

CONFORMED COPY

GEF GRANT NUMBER TF 28303 IVC

Global Environment Facility Trust Fund Grant Agreement

(Pilot Community-Based Natural Resource and
Wildlife Management Project)

between

REPUBLIC OF COTE D'IVOIRE

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

acting as Trustee of the Global Environment Facility
Trust Fund

Dated November 30, 1995

GET GRANT NUMBER TF 28303 IVC

GLOBAL ENVIRONMENT TRUST FUND GRANT AGREEMENT

AGREEMENT, dated November 30, 1995, between REPUBLIC OF COTE D'IVOIRE (the Recipient) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT acting as Trustee of grant funds provided by Participants of the Global Environment Facility into the Global Environment Facility Trust Fund (GET) (the Trustee).

WHEREAS: (A) the International Bank for Reconstruction and Development (the Bank) pursuant to Resolution No. 94-2 of May 24, 1994, of the Executive Directors of the Bank (the Resolution), adopted the Instrument for the Establishment of the Restructured Global Environment Facility to assist in the protection of the global environment and promote thereby environmentally sound and sustainable economic development;

(B) certain members of the Bank (the Participants) have provided resources by way of grant into the GET and the Participants have requested and the Bank has agreed, to administer such grant funds as Trustee, for the purposes of, and in accordance with the provisions of the Resolution;

(C) the Recipient, having satisfied itself as to the feasibility and priority of the Project described in Schedule 2 to this Agreement, has requested assistance from the resources of the GET in the financing of the Project, and the Trustee has determined that such assistance would be in accordance with the provisions of the Resolution;

(D) the Recipient intends to obtain from the Kingdom of Belgium (Belgium) a grant (the Belgian Grant) in an amount of ninety four million one hundred sixty thousand Belgian Francs (BF 94,160,000) to assist in financing the Project;

(E) Belgium has appointed the International Bank for Reconstruction and

Development to administer the Belgian Grant in accordance with the provisions of a Cofinancing Agreement dated October 5, 1993, between Belgium and the Bank, and the Bank has accepted such appointment; and

WHEREAS the Trustee has agreed, on the basis, inter alia, of the foregoing, to extend the GET 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, dated January 1, 1985, 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), (f), (g), (i) and (k), 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;
 - (x) Article XI; and
 - (xi) Sections 12.01, 12.03 and 12.04.
- (b) The General Conditions shall be modified as follows:
- (i) a new paragraph shall be added to the end of Section 2.01 to read as follows: "the term "Special Drawing Rights" and the symbol "SDR" mean special drawing rights as valued by the International Monetary Fund in accordance with its Articles of Agreement";
 - (ii) the term "Bank", wherever used in the General Conditions, other than in Sections 2.01 (8) and 6.02 (f) thereof and the last use of such term in Section 5.01 thereof, means the Trustee except that in Section 6.02, the term "Bank" shall also include the International Bank for Reconstruction and Development acting in its own capacity;
 - (iii) the term "Borrower", wherever used in the General Conditions, means the Recipient;
 - (iv) the term "Loan Agreement", wherever used in the General Conditions, means this Agreement;
 - (v) the term "Loan" and "loan" wherever used in the General Conditions, means the GET Grant;
 - (vi) the term "Loan Account" wherever used in the General Conditions, means the GET Grant Account; and
 - (vii) A new subparagraph shall be added after subparagraph (j) in Section 6.02 as follows: "An extraordinary situation shall have arisen in which any further disbursement under the GET Grant would

exceed the resources available for disbursement from the GET."

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) "AGEREF" means Association pour la Gestion des Ressources Naturelles et de la Faune, an association of Village Organizations for Management of Natural Resources and Wildlife, to be established pursuant to the Recipient's Law No. 60-135 dated September 21, 1960;

(b) "Belgian Grant Account" means the account opened by the Trustee on its books in the name of the Recipient to which the amount of the Belgian Grant is credited;

(c) "CAA" means Caisse Autonome d'Amortissement, a public financial institution of the Borrower;

(d) "IUCN" means Union Mondiale pour la Nature, an international non-governmental organization;

(e) "Management Contracts" means the management agreements entered into by the VOs (as hereinafter defined) on the one hand, and the TSUs (as hereinafter defined) or the AGEREFs, as the case may be, on the other, pursuant to Schedule 4 to this Agreement;

(f) "MINAGRA" means the Recipient's Ministry responsible for agriculture and animal resources;

(g) "NGO" means a non-governmental organization;

(h) "PC" means the Project Coordinator appointed by the Recipient, pursuant to the Recipient's Arrêté interministériel No. 180/MINAGRA/MEFP, dated November 9, 1995;

(i) "NSC" means the National Steering Committee to be established by the Recipient pursuant to paragraph A.2 of Schedule 4 to this Agreement;

(j) "Project Implementation Manual" means the manual referred to in Section 6.01 (d) of this Agreement;

(k) "Project Sites" means the Warigué and Monts Tingui areas in the Recipient's territory;

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

(m) "Technical Assistance Contracts" means the technical assistance agreements entered into by the TSUs on the one hand, and the AGEREFs or the VOs, as the case may be, on the other, pursuant to paragraphs C.2 and D.4 of Schedule 4 to this Agreement;

(n) "Terroir" means the area within a Project site in which a VO carries out its functions;

(o) "Trial Commercial Operations" means commercial activities such as the trade of honey and medicinal plants financed under the Project, other than hunting or cropping operations;

(p) "TSU" means the Technical Support Unit to be established by the Recipient, pursuant to paragraph B.5 of Schedule 4 to this Agreement;

(q) "VO" means a Village Organization, to be established pursuant to the Recipient's Law No. 60-315 dated September 21, 1960 relative aux associations or pursuant to the Recipient's Law No. 77-332 dated June 1, 1977 portant statut de la coopération; and

(r) "Regional Account" means the account to be opened by the TSU or AGEREF, as the case may be, under the Project, referred to in the Project Implementation Manual.

Section 1.03. For the purposes of this Agreement, the term "Trustee", whenever used in relation to the administration of the Belgian Grant, shall be construed to include the Bank as administrator of the Belgian Grant.

ARTICLE II

The GET Grant

Section 2.01. The Trustee agrees to make available to the Recipient, on the terms and conditions set forth or referred to in this Agreement, the GET Grant in an amount in various currencies equivalent to two million eight hundred thousand Special Drawing Rights (SDR 2,800,000).

Section 2.02. (a) The amount of the GET Grant and the Belgian Grant may be withdrawn from the GET Grant Account and the Belgian Grant Account in accordance with the provisions of Schedule 1 to this Agreement for expenditures made (or, if the Trustee shall so agree, to be made) in respect of the reasonable cost of goods, works and services required for carrying out the Project and to be financed out of the proceeds of the GET Grant and the Belgian Grant.

(b) The Recipient may for the purposes of the Project, open and maintain in CFA Francs a special deposit account (the Special Account) in CAA on terms and conditions satisfactory to the Trustee. 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 December 31, 2001 or such later date as the Trustee shall establish. The Trustee 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 MINAGRA with due diligence and efficiency and in conformity with appropriate administrative, financial and engineering practices and with due regard to ecological, biodiversity and environmental factors, and shall provide, promptly as needed, the funds, facilities, services and other resources required for the Project.

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

Section 3.02. Without limitation upon any of its obligations under Section 3.01 of this Agreement, the Recipient shall:

(a) establish and thereafter maintain until completion of the Project a Project Account (hereinafter referred to as Project Account) in CAA on terms and conditions satisfactory to the Trustee to be used exclusively for the purposes of meeting expenditures incurred under the Project; and

(b) deposit into the Project Account, promptly before each fiscal quarter, sufficient funds to finance the Recipient's contribution to the cost of the Project for such fiscal quarter, as estimated by the Recipient in consultation with the Trustee.

Section 3.03. Except as the Trustee 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 GET Grant and the Belgian Grant shall be governed by the provisions of Schedule 3 to this Agreement.

Section 3.04. (a) The Recipient shall not later than November 30, 1998 carry out jointly with the Trustee, a midterm review of the Project during which they shall exchange views generally on all matters relating to the progress of the Project and the performance by the Recipient of its obligations under this Agreement. Without limitation upon the foregoing, the review shall cover, inter alia: (i) an assessment of the Project strategy; (ii) an assessment of the management of the wildlife and its habitat and biodiversity conservation; (iii) an evaluation of the effectiveness and profitability of natural resource utilization; (iv) an analysis of the impact of the

Project on the socio-economic development in the Project Sites; (v) an assessment of Project management and an analysis of the Project impact on institutional development and local capacity building; (vi) a review of the monitoring indicators for Project performance and impact; and (vii) an analysis of the monitoring and evaluation process established under the Project and a review of the feedback process to Project management.

(b) The Recipient shall prepare and submit to the Trustee: (i) not later than eight weeks prior to the review referred to in paragraph (a) above, a report of Project activities of such scope and in such detail as the Trustee shall have reasonably requested; and (ii) an action plan, satisfactory to the Trustee, based on and having due regard to the recommendations of said review and thereafter adopt and implement such plan.

Section 3.05. Without limitation upon the provisions of Article IX of the General Conditions, the Borrower shall:

(a) prepare, on the basis of guidelines acceptable to the Trustee, and furnish to the Trustee not later than six (6) months after the Closing Date or such later date as may be agreed for this purpose between the Borrower and the Trustee, a plan for the future operation of the Project;

(b) afford the Association a reasonable opportunity to exchange views with the Borrower on said plan; and

(c) thereafter, carry out said plan with due diligence and efficiency and in accordance with appropriate practices, taking into account the Association's comments thereon.

ARTICLE IV

Financial Covenants

Section 4.01. (a) The Recipient shall maintain, or cause to be maintained, records and accounts adequate to reflect in accordance with sound accounting practices the operations, resources and expenditures of the departments or agencies of the Recipient responsible for carrying out the Project.

(b) The Recipient shall:

- (i) have the records and accounts referred to in paragraph (a) of this Section including those for the Special Account for each fiscal year audited, in accordance with appropriate auditing principles consistently applied, by independent auditors acceptable to the Trustee;
- (ii) furnish to the Trustee as soon as available, but in any case not later than six months after the end of each such year the report of such audit by said auditors, of such scope and in such detail as the Trustee shall have reasonably requested; and
- (iii) furnish to the Trustee such other information concerning said records and accounts and the audit thereof as the Trustee shall from time to time reasonably request.

(c) For all expenditures with respect to which withdrawals from the GET Grant Account and the Belgian Grant Account were made on the basis of statement of expenditures, the Recipient shall:

- (i) maintain, or cause to be maintained, in accordance with paragraph (a) of this Section, records and accounts reflecting such expenditures;
- (ii) retain, until at least one year after the Trustee has received the audit report for the fiscal year in which the last withdrawal from the GET Grant Account and the Belgian Grant Account was made, all records (contracts, orders, invoices, bills, receipts and other documents) evidencing such expenditures;
- (iii) enable the Trustee's representatives to examine such records; and
- (iv) ensure that such records and accounts are included in the annual

audit referred to in paragraph (b) of this Section and that the report of such audit contains a separate opinion by said auditors as to whether the statements of expenditures submitted during such fiscal year, together with the procedures and internal controls involved in their preparation, can be relied upon to support the related withdrawals.

Section 4.02. (a) The Recipient shall cause the TSUs or AGEREFs, as the case may be, to maintain records and accounts adequate to reflect in accordance with sound accounting practices the operations and financial condition of the TSUs or AGEREFs, as the case may be.

(b) The Borrower shall cause the TSUs or AGEREFs, as the case may be, to:

(i) have their records, accounts and financial statements (balance sheets, statements of income and expenses and related statements) for each quarter audited, in accordance with appropriate auditing principles consistently applied, by independent auditors acceptable to the Trustee;

(ii) furnish to the Trustee as soon as available, but in any case not later than one month after the end of each such quarter, (A) certified copies of their financial statements for such quarter as so audited, and (B) the report of such audit by said auditors, of such scope and in such detail as the Association shall have reasonably requested; and

(iii) furnish to the Trustee such other information concerning such records, accounts, financial statements and the audit thereof as the Trustee shall from time to time reasonably request.

ARTICLE V

Remedies of the Trustee

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

(a) The Recipient or any other authority having jurisdiction shall have taken any action for the dissolution or disestablishment of VOs or AGEREFs or for the suspension of their operations.

(b) The Recipient's Law No. 60-315 or the Recipient's Law No. 77-332, or VO's by-laws, or AGEREF's by-laws, shall have been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of VOs or AGEREFs to perform any of their respective obligations under this Agreement.

(c) (i) Subject to subparagraph (ii) of this paragraph, the right of the Recipient to withdraw the proceeds of the Belgian Grant made to the Recipient for the financing of the Project shall have been suspended, cancelled or terminated in whole or in part, pursuant to the terms of the Belgian Grant.

(ii) Subparagraph (i) of this paragraph shall not apply if the Recipient establishes to the satisfaction of the Trustee that: (A) such suspension, cancellation or termination is not caused by the failure of the Recipient to perform any of its obligations under such 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 this Agreement.

ARTICLE VI

Effectiveness; Termination

Section 6.01. The following events are specified as conditions to the effectiveness of this Agreement:

(a) the Recipient has opened the Project Account and has deposited therein an initial deposit in an amount in CFA Francs equivalent to \$100,000;

(b) the Recipient has selected the community-based land management specialist and the conservation and wildlife specialist of the TSUs in accordance with the provisions of Section II of Schedule 3 to this Agreement;

(c) the Recipient has furnished draft standard bidding documents, satisfactory to the Trustee, for the procurement of goods and works and the selection of consultants;

(d) the Recipient has adopted a Project Implementation Manual, satisfactory to the Trustee, outlining the procurement, disbursement, accounting, financial management, and other implementation arrangements for the Project as well as the key Project performance monitoring indicators;

(e) all conditions precedent to the effectiveness of the Belgian Grant Agreement, other than those related to the effectiveness of this Agreement, have been fulfilled; and

(f) the Recipient has entered into an agreement with UICN, under terms and conditions satisfactory to the Trustee, for the provision of technical assistance and advice to the Recipient, the TSUs and the AGEREFs.

Section 6.02. The date one hundred twenty (120) 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 GET Grant and the Belgian Grant have been fully disbursed and the parties to this Agreement have fulfilled all their obligations hereunder.

ARTICLE VII

Representative of the Recipient; Addresses

Section 7.01. The Recipient's Minister at the time responsible for finance 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:

Ministère délégué auprès du Premier Ministre,
chargé de l'Economie, des Finances et du Plan
B.P. V 125
Abidjan
Republic of Côte d'Ivoire

Cable address:

Telex:

MINFIN
Abidjan

23747 MINFIN

For the Trustee:

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

Cable address:

Telex:

INTBAFRAD
Washington, D.C.

197688 (TRT),
248423 (RCA),
64145 (WUI) or
82987 (FTCC)

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

REPUBLIC OF COTE D'IVOIRE

By/s/ Moïse Koumoué Koffi

Authorized Representative

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT as Trustee of
the Global Environment Facility Trust Fund

By /s/ Edward V. K. Jaycox

Regional Vice President
Africa

SCHEDULE 1

Withdrawal of the Proceeds of the GET Grant
and the Belgian Grant

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

| Category | Amount of the GET Grant Allocated (Expressed in SDR Equivalent) | Amount of the Belgian Grant Allocated (Expressed in Belgian Francs Equivalent) | % of Expendi- tures to be Financed |
|--|---|--|---|
| (1) Works | 500,000 | 17,200,000 | 100% of foreign expenditures and 90% of local expenditures |
| (2) Goods and vehicles | 310,000 | 10,600,000 | 100% of foreign expenditures and 75% of local expenditures |
| (3) Consultants' services and training | 680,000 | 23,070,000 | 100% |
| (4) Incremental operating costs | 1,040,000 | 34,910,000 | 90% of local expenditures |
| (5) Unallocated | 270,000 | 8,380,000 | |
| TOTAL | 2,800,000 | 94,160,000 | |

2. With reference to Section 2.02 (a) of this Agreement, each application by the Recipient for withdrawal shall be deemed to be a request to withdraw funds jointly

from the GET Grant Account and the Belgian Grant Account and the funds so withdrawn pursuant to such application shall be apportioned by the Trustee, as nearly as practicable in the circumstances, between the GET Grant and the Belgian Grant in the ratio of 60:40, or such other ratio as shall be agreed between the Trustee and Belgium.

3. 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; provided, however, that if the currency of the Recipient is also that of another country from the territory of which goods or services are supplied, expenditures in such currency for such goods or services shall be deemed to be "foreign expenditures"; and

(c) the term "incremental operating costs" means incremental Project related expenditures incurred by the Recipient for vehicles and equipment operation and maintenance, office and field supplies, local travel and subsistence, and non consultancy salaries.

4. If the Trustee shall have determined at any time that any payment made from the GET Grant Account or the Belgian Grant Account was used for any expenditure not consistent with the provisions of this Agreement, the Recipient shall, promptly upon notice from the Trustee, refund to the Trustee for deposit into the GET Grant Account or the Belgian Grant Account, as the case may be, an amount equal to the amount so used or the portion thereof as specified by the Trustee.

5. The Trustee may require withdrawals from the GET Grant Account or the Belgian Grant Account to be made on the basis of statements of expenditures: (a) for expenditures for goods, works and services under consulting firms contracts not exceeding \$100,000 equivalent; and (b) for expenditures for services under consultant contracts with individuals not exceeding \$50,000 equivalent, under such terms and conditions as the Trustee shall specify by notice to the Recipient.

6. 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.

SCHEDULE 2

Description of the Project

The objective of the Project is to assist the Recipient in preserving biodiversity within the Warigué and Monts Tingui sites through the adoption of a community-based land and natural resource management strategy including: (i) strengthening the capacity of local communities, NGOs, and the Recipient to manage wild plant and animal resources in a sustainable and profitable manner; (ii) improving the management and use of habitat and wildlife populations at each site; (iii) improving local land management practices and infrastructure; and (iv) establishing a durable system for monitoring and evaluating Project implementation and impact.

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

Part A: Local Capacity Building

1. Enhancement of the capacity, through the provision of training and technical assistance, of local communities, local government officials and Project staff, inter alia, in the areas of village organization, project management and planning, management of wildlife and its habitat, use of secondary forest products, anti-poaching, and monitoring and evaluation through the conduct of pilot programs intended to raise environmental awareness.

2. Strengthening of the Recipient's supervision and monitoring capacity of environmentally sensitive activities through the provision of training and technical assistance.

Part B: Management of Wildlife and its Habitat

1. Carrying out of a program for the identification, zoning, and delimitation of Terroirs including wildlife management zones and agro-sylvo-pastoral management zones.
2. Preparation of Terroirs management plans including details of the development of the wildlife management and agro-sylvo-pastoral zones.
3. Carrying out of habitat management activities in the wildlife management zones designed to: (i) improve the quality and quantity of vegetative cover; (ii) improve the availability of water and salt lick; (iii) support anti-poaching activities; and (iv) control the use of natural resources.
4. Rehabilitation of all-weather earth roads and construction of temporary tracks and small dams.
5. Carrying out of studies to assess the commercial potential for natural resources exploitation and for forest product processing and marketing.
6. On the basis of the studies referred to in paragraph 5 above, carrying out of Trial Commercial Operations by the communities.
7. Carrying out of ecological monitoring activities in both Project Sites.

Part C: Land Management and Infrastructure Development

1. Carrying out of community-based land management and infrastructure development activities in various areas including social infrastructure, soil conservation, small-scale irrigation, improved agro-pastoral techniques, rangeland management, agro-forestry, and roads and water supplies.
2. Carrying out of socio-economic monitoring activities in both Project sites.

Part D: Project Management

1. Construction and maintenance of small office buildings and accommodations and the acquisition of, inter alia, vehicles, equipment and generators for use by TSUs and VOs.
2. Support to Project monitoring and evaluation through the carrying out of monitoring and evaluation activities intended to assess the Project implementation and the impact of Project operations.

* * *

The Project is expected to be completed by June 30, 2001.

SCHEDULE 3

Procurement and Consultants' Services

Section I. Procurement of Goods 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 (the Guidelines) and the following provisions of this Section, as applicable.

Part B: International Competitive Bidding

1. Except as otherwise provided in Part C of this Section, goods and works shall be procured under contracts awarded in accordance with the provisions of Section II of the Guidelines and paragraph 5 of Appendix 1 thereto.
2. The following provisions shall apply to goods and works to be procured under contracts awarded in accordance with the provisions of paragraph 1 of this Part B.
 - (a) Grouping of contracts

To the extent practicable, contracts for civil works or goods shall be grouped in bid packages estimated to cost respectively \$250,000 equivalent or more each.

- (b) 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 Recipient and works to be carried out by domestic contractors.

Part C: Other Procurement Procedures

1. National Competitive Bidding

(a) Civil works estimated to cost \$250,000 equivalent or less per contract, and \$1,276,000 equivalent or less in the aggregate, may be procured under contracts awarded in accordance with the provisions of paragraphs 3.3 and 3.4 of the Guidelines.

(b) Goods estimated to cost \$250,000 equivalent or less per contract, and \$672,000 equivalent or less in the aggregate, may be procured under contracts awarded in accordance with the provisions of paragraphs 3.3 and 3.4 of the Guidelines.

2. National Shopping

Goods estimated to cost \$30,000 equivalent or less per contract and \$195,000 equivalent or less in the aggregate, may be procured under contracts awarded on the basis of national shopping procedures in accordance with the provisions of paragraph 3.5 and 3.6 of the Guidelines.

3. Direct Contracting

Satellite images which must be procured from a particular supplier and costing \$30,000 equivalent or less in the aggregate, may, with the Trustee's prior agreement, be procured in accordance with the provisions of paragraph 3.7 of the Guidelines.

4. Community Participation

Civil works costing \$10,000 equivalent or less per contract and \$193,000 equivalent or less in the aggregate, may, with the Trustee's prior agreement, be procured in accordance with the provisions of paragraph 3.15 of the Guidelines and procedures acceptable to the Trustee.

Part D: Review by the Trustee 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 Trustee 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 Trustee, and with the provisions of said paragraph 1.

2. Prior Review

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

1. Consultants' services shall be procured under contracts awarded in accordance with the provisions of the "Guidelines for the Use of Consultants by World Bank Borrowers and by the World Bank as Executing Agency" published by the Bank in August 1981 (the Consultant Guidelines). For complex, time-based assignments, such contracts shall be based on the standard form of contract for consultants' services issued by the Bank, with such modifications thereto as shall have been agreed by the Trustee. Where no relevant standard contract documents have been issued by the Bank, other standard forms acceptable to the Trustee shall be used.

2. Notwithstanding the provisions of paragraph 1 of this Section, the provisions of the Consultant Guidelines requiring prior Trustee review or approval of budgets, short lists, selection procedures, letters of invitation, proposals, evaluation reports and contracts, shall not apply to: (a) contracts for the employment of consulting firms estimated to cost less than \$100,000 equivalent each, or (b) contracts for the employment of individual consultants estimated to cost less than \$50,000 equivalent each. However, said exceptions to prior Trustee review shall not apply to: (a) the terms of reference for such contracts, (b) single-source selection of consulting firms, (c) assignments of a critical nature, as reasonably determined by the Trustee, (d) amendments to contracts for the employment of consulting firms raising the contract value to \$100,000 equivalent or above, or (e) amendments to contracts for the employment of individual consultants raising the contract value to \$50,000 equivalent or above.

SCHEDULE 4

Implementation Program

A. Overall Management and Implementation of the Project

1. The Recipient, through MINAGRA, shall be responsible for the overall execution of the Project and shall implement the Project in three phases, as follows:

(a) during the first phase, the Recipient shall cause the TSUs to assure all financial management and Project management responsibilities;

(b) during the second phase, the Recipient shall take all necessary actions to: (i) ensure the development of the VOs' capacity to manage the wildlife management zones; and (ii) cause the VOs to establish the AGEREFs on terms and conditions satisfactory to the Trustee and in accordance with the provisions of the Project Implementation Manual; and

(c) during the third phase, the Recipient shall cause the gradual transfer of financial management and all other responsibilities of the TSUs from the TSUs to the AGEREFs.

2. The Recipient shall establish the NSC, chaired by a representative of the ministry responsible for wildlife, with membership comprising representatives of the Borrower's ministries responsible for agriculture, environment, interior, scientific research, tourism, economy, finance and plan.

3. The NSC shall: (a) meet at least once a year; (b) approve the Project annual work and budget programs submitted by the PC; and (c) take in consultation with the Trustee the decision to move Project execution from one phase to the next.

4. The decision to move Project execution from the first phase to the second phase shall be based, inter alia, on an assessment of: (i) the VOs' understanding of, and identification with, the objectives and implementation procedures of the Project; (ii) their management and technical capacity; and (iii) their willingness to cooperate, on an informal basis, with other VOs and coordinate their actions in the execution of the Project.

5. The decision to move Project execution from the second phase to the third phase shall be based, inter alia, on an assessment of: (i) the accounting and revenue management capacity of the AGEREFs; (ii) their representation of VOs and local communities; (iii) their technical capacity for the management of wildlife and its habitat and supervision of infrastructure works; and (iv) their understanding of and commitment to Project objectives.

6. The Recipient shall appoint and maintain during the implementation of the Project the PC on terms and conditions acceptable to the Trustee who shall:

(i) coordinate, inter alia, the financial administration, evaluation, supervision and monitoring of the Project, as well as the execution of Project activities;

(ii) prepare in consultation with the TSUs on one hand and the VOs or the AGEREFs, as the case may be, on the other proposals of Project annual work and budget programs; and

(iii) organize the workshops referred to in paragraph A.7 of this Schedule and act as secretary of such workshops.

7. Workshops shall take place annually on each of the Project Sites. They shall be chaired by the Préfet and composed of, inter alia, the sous-préfets, local elected officials, representatives of concerned private groups and NGOs, representatives of VOs and AGEREFs, and local representatives of the administrative and technical services.

Participants to the workshops shall comment on the proposals of the Project's annual work and budget programs submitted by the PC and shall make recommendations on matters relating to Project execution.

B. First Phase of the Project

I. The Village Organizations:

1. The Recipient shall take all necessary actions to ensure the establishment and maintenance of VOs during the execution of the Project under terms and conditions acceptable to the Trustee.

2. The VOs shall be managed by a team including a president, a treasurer secretary, and three members with specific responsibilities in the areas of: (i) rural development; (ii) management of wildlife and its habitat; and (iii) coordination with other VOs and representatives of all resource user groups.

3. The VOs shall: (a) implement the annual work and budget programs approved by the NSC on their Terroirs, grant concessions zones for safari hunting and ecotourism zones, and implement infrastructure and social investments; (b) coordinate the execution of Project activities at the level of the Terroirs; and (c) promote local management capacity.

4. The Recipient shall enter into agreements with each VO on terms and conditions acceptable to the Trustee to: (a) delegate management authority to the VOs over the gazetted forests included in the Terroirs of the VOs; and (b) assist the VOs in carrying out anti-poaching activities.

II. The Technical Support Units:

5. The Recipient shall maintain during the implementation of the Project a TSU at each of the Project's sites with composition and staffing acceptable to the Trustee including, inter alia, a community-based land management specialist, a conservation and wildlife specialist, an anti-poaching assistant, and an accountant.

6. The TSUs shall: (a) be responsible for the day-to-day planning, implementation and monitoring of Project activities at each site, the management of the Regional Accounts, and the administration of Project funds; (b) generally assist the VOs in the implementation and management of the Project, including the preparation of the annual work programs and budgets, the negotiations of agreements and the creation of AGEREFs.

7. In order to facilitate the implementation of the Project, the Recipient shall cause the TSUs to enter into the Management Contracts with the VOs on terms and conditions acceptable to the Trustee.

8. The Management Contracts shall include provisions relating, inter alia, to: (i) the management of the classified forests; (ii) the adoption of improved land use and production practices; (iii) the control and supervision of the management of village wildlife management zones; (iv) the support for agro-sylvo-pastoral development; (v) the financial mechanism for distributing Project generated income to local communities; and (vi) the management by the TSUs of the proceeds of the GET Grant and the Belgian Grant.

9. The TSUs functions will be to, inter alia: (i) organize community training and capacity building; (ii) develop an information and public awareness program; (iii) organize the implementation of management operations of the wildlife and its habitat; (iv) establish community-based survey systems of the wildlife and its habitat; (v) ensure effective coordination with local administration and governmental services; and (vi) propose, design and supervise the construction or rehabilitation, as the case may be, of buildings, rural roads and tracks under the Project.

C. Second Phase

1. During the second phase, the Recipient, through the TSUs, shall take all necessary actions to: (a) cause the VOs to establish formally the AGEREFs on terms and

conditions satisfactory to the Trustee and in accordance with the provisions of the Project Implementation Manual; and (b) ensure the development of the capacity of AGEREFs to manage the wildlife management zones.

2. Where appropriate, the Recipient shall cause the VOs to enter into Technical Assistance Contracts with the TSUs on terms and conditions satisfactory to the Trustee.

D. Third Phase of the Project

1. The Recipient shall take all necessary actions to ensure the maintenance of AGEREFs at each Project Site during the implementation of the third phase of the Project on terms and conditions acceptable to the Trustee and in accordance with the Project Implementation Manual.

2. Two representatives from each VO member of the AGEREF shall be members of the AGEREFs' general assembly. The general assembly shall elect, inter alia, a president, a treasurer, an executive secretary, a wildlife zone manager, an inter-village coordinator and a wildlife utilization manager.

3. During the implementation of the third phase, the AGEREFs: (a) shall be responsible for the day-to-day planning, implementation and monitoring of Project activities at each Project Site and more particularly in the wildlife management zones; and (b) shall, inter alia: (i) promote local management capacity, (ii) coordinate the implementation of Project activities, (iii) be responsible for the management of the Regional Accounts and distribute Project generated income to local communities, (iv) organize community training and capacity building, (v) implement an information and public awareness program, (vi) supervise the implementation of management operations of the wildlife and its habitat, (vii) execute community-based surveys of the wildlife and its habitat, and (viii) ensure effective coordination with local administration and governmental services.

4. The Recipient shall cause the AGEREFs to enter into: (a) the Management Contracts with the VOs on terms and conditions acceptable to the Trustee; and (b) the Technical Assistance Contracts with the TSUs on terms and conditions acceptable to the Trustee.

E. Miscellaneous

Throughout Project execution, the Recipient shall cause representatives of the TSUs or AGEREFs, as the case may be, to meet regularly with their Project counterparts in the Republic of Burkina-Faso to exchange views on the development of compatible plans for management of the wildlife and its habitat, anti-poaching, bushfire management and use of secondary products.

SCHEDULE 5

Special Account

1. For the purposes of this Schedule:

(a) the term "eligible Categories" means Categories (1) through (4) 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 GET Grant or the Belgian 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 \$500,000 to be withdrawn from the GET Grant Account and the Belgian Grant Account, according to the ratio specified in paragraph 2 of Schedule 1 to this Agreement, and deposited into the Special Account pursuant to paragraph 3 (a) of this Schedule, provided, however, that unless the Trustee shall otherwise agree, the Authorized Allocation shall be limited to an amount equivalent to \$250,000 until the aggregate amount of withdrawals from the GET Grant Account and the Belgian Grant Account plus the total amount of all outstanding special commitments entered into by the Recipient pursuant to Section 5.02 of the General Conditions shall be equal to or exceed the equivalent of SDR 1,250,000 and BF 42,890,000.

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 Trustee 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 Trustee a request or requests for a deposit or deposits which do not exceed the aggregate amount of the Authorized Allocation. On the basis of such request or requests, the Trustee shall, on behalf of the Recipient, withdraw from the GET Grant Account and the Belgian Grant Account and deposit in 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 Trustee requests for deposits into the Special Account at such intervals as the Trustee shall specify.

(ii) Prior to or at the time of each such request, the Recipient shall furnish to the Trustee 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 Trustee shall, on behalf of the Recipient, withdraw from the GET Grant Account and the Belgian 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 Trustee from the GET Grant Account and the Belgian 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 Trustee shall reasonably request, furnish to the Trustee 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 Trustee shall not be required to make further deposits into the Special Account:

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

(b) if the Recipient shall have failed to furnish to the Trustee, 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 Trustee pursuant to said Section in respect of the audit of the records and accounts for the Special Account;

(c) if, at any time, the Trustee 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 GET Grant Account or the Belgian Grant Account pursuant to the provisions of Section 6.02 of the General Conditions; or

(d) once the total unwithdrawn amount of the GET Grant and the Belgian Grant allocated to the eligible Categories for the Project, less the amount of any outstanding special commitment entered into by the Trustee 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 GET Grant Account or the Belgian Grant Account of the remaining unwithdrawn amount of the GET Grant or the Belgian Grant allocated to the eligible Categories for the Project shall follow such procedures as the Trustee shall specify by notice to the Recipient. Such further withdrawals shall be made only after and to the extent that the Trustee 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 Trustee 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 Trustee, the Recipient shall, promptly upon notice from the Trustee: (A) provide such additional evidence as the Trustee may request; or (B) deposit into the Special Account (or, if the Trustee shall so request, refund to the Trustee) an amount equal to the amount of such payment or the portion thereof not so eligible or justified. Unless the Trustee shall otherwise agree, no further deposit by the Trustee 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 Trustee 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 Trustee, refund to the Trustee such outstanding amount.

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

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

