

**CONFORMED COPY**

**GEF TRUST FUND GRANT NUMBER 28408 PAK**

# **Global Environment Facility Trust Fund Grant Agreement**

**(Protected Areas Management Project)**

**between**

**ISLAMIC REPUBLIC OF PAKISTAN**

**and**

**INTERNATIONAL BANK FOR RECONSTRUCTION  
AND DEVELOPMENT**

**acting as an Implementing Agency of the Global Environment Facility**

**Dated August 21, 2002**

**GEF TRUST FUND GRANT NUMBER 28408 PAK**

## **GLOBAL ENVIRONMENT FACILITY TRUST FUND GRANT AGREEMENT**

AGREEMENT, dated August 21, 2002, between ISLAMIC REPUBLIC OF PAKISTAN acting by its President (the Recipient) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (the Bank) acting as an Implementing Agency of

the Global Environment Facility (GEF) in respect of grant funds provided to the GEF Trust Fund by certain members of the Bank as participants of the GEF.

WHEREAS (A) the Bank, pursuant to Resolution No. 91-5 of March 14, 1991 of the Executive Directors of the Bank, established the GEF to assist in the protection of the global environment and promote thereby environmentally sound and sustainable economic development;

(B) following the restructuring of the GEF, such arrangements continued in place on the basis set forth in Resolution No. 94-2 of May 24, 1994, of the Executive Directors of the Bank, which, inter alia, established the GEF Trust Fund, authorized the first replenishment of the GEF Trust Fund and appointed the Bank as Trustee of the GEF Trust Fund (Resolution No. 94-2);

(C) the second replenishment of the GEF Trust Fund was approved on the basis set forth in Resolution No. 98-2 of July 14, 1998, of the Executive Directors of the Bank (Resolution No. 98-2);

(D) the Recipient, having satisfied itself as to the feasibility and priority of the Project described in Schedule 2 to this Agreement, has requested assistance from the GEF Trust Fund for funding the Project and said request having been approved in accordance with the provisions of the Instrument for Establishment of the Restructured Global Environment Facility approved under Resolution No. 94-2, and to be funded from contributions to the GEF Trust Fund under Resolution No. 98-2, which may include funds carried over from the first replenishment of the GEF Trust Fund under Resolution No. 94-2;

(E) part of the Project will be carried out by Azad Jammu and Kashmir (AJK), the Province of Balochistan (Balochistan) and the North West Frontier Province (NWFP) (the Beneficiaries) with the Recipient's assistance and, as part of such assistance, the Recipient will make available to the Beneficiaries part of the proceeds of the GEF Trust Fund Grant as provided in this Agreement; and

WHEREAS the Bank has agreed, on the basis, inter alia, of the foregoing, to extend the GEF Trust Fund Grant to the Recipient upon the terms and conditions set forth in this Agreement and in the Project Agreement of even date herewith between the Bank and the Beneficiaries.

NOW THEREFORE, the parties hereto hereby agree as follows:

## **ARTICLE I**

### **General Conditions; Definitions**

Section 1.01 (a) The following provisions of the General Conditions Applicable to Loan and Guarantee Agreements for Currency Pool Loans of the Bank, dated January 1, 1985, as amended through December 2, 1997, with the modifications set forth in paragraph (b) of this Section (the General Conditions) constitute an integral part of this Agreement:

- (i) Article I;
- (ii) Sections 2.01 (1), (2), (3), (4), (6), (8), (9), (10), (11), (15), (18) and

- (20), 2.02 and 2.03;
  - (iii) Section 3.01;
  - (iv) Section 4.01 and the first sentence of Section 4.09;
  - (v) Article V;
  - (vi) Sections 6.01, 6.02 (a), (c), (d), (e), (f), (i) and (k), 6.03, 6.04 and 6.06;
  - (vii) Section 7.01 (k);
  - (viii) Section 8.01 (b);
  - (ix) Sections 9.01 (a) and (c), 9.04, 9.05, 9.06, 9.07, 9.08 and 9.09;
  - (x) Sections 10.01, 10.03 and 10.04;
  - (xi) Article XI; and
  - (xii) Sections 12.01 (c), 12.03 and 12.04.
- (b) The General Conditions shall be modified as follows:
- (i) a new paragraph shall be added to the end of Section 2.01 to read as follows: “the term “Special Drawing Rights” and the symbol “SDR” mean special drawing rights as valued by the International Monetary Fund in accordance with its Articles of Agreement”;
  - (ii) the term “Bank”, wherever used in the General Conditions, other than in Sections 2.01 (8) and 6.02 (f) thereof and the last use of such term in Section 5.01 thereof, means the Bank acting as an Implementing Agency of the GEF, except that in Section 6.02, the term “Bank” shall also include the Bank acting in its own capacity;
  - (iii) the term “Borrower”, wherever used in the General Conditions, means the Recipient;
  - (iv) the term “Loan Agreement”, wherever used in the General Conditions, means this Agreement;
  - (v) the term “Loan” and “loan”, wherever used in the General Conditions, means the GEF Trust Fund Grant;
  - (vi) the term “Loan Account”, wherever used in the General Conditions, means the GEF Trust Fund Grant Account; and
  - (vii) a new subparagraph (q) is added after subparagraph (p) in Section 6.02 of the General Conditions, as follows: “an extraordinary situation shall have arisen in which any further disbursement under the GEF Trust Fund

Grant would exceed the resources available for disbursement from the GEF.”

Section 1.02. Wherever used in this Agreement, unless the context otherwise requires, the several terms defined in the General Conditions and in the Recitals to this Agreement have the respective meanings therein set forth and the following additional terms have the following meanings:

- (a) “AJK” means the Territory of Azad Jammu and Kashmir;
- (b) “Balochistan” means the Province of Balochistan, a political subdivision of the Recipient;
- (c) “Beneficiaries” means AJK, Balochistan and NWFP collectively; and “Beneficiary” means each and any of them individually;
- (d) “custodial community” means a village or other community settled in or around a Protected Area and dependent on the resources of such Protected Area for its livelihood;
- (e) “Eligible Categories” means, in respect of the Special Account for MELGRD, Categories (2) (a), (3) (a) and (4) (a) set forth in the table in Part A.1 of Schedule 1 to this Agreement; in respect of the Special Account for AJK, Categories (1) (a), (2) (b), (3) (b), (4) (b), (5) (a) and (6) (a) set forth in said table; in respect of the Special Account for Balochistan, Categories (1) (b), (2) (c), (3) (c), (4) (c), (5) (b) and (6) (b) set forth in said table; and in respect of the Special Account for NWFP, Categories (1) (c), (2) (d), (3) (d), (4) (d), (5) (c) and (6) (c) set forth in said table;
- (f) “Eligible Expenditures” means, in respect of the Special Account for MELGRD, the expenditures for goods and services referred to in Section 2.02 of this Agreement and to be financed out of the proceeds of the GEF Trust Fund Grant allocated from time to time to said Special Account’s respective Eligible Categories; in respect of the Special Account for AJK, the expenditures for goods and services referred to in Section 2.02 of this Agreement and to be financed out of the proceeds of the GEF Trust Fund Grant allocated from time to time to said Special Account’s respective Eligible Categories; in respect of the Special Account for Balochistan, the expenditures for goods and services referred to in Section 2.02 of this Agreement and to be financed out of the proceeds of the GEF Trust Fund Grant allocated from time to time to said Special Account’s respective Eligible Categories; and in respect of the Special Account for NWFP, the expenditures for goods and services referred to in Section 2.02 of this Agreement and to be financed out of the proceeds of the GEF Trust Fund Grant allocated from time to time to said Special Account’s respective Eligible Categories;
- (g) “FY” or “financial year” means the Recipient’s financial year, covering the period July 1 through June 30;
- (h) “Grant” means a grant made or proposed to be made out of the proceeds of the GEF Trust Fund Grant to a custodial community for a Village-Level Investment Activity;
- (i) “MELGRD” means the Recipient’s Ministry of Environment, Local Government and Rural Development;

(j) “Micro-plan” means a village-level investment plan for improving resource management in a Protected Area and mitigating the impact on the livelihood of custodial communities of measures taken for that purpose;

(k) “NWFP” means the North West Frontier Province, a political subdivision of the Recipient;

(l) “Park Association” means an autonomous not-for-profit institution to be established by each Beneficiary separately or by all Beneficiaries jointly under the Project to administer a Park Endowment; and “Park Associations” means all such institutions collectively;

(m) “Park Endowment” means an endowment to be established by each Beneficiary separately or by all Beneficiaries jointly under the Project to assist in financing park operations and conservation and protection activities within a Protected Area;

(n) “Project Agreement” means the agreement between the Association acting as an Implementing Agency for the Global Environment Facility and Azad Jammu and Kashmir, Province of Balochistan and North West Frontier Province of even date herewith, as the same may be amended from time to time, and such term includes all schedules and agreements supplemental to the Project Agreement.

(o) “Project Management Report” means each report prepared in accordance with Section 4.02 of this Agreement;

(p) “Protected Areas” means collectively the Machiara National Park in AJK, the Hingol National Park in Balochistan and the Chitral Gol National Park in NWFP; and “Protected Area” means each and any such park individually;

(q) “Special Accounts” means the accounts referred to in Part B of Schedule 1 to this Agreement; and

(r) “Village-Level Investment Activity” means a specific activity or set of activities carried out by a custodial community under a Micro-plan using the proceeds of a Grant.

## **ARTICLE II**

### **The GEF Trust Fund Grant**

Section 2.01. The Bank agrees to make available to the Recipient, on the terms and conditions set forth or referred to in this Agreement, the GEF Trust Fund Grant in an amount in various currencies equivalent to seven million eight hundred thirty-one thousand Special Drawing Rights (SDR 7,831,000).

Section 2.02. The amount of the GEF Trust Fund Grant may be withdrawn from the GEF Trust Fund Grant Account in accordance with the provisions of Schedule 1 to this Agreement: (a) for amounts paid (or, if the Bank shall so agree, to be paid) by the Recipient on account of withdrawals made by a custodial community under a Grant to meet the reasonable cost of goods and services required for the Village-Level Investment Activity in respect of which the withdrawal from the GEF Trust Fund Grant Account is requested; (b) amounts paid (or, if the Bank shall so agree, to be paid) by the Recipient on account of withdrawals made by a Park

Association to meet the financing needs of the Park Endowment in respect of which the withdrawal from the GEF Trust Fund Grant Account is requested; and (c) for expenditures made (or, if the Bank shall so agree, to be made) in respect of the reasonable cost of goods and services required for carrying out the other activities under the Project and to be financed out of the proceeds of the GEF Trust Fund Grant.

Section 2.03. The Closing Date shall be December 31, 2007 or such later date as the Bank shall establish. The Bank shall promptly notify the Recipient of such later date.

### **ARTICLE III**

#### **Execution of the Project**

Section 3.01. (a) The Recipient declares its commitment to the objectives of the Project as set forth in Schedule 2 to this Agreement and, to this end:

- (i) shall carry out Part D of the Project through MELGRD with due diligence and efficiency and in conformity with appropriate administrative, financial and environmental practices, and shall provide, promptly as needed, the funds and services required for Part D of the Project; and
- (ii) without any limitation or restriction upon any of its other obligations under the GEF Trust Fund Grant Agreement, shall cause the Beneficiaries to perform in accordance with the provisions of the Project Agreement all the obligations of the Beneficiaries therein set forth, shall take and cause to be taken all action, including the provision of funds and services necessary or appropriate to enable the Beneficiaries to perform such obligations, and shall not take or permit to be taken any action which would prevent or interfere with such performance.

(b) Without limitation upon the provisions of paragraph (a) of this Section and except as the Recipient and the Bank shall otherwise agree, the Recipient shall carry out the Project, or cause the Project to be carried out, in accordance with the Implementation Program set forth in Schedule 4 to this Agreement.

(c) The Recipient shall make a portion of the proceeds of the GEF Trust Fund Grant available to the Beneficiaries in accordance with its standard budgetary procedures for purposes of carrying out their activities under the Project.

Section 3.02. Except as the Bank shall otherwise agree, procurement of the goods, works and consultants' services required for the Project and to be financed out of the proceeds of the GEF Trust Fund Grant shall be governed by the provisions of Schedule 3 to this Agreement.

Section 3.03. The Borrower and the Association hereby agree that the obligations set forth in Sections 9.04, 9.05, 9.06, 9.07, 9.08 and 9.09 of the General Conditions (relating to insurance, use of goods and services, plans and schedules, records and reports, maintenance and land acquisition, respectively) in respect of the activities of the Beneficiaries under the Project shall be carried out by the Beneficiaries, pursuant to Section 2.03 (a) of the Project Agreement.

Section 3.04. For the purposes of Section 9.08 of the General Conditions and without limitation thereto, the Recipient shall, with the participation of the Beneficiaries:

(a) prepare, on the basis of guidelines acceptable to the Bank, and furnish to the Bank not later than six months after the Closing Date or such later date as may be agreed for this purpose between the Recipient and the Bank, a plan designed to ensure the sustainability of the Project; and

(b) afford the Bank a reasonable opportunity to exchange views with the Recipient on said plan.

## **ARTICLE IV**

### **Financial Conditions**

Section 4.01. (a) The Recipient shall maintain a financial management system, including records and accounts, and prepare financial statements in a format acceptable to the Bank adequate to reflect the operations, resources and expenditures related to the Project.

(b) The Recipient shall:

(i) have the records, accounts and financial statements referred to in paragraph (a) of this Section and the records and accounts for the Special Accounts for each fiscal year audited, in accordance with auditing standards acceptable to the Bank, consistently applied, by independent auditors acceptable to the Bank;

(ii) furnish to the Bank as soon as available, but in any case not later than six months after the end of each such year, (A) certified copies of the financial statements referred to in paragraph (a) of this Section for such

year as so audited, and (B) an opinion on such statements, records and accounts and report of such audit, by said auditors, of such scope and in such detail as the Bank shall have reasonably requested; and

- (iii) furnish to the Bank such other information concerning such records and accounts, and the audit thereof, and concerning said auditors, as the Bank may from time to time reasonably request.

(c) For all expenditures with respect to which withdrawals from the GEF Trust Fund Grant Account were made on the basis of Project Management Reports or statements of expenditure, the Recipient shall:

- (i) maintain or cause to be maintained, in accordance with paragraph (a) of this Section, records and separate accounts reflecting such expenditures;
- (ii) retain, until at least one year after the Bank has received the audit report for the fiscal year in which the last withdrawal from the GEF Trust Fund Grant Account was made, all records (contracts, orders, invoices, bills, receipts and other documents) evidencing such expenditures;
- (iii) enable the Bank's representatives to examine such records; and
- (iv) ensure that such records and accounts are included in the annual audit referred to in paragraph (b) of this Section and that the report of such audit contains a separate opinion by said auditors as to whether the Project Management Reports or statements of expenditure submitted during such fiscal year, together with the procedures and internal controls involved in their preparation, can be relied upon to support the related withdrawals.

Section 4.02. (a) Without limitation upon the provisions of Section 4.01 of this Agreement, the Recipient shall carry out a time-bound action plan acceptable to the Bank for the strengthening of the financial management system referred to in paragraph (a) of said Section 4.01 in order to enable the Recipient, not later than June 30, 2003, or such later date as the Bank shall agree, to prepare quarterly Project Management Reports, acceptable to the Bank, each of which:

- (i) (A) sets forth actual sources and applications of funds for the Project, both cumulatively and for the period covered by said report, and projected sources and applications of funds for the Project for the six-month period following the period covered by said report, and (B) shows separately expenditures financed out of the proceeds of the GEF Trust Fund Grant during the period covered by said report and expenditures proposed to be financed out of the proceeds of the GEF Trust Fund Grant during the six-month period following the period covered by said report;
- (ii) (A) describes physical progress in Project implementation, both cumulatively and for the period covered by said report, and (B) explains variances between the actual and previously forecast implementation



targets; and

- (iii) sets forth the status of procurement under the Project and expenditures under contracts financed out of the proceeds of the GEF Trust Fund Grant as at the end of the period covered by said report.

(b) Upon the completion of the action plan referred to in paragraph (a) of this Section, the Recipient shall prepare, in accordance with guidelines acceptable to the Bank, and furnish to the Bank not later than 45 days after the end of each calendar quarter a Project Management Report for such period.

## **ARTICLE V**

### **Remedies of the Bank**

Section 5.01. Pursuant to Section 6.02 (p) of the General Conditions, the following additional events are specified:

(a) AJK, Balochistan or NWFP shall have failed to perform any of its obligations under the Project Agreement.

(b) As a result of events which have occurred after the date of this Agreement, an extraordinary situation shall have arisen which shall make it improbable that AJK, Balochistan or NWFP will be able to perform its obligations under the Project Agreement.

Section 5.02. Pursuant to Section 7.01 (k) of the General Conditions, the following additional events are specified:

(a) the event specified in paragraph (a) of Section 5.01 of this Agreement shall occur and shall continue for a period of sixty (60) days after notice thereof shall have been given by the Bank to the Recipient; and

(b) the event specified in paragraph (b) of Section 5.01 of this Agreement shall occur.

## **ARTICLE VI**

### **Effective Date; Termination**

Section 6.01. The date ninety (90) days after the date of this Agreement is hereby specified for the purposes of Section 12.04 of the General Conditions.

Section 6.02. This Agreement shall continue in effect until the GEF Trust Fund Grant has been fully disbursed and the parties to this Agreement have fulfilled their obligations hereunder.

## **ARTICLE VII**

### **Representatives of the Recipient; Addresses**

Section 7.01. The Secretary to the Government of Pakistan, Economic Affairs Division, or any Additional Secretary, Joint Secretary, Deputy Secretary or Section Officer of that Division of the Recipient is designated as representative of the Recipient for the purposes of Section 11.03 of the General Conditions.

Section 7.02 The following addresses are specified for the purposes of Section 1.01 of the General Conditions:

For the Recipient:

The Secretary to the Government of Pakistan  
Economic Affairs Division  
Islamabad  
Pakistan

Cable address:

Telex:

ECONOMIC  
Islamabad

ECDIV-05-634

For the Bank:

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

Cable address:

Telex:

INTBAFRAD  
Washington, D.C.

248423 (MCI)  
64145 (MCI)

IN WITNESS WHEREOF, the parties hereto, acting through their duly authorized representatives, have caused this Agreement to be signed in their respective names in Islamabad, Pakistan, as of the day and year first above written.

ISLAMIC REPUBLIC OF PAKISTAN

By /s/ Waqar Masood Khan

Authorized Representative

INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT  
acting as an Implementing Agency of the Global Environment  
Facility

By /s/ John Wall

Country Director, Pakistan

**SCHEDULE 1**

**Withdrawal of the Proceeds of the GEF Trust Fund Grant**

A. General

1. The table below sets forth the Categories of items to be financed out of the proceeds of the GEF Trust Fund Grant, the allocation of the amounts of the GEF Trust Fund Grant to each Category and the percentage of expenditures for items so to be financed in each Category:

<u>Category</u>	<u>Amount of GEF Trust Fund Grant Allocated (Expressed in SDR Equivalent)</u>	<u>% of Expenditures to be Financed</u>
(1) Civil and field works:		90%
(a) AJK	373,000	
(b) Balochistan	561,000	
(c) NWFP	304,000	
(2) Vehicles, equipment and materials:		100% of foreign expenditures, 100% of local expenditures

		(ex-factory cost) and 70% of local expenditures for other items procured locally
(a) MELGRD	14,000	
(b) AJK	134,000	
(c) Balochistan	218,000	
(d) NWFP	136,000	
(3) Consultants' services, training and education:		100%
(a) MELGRD	320,000	
(b) AJK	883,000	
(c) Balochistan	1,062,000	
(d) NWFP	913,000	

<u>Category</u>	<u>Amount of GEF Trust Fund Grant Allocated (Expressed in SDR Equivalent)</u>	<u>% of Expenditures to be Financed</u>
(4) Incremental operating costs:		90% for FY01 and FY02, 70% for FY03 and FY04, and 45% thereafter
(a) MELGRD	10,000	
(b) AJK	80,000	
(c) Balochistan	119,000	
(d) NWFP	80,000	
(5) Grants:		95%
(a) AJK	450,000	
(b) Balochistan	87,000	
(c) NWFP	329,000	
(6) Park Endowment:		100%
(a) AJK	518,000	
(b) Balochistan	518,000	
(c) NWFP	518,000	
(7) Unallocated	204,000	
	_____	
<b>TOTAL</b>	<b>7,831,000</b>	
	=====	

2. For the purposes of this Schedule:

(a) the term “foreign expenditures” means expenditures in the currency of any country other than that of the Recipient for goods or services supplied from the territory of any country other than that of the Recipient;

(b) the term “local expenditures” means expenditures in the currency of the Recipient or for goods or services supplied from the territory of the Recipient; and

(c) the term “incremental operating costs” means: (i) the salaries and allowances of staff of MELGRD and the Beneficiaries appointed to posts created after July 1, 2000, and recruited in accordance with a project staffing plan acceptable to the Bank for purposes of the Project; (ii) allowances for community game watchers recruited after July 31, 2001 for purposes of the Project; and (iii) operating and maintenance costs of vehicles, equipment and field offices used in carrying out the Project.

3. Notwithstanding the provisions of paragraph 1 above, no withdrawals shall be made in respect of:

(a) payments made for expenditures prior to the date of this Agreement, except that: (i) withdrawals, in an aggregate amount not exceeding the equivalent of \$20,000, may be made in respect of Categories (2) (a) and (3) (a) on account of payments made for expenditures before that date but after July 1, 2000; (ii) withdrawals, in an aggregate amount not exceeding the equivalent of \$100,000, may be made in respect of Categories (2) (b) and (3) (b) on account of payments made for expenditures before that date but after July 1, 2000; (iii) withdrawals, in an aggregate amount not exceeding the equivalent of \$100,000, may be made in respect of Categories (2) (c) and (3) (c) on account of payments made for expenditures before that date but after July 1, 2000; and (iv) withdrawals, in an aggregate amount not exceeding the equivalent of \$100,000, may be made in respect of Categories (2) (d) and (3) (d) on account of payments made for expenditures before that date but after July 1, 2000;

(b) Categories (1) (a), (2) (b) and (3) (b), unless and until AJK has signed a contract with the team of consultants required by AJK for the purposes of the Project and selected in accordance with the provisions of Section II of Schedule 3 to this Agreement;

(c) Categories (1) (b), (2) (c) and (3) (c), unless and until Balochistan has signed a contract with the team of consultants required by Balochistan for the purposes of the Project and selected in accordance with the provisions of Section II of Schedule 3 to this Agreement;

(d) Categories (1) (c), (2) (d) and (3) (d), unless and until NWFP has signed a contract with the team of consultants required by NWFP for the purposes of the Project and selected in accordance with the provisions of Section II of Schedule 3 to this Agreement;

(e) Grants for Village-Level Activities under the first three Micro-plans in each Protected Area unless and until the Bank has received and approved the relevant Micro-plan; and

(f) Category (6) unless and until the Bank has received evidence satisfactory to the Bank that the relevant Park Association and the relevant Park Endowment has been established in accordance with criteria satisfactory to the Bank as to the Park Association's and the Park Endowment's structure, powers and functions.

4. The Bank may require withdrawals from the GEF Trust Fund Grant Account to be made on the basis of statements of expenditure for expenditures for: (a) goods and works under contracts costing less than \$100,000 equivalent each; (b) consultants' services under contracts costing less than \$100,000 equivalent each for employment of consulting firms and \$50,000 equivalent each for employment of individual consultants; (c) training and education; (d) incremental operating costs; and (e) grants, all under such terms and conditions as the Bank shall specify by notice to the Recipient.

5. If the Bank shall have determined at any time that any payment made from the GEF Trust Fund Grant Account was used for any expenditure not consistent with the provisions of this Agreement, the Recipient shall, promptly upon notice from the Bank, refund to the Bank for deposit into the GEF Trust Fund Grant Account, an amount equal to the amount so used or the

portion thereof as specified by the Bank.

B. Special Accounts

1. The Recipient shall open and maintain in Dollars four separate special deposit accounts, one each for the MELGRD, AJK, Balochistan and NWFP, in the National Bank of Pakistan, on terms and conditions satisfactory to the Bank, including appropriate protection against set-off, seizure and attachment.

2. After the Bank has received evidence satisfactory to it that a Special Account has been duly opened, withdrawals from the GEF Trust Fund Grant Account of amounts to be deposited into said Special Account shall be made as follows:

(a) until the Bank shall have received (i) the first each of the Project Management Reports referred to in Section 4.02(b) of this Agreement or Section 3.02(b) of the Project Agreement, as the case may be, and (ii) a request from the Recipient for withdrawal on the basis of Project Management Reports, withdrawals shall be made in accordance with the provisions of Annex A to this Schedule 1; and

(b) upon receipt by the Bank of a Project Management Report pursuant to Section 4.02(b) of this Agreement or Section 3.02(b) of the Project Agreement, as the case may be, accompanied by a request from the Recipient for withdrawals on the basis of Project Management Reports, all further withdrawals shall be made in accordance with the provisions of Annex B to this Schedule 1.

3. Payments out of each Special Account shall be made exclusively for Eligible Expenditures. For each payment made by the Recipient out of a Special Account, the Recipient shall, at such time as the Bank shall reasonably request, furnish to the Bank such documents and other evidence showing that such payment was made exclusively for Eligible Expenditures.

4. Notwithstanding the provisions of Part B.2 of this Schedule, the Bank shall not be required to make further deposits into any Special Account:

(a) if the Bank determines at any time that any Project Management Report does not adequately provide the information required pursuant to Section 4.02 of this Agreement or Section 3.02 of the Project Agreement, as the case may be;

(b) if the Bank determines at any time that all further withdrawals should be made by the Recipient directly from the GEF Trust Fund Grant Account; or

(c) if the Recipient shall have failed to furnish to the Bank within the period of time specified in Section 4.01(b)(ii) of this Agreement or Section 3.01(b)(ii) of the Project Agreement, as the case may be, any of the audit reports required to be furnished to the Bank pursuant to said Section in respect of the audit of: (A) the records and accounts for any Special Account; or (B) the records and accounts reflecting expenditures with respect to which withdrawals were made on the basis of Project Management Reports.

5. The Bank shall not be required to make further deposits into any Special Account in accordance with the provisions of Part B.2 of this Schedule if, at any time, the Bank shall have notified the Recipient of its intention to suspend in whole or in part the right of the Recipient to make withdrawals from the GEF Trust Fund Grant Account pursuant to Section 6.02 of the



General Conditions. Upon such notification, the Bank shall determine, in its sole discretion, whether further deposits into the Special Accounts may be made and what procedures should be followed for making such deposits, and shall notify the Recipient of its determination.

6. (a) If the Bank determines at any time that any payment out of any Special Account was made for an expenditure which is not an Eligible Expenditure, or was not justified by the evidence furnished to the Bank, the Recipient shall, promptly upon notice from the Bank, provide such additional evidence as the Bank may request, or deposit into said Special Account (or, if the Bank shall so request, refund to the Bank) an amount equal to the amount of such payment. Unless the Bank shall otherwise agree, no further deposit by the Bank into any Special Account shall be made until the Recipient has provided such evidence or made such deposit or refund, as the case may be.

(b) If the Bank determines at any time that any amount outstanding in any Special Account will not be required to cover payments for Eligible Expenditures during the six-month period following such determination, the Recipient shall, promptly upon notice from the Bank, refund to the Bank such outstanding amount.

(c) The Recipient may, upon notice to the Bank, refund to the Bank all or any portion of the funds on deposit in a Special Account.

(d) Refunds to the Bank made pursuant to sub-paragraph (a), (b) or (c) of this paragraph 6 shall be credited to the GEF Trust Fund Grant Account for subsequent withdrawal or for cancellation in accordance with the provisions of the GEF Trust Fund Grant Agreement, including the General Conditions.

**Annex A**  
**to**  
**SCHEDULE 1**

**Operation of Special Accounts**  
**When Withdrawals Are Not Made**  
**On the Basis of Project Management Reports**

1. For the purposes of this Annex:

(a) the term "Authorized Allocation" means: (i) in respect of MELGRD's Special Account, an amount equivalent to \$40,000, to be withdrawn from the GEF Trust Fund Grant Account and deposited into the Special Account pursuant to paragraph 2 of this Annex; provided, however, that unless the Bank shall otherwise agree, the Authorized Allocation shall be limited to an amount equivalent to \$20,000, until the aggregate amount of withdrawals from the GEF Trust Fund Grant Account of amounts allocated to said Special Account's Eligible Categories, plus the total amount of all outstanding special commitments entered into by the Bank pursuant to Section 5.02 of the General Conditions in respect of amounts allocated to said Categories, shall equal or exceed the equivalent of \$80,000; (ii) in respect of AJK's Special Account, an amount equivalent to \$200,000 to be withdrawn from the GEF Trust Fund Grant Account and deposited into the Special Account pursuant to paragraph 2 of this Annex; provided, however, that unless the Bank shall otherwise agree, the Authorized Allocation shall be limited to an amount equivalent to \$100,000, until the aggregate amount of withdrawals from the GEF Trust Fund Grant Account of amounts allocated to said Special Account's Eligible Categories, plus the total amount of all outstanding special commitments entered into by the Bank pursuant to Section 5.02 of the General Conditions in respect of amounts allocated to said Categories, shall equal or

exceed the equivalent of \$400,000; (iii) in respect of Balochistan's Special Account, an amount equivalent to \$200,000, to be withdrawn from the GEF Trust Fund Grant Account and deposited into the Special Account pursuant to paragraph 2 of this Annex; provided, however, that unless the Bank shall otherwise agree, the Authorized Allocation shall be limited to an amount equivalent to \$100,000, until the aggregate amount of withdrawals from the GEF Trust Fund Grant Account of amounts allocated to said Special Account's Eligible Categories, plus the total amount of all outstanding special commitments entered into by the Bank pursuant to Section 5.02 of the General Conditions in respect of amounts allocated to said Categories, shall equal or exceed the equivalent of \$400,000; and (iv) in respect of NWFP's Special Account, an amount equivalent to \$200,000, to be withdrawn from the GEF Trust Fund Grant Account and deposited into the Special Account pursuant to paragraph 2 of this Annex; provided, however, that unless the Bank shall otherwise agree, the Authorized Allocation shall be limited to an amount equivalent to \$100,000, until the aggregate amount of withdrawals from the GEF Trust Fund Grant Account of amounts allocated to said Special Account's Eligible Categories, plus the total amount of all outstanding special commitments entered into by the Bank pursuant to Section 5.02 of the General Conditions in respect of amounts allocated to said Categories, shall equal or exceed the equivalent of \$400,000.

2. Withdrawals of a Special Account's Authorized Allocation and subsequent withdrawals to replenish said Special Account shall be made as follows:

(a) For withdrawals of said Special Account's Authorized Allocation, the Recipient shall furnish to the Bank a request or requests for deposit into said Special Account of an amount or amounts which in the aggregate do not exceed said Authorized Allocation. On the basis of each such request, the Bank shall, on behalf of the Recipient, withdraw from the GEF Trust Fund Grant Account and deposit into said Special Account such amount as the Recipient shall have requested.

(b) For replenishment of said Special Account, the Recipient shall furnish to the Bank requests for deposit into said Special Account at such intervals as the Bank shall specify. Prior to or at the time of each such request, the Recipient shall furnish to the Bank the documents and other evidence required pursuant to Part B.3 of Schedule 1 to this Agreement for the payment or payments in respect of which replenishment is requested. On the basis of each such request, the Bank shall, on behalf of the Recipient, withdraw from the GEF Trust Fund Grant Account and deposit into said Special Account such amount as the Recipient shall have requested and as shall have been shown by said documents and other evidence to have been paid out of said Special Account for Eligible Expenditures. Each such deposit into said Special Account shall be withdrawn by the Bank from the GEF Trust Fund Grant Account under one or more of said Special Account's Eligible Categories.

3. The Bank shall not be required to make further deposits into said Special Account, once the total unwithdrawn amount of the GEF Trust Fund Grant allocated to said Special Account's Eligible Categories minus the total amount of all outstanding special commitments entered into by the Bank pursuant to Section 5.02 of the General Conditions in respect of expenditures to be financed out of the proceeds of the GEF Trust Fund Grant allocated to said Categories, shall equal the equivalent of twice the amount of said Special Account's Authorized Allocation. Thereafter, withdrawal from the GEF Trust Fund Grant Account of the remaining unwithdrawn amount of the GEF Trust Fund Grant allocated to said Categories shall follow such procedures as the Bank shall specify by notice to the Recipient. Such further withdrawals shall be made only

after and to the extent that the Bank shall have been satisfied that all such amounts remaining on deposit in said Special Account as of the date of such notice will be utilized in making payments for Eligible Expenditures.

**Annex B**  
**to**  
**SCHEDULE 1**

**Operation of Special Accounts**  
**When Withdrawals Are Made**  
**On the Basis of Project Management Reports**

1. Except as the Bank may otherwise specify by notice to the Recipient, all withdrawals from the GEF Trust Fund Grant Account shall be deposited by the Bank into the respective Special Account in accordance with the provisions of Schedule 1 to this Agreement. Each such deposit into a Special Account shall be withdrawn by the Bank from the GEF Trust Fund Grant Account under one or more of said Special Account's Eligible Categories.
2. Each application for withdrawal from the GEF Trust Fund Grant Account for deposit into a Special Account shall be supported by a Project Management Report.
3. Upon receipt of each application for withdrawal of an amount of the GEF Trust Fund Grant, the Bank shall, on behalf of the Recipient, withdraw from the GEF Trust Fund Grant Account and deposit into the respective Special Account an amount equal to the lesser of: (a) the amount so requested; and (b) the amount which the Bank has determined, based on the Project Management Report accompanying said application, is required to be deposited in order to finance Eligible Expenditures during the six-month period following the date of such report; provided, however, that the amount so deposited, when added to the amount indicated by said Project Management Report to be remaining in said Special Account, shall not exceed the equivalent of \$120,000 in respect of MELGRD's Special Account, \$300,000 in respect of AJK's Special Account, \$300,000 in respect of Balochistan's Special Account and \$300,000 in respect of NWFP's Special Account.

## **SCHEDULE 2**

### **Description of the Project**

The objective of the Project is to assist in achieving active sustainable conservation of globally and nationally significant habitats and species in Pakistan through a series of integrated activities aimed at engaging custodial communities in the management of the Protected Areas.

The Project consists of the following parts, subject to such modifications thereof as the Recipient and the Bank may agree upon from time to time to achieve such objectives:

#### Part A: Protected Area Bio-diversity Conservation Management

1. Integration of custodial communities in park management and conservation in each Protected Area, inter alia, through: (a) community orientation, mobilization and participation; (b) park-community interaction assessment; and (c) preparation of Micro-plans and financing of Village-Level Investment Activities through Grants.
2. Formulation of a detailed park management plan and strategy for each Protected Area.
3. Improvement of infrastructure in each Protected Area.
4. Improvement of park operations in each Protected Area, inter alia, through:  
(a) improved surveillance, enforcement and monitoring measures; (b) assessment of current threats to protected species; (c) park boundary demarcation and control; and  
(d) bio-diversity monitoring.
5. Carrying out of habitat improvement and wildlife enrichment measures in each Protected Area, including: (a) the preparation of baseline habitat/land cover maps, as appropriate; (b) the preparation of baseline wildlife and habitat inventories; (c) the undertaking of park-specific research studies; and (d) the undertaking of appropriate improvement works.
6. Carrying out of campaigns for public environmental awareness and outreach.

#### Part B: Sustainability of Park Management

Promotion of the long-term sustainability of the Project through the establishment of a Park Association and a Park Endowment for each Protected Area separately or for all Protected Areas jointly.

#### Part C: Human Resource Development

Carrying out of staff and community training programs to build the Beneficiaries' capacity for improved park management and bio-diversity conservation.

#### Part D: Project Coordination and Monitoring

1. Promotion of national level coordination through the carrying out of: (a) in-country workshops for sharing information and lessons learned from the planning and implementation

exercises conducted in the Protected Areas; (b) study tours; and (c) a study to formulate a constitution, operational procedures and personnel guidelines for the Park Associations.

2. Conducting of Wildlife Surveys and Assessment Workshops for the Beneficiaries' staff.
3. Carrying out of a study to design and implement a legal, policy and institutional framework for community participation in the management and monitoring and evaluation of the Protected Areas.
4. Provision of assistance in developing national and provincial procedures for identifying gaps in current protected areas coverage.
5. Carrying out of a tourism development and marketing study for the Protected Areas.
6. Carrying out of an independent review and impact assessment of the Project.

\* \* \*

The Project is expected to be completed by June 30, 2007.

## **SCHEDULE 3**

### **Procurement and Consultants' Services**

#### Section I. Procurement of Good and Works

##### Part A: General

Goods and works shall be procured in accordance with the provisions of Section I of the "Guidelines for Procurement under IBRD Loans and IDA Credits" published by the Bank in January 1995 and revised in January and August 1996 and September 1997 and January 1999 (the Guidelines) and the following provisions of Section I of this Schedule.

##### Part B: National Competitive Bidding

1. Except as otherwise provided in Part C of this Section, goods and works shall be procured under contracts awarded in accordance with the provisions of paragraphs 3.3 and 3.4 of the Guidelines.

2. The following provisions shall apply to goods and works to be procured under contracts awarded in accordance with the provisions of paragraph 1 of this Part B.

(a) Grouping of Contracts

To the extent practicable, contracts for goods and works shall be grouped in bid packages to attract national bidders.

(b) Improvement of Bidding Procedures

In order to ensure economy, efficiency, transparency and broad consistency with the provisions of Section 1 of the Guidelines:

- (i) invitations to bid shall be advertised in at least one national newspaper with a wide circulation, at least 30 days prior to the deadline for the submission of bids;
- (ii) bid documents shall be made available, by mail or in person, to all who are willing to pay the required fee;
- (iii) foreign bidders shall not be precluded from bidding and no preference of any kind shall be given to national bidders in the bidding process;
- (iv) bidding shall not be restricted to pre-registered firms;
- (v) qualification criteria shall be stated in the bidding documents;
- (vi) bids shall be opened in public, immediately after the deadline for submission of bids;

- (vii) bids shall not be rejected merely on the basis of a comparison with an official estimate without the prior concurrence of the Bank;
- (viii) before rejecting all bids and soliciting new bids, the Bank's prior concurrence shall be obtained;
- (ix) bids shall be solicited and contracts shall be awarded on the basis of unit prices and not on the basis of a composite schedule of rates (CSR);
- (x) contracts shall not be awarded on the basis of nationally negotiated rates;
- (xi) contracts shall be awarded to the lowest evaluated and qualified bidders; and
- (xii) post-bidding negotiations shall not be allowed with the lowest evaluated or any other bidder.

#### Part C: Other Procurement Procedures

##### 1. International or National Shopping

Equipment, vehicles and materials, estimated to cost less than \$50,000 equivalent per contract, up to an aggregate amount not to exceed \$987,000 equivalent, may be procured under contracts awarded on the basis of international or national shopping procedures in accordance with the provisions of paragraphs 3.5 and 3.6 of the Guidelines.

##### 2. Force Account

Field works which meet the requirements of paragraph 3.8 of the Guidelines, and costing \$50,000 equivalent or less in the aggregate, may, with the Bank's prior agreement, be carried out by force account in accordance with the provisions of said paragraph of the Guidelines.

##### 3. Community Participation

Goods and works required for purposes of any activities carried out by custodial communities under Part A.1 of the Project shall be procured in accordance with procedures acceptable to the Bank.

##### 4. Procurement of Small Works

Works estimated to cost less than \$50,000 equivalent per contract, up to an aggregate amount not to exceed \$100,000 equivalent, may be procured under lump-sum, fixed-price contracts awarded on the basis of quotations obtained from three (3) qualified domestic contractors in response to a written invitation. The invitation shall include a detailed description of the works, including basic specifications, the required completion date, a basic form of agreement acceptable to the Bank, and relevant drawings, where applicable. The award shall be made to the contractor who offers the lowest price quotation for the required work, and who has the experience and resources to complete the contract successfully.

#### Part D: Review by the Bank of Procurement Decisions

1. Procurement Planning

Prior to the issuance of any invitations to prequalify for bidding or to bid for contracts, the proposed procurement plan for the Project shall be furnished to the Bank for its review and approval, in accordance with the provisions of paragraph 1 of Appendix 1 to the Guidelines. Procurement of all goods and works shall be undertaken in accordance with such procurement plan as shall have been approved by the Bank, and with the provisions of said paragraph 1.

2. Prior Review

With respect to each contract for goods and works estimated to cost the equivalent of \$100,000 or more, the procedures set forth in paragraphs 2 and 3 of Appendix 1 to the Guidelines shall apply.

3. Post Review

With respect to each contract not governed by paragraph 2 of this Part, the procedures set forth in paragraph 4 of Appendix 1 to the Guidelines shall apply.

Section II. Employment of Consultants

Part A: General

Consultants' services shall be procured in accordance with the provisions of the Introduction and Section IV of the "Guidelines: Selection and Employment of Consultants by World Bank Borrowers" published by the Bank in January 1997 and revised in September 1997 and January 1999 (the Consultant Guidelines) and the following provisions of this Section II.

Part B: Quality- and Cost-based Selection

1. Except as otherwise provided in Part C of this Section, consultants' services shall be procured under contracts awarded in accordance with the provisions of Section II of the Consultant Guidelines, paragraph 3 of Appendix 1 thereto, Appendix 2 thereto, and the provisions of paragraphs 3.13 through 3.18 thereof applicable to quality- and cost-based selection of consultants.

2. The following provisions shall apply to consultants' services to be procured under contracts awarded in accordance with the provisions of the preceding paragraph. The short list of consultants for services for research and special studies under Part A.4 of the Project estimated to cost less than \$200,000 equivalent per contract, may comprise entirely national consultants in accordance with the provisions of paragraph 2.7 of the Consultant Guidelines.

Part C: Other Procedures for Selection of Consultants

Individual Consultants

Services for tasks that meet the requirements set forth in paragraph 5.1 of the Consultant Guidelines shall be procured under contracts awarded to individual consultants in accordance with the provisions of paragraphs 5.1 through 5.3 of the Consultant Guidelines.



Part D: Review by the Bank of the Selection of Consultants

1. Selection Planning

Prior to the issuance to consultants of any requests for proposals, the proposed plan for the selection of consultants under the Project shall be furnished to the Bank for its review and approval, in accordance with the provisions of paragraph 1 of Appendix 1 to the Consultant Guidelines. Selection of all consultants' services shall be undertaken in accordance with such selection plan as shall have been approved by the Bank, and with the provisions of said paragraph 1.

2. Prior Review

(a) With respect to each contract for the employment of consulting firms estimated to cost the equivalent of \$100,000 or more, the procedures set forth in paragraphs 1, 2 (other than the third subparagraph of paragraph 2(a)) and 5 of Appendix 1 to the Consultant Guidelines shall apply.

(b) With respect to each contract for the employment of individual consultants estimated to cost the equivalent of \$50,000 or more, the qualifications, experience, terms of reference and terms of employment of the consultants shall be furnished to the Bank for its prior review and approval. The contract shall be awarded only after said approval shall have been given.

3. Post Review

With respect to each contract not governed by paragraph 2 of this Part, the procedures set forth in paragraph 4 of Appendix 1 to the Consultant Guidelines shall apply, except that, before proposals are invited, the relevant terms of reference shall be furnished to the Bank for its review, and such modifications shall be made thereto as the Bank shall reasonably request.

## **SCHEDULE 4**

### **Implementation Program**

1. Each Beneficiary shall, not later than September 30, 2002, and for purposes of guiding and monitoring the implementation of Parts A, B and C of the Project, establish, and thereafter maintain, a Provincial Project Steering Committee, consisting of senior representatives of government agencies responsible for land, forestry, environment, planning, finance, agriculture and local government, and other such agencies as are deemed relevant for coordination of activities in the relevant Protected Area, and representatives of conservation Non-Government Organizations and specialist groups.
2. The Recipient shall, not later than September 30, 2002, and for purposes of ensuring consistency in project approaches, disseminating lessons and experiences and providing overall guidance on wildlife policy and priorities, establish a Federal Steering Committee, consisting of senior representatives of MELGRD and the Recipient's Planning and Development, Economic Affairs and Finance Divisions, and representatives of each Provincial Project Steering Committee referred to in paragraph 1 above and key national level conservation Non-Government Organizations.
3. Each Beneficiary shall, not later than September 30, 2002, establish and thereafter maintain a Project Management Team, consisting of: (a) a Project Manager, who shall be a park staff, as team leader, together with other park staff as needed; (b) a Park Planner, a Social Planner, and two Social Mobilizers selected from the consultants' team appointed in accordance with the provisions of Section II of Schedule 3 to this Agreement; and (c) representatives of the custodial communities.
4. The Recipient and each Beneficiary shall ensure that:
  - (a) key staff involved in carrying out the Project will not be transferred during the Project implementation period without the prior concurrence of the Bank; and
  - (b) without limiting the generality of Section 9.05 of the General Conditions, all vehicles financed out of the proceeds of the GEF Trust Fund Grant will be used exclusively for the purposes of carrying out the Project.
5. Each Beneficiary shall, for the purposes of Part A.1 of the Project, develop and furnish to the Bank for its concurrence, not later than October 31, 2002:
  - (a) procedures and criteria for preparation and implementation of Micro-plans;
  - (b) standard format for a memorandum of understanding between a local community and park management authorities for implementation of Micro-plans;
  - (c) procedures and eligibility criteria for financing Village-Level Investment Activities;
  - (d) procedures and principles for channeling resources to village conservation committees for sanctioned Village-Level Investment Activities; and

(e) conflict resolution and grievance redress procedures for managing conflicts between custodial communities over resource use rights, and between custodial communities or individuals and park management authorities.

6. Each Beneficiary shall develop and furnish to the Bank for its concurrence, not later than December 31, 2002, procedures and criteria for preparing and implementing the park management plan included in Part A.2 of the Project.

7. The Recipient, in consultation with the concerned Beneficiary, shall, for the purposes of Part B of the Project:

(a) not later than December 31, 2003, develop and furnish to the Bank for its concurrence detailed procedures, criteria, by-laws, legal instruments and other documentation for the establishment of a Park Association or Park Associations and a Park Endowment or Park Endowments; and

(b) not later than September 30, 2004, implement policy and legal measures, satisfactory to the Bank, required to allow the Park Association or the Park Associations and the Park Endowment or the Park Endowments to operate in accordance with its or their by-laws.

8. Each Beneficiary shall ensure that, with respect to the Park Endowment to be established by it separately or jointly with the other Beneficiaries under Part B of the Project:

(a) during the Project implementation period or the first three years of the Park Endowment's operations, whichever is longer, the selection and appointment of each member of the Board of Directors of the Park Association responsible for the Park Endowment will be subject to the Bank's no-objection;

(b) the Board of Directors of the Park Association responsible for the Park Endowment will exercise close control over the use of the Park Endowment;

(c) the Park Endowment will follow the Bank's procurement and financial management guidelines; and

(d) during the Project implementation period or the first three years of the Park Endowment's operations, whichever is longer, the Bank will be promptly furnished with the Park Endowment's annual audit reports of such scope and in such detail as the Bank shall have reasonably requested.

9. To assist with the implementation of Parts A and C of the Project, the Recipient and the Beneficiaries shall furnish to the Bank, not later than June 30 of each year, starting June 30, 2003, for its review, a preliminary annual work plan, including updated Project cost tables, training and contracting plans and other matters agreed with the Bank; and shall thereafter implement the final work plans taking into account the Bank's comments. The preliminary work plan for the first project year shall be submitted not later than September 30, 2002.

10. The Recipient shall develop and furnish to the Bank for its concurrence, not later than October 31, 2002, draft terms of reference for the study included in Part D.3 of the Project.

11. The Beneficiaries shall not undertake any activities which will undermine the bio-diversity conservation and participatory management objectives of the Project. For the purposes of this paragraph, such objectives shall be deemed to be so undermined if there is:

(a) an increase in the level of encroachment or displacement of persons such as to materially and adversely affect the objectives of the Project;

(b) a disruption of migrations of ecologically important species, such as a net loss of wildlife corridors; or

(c) fragmentation or degradation of habitats or disturbance to ecosystems and species or changes in the legal status of any of the Protected Areas such as to materially and adversely affect (i) the viability of ecologically important ecosystems and species, or (ii) the strategy of increased collaboration between custodial communities and park management authorities.

12. The Beneficiaries shall ensure that any schemes for the voluntary relocation of persons from within and around the Protected Areas, will be prepared and implemented in accordance with principles and procedures agreed with the Bank, and after prior approval of the Bank.

13. The Beneficiaries shall ensure that any desired changes in the ways in which local populations exercise customary tenure rights in the Protected Areas will not be imposed on them but will emerge from a consultative process, satisfactory to the Bank.

14. AJK shall not carry out, or permit to be carried out, any logging operations in the Machiara National Park.

15. Balochistan declares its commitment to the preservation and protection of the ecology of the Hingol River estuary and, to this end, shall not take or permit to be taken any action which would be likely to have an adverse environmental impact thereon, unless and until all measures necessary or appropriate to avoid or mitigate such impact have been taken.

16. Balochistan shall, not later than September 30, 2003, implement appropriate measures, satisfactory to the Bank, to restrict illegal trawler fishing within the Hingol National Park marine area.

17. The Recipient and the Beneficiaries shall:

(a) maintain or cause to be maintained policies and procedures adequate to enable them to monitor and evaluate on an ongoing basis, in accordance with indicators satisfactory to the Bank, the carrying out of the Project and the achievement of the objectives thereof;

(b) prepare or cause to be prepared, under terms of reference satisfactory to the Bank, and furnish to the Bank, by September 30, 2004, reports integrating the results of the monitoring and evaluation activities performed pursuant to paragraph (a) of this Section, on the progress achieved in the carrying out of the Project during the period preceding the date of said reports and setting out the measures recommended to ensure the efficient carrying out of the Project and the achievement of the objectives thereof during the period following such date; and

(c) review with the Bank, by December 31, 2004, or such later date as the Bank

shall request, the reports referred to in paragraph (b) of this Section, and, thereafter, take all measures required to ensure the efficient completion of the Project and the achievement of the objectives thereof, based on the conclusions and recommendations of the said reports and the Bank's views on the matter.

