Re: Canada Persistent Organic Pollutant Trust Fund Grant (TF094252) for a Pilot Project on Recycling and Disposal of Insecticide Treated Nets Used for Disease Vector Control (Kenya and Tanzania. First Amendment to the Agreement and Restatement.

Dear Mr. Newman:

We refer to the agreement dated January 21, 2010 between the International Bank for Reconstruction and Development (the Bank) as administrator of grant funds provided by the Canadian International Development Agency on behalf of Canada under the Canada Persistent Organic Pollutants Fund (“Canada POPs Trust Fund”) and the World Health Organization (TF094252) (the “Agreement”).

It has come to our attention that on the date of countersignature of the Agreement by the Recipient, the original closing date of December 30, 2009 had already passed. Furthermore, the amounts allocated to the various categories in the withdrawal schedule in Section 4.2 were not totaled correctly, erroneously suggesting a grant amount of C$5710,415 instead of C$570,862. To remedy these matters, the Bank proposes to amend the closing date in Section 4.3.(c) of the Agreement to December 31, 2010 and restate the Agreement to read in its entirety as set out in the Attachment hereto.

Please confirm your agreement with the foregoing, on behalf of the Donor, by signing, dating, and returning to us the enclosed copy of this Agreement. It will become effective as of date of countersignature.

Sincerely,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION

/s/ Michele de Nevers for
Warren Evens
Director Environment
Sustainable Development Network
AGREED:
WORLD HEALTH ORGANIZATION

/s/ Hiroki Nakatani

Name: Dr. Hiroki Nakatani
Title: Assistant Director-General
       HIV/AIDS, Tuberculosis, Malaria and Neglected Tropical Diseases
Date: July 3, 2010
RESTATED AND AMENDED

Agreement dated January 21, 2010 between the International Bank for Reconstruction and Development (the Bank) as administrator of grant funds provided by the Canadian International Development Agency on behalf of Canada under the Canada Persistent Organic Pollutants Fund (“Canada POPs Trust Fund”) and the World Health Organization (TF094252)

Mr. Robert Newman
Director of the Global Malaria program
World Health Organization
20, Avenue Appia –CH-1211Geneva 27
SWITZERLAND

Re: Canada Persistent Organic Pollutant Trust Fund Grant (TF094252) for a Pilot Project on Recycling and Disposal of Insecticide Treated Nets Used for Disease Vector Control (Kenya and Tanzania)

Dear Mr. Newman:

I am writing on behalf of the International Bank for Reconstruction and Development (the Bank) to indicate the Bank’s agreement, as administrator of grant funds provided by the Canadian International Development Agency on behalf of Canada under the Canada Persistent Organic Pollutants Fund (“Canada POPs Trust Fund”), to make a grant in an amount not exceeding five hundred seventy one thousand five hundred fifty seven Canadian Dollars (C$570,862) (the Grant) to the World Health Organization (the Recipient).

The Grant is made in response to the Recipient’s request for financial assistance and for the purposes and on the terms and conditions set forth in the Annex to this Letter Agreement. Without limiting the generality of the foregoing, these terms and conditions include those of that certain Financial Management Framework Agreement between the World Bank and the United Nations, dated March 10, 2006 (Financial Management Framework Agreement), which are incorporated in this Letter Agreement to form a part hereof as if they were recited at length herein. The Recipient, by countersigning this Letter Agreement, acknowledges that it has received a copy of the Financial Management Framework Agreement and, if the Recipient was not an original signatory thereof, agrees that it is bound by the terms of the Financial Management Framework Agreement as if the Recipient had been an original party thereto. The Recipient represents, by confirming its agreement below, that (i) it is authorized to contract and withdraw the Grant for the said purposes and on the said terms and conditions, and (ii) the references in sub-paragraphs (a) and (d) of paragraph 5 of the Annex to this Letter Agreement to the Recipient’s financial regulations and rules are complete and accurate, and the Recipient makes this representation knowing that the Bank shall rely on it for purposes of deciding to make the Grant.

Please note that it is the Bank’s policy to make publicly available this Letter Agreement and any information related thereto, after this Letter Agreement has become effective and the Recipient has given its consent to such disclosure. The Recipient, by countersigning this Letter Agreement, confirms its consent to such disclosure. Please confirm your agreement with the
foregoing, on behalf of the Recipient, by signing, dating, and returning to us the enclosed copy of this Letter Agreement. Upon (i) receipt by the Bank of the copy of this Letter Agreement countersigned by you, and (ii) agreement reached between the Bank and the Recipient as to the format of the interim unaudited financial reports referred to in Section 5 (c) of the Annex to this Letter Agreement, this Letter Agreement will become effective as of the date of the countersignature.

Very truly yours,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By /s/ Warren Evans
Director Environment
Sustainable Development Network

AGREED:
WORLD HEALTH ORGANIZATION

By /s/ Dr Hiroki Nakatani

Title: Assistant Director General, HIV/AIDS, TB, Malaria and Tropical Neglected Diseases

Date: 7 April 2010
1. **Purposes and Activities**

1.1. The purposes of the Grant are to identify and assess the feasibility of environmentally sound and cost-effective options for collection, recycling and disposal of long lasting insecticide treated nets (LLINs) in Kenya and Tanzania.

1.2. The activities (the Activities) for which the Grant is given are as follows:

Activity 1. **Development and testing of strategies for collection of used LLINs.**

This activity will focus on: (1) how to collect and bring collected nets to a recycling/disposal point, and (2) how to separate polyester nets from polyethylene nets.

The Recipient will implement this activity in close cooperation with Kenya and Tanzania’s respective National Malaria Control Programs, which are administered in both countries through the Ministry of Health, and in liaison with the Red Cross.

Work will be undertaken in five selected districts per country. The selection of the districts will take into account the different malaria eco-epidemiological strata in Kenya and Tanzania: hypo-endemic /hyper-endemic areas and the different groups of population (tribes) with different cultures and the geographic situation (rural, urban, enclave districts. These groups will be invited to participate in training/orientation sessions and/or local workshops aimed at identifying effective options for systematic collection of used nets.

Activity 2. **Development and testing of options for recycling and/or safe disposal of used nets.**

Study to identify options for the recycling and/or disposal of polyester and polyethylene LLINs which are consistent with best available technologies and best environmental practices (BAT/BEP). The study will be expected to provide concrete recommendations for implementation in selected countries, including identification of market opportunities for products made from recycled nets; evaluation of recycling/disposal technologies and facilities for suitability and applicability within BAT/BEP guidelines and general technical backstopping of all project activities to ensure environmentally-sound management of the used nets.

The selected institute(s) will be expected to work closely with LLIN producers, the Ministries of Environment and health in Kenya and Tanzania and UNEP Chemicals.

Activity 3. **Stakeholder meetings and Regional Workshop.**

Organization of stakeholder meetings in Kenya and Tanzania at the beginning of the project convening the major project participants (such as representatives of the Ministries of Health, Environment and Agriculture and Trade, WHO, UNEP, non-governmental organizations and industry) to develop the detailed project roadmap.
Organization of one regional workshop at which the options identified during Activities 1 and 2 will be presented to the stakeholders for endorsement and a draft proposal for a larger scale project discussed.

2. Implementation Generally

2.1. The Recipient shall: (a) carry out the Activities with due diligence and efficiency in accordance with the provisions of this Annex; (b) promptly provide the funds, facilities, services and other resources required for that purpose; (c) furnish all information covering the Activities and the use of the proceeds of the Grant as the Bank shall reasonably request; (d) from time to time exchange views with the Bank’s representatives on the progress and results of the Activities; (e) use its reasonable best efforts with the authorities of Kenya and Tanzania to enable the Bank to visit the territory of said countries for purposes related to the Grant; and (f) cause all services financed out of the proceeds of the Grant to be used exclusively for the purposes of the Grant. Without limitation on the foregoing, the Recipient shall, if the Bank shall so request, prepare and furnish to the Bank promptly upon completion of the Activities a report, in form and substance satisfactory to the Bank, on the results and impact of the Activities.

3. Procurement

3.1. Except as the Bank shall otherwise agree, procurement of the services required for the carrying out of the Activities and to be financed out of the proceeds of the Grant shall be governed by the provisions of Attachment I to this Annex.

4. Withdrawal of Grant Proceeds

4.1. The amount of the Grant shall be credited to an account opened by the Bank on its books in the name of the Recipient (the Grant Account), and may be withdrawn therefrom by the Recipient in accordance with the provisions of this paragraph 4, for expenditures in respect of the reasonable cost of goods services required for the Activities and to be financed out of the proceeds of the Grant (sometimes hereinafter referred to as “eligible expenditures”). Withdrawals from the Grant Account shall be made exclusively for eligible expenditures in accordance with the provisions of this Agreement.

4.2. (a) The table below sets forth the Categories of items to be financed out of the proceeds of the Grant, the allocation of the amounts of the Grant to each Category, and the percentage of expenditures for items so to be financed in each Category:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant Allocated (in Canadian Dollars)</th>
<th>% of Expenditures to be Financed</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Consultants’ services/subcontractors</td>
<td>436,301</td>
<td>100%</td>
</tr>
<tr>
<td>2. Meetings and Workshops</td>
<td>83,146</td>
<td>100%</td>
</tr>
<tr>
<td>3. Recipient Support Costs (up to 10% of grant funds disbursed)</td>
<td>51,415</td>
<td></td>
</tr>
</tbody>
</table>
For purposes of this paragraph, the term “foreign expenditures” means expenditures in the currency of any country other than that of Tanzania and Kenya for goods or services supplied from the territory of any country other than that of Tanzania and Kenya, and the term “local expenditures” means any expenditures that are not foreign expenditures.

(b) For the purposes of paragraph 4.2.(a) “Meetings and Workshops” means: expenditures on travel costs and per diem participants; rental of training facilities and equipment, and training materials.

4.3. Notwithstanding the provisions of paragraph 4.2 above:

(a) No withdrawals shall be made from the Grant Account: (i) for payments made for expenditures prior to the date of signature of this Letter Agreement by the Bank; or (ii) for the purpose of any payment to persons or entities, or for any import of goods, if such payment or import, to the Bank’s knowledge, is prohibited by a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations;

(b) The Recipient may withdraw amounts of the Grant only to the extent that such amounts are available to the Bank from the Canadian International Development Agency for the purposes of the Grant.

(c) No withdrawals shall be made from the Grant Account after December 31, 2010 or such later date that the Bank shall establish by notice to the Recipient (the Closing Date). However, withdrawals may be made after the Closing Date for expenditures incurred prior to the Closing Date if the corresponding withdrawal application is received by the Bank within four months after the Closing Date, after which time any amount of the Grant remaining unwithdrawn from the Grant Account shall be canceled; and

(d) The use of any proceeds of the Grant to pay for taxes levied by, or in the territory of, Tanzania or Kenya on the services to be financed under the Grant, or on their importation, manufacture, procurement or supply, is subject to the Bank’s policy of requiring economy and efficiency in the use of the proceeds of grants such as this Grant. To that end, if the Bank shall at any time determine that the amount of any taxes levied on or in respect of any goods or services to be financed out of the proceeds of the Grant is excessive or otherwise unreasonable, the Bank may, by notice to the Recipient, adjust the percentage of financing of such goods or services set forth in the table in paragraph 4.2 above, as required to be consistent with such policy of the Bank.

(e) If, in the Bank’s opinion, an amount of the Grant allocated to any of the Categories in the table in paragraph 4.2 above will be insufficient to finance the expenditures under such Category, the Bank may, by written notice to the Recipient, reallocate to such Category an amount of the Grant then allocated to another Category which, in the Bank’s opinion, will not be necessary to meet other expenditures.

4.4. When the Recipient shall desire to withdraw any amount from the Grant Account, it shall deliver to the Bank a written application for withdrawal of such amount in the form specified by the Bank. Withdrawal applications shall be: (a) signed on behalf of the Recipient by Director Global Malaria Program or such other person as he or she shall have authorized in writing; and (b) accompanied by such evidence in support of the application as the Bank
shall reasonably request. Authenticated specimen signatures of the person authorized to sign withdrawal applications shall be provided with the first application bearing his or her signature. Each withdrawal application for an amount of the Grant and its supporting evidence must be sufficient in form and substance to satisfy the Bank that the Recipient is entitled to withdraw such amount from the Grant Account and that such amount is to be used in the carrying out of the Activities. The Bank shall pay the amounts withdrawn by the Recipient from the Grant Account only to or on the order of the Recipient.

4.5. Withdrawals from the Grant Account shall be made on the basis of the interim unaudited financial reports referred to in paragraph (c) of Section 5 and under such other terms and conditions as the Bank shall specify by notice to the Recipient contained in the Disbursement Letter addressed or to be addressed by the Bank to the Recipient for purposes of the Grant.

4.6. Withdrawals of the proceeds of the Grant shall be made in the currency of the Grant. The Bank, at the Recipient’s request and acting as an agent of the Recipient, shall purchase with the currency of the Grant withdrawn from the Grant Account such currencies as shall be required to pay for expenditures to be financed out of the proceeds of the Grant. Whenever it shall be necessary, for the purposes of this Letter Agreement, to determine the value of one currency in terms of another, such value shall be as reasonably determined by the Bank.

5. Accounts and Audits

(a) The Recipient shall maintain or cause to be maintained a financial management system, including records and accounts, adequate to reflect the transactions related to the Activities, in accordance with the requirements of the document ST/SGB/2003/7 Financial Regulations and Rules of the United Nations, dated May 9, 2003 (hereinafter referred to as the Financial Regulations).

(b) The Recipient shall maintain in a separate account in its records (the Grant Control Account) a complete, true and faithful record of all the advances from the proceeds of the Grant and of all the expenditures paid from such advances.

(c) The Recipient shall prepare, on a quarterly basis, interim unaudited financial reports, in accordance with accounting standards established pursuant to the Financial Regulations and in the format agreed with the Bank, adequate to reflect the operations, resources and expenditures related to the Activities. The first said interim unaudited financial reports shall be furnished to the Bank no later than thirty days after the end of the first quarter after the effectiveness of this Letter Agreement, and shall cover the period from the incurrence of the first expenditure under the Grant through the end of such first quarter; thereafter, each interim unaudited financial report shall be furnished to the Bank not later than thirty days after each subsequent quarter, and shall cover such quarter.

(d) The Recipient shall ensure that the audit of the Activities is governed by: (i) Regulations 7.1, 7.4 and 7.11 of the Financial Regulations and (ii) the Financial Management Framework Agreement.

(e) The Recipient shall retain, until at least one year after the Bank has received the final interim unaudited financial report referred to in paragraph (b) of this Section 5 covering the quarter in which the last withdrawal from the Grant Account was made, all records
(contracts, orders, invoices, bills, receipts and other documents) evidencing all expenditures in respect of which withdrawals from the Grant Account were made.

6. Suspension and Cancellation

6.1. The Bank may at any time, by notice to the Recipient, suspend the right of the Recipient to make further withdrawals from the Grant Account if any of the following events has occurred and is continuing: (a) the Recipient has failed to comply with any of its obligations herein specified; or (b) the right of the Recipient or Tanzania or Kenya, or any other entity to which the Bank has made a loan with the guarantee of Tanzania or Kenya, to make withdrawals under any loan agreement with the Bank or any development credit, grant or financing agreement with the International Development Association has been suspended; or (c) if, by notice sent jointly to the United Nations and the Recipient pursuant to paragraph (iv) of Section 9 of the Financial Management Framework Agreement, the Bank confirms that it reasonably believes the actions taken previously in accordance with said Section 9 have not been sufficient to fulfill its fiduciary obligation to ensure that the proceeds of the Grant were used for eligible expenditures; or (d) if, by notice sent jointly to the United Nations and the Recipient pursuant to sub-paragraph (a) of paragraph (iii) of Section 10 of the Financial Management Framework Agreement, the Bank confirms that alternative financial management arrangements mutually acceptable to the Bank and the relevant UN Organization were not reached within the period stipulated therein; or (e) if the Bank determines at any time that a reference in sub-paragraph (a) or (d) of paragraph 5 of the Annex to this Letter Agreement to the Recipient’s financial regulations and rules is incomplete or inaccurate in any material respect.

6.2. The Bank may, by written notice to the Recipient, terminate the right of the Recipient to make further withdrawals from the Grant Account: (a) at any time after the right of the Recipient to make withdrawals from the Grant Account has been suspended pursuant to the provisions of paragraph 6.1 above; or (b) if the Recipient has failed to take action, satisfactory to the Bank, within six months after the effective date of this Agreement, to carry out the Activities.

7. Fraud and Corruption

7.1 The Recipient’s accounts relating to this Agreement shall be subject exclusively to internal and external audit in accordance with WHO’s Financial Regulations and Rules as set out under Section 5 above. The Parties recall that WHO’s financial books and records are routinely audited in accordance with the internal and external auditing procedures laid down in WHO’s financial regulations and rules, and that the external auditors are appointed by and report to the World Health Assembly. The external auditors’ certification of accounts and audit report is made available to the World Health Assembly on a biennial basis. Throughout the term of this Agreement, the Recipient will provide a copy of the financial report and audited financial statements of WHO within ten (10) days of these becoming public documents by reason of being presented to the World Health Assembly.

7.2. (a) In the event that the Recipient or the Bank becomes aware of information that indicates the need for further scrutiny of the implementation of the Activities and procurement of services (including non-frivolous allegations that reasonably indicate the possibility that Corrupt, Fraudulent, Coercive or Collusive Practices may have occurred), the entity that has become aware of such information will promptly notify the other entity.
(b) This information will be brought promptly to the attention of the appropriate official or officials at the Bank and Recipient, (which in the case of Recipient is the WHO Comptroller and the WHO Director of Internal Oversight Services).

(c) Following consultation with the Bank, the Recipient will, to the extent the information relates to actions within the authority or accountability of WHO, take timely and appropriate action in accordance with its applicable regulations, rules, and administrative instructions, to investigate this information. For greater clarity on this matter, the Parties agree and acknowledge that the Recipient shall have no authority to investigate information relating to possible Corrupt, Fraudulent, Coercive or Collusive Practices by officials or consultants of the Bank.

(d) To the extent such investigation confirms that corrupt, fraudulent, collusive or coercive practices have occurred and to the extent that remedial action is within the authority of WHO, the Recipient will take timely and appropriate action in response to the findings of such investigation, in accordance with its accountability and oversight framework and established procedures, including its Financial Regulations and Rules, where applicable.

(e) To the extent consistent with WHO’s accountability and oversight framework and established procedures, the Recipient shall keep the Bank regularly informed by agreed means of actions taken pursuant to this Section 7, paragraph 2, and the results of the implementation of such actions, including where relevant, details of any writing-off of losses or reprogramming of recovered amounts. If amounts are recovered after the Closing Date of this Grant, the Recipient will promptly consult with the Bank and the Bank will provide payment instructions to the Recipient with respect to such amounts.

(f) For the purposes of this Agreement, the following definitions shall apply:

(i) “Corrupt Practice” is the offering, giving, receiving or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party;

(ii) “Fraudulent Practice” is any act or omission, including misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain financial or other benefit or to avoid an obligation;

(iii) “Collusive Practice” is an arrangement between two or more parties designed to achieve an improper purpose, including to influence improperly the actions of another party;

(iv) “Coercive Practice” is impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party.

7.3 In the event that the Bank reasonably believes that the Recipient has not complied with the requirements of Section 7.2 above, the Bank may request direct consultations at a senior level between the Bank and the Recipient in order to obtain assurances, in a manner consistent with WHO’s oversight and accountability framework and respecting appropriate confidentiality, that WHO’s oversight and accountability mechanisms have been or will be fully applied. Such direct consultations may result in an understanding
between the Bank and Recipient, on any further actions to be taken and the timeframe for such actions.

7.4 In the event that, notwithstanding the application of the procedures under Section 7.2 above the Bank reasonably believes that the actions taken under Section 7.2 have not been sufficient to enable the Bank to fulfill its fiduciary obligations with respect to the Grant, the Bank may suspend withdrawals in accordance with Section 7.5 below.

7.5 The Bank may at any time, by notice to the Recipient, suspend the right of the Recipient to make further withdrawals from the Grant Account if any of the following events has occurred and is continuing:

(a) the Recipient fails, without justification, materially to fulfill any of its substantive obligations pursuant to this Agreement and, after being given notice by letter to comply with those obligations, still fails to do so or to furnish a satisfactory explanation within thirty (30) days of receipt of the letter; or

(b) if, by notice sent to the Recipient and copied to Recipient’s Comptroller, the Bank confirms that it reasonably believes the actions taken previously have not been sufficient to fulfill its fiduciary obligation to ensure that the proceeds of the Grant were used for eligible expenditures; or

(c) if, by notice sent to the Recipient and copied to WHO’s Comptroller, the Government confirms that alternative financial management arrangements mutually acceptable to the bank and Recipient were not reached within the period stipulated therein.

7.6 The Bank may, by written notice to the Recipient terminate the right of the Recipient to make further withdrawals from the Grant at any time after the right of the Recipient make withdrawals of the Grant has been suspended pursuant to the provisions of paragraph 7.4 above.

7.7 The Recipient confirms that no official of WHO has received or will be offered any benefit arising from this Agreement. The Parties agree that any breach of this provision is a breach of an essential term of this Agreement.

7.8 The Parties agree and acknowledge that nothing in this Section 7 shall be deemed to waive or otherwise limit any right or authority of the Bank or any other entity of the World Bank Group as set out in Section 1.22 of the Guidelines: Selection and Employment of Consultants by World Bank Borrowers (“Consultant Guidelines”), to investigate allegations or other information relating to possible corrupt, fraudulent, coercive, collusive or obstructive practices by any third party, or to sanction or take remedial action against any such party which the World Bank Group has determined to have engaged in such practices; provided however that in this Section 7.8, “third party” does not include WHO. To the extent consistent with WHO’s oversight framework and established procedures, and if requested by the Bank, the Recipient shall cooperate with the Bank or such other entity in the conduct of such investigations.

7.9 (a) The World Bank Group will keep the Recipient informed of all vendors that are subject to any sanction or temporary suspension imposed by any organization within the World Bank Group. In addition, Recipient will request any procurement agent and any
party to which it intends, directly or through a procurement agent, to issue a purchase order in connection with this Agreement, including in the case of a purchase order issued under an existing long term agreement, to disclose to the Recipient whether it is subject to any sanction or temporary suspension imposed by any organization within the World Bank Group. Recipient will give due regard to such sanctions and temporary suspensions, as so disclosed when issuing contracts in connection with the procurement or delivery of Services if any under this Agreement.

(b) If Recipient proposes to issue a contract in connection with the procurement of Services if any under this Agreement with a party which has disclosed to Recipient that it is under sanction or temporary suspension by the World Bank Group, the following procedure will apply: (i) Recipient will so inform the Bank before signing such contract; (ii) the Bank then may request direct consultations at a senior level between the Bank and Recipient to discuss Recipient’s decision; and (iii) the Bank may thereafter inform Recipient by notice, that funds disbursed to it under this Agreement may not be used to fund such contract.
Procurement

(a) **General.** All consultants services required for the Project and to be financed out of the proceeds of the Grant shall be procured in accordance with Section I (except paragraph 1.22 thereof, to the extent it is superseded by Section 7.8 of this agreement; and except paragraph 1.24 thereof which does not apply) and consistent with the provisions regarding the types of contract in Section IV of the “Guidelines: Selection and Employment of Consultants by World Bank Borrowers” published by the World Bank in May 2004 and revised in October 2006 (“Consultant Guidelines”), and otherwise in accordance with said guidelines and the provisions of this Attachment.

(b) **Particular Methods of Procurement of Consultants’ Services.** For the purpose of procurement of the consultant’s services to be financed out of the proceeds of this Grant: international competitive bidding under WHO procurement rules scored primarily by quality, capacity, technical track record, and cost.

(c) **Defined terms.** The capitalized terms used in this Attachment to describe particular methods of review by the Bank of particular contracts, have the meanings ascribed to them in the Consultant Guidelines.