
GEF GRANT NUMBER TF0B5963

Global Environment Facility Grant Agreement

**(Catalyzing Financing and Capacity for the Biodiversity Economy Around
Protected Areas Project)**

between

REPUBLIC OF SOUTH AFRICA

and

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

GEF GRANT NUMBER TF0B5963

**GLOBAL ENVIRONMENT FACILITY
GRANT AGREEMENT**

AGREEMENT dated as of the Signature Date between REPUBLIC OF SOUTH AFRICA (“Recipient”) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (“Bank”), acting as an implementing agency of the Global Environment Facility (“GEF”). The Recipient and the Bank hereby agree as follows:

**Article I
Standard Conditions; Definitions**

- 1.01. The Standard Conditions (as defined in the Appendix to this Agreement) apply to and form part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Standard Conditions or in the Appendix this Agreement.

**Article II
The Project**

- 2.01. The Recipient declares its commitment to the objectives of the project described in Schedule 1 to this Agreement (“Project”). To this end, the Recipient shall: (a) cause Part 1 of the Project to be carried out by the Project Implementing Entities; (b) cause Part 2 of the Project to be carried out by the South African National Biodiversity Institute; and (c) carry out Part 3 of the Project; all in accordance with the provisions of Article II of the Standard Conditions and Schedule 2 to this Agreement.

**Article III
The Grant**

- 3.01. The Bank agrees to extend to the Recipient a grant in an amount not to exceed eight million nine hundred ninety thousand United States Dollars (\$8,990,826) (“Grant”) to assist in financing the Project.
- 3.02. The Recipient may withdraw the proceeds of the Grant in accordance with Section III of Schedule 2 to this Agreement.
- 3.03. The Grant is funded out of the abovementioned trust fund for which the Bank receives periodic contributions from the donors to the trust fund. In accordance with Section 3.02 of the Standard Conditions, the Bank’s payment obligations in connection with this Agreement are limited to the amount of funds made available to it by the donor under the abovementioned trust fund, and the Recipient’s right to withdraw the Grant proceeds is subject to the availability of such funds.

**Article IV
Additional Remedies**

- 4.01. The Additional Event of Suspension referred to in Section 4.02 (k) of the Standard Conditions consists of the following: any of the Project Implementation Entities' Documentation has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of any of the Project Implementing Entities to perform any of its obligations under the subsidiary agreements referred to in Section I.B of the Schedule 2 to this Agreement.

**Article V
Effectiveness; Termination**

- 5.01. This Agreement shall not become effective until evidence satisfactory to the Bank has been furnished to the Bank that the conditions specified below have been satisfied.
- (a) This Agreement has been duly authorized or ratified by, and executed and delivered on behalf of, the Recipient and is legally binding upon it in accordance with its terms.
 - (b) The subsidiary agreements referred to in Section I.B of the Schedule 2 to this Agreement have been executed and delivered to the Bank.
- 5.02. By signing this Grant Agreement, the Recipient shall be deemed to represent and warrant that on the Signature Date, the Grant Agreement has been duly authorized by, and executed and delivered on behalf of, the Recipient and is legally binding upon the Recipient in accordance with its terms, except where additional action is required to make such Grant Agreement legally binding. Where additional action is required following the Signature Date, the Recipient shall notify the Bank when such additional action has been taken. By providing such notification, the Recipient shall be deemed to represent and warrant that on the date of such notification the Grant Agreement is legally binding upon the Recipient in accordance with its terms.
- 5.03. Except as the Recipient and the Bank shall otherwise agree, this Agreement shall enter into effect on the date upon which the Bank dispatches to the Recipient notice of its acceptance of the evidence required pursuant to Section 4.01 ("Effective Date"). If, before the Effective Date, any event has occurred which would have entitled the Bank to suspend the right of the Recipient to make withdrawals from the Grant Account if this Agreement had been effective, the Bank may postpone the dispatch of the notice referred to in this Section until such event (or events) has (or have) ceased to exist.
- 5.04. This Agreement and all obligations of the parties under it shall terminate if it has not entered into effect by the date ninety (90) days after the date of this Agreement,

unless the Bank, after consideration of the reasons for the delay, establishes a later date for the purpose of this Section. The Bank shall promptly notify the Recipient of such later date.

Article VI
Recipient's Representative; Addresses

6.01. The Recipient's Representative referred to in Section 7.02 of the Standard Conditions is its Minister of Finance.

6.02. For purposes of Section 7.01 of the Standard Conditions: (a) the Recipient's address is:

Minister of Finance
National Treasury of South Africa
Republic of South Africa
40 Church Square
Pretoria

6.03. For purposes of Section 7.01 of the Standard Conditions: (a) the Bank's address is:

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

(b) the Bank's Electronic Address is:

Telex:	Facsimile:
248423 (MCI) or 64145 (MCI)	1-202-477-6391

AGREED as of the Signature Date.

REPUBLIC OF SOUTH AFRICA

By

Dondo Mogajane

Authorized Representative

Dondo Mogajane

Name: _____

Title: _____ Director-General: National Treasury

Date: _____ 17-Aug-2021

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

By

Thomas Buckley

Authorized Representative

Thomas Buckley

Name: _____

Title: _____ Acting Country Director

Date: _____ 17-Aug-2021

SCHEDULE 1 Project Description

The objective of the Project is to increase investment in three (3) target protected area landscapes to grow the biodiversity economy and benefits to local communities.

The Project consists of the following parts:

Part 1. Build biodiversity economy nodes for community stewardship and livelihoods

1.1. Support multi-stakeholder coordination platforms to develop and/or strengthen a shared vision for biodiversity economy nodes on land use and economic development

- (a) Provision of support to carry out strengthening and coordination activities around a shared vision of the biodiversity economy for the Project Nodes through multi-stakeholder arrangements, including, establishment of coordination structures to build capacity, facilitate meetings and report on progress on planning and investments.
- (b) Development of biodiversity economy node master plans to ensure that the biodiversity economy goals and actions are integrated into existing municipal planning processes and the Recipient's new coordinated district service delivery model, including, provision of support to site-specific conservation development frameworks for community-owned land to inform conservation and development land-use options.
- (c) Provision of support to facilitate and align public and private investments into biodiversity economy node master plans, including: (i) completion of pre-feasibility studies to determine whether a proposed venture is viable and if so, the type of businesses to be set up; and (ii) provision of transaction advice on private and public finance access.

1.2 Provide SMME support in Project Nodes

Provision of financial and technical support to selected SMMEs in the Project Nodes, with a special focus on women led SMMEs, to develop a comprehensive package of SMME support services, including: (a) provision of training and mentoring to existing and new entrepreneurs to develop business plans; and (b) provision of mentorships and Grants to selected SMMEs to integrate new business into existing value chains.

1.3. Strengthen governance capacity and ownership for equitable benefit sharing

Provision of support to improve the benefit sharing of the biodiversity economy within each of the Project Nodes, in particular with the communities that live in and around the target protected areas, including: (a) provision of equity ownership to communities supporting biodiversity economy investments; (b) improvement of governance capacity of communities; (c) strengthening of leadership capacity of communities; and (d) building capacities of women's leadership roles.

1.4 Facilitate community stewardship to expand wildlife habitat

Provision of support to communities to participate in biodiversity stewardship agreements and expand land under conservation in the Project Nodes, including: (a) provision of support to landowners in the Project Nodes to secure land with valuable biodiversity and wildlife habitat for conservation; (b) provision of technical assistance for managing and monitoring community conservation land, including: (i) design, implementation and monitoring of land-use management plans; (ii) restoring and/or maintaining the veld for grazing productivity and ecosystem functioning; (iii) carrying out of infrastructure planning and development activities; (iv) implementation of a system for sustainable off-take and harvesting rates and procedures; (v) provision of equipment to youth for monitoring community ecosystem conditions and functioning; and (vi) management of potential human-wildlife interaction; and (c) development of capacity for community stewardship in the Project Nodes and nationally.

Part 2. Knowledge exchange across Project Nodes and capturing learning on wildlife conversation, community stewardship and biodiversity economy

Carrying out of knowledge sharing lessons learned from the Project Nodes and between the Project Nodes at national and international levels, including: (a) collection of lessons from experiences of implementing the biodiversity economy node concept in the Project Nodes and sharing of these lessons nationally with other identified nodes; (b) capturing of lessons from wildlife conversation, protected area expansion in partnerships with local communities through stewardship programs; and (c) carrying out of knowledge sharing events and capacity building activities to improve awareness and knowledge relevant to biodiversity economy and broader thematic issues.

Part 3. Project management and monitoring

Carrying out of Project management activities to ensure cost-efficient, timely, and quality delivery of project activities and results, including: (a) provision of support for carrying out coordination activities among Project Nodes; (b) carrying out of Project procurement, financial management, environmental and social safeguards, monitoring and evaluation and reporting activities; and (c) preparation of annual work plans and audit reports.

SCHEDULE 2

Project Execution

Section I. Institutional and Other Arrangements

A. Institutional Arrangements

1. Project Steering Committee

By no later than one (1) month after the Effective Date, the Recipient shall establish and thereafter maintain, at all times during the implementation of the Project, a Project steering committee which shall be chaired by DFFE and comprise of representatives from selected stakeholders, private sector and civil society. Such Project steering committee shall be responsible for, *inter alia*: (a) providing high-level guidance to the Project; and (b) maintaining the Project aligned with the Recipient's policies.

2. Project Management Unit

By no later than one (1) month after the Effective Date, the Recipient shall establish and thereafter maintain, at all times during the implementation of the Project, a Project management unit within DFFE, which shall: (a) be chaired by a Project director; (b) comprise of a financing management specialist, procurement specialist, safeguard specialist, administration officer, among others, all with qualifications, experience and terms of reference acceptable to the Bank; and (c) be responsible for, *inter alia*, providing oversight and implementation support to the Project Implementing Entities.

B. Subsidiary Agreements

1. For purposes of implementing activities under Parts 1 and 2 of the Project, the Recipient shall make the proceeds of the Grant allocated under Category (2) of the table set forth in Section III.A.1 of this Schedule available to the Project Implementing Entities under subsidiary agreements between the Recipient and each of the Project Implementing Entities, under terms and conditions satisfactory to the Bank ("Subsidiary Agreements"), including the obligation of each Project Implementing Entity to:

- (a) carry any of its respective activities under the Project in accordance with the Project Implementation Manual, including the Anti-Corruption Guidelines, the Procurement Regulations and the ESCP;
- (b) monitor and evaluate its respective activities under the Project in accordance with indicators set out in the Project Implementation Manual, including the progress of such activities during the implementation of the Project;

- (c) (i) maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards set out in the Project Implementation Manual, both in a manner adequate to reflect the operations, resources and expenditures related to the respective activities under the Project; and (ii) have such financial statements audited by independent auditors, in accordance with consistently applied auditing standards, and furnish promptly to the Recipient and the Association the financial statements as so audited; and
 - (d) enable the Recipient and the Association to inspect the activities carried out under the Project, their operation and any relevant records and documents; and prepare and furnish to the Recipient and the Association all such information as the Recipient or the Association shall reasonably request relating to the foregoing.
- 2. The Recipient shall exercise its rights under the Subsidiary Agreements in such manner as to protect the interests of the Recipient and the Bank and to accomplish the purposes of the Grant. Except as the Bank shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive the Subsidiary Agreements or any of their provisions.

C. Project Implementation Manual

By no later than one (1) month after the Effective Date, the Recipient shall prepare and adopt a Project implementation manual (“Project Implementation Manual”), which shall contain detailed guidelines and procedures for the implementation of the Project, including with respect to: administration and coordination, monitoring and evaluation, financial management, procurement and accounting procedures, environmental and social safeguards, corruption and fraud mitigation measures, a grievance redress mechanism, criteria for selecting SMMEs to be supported under the Project, and such other arrangements and procedures as shall be required for the effective implementation of the Project, in form and substance satisfactory to the Bank. Except as the Bank shall otherwise agree in writing; not amend or waive or permit to be amended or waived any provision of the Project Implementation Manual. In case of conflict between the provisions of the Project Implementation Manual and this Agreement, the provisions of this Agreement shall prevail.

D. Safeguards

- 1. The Recipient shall ensure, and cause the Project Implementing Entities to ensure, that the Project is carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Bank.
- 2. Without limitation upon paragraph 1 above, the Recipient shall ensure, and cause the Project Implementing Entities to ensure, that the Project is implemented in accordance with the Environmental and Social Commitment Plan (“ESCP”), in a manner acceptable to the Bank. To this end, the Recipient shall ensure that:

- (a) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, and as further specified in the ESCP;
- (b) sufficient funds are available to cover the costs of implementing the ESCP;
- (c) policies, procedures and qualified staff are maintained to enable it to implement the ESCP, as further specified in the ESCP; and
- (d) the ESCP or any provision thereof, is not amended, revised or waived, except as the Bank shall otherwise agree in writing and the Recipient has, thereafter, disclosed the revised ESCP.

In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.

3. The Recipient shall:

- (a) take all measures necessary on its part to collect, compile, and furnish to the Bank through regular reports, with the frequency specified in the ESCP, and promptly in a separate report or reports, if so requested by the Bank, information on the status of compliance with the ESCP and the management tools and instruments referred to therein, all such reports in form and substance acceptable to the Bank, setting out, *inter alia*: (i) the status of implementation of the ESCP; (ii) conditions, if any, which interfere or threaten to interfere with the implementation of the ESCP; and (iii) corrective and preventive measures taken or required to be taken to address such conditions; and
- (b) promptly notify the Bank of any incident or accident related to or having an impact on the Project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers; including any workplace accidents that result in death, serious or multiple injury, pollution, any violent labor unrest or dispute between the Recipient or security forces (assigned to protect the Project) and local communities, or any case of sexual exploitation and abuse, sexual harassment and violence against minors; in accordance with the ESCP, the instruments referenced therein and the Environmental and Social Standards.

4. The Recipient shall, and cause the Project Implementing Entities to, maintain and publicize the availability of a grievance mechanism, in form and substance satisfactory to the Bank, to hear and determine fairly and in good faith all complaints raised in relation to the Project and take all measures necessary to implement the determinations made by such mechanism in a manner satisfactory to the Bank.

5. The Recipient shall, and cause the Project Implementing Entities to, at all times during the implementation of the Project, take the following measures, in a form and substance satisfactory to the Bank:
 - (a) enforce high standard rules for the selection of personnel involved in the Project activities, and immediately remove any personnel involved in any alleged violation or abuse, and ensure that all personnel receive the relevant and prescribed training in civilian-military engagement, sexual exploitation and abuse, and sexual harassment and other relevant areas prior to the commencement of any activities; and
 - (b) effectively implement a social communication strategy for the engagement of local communities, non-governmental organizations, media, and authorities in the Project area.

E. Annual Work Programs

1. The Recipient shall, by no later than November 30th in each calendar year, furnish to the Bank, such program of activities prepared and furnished to the Recipient by the Project Implementing Entities and proposed for inclusion in the Project during the following calendar year, as shall have been endorsed by the Recipient.
2. The Recipient shall exchange views with the Bank on the proposed work program and shall thereafter take all measures required on its part to enable the Project Implementing Entities to carry out such program of activities, as applicable, during the following year as shall have been approved by the Bank.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

The Recipient shall ensure that each Project Report is furnished to the Bank not later than one (1) month after the end of each calendar quarter, covering the calendar quarter.

Section III. Withdrawal of Grant Proceeds

A. General

1. The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) Article III of the Standard Conditions; and (b) this Section; to finance Eligible Expenditures in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:

Category	Amount of the Grant Allocated (expressed in USD)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, works, non-consulting services, consulting services, Operating Costs and Training Costs under Parts 1 and 2 of the Project	8,562,854	100%
(2) Goods, works, non-consulting services, consulting services, Operating Costs and Training Costs under Part 3 of the Project	427,972	100%
TOTAL AMOUNT	8,990,826	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section no withdrawal shall be made for payments made prior to the Signature Date.
2. The Closing Date is December 31, 2025.

APPENDIX

Definitions

1. “Anti-Corruption Guidelines” means, for purposes of paragraph 2 of the Appendix to the Standard Conditions, the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006, and revised in January, 2011, and as of July 1, 2016.
2. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
3. “DFFE” means the Recipient’s Department of Environment, Forestry and Fisheries.
4. “Environmental and Social Commitment Plan” or “ESCP” means the environmental and social commitment plan for the Project, dated May 13, 2020, as the same may be amended from time to time in accordance with the provisions thereof, which sets out the material measures and actions that the Recipient shall carry out or cause to be carried out to address the potential environmental and social risks and impacts of the Project, including the timeframes of the actions and measures, institutional, staffing, training, monitoring and reporting arrangements, and any environmental and social instruments to be prepared thereunder.
5. “Environmental and Social Standards” or “ESSs” means, collectively:
(i) “Environmental and Social Standard 1: Assessment and Management of Environmental and Social Risks and Impacts”; (ii) “Environmental and Social Standard 2: Labor and Working Conditions”; (iii) “Environmental and Social Standard 3: Resource Efficiency and Pollution Prevention and Management”; (iv) “Environmental and Social Standard 4: Community Health and Safety”; (v) “Environmental and Social Standard 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement”; (vi) “Environmental and Social Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources”; (vii) “Environmental and Social Standard 7: Indigenous Peoples/Sub-Saharan Historically Underserved Traditional Local Communities”; (viii) “Environmental and Social Standard 8: Cultural Heritage”; (ix) “Environmental and Social Standard 9: Financial Intermediaries”; (x) “Environmental and Social Standard 10: Stakeholder Engagement and Information Disclosure”; effective on October 1, 2018, as published by the Bank.
6. “Operating Costs” means the reasonable costs of the following incremental expenditures incurred in carrying out the Project, which shall have been agreed with the Bank: (i) vehicle operation and maintenance; (ii) office administration costs; (iii) communications charges, insurance costs and banking, utility and rental charges; and (iv) travel and *per diem* for travel linked to the implementation of the Project.

7. “Procurement Regulations” means, for purposes of paragraph 20 of the Appendix to the Standard Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated November 2020.
8. “Project Implementing Entities” means the following entities: (i) South African National Parks; (ii) South African National Biodiversity Institute; and (iii) iSimangaliso Wetland Park Authority.
9. “Project Implementing Entities’ Documentation” means the legislation under which each of the following entities operate: (i) in the case of South African National Parks, the National Environmental Management Act: Protected Areas Act 57 of 2003; (ii) in the case of South African National Biodiversity Institute, the National Environmental Management: Biodiversity Act 10 of 2004; and (iii) in the case of iSimangaliso Wetland Park Authority, sections 9 and 14(1) of the World Heritage Convention Act 49 of 1999 under Regulation 1193 of 24 November 2000.
10. “Project Implementation Manual” means the manual referred to in Section I.C of Schedule 2 to this Agreement.
11. “Project Nodes” means: (i) the Greater Addo to Amathole Node in the Eastern Cape Province; (ii) the Greater Kruger-Limpopo Node in Limpopo Province; and (iii) the Greater-iSimangaliso Node in KwaZulu-Natal Province.
12. “Signature Date” means the later of the two dates on which the Recipient and the Bank signed this Agreement and such definition applies to all references to “the date of the Grant Agreement” in the Standard Conditions.
13. “SMMEs” means Small, Medium and Micro Enterprises.
14. “Standard Conditions” means the “International Bank for Reconstruction and Development and International Development Association Standard Conditions for Grant Financing Made by the Bank out of Trust Funds”, dated February 25, 2019.
15. “Subsidiary Agreements” means the agreements referred to in Section I.B of Schedule 2 to this Agreement.
16. “Training Costs” means the reasonable costs, which shall have been agreed by the Bank, associated with the training and workshop participation of personnel involved in carrying out the Project, including travel and subsistence costs for training and workshop participants, costs associated with securing the services of trainers and workshop speakers, rental of training and workshop facilities, preparation and reproduction of training and workshop materials, and other costs directly related to training course and workshop preparation and implementation; but excluding goods and consulting services.