

CONFORMED COPY

GEF TRUST FUND GRANT NUMBER TF053247 NA

Global Environment Facility Trust Fund Grant Agreement

(Integrated Community-Based Ecosystem Management Project)

between

REPUBLIC OF NAMIBIA

and

**INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT**

acting as an Implementing Agency of the Global Environment Facility

Dated June 4, 2004

GEF TRUST FUND GRANT NUMBER TF053247 NA

GLOBAL ENVIRONMENT FACILITY TRUST FUND GRANT AGREEMENT

AGREEMENT, dated June 4, 2004 between REPUBLIC OF NAMIBIA (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 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 (the Project), has requested assistance from the resources of the GEF Trust Fund for funding the Project, and said request having been approved in accordance with the provisions of the Instrument for the Establishment of the Restructured Global Environment Facility approved under Resolution 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) the Bank has received a letter dated December 3, 2003, from the Recipient describing the Recipient's vision, priorities and strategies for the National CBNRM Program (the Program), declaring the Recipient's commitment to the execution of the Program, and requesting assistance from the Bank in support of the Program during the execution thereof; 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.

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 of the Bank for Currency Pool Loans, dated January 1, 1985 (as amended through October 6, 1999), 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 (c), (d), (e), (g), (h), (i), (m), (n), (o), (p), 6.03, 6.04 and 6.06;
 - (vii) Section 8.01 (b);
 - (viii) Sections 9.01 (a) and (c), 9.04, 9.05, 9.06, 9.07, 9.08 and 9.09;
 - (ix) the second sentence of Sections 10.01 and 10.03;
 - (x) Article XI; and
 - (xi) Sections 12.01 (c), 12.03 and 12.04.
- (b) The General Conditions shall be modified as follows:

- (i) 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;
- (ii) the term “Borrower”, wherever used in the General Conditions, means the Recipient;
- (iii) the term “Loan Agreement”, wherever used in the General Conditions, means this Agreement;
- (iv) the term “Loan” and “loan”, wherever used in the General Conditions, means the GEF Trust Fund Grant;
- (v) the term “Loan Account”, wherever used in the General Conditions, means the GEF Trust Fund Grant Account;
- (vi) a new subparagraph is added after subparagraph (j) 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.”; and
- (vii) Section 10.04 is amended to read: “Any dispute arising out of or relating to this Agreement which is not settled by agreement of the parties shall be finally settled by arbitration in accordance with the UNCITRAL Arbitration Rules in force on the date of this Agreement. The place of arbitration shall be Washington, D.C. In the event of a conflict between the UNCITRAL Arbitration Rules and the terms of this Agreement, the terms of this Agreement shall govern.”

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) “Beneficiary” means a Conservancy (as hereinafter defined) or a nongovernmental organization (NGO) established and operating in accordance with the Recipient’s laws, and which has met the eligibility criteria set out in the CFFM (as

hereinafter defined) and the requirements of Schedule 4 to this Agreement and as a result, has received, or is entitled to receive, a Micro-Grant (as hereinafter defined);

(b) “CBNRM” means Community-Based Natural Resources Management;

(c) “CFF” means Community Funding Facility to be established under Part A.1 of the Project to finance Sub-Projects (as hereinafter defined);

(d) “CFFM” means Community Funding Facility Manual, the manual referred to in paragraph 5 of Schedule 4 to this Agreement;

(e) “Conservancies” means multiple-use zone on communal lands referred to in the Recipient’s Nature Conservation Ordinance (Ordinance 4 of 1975), and the Nature Conservation Amendment Act (Act 5 of 1996);

(f) “ESA” means Environmental and Social Assessment which includes the Environmental Management Plan;

(g) “Fiscal Year” means the Recipient’s fiscal year commencing on April 1 and ending on March 31 the following year;

(h) “Financial Monitoring Report” or “FMR” means each report prepared in accordance with Section 4.02 of this Agreement;

(i) “IPDP” means Indigenous People Development Plan;

(j) “MET” means the Recipient’s Ministry of Environment and Tourism;

(k) “Micro-Grant” means a grant to be made out of the proceeds of the GEF Trust Fund Grant to a Beneficiary of the CFF to finance a Sub-Project (as hereinafter defined);

(l) “Micro-Grant Agreement” means an agreement to be entered into with a Beneficiary for the provision of a Micro-Grant in accordance with the provisions of paragraph 7 of Schedule 4 to this Agreement;

(m) “Namibia Dollar” or “N\$” means the currency of the Recipient;

(n) "PIM" means the Project Implementation Manual referred to in paragraph 2 of Schedule 4 to this Agreement, and such term includes any schedules to the Project Implementation Manual;

(o) "PO" means the Project Office referred to in paragraph 1 of Schedule 4 to this Agreement and to be established by the Recipient within MET;

(p) "Project Account" means the Account referred to in Section 3.03 (a) of this Agreement;

(q) "Resettlement Policy Framework" or "RPF" means the resettlement policy framework dated January 27, 2004, outlining the modalities for land taking and/or expropriation and resettlement;

(r) "Special Account" means the account referred to in Section 2.02 (b) of this Agreement; and

(s) "Sub-Projects" means any activity under Part A.1 of Schedule 2 to this Agreement in respect of which a Micro-Grant has been, or may be provided.

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 of seven million one hundred thousand United States Dollars (US\$7,100,000).

Section 2.02. (a) 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 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 Project and to be financed out of the proceeds of the GEF Trust Fund Grant.

(b) The Recipient may, for the purposes of the Project, open and maintain in Dollars a special deposit account in the Recipient central bank, on terms and conditions satisfactory to the Bank, 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 5 to this Agreement.

Section 2.03. The Closing Date shall be January 31, 2010, 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, shall carry out the Project through its Ministry of Environment and Tourism with due diligence and efficiency and in conformity with appropriate administrative, financial and environmental practices and with due regard to ecological and environmental factors, and shall provide, promptly as needed, the funds, facilities, services and other resources required for the Project.

(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 in accordance with the Implementation Program set forth in Schedule 4 to this Agreement.

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. Without limitation upon the provisions of paragraph (a) of Section 3.01 of this Agreement, and except as the Recipient and the Bank shall otherwise agree, the Recipient shall:

(a) open an account in Namibian Dollar in a commercial bank acceptable to the Bank (the Project Account), and thereafter maintain the Project Account under terms and conditions acceptable to the Bank until the completion of the Project;

(b) deposit into the Project Account: (i) an initial amount in N\$ equivalent to US\$65,000 (the Initial Deposit); and (ii) thereafter, at quarterly intervals, replenish the Project Account by the amounts required to finance the Recipient's contribution for expenditures under the Project other than those financed from the proceeds of the GEF Trust Fund Grant, as shall have been agreed upon between the Recipient and the Bank; and

(c) ensure that funds deposited into the Project Account in accordance with paragraph (b) of this Section shall be used exclusively to finance expenditures under the Project other than those financed from the proceeds of the GEF Trust Fund Grant.

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

(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 for the future operation 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 accordance with consistently applied accounting standards, acceptable to the Bank, adequate to reflect the operations, resources and expenditures related to the Project.

(b) The Recipient shall:

(i) commencing with the Fiscal Year in which the Effective Date falls, and including the Fiscal Year in which the last withdrawal from the GEF Trust Fund Grant Account is made, have the financial statements referred to in paragraph (a) of this Section, the Special Account and the Project Account for each Fiscal Year, or other period agreed to by the Bank, audited, in accordance with consistently applied auditing standards acceptable to the Bank, 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 or such other period agreed to by the Bank, (A) certified copies of the financial statements referred to in paragraph (a) of this Section for such year, or such other period agreed to by the Bank, as so audited,

and (B) an opinion on such statements by said auditors, in scope and detail satisfactory to the Bank; and

- (iii) furnish to the Bank such other information concerning such records and accounts, and the audit of such financial statements, 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 statements of expenditure, the Recipient shall:

- (i) retain, until at least one year after the Bank has received the audit report for, or covering, 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;
- (ii) enable the Bank's representatives to examine such records; and
- (iii) ensure that such statements of expenditures are included in the audit for each Fiscal Year or other period agreed to by the Bank, referred to in paragraph (b) of this Section.

Section 4.02. (a) Without limitations upon the Recipient progress reporting set forth in Part IV of Schedule 4 to this Agreement, the Recipient shall prepare and furnish to the Bank, a Financial Monitoring Report, in form and substance satisfactory to the Bank, which:

- (i) sets forth actual sources and uses of funds for the Project, both cumulatively and for the period covered by said report, and projected sources and uses of funds for the Project for the six-month period following the period covered by said report; showing 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) describes physical progress in Project implementation, both cumulatively and for the period covered by said report; and

explains variances between the actual and previously forecast implementation targets;

- (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) The first FMR shall be furnished to the Bank not later than 45 days after the end of the first calendar quarter after the Effective Date, and shall cover the period from the incurrence of the first expenditure under the Project through the end of such first calendar quarter; thereafter, each FMR shall be furnished to the Bank not later than 45 days after each subsequent calendar quarter, and shall cover such calendar quarter.

ARTICLE V

Remedies of the Bank

Section 5.01. Pursuant to Section 6.02 (k) of the General Conditions, the following additional event is specified, namely, that a situation has arisen which shall make it improbable that the Program, or a significant part thereof, will be carried out.

ARTICLE VI

Effectiveness; Termination

Section 6.01. The following events are specified as conditions to the effectiveness of the GEF Trust Fund Grant within the meaning of Section 12.01 (c) of the General Conditions:

(a) The Recipient has adopted and furnished to the Bank a PIM in form and substance satisfactory to the Bank.

(b) The Recipient has appointed to the PO, a project coordinator, a procurement officer, and an accounting officer, all selected in accordance with Section II of Schedule 3 to this Agreement.

(c) The Recipient has adopted a monitoring and evaluation manual for the Project, in form and substance satisfactory to the Bank.

(d) The Recipient has established a financial management system for the Project, in form and substance satisfactory to the Bank.

(e) The Recipient has opened the Project Account and has deposited therein the Initial Deposit referred to in Section 3.03 of this Agreement.

(f) The Recipient has appointed the independent auditors referred to in Section 4.01 (b) of this Agreement.

Section 6.02. 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 6.03. 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

Representative of the Recipient; Addresses

Section 7.01. The Director General of the National Planning Commission 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 11.01 of the General Conditions:

For the Recipient:

National Planning Commission
Government Office Park
Luther Street
Private Bag 13356
Windhoek 9000
Namibia

Tel. 264-61-283-4223

Fax. 264-61-250751

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	248423 (MCI)
Washington, D.C.	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 Pretoria South Africa, as of the day and year first above written.

REPUBLIC OF NAMIBIA

By */s/ Immanuel Ngatjizeko*
Authorized Representative

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
as an implementing agency of the Global Environment Facility

By */s/ Pamela Cox*
Authorized Representative

SCHEDULE 1

Withdrawal of the Proceeds of the GEF Trust Fund Grant

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 the GEF Trust Fund Grant Allocated (Expressed in US\$ Equivalent)</u>	<u>% of Expenditures to be Financed</u>
(1) Works	310,000	100% of foreign expenditures and 85% of local expenditures
(2) Goods and Vehicles	540,000	100% of foreign expenditures and 85% of local expenditures
(3) Consultants' services	1820,000	75%
(4) Training	710,000	100%
(5) Micro-Grants	1500,000	100%
(6) Operating Costs	1720,000	85%
(7) Unallocated	500,000	
TOTAL	<u>7,100,000</u> =====	

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 “Operating Costs” means the incremental operating costs arising under the Project on account of contractual support staff salaries, social benefits, travel expenditures and other travel-related allowances; equipment rental and maintenance; vehicle operation, maintenance and repair; office rental and maintenance; materials and supplies; utilities and communications expenses; banking charges and insurance; but excluding the salaries of staff of the Recipient’s civil service.

3. Notwithstanding the provisions of paragraph 1 above, no withdrawals shall be made in respect of payments made for expenditures prior to the date of this Agreement, except that withdrawals, in an aggregate amount not exceeding \$250,000 may be made on account of payments made for expenditures before that date but after May 1, 2004.

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, works and services for firms under contracts costing less than \$100,000 equivalent; and (b) services of individual consultants costing less than \$50,000, 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.

SCHEDULE 2

Description of the Project

The objective of the Project is to assist the Recipient in promoting community-based integrated ecosystem management that generates socioeconomic benefits for conservancies.

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: Ecosystem-Based Income Generating Activities

1. Establishment and operation of a CFF to support community-based Sub-Projects aimed at promoting sustainable use of natural resources and ecosystems services, through provision of Micro-Grants.
2. Development and implementation of conservancy business plans and Sub-Projects through carrying out of feasibility studies, promoting equitable sharing of costs and benefits of conservancy investment decisions, developing and disseminating best practices of sustainable livelihood options, contributing to improved participation in development planning processes at local and regional level, through provision of technical advisory services and training.

Part B: Sustainable Ecosystem Management

1. Development and implementation of integrated conservancy management plans to guide resource management activities.
2. Development and implementation of activities as proposed in integrated conservancy management plans aimed at ecosystem restoration, through provision of technical advisory services, acquisition of equipment, and works.
3. Development of a local level monitoring and evaluation CBNRM system, through provision of technical advisory services and training.

Part C: Targeted Institutional Support

1. Provision of policy, organizational, and financial support for MET to improve strategic planning and implementation of a national CBNRM program, through provision of technical advisory services.
2. Provision of support to conservancies including provision of operational support, and training, and carrying out of workshops.
3. (a) Improvement of CBNRM monitoring and evaluation by MET staff, through provision of technical advisory services and training; and (b) development and implementation of a CBNRM knowledge management program.

Part D: Project Management

Support to the PO to manage and supervise Project implementation, through provision of technical advisory services, acquisition of goods and equipment, training, and operational support.

* * *

The Project is expected to be completed by July 31, 2009.

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, September 1997 and January 1999 (the Guidelines) and the following provisions of Section I of this Schedule.

Part B: International Competitive Bidding

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 Section II of the Guidelines and paragraph 5 of Appendix 1 thereto.

Preference for domestically manufactured goods and domestic contractors

The provisions of paragraphs 2.54 and 2.55 of the Guidelines and Appendix 2 thereto shall apply to goods manufactured in the territory of the Republic of Namibia and works to be carried out by domestic contractors.

Part C: Other Procurement Procedures

1. National Competitive Bidding

Goods estimated to cost less than \$100,000 equivalent per contract, and works estimated to cost less than \$200,000 equivalent per contract, may be procured under contracts awarded in accordance with the provisions of paragraphs 3.3 and 3.4 of the Guidelines.

2. International or National Shopping

Goods and works estimated to cost less than \$50,000 equivalent per contract, 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.

3. Procurement from UN Agencies

Goods estimated to cost less than \$50,000 equivalent per contract, may be procured from the United Nations Development Programme-Inter-Agency Procurement Services Office in accordance with the provisions of paragraph 3.9 of the Guidelines.

4. Community Participation

Goods and works required for Part A.1 of the Project shall be procured in accordance with procedures acceptable to the Bank, as described in the CFFM.

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: (a) each contract for goods and works estimated to cost the equivalent of \$100,000 or more; and (b) the first three contracts for goods and works procured under the National Competitive Bidding procedures, 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, January 1999 and May 2002 (the Consultant Guidelines) paragraph 1 of Appendix 1 thereto, appendix 2 thereto, and the following provisions of Section II of this Schedule.

Part B: Quality- and Cost-based Selection

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.

Part C: Other Procedures for the Selection of Consultants

1. Least-cost Selection

Services estimated to cost less than \$100,000 equivalent per contract may be procured under contracts awarded in accordance with the provisions of paragraphs 3.1 and 3.6 of the Consultant Guidelines.

2. Selection Based on Consultants' Qualifications

Services estimated to cost less than \$100,000 equivalent per contract may be procured under contracts awarded in accordance with the provisions of paragraphs 3.1 and 3.7 of the Consultant Guidelines.

3. 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.

4. Workshops and Training

The Recipient shall carry out workshops and training on the basis of programs, which shall have been approved by the Bank, and which shall, *inter alia*, identify: (a) the workshop or training envisaged; (b) the personnel to attend the workshop or training; (c) the selection method of institutions conducting such workshops or training; (d) the duration of the proposed workshop or training; and (f) an estimate of the cost.

5. Single Source Selection

Services may, with the Bank's prior agreement, be procured in accordance with the provisions of paragraphs 3.8 through 3.11 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 2,3, and 5 of Appendix 1 to the Consultant Guidelines shall apply.

(b) With respect to each contract for the employment of individual consultants to be selected on a sole source basis or estimated to cost the equivalent of \$50,000 or more, the report on 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. The provisions of paragraph 3 of Appendix 1 to the Consultant Guidelines shall also apply to such contracts.

3. Post Review

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

SCHEDULE 4

Implementation Program

I. Project Oversight

1. The Recipient shall establish and thereafter maintain at all times during the implementation of the Project, a PO and appoint thereto, in accordance with the provisions set forth in the PIM, staff having qualifications and experience satisfactory to the Bank, including a project coordinator, a procurement officer, a monitoring and evaluation specialist, and an accounting officer.

2. The Recipient shall prepare and furnish to the Bank, a PIM, in form and substance satisfactory to the Bank, setting out: (i) details of all procurement and disbursement arrangements for the Project; (ii) the performance indicators for the Project; and (iii) such other administrative, financial and organizational arrangements as shall be required for the Project.

3. The Recipient shall carry out the Project in accordance with the provisions of this Schedule 4 and the procedures set out in the PIM, and shall not, except as the Bank may otherwise agree, amend or waive any provision thereof which, in the opinion of the Bank, may adversely and materially affect the implementation of the Project.

II. Environmental and Social Assessment, Resettlement Policy Framework and Indigenous People Development Plan

4. The Recipient shall:

(a) take all action which shall be necessary under the ESA and the IPDP, and shall ensure that the Environmental and Social Assessment are formulated and implemented with the full participation of the local communities, and in accordance with the Environmental and Social Assessment, and in compliance with the applicable legislation of Namibia, to identify potential environmental and social adverse effects and offset, reduce and/or mitigate them, and that any acquisition of land or other assets or resettlement of persons is carried out in accordance with the RPF; and

(b) maintain policies and procedures adequate to enable it to monitor and evaluate, in accordance with guidelines acceptable to the Bank, the implementation of the Environment and Social Assessment and the RPF.

III. Procedures and Eligibility Criteria for Sub-Projects

5. The Recipient shall prepare and furnish to the Bank a CFFM in form and substance satisfactory to the Bank setting out details of: (a) Micro-Grants, Sub-Projects and Beneficiaries eligibility criteria; (b) arrangements and procedures for preparation, appraisal, approval, implementation and supervision of Sub-Projects; (c) Sub-Projects procurement, financial management and disbursement arrangements; (d) Sub-Projects performance indicators; (e) standard formats for Micro-Grant Agreement; and (e) such other administrative, financial and organizational arrangements as shall be required for the Sub-Projects.

6. The Recipient shall provide Micro-Grants to finance Sub-Projects in accordance with procedures and eligibility criteria set forth in the CFFM which shall include, but not be limited to the following:

(a) The procedures in the PIM shall be followed in identifying, processing and approving Subprojects under the Project;

(b) Sub-Projects shall be economically, financially and technically viable in accordance with standards set forth in the CFFM; and

(c) Unless the Bank agrees otherwise, a Sub-Project shall be initiated by a Beneficiary and its cost shall not exceed the equivalent of 20% of the Micro-Grant Category (5) as set forth in Schedule 1 to this Agreement.

7. A Micro-Grant shall be provided through a Micro-Grant Agreement to be entered into between the Recipient (through the Ministry of Environment and Tourism) and the Beneficiary, under terms and conditions satisfactory to the Bank, which shall include the following:

(a) the Beneficiary's obligation to carry out the Sub-Project in accordance with the CFFM, with due diligence and efficiency and in accordance with sound technical, financial, environmental and managerial standards and to maintain adequate records to reflect, in accordance with sound accounting practices, the operations, resources and expenditures in respect of the Sub-Project;

(b) the requirement that: (i) goods, works and services to be financed from the proceeds of the Micro-Grant shall be procured in accordance with the procedures set forth in Schedule 3 to this Agreement, and (ii) such goods, works and services shall be used exclusively in the carrying out of the Sub-Project;

(c) the right of PO to inspect by itself, or jointly with the Bank, if the Bank shall so request, the goods, works, sites, plants and construction included in the Sub-Project, the operations thereof and any relevant records and documents;

(d) the right of PO to obtain all information as PO or the Bank shall reasonably request regarding the administration, operation and financial conditions of the Sub-Project; and

(e) the right of PO to suspend or terminate the right of the Beneficiary to use the proceeds of the Sub-Grant upon the failure by the Beneficiary to perform any of its obligations under the Micro-Grant Agreement.

IV. Monitoring, Evaluation and Reporting

8. The Recipient shall maintain policies and procedures adequate to enable it to monitor and evaluate on an ongoing basis, in accordance with the indicators set forth in Schedule 6 to this Agreement, the carrying out of the Project and the achievement of the objectives thereof.

9. Semi annual Reviews

(a) prepare, under terms of reference satisfactory to the Bank, and furnish to the Bank, on or about September 1, and April 30 of each year a six monthly report, 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 report 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

(b) review with the Bank, no later than one month after the date of such report, the report referred to in paragraph (a) 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 report and the Bank's views on the matter.

10. Midterm Review:

(a) The Recipient shall not later than 36 months after the Effective Date, carry out jointly with the Bank a midterm review, which shall cover among other things:

(i) progress in meeting the Project's objective;

(ii) overall performance as measured against the performance indicators referred to in paragraph 9 (a) of this Schedule; and

(iii) evaluation of the Project activities performed, referred to in paragraph 9 (a) of this schedule.

(b) The Recipient shall thereafter, act promptly and diligently in order to take, any corrective action deemed necessary to remedy any shortcoming identified in the implementation of the Project, or to implement, such measures as may have been agreed between the Recipient and the Bank in furtherance of the objective of the Project.

SCHEDULE 5

Special Account

1. For the purposes of this Schedule:
 - (a) the term “eligible Categories means Categories (1) through (6) set forth in the table in paragraph 1 of Schedule 1 to this Agreement;
 - (b) the term “eligible expenditures” means expenditures in respect of the reasonable cost of goods, works and services required for the Project and to be financed out of the proceeds of the GEF Trust Fund Grant allocated from time to time to the eligible Categories in accordance with the provisions of Schedule 1 to this Agreement; and
 - (c) the term “Authorized Allocation” means an amount equivalent to \$700,000 to be withdrawn from the GEF Trust Fund Grant Account and deposited into the Special Account pursuant to paragraph 3 (a) of this Schedule, provided, however, that unless the Bank shall otherwise agree, the Authorized Allocation shall be limited to an amount equivalent to \$350,000 until the aggregate amount of withdrawals from the GEF Trust Fund Grant Account plus the total amount of all outstanding special commitments entered into by the Bank pursuant to Section 5.02 of the General Conditions shall be equal to or exceed the equivalent of \$2,000,000.
2. Payments out of the Special Account shall be made exclusively for eligible expenditures in accordance with the provisions of this Schedule.
3. After the Bank has received evidence satisfactory to it that the Special Account has been duly opened, withdrawals of the Authorized Allocation and subsequent withdrawals to replenish the Special Account shall be made as follows:
 - (a) For withdrawals of the Authorized Allocation, the Recipient shall furnish to the Bank a request or requests for deposit into the Special Account of an amount or amounts which do not exceed the aggregate amount of the Authorized Allocation. On the basis of such request or requests, the Bank shall, on behalf of the Recipient, withdraw from the GEF Trust Fund Grant Account and deposit into the Special Account such amount or amounts as the Recipient shall have requested.
 - (b) (i) For replenishment of the Special Account, the Recipient shall furnish to the Bank requests for deposits into the Special Account at such intervals as the Bank shall specify.

- (ii) 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 paragraph 4 of this Schedule 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 the 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 the Special Account for eligible expenditures. All such deposits shall be withdrawn by the Bank from the GEF Trust Fund Grant Account under the respective eligible Categories, and in the respective equivalent amounts, as shall have been justified by said documents and other evidence.

4. For each payment made by the Recipient out of the 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.

5. Notwithstanding the provisions of paragraph 3 of this Schedule, the Bank shall not be required to make further deposits into the Special Account:

- (a) if, at any time, the Bank shall have determined that all further withdrawals should be made by the Recipient directly from the GEF Trust Fund Grant Account in accordance with the provisions of Article V of the General Conditions and paragraph (a) of Section 2.02 of this Agreement;

- (b) 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, any of the audit reports required to be furnished to the Bank pursuant to said Section in respect of the audit of the records and accounts for the Special Account;

- (c) 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 the provisions of Section 6.02 of the General Conditions; or

- (d) once the total unwithdrawn amount of the GEF Trust Fund Grant allocated to the 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 with respect to the Project, shall equal the equivalent of twice the amount of the Authorized Allocation.

Thereafter, withdrawal from the GEF Trust Fund Grant Account of the remaining unwithdrawn amount of the GEF Trust Fund Grant allocated to the eligible 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 the Special Account as of the date of such notice will be utilized in making payments for eligible expenditures.

6. (a) If the Bank shall have determined at any time that any payment out of the Special Account: (i) was made for an expenditure or in an amount not eligible pursuant to paragraph 2 of this Schedule; or (ii) was not justified by the evidence furnished to the Bank, the Recipient shall, promptly upon notice from the Bank: (A) provide such additional evidence as the Bank may request; or (B) deposit into the Special Account (or, if the Bank shall so request, refund to the Bank) an amount equal to the amount of such payment or the portion thereof not so eligible or justified. Unless the Bank shall otherwise agree, no further deposit by the Bank into the 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 shall have determined at any time that any amount outstanding in the Special Account will not be required to cover further payments for eligible expenditures, 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 the Special Account.

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

SCHEDULE 6

Performance Indicators

For the purposes of this Agreement, the Recipient agrees that Project performance will be measured annually against the following key performance indicators for which baselines will be established six months after Effective Date, unless otherwise agreed by the Bank.

1. Around 25,000 km² of communal land under integrated sustainable ecosystem management as defined by the National CBNRM Program.
2. 80 % of targeted conservancies committees are effectively managing and deploying efficiently and sustainably their natural, human, financial and other resources according to the objectives of their conservancy plans.
3. MET as CBNRM lead agency has established effective partnerships with other agencies and institutions, including local governments, NGOs and private sector to enable achievements of project objective in an efficient and effective manner.
4. Populations of targeted threatened fauna and flora remain at current levels or have increased in targeted conservancies (5 species specified).
5. Biological monitoring indicates that the integrity of the target sites remains secure with no significant change in habitat.