

The World Bank

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION

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CONFORMED COPY

February 15, 2011

H. E. Helena N. Embaló
Minister of Economy, Planning and Regional Integration
Ministry of Economy, Planning and Regional Integration
Bissau
Republic of Guinea-Bissau

Re: Guinea Bissau: Grant for Biodiversity Conservation Trust Fund Project
(GEF MSP Grant No. TF098994)

Excellency:

In response to the request for financial assistance made on behalf of the Republic of Guinea-Bissau (“Recipient”), I am pleased to inform you that the International Bank for Reconstruction and Development (“World Bank”), acting as Implementing Agency of the Global Environment Facility (GEF), proposes to extend to the Recipient a grant in an amount not to exceed nine hundred fifty thousand United States Dollars (U.S.\$ 950,000 (“Grant”) on the terms and conditions set forth or referred to in this letter agreement (“Agreement”), which includes the attached Annex, to assist in the financing of the project described in the Annex (“Project”). This Grant is funded out of the GEF for which the World Bank receives periodic contributions. In accordance with Section 3.02 of the Standard Conditions (as defined in the Annex to this Agreement), the Recipient may withdraw the Grant proceeds subject to the availability of such funds.

The Recipient represents, by confirming its agreement below, that it is authorized to enter into this Agreement and to carry out the Project in accordance with the terms and conditions set forth or referred to in this Agreement.

Please confirm the Recipient's agreement to the foregoing by having an authorized official of the Recipient sign and date the enclosed copy of this Agreement, and returning it to the World Bank. Upon receipt by the World Bank of this countersigned copy, this Agreement shall become effective as of the date of the countersignature.

Very truly yours,
INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
Acting as Implementing Agency of the Global Environment Facility

/s/ McDonald Benjamin
By _____
McDonald Benjamin
Acting Country Director for Senegal, Cape Verde,
The Gambia, and Guinea-Bissau
Africa Region

AGREED:

REPUBLIC OF GUINEA-BISSAU

By /s/ Helena N. Embaló

Authorized Representative
Name _____
Title Minister of Economy, Planning and Regional Integration
Date: 14/03/2011

Enclosures:

- (1) Standard Conditions for Grants Made by the World Bank Out of Various Funds, dated July 31, 2010
- (2) Disbursement Letter of even date herewith, together with World Bank Disbursement Guidelines for Projects, dated May 1, 2006

Article I

Standard Conditions; Definitions

1.01. *Standard Conditions.* The Standard Conditions for Grants Made by the World Bank Out of Various Funds dated July 31, 2010 (“Standard Conditions”), with the modifications set forth in Section I of the Appendix to this Agreement, constitute an integral part of this Agreement.

1.02. *Definitions.* Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Standard Conditions or in this Agreement.

(a) “FBG” means the Recipient’s Foundation of Biodiversity, a private foundation for public utility to be established in accordance with United Kingdom (UK) charity law.

(b) “IBAP” means the Recipient’s Institute for Biodiversity and Protected Areas, a public institution with administrative and financial autonomy sitting under the Minister of Rural Development, Forest and Hunting, with responsibility for the management of the protected area system and monitoring of biodiversity and threatened species in Recipient’s territory.

(c) “National Parks” means the Recipient’s five national parks, namely: Cacheu Mangrove Forest National Park, Cantanhez Forest National Park, Cufada Lakes National Park, JoãoVieira and Poilão National Marine Park and Orango National Marine Park.

(d) “Park Management Councils” means the councils comprised by the Recipient and local stakeholders to provide oversight to park management and established in each of the National Parks and any legal successor or successors thereto, satisfactory to the World Bank.

Article II Project Execution

2.01. *Project Objectives and Description.* The objective of the Project is to: (a) strengthen the ongoing management and conservation of the Recipient’s selected National Parks; and (b) pilot the establishment of a sustainable financing mechanism for such parks.

The Project consists of the following parts:

Part A: Strengthen Capacity for and Management of Coastal and Marine Protected Areas and Biodiversity

Strengthen the participatory management and conservation of the Recipient’s selected National Parks, by carrying out specific elements of the existing National Park management plans, including, *inter alia*:

- (a) Participatory surveillance and monitoring of park regulation compliance by IBAP staff and community guards.
- (b) Design or update of park regulations and park-specific business plans, including technical assistance and training to IBAP for the development and use of annual business planning tools.
- (c) Conducting meetings of the Park Management Councils that includes representatives of the communities in a decentralized participatory manner.
- (d) Dissemination of information within and about the National Parks.
- (e) Promoting awareness-raising and dialogue with the communities and other resource users living in and around the National Parks on the National Parks management activities and biodiversity-friendly alternative technologies and alternative livelihoods.
- (f) Implementation of endangered and threatened species action plans.
- (g) Design and operation of consolidated endangered and threatened species databases.
- (h) Training and capacity building for IBAP staff and other key stakeholders for improved protected areas management including monitoring techniques and ecotourism guidance.
- (i) Training for IBAP staff and other key stakeholders to enhance exchange of information, collaboration and participation in biodiversity and protected area management issues.

Part B: Establishment and Initial Operationalization of FBG

Provide assistance in the establishment and initial operation of the FBG, through:

- (a) Securing tax exempt status in Guinea Bissau and the United Kingdom.
- (b) Development and implementation of an FBG operational manual, financial management system, and procurement guidelines.
- (c) Preparation of a business plan and designing and implementation of strategies related to the financial capitalization, financial management, and grant making mechanisms.
- (d) Carrying out international competitive bidding process for the selection of an investment fund manager.
- (e) Establishment of a small executive secretariat, through: (i) setting up of an initial governance structure; and (ii) recruitment and training of contractual staff in areas relevant to the FBG administration and management.

Part C: Project Management and Evaluation

Support for the coordination, administration, procurement, financial management and evaluation of the Project.

2.02. ***Project Execution Generally.*** The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out the Project through IBAP, in accordance with: (a) the provisions of Article II of the Standard Conditions; (b) the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 (“Anti-Corruption Guidelines”), with the modifications set forth in Section II of the Appendix to this Agreement; and (c) this Article II.

2.03. ***Institutional and Other Arrangements.*** The Recipient shall maintain, throughout Project implementation, the IBAP, with staffing, functions and resources satisfactory to the World Bank,

2.04. ***Completion Report.*** The Recipient shall prepare the Completion Report in accordance with the provisions of Section 2.06 of the Standard Conditions. The Completion Report shall be furnished to the World Bank not later than six months after the Closing Date.

2.05. ***Financial Management.*** . (a) The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.

(b) The Recipient shall ensure that interim unaudited financial reports for the Project are prepared and furnished to the World Bank not later than 45 days after the end of each calendar quarter, covering the quarter, in form and substance satisfactory to the World Bank.

(c) The Recipient shall have its Financial Statements for the Project audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Each such audit of the Financial Statements shall cover the period of one fiscal year of the Recipient. The audited Financial Statements for each period shall be furnished to the World Bank not later than six months after the end of such period.

2.06. ***Procurement.***

(a) General. All goods and services required for the Project and to be financed out of the proceeds of the Grant shall be procured in accordance with the requirements set forth or referred to in:

(i) Section I of the “Guidelines: Procurement under IBRD Loans and IDA Credits” published by the World Bank in May 2004 and revised in October 2006 and May 2010 (“Procurement Guidelines”), in the case of goods; and

(ii) Sections I and IV of the “Guidelines: Selection and Employment of Consultants by World Bank Borrowers” published by the World Bank in May 2004 and revised in October 2006 and May 2010 (“Consultant Guidelines”), in the case of consultants’ services.

(iii) the provisions of this Section, as the same shall be elaborated in the procurement plan prepared and updated from time to time by the Recipient for the Project in accordance with paragraph 1.16 of the Procurement Guidelines and paragraph 1.24 of the Consultant Guidelines (“Procurement Plan”).

(b) Definitions. The capitalized terms used in the following paragraphs of this Section to describe particular procurement methods or methods of review by the World Bank of particular contracts, refer to the corresponding method described in the Procurement Guidelines, or the Consultant Guidelines, as the case may be.

(c) Particular Methods of Procurement of Goods

(i) Except as the World Bank may otherwise agree in item (ii) below, goods shall be procured under contracts awarded on the basis of Shopping.

(ii) The following methods may be used for the procurement of goods for those items which the World Bank agrees meet the requirements set forth in the Procurement Guidelines for their use: (A) International Competitive Bidding; (B) National Competitive Bidding; and (C) Direct Contracting.

(d) Particular Methods of Procurement of Consultants’ Services

(i) Except as otherwise provided in item (ii) below, consultants’ services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.

(ii) The following methods may be used for the procurement of consultants’ services for those assignments which the World Bank agrees meet the requirements set forth in the Consultant Guidelines for their use: (A) Selection under a Fixed Budget; (B) Least Cost Selection; (C) Selection based on Consultants’ Qualifications; (D) Single-source Selection; (E) Selection of Individual Consultants; and (F) Sole Source Procedures for the Selection of Individual Consultants.

(e) Review by the World Bank of Procurement Decisions. The Procurement Plan shall set forth those contracts which shall be subject to the World Bank Prior Review. All other contracts shall be subject to Post Review by the World Bank.

Article III Withdrawal of Grant Proceeds

3.01. ***Eligible Expenditures***. The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) Article III of the Standard Conditions; (b) this Section; and (c) such additional instructions as the World Bank may specify by notice to the Recipient (including the “World Bank Disbursement Guidelines for Projects” dated May 2006, as revised from time to time by the World Bank and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the following table. The table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Grant (“Category”), the allocations of the amounts of the Grant to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

Category	Amount of the Grant Allocated (expressed in USD)	Percentage of Expenditures to be Financed inclusive of Taxes
(1) Goods and consultants' services under the Project	950,000	100%
TOTAL AMOUNT	950,000	

3.02. **Withdrawal Conditions.** Notwithstanding the provisions of Section 3.01 of this Agreement, no withdrawal shall be made for payments made prior to the date of this Agreement, except that withdrawals up to an aggregate amount not to exceed \$ 190,000 equivalent may be made for payments made prior to this date but on or after July 1, 2010 , for Eligible Expenditures.

3.03. **Withdrawal Period.** The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is February 28, 2013.

Article IV Recipient's Representative; Addresses

4.01. **Recipient's Representative.** The Recipient's Representative referred to in Section 7.02 of the Standard Conditions is the Minister Responsible Economy, Planning and Regional Integration..

4.02. **Recipient's Address.** The Recipient's Address referred to in Section 7.01 of the Standard Conditions is:

Minister of Economy, Planning and Regional Integration
Ministry of Economy, Planning and Regional Integration
A v. Amilcar Cabral
C.P. no 6
Bissau- Republic of Guinea-Bissau

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

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

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

APPENDIX
Modifications to the Standard Conditions and the Anti-Corruption Guidelines

Section I. The Standard Conditions are modified as follows:

1. The provisions of Section 4.02 (c) of the Standard Conditions are deleted in their entirety.

Section II. The modifications to the Anti-Corruption Guidelines are as follows:

1. Section 5 is re-numbered as Section 5(a) and a new Section 5(b) is added to read as follows:

“...(b) These Guidelines also provide for the sanctions and related actions to be imposed by the Bank on Borrowers (other than the Member Country) and all other individuals or entities who are recipients of Loan proceeds, in the event that the Borrower or the individual or entity has been debarred by another financier as a result of a determination by such financier that the Borrower or the individual or entity has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of a financing made by such financier.”

2. Section 11(a) is modified to read as follows:

“... (a) sanction in accordance with prevailing Bank’s sanctions policies and procedures (fn13) a Borrower (other than a Member Country) (fn 14) or an individual or entity, including (but not limited to) declaring such Borrower, individual or entity ineligible publicly, either indefinitely or for a stated period of time: (i) to be awarded a Bank-financed contract; (ii) to benefit from a Bank-financed contract, financially or otherwise, for example as a sub-contractor; and (iii) to otherwise participate in the preparation or implementation of the project or any other project financed, in whole or in part, by the Bank, if at any time the Bank determines (fn 15) that such Borrower, individual or entity has engaged in corrupt, fraudulent, collusive, coercive or obstructive practices in connection with the use of loan proceeds, or if another financier with which the Bank has entered into an agreement for the mutual enforcement of debarment decisions has declared such person or entity ineligible to receive proceeds of financings made by such financier or otherwise to participate in the preparation or implementation of any project financed in whole or in part by such financier as a result of a determination by such financier that the Borrower or the individual or entity has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of a financing made by such financier.”

Footnotes:

“13. An individual or entity may be declared ineligible to be awarded a Bank financed contract upon completion of sanctions proceedings pursuant to the Bank’s sanctions policies and procedures, or under the procedures of temporary suspension or early temporary suspension in connection with an ongoing sanctions proceeding, or following a sanction by another financier with whom the Bank has entered into a cross debarment agreement, as a result of a determination by such financier that the firm or individual has engaged in fraudulent, corrupt, coercive or

collusive practices in connection with the use of the proceeds of a financing made by such financier.”

“14. Member Country includes officials and employees of the national government or of any of its political or administrative subdivisions, and government owned enterprises and agencies that are not eligible to bid under paragraph 1.8(b) of the Procurement Guidelines or participate under paragraph 1.11(c) of the Consultant Guidelines.”

“15. The Bank has established a Sanctions Board, and related procedures, for the purpose of making such determinations. The procedures of the Sanctions Board sets forth the full set of sanctions available to the Bank. In addition, the Bank has adopted an internal protocol outlining the process to be followed in implementing debarments by other financiers, and explaining how cross-debarments will be posted on the Bank’s website and otherwise be made known to staff and other stakeholders.”