

**CONFORMED**

**GEF TRUST FUND GRANT NUMBER TF054199 MLI**

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

**(Gourma Biodiversity Conservation Project)**

**between**

**REPUBLIC OF MALI**

**and**

**INTERNATIONAL BANK FOR RECONSTRUCTION  
AND DEVELOPMENT**

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

**Dated December 14, 2004**

**CONFORMED**

**GEF TRUST FUND GRANT NUMBER TF054199 MLI**

**GLOBAL ENVIRONMENT FACILITY TRUST FUND GRANT AGREEMENT**

AGREEMENT, dated December 14, 2004, between the REPUBLIC OF MALI (the Recipient) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (the Bank) acting as an implementing agency of the Global Environment Facility (GEF) in respect of grant funds provided to the GEF Trust Fund by certain members of the Bank as participants of the GEF.

WHEREAS (A) the Bank has received from the Recipient a letter, dated June 22, 2004, transmitting the Recipient's biodiversity strategy, describing, *inter alia*, a program of actions, objectives and policies designed to support the Recipient's efforts in: (i) implementing its environmental and biodiversity strategies in Gourma, a priority site in the Recipient's territory, (ii) integrating said strategies into the Recipient's decentralization reform activities (the Program), and (iii) declaring the Recipient's commitment to the execution of the Program;

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

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

(D) the Recipient, having satisfied itself as to the feasibility and priority of the Project described in Schedule 2 to this Agreement (the Project), which forms part of the Program, has requested assistance from the resources of the GEF Trust Fund for the Project, and said request having been approved in accordance with the provisions of the Instrument for the Establishment of the Restructured Global Environment Facility approved under Resolution 94-2;

(E) the Recipient intends to obtain from various Donors (as hereinafter defined) grants and loans to assist in the financing of the Program; and

WHEREAS the Bank has agreed, on the basis, *inter alia*, of the foregoing, to extend the GEF Trust Fund Grant to the Recipient upon the terms and conditions set forth in this Agreement;

NOW THEREFORE the parties hereto hereby agree as follows:

## ARTICLE I

### General Conditions; Definitions

Section 1.01 (a) The following provisions of the General Conditions Applicable to Loan and Guarantee Agreements of the Bank for Single Currency Loans, dated May 30, 1995 (as amended through October 6, 1999), with the modifications set forth in paragraph (b) of this Section (the General Conditions) constitute an integral part of this Agreement:

- (i) Article I;
- (ii) Sections 2.01 (2), (3), (4), (5), (6), (7), (8), (14), (15), (16), (18), and (21), 2.02 and 2.03;
- (iii) Section 3.01;
- (iv) Section 4.01 and 4.06;
- (v) Article V;
- (vi) Sections 6.01, 6.02, (a), (c), (d), (e), (f), (i), and (p), 6.03, 6.04 and 6.06;
- (vii) Section 8.01 (b);
- (viii) Sections 9.01 (a) and (c), 9.04, 9.05, 9.06, 9.07, 9.08 and 9.09;
- (ix) Sections 10.01, 10.03 and 10.04;

- (x) Article XI; and
  - (xi) Sections 12.01 (c), 12.03, and 12.04
- (b) The General Conditions shall be modified as follows:
- (i) the term “Bank”, wherever used in the General Conditions, other than in Sections 2.01 (6), and 6.02 (f) and 5.01 (a) thereof, means the Bank acting as an implementing agency of the GEF, except that in Section 6.02, the term “Bank” shall also include the Bank acting in its own capacity;
  - (ii) the term “Borrower”, wherever used in the General Conditions, means the Recipient;
  - (iii) the term “Loan Agreement”, wherever used in the General Conditions, means this Agreement;
  - (iv) the term “Loan” and “loan”, wherever used in the General Conditions, means the GEF Trust Fund Grant;
  - (v) the term “Loan Account”, wherever used in the General Conditions, means the GEF Trust Fund Grant Account;
  - (vi) Section 5.08 of the General Conditions is amended to read as follows:

“Except as otherwise provided in the Development Grant Agreement, the proceeds of the Grant may be withdrawn to pay for taxes levied by, or in the territory of, the Recipient or the Guarantor on the goods or services to be financed under the Grant, or on their importation, manufacture, procurement or supply. Financing of such taxes is subject to the Bank policy of requiring economy and efficiency in the use of the proceeds of its loans. To that end, if the Bank shall at any time determine that the amount of any taxes levied on or in respect of any item to be financed out of the proceeds of the Grant is excessive or otherwise unreasonable, the Bank may, by notice to the Recipient, adjust the percentage for withdrawal set forth or referred to in respect of such item in the Grant Agreement as required to be consistent with such policy of the Bank.”; and

- (vii) a new subparagraph is added after subparagraph (o) in Section 6.02 of the General Conditions, as follows: “an extraordinary situation shall have arisen in which any further disbursement under the GEF Trust Fund Grant would exceed the resources available for disbursement from the GEF.”

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

- (a) “AIG” means *Association Intercommunale du Gourma*, an Inter-Commune association to be established under *loi 01-076* of the laws of the Recipient, dated March 1959, regulating associations, pursuant to paragraph 6 of Schedule 4 to this Agreement;

- (b) “Beneficiary” means a legal entity, comprising either a public-law territorial administration unit, such as a *Collectivité Locale* or *Commune*, a private-law NGO or Association, or a private individual, as the case may be, for the benefit of which a Subproject or other Project activities are being carried out;

- (c) “CFAF” means *Franc de la Communauté Financière Africaine*, the currency of the Recipient;

- (d) “CIO” means the *Comité Intercommunal d’Orientation* referred to in paragraph 5 of Schedule 4 to this Agreement and consisting of a group of representatives of the Project Area, Communes, the DRCN and governors of the *Gao, Mopti and Timbuktu* regions;

- (e) “CMO” means the *Cellule de Mise en Oeuvre* referred to in paragraph 4 of Schedule 4 to this Agreement, a team entrusted with the implementation of Parts A, B, C and D of the Project;

- (f) “Commune” means an administrative entity or commune in the territory of the Recipient established and operating under *loi 96-059* of the laws of the Recipient, dated November 4, 1996;

- (g) “*Conseils Communaux*” or “CC” means Commune councils, established and operating under *loi 95-034* of the laws of the Recipient, dated April 12, 1995;

(h) “Conservation Area” means an area of the territory of the Recipient under strictest environmental protection and managed by OGAC, where local resource use is either totally forbidden, or stringent management regulations apply;

(i) “Deposit” means the initial deposit referred to in Section 3.03 (b) of this Agreement;

(j) “Donors” means, collectively, the national or international agencies contributing funds or technical assistance for the Program, and “Donor” means each and every such agency individually;

(k) “DNCN” means *Direction Nationale de la Protection de la Nature*, the Recipient’s National Directorate for Nature Protection, established and operating pursuant to *loi 98-056/P-RM*, dated December 17, 1998, of the laws of the Recipient;

(l) “DRCN” means the *Direction Régionale de la Protection de la Nature*, the Recipient’s Regional Directorate for Nature Protection of the *Mopti, Timbuktu* and *Gao* Regions, established and operating pursuant to *loi 98-056/P-RM* dated December 17, 1998 of the laws of the Recipient;

(m) “Eligible Categories” means Categories (1) through (6) of the table set forth in Part A.1 of Schedule 1 to this Agreement;

(n) “Eligible Expenditures” means expenditures eligible for financing out of the GEF Trust Fund Grant Account under this Agreement;

(o) “Environmental and Social Management Plan” or “ESMP” means the document dated August 2002, containing the set of mitigation, enhancement, monitoring, and institutional measures, and attaching a framework process for reduction of potential negative social impact, including involuntary resettlement procedures, that have been identified in the environmental impact assessment to be taken during implementation of the Project to eliminate any adverse environmental and social impacts, offset them, or reduce them to acceptable levels, or to enhance positive impacts; and such term include all annexes and amendments to said Plan;

(p) “FFEM” means *Fonds Français pour l’Environnement Mondial*, the French entity financing GEF activities and a Donor contributing to the Project;

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

(r) “Fiscal Year” and the symbol “FY” mean the fiscal year of the Recipient commencing January 1 and ending December 31 in the same year;

(s) “GEF Grant” means the GEF Trust Fund Grant provided for under this Agreement pursuant to Section 2.01 of this Agreement;

(t) “IAPSO” means the Inter-Agency Procurement Services Office of the United Nations;

(u) “IEC” means information, education and communication;

(v) “Management Plan” means a document or set of documents formulated by the Recipient describing social, physical and biological features of a Conservation Area, defining the development objective, management strategy and partnerships, and includes Rules and an action plan showing the infrastructure and budget of the Conservation Area as well as its equipment and other requirements; and such term to include all annexes and amendments to said Plan;

(w) “ME” means *Ministère de l’Environnement*, the Recipient’s Ministry for Environment;

(x) “NGO” means a Non-Governmental Organization, established and operating under the laws of the Recipient;

(y) “OGAC” means the *Organization de Gestion des Aires de conservation* in charge of the management of Conservation Areas, which is a private entity established and operating under *loi 98-056/P-RM*, dated December 17, 1998, of the laws of the Recipient, with membership consisting of community associations or private individuals;

(z) “Procurement Plan” means the Recipient’s procurement plan, dated May 12, 2004, covering the initial 18 month period (or longer) of Project implementation, as the same shall be updated from time to time in accordance with the provisions of Section 3.02 to this Agreement, to cover succeeding 18 month periods (or longer) of Project implementation;

(aa) “Protocol” means any agreements entered into between the Recipient and Beneficiaries for the carrying out of Subprojects or other Project activities;

(bb) “Project Account” means the account referred to in Section 3.03 of this Agreement;

(cc) “Project Area” means the area of activities to be carried out under the Project, including the communes of *Dallah, Dangol-Bore, Debere, Djaptodji, Gandamia, Korarou, Mondoro, Hombori, Boni, Kerena, Douentza, Bambara-Maoudé, Gossi, In Adiatafene, Ouinerden, Rharous, N'Tillit* and *Tessit*;

(dd) “Project Implementation Manual” or “PIM” means the manual referred to in Section I of Schedule 4 to this Agreement, the guideline for the implementation of the Project, and such term includes any schedules to the PIM and all annexes and amendments to said Manual;

(ee) “Rules” means the rules designed with the participation of the local communities for management, access to and use of communal resources in the seven Conservation Areas, and which form part of the Management Plans;

(ff) “Steering Committee” means the Steering Committee established by the Recipient to facilitate and coordinate the activities of the Project in accordance with paragraph 2 of Schedule 4 to this Agreement;

(gg) “SCN” means *Service de Conservation de la Nature*, a sub-regional unit of DRCN;

(hh) “Special Account” means the account referred to in Part B of Schedule 1 to this Agreement;

(ii) “Subproject” means a specific activity under Part C of the Project, carried out or to be carried out by a Beneficiary and financed or proposed to be financed through a Subproject Grant Agreement;

(jj) “Subproject Grant” means a grant made, or proposed to be made, to a Beneficiary out of the proceeds of the GEF Grant for the financing of a Subproject;

(kk) “Subproject Grant Agreement” means an agreement for a Subproject Grant referred to in paragraph 13 of Section 5 of Schedule 4 to this Agreement;

(ll) “UGP” means *Unité de Gestion du Projet*, the Project Management Unit established by the Recipient and charged with the responsibility for oversight of Project implementation in accordance with paragraph 3 of Schedule 4 to this Agreement; and

(mm) “90-day Advance Account” means the advance account referred to in Schedule 1 to this Agreement.



## **ARTICLE II**

### **The GEF Grant**

Section 2.01. The Bank agrees to make available to the Recipient, on the terms and conditions set forth or referred to in this Agreement, the GEF Grant in an amount equal to five million five hundred thousand United States Dollars (\$5,500,000).

Section 2.02. The amount of the GEF Grant may be withdrawn from the GEF Trust Fund Grant Account in accordance with the provisions of Schedule 1 to this Agreement for: (i) expenditures made (or, if the Bank shall so agree, to be made) in respect of the reasonable cost of goods, works and services required for carrying out of Parts A, B, D, E and F of the Project and to be financed out of the proceeds of the GEF Grant, and (ii) amounts paid (or, if the Bank shall so agree, to be paid) on account of withdrawals made under a Subproject Grant in respect of the reasonable costs of goods, works and services required for Subprojects to be carried out under Part C of the Project, and in respect of which the withdrawal from the GEF Trust Fund Grant Account is requested.

Section 2.03. The Closing Date shall be June 30, 2011, or such later date as the Bank shall establish. The Bank shall promptly notify the Recipient of such later date.

## **ARTICLE III**

### **Execution of the Project**

Section 3.01. (a) The Recipient declares its commitment to the objectives of the Project as set forth in Schedule 2 to this Agreement and, to this end, shall carry out the Project, with due diligence and efficiency and in conformity with appropriate administrative, technical and financial practices and with due regard to ecological and environmental standards, and shall provide, promptly as needed, the funds, facilities, services and other resources required for the Project.

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

Section 3.02. (a) Except as the Bank shall otherwise agree, procurement of the goods, works and services required for the Project and to be financed out of the proceeds of the GEF Grant shall be governed by the provisions of Schedule 3 to this Agreement, as said provisions may be further elaborated in the Procurement Plan.

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

Section 3.03. Without limitation upon its obligations under Section 3.01 of this Agreement, the Recipient shall:

(a) open and thereafter maintain, until completion of the Project, a Project Account in CFAF, on terms and conditions satisfactory to the Bank;

(b) deposit into the Project Account an initial deposit (the Deposit) equivalent to eighty-five million CFAF (CFAF 85,000,000) representing the first six months of the Recipient's contribution to the cost of the Project, and every six months thereafter, deposit into the Project Account, promptly as needed, such amounts as the Recipient and the Bank shall determine as adequate to meet the costs of the Project during successive six months periods immediately following the making of the Deposit; and

(c) ensure that the amounts deposited into the Project Account in accordance with paragraph (b) of this Section shall be used exclusively for expenditures under the Project not otherwise financed from the proceeds of the GEF Grant or a Donor.

Section 3.04. For the purposes of Section 9.07 of the General Conditions and without limitation thereto, the Recipient shall:

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

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

## **ARTICLE IV**

### **Financial Covenants**

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

(b) The Recipient shall:

- (i) have the financial statements referred to in paragraph (a) of this Section for each Fiscal Year (or other period agreed to by the Bank), audited, in accordance with consistently applied auditing standards acceptable to the Bank, by independent auditors acceptable to the Bank;
- (ii) furnish to the Bank as soon as available, but in any case not later than six months after the end of each such year (or such other period agreed to by the Bank), (A) certified copies of the financial statements referred to in paragraph (a) of this Section for such year (or other period agreed to by the Bank), as so audited, and (B) an opinion on such statements by said auditors, in scope and detail satisfactory to the Bank; and
- (iii) furnish to the Bank such other information concerning such records and accounts, and the audit of such financial statements, and concerning said auditors, as the Bank may from time to time reasonably request.

(c) For all expenditures with respect to which withdrawals from the GEF Trust Fund Grant Account were made on the basis of reports referred to in Part A.6 of Schedule 1 to this Agreement (Report-based Disbursements) or on the basis of statements of expenditure, 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 Bank has received the audit report for, or covering, the Fiscal Year in which the last withdrawal from the GEF Trust Fund Grant Account was made, all records (contracts, orders, invoices, bills, receipts and other documents) evidencing such expenditures;
- (iii) enable the Bank's representatives to examine such records; and
- (iv) ensure that such reports and statements of expenditure are included in the annual audit for each fiscal year (or other period agreed to by the Bank), referred to in paragraph (b) of this Section and that the report of such audit contains a single opinion by said auditors as to

whether the statements of expenditure submitted during such fiscal year, together with the procedures and internal controls involved in their preparation, can be relied upon to support the related withdrawals.

Section 4.02. (a) Without limitation upon the Recipient's progress reporting obligations set out in Section III of Schedule 4 to this Agreement the Recipient shall prepare and furnish to the Bank a Financial Monitoring Report, in form and substance satisfactory to the Bank, which:

- (i) sets forth actual and projected sources and uses of funds for the Project, both cumulatively and for the period covered by said report, showing separately funds provided under the GEF Grant, and explains variances between the actual and projected sources and uses of such funds;
- (ii) describes physical progress in Project implementation, both cumulatively and for the period covered by said report, and explains variances between the previously forecast and actual implementation targets; and
- (iii) sets forth the status of procurement under the Project, as at the end of the period covered by said report.

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

## **ARTICLE V**

### **Remedies of the Bank**

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

(a) an extraordinary situation has arisen which shall make it improbable that the Program or a significant part thereof will be carried out, and

- (b) (i) Subject to subparagraph (ii) of this paragraph:
  - (A) the right of the Recipient to withdraw the proceeds of any grant or loan made to the Recipient for the financing of the Project shall have been suspended, canceled or terminated in whole or in part, pursuant to the terms of the agreement providing therefore; or
  - (B) any such loan shall have become due and payable prior to the agreed maturity thereof.
- (ii) Subparagraph (i) 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 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

### Effective Date; Termination

Section 6.01. The following events are specified as additional conditions to the effectiveness of this Agreement within the meaning of Section 12.01 (b) of the General Conditions:

The Recipient has:

- (a) established through *Arrêté* the Steering Committee and UGP with rights and obligations satisfactory to the Bank;
- (b) appointed a Project Coordinator whose qualification and experience are satisfactory to the Bank;
- (c) in accordance with the provisions of Section III of Schedule 3 to this Agreement, entered into contracts of employment with the following personnel of UGP: (i) the financial management specialist, and (ii) the accountant;

(d) installed at UGP a computerized financial management and accounting system, satisfactory to the Bank, for the purposes of the Project;

(e) in accordance with the provisions of Section III of Schedule 3 to this Agreement, entered into a contract for the employment a firm of consultants to serve as operator of CMO;

(f) paid the Deposit into the Project Account; and

(g) in accordance with the provisions of Section III of Schedule 3 to this Agreement, appointed the auditor referred to in Section 4.01 (b) of this Agreement.

Section 6.02. The date one hundred and 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 GEF Grant has 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 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:

Minister of Economy and Finance  
Ministry of Economy and Finance  
BP 234  
Bamako  
Mali

Fascimile:  
(223) 22 88 53

For the Bank:

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

Cable address:	Telex	Facsimile:
INDEVAS	248423 (MCI) or	(202) 477 6391
Washington, D.C.	64145 (MCI)	

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

REPUBLIC OF MALI

By /s/ Abdoulaye Diop

Authorized Representative

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

By /s/ David Craig

Authorized Representative



**SCHEDULE 1**

**Withdrawal of the Proceeds of the GEF Grant**

A. General

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

<u>Category</u>	Amount of the GEF Grant Allocated (Expressed in <u>U.S.Dollars</u> )	% of Expenditures <u>to be Financed</u>
(1) Goods	800,000	100% of foreign expenditures and 65% of local expenditures
(2) Works	700,000	65%
(3) Consultants services and audits	1,900,000	80% of local expenditures
(4) Training, studies and workshops	500,000	100%
(5) Subproject Grants for Part C of the Project	800,000	100% of amounts disbursed
(6) Operating Costs	500,000	65%
(7) Unallocated	300,000	
TOTAL	<u>5,500,000</u> =====	

2. For the purposes of this Schedule:

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

(b) the term “local expenditures” means expenditures in the currency of the Recipient or for goods or services supplied from the territory of the Recipient, 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 “Operating Costs” means the incremental operating costs arising under the Project on account of maintenance of vehicles, fuel, equipment, office supplies, utilities, consumables, office rent, reasonable bank charges related to the operation of the Special Account, salaries of Project support staff, travel and accommodation, per diem and other allowances, but excluding salaries of the Recipient’s civil servants.

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

(a) prior to the date of this Agreement; and

(b) under Category (5) of the table in paragraph 1 of this Schedule 1, for any Grant, unless such Grant has been made in accordance with the provisions set forth in Section V of Schedule 4 to this Agreement, the PIM, the ESMP and the respective Subproject Grant Agreement, satisfactory to the Bank.

4. The Bank may require withdrawals from the Trust Fund Grant Account to be made on the basis of statements of expenditure for: (a) goods under contracts not exceeding \$100,000 equivalent each; (b) works under contracts not exceeding \$100,000 equivalent each; (c) consultants’ services under contracts not exceeding: (i) \$100,000 equivalent each for consulting firms, and (ii) \$50,000 equivalent each for individual consultants; and (d) Operating Costs, training, studies and workshops, all under such terms and conditions as the Bank shall specify by notice to the Recipient.

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

6. The Recipient may request withdrawals from the GEF Trust Fund Grant Account to be made on the basis of reports to be submitted to the Bank in form and substance satisfactory to the Bank, such reports to include the FMR and any other information as the Bank shall specify by notice to the Recipient (Report-based Disbursements). In the case of the first such request submitted to the Bank before any withdrawal has been made from the GEF Trust Fund Grant Account, the Recipient shall submit to the Bank only a statement with the

projected sources and applications of funds for the Project for the six-month period following the date of such request.

B. Special Account

1. (a) The Recipient shall open and maintain in CFAF a special deposit account in the name of UGP in a commercial bank acceptable to the Bank, on terms and conditions satisfactory to the Bank, including appropriate protection against set-off, seizure and attachment; and

(b) one 90-Day Advance Account in *Mopti/Sevaré* in the name of CMO, in a commercial bank, on terms and conditions satisfactory to the Bank, including appropriate protection against set-off, seizure or attachment.

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

(a) if the Recipient is not making Report-based Disbursements, withdrawals shall be made in accordance with the provisions of Annex A to this Schedule 1; and

(b) if the Recipient is making Report-based Disbursements, withdrawals shall be made in accordance with the provisions of Annex B to this Schedule 1.

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

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

(a) if the Bank, at any time, is not satisfied that the reports referred to in Part A.6 of this Schedule 1 adequately provide the information required for Report-based Disbursements;

(b) if the Bank determines at any time that all further withdrawals for payment of Eligible Expenditures should be made by the Recipient directly from the GEF Grant Account; or

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

5. The Bank shall not be required to make further deposits into the Special Account in accordance with the provisions of Part B.2 of this Schedule if, at any time, the Bank shall have notified the Recipient of its intention to suspend in whole or in part the right of the Recipient to make withdrawals from the GEF Grant Account pursuant to Section 6.02 of the General Conditions. Upon such notification, the Bank shall determine, in its sole discretion, whether further deposits into the Special Account may be made and what procedures should be followed for making such deposits, and shall notify the Recipient of its determination.

6. (a) If the Bank determines at any time that any payment out of the Special Account or out of the 90-Day Account, as the case may be, was made for an expenditure which is not an Eligible Expenditure, or was not justified by the evidence furnished to the Bank, the Recipient shall, promptly upon notice from the Bank, provide such additional evidence as the Bank may request, or deposit into the Special Account (or, if the Bank shall so request, refund to the Bank) an amount equal to the amount of such payment. Unless the Bank shall otherwise agree, no further deposit by the Bank into the Special Account shall be made until the Recipient has provided such evidence or made such deposit or refund, as the case may be.

(b) If the Bank determines at any time that any amount outstanding in the Special Account or the 90-Day Account, as the case may be, will not be required to cover payments for Eligible Expenditures during the six-month period following such determination, the Recipient shall, promptly upon notice from the Bank, refund to the Bank such outstanding amount.

(c) The Recipient may, upon notice to the Bank, refund to the Bank all or any portion of the funds on deposit in the Special Account or in the 90-day Account, as the case may be.

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

7. 90-Day Advance Account

(a) The Recipient shall withdraw from the Special Account and deposit into the 90-Day Advance Account sufficient funds to facilitate implementation of the Project, provided that the Recipient shall at no time cause the amount held in the 90-Day Advance Account to exceed one hundred million CFAF (CFAF 100,000,000).

(b) Payments out of the 90-Day Advance Account shall only be made for eligible expenditures in respect of Categories (1) to (6) set forth in the table in paragraph 1 of Schedule 1 to this Agreement.

(c) Any withdrawal from the 90-Day Advance Account must be justified to the Recipient by the same documentation and other evidence regarding eligible expenditures provided for under paragraph 3 of this Schedule.

(d) If the Bank or the Recipient shall have determined at any time that any amount outstanding on the 90-Day Advance Account will not be required to cover further payments for eligible expenditures, the relevant implementing agency shall, promptly upon notice from the Bank or the Recipient, refund to the relevant Special Account such outstanding amount.

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

**Operation of Special Account**  
**When Withdrawals Are Not**  
**Report-based Disbursements**

1. For the purposes of this Annex, the term “Authorized Allocation” means the amount of FCFA 350,000,000 equivalent to be withdrawn from the GEF Trust Fund Grant Account and deposited into the Special Account pursuant to paragraph 2 of this Annex, provided, however, that unless the Bank shall otherwise agree, the Authorized Allocation shall be limited to an amount equivalent to FCFA 175,000,000 until the aggregate amount of withdrawals from the GEF Trust Fund Grant Account plus the total amount of all outstanding special commitments entered into by the Bank pursuant to Section 5.02 of the General Conditions shall be equal to or exceed the equivalent of \$1,000,000.

2. Withdrawals of the Authorized Allocation and subsequent withdrawals to replenish the Special Account shall be made as follows:

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

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

3. The Bank shall not be required to make further deposits into the Special Account, once the total unwithdrawn amount of the GEF Grant minus the total amount of all outstanding special commitments entered into by the Bank pursuant to Section 5.02 of the

General Conditions shall equal the equivalent of twice the amount of the Authorized Allocation. Thereafter, withdrawal from the GEF Trust Fund Grant Account of the remaining unwithdrawn amount of the GEF Grant shall follow such procedures, as the Bank shall specify by notice to the Recipient. Such further withdrawals shall be made only after and to the extent that the Bank shall have been satisfied that all such amounts remaining on deposit in the Special Account as of the date of such notice will be utilized in making payments for Eligible Expenditures.

**Annex B  
to  
SCHEDULE 1**

**Operation of Special Account  
When Withdrawals Are  
Report-based Disbursements**

1. Withdrawals from the GEF Trust Fund Grant Account shall be deposited by the Bank into the Special Account in accordance with the provisions of Schedule 1 to this Agreement. Each such deposit into the Special Account shall be withdrawn by the Bank from the GEF Trust Fund Grant Account under one or more of the Eligible Categories.

2. Upon receipt of each application for withdrawal of an amount of the GEF Grant, the Bank shall, on behalf of the Recipient, withdraw from the GEF Trust Fund Grant Account and deposit into the Special Account an amount equal to the lesser of: (a) the amount so requested; and (b) the amount which the Bank has determined, based on the reports referred to in Part A.6 of this Schedule 1 applicable to such withdrawal application, is required to be deposited in order to finance Eligible Expenditures during the six-month period following the date of such reports.



## SCHEDULE 2

### Description of the Project

The objective of the Project is to assist the Recipient in implementing environmental protection and biodiversity conservation activities in the Sahelian priority area of Gourma, through the improved sustainable management of natural resource use, improved returns for the local population.

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

Part A:            Support to the Creation and Management of Inter-Communal Management of Conservation Areas

1.        Carrying out of ecological and biodiversity assessments of each of the seven Conservation Areas; through the provision of technical advisory services and the acquisition of equipment.
2.        Carrying out of the delineation of the seven Conservation Areas and negotiation of said delineation with the respective CCs and the local population concerned, through the provision of technical advisory services.
3.        Causing the establishment of OGAC for each of the seven Conservation Areas as well as advising them concerning legal recognition and internal organization and strengthening their management and technical capacity, through the provision of technical advisory services and the acquisition of equipment.
4.        Establishment of rules and management plans for each of the seven Conservation Areas and their adoption by the respective authorities, through the provision of technical advisory services.
5.        Carrying out of activities pursuant to said management plans, such as: (i) surveillance activities; (ii) fire and habitat management; (iii) ecological monitoring surveys; (iv) construction of trails; (v) construction of watch towers; (vi) construction of delineation and border markers and sign posts; and (vii) construction of management and tourism infrastructure buildings and equipment; through the provision of technical advisory services, the acquisition of equipment and the carrying out of works.

Part B:            Support to Community-based Biodiversity related Initiatives

1.        Carrying out of participatory diagnostic studies of inter-commune interactions in the area of environmental protection, biodiversity conservation and community based natural resource management practices, through the provision of technical advisory services.
  
2.        Supporting CCs in addressing issues of biodiversity conservation and rangeland management and their integration into Commune development plans, through the provision of technical advisory services.
  
3.        Supporting biodiversity related micro-projects or micro-services referred to in Part C of this Schedule 2, registered in Commune development plans, through: (i) the provision of technical advisory services; (ii) the acquisition of equipment; (iii) the provision of funding.
  
4.        Carrying out of workshops fostering information exchanges on improved community based natural resource management practices, through the provision of technical advisory services.
  
5.        Carrying out of participatory ecological monitoring of the activities referred to in this Part B.3 of the Project carrying out of participatory ecological monitoring of the activities referred to in paragraph 3 of this Part B of Schedule 2, through provision of technical advisory services.

Part C:            Provision of Subproject Grants

The provision of Subproject Grants for Subprojects supporting local biodiversity conservation activities, through, in particular, activities aimed at: (i) the protection of threatened or remarkable local biological resource; (ii) the improvement of natural pond, wetland, spring or watercourse management; (iii) the improvement of forest management; (iv) the improvement of pastoral land management; (v) the improvement of elephant protection and cohabitation with local people; (vi) the improvement of bushfire control mechanisms; (vii) supporting the conservation of cultural assets; (viii) supporting economic activities such as ecotourism and sustainable use of replenishable natural products; and (ix) IEC activities aimed at the biodiversity education of the local population.

Part D:            Capacity Building for Communal and Intercommunal Biological Resources Management

1.        Supporting the CIO and CCs in intercommunal territorial planning and rules making for natural resources management in the Project Area, including the provision of technical advisory services and the acquisition of equipment.

2. Carrying out a feasibility study on the AIG, and on the basis of its results cause the establishment of the AIG, improving its capacity and procuring their recognition by the appropriate authorities, including the provision of technical advisory services.
3. The provision of training to selected staff in Communes, CCs and NGOs in areas such as: (i) the carrying out of participatory and ecological diagnostics; (ii) negotiating skills; (iii) gender awareness; (iv) utilization of holistic management techniques; (v) the carrying out of wildlife surveys; (vi) the carrying out of habitat management; and (vii) operation of modern telecommunications equipment.
4. The provision of training to selected CCs, OGACs, Beneficiaries and other partners in planning and the carrying out of the administration of micro-projects and the management of Conservation Areas.
5. Carrying out of conservation awareness campaigns in schools in the Project Area including: (i) radio, sketches and specific assignments; (ii) the provision of technical advisory services; and (iii) the acquisition of equipment.

Part E: Support to Operations in the Gourma

1. Supporting DRCN and SCN in organizing and carrying out surveillance activities in the Project Area, including the provision of technical advisory services and the acquisition of equipment.
2. The provision of training in protected area planning, administration and monitoring to selected staff in DRCN and SCN, including the provision of technical advisory services and the acquisition of equipment.
3. The organizing transborder cooperation with the Sahel Wildlife Conservation Unit in Burkina Faso including the provision of technical advisory services.
4. Supporting activities of other NGOs or local Government services when concurrent to achieving the Project objectives.
5. Setting up a geographic information system of the Project Area, monitoring land use patterns, providing maps to the CMO as needed, collecting data to monitor the recovery of vegetation, through provision of technical advisory services and the acquisition of equipment.

Part F: Support for National Supervision and Stocktaking

1. Supporting DNCN in organizing and carrying out supervision activities in the Project Area, through the provision of technical advisory services and the acquisition of equipment.
2. The provision of training in, *inter alia*, protected area planning, administration and monitoring to selected staff in DNCN, through the provision of technical advisory services and the acquisition of equipment.
3. Carrying out of a study to assess existing legislation, regulatory provisions, and institutional responsibilities and recommend changes, as the case may be, in the area of effective decentralized administration of protected area management and conservation of biodiversity, through provision of technical advisory services.
4. Conducting wildlife inventories in other protected areas in the territory of the Recipient, through the provision of technical advisory services and the acquisition of equipment.
5. Carrying out a feasibility of establishing a foundation for sustainable financing of Conservation Areas established in the Gourma, through the provision of technical advisory services and the acquisition of equipment.
6. Establishment, on the basis of a positive feasibility study, of a foundation for sustainable financing of Conservation Areas in the Gourma area, through the provision of technical advisory services and the acquisition of equipment.
7. Establishment of a documentation center at DNCN, through the provision of technical advisory services and the acquisition of equipment.
8. Carrying out of workshops on subjects such as (A): (i) the necessity of public reforms in the management of biodiversity and protected areas; (ii) best practices in community based natural resource management and participatory action planning; and (iii) the promotion of findings on regulatory and methodological reforms of biodiversity management, through the provision of technical advisory services, and (B) the acquisition of equipment.

Part G: Project Administration and Monitoring

Supporting UGP activities in:

(a) contracting CMO and facilitating implementation of Parts A, B, C and D of the Project and supervising CMO;

(b) implementing Parts E, F and G of the Project, consisting in, *inter alia*:  
(i) coordinating Project activities between: (1) DNCN, DRCN, SCN and CMO, CIO, AIG, OGAC & CC; (2) the Recipient's administration not directly involved in the Project; and  
(3) other Projects funded by third parties in the Project Area;

(c) the provision of funds and the respective accounting of their application;

(d) the efforts of procurement of goods, works and services,

(e) reporting on annual audits of accounts,

(f) monitoring and assessing Project implementation performance, and

(g) enabling Steering Committee meetings;

all through the provision of technical advisory services and the acquisition of equipment.

\* \* \*

The Project is expected to be completed by December 31, 2010.

### **SCHEDULE 3**

#### **Procurement**

##### Section I. General

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

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

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

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

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

##### B. Other Procurement Procedures

1. National Competitive Bidding. Goods estimated to cost less than \$150,000 equivalent per contract and works estimated to cost less than \$200,000 equivalent per contract, may be procured under contracts awarded on the basis of National Competitive Bidding and the following additional provisions.

Additional Provisions for National Competitive Bidding. (a) any bidders are given sufficient time to submit bids (4 weeks for contracts exceeding US\$100,000 equivalent); (b) bid evaluation and bidder qualification are clearly specified; (c) no preference margin is granted to domestic contractors or manufacturers; (d) eligible foreign firms are not precluded from participation; (e) contracts provide for security in amounts sufficient to protect the

Recipient in case of breach of contract (without distinction or exception); (f) prior to issuing the first call for bids, draft standard bidding documents if any, or the first 5 bidding documents for works and the first 3 bidding document for goods, are submitted to IDA and found acceptable; (g) no bid is rejected during bid opening provided the bids are received prior to the limit deposit time, (h) award will be made to the lowest evaluated bidder; and (i) the procedure shall also include public opening of bids, publication of results of evaluation and of the award of contract and provisions for bidders to protest.

3. Shopping. Goods and Works estimated to cost less than \$30,000 equivalent per contract, may be procured under contracts awarded on the basis of Shopping.

4. Procurement from UN Agencies. Motor vehicles, motorcycles and computer equipment may be procured directly from IAPSO and UNIPAC in accordance with the provisions of paragraphs 3.1 and 3.9 of the Procurement Guidelines.

5. Community Participation. Goods and works required for Parts A and B of the Project may be procured on the basis of community participation in accordance with procedures acceptable to the Bank. The Guidelines for Simplified Procurement and Disbursement for Community-Based Investments (February 1998), including the positive list of items qualifying under this component included in the Project Implementation Manual, will be used. Nevertheless, considering local practices and the capacity of communities to manage the process, the CMO will be responsible for ensuring compliance with these guidelines, and ex-post reviews of random subprojects will be conducted periodically by the World Bank Supervision missions and independent consultants appointed by the UGP.

### Section III. Particular Methods of Procurement of Consultants' Services

A. Quality- and Cost-based Selection. Except as otherwise provided in Part B of this Section, consultants' services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection. For purposes of paragraph 2.7 of the Consultant Guidelines, the short list of consultants for services estimated to cost less than \$100,000 equivalent per contract may comprise entirely national consultants.

#### B. Other Procedures

1. Selection Under a Fixed Budget. Services for assignments, which the Bank agrees meet the requirements of paragraph 3.5 of the Consultant Guidelines may be procured under contracts awarded on the basis of a Fixed Budget in accordance with the provisions of paragraphs 3.1 and 3.5 of the Consultant Guidelines.

2. Least-cost Selection. Services for assignments which the Bank agrees meet the requirements of paragraph 3.6 of the Consultant Guidelines estimated to cost less than

\$100,000 equivalent per contract may be procured under contracts awarded on the basis of Least-cost Selection in accordance with the provisions of paragraphs 3.1 and 3.6 of the Consultant Guidelines.

3. Selection Based on Consultants' Qualifications. Services for architectural design, civil works supervision and training estimated to cost less than \$50,000 equivalent per contract may be procured under contracts awarded in accordance with the provisions of paragraphs 3.1, 3.7 and 3.8 of the Consultant Guidelines.

4. Single Source Selection. Services for the trans-frontier coordination under Part F, paragraph 3 of the Project which meet the requirements of paragraph 3.10 of the Consultant Guidelines for Single Source Selection, may, with the Bank's prior agreement, be procured in accordance with the provisions of paragraphs 3.9 through 3.13 of the Consultant Guidelines.

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

Section IV. Review by the Administrator of Procurement Decisions

1. Except as the Bank shall otherwise determine by notice to the Recipient, the following contracts shall be subject to Prior Review by the Bank:

(a) each contract for goods estimated to cost the equivalent of \$150,000 or more and each contract for works estimated to cost the equivalent of \$200,000 or more;

(b) each contract for consultants' services provided by: (i) a firm estimated to cost the equivalent of \$100,000 or more, and (ii) an individual consultant estimated to cost the equivalent of \$50,000 or more.

All other contracts shall be subject to Post Review by the Bank.



## SCHEDULE 4

### Implementation Program

#### Section I: Project Implementation

1. (a) The Recipient shall carry out the Project in accordance with the Project Implementation Manual and the Environmental Management Plan and except as the Recipient and the Bank shall otherwise agree, the Recipient shall not amend or waive any provision of the said Manual and Plan, if in the opinion of the Bank, such amendment or waiver would materially and adversely affect the carrying out of the Project or the achievement of the objectives thereof.

(b) Without limitation upon the provisions of paragraph (a) of this Section, the Recipient shall carry out Parts A, B, C and D of the Project through CMO.

#### 2. Steering Committee

(a) The Recipient shall maintain the Steering Committee until the Closing Date in a form and with functions and resources satisfactory to the Bank.

(b) The Steering Committee shall be responsible for guiding the Project's implementation and reviewing and approving the annual work programs and budgets.

#### 3. UGP

(a) The Recipient shall maintain until the Closing Date UGP in a form and with functions and resources satisfactory to the Bank.

(b) UGP shall be responsible to provide assistance to CMO in implementation of Parts A, B, C and D of the Project and for the implementation of Parts E and F of the Project, including management of project funds, monitoring and evaluation, national procurement and consolidation of reports and work programs.

#### 4. CMO

CMO shall be responsible for the implementation of Parts A, B, C and D of the Project, including the management of project funds deposited into the 90-day Advance Account, monitoring and evaluation, local procurement, reports and work programs.

5. CIO

(a) The Recipient shall cause the establishment and maintenance of CIO in a form and with functions satisfactory to the Bank.

(b) CIO shall be responsible for reviewing the CMO annual work plans and annual reports for Parts A, B, C and D of the Project as well as the approval of training programs in favor of communities, biodiversity Subprojects and validate Conservation Area Management Plans.

6. AIG

(a) The Recipient shall cause AIG to be established in a form and with functions satisfactory to the Bank and shall strengthen AIG's capacity.

(b) If the Midterm Review determines that AIG has acquired sufficient capacity, the Recipient shall transfer to AIG responsibility for the supervision of Parts A, B and C of the Project (*maitrise d'ouvrage*) and shall under contractual arrangements satisfactory to the Bank transfer to CMO the implementation of the said Parts of the Project.

Section II: Annual Work Plans

7. The Recipient shall, not later than October 30 of each year, cause: (a) CMO to prepare and furnish to the UGC an annual work plan; and (b) UGC to prepare and submit for approval to the Bank through DNCN a consolidated work plan, in form and substance satisfactory to the Bank.

Section III: Monitoring, Evaluation and Reporting

8. The Recipient shall:

(a) maintain policies and procedures adequate to enable it to monitor and evaluate on an ongoing basis, in accordance with the indicators set forth in Schedule 6 to this Agreement the carrying out of the Project, and the achievement of the objectives thereof;

(b) prepare, under terms of reference satisfactory to the Bank, and furnish to the Bank, on or about February 28 of each year through DNCN, a report integrating the results of the monitoring and evaluation activities performed pursuant to paragraph (a) of this Section, on the progress achieved in the carrying out of the Project during the period preceding the date of said report and setting the measures recommended to ensure the efficient carrying out

of the Project and the achievement of the objectives thereof during the period following such date; and

(c) review with the Bank, by March 30 of each year, or such later date as the Recipient and the Bank shall agree upon, (Annual Review) the report referred to in paragraph (b) of this Section, and, thereafter, take all measures required to ensure the efficient completion of the Project and the achievement of the objectives thereof, based on the conclusions and recommendations of the said report and the Bank's views on the matter.

9. The Recipient shall, on or about a date following thirty-four months after the Effective Date, carry out jointly with the Bank, UGC and CMO a midterm review of the progress made in carrying out the Project (the Midterm Review). The Recipient shall undertake all necessary steps to ensure the participation in said Midterm Review of representative members of AIG, CIO, CCs, OGACs and NGOs engaged in Project implementation, other related projects in the Project Area, civil society and representatives of FFEM.

(a) The Midterm Review shall cover, *inter alia*: (i) progress made in meeting the Project's objectives; (ii) results of the monitoring and evaluation activities under the Project; and (iii) overall Project performance compared to the intermediate Project performance indicators set forth in Schedule 6 to this Agreement, and in particular pursuant to the following criteria, namely that: (A) AIG is formally created and has acquired sufficient capacity to become responsible for the supervision (*maitrise d'ouvrage*) of Parts A, B, C and D of the Project, for which it has contracted implementation to CMO; (B) one conservation area is clearly demarcated in the field, possesses users rules accepted by representatives of Communes and primary and secondary users, and has a legally recognized OGAC actively involved in its management (minutes of meeting approving management rules, article of incorporation, work program); and (C) nine (9) local initiatives are satisfactorily completed (signed contract with promoters, site visit)

(b) The Recipient shall, at least four weeks prior to the Midterm Review, furnish to the Bank a separate report describing the status of implementation of each component of the Project and a summary report of Project implementation generally.

(c) The Recipient shall, not later than four weeks after the Midterm Review, prepare an action program, acceptable to the Bank, for the further implementation of the Project having regard to the findings of the Midterm Review and, thereafter, implement such action program.

Section IV: Specific Actions

10. The Recipient shall:

(a) by a date not later than six months following the Effective Date: (i) establish CIO pursuant to procedures and with rights and duties satisfactory to the Bank and (ii) contract CMO, in accordance with the provisions of Section II of Schedule 3 to this Agreement, and operating under terms of reference acceptable to the Bank;

(b) by a date not later than twelve months following the Effective Date, commission, or cause the CMO to commission, the studies or contract referred to in the following sub-Parts of the Project, namely: Part A. 1 and 5, Part B.1 and 2, Part D.3 and 4, and Part F.3 and 5.

Section V Eligibility Criteria for and Implementation of Subprojects under Part C

11. General

(a) The Recipient shall make the proceeds of the GEF Grant allocated from time to time to Category (5) of the table set forth in paragraph A.1 of Schedule 1 to this Agreement available to Beneficiaries under a Subproject Grant Agreement to be entered into, respectively, between the Recipient and each Beneficiary pursuant to the terms and conditions set forth in the PIM, ESMP and this Section V; and

(b) without limitation upon the provisions of paragraph 1 of this Schedule, no Subproject shall be eligible for financing out of the proceeds of the GEF Grant unless CMO has determined, upon appraisal of a study supporting the Subproject Grant application, conducted in accordance with the guidelines set forth in the PIM and ESMP, that the Subproject and the Beneficiary satisfy the respective eligibility criteria specified in said PIM and ESMP and that a Subproject Grant Agreement has been executed and is legally binding upon the parties.

12. Terms and Conditions for Subproject Grant Agreements

A Subproject financed by the proceeds of a GEF Grant shall be carried out pursuant to a Subproject Grant Agreement, to be concluded between the Recipient and the Beneficiary - following the approval of the Subproject by CIO, in accordance with the provisions set forth in the PIM and ESMP providing for, *inter alia*, the following:

(a) the obligation to carry out and maintain the Subproject in accordance with the PIM and ESMP, with due diligence and efficiency and in accordance with appropriate

technical, environmental, financial and commercial practices and to maintain adequate records in such form and detail as the Recipient may reasonably request;

(b) the obligation that: (i) works, goods and services to be financed out of the proceeds of the GEF Grant for a Subproject shall be procured according to the provisions of Schedule 3 to this Agreement; and (ii) that such goods, works and services shall be used exclusively for the carrying out of the Subproject;

(c) the right to inspect, by the Recipient or the Bank, or jointly with qualified representatives of the Bank, or the Recipient, if the Bank, or the Recipient, shall so request, the works, plans, studies and construction sites relevant to the Subproject, and any relevant documents;

(d) the right to appropriate remedies, acceptable to the Bank, should the carrying out or the maintenance of the Subproject, as the case may be, not conform to the regulations set forth in the PIM and ESMP and the Subproject Grant Agreement and thereby unfavorably influence the attainment of the objectives of the Subproject; and

(e) the right to obtain all such information as the Recipient or the Bank shall reasonably request, relating to the administration and financial condition of the Subproject.

13. The Recipient shall exercise its rights under the Subproject Grant Agreement in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the GEF Grant, and, except as the Bank shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive the Subproject Grant Agreement or any provision thereof.

## SCHEDULE 5

### Performance Indicators

1. Capacity of the AIG as measured by point system equals 8 in year 3 and 14 by the end of the Project. Points granted for: constitution of AIG (1pt), annual general assembly (1/2pt/yr), get mandate by communes on intercommunal natural resources management (2pt), appraised by independent evaluation as competent enough to be responsible of Parts A, B, C and D of the Project and contract the CMO (3pt), contract CMO (1pt), adopt formal natural resources management rules (2pt), obtain consensus on its role as long-term natural resources planner/regulator of Gourma.
2. Surface area, in square kilometer, effectively allocated as Conservation Area and physically demarcated as respectively Conservation Area and core zone of Conservation Area, equals 1,000 and 400 (*Séno Mango, N'Tillit/Tessit, Benzena*), 300 and 50 (*Gandamia*), 100 and 0 (*Gossi*), 100 and 10 (*Main Fatma, Boni*).
3. Number of Conservation Areas, which have acquired legal status and possess a management plan equals 1 (one) in year 3 and 4 (four) by end of Project.
4. Number of OGAC legally responsible for the management of a conservation area equals 1 in year 3 and 4 by the end of the Project.
5. Number of international conservation area jointly managed by an OGAC from Mali and an OGAC-equivalent from Burkina equals 1 by end of project.
6. Percentage improvement of key wildlife-based indicators equals 10% in core zones of four Conservation Areas and 5% in multiple use zones of four Conservation Areas by end of Project.
7. Percentage of biodiversity initiatives evaluated as successful in achieving agreed outcome and output equals 25 in year 3 and 50 by end of project.
8. An incentive-based and result-oriented system for direct financing is designed in year 2, adopted in year 3, tested in year 5 and functional by end of Project.

