

GEF GRANT NUMBER TF093654

Global Environment Facility Grant Agreement

(Sustainable Management of Fish Resources Project)

between

THE REPUBLIC OF SENEGAL

and

**INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT**

(acting as an Implementing Agency of the Global Environment Facility)

Dated

, 2009

GEF GRANT NUMBER TF093654

**GLOBAL ENVIRONMENT FACILITY
GRANT AGREEMENT**

AGREEMENT dated _____, 2009, entered into between:

The Republic of Senegal (“Recipient”); and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (“World Bank”), acting as an implementing agency of the Global Environment Facility (“GEF”).

The Recipient and the World Bank hereby agree as follows:

**ARTICLE I
Standard Conditions; Definitions**

- 1.01. The Standard Conditions for Grants Made by the World Bank Out of Various Funds, dated July 1, 2008 (“Standard Conditions”), constitute an integral part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Standard Conditions or in this Agreement.

**ARTICLE II
The Project**

- 2.01. The Recipient declares its commitment to the objectives of the project described in Schedule 1 to this Agreement (“Project”). To this end, the Recipient shall carry out the Project through the DPM within the Ministry in charge of fisheries and cause Parts 3.1(iii) and 3.2.(i) of the Project to be carried out by the Micro-Finance Institution, in accordance with the provisions of Article II of the Standard Conditions and the agreement to be entered into between the World Bank and the Micro-Finance Institution, as such agreement may be amended from time to time (“Project Agreement”).
- 2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Recipient and the World Bank shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE III
The Grant

- 3.01. The World Bank agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a grant in an amount equal to six million United States Dollars (\$6,000,000) ("Grant") to assist in financing Parts 1, 2 and 4 of the Project.
- 3.02. The Recipient may withdraw the proceeds of the Grant in accordance with Section IV of Schedule 2 to this Agreement.

ARTICLE IV
Additional Remedies

- 4.01. The Additional Events of Suspension referred to in Section 4.02 (i) of the Standard Conditions consist of the following:
- (a) The Member Country has taken or permitted to be taken any action which would prevent or interfere with the performance by the Micro-Finance Institution of its obligations under the Project Agreement.
 - (b) The Micro-Finance Institution has failed to perform any obligation under the Project Agreement.
 - (c) IBRD or IDA has declared the Micro-Finance Institution ineligible to receive proceeds of any financing made by IBRD or IDA, or otherwise to participate in the preparation or implementation of any project financed in whole or in part by IBRD or IDA (including as administrator of funds provided by another financier), as a result of a determination by IBRD or IDA that the Micro-Finance Institution has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of any financing made by IBRD or IDA.
 - (d) As a result of events which have occurred after the date of this Agreement, an extraordinary situation has arisen which makes it improbable that the Micro-Finance Institution will be able to perform its obligations under the Project Agreement.
 - (e) The legislation pursuant to which the Micro-Finance Institution has been established and is operating has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of

the Micro-Finance Institution to perform any of its obligations under the Project Agreement.

- (f) (i) Subject to subparagraph (ii) of this paragraph, the right of the Recipient to withdraw the proceeds of the IDA Financing shall have been suspended, cancelled, terminated, or become due and payable prior to its agreed maturity, in whole or in part, pursuant to the terms of the IDA Financing Agreement.
- (ii) Subparagraph (A) of this paragraph shall not apply if the Recipient establishes to the satisfaction of the Bank that:
 - (A) such suspension, cancellation, termination or prematuring is not caused by the failure of the Recipient to perform any of its obligations under the IDA Financing Agreement; and
 - (B) adequate funds for the Project are available to the Recipient from other sources on terms and conditions consistent with the obligations of the Recipient under the IDA Financing Agreement.
- (g) *Event prior to Effectiveness.* The World Bank has determined after the Effective Date referred to in Section 5.03 of this Agreement that prior to such date but after the date of this Agreement, an event has occurred which would have entitled the World Bank to suspend the Recipient's right to make withdrawals from the Grant Account if this Agreement had been effective on the date such event occurred.

ARTICLE V

Effectiveness; Termination

- 5.01. This Agreement shall not become effective until evidence satisfactory to the World Bank has been furnished to the World Bank that the conditions specified below have been satisfied.
- (a) The execution and delivery of this Agreement on behalf of the Recipient and the Project Agreement on behalf of the Micro-Finance Institution have been duly authorized or ratified by all necessary governmental and corporate action.
 - (b) The Recipient has, in a manner satisfactory to the Association, selected the Micro-Finance Institution to support implementation of Part 3 of the

Project and a Subsidiary Agreement has been executed on behalf of the Recipient and such Project Implementing Entity.

- (c) The IDA Financing Agreement between the Recipient and IDA has been executed and delivered and all conditions precedent to their respective effectiveness or to the right of the Recipient to make withdrawals under it (other than the effectiveness of this Agreement) have been fulfilled.

5.02. As part of the evidence to be furnished pursuant to Section 5.01 (a), there shall be furnished to the World Bank an opinion or opinions satisfactory to the World Bank of counsel acceptable to the World Bank or, if the World Bank so requests, a certificate satisfactory to the World Bank of a competent official of the Member Country, showing the following matters:

- (a) on behalf of the Recipient, that this Agreement has been duly authorized or ratified by, and executed and delivered on its behalf and is legally binding upon it in accordance with its terms;
- (b) on behalf of the Micro-Finance Institution, that the Project Agreement has been duly authorized or ratified by, and executed and delivered on its behalf and is legally binding upon it in accordance with its terms; and
- (c) the Subsidiary Agreement referred to in Section I.C of Schedule 2 to this Agreement has been duly authorized or ratified by the Recipient and the Micro-Finance Institution and is legally binding upon each such party in accordance with its terms.

5.03. Except as the Recipient and the World Bank shall otherwise agree, this Agreement shall enter into effect on the date upon which the World Bank dispatches to the Recipient notice of its acceptance of the evidence required pursuant to Section 5.01 ("Effective Date"). If, before the Effective Date, any event has occurred which would have entitled the World Bank to suspend the right of the Recipient to make withdrawals from the Grant Account if this Agreement had been effective, the World Bank may postpone the dispatch of the notice referred to in this Section until such event (or events) has (or have) ceased to exist.

5.04. *Termination for Failure to Become Effective.* This Agreement and all obligations of the parties under it shall terminate if it has not entered into effect by the date 90 days after the date of this Agreement, unless the World Bank, after consideration of the reasons for the delay, establishes a later date for the purpose

of this Section. The World Bank shall promptly notify the Recipient of such later date.

Article VI
Recipient's Representative; Addresses

- 6.01. The Recipient's Representative referred to in Section 7.02 of the Standard Conditions is the Minister of Finance.
- 6.02. The Recipient's Address referred to in Section 7.01 of the Standard Conditions is:

Ministry of Economy and Finance
Rue René N'diaye
B.P. 4017
Dakar
Senegal

Cable address:	Telex:	Fascimile:
MINIFINANCES Dakar	3203 G	221-821-1630

- 6.03. The World Bank's Address referred to in Section 7.01 of the Standard Conditions is:

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

Cable:	Telex:	Facsimile:
INTBAFRAD Washington, D.C.	248423 (MCI) or 64145 (MCI)	1-202-477-6391

AGREED in the District of Columbia, United States of America, as of the day and year first above written.

REPUBLIC OF SENEGAL

By:

Authorized Representative

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

By:

Authorized Representative

SCHEDULE 1

Project Description

The objective of the Project is to empower the communities to reduce fishing pressure on the fish stocks supporting the central coastal fisheries of Senegal (from the Cape Vert peninsula to the Saloum River delta).

The Project consists of the following parts:

Part 1. Co-Management of Coastal Fisheries (GEF)

1. Consolidation and Strengthening of Coastal Fisheries Co-management

Provision of technical assistance, goods and Training, and carrying out of works in view of:

(i) Confirmation of the pre-selection of the eight sites of the Project and awareness-raising with their communities in order to replicate the co-management model tested in the four Initial Pilot Sites;

(ii) Replication of co-management initiatives in the selected neighboring communities including appointment of facilitators, establishment of CLPs and CLPAs and provision of support for the identification, formulation, implementation and evaluation of CLP Subprojects; and

(iii) Development and implementation of local-level monitoring, control and surveillance measures for fisheries, including, *inter alia*, the participatory monitoring of fish catches, surveillance and enforcement of regulations.

2. Institutional support for a system of Local Fisheries Governance

(i) Carrying out of a program activities to strengthen the capacity of the CLPAs for coordination and review of CLP Subprojects, including brokering agreements among different communities and CLPs; development of national-level management plans; development and implementation of consolidated local fisheries management plans that cover aggregate coastal fisheries in the CLPA area; supporting information exchange through inter-community visits and exchanges.

(ii) Carrying out of a program of activities to enhance the capacity of the CNCPM to discuss and address strategic issues in the sustainable management of fisheries arising at the CLPA level.

Part 2. Rehabilitation of Ecosystems Essential for Coastal Fisheries (GEF)

1. Protected Fishing Zones (ZPPs)

(i) Contribute to the implementation of the policy for the rehabilitation of maritime ecosystems through the establishment of ZPPs, including, *inter alia*, identification and designation of ZPPs; carrying out awareness campaigns on the management and benefits of ZPPs; building capacity of stakeholders for the co-management of the ZPPs; and conducting baseline evaluations of sites and assessments of fish resources and fishing practices.

(ii) Preparation and implementation of management plans for ZPPs.

(iii) Carrying out of feasibility studies on sustainable financing mechanisms for ZPPs.

(iv) Carrying out capacity-building activities aimed at strengthening the capacity of stakeholders and decision makers to replicate ZPPs.

(v) Development of standards and instruments for monitoring, evaluation and surveillance of the ZPPs.

2. Artificial Reefs

(i) Carrying out of feasibility studies for the selection of sites for immersion of artificial reefs and based on the findings of such studies and their inclusion in the Co-Management Agreements of the ZPP Management Plans, immersion and management of the artificial reefs in the ZPPs.

(ii) Provision of technical assistance to the Ministry of the Recipient in charge of fisheries for implementation of the national artificial reef immersion program.

(iii) Carrying out of feasibility studies on sustainable financing mechanisms for artificial reefs.

(iv) Strengthening of community-based management of artificial reefs through the development and implementation of management and surveillance plans.

(v) Development and implementation of protocols and instruments for participatory monitoring and evaluation of artificial reefs.

3. Introduction of Access Rights and Instruments for their Management

Development of a regime of access rights, and provision of support to communities to test the introduction of a management system based on access rights to resources, areas or coastal fisheries.

4. Market incentives for sustainable management for targeted fisheries

Provision of technical assistance, equipment, goods and Training, and financing of Operating Costs, in view of the creation of market incentives for sustainable management for targeted fisheries, including, *inter alia*, validation and pre-evaluation of selected fisheries; carrying out of a study on the prerequisites for access to eco-certification markets; implementation, monitoring and coordination of action plans for eco-certification of targeted fisheries and restructuring of the sector; and certification and promotion of the targeted fisheries.

Part 3. Poverty Alleviation Measures for Fishing Communities and Alternative Livelihoods for Fishers and Fish Processors (IDA)

1. Poverty Alleviation Initiatives in Project-targeted Communities

Piloting of initiatives designed to alleviate and reduce poverty in targeted fishing communities and compensation for the negative impacts caused by local co-management initiatives or initiatives for rehabilitation of ecosystems, through the provision of:

(i) Through the COMO, AL Sub-grants to fishing communities for specific development activities designed to increase revenues by improving the quality of fish products.

(ii) Through the COMO, AL Sub-grants to members of the fishing communities targeted under Parts 1 and 2 of the Project for specific development activities designed to expand alternative income-generating activities.

(iii) Through the Micro-Finance Institution, Micro-Credits to women aimed at encouraging small business development and expanded local product development.

2. Support for Alternative Livelihoods to Fishing for Fishers, Fish Processors and Fish transporters (*mareyeurs*)

(i) Provision of Micro-Credits through the Micro-Finance Institution, for specific development activities designed to support fishers, women fish processors and fish transporters (*mareyeurs*) in finding alternative income-generating activities outside the fishing sector, including provision of training and technical support in identifying and implementing such activities.

(ii) Provision of technical assistance through the Technical Support Institution aimed at developing basic skills and small business management training for the Micro-Credit Beneficiaries.

(iii) Carrying out of a program of activities through the Technical Support Institution aimed at providing on-going support to the Micro-Credit Beneficiaries, including support on organization skills, life-management skills and conflict management skills.

3. Capacity-Building, Monitoring and Evaluation and Communications

Strengthening the capacity of the relevant specialists within the DPM to manage and monitor activities supported by Part 3 of the Project through the provision of goods, Training, technical assistance and an allocation for Operating Costs.

Part 4. Capacity-Building, Monitoring and Evaluation and Communications (GEF)

Strengthening the capacity of the Ministry of the Recipient in charge of fisheries to manage and implement the project through:

(i) Development of a marine fisheries code, including the development and implementation of the national fisheries management plans;

(ii) Provision of goods, technical assistance and allocation for operating costs to the DPM, and carrying out of works, for Project coordination and management, monitoring and evaluation of the Project; and

(iii) Provision of technical assistance to support the replication at the regional and sub-regional level of Project activities.

SCHEDULE 2

Project Execution

Section I. Institutional and Other Arrangements

A. Institutional Arrangements

1. The Ministry of the Recipient in Charge of Fisheries, through its Directorate of Marine Fisheries (DPM), shall be in charge of overall implementation of the Project. To this end, the Recipient shall, throughout Project implementation, maintain the DPM with adequate financial and human resources for the Project.
2. The Recipient shall, throughout Project implementation:
 - (i) maintain the COMO within the DPM, with responsibility for implementing the day-to-day activities of the Project; and
 - (ii) ensure that the COMO is assigned with adequate personnel, including a financial management specialist, procurement specialist, and a national co-management specialist, a monitoring and evaluation specialist, a specialist in fisheries management, and a specialist in community participation, all with qualifications and experience satisfactory to the World Bank.
3. In carrying out the implementation of the Project, the COMO shall be assisted by: (i) facilitators at the community level for implementation of Part 1 of the Project; (ii) an institution selected pursuant to Section 5.01 (d) of this Agreement for implementation of Part 2 of the Project; and (iii) the Micro-Finance Institution and the Technical Support Institution referred to in Section 5.01(a) of this Agreement with responsibility for implementation of Parts 3.1(iii) and 3.2(i) of the Project.

B. Implementation Covenants

The Recipient shall, in a manner satisfactory to the World Bank, ensure that:

1. A CLP is established, in form and substance satisfactory to the World Bank, in each of the eight sites selected under Part 1.2 of the Project by no later than eighteen (18) months after the Effective Date.

2. CLPAs are established, in form and substance satisfactory to the World Bank, in the central coastal region by no later than six months after the Effective Date.
3. A Sub-financing Agreement (i.e. a co-management agreement) for a CLP Project has been signed between the Ministry of the Recipient in charge of fisheries and a CLP in each of the eight sites selected under Part 1.2 of the Project by no later than 24 months after the Effective Date.
4. Consolidated local fisheries management plans referred to in Part 1.2 of the Project have been prepared and submitted to the CNPCM by at least four different CLPAs in the central coastal region by no later than 24 months after the Effective Date.
5. At least one ZPP Management Plan referred to in Part 2.1(i) of the Project has been legally established by no later than 24 months after Effective Date and a second one by no later than 30 months after Effective Date for the sites of sites de Mballing, Nianing, Pointe-Sarène et Mbodiène, and Ouakam-Carrière.
6. All the small-scale fishing and transport vessels originating from within the central coastal region have been registered in accordance with Part 2.3 of the Project by no later than six months after the Effective Date.
7. The Recipient has recruited an external auditor for the Project with qualifications, experience and terms of reference satisfactory to the World Bank by no later than six months after the Effective Date.
8. The baseline data, satisfactory to the World Bank, for key performance indicators for the Project has been collected by no later than two months after the Effective Date.
9. The Recipient has recruited within the COMO, the national co-management specialist supporting implementation of Part 1 of the Project, in a manner satisfactory to the World Bank and in accordance with the terms of Section III of Schedule 2 to this Agreement, by no later than two months after the Effective Date.
10. The Recipient has recruited the institution to support implementation of Part 2 of the Project, in a manner satisfactory to the World Bank and in accordance with the terms of Section III of Schedule 2 to this Agreement, by no later than six months after the Effective Date.

C. Subsidiary Agreement

1. To facilitate the carrying out of the Micro-Finance Institution's Respective Part of the Project, the Recipient shall make part of the proceeds of the Financing available to the Micro-Finance Institution under a subsidiary agreement between the Recipient and the Micro-Finance Institution, under terms and conditions approved by the World Bank ("Subsidiary Agreement").
2. The Recipient shall exercise its rights under the Subsidiary Agreement in such manner as to protect the interests of the Recipient and the World Bank and to accomplish the purposes of the Financing. Except as the World Bank shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive the Subsidiary Agreement or any of its provisions.

D. Anti-Corruption

The Recipient shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

E. Operational Manuals

1. The Recipient shall ensure that a Project Operational Manual, in form and substance satisfactory to the World Bank, is adopted and furnished to the World Bank for approval setting forth the eligibility criteria and appraisal, approval, contracting and supervision arrangements and procedures for the Subgrants and Micro-Credits under Part 3 of the Project, including a model Sub-financing Agreement, and the detailed arrangements and procedures for: (i) institutional coordination and day-to-day execution of the Project; (ii) environmental and social safeguards management; and (iii) monitoring, evaluation, reporting and communication.
2. The Recipient shall ensure that an Administrative and Financial Manual, in form and substance satisfactory to the World Bank, is adopted and furnished to the World Bank for approval for the Project setting forth the detailed arrangements and procedures for: (i) disbursement and financial management; (ii) procurement; and (iii) such other administrative, financial, technical and organizational arrangements and procedures as shall be required for the Project.
3. The Recipient shall ensure that the Project is carried out in accordance with the Project Operational Manual (provided, however, that in case of any conflict between the provisions of the Project Operational Manual and the provisions of this Agreement, the provisions of this Agreement shall prevail), and shall ensure

that none of the provisions of the Project Operational Manual are amended, abrogated or waived without the prior written approval of the World Bank.

F. Sub-projects

1. General

The Recipient, through the DPM, shall appraise, approve, and monitor the Subprojects under Part 1 and Parts 3.1(i) and 3.1(ii) of the Project in accordance with the provisions of this Section I.F and the Operational Manuals.

2. Eligibility Criteria and Procedures for CLP Subprojects under Part 1 of the Project

Except as the World Bank may otherwise agree in writing, no proposed Subproject shall be eligible for financing under Part 1 of the Project unless the CNCPM and the relevant CLPA (if operational) have reviewed and concluded, as confirmed by the relevant Co-Management Agreement, on the basis of an appraisal (including an environmental assessment for the CLP Subproject conducted in accordance with the EMF), conducted in accordance with guidelines acceptable to the World Bank, that the proposed Subproject satisfies the eligibility criteria specified below, and such additional criteria as may be specified in the Project Operational Manual:

- (a) the proposed CLP Subproject shall be prepared and implemented by a CLP, with assistance from a facilitator, which has the necessary experience and qualifications to provide support to the carrying out the CLP Subproject, and has prepared an acceptable co-management plan and budget for the CLP Subproject;
- (b) the proposed CLP Subproject consists of specific development activities set forth in the Project Operational Manual, including, *inter alia*, establishing: (i) restrictions on fish sizes or on fishing gear that go beyond existing regulations; (ii) limits on daily catch, the number of daily fishing trips, and daily landings; (iii) setting allowable catch within a specific marine area; and (iv) seasonal closures; and
- (c) if, on the basis of the environmental assessment conducted for the Subproject, an environmental management plan and/or resettlement plan are or is required, such plan or plans have been prepared pursuant to the ESMF and the Process Framework and have been approved by the World Bank.

3. Eligibility Criteria and Procedures for AL Subprojects under Parts 3.1(i) and 3.1(ii) of the Project

Except as the World Bank may otherwise agree in writing, no proposed AL Subproject shall be eligible for financing under Part 3 of the Project unless the COMO has reviewed and concluded, on the basis of an appraisal (including an environmental assessment for the Subproject conducted in accordance with the ESMF), conducted in accordance with guidelines acceptable to the World Bank, that the proposed AL Subproject satisfies the eligibility criteria specified below, and such additional criteria as may be specified in the Project Operational Manual:

- (a) the proposed Subproject shall be prepared and implemented by an AL Beneficiary with assistance from the Technical Support Institution;
- (b) the proposed Subproject consists of specific development activities set forth in Part 3 of the Project and further elaborated in the Project Operational Manual; and
- (c) if, on the basis of the environmental assessment conducted for the Subproject, an environmental management plan and/or resettlement plan are or is required, such plan or plans have been prepared pursuant to the EMF and the Process Framework and have been approved by the World Bank.

4. Eligibility Criteria and Procedures for Micro-Credit Subprojects under Parts 3.1(iii) and 3.2(i) of the Project

Except as the World Bank may otherwise agree in writing, no proposed Micro-Credit Subproject shall be eligible for financing under Parts 3.1(iii) and 3.2(i) of the Project unless the Micro-Finance Institution has reviewed and concluded, on the basis of an appraisal (including an environmental assessment for the Subproject conducted in accordance with the ESMF), conducted by the Technical Support Institution and the relevant CLP in accordance with guidelines acceptable to the World Bank, that the proposed Micro-Credit Subproject satisfies the eligibility criteria specified below, and such additional criteria as may be specified in the Project Operational Manual:

- (a) the proposed Subproject shall be prepared and implemented by an Micro-Credit Beneficiary, with assistance from the Technical Support Institution;

- (b) the proposed Subproject consists of specific development activities set forth in the Project Operational Manual; and
- (c) if, on the basis of the environmental assessment conducted for the Micro-Credit Subproject, an environmental management plan and/or resettlement plan are or is required, such plan or plans have been prepared pursuant to the ESMF and the Process Framework and have been approved by the World Bank.

5. Terms and Conditions of Sub-financing Agreements

- (a) A Sub-Financing shall be made to the Beneficiaries under a Sub-financing Agreement signed between the Ministry of the Recipient in charge of fisheries and a Beneficiary for CLP Subprojects or an AL Sub-Project, and between the Micro-Finance Institution and Micro-Credit Beneficiary for a Micro-Credit Subproject, on terms and conditions satisfactory to the World Bank, including the following, whereby:
 - (i)
 - (x) For a CLP Subproject: the Sub-financing shall be made on a grant basis.
 - (y) For an AL Subproject: the terms of the Sub-financing shall be described in the Project Operational Manual.
 - (z) For a Micro-Credit Subproject: the terms of the Sub-financing shall be described in the Project Operational Manual.
 - (ii) the Beneficiary shall undertake to: (A) carry out the Subproject with due diligence and efficiency and in accordance with sound environmental, social, engineering, financial, and managerial standards and practices, including in accordance with the provisions of the Anti-Corruption Guidelines applicable to recipients of Financing proceeds other than the Recipient; (B) maintain adequate records to reflect, in accordance with sound accounting practices, the resources, operations, and expenditures relating to the Subproject; (C) procure the goods, works, and services to be financed out of the proceeds of the Sub-financing in accordance with the provisions of Section III of this Schedule 2, and use the same exclusively in the carrying out of the Subproject; and

- (iii) the Recipient shall obtain rights adequate to protect its interests and those of the World Bank, including the right to: (A) inspect by itself, or jointly with the World Bank, if the World Bank shall so request, the goods, works, sites, plants, and construction included in the Subproject, the operations thereof, and any relevant records and documents; (B) obtain all information as it, or the World Bank, shall reasonably request regarding the administration, operation, and financial condition of Subproject and the Beneficiary; and (C) suspend or terminate the right of any Beneficiary to use the proceeds of the Sub-financing upon failure by the Beneficiary to perform any of its obligations under the Sub-financing Agreement.
- (b) The Recipient shall exercise its rights under the Sub-financing Agreement in such manner as to protect its interests and the interests of the World Bank and to achieve the Project's objective, and, except as the World Bank shall otherwise agree, the Recipient shall not assign, amend, abrogate, or waive the Sub-financing Agreement or any of its provisions.

G. Safeguards

The Recipient shall ensure that the Project is implemented in accordance with the provisions of the Environmental Assessment, Environmental and Social Management Framework, and the Process Framework in a manner satisfactory to the World Bank, and the Recipient shall not amend or waive any provision of the aforementioned without the prior written agreement of the World Bank.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports; Completion Report

1. The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of indicators set forth below in sub-paragraph (b) of this paragraph. Each Project Report shall cover the period of one calendar quarter, and shall be furnished to the World Bank not later than 45 days after the end of the period covered by such report.
2. The performance indicators referred to above in sub-paragraph (a) consist of the following:

- (a) Increase in the average size of fish caught for targeted species in co-management sites.
- (b) Reduction in the level of fishing effort for targeted species in co-management sites.
- (c) 8 new co-management sub-project proposals are approved as legal agreements with the Recipient and successfully implemented by the Closing Date.
- (d) 70 percent of community members surveyed in participating communities are satisfied with project activities to rehabilitate coastal fish stocks.
- (e) Each targeted community has access to a system of micro-credits and poverty reduction measures have been implemented in at least the four Initial Pilot Sites.

B. Financial Management; Financial Reports; Audits

1. The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.
2. The Recipient shall ensure that interim unaudited financial reports for the Project are prepared and furnished to the World Bank not later than forty five (45) days after the end of each calendar quarter, covering the quarter, in form and substance satisfactory to the World Bank.
3. The Recipient shall have its Financial Statements for the Project audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Each such audit of the Financial Statements shall cover the period of one fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the World Bank no later than 6 months after the end of such period.

Section III. Procurement

A. General

1. **Goods and Works.** All goods and works required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Section.
2. **Consultants' Services.** All consultants' services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines, and with the provisions of this Section.
3. **Definitions.** The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Bank of particular contracts, refer to the corresponding method described in the Procurement Guidelines, or Consultant Guidelines, as the case may be.

B. Particular Methods of Procurement of Goods and Works

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods and works shall be procured under contracts awarded on the basis of International Competitive Bidding.
2. **Other Methods of Procurement of Goods and Works.** The following table specifies the methods of procurement, other than International Competitive Bidding, which may be used for goods and works. The Procurement Plan shall specify the circumstances under which such methods may be used:

Procurement Method
(a) National Competitive Bidding
(b) Shopping
(c) Procurement from UN Agencies
(d) Direct Contracting
(e) Community Participation

C. Particular Methods of Procurement of Consultants' Services

1. **Quality- and Cost-based Selection.** Except as otherwise provided in paragraph 2 below, consultants' services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.
2. **Other Methods of Procurement of Consultants' Services.** The following table specifies methods of procurement, other than Quality- and Cost-based Selection, which may be used for consultants' services. The Procurement Plan shall specify the circumstances under which such methods may be used.

Procurement Method
(a) Selection Based on Consultants' Qualifications (CQS)
(b) Selection under a Fixed Budget (FBS)
(c) Single Source Selection (SSS)
(d) Least Cost Selection
(e) Individual Consultants
(f) Quality Based Selection

D. Review by the Association of Procurement Decisions

Except as the Association shall otherwise determine by notice to the Recipient, the following contracts shall be subject to Prior Review by the Association: (a) each contract for goods estimated to cost the equivalent of \$300,000 or more; (b) each contract for works (in case of civil works occurring during the project's implementation) estimated to cost the equivalent of \$1,000,000 or more; (c) each contract for consultants' services provided by a firm estimated to cost the equivalent of \$200,000 or more; (d) each contract for services other than consultants' services estimated to cost the equivalent of \$30,000 or more; (e) each contract for individual consultant estimated to cost the equivalent of \$50,000 or more; (f) all contract procured on the basis of single source or direct contracting; and (g) the first contract of goods procured through National Competitive Bidding and the first contract of consultant services procured through Quality and Cost Based Selection. All other contracts shall be subject to Post Review by the Association.

The procurement plan will be updated annually, including also the prior review thresholds, in agreement with the project team or as required to reflect the actual project implementation needs and improvements of the procurement performance.

Section IV. Withdrawal of Grant Proceeds

A. General

1. The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) Article III of the Standard Conditions; (b) this Section; and (c) such additional instructions as the World Bank may specify by notice to the Recipient (including the “World Bank Disbursement Guidelines for Projects” dated May 2006, as revised from time to time by the World Bank and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.

2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Grant (“Category”), the allocations of the amounts of the Grant to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

Category	Amount of the Grant Allocated (expressed in USD)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, works, Operating Costs and consultants’ services for Part 1 of the Project	1,240,000	100%
(2) Subprojects under Part 1 of the Project	1,210,000	100% of amounts disbursed
(3) Goods, works and consultants’ services for Part 2 of the Project	2,400,000	100%
(4) Goods, works and consultants’ services for Part 4 of the Project	910,000	100%
(5) Unallocated	240,000	
TOTAL AMOUNT	6,000,000	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made:
 - (a) for payments made prior to the date of this Agreement; or
 - (b) under Category 2 unless the respective Sub-financing Agreement has been signed in accordance with the provisions of this Schedule and the Project Operational Manual.
 - (c) under Categories 1 and 2 unless the national co-management specialist to support implementation of Component 1 of the Project has been recruited in a manner satisfactory to the Bank.
 - (d) under Category 3 unless the institution to support implementation of Component 2 of the Project has been recruited in a manner satisfactory to the Bank.

2. The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is March 31, 2012.

APPENDIX

Definitions

1. “Administrative and Financial Manual” means the manual to be adopted by the Recipient, outlining administrative, financial management, and accounting arrangements, as shall have been agreed with the World Bank for purposes of Project implementation and shall be applied by the Recipient in accordance with the provisions of Section I.E.2 of Schedule 2 to this Agreement, as the same may be amended from time to time with the prior written consent of the World Bank, and such term includes any schedules to the Administrative, Financial, and Accounting Procedures Manual
2. “AL Beneficiary” means the individuals, families or community groups whose income from fishing is reduced due to co-management initiatives, or to measures of rehabilitation of maritime ecosystems, that meet the eligibility criteria set out in Section I.F.3 of Schedule 2 to this Agreement and further elaborated in the Project Operational Manual, to whom or for whose benefit an AL Sub-grant or AL Sub-loan is made or proposed to be made.
3. “AL Subproject” means a specific development activity to be financed under Part 3.1(i) or 3.1(ii) of the Project.
4. “AL Sub-grants” means a Sub-grant made to an AL Beneficiary.
5. “Anti-Corruption Guidelines” means the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006.
6. “Association” means the International Development Association.
7. “Beneficiary” means either an AL Beneficiary, a CLP Beneficiary, or a Micro-Credit Beneficiary, and “Beneficiaries” means more than one such Beneficiary.
8. “CBO” means a community-based organization established and operating pursuant to the laws of the Recipient.
9. “CLP” means the *Comité Local de Pêcheurs*, a committee established, or to be established, in accordance with relevant laws of the Recipient and consisting of local fishermen and stakeholders, responsible for developing co-management initiatives and CLP Subprojects for their local communities.

10. “CLP Subproject” means a specific development activity under Part 1(i) and (ii) of the Project consisting of proposed co-management initiatives to be carried out by a CLP Beneficiary and financed or to be financed out of the proceeds of the Financing through a Sub-grant.
11. “CLPA” means the *Conseil Local de Pêche Artisanale* or the Local Artisanal Fisheries Council, a fisheries council, established at supra-community level composed of representatives of the CLPs and the Ministry of the Recipient in charge of fisheries and with responsibility for consolidating and coordinating local co-management initiatives developed or proposed by the CLPs in the CLPAs geographical area.
12. “CLP Beneficiary” means a local community which meets the eligibility criteria set out in Section I.F.2 of Schedule 2 to this Agreement and further elaborated in the Project Operational Manual and to which or for whose benefit a Sub-grant is made or proposed to be made
13. “CNCPM” means the Recipient’s National Consultative Council for Marine Fishers.
14. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
15. “Co-financing Agreement” means the agreement to be entered into between the Recipient and the relevant Co-financier providing for the Co-financing to be extended by such Co-financier.
16. “Co-management” means a system of co-management of fishing resources, including area-based co-management, established between the Recipient and local fisheries committees.
17. “Co-management Agreement” means the co-management agreement signed by the Minister in charge of fisheries for each CLP Subproject.
18. “COMO” means *Cellule Opérationnelle de Mise en Oeuvre*, the implementation unit for the Project established within DPM (*Direction des Pêches Maritimes*).
19. “Consultant Guidelines” means the “Guidelines: Selection and Employment of Consultants by World Bank Borrowers” published by the Bank in May 2004 and revised in October 2006.

20. “DPM” means the *Direction des Pêches Maritimes*, the Directorate for Marine Fisheries within the Ministry of the Recipient in charge of fisheries referred to in Section I.A.1 of Schedule 2 to this Agreement.
21. “Environmental Assessment” means the assessment, dated August 21, 2008 and published by Infoshop on July 8, 2008, in form and substance satisfactory to the World Bank, describing the potential adverse environmental impact of the Project and measures for offsetting, reducing, or mitigating such impact, and including the Environmental and Social Management Framework.
22. “Environmental and Social Management Framework” or “ESMF” means the framework setting out modalities to be followed in assessing the potential adverse environmental and social impact associated with activities to be implemented under the Project and the specific Sub-Projects, and the measures to be taken to offset, reduce, or mitigate such adverse impact.
23. “IDA Financing” means the credit in the amount of two million three hundred thousand Special Drawing Rights (SDR 2,300,000) to be provided by the Association to assist in financing the Project.
24. “IDA Financing Agreement” means the agreement between the Association and the Recipient providing for the IDA Grant.
25. “Micro-Credit Subproject” means a specific development activity to be financed under Part 3.1(iii) or 3.2(i) of the Project.
26. “Micro-Credit Beneficiary” means: (i) the fishers, women fish processors and fish transporters (*mareyeurs*) who choose to leave the fishing sector to find alternative income-generating activities outside the fishing sector; or (ii) women living in the target sites that choose to obtain a Micro-Credit to start or expand a micro-enterprise, and that meet the eligibility criteria set out in Section I.F.4 of Schedule 2 to this Agreement and further elaborated in the Project Operational Manual, to whom or for whose benefit a Micro-Credit is made or proposed to be made.
27. “Ministry of the Recipient in charge of fisheries” means on the Effective Date, the *Ministère de l’Economie Maritime, des Transports Maritimes de la Pêche et de la Pisciculture*, the Recipient’s Ministry of Maritime Economy and Transport or, thereafter, any other Ministry of the Recipient in charge of the fishing sector.
28. “Operational Manuals” means the Project Operational Manuel and the Administrative and Financial Manual.

29. “Operating Costs” means incremental recurrent expenditures incurred by the COMO on account of the Project implementation including office supplies, fuel and maintenance of vehicles, maintenance of equipment, telephone and other communications charges, office rent and insurance for vehicles, motorcycles and office equipment and furniture, travel and supervision.
30. “Initial Pilot Sites” means the pilot sites of Ouakam, Ngaparou, Foudiougne and Bétanti.
31. “Process Framework” means document prepared and adopted by the Recipient on August 21, 2008 and published by Infoshop on July 8, 2008, and satisfactory to the World Bank, to guide the mitigation of potential negative impacts on the livelihoods on populations resident in the targeted areas, as the same may be modified from time to time by agreement between the Recipient and the World Bank.
32. “Procurement Guidelines” means the “Guidelines: Procurement under IBRD Loans and IDA Credits” published by the Bank in May 2004 and revised in October, 2006.
33. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated October 29, 2008 and referred to in paragraph 1.16 of the Procurement Guidelines and paragraph 1.24 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.
34. “Program” means the program set forth or referred to in the letter of Sector Policy dated April, 2007 from the Recipient to the World Bank, describing a set of objectives, policies and actions for promoting the Recipient’s fisheries sector to be one of its key drivers of economic growth.
35. “Project Implementing Entity” or “Micro-Finance Institution” means an existing micro-finance agency to be selected by the Recipient pursuant to Section 5.01(a) of this Agreement and complying with at least the following requirements: (i) the micro-finance agency is a well established national agency; (ii) which has the ability to cover at least the geographic intervention area of the Project; and (iii) has prior experience in the micro-finance for the fisheries sector.
36. “Project Operational Manual” means the manual to be adopted pursuant to Section I.E.1 of Schedule 2 of this Agreement, setting forth the eligibility criteria and appraisal, approval, contracting and supervision arrangements and procedures for the Sub-grants and Sub-loans under Part 3 of the Project, including a model of Sub-financing Agreement, and the detailed arrangements

and procedures for: (i) institutional coordination and day-to-day execution of the Project; (ii) disbursement and financial management; (iii) procurement; (iv) environmental and social safeguards management; (v) monitoring, evaluation, reporting and communication; and (vi) such other administrative, financial, technical and organizational arrangements and procedures as shall be required for the Project.

37. “Sub-financing” means a Sub-grant or a Micro-Credit, and “Sub-financings” means, collectively, all such Sub-grants and Micro-Credits.
38. “Sub-financing Agreement” means an agreement concluded between, on the one part, the Recipient or the (Micro-Finance Institution) and a Beneficiary, on the other part, for the purpose of extending a Sub-financing to such Beneficiary.
39. “Sub-grant” means a grant to be made out of the proceeds of the Financing for the purpose of financing eligible expenditures required for a Sub-project in accordance with the provisions of Section I.F.2, I.F.3 or I.F.4 of Schedule 2 to this Agreement.
40. “Sub-project” means either an AL Subproject, a CLP Subproject or a Micro-Credit Subproject, and “Subprojects” means, collectively, all such Subprojects.
41. “Subsidiary Agreement” means the agreement referred to in Section I.C of Schedule 2 to this Agreement pursuant to which the Recipient shall make part of the proceeds of the Financing available to the Micro-Finance Institution.
42. “Technical Support Institution” means the technical institution to be recruited pursuant to Section 5.01 (a) of this Agreement to support implementation of Part 3 of the Project.
43. “Training” means the training of persons involved in Project-supported activities, such term including seminars, workshops, and study tours, and costs associated with such activity include travel and subsistence costs for training participants, costs associated with securing the services of trainers, rental of training facilities, preparation and reproduction of training materials, and other costs directly related to training preparation and implementation.
44. “ZPPs” or “Protected Fishing Zones” means the areas to be established under Part 2.1 of the Project where fishing would be limited in order to protect key habitat of fish stocks.

45. “ZPP Management Plan” means the management plans to be prepared under Part 2.1(ii) of the Project for each ZPP and that will define the management and conservation measures applicable in each ZPP.