, ACBF and the Beneficiary hereby agree as follows:

WHEREAS ACBF has agreed to make available to the Beneficiary a grant on the terms and conditions hereinafter set forth;

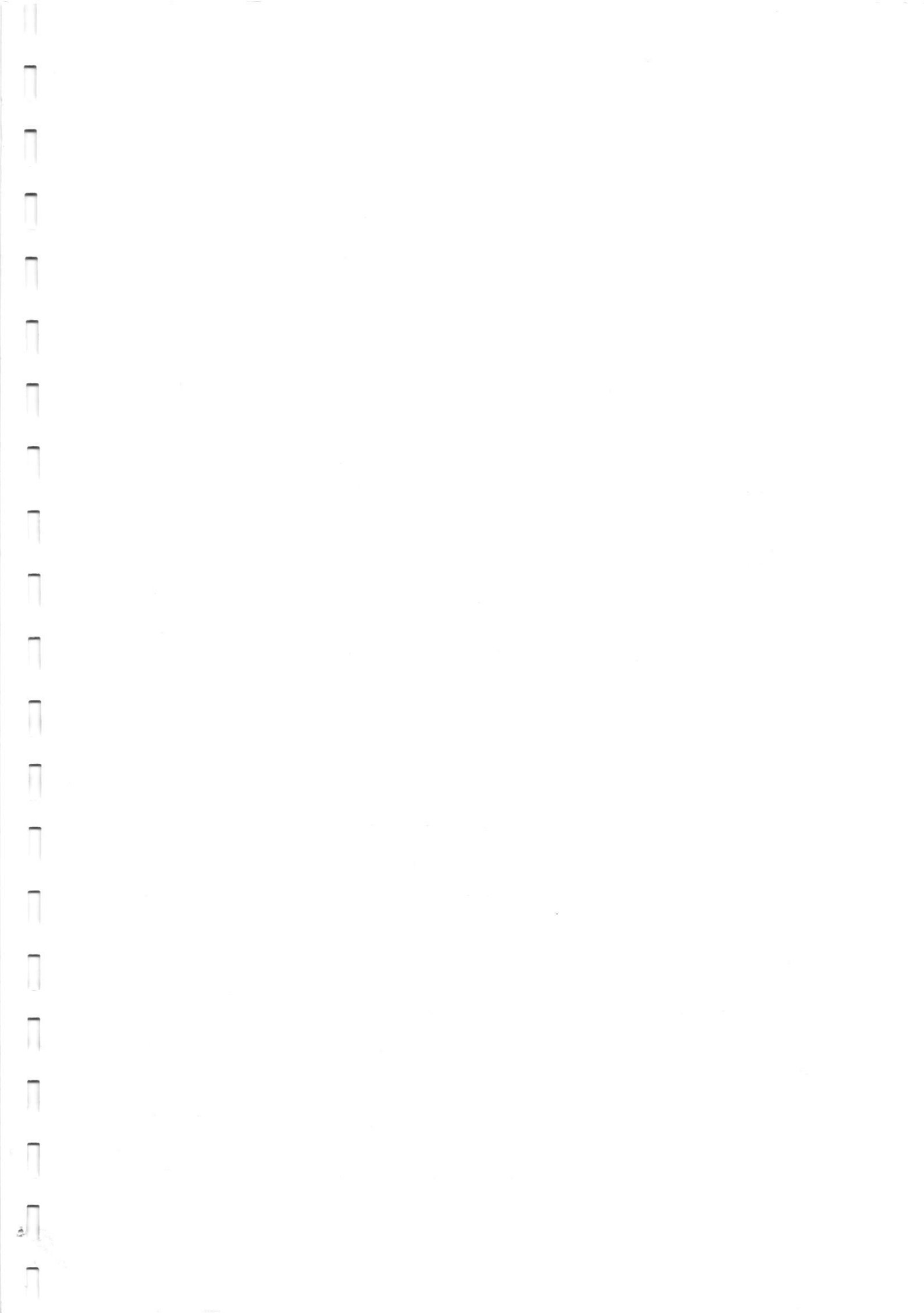
WHEREAS the Beneficiary, having satisfied itself as to the feasibility and priority of the project and has requested assistance from ACBF in financing such project; and

WHEREAS the Beneficiary wishing to enhance its capacity to effectively discharge its constitutional duties of representation, representation and oversight over the executive;

WHEREAS the Republic of Sierra Leone (Recipient), wishing to strengthen the capacity of the Parliament of Sierra Leone (the Beneficiary)

AGREEMENT entered into between the African Capacity Building Foundation (variously ACBF or The Foundation) and the Republic of Sierra Leone.

PREAMBLE



k) "OPERATING COSTS" means the incremental expenses incurred on account of Project implementation, consisting of reasonable expenditures for office supplies, vehicle operation and maintenance, communication and insurance costs, banking charges, rental expenses, office and office equipment maintenance, utilities, document duplication/printing, consumables, travel cost and *per diem* for Project staff for travel linked to the implementation of the Project, and salaries of staff;

l) "PARTIES" means the ACBF, the Recipient and the Beneficiary; and "Party" means either of the Parties;

m) "PROCUREMENT GUIDELINES" means the Procurement Guidelines for ACBF Grant Recipients issued by ACBF in July 2011 as the same may be revised from time to time by ACBF;

n) "PROCUREMENT PLAN" means the Beneficiary's plan for the Project, dated 8 August 2012, and referred to in Paragraph 1.15 of the Procurement Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraph;

o) "PROJECT" means the activities described in Section II of Schedule 1 to this Agreement;

p) "RECIPIENT" means the Government of the Republic of Zimbabwe;

q) "STATEMENT OF EXPENDITURE" means a summary report (in form and substance as ACBF may specify) of eligible expenditures paid during a stated period;

r) "MANAGEMENT COMMITTEE" means the Committee referred to in Section 3.01 (c) of this Agreement and Schedule 1 thereto;

s) "SPECIAL ACCOUNT" means the account referred to in Section 2.04 of this Agreement, and Schedule 3 thereto; and

t) "SPONSORING AGENCIES" means the African Development Bank, the World Bank and the United Nations Development Program and any such other agency that may become a member of ACBF.

Section 1.02: Interpretations

a) The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning of the terms of this Agreement.

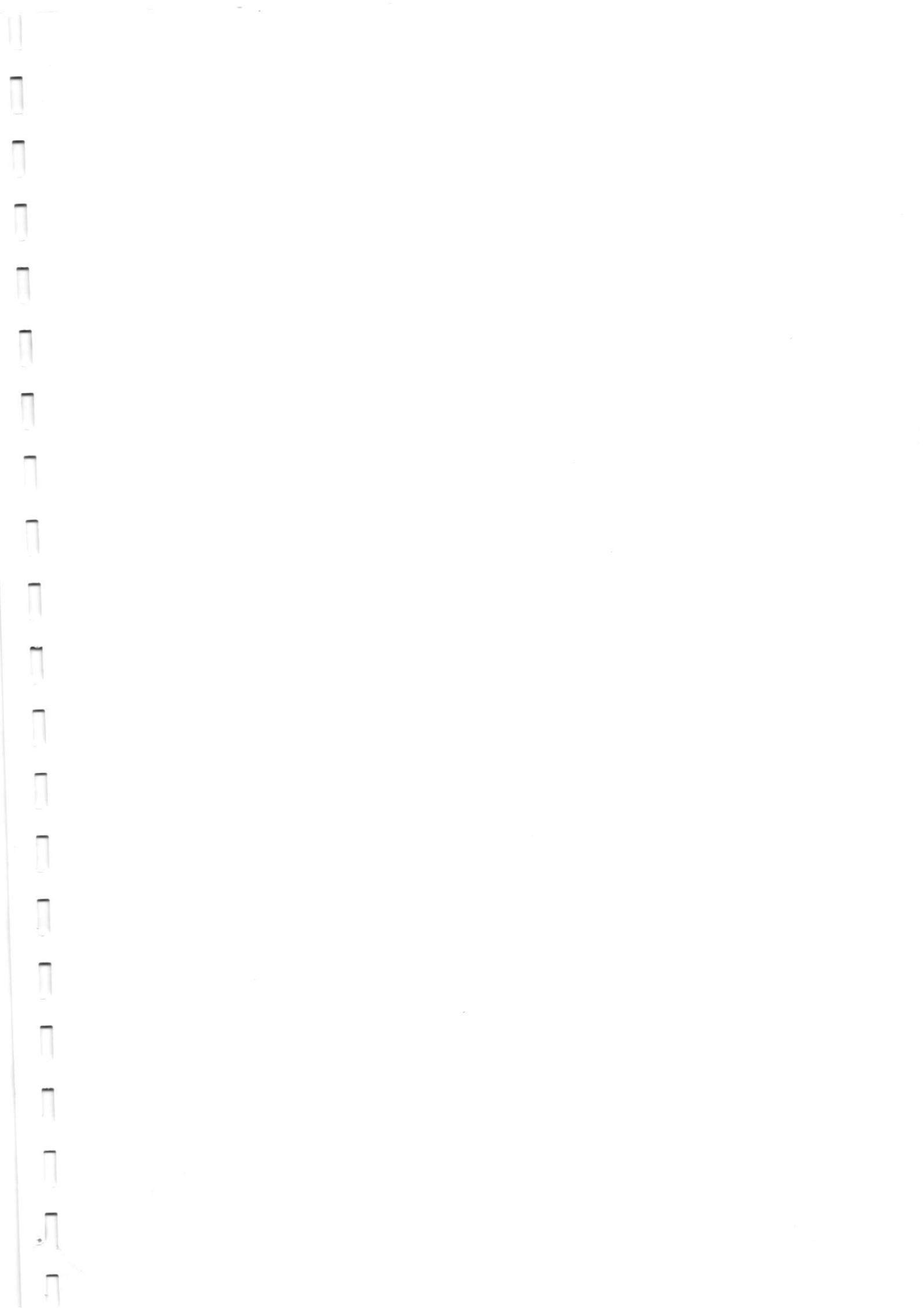
b) The schedules to this Agreement constitute an integral part of the Agreement.

ARTICLE II

The Grant; Withdrawals from the Grant; Special Account; Closing Date

Section 2.01: The Grant

ACBF agrees to make available to the Beneficiary, on the terms and conditions set forth or referred to in this Agreement, a grant (the Grant) in an amount up to the equivalent of **US\$ two million (US\$ 2,000,000)**. The Grant shall be used to assist in financing the project described in Schedule 1 to the Agreement.



The Beneficiary may withdraw funds from the Grant, in accordance with the provisions of Schedule 2 to this agreement, for expenditures made, or, if ACBF shall so agree, to be made, in respect of the reasonable cost of the goods and services required for the Project and to be financed out of the proceeds of the Grant. The ACBF Disbursement Manual shall govern the procedures for withdrawals from the Grant.

Section 2.03. Funding Shortfall

Notwithstanding the provisions of Section 2.02, the right of the Beneficiary to withdraw from the Grant is subject to availability of funding to ACBF intended for purposes of the Grant.

Section 2.04. Special Account

The Beneficiary shall, for purposes of the Project, open and maintain a special deposit account in a fully convertible currency acceptable to ACBF and in a commercial bank and on terms and conditions, both satisfactory to ACBF, including appropriate protection against set-off, seizure or attachment. Deposits into and payments out of the Special Account shall be made in accordance with the provisions of Schedule 3 to this Agreement. Payments made out of the Special Account shall be used exclusively to finance eligible expenditures under the Project.

Section 2.05. The Closing Date

The Beneficiary's right to withdraw from the Grant terminates on the Closing Date. For the purposes of this Agreement, the Closing Date shall be 30 September 2016, or such later date as ACBF, after consultation with the Beneficiary, may establish by notice to the Beneficiary.

Section 2.06. UN Sanctions

Notwithstanding any provision in this Agreement to the contrary, the proceeds of the Grant may not be used to finance a payment which is prohibited by a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations.

ARTICLE III

Execution of the Project; Procurement; Use of Goods and Services; Conduct of Affairs

Section 3.01. Execution of the Project

(a) The Beneficiary declares its commitment to the objectives of the Project described in Section 1 of Schedule 1 to this Agreement, and agrees to carry out the Project in accordance with this Agreement, with due diligence and efficiency and in conformity with appropriate administrative, managerial, technical, financial, economic, environmental and socially sustainable standards and practices, and to provide, promptly as needed, the funds, facilities, services and other resources required for the Project.

(b) Without limitation on the provisions of paragraph (a) of this section:

(i) The Beneficiary acknowledges that ACBF may be under obligation to allow access to all Project information and documents to the Funding Partner, and to this end, hereby irrevocably commits to facilitate, without hindrance of any sort whatsoever, such access when required to do so;

(iii) To enhance transparency and accountability, the Beneficiary and its personnel shall observe the highest standard of ethics; and to this end shall take all appropriate measures to prevent and combat fraud and corruption, and refrain from engaging in, fraud and corruption in connection with the use of the proceeds of the Grant. Furthermore, the anti-corruption policies and procedures of the Funding Partner that are legally binding

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on ACBF shall be directly applicable to the Beneficiary and the Beneficiary shall be under duty, as may be necessary, to cooperate and without limitation allow unhindered access to ACBF and the Funding Partner investigating alleged or suspected cases of fraud and corruption; and

(c) the Beneficiary shall maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to ACBF, the progress of the Project and the achievement of its objectives; and to this end, for purposes of ensuring proper tracking of results and oversight of the implementation of the Project, the Beneficiary shall adopt a results framework acceptable to ACBF and shall establish a Management Committee or such other governance body as may be tasked with oversight functions, to be responsible for review of the Beneficiary's work plan and progress to ensure quality and relevance of the outputs produced by the Beneficiary.

(d) (i) The Beneficiary shall:

(A) prepare under terms of reference acceptable to the ACBF, and furnish to ACBF, not later than March 1 of each calendar year during the period of Project implementation, for ACBF's review and agreement, an annual work plan of activities (including training and workshops) proposed for inclusion in the Project during the following calendar year, together with a budget and financing plan for such activities and a timetable for their implementation; and

(B) thereafter, carry out the Project with due diligence during such following year in accordance with such annual work plan as shall have been agreed by ACBF, as such plan may be amended from time to time by prior written agreement between ACBF and the Beneficiary ("Agreed Annual Work Plan").

(ii) Only activities included in an Agreed Annual Work Plan shall be eligible for inclusion in the Project.

(iii) The Beneficiary shall ensure that in preparing any training or workshops proposed for inclusion in the Project under an Agreed Annual Work Plan, it shall identify in the work plan: (A) the objective and content of, and justification for, the training or workshop envisaged; (B) the selection method of institutions or individuals conducting such training or workshop, and said institutions if already known; (C) the expected duration and an estimate of the cost of said training or workshops; and (D) the personnel selected to attend the training or the workshop.

Section 3.02. Procurement

All goods, non-consulting services and consultants' services required for the Project and to be financed out of the proceeds of the Grant shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines and the following additional provisions:

(a) *Definitions.* The capitalized italicized terms used below in this Section to describe particular procurement methods or methods of review by ACBF of particular contracts, refer to the corresponding method described in the Procurement Guidelines.

(b) *Goods and Non-consulting services.*

(i) Except as otherwise provided in sub-paragraph (ii) below, contracts for goods and non-consulting services shall be awarded on the basis of *International Competitive Bidding* procedures acceptable to ACBF.

(ii) The following table specifies the methods of procurements other than *International Competitive Bidding*, which may be used for goods and non-consulting services. The Procurement Plan shall specify the circumstances under which such methods may be used:



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The Beneficiary shall insure, or make adequate provision for the insurance of, any goods financed out of the proceeds of the Grant against hazards incident to the acquisition, transportation and delivery thereof to the place of use or installation.

Section 3.05. Insurance

(b) The Beneficiary shall properly operate and maintain its equipment and other property and promptly make all necessary repairs and renewals in accordance with sound business practices and promptly as needed.

(a) The Beneficiary shall, at all times, carry on its operations and conduct its affairs in accordance with sound administrative, technical, financial, economic, environmental and social standards and practices under the supervision of qualified and experienced management assisted by competent staff in adequate numbers; and

Section 3.04. Conduct of Affairs; Maintenance of Equipment and Other Property

Except as ACBF shall otherwise agree, the Beneficiary shall use all goods and services financed out of the proceeds of the Grant exclusively for the purposes of the Project.

Section 3.03. Use of Goods and Services

(e) The Beneficiary shall have all procurement activities undertaken by it under the Project audited annually, commencing with its Fiscal Year 2013, by auditors under terms of reference and with qualifications and experience satisfactory to the ACBF. Each such audit shall cover the period of one Fiscal Year and shall be furnished to the ACBF not later than 6 months after the end of such Fiscal Year.

(d) *Prior Review.* The Procurement Plan shall set forth those contracts which shall be subject to ACBF's *Prior Review*. All other contracts shall be subject to *Post Review* by ACBF.

(a)	Selection Under a Fixed-Budget
(b)	Least-Cost Selection
(c)	Selection Based on Consultants' Qualifications
(d)	Single-Source Selection, subject to ACBF's prior approval
(e)	Selection of Individual Consultants subject to ACBF's prior approval

(ii) The following table specifies the methods of procurement, other than *Quality- and Cost-based Selection*, which may be used for consultants' services. The Procurement Plan shall specify the circumstances under which such other methods may be used:

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

(c) Consultants' Services.

(a)	National Competitive Bidding
(b)	Shopping
(c)	Direct Contracting

Procurement Method

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Except as ACBF shall otherwise agree, this Agreement shall be free from any imposts, levies, fees, duties or any other taxes, and the Beneficiary shall not cause or permit any proceeds of the Grant to be used as payment for any imposts, levies, fees, duties or any other taxes.

ARTICLE IV

Financial Records and Reports; Audits

Section 4.01. Financial Records and Reports; Audits

(a) The Beneficiary shall maintain or cause to be maintained a financial management system and prepare financial statements, in accordance with consistently applied, internationally accepted accounting standards agreed with ACBF, both in a manner adequate to reflect the operations, resources and expenditures related to the Project.

(b) Without limitation on the provisions of Section 5.01 of this Agreement, the Beneficiary shall prepare and furnish to ACBF not later than 30 days after the end of each calendar quarter, interim unaudited financial reports for the Project covering the quarter, in form and substance satisfactory to ACBF.

(c) The Beneficiary shall:

(i) have the financial statements referred to in paragraph (a) of this section, including those of the Special Account, for each Fiscal Year of the Beneficiary audited by independent auditors approved by ACBF. The audit shall be conducted in accordance with consistently applied auditing standards and terms of reference acceptable to ACBF;

(ii) furnish to ACBF as soon as available, but in any event not later than six months following the end of each such Fiscal Year, the audited financial statements (including both audited account and management letter issued by the auditors).

(iii) provide any other information related to the Project and the above financial statements as ACBF or the Funding Partner shall reasonably request; and permit ACBF and the Funding Partner to make such audited financial statements publicly available in a timely fashion and in a manner acceptable to ACBF and the Funding Partner.

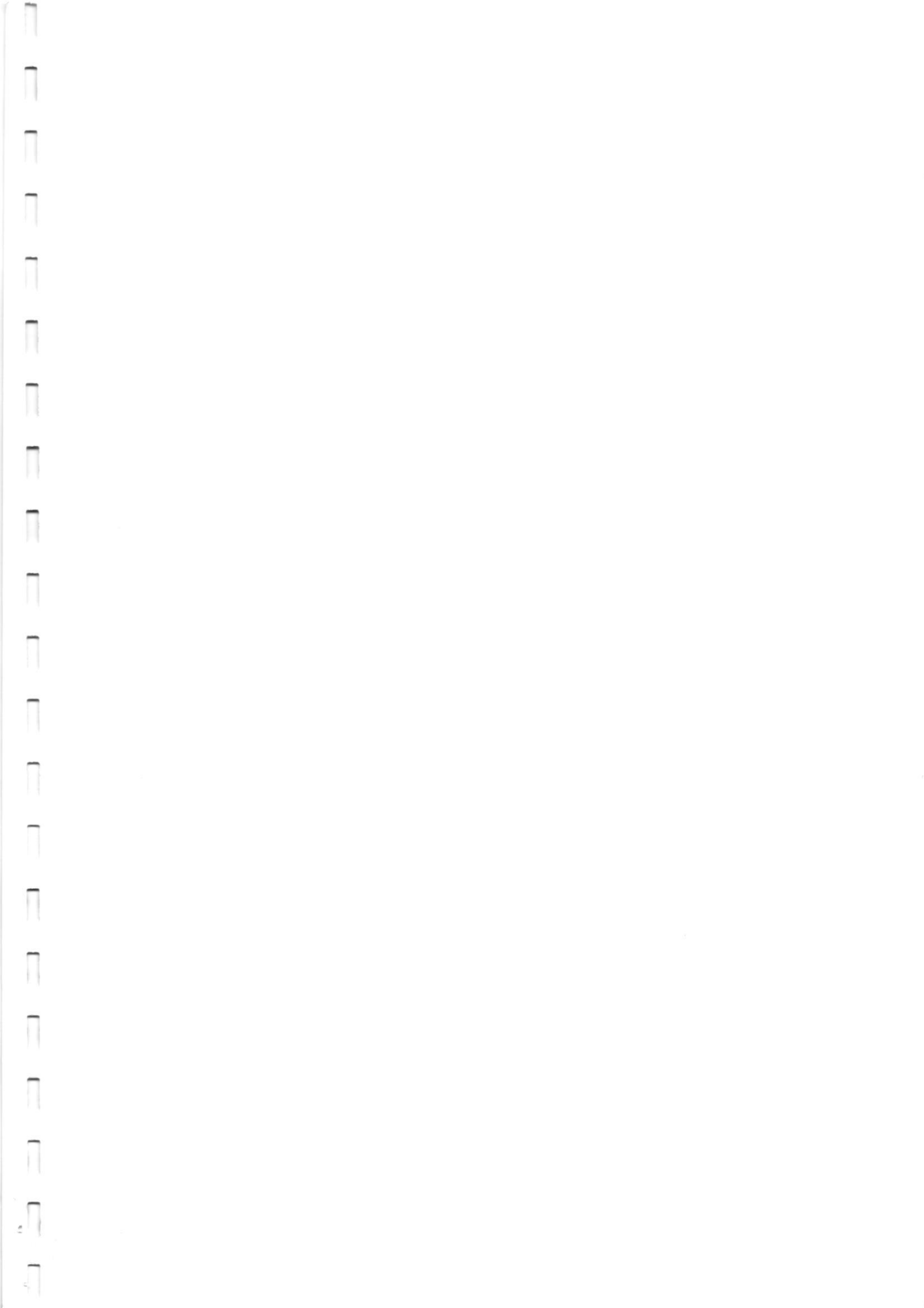
(d) For all expenditures with respect to which withdrawals from the Grant are made on the basis of Statements of Expenditure, the Beneficiary shall:

(i) maintain or cause to be maintained, as part of the financial management system referred to in paragraph (a) of this section, records and accounts reflecting such expenditures;

(ii) put in place a document retention policy satisfactory to ACBF and retain until at least two years after ACBF has received the audit report of the Fiscal Year in which the last withdrawal from the Grant or payment out of the Special Account was made, all records (contracts, orders, invoices, bills, receipts and other documents) evidencing such expenditures;

(iii) enable ACBF's representatives or ACBF's Funding Partners to examine such records; and

(iv) ensure that such records and accounts are included in the annual audit referred to in paragraph (c) of this section and that the auditors' report contains a separate opinion as to whether the statements of expenditure during such Fiscal Year, together with the procedures and internal controls involved in their preparations, can be relied upon to support the related withdrawals.



ARTICLE V

Project Records and Reports; Site Visit; Examination of Documents

Section 5.01. *Project Records and Reports*

(a) The Beneficiary shall:

- (i) Adopt a monitoring and evaluation system, acceptable to ACBF, designed to enable it to monitor the and evaluate on an on-going basis, in accordance with indicators acceptable to ACBF, the progress of the Project and the achievement of its objectives, and to identify the goods and services financed out of the Grant proceeds and their use in the Project, and
- (ii) prepare and furnish to ACBF not later than 30 days after the end of each calendar quarter progress reports, of such scope and in such detail as ACBF shall request, integrating such monitoring and evaluation activities, describing in detail all Project achievements and the performance of the Beneficiary's obligations under this Agreement during such period, and setting out measures recommended to ensure the continued efficient and effective execution of the Project and to achieve its objectives.

(b) The Beneficiary shall promptly inform ACBF of any condition which interferes, or threatens to interfere, with the implementation of the Project or with the performance of the Beneficiary's obligations under this Agreement.

Section 5.02. *Site Visit; Inspection of Goods; Examination of Documents*

The Beneficiary shall permit ACBF's representatives and the Funding Partner to:

(i) Visit all Project facilities and sites;

(ii) Inspect all goods financed out of the Grant proceeds;

(iii) Examine all records and documents and property relevant to the performance by the Beneficiary of its obligations under this Agreement; and

(iv) Consult with the personnel of the Beneficiary involved in the Project.

Section 5.03. *Mid-Term Review*

The Beneficiary shall carry out, under terms of reference prepared by ACBF, and not later than twenty four (24) months following the Effective Date (or such later date as ACBF may establish by notice to the Beneficiary), a mid-term evaluation of the progress achieved in carrying out the Project, together with recommendations for the proper completion of the Project and achievement of its objectives. The Beneficiary and ACBF shall exchange views on such evaluation and the Beneficiary shall promptly implement such recommendations based on such evaluation as ACBF shall have approved. The mid-term evaluation shall cover, inter alia: (a) management of the Project; (b) progress made in achieving Project objectives; and (c) the potential impact of Project outputs.

Section 5.04. *Final Report*

(a) Promptly after the completion of the Project, but in any event not later than six (6) months after the Closing Date, the Beneficiary shall prepare and furnish to ACBF a report, of such scope and in such detail as ACBF shall reasonably request, on: (i) the execution and initial operation of the Project; (ii) the Project cost; (iii) specific benefits derived by the Beneficiary from the Project; (iv) the performance by the Beneficiary and ACBF of their respective obligations under this Agreement; (v) the accomplishment of the purposes of the Grant; and (vi) a plan designed to ensure the sustainability of the Project's achievements.



(b) The Beneficiary shall also furnish all such other information related to the Project and to this Agreement, as ACBF or the Funding Partner shall reasonably request.

ARTICLE VI

Refunds; Suspension; Cancellation

Section 6.01. Refunds

(a) If ACBF determines that any amount withdrawn by the Beneficiary from the Grant has been used in a manner inconsistent with the provisions of this Agreement, the Beneficiary shall, upon notice by ACBF to the Beneficiary, promptly refund such amount to ACBF. Such inconsistent use shall include, without limitation:

(i) using such amount to make a payment for an expenditure that is not eligible for financing out of the proceeds of the Grant in accordance with this Agreement;

(ii) using such amount to pay for a contract, the procurement of which was inconsistent with the procedures set forth or referred to in this Agreement; or

(iii) (A) engaging in corrupt, fraudulent, collusive or coercive practices in connection with the use of such amount; or (B) using such amount to finance a contract during the procurement or execution of which such practices were engaged in by representatives of the Beneficiary (or other recipient of such amount), in either case without the Beneficiary (or other such recipient) having taken timely and appropriate action satisfactory to ACBF to address such practices when they occur.

(b) ACBF may cancel any amount so refunded.

Section 6.02. Suspension

(a) ACBF may, by written notice to the Beneficiary, suspend, in whole or in part, the latter's right to make withdrawals from the Grant if any of the following events occurs and is continuing:

(i) the Beneficiary fails to perform any of its obligations under this Agreement; or

(ii) at any time ACBF determines: (A) that any representative of the Beneficiary or any other recipient of the proceeds of the Grant has engaged in corrupt, fraudulent, collusive or coercive practices in connection with the use of the proceeds of the Grant without the Beneficiary (or other recipient of the proceeds of the Grant) having taken timely and appropriate action satisfactory to ACBF to address such practices when they occur; or (B) that the procurement of any contract financed out of the proceeds of the Grant was inconsistent with the procedures set forth or referred to in the Grant Agreement; or

(iii) ACBF or the Funding Partner declares the Beneficiary ineligible to receive proceeds of grants made by ACBF or otherwise to participate in the preparation or implementation of any project financed in whole or in part by ACBF, as a result of a determination by ACBF or the Funding Partner that the Beneficiary has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of any grant made by ACBF; or

(iv) a representation or statement made by the Beneficiary in connection with this Agreement, and intended to be relied upon by ACBF was incorrect in any material respect; or

(v) the Beneficiary's right to make withdrawals under any other agreement with ACBF has been suspended in whole or in part; or

(vi) unforeseen and extraordinary circumstances arising after the date of this Agreement make it improbable that the Beneficiary can carry out the Project or perform its obligations under this Agreement; or



(vii) the Beneficiary's right to withdraw the proceeds of any other financing besides this Grant made for the financing of the Project has been suspended or terminated, in whole or in part, pursuant to the terms of the agreement providing therefore; or

(viii) if the management or implementation of the Project or the legal status of the Beneficiary is modified in any material way following effectiveness of this Agreement which would adversely affect implementation of the Project.

(b) The Beneficiary's right to make withdrawals from the Grant shall remain suspended unless and until ACBF has notified the Beneficiary in writing that such suspension has been lifted.

Section 6.03. *Cancellation*

ACBF may, by notice to the Beneficiary, cancel any amount of the Grant and terminate the latter's right to make withdrawals of such amount from the Grant if:

(i) the Beneficiary's right to make withdrawals in respect of any amount from the Grant has been suspended for a continuous period of thirty days; or

(ii) ACBF determines, after consultation with the Beneficiary, that an amount of the Grant will not be required to finance the Project; or

(iii) at any time ACBF or the Funding Partner (A) determines in respect of any amount of the proceeds of the Grant, that corrupt, fraudulent, collusive or coercive practices were engaged in by representatives of the Beneficiary (or other recipient of the proceeds of the Grant) without the Beneficiary (or other recipient of the proceeds of the Grant) having taken timely and appropriate action satisfactory to ACBF to address such practices when they occur; or (B) determines that the procurement of any contract to be financed out of the proceeds of the Grant is inconsistent with the procedures set forth or referred to in the Grant Agreement; or

(iv) after the Closing Date, an amount of the Grant has not been withdrawn from the Grant.

Section 6.04. *Effectiveness of the Agreement after Refunds, Suspension or Cancellation*

Notwithstanding any refund, suspension or cancellation under this Article, all the provisions of this Agreement shall continue in full force and effect, except as otherwise specifically provided in this Article.

ARTICLE VII

Representations

Section 7.01. The Recipient represents that:

a) it has full power and authority to enter into this Agreement;

b) the execution and delivery of this Agreement on its behalf has been duly authorized or ratified by all necessary government actions;

c) this Agreement as executed is legally binding on the Recipient and the Beneficiary in accordance with its terms;

d) the Beneficiary has obtained all government authorizations, consents or waivers required for the execution and delivery of this Agreement, and for the fulfillment of the undertakings set forth therein.



ARTICLE VIII

Enforceability of Agreement; Failure to Exercise Rights; Resolution of Disputes; Arbitration

Section 8.01. *Enforceability*

The rights and obligations of ACBF and the Beneficiary under this Agreement shall be valid and enforceable notwithstanding the law of any country to the contrary. Neither ACBF nor the Beneficiary shall be entitled in any proceeding under this Article to assert any claim that any provision of this Agreement is invalid or unenforceable under the laws of any country.

Section 8.02. *Failure to Exercise Rights*

Except as provided in Section 8.03, no delay in exercising, or omission to exercise, any right, power or remedy under this Agreement upon any default shall impair any such right, power or remedy, or be construed to be a waiver thereof or an acquiescence in such default or any subsequent default.

Section 8.03. *Resolution of Disputes*

(a) The parties agree to make every effort to amicably settle any dispute that may arise between them under this Agreement and to immediately notify each other of any potential dispute. The notice shall suggest a venue and ways for resolving the dispute.

(b) Any dispute that is not resolved within sixty (60) days of the date of notification shall be submitted to arbitration as provided in Section 8.04.

Section 8.04. *Arbitration*

(a) Any claim or controversy arising under this Agreement which has not been settled as provided by Section 8.03 may, at the request of either party, be submitted to arbitration by an Arbitral Tribunal as provided in this section. The procedure for arbitration shall be the UNCITRAL Arbitration Rules. The place of Arbitration shall be Harare, Zimbabwe or such other place as ACBF may determine.

(b) The Arbitral Tribunal referred to in this Section shall be composed of three arbitrators; one to be appointed by the Beneficiary, the other to be appointed by ACBF, and the third, who shall Chair the tribunal, to be appointed by the first two arbitrators.

(c) If, within sixty (60) days of the request for arbitration, either party has not appointed an arbitrator, or if, within fifteen days of the appointment of the two arbitrators, the third arbitrator has not been appointed, either party may request the President of the International Court of Justice, or, if the President of the International Court of Justice is a national of the Beneficiary, the Vice President of the International Court of Justice, to appoint the arbitrator or Chairperson not yet appointed.

(d) The arbitrators shall fix the procedures for such arbitration, and the expenses of the arbitration shall be borne by the parties as assessed by the arbitrators. The proceedings shall be conducted in English.

(e) The provisions for arbitration set forth in this Section shall be the exclusive procedure for the settlement of controversies arising under this Agreement that cannot be resolved by amicable negotiations. The arbitrators' decision shall be final and binding.

