

CONFOREMD COPY

CREDIT NUMBER 3998 SE

Development Credit Agreement

(Integrated Coastal and Maritime Resource Management Project)

between

REPUBLIC OF SENEGAL

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated January 4, 2005

CREDIT NUMBER 3998 SE

DEVELOPMENT CREDIT AGREEMENT

AGREEMENT, dated January 4, 2005, between REPUBLIC OF SENEGAL (the Borrower) and INTERNATIONAL DEVELOPMENT ASSOCIATION (the Association).

WHEREAS (A) the Association has received a letter from the Borrower, dated August 6, 2004, describing a program designed to focus its management efforts on the coastal and maritime ecosystems to ensure sustainable livelihoods of coastal communities and maintain the fishing sector as a major source of economic growth (the Program) and declaring therein the Borrower's commitment to the execution of such program;

(B) the Borrower, having satisfied itself as to the feasibility and priority of the Project described in Schedule 2 to this Agreement, has requested the Association to assist in the financing of the Project;

(C) the Borrower has also requested the International Bank for Reconstruction and Development (the Bank), acting as an implementing agency of the Global Environment Facility (GEF), to provide additional financing towards the financing of the Project and, by an agreement of even date herewith between the Borrower and the Bank, the Bank is agreeing to provide such assistance in an aggregate principal amount equivalent to five million United States Dollars (US\$5,000,000) (the GEF Trust Fund Grant); and

WHEREAS the Association has agreed, on the basis, *inter alia*, of the foregoing, to extend the Credit to the Borrower 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. The "General Conditions Applicable to Development Credit Agreements" of the Association, dated January 1, 1985 (as amended through May 1, 2004) (the General Conditions), constitute an integral part of this Agreement.

Section 1.02. Unless the context otherwise requires, the several terms defined in the General Conditions and in the Preamble to this Agreement have the respective

meanings therein set forth and the following additional terms have the following meanings:

(a) “Biosphere Reserve” means a specific area of the Borrower’s territory which has been recognized to constitute a biosphere reserve in accordance with the UNESCO Man and Biosphere Program of 1970;

(b) “CNCPM” means *Conseil National Consultatif des Pêches Maritimes*, the National Council for Maritime Fishing, established by law No 98-32 of the Borrower dated April 14, 1998, as a consultative body for all matters relevant to Maritime fishing in the territory of the Borrower and chaired by the Director of DPM (as hereinafter defined);

(c) “Co-Management” and “CM” mean a system of co-management of fishing resources, including area-based co-management, established between the Borrower and local fisheries committees;

(d) “*Comité de Pilotage*” means the steering committee established on July 27, 2004, by the Borrower to oversee the implementation of the Borrower’s Program;

(e) “*Comité Local de Pêcheurs*” and “CLP” mean a committee established in accordance with relevant laws of the Borrower and consisting of local fishermen and stakeholders, which is to enter into a Subproject Agreement with MEM;

(f) “COMO” means *Cellule Opérationnelle de Mise en Oeuvre*, an implementation cell for the Project established within DPM and DPN, respectively;

(g) “*Conseil Local de Pêche Artisanale* ” and “CLPA” mean a fisheries council, established at local level by the Borrower for assisting in the operation of Co-Managed fisheries;

(h) “CRODT” means *Centre de Recherches Océanographiques de Dakar-Thiaroye*, established by the Borrower in 1974;

(i) “DPM” means Direction des Pêches Maritimes, a directorate of MEM (as hereinafter defined);

(j) “DPN” means Direction des Parcs Nationaux, a directorate of MEPN (as hereinafter defined);

(k) “EA” means the Environmental Assessment of Project activities to be prepared by the Borrower for purposes of implementing the Project;

(l) “Ecosystem Management Committee” means the committee to be established under the Project through law of the Borrower, and to be made responsible for overseeing the preparation, and monitor the implementation, of an ecosystem management plan for each of the Borrower’s pilot areas selected under the Project;

(m) “Eligible Categories” means Categories (1) through (6) set forth in the table in Part A.1 of Schedule 1 to this Agreement;

(n) “Eligible Expenditures” means the expenditures for goods, works and consultants’ services referred to in Section 2.02 of this Agreement;

(o) “EMP” means the Environmental Management Plan prepared by the Borrower for the mitigation of adverse environmental outcomes arising out of Project implementation;

(p) “FCFA” means *Franc de la Communauté Financière Africaine*, the currency of the Borrower;

(q) “Financial Monitoring Report” or “FMR” means each report prepared in accordance with Section 4.02 of this Agreement;

(r) “Fiscal Year” and “FY” mean the fiscal year of the Borrower commencing January 1 and ending December 31;

(s) “IEC” means Information, Education and Communication;

(t) “MEM” means *Ministère de l’Economie Maritime*, the Borrower’s Ministry of Maritime Economy;

(u) “MEPN” means *Ministère de l’Environnement et de la Protection de la Nature*, the Borrower’s Ministry of Environment and Preservation of Nature;

(v) “National Biodiversity Committee” and “NBC” mean the committee established by Law No 00/325 of the Borrower, dated January 26, 2004, and responsible for matters of biodiversity in the territory of the Borrower under the administrative authority of MEPN;

(w) “NGO” means a Non Governmental Organization operating under the laws of the Borrower;

(x) “PCU Work Program” means the work program of PCU for each Fiscal Year during Project implementation, including budget and procurement plans in respect thereof, to be approved annually by the *Comité de pilotage*;

(y) “PCU” means the Project Coordination Unit established as the secretariat of the *Comité de pilotage* for the implementation of the Project;

(z) “Procurement Plan” means the Borrower’s procurement plan, dated July 9, 2004, covering the initial 18 month period (or longer) of Project implementation, as the same shall be updated annually in accordance with the provisions of Section 3.02 to this Agreement, to cover succeeding 18 month periods (or longer) of Project implementation;

(aa) “Project Account” means the Account referred to in Section 3.04 (a) of this Agreement;

(bb) “Project Implementation Manual” and “PIM” mean the manual referred to in Section 6.01 (c) of this Agreement setting forth, *inter alia*, (a) the detailed institutional arrangements for the Project, including operating rules for the functioning of relevant institutions, (b) the procurement and accounting methods and procedures to be used for the Project, (c) detailed criteria, terms and conditions for Subprojects and Subproject agreements, (d) the communication plans for the Project, (e) the detailed description of Project activities, (f) the procedures and guidelines for the coordination, management, monitoring and evaluation of the Project, including detailed performance indicators, training plans and capacity building programs therefore, and (g) all other activities and arrangements to be used for the purposes of implementing the Project, to be adopted by the Borrower not later than the Effective Date, as the same may be amended from time to time with the Association’s prior written consent, and such term includes the Project Implementation Plan (PIP) and any other schedules to the PIM;

(cc) “Project Preparation Advance” means the project preparation advance granted by the Association to the Borrower pursuant to the letter agreement signed February 11, 2004 on behalf of the Association and the Borrower;

(dd) “Report-based Disbursements” means the Borrower’s option for withdrawal of funds from the Credit Account referred to in Part A.5 of Schedule 1 to this Agreement;

(ee) “RPF” means the Resettlement Policy Framework and the process framework prepared for the Project;

(ff) “Special Account” means the account referred to in Part B of Schedule 1 to this Agreement;

(gg) “STC” means the Advisory Scientific and Technical Committee, established by Law of the Borrower dated July 27, 2004, under the administrative authority of MEPN;

(hh) “Subproject Agreement” means the agreement entered into between MEM and a *Comité Local de Pêcheurs* for the carrying out of Subprojects identified in CLPA management plans; and

(ii) “Subproject” means specific activities in CM devised by a CLP and included in a management plan submitted by a CLPA for approval by MEM.

ARTICLE II

The Credit

Section 2.01. The Association agrees to lend to the Borrower, on the terms and conditions set forth or referred to in the Development Credit Agreement, an amount in various currencies equivalent to six million nine hundred thousand Special Drawing Rights (SDR 6,900,000).

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

(b) Promptly after the Effective Date, the Association shall, on behalf of the Borrower, withdraw from the Credit Account and pay to itself the amount required to repay the principal amount of the Project Preparation Advance withdrawn and outstanding as of such date and to pay all unpaid charges thereon. The unwithdrawn balance of the authorized amount of the Project Preparation Advance shall thereupon be canceled.

Section 2.03. The Closing Date shall be June 1, 2010 or such later date as the Association shall establish. The Association shall promptly notify the Borrower of such later date.

Section 2.04. (a) The Borrower shall pay to the Association a commitment charge on the principal amount of the Credit not withdrawn from time to time at a rate to be set by the Association as of June 30 of each year, but not to exceed the rate of one-half of one percent (1/2 of 1%) per annum.

(b) The commitment charge shall accrue: (i) from the date sixty days after the date of this Agreement (the accrual date) to the respective dates on which amounts shall be withdrawn by the Borrower from the Credit Account or canceled; and (ii) at the rate set as of the June 30 immediately preceding the accrual date and at such other rates as may be set from time to time thereafter pursuant to paragraph (a) above. The rate set as of June 30 in each year shall be applied from the next date in that year specified in Section 2.06 of this Agreement.

(c) The commitment charge shall be paid: (i) at such places as the Association shall reasonably request; (ii) without restrictions of any kind imposed by, or in the territory of, the Borrower; and (iii) in the currency specified in this Agreement for the purposes of Section 4.02 of the General Conditions or in such other eligible currency or currencies as may from time to time be designated or selected pursuant to the provisions of that Section.

Section 2.05. The Borrower shall pay to the Association a service charge at the rate of three-fourths of one percent (3/4 of 1%) per annum on the principal amount of the Credit withdrawn and outstanding from time to time.

Section 2.06. Commitment charges and service charges shall be payable semiannually on January 15 and July 15 in each year.

Section 2.07. (a) Subject to paragraphs (b), (c) and (d) below, the Borrower shall repay the principal amount of the Credit in semiannual installments payable on each January 15 and July 15 commencing January 15, 2015, and ending July 15, 2044. Each installment to and including the installment payable on July 15, 2024 shall be one percent (1%) of such principal amount, and each installment thereafter shall be two percent (2%) of such principal amount.

(b) Whenever: (i) the Borrower's per capita gross national product (GNP), as determined by the Association, shall have exceeded for three consecutive years the level established annually by the Association for determining eligibility to access the Association's resources; and (ii) the Bank shall consider the Borrower creditworthy for Bank lending, the Association may, subsequent to the review and approval thereof by the Executive Directors of the Association and after due consideration by them of the development of the Borrower's economy, modify the repayment of installments under paragraph (a) above by:

- (A) requiring the Borrower to repay twice the amount of each such installment not yet due until the principal amount of the Credit shall have been repaid; and
- (B) requiring the Borrower to commence repayment of the principal amount of the Credit as of the first semiannual payment date referred to in paragraph (a) above falling six months or more after the date on which the Association notifies the Borrower that the events set out in this paragraph (b) have occurred, provided, however, that there shall be a grace period of a minimum of five years on such repayment of principal.

(c) If so requested by the Borrower, the Association may revise the modification referred to in paragraph (b) above to include, in lieu of some or all of the increase in the amounts of such installments, the payment of interest at an annual rate agreed with the Association on the principal amount of the Credit withdrawn and outstanding from time to time, provided that, in the judgment of the Association, such revision shall not change the grant element obtained under the above-mentioned repayment modification.

(d) If, at any time after a modification of terms pursuant to paragraph (b) above, the Association determines that the Borrower's economic condition has deteriorated significantly, the Association may, if so requested by the Borrower, further modify the terms of repayment to conform to the schedule of installments as provided in paragraph (a) above.

Section 2.08. The currency of the French Republic is hereby specified for the purposes of Section 4.02 of the General Conditions.

ARTICLE III

Execution of the Project

Section 3.01. (a) The Borrower declares its commitment to the objectives of the Project as set forth in Schedule 2 to this Agreement, and, to this end, shall carry out the Project through PCU with due diligence and efficiency and in conformity with appropriate environmental, administrative, and financial practices, and shall provide, promptly as needed, the funds, facilities, services and other resources required for the Project.

(b) Without limitation upon the provisions of paragraph (a) of this Section and except as the Borrower and the Association shall otherwise agree, the Borrower shall carry out the Project in accordance with the Implementation Program set forth in Schedule 4 to this Agreement.

Section 3.02. (a) Except as the Association 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 Credit shall be governed by the provisions of Schedule 4 to this Agreement, as said provisions may be further elaborated in the Procurement Plan.

(b) The Borrower shall update the Procurement Plan in accordance with terms of reference acceptable to the Association, and furnish such update to the Association not later than 12 months after the date of the preceding Procurement Plan, for the Association's approval.

Section 3.03. For the purposes of Section 9.06 of the General Conditions and without limitation thereto, the Borrower shall:

(a) prepare, on the basis of guidelines acceptable to the Association, and furnish to the Association not later than six (6) months after the Closing Date or such later date as may be agreed for this purpose between the Borrower and the Association, a plan designed to ensure the continued achievement of Project's objectives; and

(b) afford the Association a reasonable opportunity to exchange views with the Borrower on said plan.

Section 3.04. (a) The Borrower shall open and maintain, for the duration of the Project, an account (the Project Account) in FCFA in its Treasury books on terms and conditions satisfactory to the Association;

(b) promptly thereafter, make an initial deposit into the Project Account, in an amount equivalent to FCFA fifty-four million (FCFA 54,000,000) to finance the Borrower's contribution to the Project;

(c) thereafter deposit into the Project Account by February 15 in each Fiscal Year during Project implementation such amount as shall be required to timely replenish the Project Account back to the amount of the initial deposit referred to in paragraph (b) above; 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, works and services for the Project in addition to those financed from the proceeds of the Credit.

ARTICLE IV

Financial Covenants

Section 4.01. (a) The Borrower shall establish and maintain a financial management system, including records and accounts, and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Association, adequate to reflect the operations, resources and expenditures related to the Project.

(b) The Borrower shall:

- (i) have the financial statements referred to in paragraph (a) of this Section for each fiscal year (or other period agreed to by the Association), commencing with the fiscal year in which the first withdrawal under the Project Preparation Advance was made audited, in accordance with consistently applied auditing standards acceptable to the Association, by independent auditors acceptable to the Association;
- (ii) furnish to the Association as soon as available, but in any case not later than six months after the end of each such year (or such other period agreed to by the Association), (A) certified copies of the financial statements referred to in paragraph (a) of this Section for such year (or other period agreed to by the Association), as so audited, and (B) an opinion on such statements by said auditors, in scope and detail satisfactory to the Association; and
- (iii) furnish to the Association such other information concerning such records and accounts, and the audit of such financial statements, and concerning said auditors, as the Association may from time to time reasonably request.

(c) For all expenditures with respect to which withdrawals from the Credit Account were made on the basis of reports referred to in Part A.5 of Schedule 1 to this Agreement (Report-based Disbursements) or on the basis of statements of expenditure, the Borrower shall:

- (i) retain, until at least one year after the Association has received the audit report for, or covering, the fiscal year in which the last withdrawal from the Credit Account was made, all records (contracts, orders, invoices, bills, receipts and other documents) evidencing such expenditures;

- (ii) enable the Association's representatives to examine such records; and
- (iii) ensure that such reports and statements of expenditure are included in the audit for each fiscal year (or other period agreed to by the Association), referred to in paragraph (b) of this Section.

Section 4.02. (a) Without limitation upon the Borrower's progress reporting obligations set out in Schedule 4 to this Agreement, the Borrower shall prepare and furnish to the Association a financial monitoring report, in form and substance satisfactory to the Association, which:

- (i) sets forth sources and uses of funds for the Project, both cumulatively and for the period covered by said report, showing separately funds provided under the Credit, and explains variances between the actual and planned uses of such funds;
- (ii) describes physical progress in Project implementation, both cumulatively and for the period covered by said report, and explains variances between the actual and planned Project implementation; and
- (iii) sets forth the status of procurement under the Project, as at the end of the period covered by said report.

(b) The first FMR shall be furnished to the Association not later than 45 days after the end of the first calendar quarter after the Effective Date, and shall cover the period from the incurrence of the first expenditure under the Project through the end of such first calendar quarter; thereafter, each FMR shall be furnished to the Association not later than 45 days after each subsequent calendar quarter, and shall cover such calendar quarter.

ARTICLE V

Remedies of the Association

Section 5.01. Pursuant to Section 6.02 (l) of the General Conditions, the following additional event is specified, namely, that a situation shall have arisen which shall make it improbable that the Program or a significant part thereof will be carried out.

ARTICLE VI

Effective Date; Termination

Section 6.01. The following events are specified as additional conditions to the effectiveness of the Development Credit Agreement within the meaning of Section 12.01 (b) of the General Conditions:

(a) the Borrower has: (i) established the accounting and financial management system for the Project referred to in Section 4.01 of this Agreement, in a manner satisfactory to the Association, and (ii) appointed independent auditors for the Project with experience and qualifications satisfactory to the Association;

(b) the Borrower has opened the Project Account pursuant to Section 3.04 (a) of this Agreement and has deposited therein the initial deposit referred to in Section 3.04 (b) of this Agreement;

(c) the Borrower has adopted the Project Implementation Manual, including the PIP, in form and substance satisfactory to the Association;

(d) the Borrower has completed the work program, including the budget and the procurement plan for the first year of Project implementation, satisfactory in form and substance to the Association;

(e) the Borrower has staffed PCU with a Project coordinator and specialists in: (i) financial management, (ii) procurement, (iii) fisheries, (iv) communication, (v) community participation, (vi) biodiversity, (vii) administration and human resources, and (viii) monitoring and evaluation, all having experience and qualifications satisfactory to the Association, and employed in accordance with the provisions of Section II of Schedule 3 to this Agreement;

(f) the Borrower has identified four (4) initial sites for the implementation of fisheries co-management activities; and

(g) the Borrower has appointed four (4) facilitators for the Project.

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

ARTICLE VII

Representative of the Borrower; Addresses

Section 7.01. The Minister of the Borrower in charge of finance is designated as representative of the Borrower 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 Borrower:

Ministry of Economy and Finance
Rue René N'diaye
B.P. 4017
Dakar
Senegal

Cable address:	Telex:	Fascimile:
MINIFINANCES Dakar	3203 G	221-821-1630

For the Association:

International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Cable address:	Telex:	Facsimile:
INDEVAS Washington, D.C.	248423 (MCI) or 64145 (MCI)	(202) 477-6391

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 SENEGAL

By

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Authorized Representative

SCHEDULE 1

Withdrawal of the Proceeds of the Credit

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

<u>Category</u>	<u>Amount of the Credit Allocated (Expressed in SDR Equivalent)</u>	<u>% of Expenditures to be Financed</u>
(1) Works	160,000	100% of foreign expenditures, and 90 % of local expenditures
(2) Goods	200,000	100% of foreign expenditures, and 90% of local expenditures
(3) Consultants' services and audits	2,800,000	100% of foreign expenditures, and 90% of local expenditures
(4) Subprojects for Part A.2 of the Project	1,300,000	100% of amounts disbursed
(5) Training	600,000	100 %
(6) Operating Costs	810,000	90%
(7) Refunding of Project Preparation Advance	410,000	Amount due pursuant to Section 2.02 (b) of this Agreement
(8) Unallocated	620,000	
TOTAL	<u>6,900,000</u> =====	

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 Borrower for goods or services supplied from the territory of any country other than that of the Borrower;

(b) the term “local expenditures” means expenditures in the currency of the Borrower or for goods or services supplied from the territory of the Borrower ; provided, however, that, if the currency of the Borrower 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, including office equipment and supplies, vehicle operation and maintenance, communication and insurance costs, office administration costs, special account banking charges, utilities, travel, per diem and supervision costs, and salaries of locally contracted employees, but excluding salaries of officials of the Borrower's civil service.

3. Notwithstanding the provisions of paragraph 1 above, no withdrawals shall be made in respect of payments made for:

(a) expenditures prior to the date of this Agreement,

(b) category (4), unless a Subproject Agreement has been entered into between MEM and a CLP in accordance with the procedures and the terms and conditions referred to in Schedule 4 to this Agreement and in the PIM, including all environmental mitigation measures and resettlement procedures in respect thereof set forth in the Project Implementation Manual, the ESMF and the RPF, as shall be evidenced by the first such Subproject Agreement furnished to the Association for its prior approval;

4. The Association may require withdrawals from the Credit Account to be made on the basis of statements of expenditure for expenditures under contracts for: (a) goods costing less than \$150,000 equivalent per contract; (b) works costing less than \$500,000 equivalent per contract; (c) services of individual consultants costing less than \$50,000 equivalent per contract; (d) services of consulting firms under contracts costing less than \$100,000 equivalent per contract, (e) services other than consultant services costing less than \$30,000 equivalent per contract, (f) Subprojects costing less than \$50,000 per Subproject Agreement, and (g) training and operating costs, all under such terms and conditions as the Association shall specify by notice to the Borrower.

5. The Borrower may request withdrawals from the Credit Account to be made on the basis of reports to be submitted to the Association in form and substance satisfactory

to the Association, such reports to include the FMR and any other information as the Association shall specify by notice to the Borrower (Report-based Disbursements). In the case of the first such request submitted to the Association before any withdrawal has been made from the Credit Account, the Borrower shall submit to the Association only a statement with the projected sources and applications of funds for the Project for the six-month period following the date of such request.

B. Special Account

1. The Borrower may open and maintain in FCFA a special deposit account in a commercial Bank acceptable to the Association, on terms and conditions satisfactory to the Association, including appropriate protection against set-off, seizure and attachment.

2. After the Association has received evidence satisfactory to it that the Special Account has been opened, withdrawals from the Credit Account of amounts to be deposited into the Special Account shall be made as follows:

(a) if the Borrower is not making Report-based Disbursements, withdrawals shall be made in accordance with the provisions of Annex A to this Schedule 1; and

(b) if the Borrower is making Report-based Disbursements, withdrawals shall be made in accordance with the provisions of Annex B to this Schedule 1.

3. Payments out of the Special Account shall be made exclusively for Eligible Expenditures. For each payment made by the Borrower out of the Special Account, the Borrower shall, at such time as the Association shall reasonably request, furnish to the Association such documents and other evidence showing that such payment was made exclusively for Eligible Expenditures.

4. Notwithstanding the provisions of Part B.2 of this Schedule, the Association shall not be required to make further deposits into the Special Account:

(a) if the Association, at any time, is not satisfied that the reports referred to in Part A.5 of this Schedule 1 adequately provide the information required for Report-based Disbursements;

(b) if the Association determines at any time that all further withdrawals for payment of Eligible Expenditures should be made by the Borrower directly from the Credit Account; or

(c) if the Borrower shall have failed to furnish to the Association, 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 Association pursuant to said Section in respect of the audit of: (A) the records and accounts for the Special Account; or (B) the records and accounts reflecting expenditures with respect to which withdrawals were Report-based

Disbursements or were made on the basis of statements of expenditure, as the case may be.

5. The Association shall not be required to make further deposits into the Special Account in accordance with the provisions of Part B.2 of this Schedule if, at any time, the Association shall have notified the Borrower and the Guarantor of its intention to suspend in whole or in part the right of the Borrower to make withdrawals from the Credit Account pursuant to Section 6.02 of the General Conditions. Upon such notification, the Association shall determine, in its sole discretion, whether further deposits into the Special Account may be made and what procedures should be followed for making such deposits, and shall notify the Borrower and the Guarantor of its determination.

6. (a) If the Association determines at any time that any payment out of the Special Account was made for an expenditure which is not an Eligible Expenditure, or was not justified by the evidence furnished to the Association, the Borrower shall, promptly upon notice from the Association, provide such additional evidence as the Association may request, or deposit into the Special Account (or, if the Association shall so request, refund to the Association) an amount equal to the amount of such payment. Unless the Association shall otherwise agree, no further deposit by the Association into the Special Account shall be made until the Borrower has provided such evidence or made such deposit or refund, as the case may be.

(b) If the Association determines at any time that any amount outstanding in the Special Account will not be required to cover payments for Eligible Expenditures during the six-month period following such determination, the Borrower shall, promptly upon notice from the Association, refund to the Association such outstanding amount.

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

(d) Refunds to the Association made pursuant to subparagraph (a), (b) or (c) of this paragraph 6 shall be credited to the Credit Account for subsequent withdrawal or for cancellation in accordance with the provisions of the Credit Agreement.

**Annex A
to
SCHEDULE 1**

**Operation of Special Account
When Withdrawals Are Not
Report-based Disbursements**

1. For the purposes of this Annex, the term “Authorized Allocation” means the amount of FCFA 550,000,000 to be withdrawn from the Credit Account and deposited into the Special Account pursuant to paragraph 2 of this Annex, provided, however, that unless the Association shall otherwise agree, the Authorized Allocation shall be limited to an amount equivalent to FCFA 300,000,000 until the aggregate amount of withdrawals from the Credit Account plus the total amount of all outstanding special commitments entered into by the Association pursuant to Section 5.02 of the General Conditions shall be equal to or exceed the equivalent of SDR 1,400,000.

2. 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 Borrower shall furnish to the Association a request or requests for deposit into the Special Account of an amount or amounts which in the aggregate do not exceed the Authorized Allocation. On the basis of each such request, the Association shall, on behalf of the Borrower, withdraw from the Credit Account and deposit into the Special Account such amount as the Borrower shall have requested.

(b) For replenishment of the Special Account, the Borrower shall furnish to the Association requests for deposit into the Special Account at such intervals as the Association shall specify. Prior to or at the time of each such request, the Borrower shall furnish to the Association the documents and other evidence required pursuant to Part B.3 of Schedule 1 to this Agreement for the payment or payments in respect of which replenishment is requested. On the basis of each such request, the Association shall, on behalf of the Borrower, withdraw from the Credit Account and deposit into the Special Account such amount as the Borrower 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. Each such deposit into the Special Account shall be withdrawn by the Association from the Credit Account under one or more of the Eligible Categories.

3. The Association shall not be required to make further deposits into the Special Account, once the total unwithdrawn amount of the Credit minus the total amount of all outstanding special commitments entered into by the Association pursuant to Section 5.02 of the General Conditions shall equal the equivalent of twice the amount of the Authorized Allocation. Thereafter, withdrawal from the Credit Account of the remaining

unwithdrawn amount of the Credit shall follow such procedures as the Association shall specify by notice to the Borrower. Such further withdrawals shall be made only after and to the extent that the Association 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.

**Annex B
to
SCHEDULE 1**

**Operation of Special Account
When Withdrawals Are
Report-based Disbursements**

1. Withdrawals from the Credit Account shall be deposited by the Association into the Special Account in accordance with the provisions of Schedule 1 to this Agreement. Each such deposit into the Special Account shall be withdrawn by the Association from the Credit Account under one or more of the Eligible Categories.
2. Upon receipt of each application for withdrawal of an amount of the Credit, the Association shall, on behalf of the Borrower, withdraw from the Credit Account and deposit into the Special Account an amount equal to the lesser of: (a) the amount so requested; and (b) the amount which the Association has determined, based on the reports referred to in Part A.5 of this Schedule 1 applicable to such withdrawal application, is required to be deposited in order to finance Eligible Expenditures during the six-month period following the date of such reports.

SCHEDULE 2

Description of the Project

The objectives of the Project are to assist the communities within the Borrower's territory in achieving sustainable management of the Borrower's coastal and maritime resources, including ensuring responsible exploitation of resources combined with protection of ecosystems and ecological processes critical for their replenishment.

The Project consists of the following parts, subject to such modifications thereof as the Borrower and the Association may agree upon from time to time to achieve such objectives:

Part A: Management of Sustainable Fisheries

1. Supporting activities at national level which enable implementation of local Co-Management initiatives through:

(a) the carrying out of studies to evaluate fisheries sector policy options available to the Borrower, including the establishment of user-rights systems and the establishment of CLPs, the ensuing preparation, through stakeholder participatory process and consensus building activities carried out under the aegis of CNCPM, of a strategic framework for the management of fisheries in the territory of the Borrower;

(b) (i) the preparation by COMO in cooperation with CRODT and with prior review by CNCPM, and the ensuing implementation of 2 or more selected target fisheries management plans, to include, *inter alia*, the total allowable catch for each target species, the allocation of resources between artisanal and industrial fleets, the limitation on industrial fishing activities, the reduction target in fishing capacity, the local management, monitoring, and surveillance measures, the action plan for compensating fishermen negatively affected by the implementation of such plans; and (ii) the carrying out of annual monitoring and evaluation activities with respect to the implementation of each plan;

(c) the provision of support and technical advisory services to the institutional strengthening and the operations of CNCPM with respect to the review of each of the 2 or more key fisheries management plans and the attainment of a stakeholder consensus, including CLPs;

(d) the preparation, in cooperation with NGOs, of an IEC plan, and thereafter, the carrying out of a related campaign to increase awareness of fisher communities, professional organizations, and interested audience over the principles and benefits to be derived from co-management systems promoted under the Project, including CM;

(e) (i) the preparation by COMO of an incremental program of fisheries research specifically targeted at defining the life cycles of key demersal species, including the development of an operational planning framework for research designed to support national level management plans and local level co-management, including CM, and to evaluate the socioeconomic impact of such plans, and thereafter; and (ii) the implementation of such program by CRODT; and

(f) (i) the establishment and, thereafter, the implementation of a nationwide system of small boat (pirogues) registration to evaluate and monitor artisanal fishing operations, including the preparation of updated legislation in that matter; and (ii) the building of capacity therefore in MEM's staff, including through training and acquisition of goods.

2. Promoting and coordinating local co-management initiatives through:

(a) the establishment of CLPs, and the provision of support for the identification and preparation of CLPs Subprojects;

(b) the provision of support to CLPAs to integrate Subprojects in their own annual management plans for approval by DPM, including the monitoring, control and surveillance in relation thereto, through:

(i) the training of facilitators recruited under the Project to assist in the establishment of CLPs and the preparation of their Subprojects, including participatory fish stock evaluation activities in respect thereof;

(ii) the preparation by COMO of baseline social, economic and political studies to support the identification of and reduce the risks associated with the implementation of the Subprojects;

(iii) the provision of technical advisory services by facilitators for assisting CLPs in the implementation of eligible Subprojects, including the carrying out of civil works and the acquisition of goods in relation thereto;

(c) the design and implementation of local level monitoring, control and surveillance measures and systems, including, *inter alia*, the participatory monitoring of fish catches and surveillance;

(d) the carrying out by CRODT of local fish stock evaluation programs prepared by DPM, including, *inter alia*, assessment of local maritime ecosystems, geographic areas of proposed Subprojects, or impact evaluation of Subprojects on targeted resources;

(e) (i) the drafting of operating rules for the functioning of CLPs, the elaboration of their annual management plans, and (ii) the carrying out of independent evaluation regarding the implementation of such plans;

(f) the development of a monitoring system for the performance of the co-management system, including, *inter alia*, with respect to measuring annual progress on meeting objectives of the Subproject Agreements between MEM and CLPs; and

(g) (i) the assessment of activities carried out under the co-management system in selected sites of the Borrower's territory, and (ii) the ensuing update of the legal, institutional and regulatory framework in accordance with the findings of such assessment.

3. Strengthening institutional capacity of MEM and CRODT through:

(a) the establishment of COMO in DPM to oversee the implementation of Project activities in each of the selected sites of the Borrower's territory; and

(b) the provision of technical advisory services for the design of participatory research programs for co-management initiatives, including the carrying out of training programs in relation thereto for staff of MEM and CRODT.

4. Building capacity of professional organizations in:

the design and planning of co-management systems and in sector development, to foster a more effective participation of said organizations in CNCPM, through training programs organized by COMO.

Part B: Conservation of Critical Habitats and Species

Improving the long-term management of the Borrower's Biosphere Reserves and network of coastal protected areas through:

1. The management of the ecosystems in selected areas of the Borrower's territory through:

(a) the preparation of management plans using an ecosystem approach and, thereafter, the implementation of such plans in the selected areas of: (i) the *Saloum* Delta Biosphere Reserve, (ii) the Senegal River Delta Biosphere Reserve, and (iii) the *Cap-Vert* Peninsula; and

(b) the establishment and operation, in said areas, of ecosystem management committees to participate in decision-making processes concerning the management of the sites' ecosystems and biodiversity and to oversee the preparation and monitoring of such plans, and the goals and priority investments contained therein.

2. The strengthening of the biodiversity conservation framework, through:

- (a) the modernization of the legal and regulatory framework in respect thereof;
- (b) the institutional restructuring of DPN, including: (i) the building of capacity of selected categories of staff, in biodiversity management techniques, participatory planning and communication strategies, and (ii) the acquisition of equipment in relation thereto; and
- (c) the provision of support for the establishment and operation of: (i) NBC, to be established under the revised legal framework for the monitoring, evaluation and public disclosure of the state of biodiversity in Senegal, and (ii) a biodiversity information system for the management of data and records from said monitoring and evaluation.

Part C: Support for Project Implementation

1. Ensuring optimal implementation of Project activities through:

- (a) the establishment of a monitoring and evaluation system to be used by PCU for overall Project performance and impact, using appropriate indicators therefore;
- (b) the provision of support for the operation of the *Comité de pilotage*, STC, and selected advisory and technical committees and commissions to ensure coordination among the various institutions participating in Project implementation;
- (c) the design and implementation of a communication plan to disseminate and collect information about Project activities; and
- (d) the carrying out of partnerships at sub-regional level between PCU and institutions or structures of other countries involved in activities similar as those being implemented under the Project.

* * *

The Project is expected to be completed by December 1, 2009.

SCHEDULE 3

Procurement

Section I General

A. All goods, works and services (other than consultants' services) shall be procured in accordance with the provisions of Section I of the "Guidelines for Procurement under IBRD Loans and IDA Credits" dated May 2004 (the Procurement Guidelines), and with the provisions of this Schedule.

B. All consultants' services shall be procured in accordance with Section I, paragraphs 3.15 through 3.20, and Section IV of, and Appendix 2 to, the "Guidelines: Selection and Employment of Consultants by World Bank Borrowers" dated May 2004 (the Consultant Guidelines), and with the provisions of this Schedule.

Section II. Particular Methods of Procurement of Goods, Works and Services (other than Consultants' Services)

A. International Competitive Bidding. Except as otherwise provided in Part B of this Section, contracts shall be awarded on the basis of international competitive bidding in accordance with the provisions of Section II and paragraphs 3.14 and 3.15 of the Procurement Guidelines, and the following additional procedures:

Domestic Preference. The provisions of paragraphs 2.55 and 2.56 of the Procurement Guidelines and Appendix 2 thereto, providing for domestic preference in the evaluation of bids, shall apply to goods manufactured in the territory of the Borrower and works to be carried out by domestic contractors.

B. Other Procurement Procedures

1. National Competitive Bidding. Goods estimated to cost less than \$200,000 equivalent per contract and works estimated to cost less than \$500,000 equivalent per contract, may be procured under contracts awarded on the basis of national competitive bidding in accordance with the provisions of paragraphs 3.1, 3.3, 3.4, 3.14 and 3.15 of the Procurement Guidelines

2. Shopping. Goods and works estimated to cost less than \$50,000 equivalent per contract, respectively, may be procured under contracts awarded on the basis of shopping procedures in accordance with the provisions of paragraphs 3.1 and 3.5 of the Guidelines.

3. Direct Contracting. Goods and works which meet the requirements for direct contracting referred to in paragraphs 3.1, 3.6 and 3.7 of the Procurement Guidelines may,

with the Bank's prior agreement, be procured in accordance with the provisions of said paragraphs.

4. Procurement from UN Agencies. Goods estimated to cost less than \$100,000 equivalent per contract may be procured directly from the Inter-Agency Procurement Services Office of the United Nations in accordance with the provisions of paragraphs 3.1 and 3.9 of the Procurement Guidelines.

Section III. Particular Methods of Procurement of Consultants' Services

A. Quality- and Cost-based Selection. Except as otherwise provided in Part B of this Section, consultants' services shall be procured under contracts awarded on the basis of quality and cost in accordance with the provisions of Section II of the Consultant Guidelines. For purposes of paragraph 2.7 of the Consultant Guidelines, the short list of consultants for services estimated to cost less than \$100,000 equivalent per contract may comprise entirely national consultants.

B: Other Procedures

1. Selection Based on Consultants' Qualifications. Services estimated to cost less than \$50,000 equivalent per contract may be procured under contracts awarded in accordance with the provisions of paragraphs 3.1, 3.7, and 3.8 of the Consultant Guidelines.

2. Single Source Selection. Services for tasks in circumstances which meet the requirements of paragraph 3.10 of the Consultant Guidelines for single source selection, may, with the Bank's prior agreement, be procured in accordance with the provisions of paragraphs 3.9 through 3.13 of the Consultant Guidelines.

3. Individual Consultants. Services for assignments that meet the requirements set forth in the first sentence of paragraph 5.1 of the Consultant Guidelines may be procured under contracts awarded to individual consultants in accordance with the provisions of paragraphs 5.2 through 5.3 of the Consultant Guidelines. Under the circumstances described in paragraph 5.4 of the Consultant Guidelines, such contracts may be awarded to individual consultants on a sole-source basis in accordance with the provisions of said paragraph 5.4, subject to prior approval of the Bank.

Section IV. Review by the Bank of Procurement Decisions

A. Prior Review. Except as the Bank shall otherwise determine by notice to the Borrower, the following prior review procedures shall apply:

1. Goods, Works and Services (other than Consultants' Services).

(a) The prior review procedures set forth in paragraphs 2, 3, and 5 of Appendix 1 to the Procurement Guidelines shall apply to each contract for goods, works

and services (other than consultants' services) estimated to cost the equivalent of, respectively, \$150,000, \$500,000, and \$30,000 or more, procured on the basis of international competitive bidding, or national competitive bidding.

(b) The following prior review procedures shall apply to each contract to be procured on the basis of direct contracting: (i) prior to the execution of the contract, the Borrower shall provide to the Bank a copy of the specifications and the draft contract for its approval; (ii) the contract shall be awarded only after the Bank's approval shall have been given; and (iii) the procedures set forth in paragraphs 2 (h) and 3 of Appendix 1 to the Guidelines shall apply.

2. Consultants' Services Provided by Firms.

(a) The prior review procedures set forth in paragraphs 2, 3, and 5 of Appendix 1 to the Consultant Guidelines shall apply to each contract for consultants' services provided by a firm estimated to cost the equivalent of \$100,000 or more.

(b) The following prior review procedures shall apply to each contract for consultants' services provided by a firm to be procured on the basis of single source selection: (i) the qualifications, experience, terms of reference and conditions of employment of the consultants shall be furnished to the Bank for its prior review and approval; (ii) the contract shall be awarded only after the Bank's approval shall have been given; and (iii) the provisions of paragraphs 3 and 5 of Appendix 1 to the Consultant Guidelines shall apply to the contract.

3. Consultants' Services Provided by Individual Consultants.

(a) The following prior review procedures shall apply to each contract for the employment of individual consultants (other than consultants to be selected on a sole source basis) estimated to cost the equivalent of \$50,000 or more: (i) the report on the comparison of the qualifications and experience of candidates, terms of reference and conditions of employment of the consultant shall be furnished to the Bank for its prior review and approval; (ii) the contract shall be awarded only after the Bank's approval shall have been given; and (iii) the provisions of paragraph 3 and 5 of Appendix 1 to the Consultant Guidelines shall apply to the contract.

(b) The following prior review procedures shall apply to each contract for the employment of individual consultants to be selected on a sole source basis: (i) the qualifications, experience, terms of reference and conditions of employment of the consultants shall be furnished to the Bank for its prior review and approval; (ii) the contract shall be awarded only after the Bank's approval shall have been given; and (iii) the provisions of paragraph 3 of Appendix 1 to the Consultant Guidelines shall apply to the contract.

B. Post Review

1. With respect to each contract for goods, works or services (other than consultants' services) not governed by Part A of this Section, the post review procedures set forth in paragraph 4 of Appendix 1 to the Procurement Guidelines shall apply.

2. In respect to each contract for consultants' services not governed by Part A of this Section, the post review procedures set forth in paragraph 4 of Appendix 1 to the Consultant Guidelines shall apply.

SCHEDULE 4

Implementation Program

I. Institutional Arrangements

1. The Borrower shall establish, and thereafter maintain at all times during Project implementation:

Project Coordination Unit

(a) responsible for the coordination of Project activities, including financial management, reporting and procurement in respect thereof;

(b) with staff having and maintaining throughout Project implementation qualifications, experience, work performance, and professional ethical standards satisfactory to the Association;

(c) subject to the monitoring and supervision of the *Comité de pilotage*, which will have sole authority to review, approve, and monitor the implementation of PCU' annual Work Programs;

Cellules Opérationnelles de Mise en Œuvre

(d) COMOs within DPM and DPN respectively, with assigned personnel having qualifications and experience satisfactory to the Association;

Comité de pilotage

(e) consisting of various representatives of selected Ministries of the Borrower, and representatives of: (i) a community-based NGO; (ii) an international NGO; (iii) artisanal fisheries; and (iv) industrial fisheries, not exceeding 17 members in total;

(f) responsible for overseeing Project implementation and coordination;

(g) co-chaired respectively by MEM and MEPN;

(h) with secretariat functions carried out by the Project Coordinator;

(i) under the administrative authority of MEPN to which it will report periodically;

Conseil Local des Pêches Artisanales

- (j) consisting of representatives of the Borrower's civil administration, stakeholders and representatives of CLPs;
- (k) under the administrative authority of MEM;

Comité Local de Pêcheurs

- (l) with full legal personality, and with the assistance of facilitators recruited and trained under the Project;
- (m) consisting mainly of active and retired fishermen;

The Ecosystem Management Committee

- (n) consisting: (i) in its majority, of representatives of local communities and stakeholders, and (ii) as well, of representatives of local fisheries and local national parks administrations;
- (o) chaired by a representative of local communities and stakeholders;
- (p) staffed with a Secretary designated from amongst the commissioners of protected areas included in the three Project areas;

The Technical and Scientific Committee

- (q) consisting of various representatives of the sector not exceeding 25 in number, all possessing the qualifications and experience pertinent to the provision of technical advice and guidance in sector research; and
- (r) chaired by a scientific expert of national or international repute.

II. Execution covenants

Subprojects

2. The Borrower shall maintain during Project implementation: (i) the PIM for the implementation of the Project; (ii) take all measures necessary to ensure that the Project is carried out in conformity with the PIM; and (iii) unless the Association agrees to otherwise in writing, not amend or waive any provision thereof which in the opinion of the Association may materially and adversely affect the implementation of the Project.

3. Without limitation to the provisions of paragraph 3 of this Schedule, no Subproject for the carrying out of Part A.2 of the Project shall be eligible for financing out of the proceeds of the Credit unless a CLPA shall have determined, on the basis of an

appraisal conducted in accordance with the guidelines set forth in the Project Implementation Manual, after which approval shall be received from MEM, that the Subproject concerned satisfies the eligibility criteria specified in the Project Implementation Manual, which shall include the following:

(a) the Subproject shall be for, *inter alia*: (i) the establishment of allowable catch for certain species or fisheries, and (ii) the development of monitoring and control systems for allocating target fisheries among registered fishermen;

(b) except as the Association shall otherwise agree, a CLP shall provide not less than 5% of the estimated capital costs of the Subproject in the form of materials, labor or other services;

(c) each Subproject shall be prepared in accordance with the procedures set forth in the RPF and the EMP and shall be designed, executed and carried out in full compliance with the standards set forth in the EMP, the RPF and the laws of the Borrower relating to safety and environmental protection; and

(d) the acquisition of land or other assets for the implementation of any Subproject and the determination and payment of compensation therefore, including the compensation for loss of income, shall be carried out in accordance with the principles and procedures set forth in the RPF.

Subproject Agreements

4. (a) In financing the carrying out of a Subproject under Part A.2 of the Project, MEM shall enter into a Subproject Agreement with an CLP.

(b) The Subproject Agreement shall set forth the respective obligations of the parties thereunder which are specified in the Project Implementation Manual, under terms and conditions which shall include the following:

- (i) financing for a Subproject shall be on a grant basis, not to exceed \$50,000 equivalent per Subproject Agreement;
- (ii) the requirement that the goods, works, and services to be financed out of the proceeds of the Subproject Agreement be procured and paid by MEM, in conformity with the provisions set forth in Schedule 3 to this Agreement and that such goods, works and services shall be used exclusively in the carrying out by CLPs of the relevant Subproject;
- (iii) the requirement that the proceeds of the Subproject Agreement be used exclusively by MEM for the exclusive benefit of the CLP concerned and for the purposes specified in each Subproject;

- (iv) the requirement that MEM maintain for CLPs pursuant to Subproject Grant Agreements a separate accounting and financial management system, including records and separate accounts reflecting the operations, resources and expenditures related to the carrying out of each Subproject;
- (v) the requirement that the implementation progress for each Subproject be furnished to MEM and the Association, each calendar quarter in each FY;
- (vi) the right of MEM to inspect by themselves or jointly with the Association the services, goods, works and constructions financed under the relevant Subproject, the operation thereof and any record or relevant document; and
- (vii) the right of MEM to suspend or terminate the right of a CLP to use the goods, works and services financed out of the proceeds of the Credit upon failure by such CLP to perform any of its obligations under the Subproject Agreement.

CLPAs

5. The Borrower shall ensure that CLPAs prepare and, thereafter, act in accordance with the operating rules guiding their institutional functioning.

6. The Borrower shall ensure that the annual management plans prepared by CLPAs and including CLPs 'Subprojects appraised as eligible for financing by MEM:

- (i) are prepared in a fully participatory manner;
- (ii) are fully reflective of Co-Management orientations and principles;
- (iii) include relevant key performance indicators for their implementation;
and
- (iv) include an itemized budget and financing plan;

7. Not later than 9 months after the Effective Date, the Subprojects for the 4 initial pilot sites selected under the Project shall have been submitted for MEM's approval.

8. Not later than 3 months after the Subprojects for the 4 initial pilot sites selected under the Project shall have been submitted for approval to MEM, the eligible Subprojects shall have been effectively financed.

CLPs

9. The Borrower shall ensure that CLPs prepare and, thereafter, act in accordance with the operating rules guiding their institutional functioning.

PCU Work Programs

10. The Borrower shall ensure that PCU Work Programs are submitted annually and approved by the Comité de pilotage before their implementation.

NBC

11. The Borrower shall ensure that the National Biodiversity Committee prepares and furnishes to MEPN annual reports, in form and substance satisfactory to the Association.

12. Not later than January 1, 2005, the Borrower shall establish a secretariat for NBC within DPN.

III Project Implementation Review

13. The Borrower shall:

(a) maintain policies and procedures adequate to enable it to monitor and evaluate on an ongoing basis, in accordance with the indicators set forth in Schedule 6 to this Agreement, the carrying out of the Project and the achievement of the objectives thereof;

(b) prepare, under terms of reference satisfactory to the Association, and furnish to the Association, on or about February 15 and August 15 in each FY, a report integrating the results of the monitoring and evaluation activities performed pursuant to paragraph (a) of this Section, on the progress achieved in the carrying out of the Project during the period preceding the date of said report and setting out the measures recommended to ensure the efficient carrying out of the Project and the achievement of the objectives thereof during the period following such date; and

(c) review with the Association, by March 15 and September 15 in each FY, or such later date as the Association shall request, the report referred to in paragraph (b) of this Section, and, thereafter, take all measures required to ensure the efficient completion of the Project and the achievement of the objectives thereof, based on the conclusions and recommendations of the said report and the Association's views on the matter.

SCHEDULE 5

Performance Indicators

For purposes of this Agreement, the performance indicators to be used for Project implementation are as follows:

1. Local fisheries management sub-projects are implemented in 4 pilot sites within 18 months of Project effectiveness, and implemented in an additional 8 pilot sites within the following 18 months.
2. 60% of CLPs implementing sub-projects comply with sub-project performance targets by Project Closing Date.
3. Management plans for at least 2 key fisheries are prepared, and approved by the National Consultative Council for Maritime Fisheries.
4. Participatory assessment of local community involvement in the management of biodiversity in the three pilot areas rated satisfactory at the end of the Project.
5. Management effectiveness of endangered species (maritime turtles, manatees, 5 species of water and sea birds) are improved by 30% at Project midterm review and by 50% at Project Closing Date.
6. The *Cap-Vert* Peninsula Biosphere Reserve is established before Project Closing Date.
7. Biodiversity and Protected Area framework law is promulgated before Project Closing Date.
8. State of biodiversity report is prepared on an annual basis.
9. Information sharing by Project Coordination Unit regarding the Project (web site, newsletter, direct requests) rated satisfactory by at least 75% at Project Closing Date.
10. Project area stakeholders' awareness of the causes of, and remedies for, the coastal and marine resource crisis is increased twofold prior to mid-term review.
11. 85% of quarterly and six-monthly progress reports are prepared on time.
12. Coordination subcommittees have been established with the Senegal River Basin Project, the Protection of the Canary Current Large Marine Ecosystem (LME) Project, and the Project to enhance the conservation of the critical network of sites required by migratory waterbirds on the African/Eurasian flyways.

