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CONFORMED COPY

GEF GRANT NUMBER TF094033

Global Environment Facility Grant Agreement

(National Parks Network Rehabilitation Project)

between

DEMOCRATIC REPUBLIC OF CONGO

and

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

Dated May 30, 2009

**GLOBAL ENVIRONMENT FACILITY
GRANT AGREEMENT**

AGREEMENT dated May 30, 2009, entered into between:

DEMOCRATIC REPUBLIC OF CONGO (“Recipient”); and

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (“Bank”), acting as an implementing agency of the Global Environment Facility (“GEF”).

The Recipient and the Bank hereby agree as follows:

**Article I
Standard Conditions; Definitions**

- 1.01. The Standard Conditions for Grants Made by the 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 the Appendix to this Agreement.

**Article II
The Project**

- 2.01. The Recipient declares its commitment to the objective of the project described in Schedule 1 to this Agreement (“Project”), and to the Program. To this end, the Recipient shall cause the Project to be carried out by 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 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 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 and the Schedule to the Project Agreement.

**Article III
The Grant**

- 3.01. The 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 seven million United States Dollars (\$7,000,000) (“Grant”) to assist in financing the Project.
- 3.02. The Recipient may withdraw the proceeds of the Grant in accordance with Section III 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 consists of the following:
 - (a) The Member Country has taken or permitted to be taken any action which would prevent or interfere with the performance by the 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 or the Subsidiary Agreement.
 - (c) The Bank has declared the Project Implementing Entity ineligible to be awarded a contract financed by the Bank.
 - (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 Project Implementing Entity’s Basic Legislation has been amended, suspended, abrogated, repealed or waived so as to affect the ability of the Project Implementing Entity to perform any of its obligations under the Project Agreement.
 - (f) Unless agreed otherwise with the Bank, the contract with the Fiduciary Technical Assistant or with the Internal Auditor has been breached, amended, suspended, terminated, or waived.
 - (g) Unless agreed otherwise with the Bank, any Delegated Management Partners Contract has been breached, amended, suspended, terminated, or waived.

- (h) The Conservation Law has been modified in a manner that shall make it improbable that the Project will be carried out.
- (i) *Event prior to Effectiveness.* The Bank has determined after the Effective Date referred to in Section 5.04 of this Agreement that prior to such date but after the date of this Agreement, an event has occurred which would have entitled the Bank to suspend the Recipient's right to make withdrawals from the Grant Account if this Agreement had been effective on the date such event occurred.

Article V
Effectiveness; Termination

- 5.01. This Agreement shall not become effective until evidence satisfactory to the Bank has been furnished to the 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) The Subsidiary Agreement has been validly executed on behalf of the Recipient and the Project Implementing Entity.
 - (c) The Project Manual has been adopted in form and substance satisfactory to the Bank.
- 5.02. As part of the evidence to be furnished pursuant to Section 5.01 (a), there shall be furnished to the Bank an opinion or opinions satisfactory to the Bank of counsel acceptable to the Bank 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 Bank shall otherwise agree, this Agreement shall enter into effect on the date upon which the 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 Bank to suspend the right of the Recipient to make withdrawals from the Grant Account if this Agreement had been effective, the 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. This Agreement and all obligations of the parties under it shall terminate if it has not entered into effect by the date 90 days after the date of this Agreement, unless the Bank, after consideration of the reasons for the delay, establishes a later date for the purpose of this Section. The 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 at the time in charge of finance.

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

Ministry of Finance
Rue Lubefu No 20, Commune de la Gombe
Kinshasa I
BP

Facsimile:

00 243 880 23 81

6.03. The 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 Kinshasa, Democratic Republic of Congo, as of the day and year first above written.

DEMOCRATIC REPUBLIC OF CONGO

By:

**/s/ Athanase Matenda Kyelu
Authorized Representative**

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

By:

**/s/ Marie Françoise Marie-Nelly
Authorized Representative**

SCHEDULE 1 Project Description

The objective of the Project is to enhance the Project Implementing Entity's capacity to manage targeted Protected Areas.

The Project consists of the following parts:

Part A. Support to Institutional Rehabilitation

Provision of equipment, technical assistance and Training, and financing of Operating costs, to support the long-term capacity rehabilitation of the Project Implementing Entity, by: (i) rebuilding functional financial and administrative management capacity, including in the field of procurement; (ii) strengthening its capacity for coordination among conservation stakeholders, communication and awareness campaigns, monitoring and evaluation, and social impact management; and (iii) contribution to the development of a sustainable funding strategy.

Part B. Support to National Parks

Provision of equipment, technical assistance and Training, financing of Operating costs, and carrying out of works, to support rehabilitation of the Garamba National Park and the Mikeno sector of the Virunga National Park, by: (i) restoring the Project Implementing Entity's site-level basic human and material capacity; (ii) strengthening partnerships with non-governmental organizations; (iii) protecting and stabilizing the populations of key flagship species; (iv) supporting local consultations, participatory processes and increased local participation in income generating activities, such as hunting zone management and eco-tourism, as well as other community development activities; and (v) monitoring of safeguards and implementation of mitigation measures under the Project. It is understood that, if the security situation in areas where the targeted Protected Areas are located so requests, the Parties may agree to re-allocate the relevant Project funds to the protection of other Protected Areas.

Part C. Technical Studies and Consultations

Provision of equipment, technical assistance and Training, and financing of Operating costs, to strengthen the Recipient's capacity to conduct technical studies and stakeholders consultations needed to identify potential new Protected Areas by: (i) technical studies, data analysis, stakeholders' consultations and participatory mapping; and (ii) in consultation with national and international non-governmental organizations as well as university organizations, technical studies, stakeholders' consultations, socio-economic and biological studies and participatory mapping in two pilot areas.

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 (“Subsidiary Agreement”), under terms and conditions approved by the Bank, which shall include the following:
 - (a) The obligation of the Recipient to transfer the proceeds of the Grant to the Project Implementing Entity on a grant basis, and otherwise, to take all action necessary to permit the Project Implementing Entity to carry out the Project and ensure the achievement of the objective thereof.
 - (b) The obligation of the Project Implementing Entity to promptly inform the Recipient of any condition which interferes or threatens to interfere with the implementation of the Project and the achievement of the objective thereof.
 - (c) The obligation of the Project Implementing Entity, at the request of the Recipient, to exchange views with the Recipient with regard to the progress of the Project and the achievement of the objective thereof, and the Project Implementing Entity's performance of its obligations under the Subsidiary Agreement and the Project Manual.
 - (d) The obligation of the Project Implementing Entity to carry out the Project in accordance with this Agreement, the Project Agreement, the Subsidiary Agreement and the Project Manual, and at all times to ensure that only activities that comply with this Agreement, the Project Agreement, the Subsidiary Agreement and the Project Manual will be financed from the proceeds of the Grant.
 - (e) The obligation of the Project Implementing Entity to comply with the Social and Environmental Documents.
 - (f) The obligation of the Project Implementing Entity to promptly refund to the Recipient any proceeds from the Grant not used for purposes of carrying out the Project or for achieving the objective thereof or otherwise utilized in a manner which does not comply with the provisions of this Agreement or the Project Agreement.
 - (g) A provision stipulating that, in case of conflict between any of the provisions contained in the Subsidiary Agreement or the Project Manual, on one hand, and

those set forth in this Agreement and the Project Agreement, on the other hand, the provisions of this Agreement and the Project Agreement shall at all times prevail.

2. The Recipient shall exercise its rights under the Subsidiary Agreement in such manner as to protect the interests of the Recipient and the Bank and to accomplish the purposes of the Grant. Except as the Bank shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive the Subsidiary Agreement or any of its provisions.

B. Other

1. The Recipient shall, at all times during project implementation:
 - (a) take all actions necessary or appropriate to enable the Project Implementing Entity to carry out its obligations as set forth in this Agreement and the Project Agreement, including, without limitation, the provision of facilities, site access, services and other resources required for that purpose; and
 - (b) cause the Ministry of Environment and other concerned public agencies and institutions at both the central or local level to take all actions necessary or appropriate to facilitate the smooth execution of the Project by the Project Implementing Entity.
2. The Recipient shall carry out the Project, or cause the Project to be carried out, in accordance with the provisions of: (a) the Project Manual; and (b) the Social and Environmental Documents.
3. Except as the Bank shall otherwise agree, the Recipient shall not amend or waive the Project Manual or the Social and Environmental Documents, or any provision thereof, or permit any such provision to be amended or waived.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports; Completion Report

1. The Recipient shall monitor and evaluate the progress of the Project and shall cause the Project Implementing Entity to prepare Project Reports in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of the indicators set forth in Appendix 2 to this agreement. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the 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 Bank not later than six months after the Closing Date.

B. Financial Management; Financial Reports; Audits

1. The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.
2. The Recipient shall ensure that interim unaudited financial reports for the Project are prepared and furnished to the Bank not later than forty-five days after the end of each quarter, covering the quarter, in form and substance satisfactory to the Bank.
3. The Recipient shall have the yearly Financial Statements for the Project audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. 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 Bank not later than six months after the end of such period.
4. The Recipient shall ensure that regular internal audit of the Project are carried out to include a review of adherence by the Project Implementing Entity and any entity managing the project funds to fiduciary procedures and regulations as well as a verification of expenditures including payments of works and acquisition of furniture and equipment.

Section III. 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 Bank may specify by notice to the Recipient (including the “Bank Disbursement Guidelines for Projects” dated May 2006, as revised from time to time by the Bank and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.
2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Grant (“Category”), the allocations of the amounts of the Grant to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

Category	Amount of the Grant Allocated (expressed in USD)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, consultant services, Training, and Operating Costs under Part A of the Project - Support to Institutional Rehabilitation	1,300,000	100%
(2) Goods, works, consultant services, Training, and Operating Costs under Part B of the Project - Support to National Parks	4,500,000	100%
(3) Goods, consultant services, Training, and Operating Costs under Part C of the Project - Technical Studies and Consultations	1,200,000	100%
TOTAL AMOUNT	7,000,000	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section no withdrawal shall be made for:
 - (a) payments made prior to the date of this Agreement.
 - (b) expenditures under Part B of the Project unless the fiduciary capacity (including financial management and procurement) of the Delegated Management Partners is considered satisfactory to the Bank, and the Delegated Management Contracts have been concluded.
2. The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is January 31, 2014.

Section IV Other Undertakings

- A. The Recipient shall consult with the Bank on the rules pertaining to the use of Protected Areas and adjacent zones for lucrative purposes, commercial or others, and shall not grant any concession pertaining to the use of said zones under the Project without prior consultation with the Bank.

Appendix 1

1. “Annual Work Plans” means the consolidated annual work plans to be prepared by the Project Implementing Entity, and referred to in Section I.E of the Schedule to the Project Agreement.
2. “Conservation Law” means Ordinance Law No 69-041 dated August 22, 1969.
3. “ESMP” means environmental and social management plan, in form and substance satisfactory to the Bank, adopted by the Recipient on May 23, 2008, describing measures designed to mitigate, reduce or offset the environmental and social impacts of activities identified under the Project, as the same may be amended from time to time with the prior written approval of the Bank.
4. “ESIA” means environmental and social impact assessment, giving details of the evaluation of the potential environmental and social risks and impacts of activities under the Project, adopted by the Recipient on May 23, 2008.
5. “Fiduciary Technical Assistant” means the financial management specialist with qualifications and experience and terms of reference satisfactory to the Bank to be recruited by the Project Implementing Entity for the purpose of providing assistance in carrying out the Project Implementing Entity’s financial management activities.
6. “Delegated Management Contract” means the agreement on terms and conditions acceptable to the Bank between the Project Implementing Entity and each Delegated Management Partner for the purpose of carrying out activities under Part B of the Project.
7. “Delegated Management Partner” means a third party with qualifications and experience and terms of reference satisfactory to the Bank recruited by the Project Implementing Entity to assist in the implementation of activities under Part B of the Project, namely: (a) as regards Garamba National Park, African Park Foundation; and (b) as regards the Mikeno sector of the Virunga National Park, the Frankfurter Zoological Society.
8. “Indigenous Peoples Development Plan” and “IPDP” means the document adopted by the Recipient on May 23, 2008, defining specific measures to be implemented for indigenous people in the Project areas in order to protect them and to ensure that members of said indigenous people be granted development opportunities under the Project, as the same may be amended from time to time with the prior written approval of the Bank.
9. “Internal Auditor” means the individual with qualifications and experience and terms of reference satisfactory to the Bank designated by the Project Implementing Entity to assist in the carrying out of internal audits as per Section II.B (4) of Schedule 2 to this Agreement.

10. “National Park” means an area gazetted for nature conservation as defined in the Conservation Law.
11. “Operating Costs” means the incremental expenses incurred by the Project Implementing Entity under the Project on account of office supplies, vehicles operation and maintenance, communication costs, rental expenses, utilities expenses, consumables, transport, travel and accommodation, per diem, supervision costs and salaries of locally contracted staff but excluding salaries of civil servants.
12. “Process Framework” and “PF” mean the framework to ensure participation in management of Protected Areas by local communities living around Protected Areas, adopted by the Recipient on May 23, 2008, as said framework may be amended from time to time with the prior written agreement of the Bank.
13. “Procurement Plan” means the procurement plan for the Project dated October 30, 2008, and referred to in Section III.A.1 of the Schedule to the Project Agreement.
14. “Project Implementing Entity” means *Institut Congolais pour la Conservation de la Nature*, a parastatal established and operating pursuant to the Project Implementing Entity’s Basic Legislation.
15. “Program” means a program of objectives, policies and actions contained in the Recipient’s letter to the Bank, dated December 12, 2007, and designed to promote nature conservation in the Recipient’s territory.
16. “Project Implementing Entity’s Basic Legislation” means Law No. 75-023 dated July 22, 1975, Ordinance No 78-190 dated May 5, 1978, or any other text pursuant to which the Project Implementing Entity has been established and is operating, as such legislation or other instrument may have been amended from time to time prior to the date of this Agreement.
17. “Project Manual” means the Project implementation manual outlining operational modalities for the implementation of Project activities including, *inter alia*, the institutional, administrative, financial, accounting, disbursement, procurement and environmental mitigation arrangements for the implementation of the Project, to be adopted by the Recipient and the Project Implementing Entity pursuant to Article 5.01 of this Agreement, as the same may be amended from time to time with the prior written agreement of the Bank, and such term includes any schedules to the Project Manual.
18. “Protected Area” means an area gazetted for protection purposes as defined in the Conservation Law.
19. “Resettlement Policy Framework” and “RPF” mean the policy framework for land acquisition, compensation, resettlement and rehabilitation of displaced persons adopted

by the Recipient on May 23, 2008, as said policy framework may be amended from time to time with the prior written agreement of the Bank.

20. “Social and Environmental Documents” means together, the ESIA, the ESMP, the IPDP, the PF and the RPF.
21. “Subsidiary Agreement” means the Subsidiary Agreement referred to in Section I.A of Schedule 2 to this Agreement
22. “Training” means the expenses incurred on per diem, travel, purchase of training materials and rental of facilities, and includes workshops and seminars.

Appendix 2 – Performance Indicators

1. By the Closing Date, the Project Implementing Entity is able to execute its budget and produce regular financial reports.
2. By the Closing Date, the Project Implementing Entity produces regular monitoring and evaluation reports, which include data on social impacts.
3. By the Closing Date, stable populations of five key bio-indicator species (hippopotamus, northern white rhinos, giraffes, mountain gorillas, elephants) occur in the targeted sites.
4. By the Closing Date, there is increased use by local people of community infrastructure.
5. Throughout the implementation of the Project, the Environmental and Social Documents are satisfactorily implemented.
6. By the Closing Date the Project's Implementing Entity has produced studies and conducted consultations to support the expansion of the national Protected Areas system.