

Public Disclosure Authorized

CONFORMED COPY

GEF GRANT NUMBER TF091199

Global Environment Facility Grant Agreement

(West Africa Regional Biosafety Project)

between

UNION ECONOMIQUE ET MONETAIRE OUEST-AFRICAINE

and

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
Acting as an Implementing Agency of the Global Environment Facility

Dated February 2, 2008

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GEF GRANT NUMBER TF091199

GLOBAL ENVIRONMENT FACILITY GRANT AGREEMENT

AGREEMENT dated February 2, 2008, entered into between:

UNION ECONOMIQUE ET MONETAIRE OUEST-AFRICAINE (UEMOA) (“Recipient”), acting through its Commission; and

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

WHEREAS

(A) Pursuant to *Règlement* no. 03/2007/CM/UEMOA, dated April 6, 2007, the Recipient has adopted the Regional Program for Biosafety of the Union Economique et Monétaire Ouest Africaine (the “Program”) to establish an operational institutional, legal and regulatory biosafety framework for the compliance by its Member States with the provisions of the Cartagena Protocol.

(B) The Program is expected to be financed through the Recipient’s own resources as well as funds from other sources, as follows:

(i) The Recipient intends to allocate an amount approximately equivalent to 5,200,000 Dollars to the financing of the Program, for activities not financed by the proceeds of the Grant, through its Regional Economic Program, funded from the proceeds of the French budget support to the Recipient, managed by *Agence Française de Développement*.

(ii) The Recipient intends to request from the European Commission (EC) an amount of 6,000,000 Euros for the financing of the Program, including the mitigation of related socio-economic risks and the creation of a network of national biosafety laboratories.

(iii) Since 2006, the Member States have received support from the United Nations Environment Program for an aggregate amount approximately equivalent to 400,000 Dollars for the financing of activities included in the Program.

(iv) Burkina Faso has received from the International Development Association (IDA) financing, in the form of a credit, for the Agricultural Diversification and Market Development Project (Cr. 4195-BUR), of which an amount approximately equivalent to 1,200,000 Dollars has been allocated to the financing of national activities included in the Program.

(v) Burkina Faso has received from IDA a credit of SDR 2.6 million for the financing of selected activities of the Program, as further described in the Financing Agreement between Burkina Faso and IDA.

(vi) The GEF accepts to finance part of the Program, in accordance with the terms and conditions of this Agreement, and in full reliance on the availability of the funds described in subsections (i) to (v) above.

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”) with the modifications set forth in Appendix 2 to this Agreement, 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.

Article II

The Project

2.01. The Recipient declares its commitment to the Program and to the objective of the project described in Schedule 1 to this Agreement (“Project”). To this end, the Recipient shall carry out the Project, except the activities included in Part A (ii) of the Project, which shall be carried out directly by Burkina Faso, in accordance with the provisions of Article II of the Standard Conditions.

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, except the activities included in Part A (ii) of 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 five million four hundred thousand Dollars (US\$ 5,400,000) (“Grant”) to assist in financing the Project, except the activities included in Part A (ii) of 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 consists of the following:

(a) *Ineligibility*: IBRD or IDA has declared the Recipient ineligible to be awarded a contract financed by IBRD or IDA.

(b) As a result of events which have occurred after the date of the Grant Agreement, an extraordinary situation has arisen which makes it improbable that the Program, or a substantial part thereof, can be carried out.

(c) The Recipient has not established to the satisfaction of the World Bank that adequate resources for financing of the Program are available from other sources on terms and conditions consistent with the Recipient’s obligations under the Agreement, when (i) resources necessary for the financing of the Program from other sources than the World Bank are not provided, or (ii) the right to withdraw funds under resources necessary for the financing of the Program from other sources than the World Bank has been suspended or cancelled or terminated in whole or in part, or (iii) resources necessary for the financing of the Program from other sources than the World Bank has become due and payable prior to its agreed maturity.

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 Recipient has recruited an independent auditor for the Project, with terms of reference, qualification and experience satisfactory to the World Bank.
 - (b) The Recipient has adopted a Project Administrative, Accounting and Financial Manual in form and substance satisfactory to the World Bank.
 - (c) The Recipient has adopted a Project Implementation Manual in form and substance satisfactory to the World Bank.
 - (d) The Recipient has established a Steering Committee (*Comité d'Orientation et de Suivi du Programme*) with terms of reference, composition and resources satisfactory to the World Bank.
 - (e) The Recipient has established a Coordination Unit with terms of reference, composition and resources satisfactory to the World Bank.
 - (f) The Recipient has recruited the following key staff, with terms of reference, qualification and experience satisfactory to the World Bank, for the Coordination Unit, which is operational:
 - (i) a biosafety specialist who will also act as Regional Coordinator; and
 - (ii) a communication specialist.
 - (g) The Recipient has recruited an accountant and a procurement specialist, with terms of reference, qualification and experience satisfactory to the World Bank, and has designated an internal auditor for the monitoring of the Project.
 - (h) The Recipient has caused two staff members, including the Director, from the Recipient's *Direction des Approvisionnements et de la*

Comptabilité Matière, to be trained under the Procurement Guidelines and the Consultants' Guidelines.

- (i) The World Bank has received a legal opinion issued by the Recipient, in form and substance satisfactory to the World Bank, confirming that this Agreement has been duly authorized and signed by the Recipient, and that its provisions are binding and enforceable on the Recipient.
- 5.02. 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 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 President of the Commission of the Recipient.

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

Union Economique et Monétaire Ouest Africaine
380 avenue du Professeur Joseph Ki-Zergo
Ouagadougou 01 – Burkina Faso

Telex:	Facsimile:
5554BF	(226) 50 31 88 72

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 Ouagadougou, Burkina Faso, as of the day and year first above written.

**UNION ECONOMIQUE ET MONETAIRE
OUEST AFRICAINE**

By /s/ Soumaila Cissé

Authorized Representative

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

By /s/ Célestin Bado

Authorized Representative

SCHEDULE 1

Project Description

The objective of the Project is to support the Recipient for the establishment of an operational institutional, legal and regulatory regional biosafety framework for the regulation of living modified organisms.

The Project, which is part of the Program, consists of the following Parts:

Part A – Adapting and disseminating regional methodologies to assess and manage risks related to living modified organisms

Adapting and disseminating regional methodologies to assess and manage risks through support in: (i) assessing and evaluating existing tools and guidelines used or in preparation in Member States for risk assessment and management, and comparing them to recognized international methodologies; (ii) establishing a national reference laboratory with a regional dimension for biosafety in Burkina Faso, and strengthening its capacities for its eventual accreditation; and (iii) consolidating the existing tools and developing regional common approaches that meet recognized international standards in risk assessment and management, inspection, and monitoring and evaluation of living modified organisms.

Part B – Establishing an institutional, legal and regulatory regional biosafety framework

Establishing an institutional, legal and regulatory regional biosafety framework, through support in: (i) preparing a regional law and regulation on biosafety; (ii) creating an institutional framework to accompany the dissemination and implementation of the legal and regulatory regional biosafety framework in the Member States; and (iii) strengthening regional institution capacity building for the implementation of the Project.

Part C – Implementing the Institutional, Legal and Regulatory Biosafety Framework in Member States who have ratified the Cartagena Protocol, with an initial focus on selected commodities

Implementing the national and, when in place, regional institutional, legal and regulatory biosafety framework in Member States who have ratified the Cartagena Protocol, in both cases through support to inform, sensitize, and strengthen the capacities of the stakeholders.

SCHEDULE 2

Project Execution

Section I. Institutional and Other Arrangements

The institutional and other arrangements for the Project are further described in the Project Administrative, Accounting and Financial Manual and the Project Implementation Manual.

1. The Steering Committee

The Recipient shall maintain, throughout the implementation of the Project, the Steering Committee (*Comité d'Orientation et de Suivi du Programme*) with terms of reference, composition and resources at all times satisfactory to the World Bank, which shall, *inter alia*, include the following:

(a) The Steering Committee shall be responsible for the overall guidance and monitoring of the Project implementation.

(b) The Steering Committee shall be composed of representatives of the Member States' ministries in charge of environment, the Recipient, the Economic Community of West African States, and civil society, including regional producer organizations and regional non governmental organizations. The Recipient's and Member States' technical and financial partners involved in the Programme shall be invited to participate in the meetings of the Steering Committee as observers.

2. Regional Coordination

(a) The Recipient shall maintain, at all times during the implementation of the Project, a Coordination Unit, with terms of reference, composition and resources at all times satisfactory to the World Bank, which shall, *inter alia*, include the following:

(i) The Coordination Unit shall be responsible for the overall coordination and implementation of the activities of the Project.

(ii) The Recipient shall maintain the following key staff in the Coordination Unit, each with terms of reference, qualification and expertise satisfactory to the World Bank: (A) a biosafety specialist, and (B) a communication specialist.

(b) The Recipient shall also maintain, at all times during the implementation of the Project, each with terms of reference, qualification and expertise satisfactory to the World Bank: (i) a Financial Management Specialist, (ii) a Procurement Specialist, (iii) an accountant; and (iv) an internal auditor.

3. The National Coordination

The Recipient shall support the Member States in establishing a national coordination for the implementation of the Project including the following:

(a) the national entity in charge of biosecurity (which shall act as national correspondent), shall be responsible, at the national level, for the implementation of the activities of the Project; and

(b) a National Biosafety Committee, shall be in charge of the monitoring of the Project's activities at the national level.

4. Project Manuals

(a) The Recipient shall carry out the Project in accordance with the provisions of the Project Administrative, Accounting and Financial Manual, and shall not, unless the World Bank shall otherwise agree, amend or waive any provision thereof which in the opinion of the World Bank may adversely and materially affect the implementation of the Project.

(b) The Recipient shall carry out the Project in accordance with the provisions of the Project Implementation Manual, and shall not, unless the World Bank shall otherwise agree, amend or waive any provision thereof which in the opinion of the World Bank may adversely and materially affect the implementation of the Project.

5. Environmental and Social Assessment and Mitigation Measures

(a) The Recipient shall implement the Project in accordance with the guidelines, procedures, timetables and other specifications set forth in the Environment and Social Management Framework.

(b) Except as the World Bank shall agree in writing, the Recipient shall not abrogate, amend, repeal, suspend, waive or otherwise fail to enforce the provisions of the Environment and Social Management Framework, when in the opinion of the World Bank, it may adversely and materially affect the implementation of the Project.

Section II. Project Monitoring, Reporting, and Evaluation

A. Project Reports; Recipient's Completion Report

1. (a) The Recipient shall 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 indicator set forth below in sub-paragraph (b) of this paragraph. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the World Bank not later than one (1) month after the end of the period covered by such report.

(b) The performance indicator referred to above in sub-paragraph (a) consists of the following:

- Percentage of applications received by the national competent authorities for field trials and commercial releases that concern crops of high priority for the Recipient's territory, as defined in accordance with the Recipient's agricultural policy, which have been processed (approved or declined) and reviewed on the basis of the science-based risk assessment and management procedures established by the reference laboratory with a regional dimension established under Part A (ii) of the Project.

2. The Recipient shall prepare the Recipient's 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 no 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 un-audited financial reports for the Project are prepared and provided to the World Bank as part of the Project Report, not later than forty five days after the end of each calendar quarter, in form and substance satisfactory to the World Bank.

3. The Recipient shall have its Financial Statements for the Project, including the Financial Statements related to Part A (ii) of the Project, audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Each 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 provided to the World Bank no later than six months after the end of such period.

The terms of reference of the independent auditor referred to in paragraph (a) of Section 5.01 of this Agreement shall include the review of the Recipient's Financial Statements for the Project and those of Burkina Faso for Part A (ii) of the Project, and the preparation of two separate reports, one for the audit of the Project, with the exception of Part A (ii) of the Project, and the other one for the audit of Part A (ii) of the Project.

Section III. Procurement

A. General

1. Procurement and Consultant Guidelines. 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:

(a) Section I of the "Guidelines for Procurement under IBRD Loans and IDA Credits" published by the World Bank in May 2004, and revised in October 2006 ("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, and revised in October 2006 ("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

1. International Competitive Bidding. Except as otherwise provided in paragraph 2 below, goods shall be procured under contracts awarded on the basis of International Competitive Bidding (subject to understand the term "national preference" as regional preference extended to bidders from the Member States).

2. Other Methods of Procurement of Goods. The following methods, other than International Competitive Bidding, may be used for procurement of goods for those contracts which the World Bank agrees meet the requirements set forth in the Procurement Guidelines for their use:

(a) National Competitive Bidding(*);

(b) Shopping; and

(c) Direct Contracting.

(* “National Competitive Bidding” includes all the provisions applicable to “International Competitive Bidding”, modified as follows:

(i) notification and advertising: mandatory publication in at least one newspaper widely circulated in each of the Member States, with the option to also disclose on UNDB online and dgMarket

(ii) currency for payment and bidding documents: CFA Francs

(iii) time for preparation of bids: at least four weeks

(iv) bidding language: French

(v) no national preference

C. Particular Methods of Procurement of Consultant Services

1. Quality- and Cost-based Selection. Except as otherwise provided in paragraph 2 below, consultant services shall be procured under contracts awarded on the basis of Quality and Cost-based Selection.

2. Other Methods of Procurement of Consultant Services. The following methods, other than Quality and Cost-based Selection, may be used for procurement of consultant services for those assignments which are specified in the Procurement Plan:

(a) Least-Cost Selection;

(b) Selection based on Consultants’ Qualifications;

(c) Single-source Selection; and

(d) Selection of Individual Consultants.

D. Review by the World Bank of Procurement Decisions

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

(a) The first two contracts for goods and non consulting services procured on the basis of National Competitive Bidding; each contract for goods and non consulting services estimated to cost the equivalent of \$200,000 or more; and each contract for goods and non consulting services procured on the basis of Direct Contracting; and

(b) each contract for consultant services provided by a firm estimated to cost the equivalent of \$100,000 or more; each contract for consultant services provided by an individual estimated to cost the equivalent of \$50,000 or more; each contract for consultant services procured on the basis of Single Source Selection; and the three first contracts of consultant services procured by a firm.

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

All terms of reference for the selection of consultants shall be submitted to the World Bank for prior review.

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 which can be financed for Eligible Expenditures in each Category:

<u>Category</u>	<u>Amount of the Grant Allocated (expressed in USD)</u>	<u>Percentage of Expenditures Financed (exclusive of Taxes)</u>
(1) Consultant services, Audits and Training	4,100,000	100%
(2) Operating Costs	800,000	100%
(3) Unallocated	500,000	
TOTAL AMOUNT	5,400,000	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for payments made prior to the date of this Agreement.

2. The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is June 30, 2012.

Section VI. Other Undertakings

1. No later than eighteen (18) months after the Effective Date, or such later date as may be agreed upon by the Recipient and the World Bank, the Recipient and the World Bank shall carry out a mid term review of the Project, covering the progress achieved in the implementation of the Project. The Recipient shall prepare under terms of reference satisfactory to the World Bank, and furnish to the World Bank about three months prior to the beginning of such mid term review of the Project, a report integrating the results of the monitoring and evaluation activities performed pursuant to this Agreement, on the progress achieved in the carrying out of the Project during the period preceding the date of such report, and setting out the measures recommended to ensure the efficient carrying out of the Project and the achievement of the objectives of the Project during the period following such date. The other technical and financial partners involved in the Program will be invited to participate in such mid term review.

2. No later than twelve (12) months after the Effective Date, the Recipient shall retain the services of an independent consultant with terms of reference, qualification and experience satisfactory to the World Bank for the preparation of the report referred to in paragraph (1) above for the mid term review.

3. The Recipient shall allocate on a yearly basis the resources needed for the financing of the Program.

APPENDIX 1

Definitions

1. “Cartagena Protocol” means the Cartagena Protocol on Biosafety to the Convention on Biological Diversity, adopted in Montreal, Canada, by the Conference of the Parties to the Convention on January 29, 2000.
2. “CFA Franc” means the currency having legal tender in the Financial African Community.
3. “Environmental and Social Management Framework” means the document entitled “*Cadre de Gestion Environnementale et Sociale*” prepared by Mrs. Song Li and Mrs. Suryna Ali, with the collaboration of Mr. Maman Farouk and Mrs. Zourata Lompo, at the request of the Recipient and dated March 4, 2007.
4. “Member States” means collectively Benin, Burkina Faso, Côte d’Ivoire, Guinea Bissau, Mali, Niger, Senegal and Togo, the members of the West African Economic and Monetary Union.
5. “Operating Costs” means the incremental expenses incurred on account of Project implementation, management and monitoring, including for office space rental, operating costs and maintenance of offices, equipment and vehicles, utilities, communications, bank charges, supplies, salaries of contractual and temporary staff, cost of travel and supervision, per diem, but excluding salaries of the Recipient’s civil servants.
6. “Project Administrative, Accounting and Financial Manual” means the Recipient’s guidelines and procedures satisfactory to the World Bank to be used for the purpose of implementing the Project, including in the areas of fiduciary organization, accounting, financial management, and procurement, as such guidelines and procedures may be amended from time to time in agreement with the World Bank, and such term includes any schedule to the Project Administrative, Accounting and Financial Manual.
7. “Project Implementation Manual” means the Recipient’s guidelines and procedures satisfactory to the World Bank to be used for the purpose of implementing the Project, including in the areas of monitoring and evaluation, coordination, social and environment, and other provisions related to the institutional organization, as such guidelines and procedures may be amended from time to time in agreement with the World Bank, and such term includes any schedule to the Project Implementation Manual.

APPENDIX 2

Modifications to the Standard Conditions

The Standard Conditions are modified as follows:

The reference to “Member Country” in the Standard Conditions means the Member of the World Bank in whose territory the Project is carried out or any of such member’s political or administrative subdivisions. If the Project is carried out in the territory of more than one member of the World Bank, “Member Country” refers separately to each such member.