

CONFORMED COPY

GEF TRUST FUND GRANT NUMBER TF090462-JO

Global Environment Facility Trust Fund Grant Agreement

(Integrated Ecosystem Management in the Jordan Rift Valley Project)

between

THE HASHEMITE KINGDOM OF JORDAN

and

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

Dated August 9, 2007

GEF TRUST FUND GRANT NUMBER TF090462-JO

**GLOBAL ENVIRONMENT FACILITY
TRUST FUND GRANT AGREEMENT**

AGREEMENT dated August 9, 2007, entered into between THE HASHEMITE KINGDOM OF JORDAN (“Recipient”) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (“World Bank”), acting as an implementing agency of the Global Environment Facility (“GEF”).

The Recipient and the World Bank hereby agree as follows:

ARTICLE I

Standard Conditions; Definitions

- 1.01. The Standard Conditions for Grants Made by the World Bank Out of Various Funds, dated July 20, 2006 (“Standard Conditions”), constitute an integral part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Standard Conditions or in this Agreement, and the additional terms wherever used in this Agreement have the following meanings:
 - (a) “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
 - (b) “Consultant Guidelines” means the “Guidelines: Selection and Employment of Consultants by World Bank Borrowers” published by the World Bank in May 2004.
 - (c) “Environmental and Social Assessment” means the Recipient’s environmental and social assessment of the Project, furnished to the World Bank on October 31, 2006, pursuant to the World Bank’s Operational Policy 4.01, to identify, avoid and mitigate potential negative environmental impacts associated with the Project.
 - (d) “Environmental and Social Management Plan” means the Recipient’s environmental and social management plan for the Project, furnished to the World Bank on November 6, 2006, as such plan may be updated from time to time in agreement with the World Bank, setting forth the mitigating, monitoring and institutional measures to be taken during the implementation and operation of the Project to offset or reduce adverse

environmental, natural habitats and cultural property impacts to levels acceptable to the World Bank.

- (e) “Foreign Expenditure” means an expenditure in the Currency of any country other than the Recipient for goods, works or services supplied from the territory of any country other than the Recipient.
- (f) “Local Expenditures” means an expenditure: (a) in the Currency of the Recipient; or (b) for goods, works or services supplied from the territory of the Recipient; provided however, that if the Currency of the Recipient is also that of another country from the territory of which goods, works or services are supplied, an expenditure in such Currency for such goods, works or services shall be deemed to be a Foreign Expenditure.
- (g) “Procurement Guidelines” means the “Guidelines for Procurement under IBRD Loans and IDA Credits” published by the World Bank in May 2004.
- (h) “Procurement Plan” means the Project Implementing Entity’s procurement plan for the Project, dated April 16, 2007, and referred to in paragraph 1.16 of the Procurement Guidelines and paragraph 1.24 of the Consultant Guidelines, as the same shall be updated from time to time in agreement with the World Bank.
- (i) “Project Implementation Plan” means the Project Implementing Entity’s plan describing: (i) procedures for implementation of the Project; (ii) procedures governing the procurement, accounting and financial management processes, as well as measures for forensic audits and complaint mechanisms in case of misuse of the proceeds of the Grant, and monitoring and evaluation arrangements; and (iii) sample formats for periodic reports, as the same may be amended from time to time with the agreement of the World Bank.
- (j) “Project Implementing Entity” or “RSCN” means the Royal Society for the Conservation of Nature, an agency of the Recipient in charge of conservation of nature, established pursuant to the Recipient’s Civil Organizations and Cooperatives Law 1966, as the same may be amended from time to time, and includes any successor to RSCN acceptable to the World Bank.
- (k) “Resettlement Process Framework” means the Resettlement Process Framework furnished to the World Bank by the Recipient on November 6, 2006, which, *inter alia*, defines the principles, organizational arrangements and design criteria to be applied to any land acquisition and/or involuntary resettlement that may arise in the course

of the implementation of the Project, as the same shall be updated from time to time in agreement with the World Bank.

- (1) “Subsidiary Agreement” means the agreement between the Recipient and the Project Implementing Entity, referred to in Section I.A of Schedule 2 to this Agreement, pursuant to which the Recipient shall make the proceeds of the Grant available to the Project Implementing Entity.

ARTICLE II

The Project

- 2.01. The Recipient declares its commitment to the objectives of the project described in Schedule 1 to this Agreement (“Project”). To this end, the Recipient shall carry out the Project through the Project Implementing Entity in accordance with the provisions of Article II of the Standard Conditions and the agreement dated the same date as this Agreement between the World Bank and the Project Implementing Entity, as such agreement may be amended from time to time (“Project Agreement”).
- 2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Recipient and the World Bank shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE III

The Grant

- 3.01. The World Bank agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a grant in an amount equal to six million one hundred and fifty thousand United States Dollars (\$6,150,000) (“Grant”) to assist in financing the Project.
- 3.02. The Recipient may withdraw the proceeds of the Grant in accordance with Section IV of Schedule 2 to this Agreement.

ARTICLE IV

Additional Remedies

- 4.01. The Additional Events of Suspension referred to in Section 4.02(i) of the Standard Conditions consist of the following:

- (a) The Recipient has taken or permitted to be taken any action which would prevent or interfere with the performance by the Project Implementing Entity of its obligations under the Project Agreement.
- (b) The Project Implementing Entity has failed to perform any obligation under the Project Agreement.
- (c) The World Bank or the International Development Association (“IDA”) has declared the Project Implementing Entity ineligible to be awarded a contract financed by the World Bank or IDA.
- (d) As a result of events which have occurred after the date of this Agreement, an extraordinary situation has arisen which makes it improbable that the Project Implementing Entity will be able to perform its obligations under the Project Agreement.
- (e) The Recipient’s Civil Organizations and Cooperatives Law of 1966 has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the Project Implementing Entity to perform any of its obligations under the Project Agreement.

ARTICLE V

Effectiveness; Termination

- 5.01. This Agreement shall not become effective until evidence satisfactory to the World Bank has been furnished to the World Bank that the conditions specified below have been satisfied.
- (a) The execution and delivery of this Agreement on behalf of the Recipient and the Project Agreement on behalf of the Project Implementing Entity have been duly authorized or ratified by all necessary governmental and corporate action.
 - (b) If World Bank so requests, the condition of the Recipient and the Project Implementing Entity, as represented or warranted to the World Bank at the date of this Agreement, has undergone no material adverse change after such date.
 - (c) The Subsidiary Agreement has been executed on behalf of the Recipient and the Project Implementing Entity.
- 5.02. As part of the evidence to be furnished pursuant to Section 5.01(a), there shall be furnished to the World Bank an opinion or opinions satisfactory to the World Bank of counsel acceptable to the World Bank or, if the World Bank so requests,

a certificate satisfactory to the World Bank of a competent official of the Recipient, showing the following matters:

- (a) on behalf of the Recipient, that this Agreement has been duly authorized or ratified by, and executed and delivered on its behalf and is legally binding upon it in accordance with its terms;
 - (b) on behalf of the Project Implementing Entity, that the Project Agreement has been duly authorized or ratified by, and executed and delivered on its behalf and is legally binding upon it in accordance with its terms; and
 - (c) the Subsidiary Agreement has been duly authorized or ratified by the Recipient and the Project Implementing Entity and is legally binding upon each such party in accordance with its terms.
- 5.03. Except as the Recipient and the World Bank shall otherwise agree, this Agreement shall enter into effect on the date upon which the World Bank dispatches to the Recipient notice of its acceptance of the evidence required pursuant to Section 5.01 (“Effective Date”). If, before the Effective Date, any event has occurred which would have entitled the World Bank to suspend the right of the Recipient to make withdrawals from the Grant Account if this Agreement had been effective, the World Bank may postpone the dispatch of the notice referred to in this Section until such event (or events) has (or have) ceased to exist.
- 5.04. Termination for Failure to Become Effective. This Agreement and all obligations of the parties under it shall terminate if it has not entered into effect 90 days after the date of this Agreement, unless the World Bank, after consideration of the reasons for the delay, establishes a later date for the purpose of this Section. The World Bank shall promptly notify the Recipient of such later date.

ARTICLE VI

Recipient’s Representative; Addresses

- 6.01. The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is the Minister of Planning and International Cooperation.

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

Ministry of Planning and International Cooperation
P.O. Box 555
Amman 11118
Jordan

Facsimile:

962-6-464-9341
962-6-464-2247

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

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

Cable:

Telex:

Facsimile:

INTBAFRAD
Washington, D.C.

248423 (MCI) or
64145 (MCI)

1-202-477-6391

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

THE HASHEMITE KINGDOM OF JORDAN

By / s / Zeid Ra'ad Al-Hussein

Authorized Representative

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

By / s / Daniela Gressani

Authorized Representative

SCHEDULE 1

Project Description

The objectives of the Project are to assist the Recipient in: (i) implementing generally accepted principles of integrated ecosystem management pertaining to land use in the Jordan Rift Valley; and (ii) establishing a network of integrated ecosystem management for protected areas and special conservation areas in the Jordan Rift Valley.

The Project consists of the following parts:

Part 1: Assessments and Strategic Planning for Integrated Ecosystem Management in the Jordan Rift Valley

- (a) Developing a framework for integrated ecosystem management, including biodiversity conservation and community participation programs to strengthen the existing land use planning framework.
- (b) Carrying out ecological, social and economic assessments relating to the protected areas and the special conservation areas.
- (c) Determining boundaries of the protected areas and the special conservation areas.
- (d) Carrying out an awareness campaign relating to integrated ecosystem management, and building capacity in the protected areas and the special conservation areas for managing an integrated ecosystem.
- (e) Developing a policy framework for the conservation of nature in the protected areas.

Part 2: Establishment of a Network for Biodiversity Conservation Sites

- (a) Establishment of a network for integrated ecosystem management for the protected areas and the special conservation areas, including carrying out an assessment for training needs and carrying out training programs for the protected areas and the special conservation areas.
- (b) Development of models of integrated ecosystem management, including community-based nature enterprises, through the development of management systems and plans for the protected areas and the special conservation areas.

Part 3: Climate Change

- (a) Carrying out of studies and assessments on climate change including, assessments of shifts in climatic patterns, shifts in species range and their relation to other key parameters in the context of conservation planning.
- (b) Development and dissemination of adaptation options to allow inter alia for incorporation of the study findings into the planning and management process.

Part 4: Development of Sustainable Financing Mechanisms For Protected Areas and Special Conservation Areas

Strengthening the financial and capital bases of the Project Implementing Entity through the development of sustainable financing mechanisms and the raising of funds to support the management of the protected areas and the special conservation areas.

Part 5: Project Management, Coordination, Monitoring and Evaluation

Support to the Project Implementing Entity in the areas of implementation, monitoring and evaluation of the Project, and coordination with key stakeholders and partners, through the provision of goods, works, training, incremental operating costs and consultants services.

SCHEDULE 2

Project Execution

Section I. Institutional and Other Arrangements

A. Subsidiary Agreement

1. To facilitate the carrying out of the Project, the Recipient shall make the proceeds of the Grant available to the Project Implementing Entity under a subsidiary agreement between the Recipient and the Project Implementing Entity, under terms and conditions approved by the World Bank.
2. The Recipient shall exercise its rights under the Subsidiary Agreement in such manner as to protect the interests of the Recipient and the World Bank and to accomplish the purposes of the Grant. Except as the World Bank shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive the Subsidiary Agreement or any of its provisions.

B. Project Implementation

The Recipient shall cause the Project Implementing Entity: (i) to carry out the Project in accordance with the provisions of the Project Agreement, the Subsidiary Agreement, the Project Implementation Plan, the Environmental and Social Management Plan, the Environmental and Social Assessment and the Resettlement Process Framework; (ii) to take all action, including the provision of funds, facilities, services, and other resources, necessary or appropriate for the carrying out of the Project; and (iii) not to take or permit to be taken any action which would prevent or interfere with the carrying out of the Project.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports; Completion Report

1. The Recipient shall cause the Project Implementing Entity to monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of the indicators agreed with the World Bank. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the World Bank not later than one month after the end of the period covered by such report.
2. The Recipient shall cause the Project Implementing Entity to 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 by the Project Implementing Entity not later than six months after the Closing Date.

B. Financial Management; Financial Reports; Audits

1. The Recipient shall cause the Project Implementing Entity to maintain a financial management system in accordance with the provisions of Section 2.07 of the Standard Conditions.
2. The Recipient shall cause the Project Implementing Entity to prepare and furnish interim unaudited financial reports for the Project to the World Bank not later than forty-five days after the end of each calendar quarter, covering the quarter, in form and substance satisfactory to the World Bank.
3. The Recipient shall cause the Project Implementing Entity to prepare Financial Statements for the Project and Financial Statements of the Project Implementing Entity, and have these statements audited in accordance with the provisions of Section 2.07(b) of the Standard Conditions. Each such audit of the Financial Statements shall cover the period of one fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the World Bank not later than six (6) months after the end of such period.
4. In order to assist the Project Implementing Entity in preparing the audited Financial Statements for the Project, the Project Implementing Entity shall employ an independent external auditor, whose qualifications, experience and terms of reference are acceptable to the World Bank, to review the statements on a semi annual basis, and such reviews to be submitted to the World Bank within forty-five (45) days following the end of the semi annual year under audit.

Section III. Procurement

A. General

1. **Procurement and Consultant Guidelines.** All goods, works 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:
 - (a) Section I of the “Guidelines for Procurement under IBRD Loans and IDA Credits” published by the World Bank in May 2004 (“Procurement Guidelines”) in the case of goods and works, and Sections I and IV of the “Guidelines: Selection and Employment of Consultants by World Bank Borrowers” published by the World Bank in May 2004 (“Consultant Guidelines”) in the case of consultants’ services; and

- (b) the provisions of this Section III, 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”).

- 2. **Definitions.** The capitalized terms used below in 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 Consultant Guidelines, as the case may be.

B. Particular Methods of Procurement of Goods and Works

- 1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods and works shall be procured under contracts awarded on the basis of International Competitive Bidding.

- 2. **Other Methods of Procurement of Goods and Works.** The following method, other than International Competitive Bidding, may be used for procurement of goods and works for those contracts specified in the Procurement Plan: (a) National Competitive Bidding, (b) Shopping, and (c) Direct contracting. National Competitive Bidding is subject to the following additional provisions:

- (i) invitations to bid shall be advertised in at least one national newspaper with a wide circulation, at least 30 days prior to the deadline for the submission of bids;
- (ii) bid documents shall be made available, by mail or in person, to all who are willing to pay the required fee;
- (iii) foreign bidders shall not be precluded from bidding and no preference of any kind shall be given to national bidders in the bidding process, to that end, having a presence in the Recipient’s territory should not be a condition for bidding;
- (iv) qualification criteria shall be stated in the bidding documents, and one envelop system shall be used;
- (v) except for late bids, bids shall be opened in public, immediately after the deadline for submission of bids, and the prices for all bids will be read out in this public session and no disqualification shall be made at that stage;
- (vi) before rejecting all bids and soliciting new bids, the Bank’s prior concurrence shall be obtained;

- (vii) bids shall be solicited and contracts shall be awarded on the basis of unit prices, and not on the basis of a schedule of rates, and award will be based on all items included within the bid or the lot in case of multiple lots;
- (viii) contracts shall be awarded to the lowest evaluated and qualified bidders; and
- (ix) post-bidding negotiations shall not be allowed with the lowest evaluated or any other bidders.

C. Particular Methods of Procurement of Consultants' Services

1. **Quality- and Cost-based Selection.** Except as otherwise provided in paragraph 2 below, consultants' services shall be procured under contracts awarded on the basis of Quality and Cost-based Selection.
2. **Other Methods of Procurement of Consultants' Services.**

The following methods, other than Quality and Cost-based Selection, may be used for procurement of consultants' services for those assignments which are specified in the Procurement Plan: (a) Selection based on the Consultants' Qualification; (b) Least Cost Selection; (c) Single-source Selection; (d) Individual Consultants; and (e) Sole Source Procedures for the Selection of Individual Consultants.

D. Review by the World Bank of Procurement Decisions

1. The Procurement Plan shall set forth those contracts which shall be subject to the World Bank's Prior Review. All other contracts shall be subject to Post Review by the World Bank.
2. Shortlists of consultants for services estimated to cost less than \$200,000 equivalent per contract may be composed entirely of national consultants in accordance with the provisions of paragraph 2.7 of the Consultant Guidelines.

Section IV. Withdrawal of Grant Proceeds

A. General

1. The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of (a) Article III of the Standard Conditions, (b) this Section, and (c) such additional instructions as the World Bank may specify by notice to the Recipient (including the "World Bank Disbursement Guidelines for Projects" dated May 2006, as revised from time to time by the World Bank and as made

applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.

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

Category	Amount of the Grant Allocated (expressed in USD)	Percentage of Expenditures to be Financed
(1) Works	780,000	90%
(2) Goods	754,700	100% of foreign expenditures; 100% of local expenditures (ex-factory cost), and 90% of local expenditures for other items procured locally
(3) Consultant services	3,179,100	90% of local expenditures for services of consulting firms domiciled within the territory of the borrower; 90% of foreign expenditures for services of individual consultants and firms; and 95% of local expenditures for services of individual consultants domiciled within the territory of the borrower.
(4) Training and workshops	420,000	100%
(5) Incremental Operating Costs*	<u>1,016,200</u>	90%
TOTAL AMOUNT	<u>6,150,000</u>	

* For the purposes of this Schedule, the term “Incremental Operating Costs” means the incremental expenses incurred on account of Project implementation and management, including the operation and maintenance of vehicles, office supplies, communication charges, insurance costs, labor costs, office administration costs, banking charges, utility charges, domestic travel and per diem allowances, but excluding salaries of the officials of the Recipient’s civil service.

B. Closing Date

1. The Closing Date referred to in Section 3.06(c) of the Standard Conditions is
July 14, 2013.