

CONFORMED COPY

GEF TRUST FUND GRANT NUMBER TF 023658

Global Environment Facility
Trust Fund Grant Agreement

(National Parks Conservation and Management Program Support Project)

between

REPUBLIC OF BENIN

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

acting as an Implementing Agency of the Global Environment Facility

Dated April 21, 2000

GEF TRUST FUND GRANT NUMBER TF 023658

GLOBAL ENVIRONMENT FACILITY TRUST FUND GRANT AGREEMENT

AGREEMENT, dated April 21, 2000, between REPUBLIC OF BENIN (the Recipient) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (the Bank) acting as an implementing agency of the Global Environment Facility (GEF) in respect of grant funds provided to the GEF Trust Fund by certain members of the Bank as participants of the GEF.

WHEREAS (A) the Bank, pursuant to Resolution No. 91-5 of March 14, 1991 of the Executive Directors of the Bank, established the GEF to assist in the protection of the global environment and promote thereby environmentally sound and sustainable economic development;

(B) following the restructuring of the GEF, such arrangements continued in place on the basis set forth in Resolution No. 94-2 of May 24, 1994, of the Executive Directors of the Bank which, inter alia, established the GEF Trust Fund, authorized the first replenishment of the GEF Trust Fund and appointed the Bank as Trustee of the GEF Trust Fund (Resolution No. 94-2);

(C) the second replenishment of the GEF Trust Fund was approved on the basis set forth in Resolution No. 98-2 of July 14, 1998, of the Executive Directors of the Bank (Resolution No. 98-2);

(D) the Bank has received from the Recipient a letter, dated December 16, 1998, describing a program of actions, objectives and policies designed to strengthen the Recipient's wildlife management and conservation capacities (the Program) and declaring the Recipient's commitment to the execution of the Program;

(E) the Recipient, as part of the Program, having satisfied itself as to the feasibility and priority of the Project described in Schedule 2 to this Agreement, has requested assistance from the GEF Trust Fund for funding the Project and said request having been approved in accordance with the provisions of the Instrument for Establishment of the Restructured Global Environment Facility approved under Resolution No. 94-2, and to be funded from contributions to the GEF Trust Fund under Resolution No. 98-2, which may include funds carried over from the first replenishment of the GEF Trust Fund under Resolution No. 94-2;

(F) the Recipient intends to obtain from various Donors (as hereinafter defined) grants and loans to assist in the financing of the Program;

(G) the Project will be carried out by the Centre National de Gestion des Réserves de Faune (CENAGREF) with the Recipient's assistance and, as part of such assistance, the Recipient will make available to CENAGREF the proceeds of the GEF Trust Fund Grant as provided in this Agreement; and

WHEREAS the Bank has agreed, on the basis, inter alia, of the foregoing, to extend the GEF Trust Fund Grant to the Recipient upon the terms and conditions set forth in this Agreement;

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 for Currency Pool Loans of the Bank, dated January 1, 1985, as amended through December 2, 1997, 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) Section 8.01 (b);
- (vii) Sections 9.01 (a) and (c), 9.04, 9.05, 9.06, 9.07, 9.08 and 9.09;
- (viii) Sections 10.01, 10.03 and 10.04;
- (ix) Article XI; and
- (x) Sections 12.01 (c), 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 Bank acting as an

implementing agency of the GEF, except that in Section 6.02, the term "Bank" shall also include the Bank 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 GEF Trust Fund Grant;
- (vi) the term "Loan Account", wherever used in the General Conditions, means the GEF Trust Fund Grant Account; and
- (vii) a new subparagraph (q) is added after subparagraph (p) in Section 6.02 of the General Conditions, as follows: "an extraordinary situation shall have arisen in which any further disbursement under the GEF Trust Fund Grant would exceed the resources available for disbursement from the GEF."

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) "ARDET-ATACORA" means Association Régionale pour le Développement du Tourisme de l'Atacora, the Recipient's Regional Association for the Development of Tourism in the Atacora Department, established and operating under the Recipient's laws and regulations pursuant to its statutes dated June 28, 1991, as amended as of the date thereof;

(b) "CENAGREF" means Centre National de Gestion des Réserves de Faune, the Recipient's National Center for the Management of Protected Areas, established and operating under the Recipient's laws and regulations pursuant to the Recipient's Decree No. 96-73 dated April 2, 1996, as amended as of the date hereof;

(c) "CFA Franc" and "CFAF" mean the currency of the Recipient;

(d) "Convention" means the agreement to be entered into between the Recipient and CENAGREF pursuant to Section 3.05 (a) of this Agreement, as the same may be amended from time to time, and such term includes any schedules to the Convention;

(e) "Donors" means, collectively, the national or international agencies contributing funds or technical assistance for the Program, and "Donor" means each and every such agency individually;

(f) "IAPSO" means Inter Agency Procurement Services Organization;

(g) "Pendjari Complex" means the area comprising Pendjari National Park, the associated synergetic areas, and the adjacent buffer zones and surrounding rural areas;

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

(i) "Project Implementation Manual" means the manual setting out, inter alia, policies, procedures, timetables, guidelines relating to the implementation of the Project, referred to in paragraph 1 of Schedule 2 to the Project Agreement, and adopted by CENAGREF on June 28, 1999, as the same may be amended from time to time, and such term includes any schedules to the Project Implementation Manual;

(j) "Special Account" means the account referred to in Section 2.02 (b) of

this Agreement; and

(k) "W Complex" means the area comprising W National Park, the associated synergetic areas, and the adjacent buffer zones and surrounding rural areas.

ARTICLE II

The GEF Trust Fund Grant

Section 2.01. The Bank agrees to make available to the Recipient, on the terms and conditions set forth or referred to in this Agreement, the GEF Trust Fund Grant in an amount in various currencies equivalent to five million Special Drawing Rights (SDR 5,000,000).

Section 2.02. (a) The amount of the GEF Trust Fund Grant may be withdrawn from the GEF Trust Fund Grant Account in accordance with the provisions of Schedule 1 to this Agreement for expenditures made (or, if the Bank shall so agree, to be made) in respect of the reasonable cost of goods and services required for carrying out the Project and to be financed out of the proceeds of the GEF Trust Fund Grant.

(b) The Recipient may, for the purposes of the Project, open and maintain in CFA Franc a special deposit account in a commercial bank on terms and conditions satisfactory to the Bank, including appropriate protection against set-off, seizure or attachment. Deposits into, and payments out of, the Special Account shall be made in accordance with the provisions of Schedule 4 to this Agreement.

Section 2.03. The Closing Date shall be December 31, 2005 or such later date as the Bank shall establish. The Bank shall promptly notify the Recipient of such later date.

ARTICLE III

Execution of the Project

Section 3.01. (a) 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 the Global Environment Facility Trust Fund Grant Agreement, shall cause CENAGREF to perform, in accordance with the provisions of the Project Agreement, all the obligations of CENAGREF therein set forth, shall take and cause to be taken all action, including the provision of funds, facilities, services and other resources, necessary or appropriate to enable CENAGREF to perform such obligations and shall not take or permit to be taken any action which would prevent or interfere with such performance.

(b) Without limitation upon the provisions of paragraph (a) of this Section, and except as the Recipient and the Bank shall otherwise agree, the Recipient shall assist CENAGREF in the carrying out of the Project in accordance with the Implementation Program set forth in Schedule 3 to this Agreement.

Section 3.02. Except as the Bank shall otherwise agree, procurement of the goods, works and consultants' services required for the Project and to be financed out of the proceeds of the GEF Trust Fund Grant shall be governed by the provisions of Schedule 1 to the Project Agreement.

Section 3.03. For the purposes of Section 9.07 of the General Conditions and without limitation thereto, the Recipient shall take steps, or cause CENAGREF to take steps, to:

(a) prepare, on the basis of guidelines acceptable to the Bank, and furnish to the Bank not later than six (6) months after the Closing Date or such later date as may be agreed for this purpose between the Recipient and the Bank, a plan, of such scope and in such detail as the Bank shall reasonably request, designed to ensure the continued achievement of the Project; and

(b) afford the Bank a reasonable opportunity to exchange views with the

Recipient on said plan.

Section 3.04. The Recipient and the Bank hereby agree that the obligations set forth in Sections 9.04, 9.05, 9.06, 9.07 and 9.08 of the General Conditions (relating to insurance, use of goods and services, plans and schedules, records and reports, and maintenance, respectively) shall be carried out by CENAGREF pursuant to Section 2.03 of the Project Agreement.

Section 3.05. (a) The Recipient shall conclude an agreement (hereinafter referred to as the Convention) with CENAGREF, under which it shall transfer to CENAGREF the entire proceeds of the GEF Trust Fund Grant on a non-reimbursable basis and on such other terms and conditions as shall be acceptable to the Bank, including, but without being limited to, the provisions set forth in Part A of Schedule 3 to this Agreement.

(b) The Recipient shall exercise its rights under the Convention in such manner as to protect the interests of the Recipient and the Bank and to accomplish the purposes of the GEF Trust Fund Grant, and except as the Bank shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive the Convention or any provision thereof.

Section 3.06 Without any limitation upon the provisions of Section 3.01 of this Agreement, the Recipient shall, for the purposes of making available its counterpart contribution to the financing of the Project:

(a) cause CENAGREF to open, and thereafter maintain for the duration of the Project, an account in CFA Francs (the Project Account) in the Treasury and on terms and conditions satisfactory to the Bank;

(b) deposit into the Project Account an initial contribution of thirty million CFA Francs (CFAF 30,000,000);

(c) thereafter, replenish said account at least on a quarterly basis, or whenever its balance shall be less than fifteen million CFA Francs (CFAF 15,000,000); and

(d) ensure that amounts deposited into the Project Account shall be used exclusively to make payments to meet expenditures made or to be made in respect of the reasonable cost of goods and services for the Project in addition to those financed from the proceeds of the GEF Trust Fund Grant.

ARTICLE IV

Financial Covenants

Section 4.01. (a) For all expenditures with respect to which withdrawals from the Grant Account were made on the basis of statements of expenditures, the Recipient shall:

- (i) maintain, or cause to be maintained, in accordance with sound accounting practices, records and accounts reflecting such expenditures;
- (ii) ensure that all records (contracts, orders, invoices, bills, receipts and other documents) evidencing such expenditures are retained until at least one year after the Bank has received the audit report for the fiscal year in which the last withdrawal from the Grant Account was made; and
- (iii) enable the Bank's representatives to examine such records.

(b) The Borrower shall:

- (i) have the records and accounts referred to in paragraph (a) (i) of this Section and those for the Special Account for each fiscal year audited, in accordance with appropriate auditing principles consistently applied, by independent auditors acceptable to the Bank;

(ii) furnish to the Bank as soon as available, but in any case not later than six months after the end of each such year, the report of such audit by said auditors, of such scope and in such detail as the Bank shall have reasonably requested, including a separate opinion by said auditors as to whether the statements of expenditure submitted during such fiscal year, together with the procedures and internal controls involved in their preparation, can be relied upon to support the related withdrawals; and

(iii) furnish to the Bank such other information concerning said records and accounts and the audit thereof as the Bank shall from time to time reasonably request.

ARTICLE V

Remedies of the Bank

Section 5.01. Pursuant to Section 6.02 (p) of the General Conditions, the following additional events are specified:

(a) A situation has arisen which shall make it improbable that the Program, or a significant part thereof, will be carried out.

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

(c) As a result of events which have occurred after the date of the Global Environment Facility Trust Fund Grant Agreement, an extraordinary situation shall have arisen which shall make it impossible that CENAGREF will be able to perform its obligations under the Project Agreement.

(d) (i) Subject to subparagraph (ii) of this paragraph:

(A) the right of the Recipient to withdraw the proceeds of any loan or grant made to the Recipient for the financing of the Program shall have been suspended, canceled or terminated in whole or in part, pursuant to the terms of the agreement providing therefor; or

(B) any such loan shall have become due and payable prior to the agreed maturity thereof.

(ii) Subparagraph (i) of this paragraph shall not apply if the Recipient establishes to the satisfaction of the Bank that: (A) such suspension, cancellation, termination or prematuring is not caused by the failure of the Recipient to perform any of its obligations under such agreement; and (B) adequate funds for the Program are available to the Recipient from other sources on terms and conditions consistent with the obligations of the Recipient under this Agreement.

Section 5.02. Pursuant to Section 7.01 (k) of the General Conditions, the following events are specified:

(a) the event specified in paragraph (b) of Section 5.01 of this Agreement shall occur and shall continue for a period of 30 days after notice thereof shall have been given by the Bank to the Recipient; and

(b) any event specified in paragraphs (c) and (d) of Section 5.01 of this Agreement shall occur.

ARTICLE VI

Effectiveness, Termination

Section 6.01. The following events are specified as conditions to the effectiveness of the GEF Trust Fund Grant within the meaning of Section 12.01 (c) of the General Conditions, namely:

(a) CENAGREF has employed the independent auditors referred to in Section 4.01 of this Agreement and in Section 4.01 of the Project Agreement, in accordance with the provisions of Section II of Schedule 1 to the Project Agreement;

(b) the Convention has been executed on behalf of the Recipient and CENAGREF;
and

(c) the Project Account has been opened and the initial contribution referred to in Section 3.06 (b) of this Agreement has been deposited therein.

Section 6.02. The date ninety (90) days after the date of this Agreement is hereby specified for purposes of Section 12.04 of the General Conditions.

Section 6.03. This Agreement shall continue in effect until the GEF Trust Fund Grant has been fully disbursed and the parties to this Agreement have fulfilled all their obligations hereunder.

ARTICLE VII

Representative of the Recipient; Addresses

Section 7.01. The Minister of the Recipient at the time responsible for finance is designated as representative of the Recipient for the purposes of Section 11.03 of the General Conditions.

Section 7.02 The following addresses are specified for the purposes of Section 11.01 of the General Conditions:

For the Recipient:

Ministry of Finance
B. P. 302
Cotonou, Republic of Benin

Cable address:

MINFINANCES
Cotonou

Telex:

5009 or 5289
MINFIN

For the Bank:

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

Cable address:

INTBAFRAD
Washington, D.C.

Telex:

248423 (MCI)
64145 (MCI)

IN WITNESS WHEREOF, the parties hereto, acting through their duly authorized representatives, have caused this Agreement to be signed in their respective names in the District of Columbia, United States of America, as of the day and year first above written.

REPUBLIC OF BENIN

By /s/ Abdoulaye Bio Tchane

Authorized Representative

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
acting as an implementing agency of
the Global Environment Facility

By /s/ Callisto Madavo

Regional Vice President
Africa

SCHEDULE 1

Withdrawal of the Proceeds of the GEF Trust Fund Grant

1. The table below sets forth the Categories of items to be financed out of the proceeds of the GEF Trust Fund Grant, the allocation of the amounts of the GEF Trust Fund Grant to each Category and the percentage of expenditures for items so to be financed in each Category:

Category	Amount of the GEF Trust Fund Grant Allocated (Expressed in SDR Equivalent)	% of Expenditures to be Financed
(1) Works	350,000	100% of foreign expenditures, and 90% of local expenditures
(2) Goods and vehicles	500,000	100% of foreign expenditures, and 90% of local expenditures
(3) Consultants' services and training	1,900,000	100%
(4) Operating costs	1,850,000	100%
(5) Unallocated	400,000	
TOTAL	5,000,000	

2. For the purposes of this Schedule:

(a) the term "foreign expenditures" means expenditures in the currency of any country other than that of the Recipient for goods or services supplied from the territory of any country other than that of the Recipient;

(b) the term "local expenditures" means expenditures in the currency of the Recipient or for goods 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 or services are supplied, expenditures in such currency for such goods or services shall be deemed to be "foreign expenditures"; and

(c) the term "operating costs" means the incremental expenses incurred on account of Project implementation, management, monitoring, and auditing, including

office supplies, vehicle and equipment operation, office rental, utilities, telecommunications, transport, travel, per diem, supervision costs and salaries of CENAGREF staff but excluding salaries of officials of the Recipient's civil service.

3. Notwithstanding the provisions of paragraph 1 above, no withdrawals shall be made in respect of payments made for expenditures prior to the date of this Agreement, except that withdrawals, in an aggregate amount not exceeding the equivalent of SDR 100,000, may be made on account of payments made for expenditures before that date but after July 1, 1998.

4. The Bank may require withdrawals from the GEF Trust Fund Grant Account to be made on the basis of statements of expenditure for expenditures for goods, works and services under contracts costing less than \$100,000 equivalent, under such terms and conditions as the Bank shall specify by notice to the Recipient.

5. If the Bank shall have determined at any time that any payment made from the GEF Trust Fund Grant Account was used for any expenditure not consistent with the provisions of this Agreement, the Recipient shall, promptly upon notice from the Bank, refund to the Bank for deposit into the GEF Trust Fund Grant Account an amount equal to the amount so used or the portion thereof as specified by the Bank.

SCHEDULE 2

Description of the Project

The objective of the Project is to assist the Recipient in implementing its program to develop and implement sustainable wildlife management and conservation systems designed to improve the management and conservation of biodiversity resources in selected areas of the Recipient's territory.

The Project consists of the following parts, subject to such modifications thereof as the Recipient and the Bank may agree upon from time to time to achieve such objectives.

Part A: Program Management

1. Strengthening the managerial and operational capacities of CENAGREF through the construction and rehabilitation of offices, the acquisition of equipment, vehicles and materials, the provision of technical advisory services and training, including the:

(a) carrying out of studies for the establishment of a financing mechanism designed to ensure the sustainability of the Program;

(b) training of CENAGREF staff in environmental management;

(c) preparation and organization of workshops designed to enhance regional cooperation in environmental matters;

(d) preparation and implementation of information, education and communications activities designed to increase awareness of biodiversity issues amongst the Recipient's population and decision-makers;

(e) review of the Recipient's legal and regulatory framework governing wildlife management and conservation with a view to enhancing decentralization and local participation;

(f) establishment and operation of a parks management information system; and

(g) establishment and operation of an environmental information system, including an ecological monitoring system, the carrying out of surveys and studies, and training of CENAGREF staff in the operation of such an environmental information

system.

2. Establishment and operation of a system to monitor and evaluate on an ongoing basis the implementation of the Recipient's wildlife conservation and management program, through the acquisition of equipment, vehicles and materials, and the provision of technical advisory services and training.

Part B: Pendjari Complex

1. (a) Strengthening the managerial and operational capacities of CENAGREF, through the acquisition of equipment and vehicles, the provision of technical advisory services, and training; and (b) construction of offices and lodging facilities, and construction, repair and maintenance of paths.

2. (a) Construction and rehabilitation of tourism infrastructure, including lodging facilities, watchtowers and paths for wildlife observation, and signs to direct tourists; and (b) preparation and implementation of a promotion campaign designed to attract visitors.

3. (a) Strengthening the capacity of CENAGREF to work closely with village population, through acquisition of didactic equipment and material, and the preparation and organization of workshops; and (b) (i) carrying out socioeconomic studies; (ii) preparation and implementation of training programs for village population; (iii) strengthening the capacities of local associations in the management of natural resources; and (iv) construction and rehabilitation of community social and economic infrastructure.

Part C: W Complex

1. (a) Strengthening the managerial and operational capacities of CENAGREF through the acquisition of equipment and vehicles, the provision of technical advisory services, and training; and (b) construction of offices and lodging facilities, and construction, repair and maintenance of paths.

2. (a) Construction and rehabilitation of tourism infrastructure, including lodging facilities, watchtowers and paths for wildlife observation, and signs to direct tourists; and (b) preparation and implementation of a promotion campaign designed to attract visitors.

3. (a) Strengthening the capacity of CENAGREF to work closely with village population, through production and dissemination of didactic equipment and material, and the preparation and organization of workshops; and (b) (i) carrying out socioeconomic studies; (ii) preparation and implementation of training programs for village population; (iii) strengthening the capacities of local associations in the management of natural resources; and (iv) construction and rehabilitation of community social and economic infrastructure.

* * *

The Project is expected to be completed by June 30, 2005.

SCHEDULE 3

Implementation Program

Part A: Main Provisions of the Convention

The Convention shall include, but without being limited to, provisions to the following effect:

(a) the obligation of CENAGREF to take all measures necessary to ensure that the Project is carried out with due diligence and efficiency and in accordance with

appropriate administrative, financial, technical and environmental practices;

(b) the obligation of CENAGREF to comply with the provisions of the agreement entered into between CENAGREF and ARDET-ATACORA regarding the implementation of the activities of the Program relating to tourism development;

(c) the obligation of CENAGREF to keep the positions of Director General, Administration and Financial Director, Technical Director, Director of Operations-Pendjari Complex and Director of Operations-W Complex, filled with employees with experience and qualifications satisfactory to the Bank;

(d) the obligation of CENAGREF to promptly inform the Recipient and the Bank of any conditions which interfere, or threaten to interfere, with the progress of the Project, the accomplishment of the purposes of the Grant or the performance by CENAGREF of its obligations under the Convention; and

(e) commencing six months after the Effective Date, the obligation of CENAGREF to furnish to the Recipient and the Bank six-monthly reports of such scope and in such detail as the Recipient or the Bank shall reasonably request regarding the progress in the carrying out of the Project during the elapsed six-month period.

Part B: Overall Project Implementation

1. The Recipient shall:

(a) not later than July 31 of each year, commencing in calendar year 1999, undertake, in conjunction with the Bank, CENAGREF and Donor, a joint annual review on all matters relating to the progress of the Project and, in particular, the progress achieved in the implementation of the Project during the current calendar year having regard to the monitoring indicators in paragraph 3 (a) of Schedule 2 to the Project Agreement;

(b) not later than one month prior to each annual review, furnish to the Bank:

(i) for its review and comments, a report in such detail as the Bank shall reasonably request on the progress of the Project, including an evaluation of the activities carried out under the Project during the previous calendar year, including beneficiary assessments; and

(ii) for its approval, a proposed action plan for the implementation of the Project during the following calendar year, including a proposed work program and a proposed budget; and

(c) following each annual review, act promptly and diligently in order to take, or assist CENAGREF in taking, any corrective action deemed necessary to remedy any shortcoming identified in the implementation of the Project, or to implement, or assist CENAGREF in implementing, such measures as may have been agreed upon between the parties in furtherance of the objectives of the Project.

2. Midterm Review

(a) On or about thirty months after the Effective Date, the Recipient shall carry out jointly with the Bank, CENAGREF and Donors a midterm review of the progress made in carrying out the Project (hereinafter referred to as the Midterm Review).

The Midterm Review shall cover, among other things:

(i) overall Project performance as measured against Project performance indicators;

- (ii) an in-depth review of all components of the Project; and
- (iii) a discussion of the options for ensuring the long-term sustainability of the activities carried out under the Project, including a review of the timeliness and adequacy of the Recipient's budgetary contribution to the financing of the Project, and progress achieved towards setting up new financing mechanisms to ensure the sustainability of the Project.

(b) The Recipient shall, at least six (6) weeks prior to the Midterm Review, furnish to the Bank a separate report describing the status of implementation of each component of the Project and a summary report of Project implementation generally.

(c) The Recipient shall, not later than four (4) weeks after the Midterm Review, prepare an action program, acceptable to the Bank, for further implementation of the Project having regard to the findings of the Midterm Review and, thereafter, implement such action program.

SCHEDULE 4

Special Account

1. For the purposes of this Schedule:

(a) the term "eligible Categories" means Categories (1) to (4) set forth in the table in paragraph 1 of Schedule 1 to this Agreement;

(b) the term "eligible expenditures" means expenditures in respect of the reasonable cost of goods and services required for the Project and to be financed out of the proceeds of the GEF Trust Fund Grant allocated from time to time to the eligible Categories in accordance with the provisions of Schedule 1 to this Agreement; and

(c) the term "Authorized Allocation" means an amount of CFA Francs 300,000,000 to be withdrawn from the GEF Trust Fund Grant Account and deposited into the Special Account pursuant to paragraph 3 (a) of this Schedule, provided, however, that unless the Bank shall otherwise agree, the Authorized Allocation shall be limited to an amount of CFA Francs 150,000,000 until the aggregate amount of withdrawals from the GEF Trust Fund Grant Account plus the total amount of all outstanding special commitments entered into by the Bank pursuant to Section 5.02 of the General Conditions shall be equal to or exceed the equivalent of SDR1,000,000.

2. Payments out of the Special Account shall be made exclusively for eligible expenditures in accordance with the provisions of this Schedule.

3. After the Bank has received evidence satisfactory to it that the Special Account has been duly opened, withdrawals of the Authorized Allocation and subsequent withdrawals to replenish the Special Account shall be made as follows:

(a) For withdrawals of the Authorized Allocation, the Recipient shall furnish to the Bank a request or requests for deposit into the Special Account of an amount or amounts which do not exceed the aggregate amount of the Authorized Allocation. On the basis of such request or requests, the Bank shall, on behalf of the Recipient, withdraw from the GEF Trust Fund Grant Account and deposit into the Special Account such amount or amounts as the Recipient shall have requested.

(b) (i) For replenishment of the Special Account, the Recipient shall furnish to the Bank requests for deposits into the Special Account at such intervals as the Bank shall specify.

(ii) Prior to or at the time of each such request, the Recipient shall furnish to the Bank the documents and other evidence required pursuant to paragraph 4 of this Schedule for the payment or payments in respect of which replenishment is requested. On the basis of each such request, the Bank shall, on behalf of the

Recipient, withdraw from the GEF Trust Fund Grant Account and deposit into the Special Account such amount as the Recipient shall have requested and as shall have been shown by said documents and other evidence to have been paid out of the Special Account for eligible expenditures. All such deposits shall be withdrawn by the Bank from the GEF Trust Fund Grant Account under the respective eligible Categories, and in the respective equivalent amounts, as shall have been justified by said documents and other evidence.

4. For each payment made by the Recipient out of the Special Account, the Recipient shall, at such time as the Bank shall reasonably request, furnish to the Bank such documents and other evidence showing that such payment was made exclusively for eligible expenditures.

5. Notwithstanding the provisions of paragraph 3 of this Schedule, the Bank shall not be required to make further deposits into the Special Account:

(a) if, at any time, the Bank shall have determined that all further withdrawals should be made by the Recipient directly from the GEF Trust Fund Grant Account in accordance with the provisions of Article V of the General Conditions and paragraph (a) of Section 2.02 of this Agreement;

(b) if the Recipient shall have failed to furnish to the Bank, within the period of time specified in Section 4.01 (b) (ii) of this Agreement, any of the audit reports required to be furnished to the Bank pursuant to said Section in respect of the audit of the records and accounts for the Special Account;

(c) if, at any time, the Bank shall have notified the Recipient of its intention to suspend in whole or in part the right of the Recipient to make withdrawals from the GEF Trust Fund Grant Account pursuant to the provisions of Section 6.02 of the General Conditions; or

(d) once the total unwithdrawn amount of the GEF Trust Fund Grant allocated to the eligible Categories minus the total amount of all outstanding special commitments entered into by the Bank pursuant to Section 5.02 of the General Conditions with respect to the Project, shall equal the equivalent of twice the amount of the Authorized Allocation.

Thereafter, withdrawal from the GEF Trust Fund Grant Account of the remaining unwithdrawn amount of the GEF Trust Fund Grant allocated to the eligible Categories shall follow such procedures as the Bank shall specify by notice to the Recipient. Such further withdrawals shall be made only after and to the extent that the Bank shall have been satisfied that all such amounts remaining on deposit in the Special Account as of the date of such notice will be utilized in making payments for eligible expenditures.

6. (a) If the Bank shall have determined at any time that any payment out of the Special Account: (i) was made for an expenditure or in an amount not eligible pursuant to paragraph 2 of this Schedule; or (ii) was not justified by the evidence furnished to the Bank, the Recipient shall, promptly upon notice from the Bank: (A) provide such additional evidence as the Bank may request; or (B) deposit into the Special Account (or, if the Bank shall so request, refund to the Bank) an amount equal to the amount of such payment or the portion thereof not so eligible or justified. Unless the Bank shall otherwise agree, no further deposit by the Bank into the Special Account shall be made until the Recipient has provided such evidence or made such deposit or refund, as the case may be.

(b) If the Bank shall have determined at any time that any amount outstanding in the Special Account will not be required to cover further payments for eligible expenditures, the Recipient shall, promptly upon notice from the Bank, refund to the Bank such outstanding amount.

(c) The Recipient may, upon notice to the Bank, refund to the Bank all or any portion of the funds on deposit in the Special Account.

(d) Refunds to the Bank made pursuant to paragraphs 6 (a), (b) and (c) of this Schedule shall be credited to the GEF Trust Fund Grant Account for subsequent withdrawal or for cancellation in accordance with the relevant provisions of this Agreement, including the General Conditions.

