

CONFORMED COPY

GET GRANT NUMBER 28670 UG

Global Environment Trust Fund
Grant Agreement

(Bwindi Impenetrable National Park and Mgahinga
Gorilla National Park Conservation Project)

between

THE REPUBLIC OF UGANDA

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

acting as Trustee of the Global Environment
Trust Fund

Dated March 7, 1995

GET GRANT NUMBER 28670 UG

GLOBAL ENVIRONMENT TRUST FUND GRANT AGREEMENT

AGREEMENT, dated March 7, 1995, between THE REPUBLIC OF UGANDA (the Recipient) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT acting as Trustee of grant funds provided by Participants of the Global Environment Facility into the Global Environment Trust Fund (GET) (the Trustee).

WHEREAS (A) the International Bank for Reconstruction and Development (the Bank) pursuant to Resolution No. 91-5 of March 14, 1991, of the Executive Directors of the Bank (the Resolution), established the Global Environment Facility consisting of the GET, Cofinancing Arrangements with the GET and the Ozone Projects Trust Fund, to assist in the protection of the global environment and promote thereby environmentally sound and sustainable economic development;

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

WHEREAS (C) the Recipient, having satisfied itself as to the feasibility and priority of the Project described in Schedule 2 to this Agreement, has requested assistance from the resources of the GET in the financing of the Project, and the

Trustee has determined that such assistance would be in accordance with the provisions of the Resolution;

WHEREAS (D) the Project will be carried out by the Mgahinga and Bwindi Impenetrable Forest Conservation Trust (MBIFCT) with the Recipient's assistance and, as part of such assistance, the Recipient will make available to MBIFCT the proceeds of the GET Grant as provided in this Agreement;

WHEREAS (E) the Recipient intends to contract from the United States Agency for International Development (USAID) a grant (the USAID Grant) in an amount equivalent to about \$890,000 to assist in financing MBIFCT's administration costs for its initial two years of operation on the terms and conditions set forth in an agreement (the USAID Grant Agreement) to be entered into among the Recipient, MBIFCT and USAID; and

WHEREAS the Trustee has agreed, on the basis, inter alia, of the foregoing, to extend the GET Grant to the Recipient upon the terms and conditions set forth in this Agreement and in the Project Agreement of even date herewith between the Trustee and MBIFCT;

NOW THEREFORE the parties hereto hereby agree as follows:

ARTICLE I

General Conditions; Definitions

Section 1.01. (a) The following provisions of the General Conditions Applicable to Loan and Guarantee Agreements of the Bank, dated January 1, 1985, with the modifications set forth in paragraph (b) of this Section (the General Conditions) constitute an integral part of this Agreement:

- (i) Article I;
 - (ii) Sections 2.01 (1), (2), (3), (4), (6), (8), (9), (10), (11), (15), (18) and (20), 2.02 and 2.03;
 - (iii) Section 3.01;
 - (iv) Section 4.01 and the first sentence of Section 4.09;
 - (v) Article V;
 - (vi) Sections 6.01, 6.02 (c), (e), (f), (g), (i) and (k), 6.03, 6.04 and 6.06;
 - (vii) Section 8.01 (b);
 - (viii) Sections 9.01 (a) and (c), 9.04, 9.05, 9.06, 9.07, 9.08 and 9.09;
 - (ix) Sections 10.01, 10.03 and 10.04;
 - (x) Article XI; and
 - (xi) Sections 12.02, 12.03 and 12.04.
- (b) The General Conditions shall be modified as follows:
- (i) a new paragraph shall be added to the end of Section 2.01 to read as follows: "the term "Special Drawing Rights" and the symbol "SDR" mean special drawing rights as valued by the International Monetary Fund in accordance with its Articles of Agreement";
 - (ii) the term "Bank", wherever used in the General Conditions, other than in Sections 2.01 (8) and 6.02 (f) thereof and the last use of such term in Section 5.01 thereof, means the Trustee except that in Section 6.02, the term "Bank" shall also include the International Bank for Reconstruction and Development acting in its own capacity;
 - (iii) the term "Borrower", wherever used in the General Conditions, means the Recipient;
 - (iv) the term "Loan Agreement", wherever used in the General

Conditions, means this Agreement;

- (v) the term "Loan" and "loan" wherever used in the General Conditions, means the GET Grant;
- (vi) the term "Loan Account" wherever used in the General Conditions, means the GET Grant Account; and
- (vii) A new subparagraph shall be added after sub-paragraph (j) in Section 6.02 as follows: "An extraordinary situation shall have arisen in which any further disbursement under the GET Grant would exceed the resources available for disbursement from the GET."

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

(a) "Project Agreement" means the agreement of even date herewith between the Trustee and MBIFCT, as such agreement may be amended from time to time; and such term includes all schedules and agreements supplemental to the Project Agreement;

(b) "BINP" means Bwindi Impenetrable National Park;

(c) "MGNP" means Mgahinga Gorilla National Park;

(d) "MISR" means Makerere Institute for Social Research;

(e) "UNP" means Uganda National Parks established by the National Parks Act, Cap. 227 of the Law of Uganda;

(f) "MOU" means the Memorandum of Understanding between UNP and MBIFCT dated June 30, 1994;

(g) "MTWA" means the Recipient's Ministry of Tourism Wildlife and Antiquities;

(h) "TAM" means MBIFCT's Trust Administration Manual;

(i) "Trust Deed" means the deed establishing MBIFCT executed in Kampala, Uganda on February 22, 1994 pursuant to the Registration of Documents Act, Cap. 80 of the Laws of Uganda;

(j) "Bye-laws" means MBIFCT's bye-laws adopted by its Trust Management Board on June 30, 1994;

(k) "TAU" means the Trust Administration Unit of MBIFCT;

(l) "TMB" means the Trust Management Board comprising of Trustees of MBIFCT;

(m) "TAC" means the Trust Advisory Committee

(n) "LCSC" means the Local Community Steering Committee;

(o) "IPP" means the indigenous people's plan, referred to in section 3.05 (b) of this Agreement and adopted by UNP and TMB on June 30, 1994; and

(p) "Guidelines" means: (i) the "Guidelines for Procurement under IBRD Loans and IDA Credits" published by the Trustee in May 1992, and (ii) the "Guidelines for the Use of Consultants by World Bank Borrowers and by the World Bank as Executing Agency" published by the Trustee in August 1981.

ARTICLE II

The GET Grant

Section 2.01. The Trustee agrees to make available to the Recipient, on the terms and conditions set forth or referred to in this Agreement, the GET Grant in an amount in various currencies equivalent to two million nine hundred thousand Special Drawing Rights (SDR 2,900,000).

Section 2.02. The amount of the GET Grant may be withdrawn from the GET Grant

Account in accordance with the provisions of Schedule 1 to this Agreement.

Section 2.03. The Closing Date shall be December 31, 1999 or such later date as the Trustee shall establish. The Trustee shall promptly notify the Recipient of such later date.

ARTICLE III

Execution of the Project

Section 3.01. The Recipient declares its commitment to the objectives of the Project as set forth in Schedule 2 to this Agreement, and, to this end, without any limitation or restriction upon any of its other obligations under this Agreement, shall cause MBIFCT to perform in accordance with the provisions of the Project Agreement all the obligations of MBIFCT therein set forth, shall take and cause to be taken all action to enable MBIFCT to perform such obligations, and shall not take or permit to be taken any action which would prevent or interfere with such performance.

Section 3.02. The Recipient shall make the proceeds of the GET Grant available to MBIFCT for use by MBIFCT for the purposes of the Project in accordance with, and subject to the terms and conditions approved by the Trustee, including those set forth in the Trust Deed and MOU.

Section 3.03. The Recipient and the Trustee hereby agree that the obligations set forth in Sections 9.04, 9.05, 9.06, 9.07, 9.08 and 9.09 of the General Conditions (relating to insurance, use of goods and services, plans and schedules, records and reports, maintenance and land acquisition, respectively) shall be carried out by MBIFCT pursuant to Section 2.03 of the Project Agreement.

Section 3.04. The Recipient shall ensure that UNP: (a) shall duly perform its obligations under MOU and shall not take or permit to be taken any action which would prevent or interfere with such performance, and (b) shall promptly, but in any event no later than September 30, 1994, adopt a management plan for MGNP, satisfactory to the Trustee, and thereafter implement management plans for BINP and MGNP.

Section 3.05. The Recipient shall take all measures necessary to ensure that: (a) all people to be involuntarily resettled from BINP shall be resettled and adequately compensated in accordance with a plan satisfactory to the Trustee; and (b) UNP and MBIFCT implement an IPP, satisfactory to the Trustee, which includes: (i) adequate representation of local indigenous people in the Project area in the decision-making structure of MBIFCT, (ii) ensuring that the indigenous people receive a fair share of the benefits from the Project; and (iii) allowing the indigenous people to have preferential access to opportunities to harvest forest resources, consistent with UNP's park management plans.

ARTICLE IV

Remedies of the Trustee

Section 4.01. Pursuant to Section 6.02 (k) of the General Conditions, the following additional events are specified:

(a) MBIFCT shall have failed to perform any of its obligations under the Project Agreement.

(b) As a result of events which have occurred after the date of this Grant Agreement, an extraordinary situation shall have arisen which shall make it improbable that MBIFCT will be able to perform its obligations under the Project Agreement.

(c) The Trust Deed, Bye-laws, MOU or TAM shall have been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of MBIFCT to perform any of its obligations under the Project Agreement.

(d) The Recipient or any other authority having jurisdiction shall have taken any action for the dissolution or disestablishment of MBIFCT or for the suspension of its operations.

ARTICLE V

Effectiveness; Termination

Section 5.01. The following events are specified as conditions to the

By /s/ Paul Mukasa-Ssali

Authorized Representative

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

By /s/ Edward V.K. Jaycox

Regional Vice President
Africa

SCHEDULE 1

Withdrawal of the Proceeds of the GET Grant

1. Subject to the provisions set forth or referred to in this Schedule, the proceeds of the GET Grant may be withdrawn from the GET Grant Account for expenditures in respect of the contributions to be made to MBIFCT's initial capital fund, the investment income of which shall be used for the execution of the Project.

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

SCHEDULE 2

Description of the Project

The objectives of the Project are to support biodiversity conservation in BINP and MGNP through: (a) incremental support for park management and related research activities; and (b) financing grants to assist local community groups to develop socio-economic activities which will provide alternative means of meeting needs which were traditionally met by harvesting forest resources or to build community support for conservation.

The Project consists of the provision of financing for MBIFCT the investment income of which would, in turn, finance the Project consisting, inter alia, of part of the administration costs of MBIFCT, and the following parts, subject to such modifications thereof or additions thereto as the Recipient and the Trustee may agree upon from time to time to achieve such objectives:

Part A: Community Development

Financing subprojects, proposed by established local community groups, which: (a) have a demonstrable positive impact on the conservation and biodiversity of BINP or MGNP; (b) are consistent with UNP policies and park management plans; and (c) are equitable, transparent and socially and environmentally sound.

Part B: Research

Support for ecological and socio-economic research to generate data required for improving the management of BINP or MGNP and the interaction between the parks and outlying communities, including: (i) surveys and monitoring of key indicator species and ecosystem quality and functions; (ii) evaluation of options for sustainable use of selected forest resources in multiple-use zones; and (iii) research on reducing wildlife impacts on crops.

Part C: Park Management

Support for implementation of UNP's management plans for BINP and MGNP, including improved marking of boundaries, resettlement of displaced people, expansion of patrols, acquisition of land to enhance the habitat, restoration of degraded areas and improvement of consultations with, and participation of, communities in park management.

* * *

The Project is expected to be completed by December 31, 1999.

