

**CONFORMED COPY**

**GEF TRUST FUND GRANT NUMBER TF 055763 SA**

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

**(Africa Stockpiles Programme)**

**between**

**REPUBLIC OF SOUTH AFRICA**

**and**

**INTERNATIONAL BANK FOR RECONSTRUCTION  
AND DEVELOPMENT**

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

**Dated April 4, 2006**

**GEF TRUST FUND GRANT NUMBER TF 055763 SA**

**GLOBAL ENVIRONMENT FACILITY TRUST FUND GRANT AGREEMENT**

AGREEMENT, dated April 4, 2006, between the REPUBLIC OF SOUTH AFRICA (the Recipient) and the 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 94-2);

(C) the Recipient, having satisfied itself as to the feasibility and priority of the Africa Stockpiles Programme (the Program), has requested assistance from the resources of the GEF Trust Fund for funding the project described in Schedule 2 to this Agreement (the Project) as one of the countries participating in the Program, and the said request has 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

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 for Single Currency Loans” of the Bank, dated May 30, 1995 (as amended through May 1, 2004), 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 (2), (3), (4), (5), (6), (7), (8), (14), (15), (16), (18) and (21), 2.02 and 2.03;
  - (iii) Section 3.01;
  - (iv) Sections 4.01 and 4.06;
  - (v) Article V;
  - (vi) Sections 6.01, 6.02 (c), (e), (f), (i), (l), (m), (n), (o) and (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) Sections 10.01, 10.03 and 10.04; and
  - (x) Article XI.
- (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 (6), 6.02 (f) and 5.01 (a) 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; and

- (vi) a new subparagraph is added after subparagraph (o) 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) “Associated Waste” means materials that are contaminated by Obsolete Pesticides, including *inter alia* containers, equipment, and heavily contaminated soils where the Bank agrees that those soils are within the Project scope;

(b) “Category” means each item to be financed out of the proceeds of the GEF Trust Fund Grant as set forth in the table in paragraph 1 of Schedule 1 to this Agreement, and the term Categories shall mean more than one item or all items collectively, as the case may be;

(c) “CESA” means the country project-specific environmental and social assessment, acceptable to the Bank, that evaluates the Project's potential environmental risks and impacts in its area of influence; examines Project alternatives; identifies ways of improving Project selection, siting, planning, design, and implementation by preventing, minimizing, mitigating, or compensating for adverse environmental impacts and enhancing positive impacts; and includes the process of mitigating and managing adverse environmental impacts throughout Project implementation. The CESA is to be carried out by the Recipient in a manner that is consistent with the ESASR after completing the preparation of the inventory of Obsolete Pesticides under Part A of the Project. The CESA is to include an environmental management plan, acceptable to the Bank, to be prepared by the Recipient in accordance with the ESASR and the Program OM, and finalized after completing the preparation of the inventory of Obsolete Pesticides under Part A of the Project, identifying the specific measures to be implemented to mitigate adverse environmental impacts under the Project;

(d) “Conventions” means collectively: (i) the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal Adopted by the Conference of the Plenipotentiaries on March 22, 1989, and entering into force in May, 1992, pursuant to paragraph 1 of Article 25 of the said convention (“the Basel Convention”); (ii) the Stockholm Convention on Persistent Organic Pollutants (POPs) entering into force on May 17, 2004, pursuant to paragraph 1 of Article 26 of the said convention (“the Stockholm Convention”); and (iii) the Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade entering into force on February 24, 2004, pursuant to paragraph 1 of Article 26 of the said convention (“the Rotterdam Convention”);

(e) “Country Operations Manual” or “Country OM” means the Recipient’s Project Operations Manual, to be adopted by the Recipient and setting forth *inter alia* Project specific

institutional, technical, procurement, financial management, disbursement and environmental and social management procedures, as the said manual may be amended from time to time with the approval of the Bank;

(f) “DEAT” means the Recipient’s Department of Environmental Affairs and Tourism, or any successor thereto;

(g) “Disposal Services” means services related to the treatment or disposal of Obsolete Pesticides and Associated Waste under Part B of the Project;

(h) “ESASR” means the Environmental and Social Assessment Synthesis Report dated March 17, 2004, accepted by the Bank, identifying and assessing the potential environmental and social impacts of the Program, and such term shall include any schedules to the said assessment;

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

(j) “Fiscal Year” or “FY” means the Recipient’s fiscal year which commences on April 1 of each calendar year and ends on March 31 of the subsequent calendar year;

(k) “Obsolete Pesticides” means pesticide products: (a) whose usage is prohibited or severely restricted for environmental or health reasons by applicable provisions of the Conventions, and/or national law consistent with the Conventions; or (b) that have deteriorated as a result of improper or prolonged storage and can neither be used in accordance with label specifications nor easily reformulated for use; or (c) that cannot be used for their intended purpose, and cannot be easily modified to accomplish such purpose or some other purpose;

(l) “PMU” means the Project Management Unit established within the DEAT for the purposes set forth in paragraph 1 (a) of Schedule 4 to this Agreement;

(m) “Procurement Plan” means the Recipient’s procurement plan, dated July 7, 2005, covering the initial eighteen (18) month period of Project implementation, as the same shall be updated from time to time in accordance with the provisions of Section 3.02 to this Agreement, to cover succeeding eighteen (18) month periods of Project implementation;

(n) “Program Operations Manual” or “Program OM”, means the generic operations manual, dated May 11, 2005, accepted by the Bank, setting forth the implementation arrangements for the Program as a whole, as such manual may be amended from time to time with the approval of the Bank;

(o) “Public Authority” means any government department or agency, whether national, local or otherwise, located in the territory of the Recipient; and

(p) “Publicly Held” Obsolete Pesticides means those Obsolete Pesticides which are in the legal ownership or custody of the Recipient or any Public Authority or any company or other entity owned or controlled in whole or in part by the Recipient or by any Public Authority, or become so owned or in such custody during the course of Project implementation.

## **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 equal to one million seven hundred thousand dollars (US\$1,700,000), it being understood by the Recipient that pursuant to the provisions of Section 6.03 (b) of the General Conditions, the Bank, may, after the completion of the inventory of Obsolete Pesticides under Part A of the Project, cancel such amounts of the GEF Trust Fund Grant allocated to the Disposal Services Category that shall not be required for purposes of the disposal operations to be carried out under Part B of the Project.

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 for expenditures made (or, if the Bank shall so agree, to be made) in respect of the reasonable cost of goods, works, consultant services and Disposal Services required for the Project and to be financed out of the proceeds of the GEF Trust Fund Grant.

Section 2.03. The Closing Date shall be November 30, 2009, or such later date as the Bank shall establish at its discretion. 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 DEAT with due diligence and efficiency and in conformity with appropriate administrative, financial and pest management practices and with due regard to ecological and environmental factors and to the health and safety of workers, and shall provide, promptly as needed, the funds, facilities, services and other resources required for the Project.

(b) The Recipient shall duly perform its obligations under the Conventions and shall exercise its rights thereunder in such manner as to protect the interests of the Recipient and the Bank and to accomplish the purposes of the Project, and without limitation to the generality of the foregoing, undertake all such actions as may be necessary and proper to ensure the safe and

effective treatment and/or disposal of Obsolete Pesticides and Associated Waste under the Project.

(c) Without limitation upon the provisions of paragraphs (a) and (b) 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. (a) Except as the Bank shall otherwise agree, procurement of the goods, works, consultants' services and Disposal 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, as said provisions may be further elaborated in the Procurement Plan.

(b) The Recipient shall update the Procurement Plan in accordance with guidelines acceptable to the Bank, and furnish such update to the Bank not later than twelve (12) months after the date of the preceding Procurement Plan, for the Bank's approval.

Section 3.03. 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 designed to ensure the continued achievement of the objectives of the Project; and

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

Section 3.04. For the avoidance of doubt, the Bank and Recipient agree that the Project activities are potentially hazardous, involving as they do potentially dangerous chemicals; that the Bank shall not be responsible for execution of the Project activities, including any activities undertaken by any partners in or contractors to the Project; that the Bank shall at no time during the course of the Project acquire any legal title to or obligations in respect of any Obsolete Pesticides, Associated Waste or the equipment used to dispose of, treat, handle or transport any of the same; and that the Bank shall not be liable if the Project activities cause any loss or damage of any kind whatsoever.

## **ARTICLE IV**

### **Financial Covenants**

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) have the financial statements referred to in paragraph (a) of this Section 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 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 reports and statements of expenditure 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 limitation upon the Recipient's progress reporting obligations set out in paragraphs 4 and 5 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 sources and uses of funds for the Project, both cumulatively and for the period covered by said report, showing separately funds provided under



the GEF Trust Fund Grant, and explains variances between the actual and planned uses of such funds;

- (ii) describes physical progress in Project implementation, both cumulatively and for the period covered by said report, and explains variances between the actual and planned Project implementation; and
- (iii) sets forth the status of procurement under the Project, 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 (p) of the General Conditions, the following additional events are specified:

- (a) the Recipient shall have withdrawn from or delivered a written notice of its intention to withdraw as a party to the Conventions;
- (b) the Recipient shall have failed to duly perform its obligations under the Conventions;
- (c) the CESA is amended so as, in the opinion of the Bank, to materially and adversely affect the carrying out of the Project;
- (d) the Country OM is amended so as, in the opinion of the Bank, to materially and adversely affect the carrying out of the Project; and
- (e) a situation arises which shall make it improbable that the Project or any significant part thereof shall be carried out.

**ARTICLE VI**

**Effectiveness; Termination**

Section 6.01. This Agreement shall become effective upon its execution by the parties.

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**

**Representative of the Recipient; Addresses**

Section 7.01. The Minister of Environmental Affairs and Tourism 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:

Department of Environmental Affairs and Tourism  
Private Bag X447  
Pretoria 0001

Facsimile:

27 12 322 2602

For the Bank:

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

Cable address:

INTBAFRAD  
Washington, D.C.

Telex:

248423 (MCI)  
64145 (MCI)

Facsimile:

(202) 477-6391

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, Republic South Africa, as of the day and year first above written.

REPUBLIC OF SOUTH AFRICA

By /s/ Marthinus van Schalkwyk

Authorized Representative

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

By /s/ Ritva Rennikka

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>	Amount of the GEF Trust Fund Grant Allocated (Expressed in <u>Dollars</u> )	% of Expenditures to be Financed
(1) Goods	100,000	100% of foreign expenditures; 100% of local expenditures (ex-factory cost); and 80% of local expenditures for other items produced locally
(2) Works	45,000	100% of foreign expenditures 80% of local expenditures
(3) Consultant Services	470,000	100% of foreign expenditures 83% of local expenditures
(4) Disposal Services	685,000	100% of foreign expenditures 83% of local expenditures

<u>Category</u>	Amount of the GEF Trust Fund Grant Allocated (Expressed in <u>Dollars</u> )	<u>% of Expenditures to be Financed</u>
(5) Workshops and Training	105,000	100%
(6) Operating Costs	50,000	80%
(7) Unallocated	245,000	
TOTAL	<u>1,700,000</u> =====	

2. For the purposes of this Schedule:

(a) the term “foreign expenditures” means expenditures in the currency of any country other than the Recipient for goods, works 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, works or services supplied from the territory of the Recipient, provided, however, that if the currency of the Recipient is also that of another country from the territory of which goods, works or services are supplied, expenditures in such currency for such goods or services shall be deemed to be “foreign expenditures”; and

(c) the term “Operating Costs” means incremental operating costs on account of Project coordination, implementation, and monitoring activities carried out by the PMU including office supplies, office rent, utilities, printing, advertising, per diems, bank charges, maintenance and operation of Project motor vehicles and travel expenses, but excluding the salaries of the Recipient’s civil service.

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; or (b) expenditures incurred under Category (4) (Disposal Services) unless the Recipient has: (i) completed a detailed inventory of its Obsolete Pesticide stocks under Part A of the Project that is satisfactory to the Bank; and (ii) submitted to the Bank a CESA that is satisfactory to the Bank and disclosed the said document in such manner as may be required by the Bank.

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 costing less than \$150,000 equivalent per contract; (b) works costing less than \$500,000 per contract; (c) services of individual consultants costing less than \$50,000 equivalent per contract; (d) services of consulting firms costing less than \$100,000 equivalent per contract; (e) workshops and training; (f) Operating Costs, all under such terms and conditions as the Bank shall specify by notice to the Recipient.

## SCHEDULE 2

### Description of the Project

The objective of the Project is to assist the Recipient in: (a) eliminating inventoried Publicly Held Obsolete Pesticide stocks and Associated Waste; and (b) implementing measures to reduce and prevent future related risks.

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 objective:

Part A:            Obsolete Pesticides Inventory

Carrying out of a detailed inventory of the Recipient's Publicly Held Obsolete Pesticides stocks through: (a) collection of data and compilation of a data base; (b) a risk-based prioritization of the stocks identified in the data base; and (c) preparation of the CESA.

Part B:            Disposal of Obsolete Pesticides

Treatment and/or disposal of Publicly Held Obsolete Pesticides stocks and Associated Waste by: (a) carrying out of a technological assessment of available treatment and disposal options; (b) implementation of the treatment and/or disposal technology selected; and (c) improving the operations of Obsolete Pesticide stocks collection centers, including improving safety measures at those centers.

Part C:            Prevention of Obsolete Pesticide Accumulation

Carrying out of activities aimed at preventing Obsolete Pesticide accumulation, including: (a) awareness raising activities on the health and environmental hazards of pesticides; (b) a review and update of the legal and regulatory framework to control Obsolete Pesticide accumulation and strengthen enforcement mechanisms; (c) preparation and implementation of an integrated pest management (IPM) strategy; and (d) a review of pesticide management practices and preparation and implementation of a training plan.

Part D:            Capacity Building

Strengthening the capacity of the PMU to implement the Project through the provision of training.

Part E:            Project Management

Supporting the PMU in carrying out Project coordination, implementation, monitoring and evaluation, through the provision of technical advisory services, equipment and operational support.

\* \* \*

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



### SCHEDULE 3

#### Procurement

##### Section I. General

A. All goods, works and services (other than consultants' services) shall be procured in accordance with the provisions of Section I of the "Guidelines for Procurement under IBRD Loans and IDA Credits" dated May 2004 (the Procurement Guidelines), and with the provisions of this Schedule.

B. All consultants' services shall be procured in accordance with Sections I and IV of the "Guidelines: Selection and Employment of Consultants by World Bank Borrowers" dated May 2004 (the Consultant Guidelines), and with the provisions of this Schedule.

C. The capitalized terms used below in this Schedule to describe particular procurement methods or methods of review by the Bank of particular contracts, have the meanings ascribed to them in the Procurement Guidelines, or Consultant Guidelines, as the case may be.

##### Section II. Particular Methods of Procurement of Goods, Works and Services (other than Consultants' Services)

A. International Competitive Bidding. Except as otherwise provided in Part B of this Section, contracts shall be awarded on the basis of International Competitive Bidding. The provisions of paragraphs 2.55 and 2.56 of the Procurement Guidelines, providing for domestic preference in the evaluation of bids, shall apply to goods manufactured in the territory of the Recipient.

##### B. Other Procurement Procedures

1. National Competitive Bidding. Goods estimated to cost less than \$100,000 and works estimated to cost less than \$500,000 may be procured under contracts awarded on the basis of National Competitive Bidding in accordance with procedures acceptable to the Bank.

2. Shopping. Goods estimated to cost less than \$30,000 equivalent per contract and works estimated to cost less than \$50,000 equivalent per contract may be procured under contracts awarded on the basis of Shopping procedures in accordance with paragraph 3.5 of the Guidelines.

3. Direct Contracting. Goods which are specialized or of a proprietary nature or are required for an emergency costing less than \$5,000 and works costing less than \$10,000 may, with Bank's prior agreement, be procured in accordance with the provisions of paragraph 3.6 of the Guidelines.

Section III. Particular Methods of Procurement of Consultants' Services

A. Quality- and Cost-based Selection. Except as otherwise provided in Part B of this Section, consultants' services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.

B. Other Procedures

1. Quality-based Selection. Services consisting of training workshops, monitoring and evaluation, and audits, estimated to cost less than \$50,000 per contract, may be procured under contracts awarded in accordance with the provisions of paragraphs 3.2 through 3.4 of the Consultant Guidelines.

2. Selection Based on Consultants' Qualifications. Services estimated to cost less than \$100,000 per contract may be procured under contracts awarded in accordance with the provisions of paragraphs 3.1, 3.7 and 3.8 of the Consultant Guidelines.

3. Single Source Selection. Services for tasks in circumstances which meet the requirements of paragraph 3.10 of the Consultant Guidelines for Single Source Selection may, with the Bank's prior agreement, be procured in accordance with the provisions of paragraphs 3.9 through 3.13 of the Consultant Guidelines.

4. Individual Consultants. Services for assignments that meet the requirements set forth in the first sentence of paragraph 5.1 of the Consultant Guidelines may be procured under contracts awarded to individual consultants in accordance with the provisions of paragraph 5.2 through 5.3 of the Consultant Guidelines. Under the circumstances described in paragraph 5.4 of the Consultant Guidelines, such contracts may be awarded to individual consultants on a sole-source basis.

Section IV. Review by the Bank of Procurement Decisions

The Procurement Plan shall set forth those contracts which shall be subject to the Bank's prior review. All other contracts shall be subject to Post Review by the Bank.

**SCHEDULE 4****Implementation Program****A. Project Management****1. The Recipient shall:****(a) PMU:**

maintain throughout Project implementation the PMU under terms of reference and with resources and a staff composition that is acceptable to the Bank. The PMU or assigned staff members from DEAT, as the case may be, shall be responsible for the day to day management of the Project including financial management, monitoring and evaluation, preparation of progress reports and procurement. Without limitation to the generality of the foregoing, the composition of the PMU shall include a Project Manager, Disposal Coordinator and Prevention Coordinator. Financial and procurement services shall be provided directly by DEAT.

**(b) Operations Manuals**

carry out the Project in accordance with the procedures set forth in the Program OM and the Country OM, and except as the Bank shall otherwise agree, shall not amend or waive any provisions thereof if such amendment or waiver, may in the opinion of the Bank, materially or adversely affect the implementation of the Project.

**(c) Steering Committee**

maintain, throughout Project implementation, a steering committee to support Project implementation, under terms of references and with a membership composition acceptable to the Bank. Without limitation to the generality of the foregoing, the steering committee shall support the overall implementation of the Project, including but not limited to the review of annual work programs and progress reports. The steering committee shall meet at least once every six months, and shall be chaired by the Director-General of DEAT or his or her nominee, and include representatives from relevant government departments, and public and private sector organizations.

**B. Environmental and Social Measures**

2. The Recipient shall implement the Project in accordance with the ESASR and the CESA. Without limitation to the generality of the foregoing, the Recipient shall not implement any Project activity which results in the involuntary resettlement of persons or the involuntary acquisition of land, save with the prior consent of the Bank and on such terms as the Bank may require.

C. Reporting and Annual Work Plans

3. Annual Work Plans:

The Recipient shall submit to the Bank for its review and approval an annual work plan on or about April 1 of each year of Project implementation commencing FY2006/2007, and implement the activities reflected in such work plan in a manner that is satisfactory to the Bank.

4. Bi-Annual Reviews:

The Recipient shall:

(a) maintain policies and procedures adequate to enable it to monitor and evaluate on an ongoing basis, in accordance with the indicators set forth in Schedule 5 to this Agreement, the carrying out of the Project and the achievement of the objectives thereof;

(b) submit to the Bank no later than March 31 and September 30 in each year of Project implementation, commencing March 31, 2006, a bi-annual report reviewing the progress in Project implementation during the preceding six-month period, having due regard to the monitoring indicators referred to in sub-paragraph (a) of this paragraph; and

(c) following the submission and review of each bi-annual report, act promptly and diligently to take any corrective action agreed with the Bank to remedy any shortcomings identified in Project implementation, in furtherance of the objectives of the Project.

5. Mid-term Review:

(a) prepare, under terms of reference satisfactory to the Bank, and furnish to the Bank, on or about September 30, 2007, a report integrating the results of the monitoring and evaluation activities performed pursuant to paragraph 4 (a) of this Schedule 4, 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 for discussion during the mid-term review to be carried out jointly with the Bank pursuant to paragraph (b) below; and

(b) review with the Bank by October 31, 2007, or such later date as the Bank shall request, 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.

## **SCHEDULE 5**

### **Performance Monitoring Indicators**

1. Inventory database of Publicly Held Obsolete Pesticides stocks in place and being used by the PMU and the Recipient's government staff.
2. Completion of CESA, and implementation of the measures contained therein.
3. Inventoried Publicly Held Obsolete Pesticides stocks disposed of, as a result of the completion of the Disposal Services contract(s) in accordance with national and international laws and regulations.
4. Legal and regulatory framework for pesticide management improved, including measures to strengthen compliance with the Basel Convention and the Rotterdam Convention.
5. The training program under Part D of the Project is implemented and the knowledge so acquired is being used by the PMU and Recipient's government staff.
6. The PMU is functional and its operation is satisfactory to the Bank.