

**CONFORMED COPY**

**GEF TF GRANT NUMBER TF056981 GUI**

# **Global Environment Facility Grant Agreement**

**(Coastal, Marine, and Biodiversity Management Project)**

**between**

**REPUBLIC OF GUINEA**

**and**

**INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT**

**acting as an Implementing Agency of the Global Environment Facility**

**Dated November 7, 2006**

**GEF TF GRANT NUMBER TF056981 GUI**

**GLOBAL ENVIRONMENT FACILITY GRANT AGREEMENT**

AGREEMENT dated November 7, 2006 (“Grant Agreement”) entered into between:

REPUBLIC OF GUINEA (“Recipient”); and

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

The Recipient and the World Bank hereby agree as follows:

**Article I  
Standard Conditions; Definitions**

1.01. The Standard Conditions for Grants Made by the World Bank Out of Various Funds, dated July 20, 2006 (“Standard Conditions”), constitute an integral part of this Agreement.

1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Standard Conditions or in this Agreement.

**Article II  
The Project**

2.01. The Recipient declares its commitment to the objectives of the project described in Schedule 1 to this Agreement (“Project”). To this end, the Recipient shall carry out the Project in accordance with the provisions of Article II of the Standard Conditions, and with the Convention on Biological Diversity.

2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Recipient and the World Bank shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

**Article III**  
**The Grant**

3.01. The World Bank agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a grant in an amount equal to five million United States Dollars (USD 5,000,000) (“Grant”) to assist in financing the Project.

3.02. The Recipient may withdraw the proceeds of the Grant in accordance with Section IV of Schedule 2 to this Agreement.

**Article IV**  
**Remedies of the World Bank**

4.01. The Additional Events of Suspension referred to in Section 4.02 (i) of the Standard Conditions consist of the following:

(a) *Payment Failure.* The Recipient has failed to make payment (notwithstanding that such payment may have been made by a third party) of principal, interest, service charges or any other amount due to the World Bank or the International Development Association (the Association): (i) under any other agreement between the Recipient and the World Bank; or (ii) under any agreement between the Recipient and the Association; or (iii) in consequence of any guarantee extended or other financial obligation of any kind assumed by the Association or the World Bank to any third party with the agreement of the Recipient.

(b) *Event prior to Effectiveness.* The World Bank has determined after the Effective Date referred to in Section 5.03 of this Agreement that, prior to such date but after the date of this Agreement, an event has occurred which would have entitled the World Bank to suspend the Recipient's right to make withdrawals from the Grant Account if this Agreement had been effective on the date such event occurred.

**Article V**  
**Effectiveness**

5.01. This Agreement shall not become effective until evidence satisfactory to the World Bank has been furnished to the World Bank that the conditions specified below have been satisfied.

(a) The execution and delivery of this Agreement on behalf of the Recipient have been duly authorized or ratified by all necessary governmental and corporate action.

(b) The Recipient has adopted the Project Implementation Manual, in form and substance satisfactory to the World Bank.

(c) The Recipient has established, in form and substance satisfactory to the World Bank, the steering committee set up under the Recipient's Village Communities Support Program, comprising, *inter alia*: (i) a representative each from (A) the Ministry at the time responsible for interior affairs, acting as Chair; (B) the Ministry at the time responsible for planning; (C) the Ministry at the time responsible for agriculture, one (1) of the latter two (2) acting as Vice Chair; (D) the Ministry at the time responsible for finance; (E) the Ministry at the time responsible for pre-university education; (F) the Ministry at the time responsible for public health; (G) the Ministry at the time responsible for public works; and (H) the Ministry at the time responsible for fisheries; (ii) three (3) civil society (non-governmental organizations and private institutions) representatives; and (iii) seven (7) representatives of Presidents of Rural Development Communities, one (1) from each of the seven (7) Regions of the Recipient's territory, as the Steering Committee for purposes of Project implementation.

(d) The Recipient has selected, in accordance with the provisions of Section III of Schedule 2 to this Agreement, an auditor with qualifications, experience and terms of reference satisfactory to the World Bank, for purposes of Project implementation.

(e) The Recipient has selected, on a competitive basis, a Natural Resource Management Focal Point, with qualifications, experience and terms of reference satisfactory to the World Bank, for purposes of Project implementation.

5.02. As part of the evidence to be furnished pursuant to Section 5.01 (a), there shall be furnished to the World Bank an opinion or opinions satisfactory to the World Bank of counsel acceptable to the World Bank or, if the World Bank so requests, a certificate satisfactory to the World Bank of a competent official of the Member Country, showing the following matter:

On behalf of the Recipient, that this Agreement has been duly authorized or ratified by, and executed and delivered on its behalf, and is legally binding upon it in accordance with its terms.

5.03. Except as the Recipient and the World Bank shall otherwise agree, this shall enter into effect on the date upon which the World Bank dispatches to the Recipient notice of its acceptance of the evidence required pursuant to Section 5.01 ("Effective Date"). If, before the Effective Date, any event has occurred which would have entitled the World Bank to suspend the right of the Recipient to make withdrawals from the Grant Account if this Agreement had been effective, the World Bank may postpone the dispatch of the notice referred to in this sub-paragraph until such event (or events) has (or have) ceased to exist.

5.04. *Termination for Failure to Become Effective.* This Agreement and all obligations of the parties under it shall terminate if it has not entered into effect by the date 90 days after the date of this Agreement, unless the World Bank, after consideration of the reasons for the delay, establishes a later date for the purpose of this Section. The World Bank shall promptly notify the Recipient of such later date.

**Article VI**  
**Representatives; Addresses**

6.01. The Recipient's Representative referred to in Section 7.02 of the Standard Conditions is the minister at the time responsible for the economy and finance.

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

Ministry of the Economy and Finance  
P. O. Box 579  
Conakry  
Guinea

Telex:	Facsimile:
22399 MIFIGE	(224) 30 45 54 22 (224) 30 41 17 17

6.03. The World Bank's Address referred to in Section 7.01 of the Standard Conditions is:

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

Cable Address:	Telex:	Facsimile:
INTBAFRAD Washington, D.C.	248423 (MCI) or 64145 (MCI)	1-202-477-6391

AGREED at Conakry, Guinea, as of the day and year first above written.

**REPUBLIC OF GUINEA**

**By /s/ Madikaba Camara**

**Authorized Representative**

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

**By /s/ Idé Gnandou**

**Authorized Representative**

## **SCHEDULE 1**

### **Project Description**

The objective of the Project is to promote rational management of the Recipient's coastal biodiversity for both conservation and sustainable development ends in selected priority areas (up to 17 of the Recipient's Rural Development Communities), with a focus on those around sites identified under the Ramsar List of Wetlands of International Importance and shared watersheds, notably Alcatraz Island, Rio Pongo and Tristao Islands), with a particular emphasis on assisting communities in and around these priority areas to plan, implement and maintain environmentally sustainable and socially inclusive alternative livelihood options.

The Project consists of the following parts:

1. Protection and Conservation of Ramsar List Coastal Sites
  - (a) Integrated Conservation Zone: Establishment of Integrated Conservation Zone (Alcatraz / Tristao Islands and possibly Rio Pongo), including:
    - (i) Carrying out of detailed socio-economic and environmental diagnostic and impact assessment, mapping, ecosystem / terrestrial and marine species inventory, surface and boundary definition and identification of land tenure issues;
    - (ii) Carrying out of assessment of natural resource management practices of the local population and their socio-economic and environmental impact, and identification of natural resource management-related user conflicts;
    - (iii) Carrying out of assessment of cost implications (initial investment as well as running costs) of possible Integrated Conservation Zone management schemes;
    - (iv) Identification of Integrated Conservation Zone management instrument and modalities;
    - (v) Preparation and finalization of legal framework for establishment of such instrument and modalities;
    - (vi) Development of participatory Integrated Conservation Zone management plans;
    - (vii) Designation of Integrated Conservation Zone; and

- (viii) Development of replicable operational toolbox for community-based Integrated Conservation Zone management,

all through the acquisition of goods such as equipment and vehicles, the provision of technical advisory services and the financing of Operating Costs.

(b) Provision of support to Rural Development Communities for implementation of Integrated Conservation Zone management scheme developed under Part 1 (a) of the Project, through the acquisition of goods such as basic management, information technology and meeting facilities and equipment, provision of technical advisory services and the financing of Operating Costs.

(c) Impact Monitoring and Evaluation: Provision of support to and strengthening of Integrated Conservation Zone monitoring efforts, including:

- (i) adaptation of the World Bank / World Wildlife Fund Management Effectiveness Scorecard and Tracking Tool for purposes of measurement of effectiveness of Integrated Conservation Zone management scheme; and
- (ii) carrying out of Project impact monitoring such as in relation to biodiversity status (key species), water resources and management effectiveness,

all through the provision of goods, such as office equipment and supplies, technical advisory services and training to academic institutions, Rural Development Communities and other local, regional and national stakeholders in the areas of participatory data collection, interpretation and implementation of the biodiversity monitoring system, dissemination activities for the preparation of local communities and information access and provision methods.

## 2. Enabling Environment for Integrated Conservation Zone Management

(a) Institutional Strengthening, including:

- (i) carrying out of a study: (A) identifying options for the financial sustainability of Integrated Conservation Zones; (B) reviewing the Recipient's budget for environmental expenditures and proposing funding options, including establishment of an environmental trust fund and contributions at local, regional and national levels; and (C) assessing local-level partnerships between Rural Development Communities and financial and development agents for implementation of sustainable productive activities; and



- (ii) carrying out of training, principally for the Ministry of the Environment, in areas of priority for Integrated Conservation Zone management,

all through the acquisition of goods such as basic office equipment and supplies, the provision of technical advisory services and training and the financing of Operating Costs.

(b) Coastal Zone Knowledge and Communication: Carrying out of knowledge and communication activities, including:

- (i) strengthening of collaboration amongst stakeholders and between the Recipient and organizations implementing similar operations in the region;
- (ii) establishment of a coastal forum involving annual meetings and information-exchange workshops on environmentally sustainable development in the Integrated Conservation Zone;
- (iii) strengthening of Guinea Maritime Observatory multimedia library of coastal documentation as key internet-based repository of Project data for purposes of facilitating access of principal stakeholders – particularly the Ministry at the time responsible for the environment and the University of Conakry – to internet resources;
- (iv) implementation of communications strategy and action plan raising awareness and disseminating Project information to stakeholders, including local populations and local, regional and national authorities,

all through the acquisition of goods, such as office equipment and supplies, the provision of technical advisory services and the financing of Operating Costs.

### 3. Local Investment Fund

Village Investment Fund: Carrying out of Micro-Projects by local populations in the following areas:

- (i) sustainable biodiversity use, including:
  - (A) piloting of activities providing alternative livelihoods for local and indigenous communities; and
  - (B) promoting the preservation of local and indigenous communities' knowledge, innovations and practices.

- (ii) biodiversity protection and conservation: natural resource management activities emphasizing integrated resource use with conservation and development,

all through the provision of Micro-Project Grants.

4. Local Capacity Building

- (a) Rural Development Community Strengthening, including:

- (i) training and organization of Beneficiaries for participation in Part 3 of the Project;
- (ii) carrying out of field visits demonstrating interaction of various watershed activities and the natural resource base;
- (iii) capacity building of Beneficiaries in identification, implementation, maintenance and monitoring and evaluation of activities under Part 3 of the Project,

all through the provision of technical advisory services.

- (b) Elected Local Official, Rural Development Community Staff and Decentralized Agency Training:

- (i) development of technical capacity of Project implementation entities in maintenance of environmental and sustainable development;
- (ii) training of decision-makers and opinion leaders in the benefits of sustainable use of natural resources and techniques of preservation and conservation;
- (iii) institutional strengthening of Project implementation entities; and
- (iv) dissemination to stakeholders of translation of legal documents relating to sustainable resource use and biodiversity management.

all through the acquisition of goods, such as motorcycles, provision of technical advisory services and training and the financing of Operating Costs.

5. Project Management and Monitoring and Evaluation

(a) Project Management: Provision of support to Project implementation entities through the acquisition of goods, such as vehicles and office equipment and supplies, the provision of technical advisory services and training and the financing of Operating Costs.

(b) Project Monitoring and Evaluation: Strengthening of the monitoring and evaluation capacity of the National Coordination Unit, particularly to use geographic information system-based data and prepare cartographic material on Rural Development Communities participating in the Project.

## SCHEDULE 2

### Project Execution

#### Section I. Institutional and Other Arrangements

##### A. Institutional Arrangements

1. Part 1 of the Project shall be implemented by the National Fisheries Research Institute of Boussora (Alcatraz and Tristao Islands) and the National Department of Forestry and Water (Rio Pongo); Part 2 (a) by the National Center for Environmental Protection of Marine Areas and Coastal Zones; Part 2 (b) by the Ministry at the time responsible for planning; Part 3 by the concerned Rural Development Communities; Part 4 by the National Directorate for Decentralization; and Part 5 by the Ministry at the time responsible for planning.

##### 2. Steering Committee

(a) The Recipient shall maintain, throughout Project implementation, the Steering Committee established pursuant to Section 5.01 (b) (iii) of this Agreement, in form and substance and with resources and functions satisfactory to the World Bank.

(b) Without limitation upon the provisions of subparagraph (a) of this Section, the Recipient shall appoint to the Steering Committee, no later than one (1) month after the Effective Date, and maintain throughout Project implementation, a representative each from the Ministry of Environment and the Ministry of Fisheries.

(c) Without limitation upon the provisions of subparagraph (a) of this Section, the Steering Committee shall, *inter alia*: (i) review annual work plans; (ii) review Project implementation status and progress toward achievement of the Project objective; (iii) decide on corrective action necessary relative to issues in Project implementation; and (iv) coordinate activities in the area of decentralized rural development.

(d) Without limitation upon the provisions of subparagraph (a) of this Section, the Steering Committee shall meet at regular intervals to review the carrying out of Project implementation, and invite, as appropriate, representatives of the Donors to participate in at least any one (1) said meeting each year.

3. National Coordination Unit

(a) The Recipient shall maintain, throughout Project implementation, the National Coordination Unit, in form and substance and with resources and functions satisfactory to the World Bank, under the Ministry of Planning.

(b) Without limitation upon the provisions of subparagraph (a) of this Section, the National Coordination Unit shall comprise staff with qualifications, experience, and terms of reference satisfactory to the Association, including: (i) a national project coordinator, (ii) an accountant; (iii) a procurement assistant; (iv) a Natural Resource Management Focal Point; and (v) a geographer specializing in geographic information system database management.

(c) Without limitation upon the provisions of subparagraph (a) of this Section, the National Coordination Unit shall, *inter alia*, (i) coordinate, supervise and monitor Project implementation; (ii) liaise with and provide long-term planning and policy support to entities involved in Project implementation; (iii) carry out financial management and accounting under the Project; and (iv) oversee operation of the Local Investment Fund.

(d) Without limitation upon the provisions of subparagraph (a) of this Section, the Natural Resource Management Focal Point referred to in subparagraph (b) of this Section shall, *inter alia*: (i) assist the national project coordinator referred to in Part I.A.3 (b) of this Schedule in supervision of the implementation of annual work plans of entities involved in Project implementation; (ii) ensure that terms of reference, in form and substance satisfactory to the World Bank, for consultants' services are available and produced in accordance with the timetable set forth in the Procurement Plan; (iii) prepare periodic progress reports, in form and substance satisfactory to the World Bank, in accordance with Section II.A.1 (a) of this Schedule; (iv) cause to carry out technical audits of Parts 1 and 3 of the Project; and (v) organize and participate in periodic supervision missions.

4. Regional Coordination Unit in Boké

(a) The Recipient shall maintain, throughout Project implementation, the Regional Coordination Unit in Boké, in form and substance and with resources and functions satisfactory to the World Bank.

(b) Without limitation upon the provisions of subparagraph (a) of this Section, the Regional Coordination Unit in Boké shall comprise staff with qualifications, experience, and terms of reference satisfactory to the World Bank, including a Natural Resource Management Focal Point.

(c) Without limitation upon the provisions of subparagraph (a) of this Section, the Regional Coordination Unit in Boké shall, *inter alia*, (i) coordinate, supervise and monitor Project implementation in Boké; (ii) liaise with and provide support to entities involved in Project implementation in Boké; and (iii) oversee operation of the Local Investment Fund in Boké.

(d) Without limitation upon the provisions of subparagraph (a) of this Section, the Natural Resource Management Focal Point referred to in subparagraph (b) of this Section shall, *inter alia*: (i) facilitate the implementation of Project activities around the Integrated Conservation Zone(s); (ii) review conformity of Annual Investment Plans and Local Development Plans with the procedures governing implementation of Part 3 of the Project; (iii) prepare periodic progress reports in accordance with Section II.A.1 (a) of this Schedule; (iv) ensure collection of relevant monitoring and evaluation data from Project sites; and (v) organize and participate in periodic supervision missions.

## **B. Manual**

1. Except as the World Bank shall otherwise agree, the Recipient shall: (i) carry out the Project in accordance with the Project Implementation Manual; and (ii) except as the World Bank shall otherwise agree, not amend, abrogate, or waive the aforementioned, or any provision thereof, in a manner which, in the opinion of the World Bank, may materially or adversely affect Project implementation or achievement of the objective thereof.

2. Without limitation upon the provisions of Paragraph 1 of this Section, the Project Implementation Manual shall include: (a) Micro-Project Grant eligibility and Micro-Project implementation guidelines and procedures; and (b) such other technical, environmental, social and organizational arrangements as shall be required for Project implementation.

## **C. Micro-Projects**

### **1. General**

(a) Without limitation upon the provisions of Section I of this Schedule, the Rural Development Community Council, on behalf of the Recipient, shall appraise, approve, and monitor the Micro-Projects under Part 3 of the Project in accordance with the provisions of this Section and the Project Implementation Manual.

(b) The Recipient shall maintain, throughout Project implementation, the Rural Development Community Council, in form and substance and with resources and functions satisfactory to the World Bank.

2. Micro-Project Grant Eligibility and Micro-Project Implementation Guidelines and Procedures

(a) No proposed Micro-Project shall be eligible for financing under Part 3 of the Project unless the Rural Development Community Council has determined, on the basis of an appraisal conducted in accordance with this Section and the Project Implementation Manual, that the proposed Micro-Project satisfies the eligibility criteria specified below and in further detail in the Project Implementation Manual, which shall include, *inter alia*, the following:

- (i) the proposed Micro-Project shall be initiated by a Rural Development Community which meets the eligibility criteria specified in the Project Implementation Manual, and such Rural Development Community shall be eligible for subsequent Micro-Project Grants if it has completed the Micro-Project(s) set out in its preceding Annual Investment Plan to the satisfaction of the World Bank and the Recipient;
- (ii) the proposed Micro-Project shall be for activities set forth in Part 3 of the Project and further detailed in the Project Implementation Manual;
- (iii) the financing of the proposed Micro-Project shall be fully covered by the sum of the Micro-Project Grant and the Beneficiary's contribution.

(b) No proposed Micro-Project shall be eligible for financing under Part 3 of the Project if the Rural Development Community Council has determined, on the basis of an appraisal conducted in accordance with this Section and the Project Implementation Manual, that the proposed Micro-Project satisfies any of the non-eligibility criteria specified below and in further detail in the Project Implementation Manual, which shall include, *inter alia*, the following:

- (i) the proposed Micro-Project shall be for activities relating to the production of tobacco or hallucinogen plants; and
- (ii) the proposed Micro-Project shall be for investments not proven to be in compliance with applicable land law.

3. Terms and Conditions of Micro-Project Grant Agreements

(a) A Micro-Project shall be carried out pursuant to a Micro-Project Grant Agreement, to be concluded between the Regional Coordination Unit on behalf of the Recipient and the respective Community Council on behalf of the Beneficiary, under terms and conditions, satisfactory to the World Bank, described in further detail in the Project Implementation Manual, which shall include, *inter alia*, the following:

- (i) the obligation of the Beneficiary to contribute, in cash or in kind, at least ten percent (10%) of the projected Micro-Project costs;
- (ii) the obligation of the Beneficiary to: (A) carry out the Micro-Project with due diligence and efficiency and in accordance with sound technical, environmental, financial and administrative practices; and (B) maintain adequate records to reflect, in accordance sound accounting practices, the resources, operations, and expenditures relating to the Micro-Project;
- (iii) the requirement that the goods, works, and consultants' services to be financed from the proceeds of the Micro-Project Grant shall be procured in accordance with procedures ensuring efficiency and economy and in accordance with the provisions of Section III of this Schedule, and shall be used exclusively in the carrying out of the Micro-Project; and
- (iv) the right of the Regional Coordination Unit, on behalf of the Recipient, and of the Recipient in its own right, to: (A) inspect by itself, or jointly with the World Bank, if the World Bank shall so request, the goods, works, sites, plants and construction included in the Micro-Project, the operations thereof, and any relevant records and documents; (B) obtain all information as it, or the World Bank, shall reasonably request regarding the administration, operation, and financial condition of Micro-Projects; and (C) suspend or terminate the right of any Beneficiary to use the proceeds of the Micro-Project Grant upon failure by the Beneficiary to perform any of its obligations under the Micro-Project Grant Agreement.

(b) the Regional Coordination Unit or the Recipient, as the case may be, shall exercise its rights under the Micro-Project Grant Agreement in such manner as to protect its interests and the interests of the World Bank and to achieve the Project



objective, and, except as the World Bank shall otherwise agree, the Recipient shall not assign, amend, abrogate, or waive any substantive provision of the aforementioned.

**D. Environmental and Social Safeguards**

1. The Recipient shall ensure that the Project is implemented in accordance with the provisions of the Environmental and Social Management Plan, including the Environmental and Social Management Framework, and the Resettlement Process Framework, and, except as the World Bank shall otherwise agree, the Recipient shall not amend or waive any provision of the aforementioned if such amendment or waiver may, in the opinion of the World Bank, materially or adversely affect Project implementation or achievement of the objective thereof.

2. The Recipient shall ensure that Micro-Projects likely to have an adverse environmental or social impact shall be appraised, approved and monitored in accordance with the provisions of the Environmental and Social Management Framework, including the Environmental and Social Evaluation, and specific procedures set out in the Project Implementation Manual.

**Section II. Project Monitoring, Reporting, and Evaluation**

**A. Project Reports; Completion Report**

1. (a) The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of the indicators set forth below in sub-paragraph (b) of this paragraph. Each Project Report shall cover the period of one (1) calendar semester, and shall be furnished to the World Bank not later than one (1) month after the end of the period covered by such report.

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

(i) Part 1 of the Project

(A) By the end of the year one of Project implementation, permanent Integrated Conservation Zone impact monitoring systems have been established and are operating in the Alcatraz / Tristao Islands site.

- (B) By the end of year three of Project implementation, an Integrated Conservation Zone has been established around the Alcatraz / Tristao Islands, following the carrying out of mapping, stakeholder analysis, ecosystem assessment and fauna and flora inventories.
  - (C) By the end of year three of Project implementation, responsibilities of Rural Development Communities in relation to the terrestrial and marine ecosystem of the Alcatraz / Tristao Islands Integrated Conservation Zone have been clearly defined.
  - (D) By the end of year four of Project implementation, a replicable toolkit for the establishment, management and monitoring of Integrated Conservation Zones has been developed, tested, disseminated to and adapted by stakeholders to regional and local needs.
  - (E) By the Closing Date, preparatory work has been completed in relation to the establishment of a second Integrated Conservation Zone, around Rio Pongo.
- (ii) Part 2 of the Project
- (A) By the end of year one of Project implementation, a permanent forum on coastal conservation is operational.
  - (B) By the end of year two of Project implementation, a permanent information and data hub relating to the Recipient's Integrated Conservation Zone is in place and accessible through an internet portal.
  - (C) Prior to the carrying out of the Midterm Review referred to in Section V.B of this Schedule, a detailed proposal has been developed of a sustainable financing mechanism, including regional and local contributions, for Integrated Conservation Zones.
  - (D) By the Closing Date, the capacity of the Ministry responsible for the environment to develop, approve and enforce policy and regulatory instruments – such as

Environmental Impact Assessments and Environmental and Social Evaluations – has been strengthened.

(iii) Part 3 of the Project

- (A) By the Closing Date, at least 60% of the Rural Development Communities participating in the Project have satisfactorily implemented adapted natural resource use activities as part of their Local Development Plans and Annual Investment Plans.

(iv) Part 4 of the Project

By the Closing Date, at least 60% of the Rural Development Communities participating in the Project have integrated and prioritized improved natural resource management activities in their Local Development Plans.

(v) Part 5 of the Project

- (A) As of the end of each year of Project implementation, at least 80% of the activities identified under the Recipient's annual work plan for the Project have been satisfactorily completed and within budget.
- (B) As of the end of each year of Project implementation, Project Reports in form and substance satisfactory to the World Bank are being produced by the Recipient and on time.
- (C) As of the end of each year of Project implementation, performance and impact-monitoring reports of satisfactory quality and timeliness are being produced by the National Coordination Unit.

2. The Recipient shall prepare a Recipient's Completion Report in accordance with the provisions of Section 2.06 of the Standard Conditions. The Completion Report shall be furnished to the World Bank not later than six (6) months after the Closing Date.

**B. Financial Management; Financial Reports; Audits**

1. The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.
2. The Recipient shall ensure that interim un-audited financial reports for the Project are prepared and furnished to the World Bank as part of the Project Report not later than one month (1) after the end of each calendar semester, covering the semester, in form and substance satisfactory to the World Bank.
3. The Recipient shall have its Financial Statements for the Project audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Each such audit of the Financial Statements shall cover the period of one (1) fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the World Bank not later than six (6) months after the end of such period.

**Section III. Procurement**

**A. General**

1. **Procurement and Consultant Guidelines.** All goods, works, and services required for the Project and to be financed out of the proceeds of the Grant shall be procured in accordance with the requirements set forth or referred to in:
  - (a) Section I of the “Guidelines: Procurement under IBRD Loans and IDA Credits” published by the World Bank in May 2004 (“Procurement Guidelines”) in the case of goods and works, and Sections I and IV of the “Guidelines: Selection and Employment of Consultants by World Bank Borrowers” published by the World Bank in May 2004 (“Consultant Guidelines”) in the case of consultants’ services; and
  - (b) the provisions of this Section III, as the same shall be elaborated in the procurement plan prepared and updated from time to time by the Recipient for the Project in accordance with paragraph 1.16 of the Procurement Guidelines and paragraph 1.24 of the Consultant Guidelines (“Procurement Plan”).
2. **Definitions.** The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the World Bank of particular contracts, refer to the corresponding method described in the Procurement Guidelines, or Consultant Guidelines, as the case may be.

**B. Particular Methods of Procurement of Goods and Works**

1. **International or National Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods and works shall be procured under contracts awarded on the basis of International or National Competitive Bidding.
2. **Other Methods of Procurement of Goods and Works.** The following methods, other than International or National Competitive Bidding, may be used for procurement of goods and works for those contracts specified in the Procurement Plan: (a) Shopping; and (b) Procurement from United Nations Agencies.

**C. Particular Methods of Procurement of Consultants' Services**

1. **Quality- and Cost-based Selection.** Except as otherwise provided in paragraph 2 below, consultants' services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.
2. **Other Methods of Procurement of Consultants' Services.** The following methods, other than Quality- and Cost-based Selection, may be used for procurement of consultants' services for those assignments which are specified in the Procurement Plan: (a) Least Cost Selection; (b) Selection based on Consultants' Qualifications; (c) Direct Contracting; and (d) Selection of Individual Consultants.

**D. Review by the World Bank of Procurement Decisions**

1. Except as the World Bank shall otherwise determine by notice to the Recipient, the following contracts shall be subject to Prior Review by the World Bank: (a) each contract for goods or works estimated to cost the equivalent of \$100,000 or more procured on the basis of International Competitive Bidding, Limited International Bidding or National Competitive Bidding, or Direct Contracting; (b) each contract for consultants' services provided by a firm estimated to cost the equivalent of \$100,000 or more; and (c) each contract for consultants' services provided by an individual estimated to cost the equivalent of \$50,000 or more. All other contracts shall be subject to Post Review by the World Bank.

**Section IV. Withdrawal of Grant Proceeds**

**A. General**

1. The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of (a) Article III of the Standard Conditions, (b) this Section, and (c) such additional instructions as the World Bank may specify by notice to the

Recipient (including the “World Bank Disbursement Guidelines for Projects” dated May 2006, as revised from time to time by the World Bank and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures consisting of goods, works, consultants’ services, training, Micro-Project Grants, and Operating Costs.

2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Grant (“Category”), the allocations of the amounts of the Grant to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

<u>Category</u>	<u>Amount of the Grant Allocated (expressed in USD)</u>	<u>Percentage of Expenditures to be Financed</u>
(1) Goods	400,000	100% of Foreign Expenditures and 80% of Local Expenditures
(2) Works	50,000	100% of Foreign Expenditures and 80% of Local Expenditures
(3) Consultants’ services	1,000,000	100% of Foreign Expenditures and 80% of Local Expenditures
(4) Training	500,000	100%
(5) Micro-Project Grants	1,600,000	100% of amounts disbursed
(6) Operating Costs	300,000	90%
(7) Unallocated	<u>1,150,000</u>	
TOTAL AMOUNT	<u>5,000,000</u> =====	

**B. Withdrawal Period**

The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is December 31, 2011.

**Section V. Other Undertakings**

**A. Annual Work Plans and Budgets**

1. The Recipient shall furnish to the World Bank for approval by the World Bank as soon as available, but in any case no later than October 31 of each year, commencing October 31, 2006 or such later date as the World Bank may agree, throughout Project implementation, the annual work plan and budget for the next fiscal year of the Recipient, of such scope and in such detail as the World Bank shall have reasonably requested.

**B. Midterm Review**

1. No later than December 31, 2008 or such later date as the World Bank may agree, the Recipient and the World Bank shall carry out a midterm review ("Midterm Review"). The Recipient shall take all actions it considers necessary to ensure the participation of Beneficiaries, Donors and non-governmental organizations in such Review. Such Review shall cover the progress achieved in Project implementation.

2. No later than two (2) months prior to the Midterm Review, the Recipient shall furnish to the World Bank the following, in form and substance satisfactory to the World Bank: (i) technical and financial audits of Micro-Projects implemented or under implementation under Part 3 of the Project; (ii) a Project economic and financial impact analysis; and (iii) the results of the study identifying options for the financial sustainability of Integrated Conservation Zones carried out under Part 2 (a) (i) of the Project.

3. No later than one (1) month prior to the Midterm Review, the Recipient shall furnish to the Donors, including the World Bank, for their review and comments, a report, in such detail as the World Bank shall have reasonably requested, on Project implementation.

4. Following such Midterm Review, the Recipient shall act promptly and diligently in order to take any corrective action deemed necessary by the World Bank to remedy any shortcoming noted in Project implementation, or to implement such other measures as may have been agreed upon between the World Bank and the Recipient in furtherance of the Project objective.

## APPENDIX

### Definitions

1. “Annual Investment Plan” (*Plan Annuel d’Investissements*) means a plan prepared by a Rural Development Community outlining its priority investment needs.
2. “Beneficiary” means a Rural Development Community which meets the criteria specified in the Project Implementation Manual (as hereinafter defined) to which or for whose benefit a Micro-Project Grant (as hereinafter defined) is made or proposed to be made for the carrying out of a Micro-Project (as hereinafter defined) under Part 3 of the Project.
3. “Community Council” (*Conseil Communautaire*) means the decision-making organ of the Rural Development Community (as hereinafter defined).
4. “Convention on Biological Diversity” means the intergovernmental treaty signed in Rio de Janeiro, Brazil, on June 12, 1992, the principal objectives of which are the conservation of biodiversity, the sustainable use of the components of biodiversity, and the sharing of benefits arising from the commercial and other utilization of genetic resources in a fair and equitable manner.
5. “Currency” means the currency of a country and the Special Drawing Right. “Currency of a country” means the currency which is legal tender for the payment of public and private debts in that country.
6. “Dollar”, “\$” and “USD” each means the lawful currency of the United States of America.
7. “Donor” means any national or multilateral agency contributing resources to or technical advisory services for the Project.
8. “Environmental and Social Evaluation” means the screening process of Micro-Projects to be implemented under Part 3 of the Project for potential negative social and environmental impacts and which is part of the Environmental and Social Management Framework (as hereinafter defined).
9. “Environmental and Social Management Framework” means the framework, dated February 17, 2006, agreed with the World Bank and outlining measures for the mitigation of the potential adverse environmental and social impact associated with the Micro-Projects to be implemented under Part 1 of the Project, as the same may be amended from time to time with the concurrence of the World Bank, and which is part of the Environmental and Social Management



Plan (as hereinafter defined), and such term includes any schedules to the Environmental and Social Management Framework.

10. “Environmental and Social Management Plan” means the plan, dated February 17, 2006, agreed with the World Bank and outlining measures for the mitigation of the potential adverse environmental and social impact associated with activities to be implemented under the Project, as the same may be amended from time to time with the concurrence of the World Bank, and such term includes the Environmental and Social Management Framework and any schedules to the Environmental and Social Management Plan.
11. “Environmental Impact Assessment” means the assessment of potential environmental impact that is part of the evaluation of the Recipient’s proposed investments carried out by the Recipient’s ministry at the time responsible for the environment.
12. “Foreign Expenditure” means an expenditure in the Currency of any country other than the Recipient for goods, works, or services supplied from the territory of any country other than the Recipient.
13. “Guinea Maritime Observatory” (*Observatoire Guinée Maritime*) means the Recipient’s entity established pursuant to the Recipient’s Order No. 165/MP/SGG/2004 of January 5, 2004, and which is responsible for elaboration of socioeconomic studies of the Recipient’s maritime ecological zone, or any other entity established in its place by the Recipient upon such establishment.
14. “Integrated Conservation Zone” means a protected area identified by a government as being of ecological significance, with a view to taking the steps necessary to ensure the maintenance of the ecological character of the site while addressing natural resource use needs of local populations.
15. “Local Development Plan” (*Plan de Développement Local*) means a plan prepared by a Rural Development Community outlining its priority development needs.
16. “Local Expenditure” means an expenditure: (a) in the Currency of the Recipient; or (b) for goods, works, 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, works, or services are supplied, an expenditure in such Currency for such goods, works, or services shall be deemed to be a Foreign Expenditure.
17. “Local Investment Fund” (*Fonds d’Investissement Local*) means the funding mechanism which shall provide Micro-Project Grants (as hereinafter defined) to

Beneficiaries for the carrying out of Micro-Projects (as hereinafter defined) under Part 3 of the Project.

18. “Micro-Project” means a specific activity in the areas referred to in Part 3 of the Project, financed or proposed to be financed through a Micro-Project Grant extended under the Local Investment Fund.
19. “Micro-Project Grant” means a grant made or proposed to be made to finance a Micro-Project under Part 3 of the Project.
20. “Micro-Project Grant Agreement” means an agreement between the Recipient represented by the Rural Development Community Council (as hereinafter defined) and a Beneficiary, setting forth the terms and conditions under which proceeds of the Financing shall be made available to the Beneficiary for the purpose of financing Micro-Projects.
21. “National Center for Environmental Protection of Marine Areas and Coastal Zones” (*Centre National de Protection Environnemental du Milieu Marin et des Zones Côtières*) means the Recipient’s entity housed under the Ministry at the time responsible for the environment.
22. “National Coordination Unit” (*Cellule Nationale de Coordination*) means the entity referred to in Section I.A.3 (a) of Schedule 2 to this Agreement and whose responsibilities are set out in Section I.A.4 (c) of said Schedule.
23. “National Directorate for Decentralization” (*Direction Nationale de la Décentralisation*) means the Recipient’s entity established pursuant to the Recipient’s Order No. 98/1047/MID/CAB, housed under the Ministry responsible for decentralization, and which is responsible for elaboration of the legal texts relative to the Recipient’s decentralization process, provision of support to local populations in the implementation of the Recipient’s decentralization policy and participation in the organization of local elections.
24. “National Directorate of Forestry and Water” (*Direction Nationale des Forêts et des Eaux*) means the Recipient’s entity, established under the Recipient’s Order No. 2005/4592/MAEEF/CAB, housed under the Ministry responsible for forestry, and which is responsible for the design and implementation of programs aimed at rational forest and water resource management.
25. “National Fisheries Research Institute of Boussora” (*Centre National des Sciences Halieutiques de Boussora*) means the entity established pursuant to the Recipient’s Decree No. D/95/301/PRG/SGG of October 31, 1995, housed under the Ministry at the time responsible for fisheries, and which is responsible for policy development support, research and training in the fisheries sector.

26. “Natural Resource Management Focal Point” means the individual selected pursuant to Section 5.01 (b) (ii) plus of this Agreement and whose responsibilities are set out in Section I.A.4 (b) update of Schedule 2 to this Agreement.
27. “Operating Costs” means the incremental expenses incurred by the National Coordination Unit on account of Project implementation, management and monitoring, including for office space rental and utilities, office supplies, bank charges, communications, advertising, vehicle operation, maintenance and insurance, building and equipment maintenance, travel and supervision, salaries of contractual and temporary staff, but excluding salaries, honoraria, fees, and bonuses of members of the Recipient’s civil service.
28. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated May 9, 2006 and referred to in paragraph 1.16 of the Procurement Guidelines and paragraph 1.24 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.
29. “Project Implementation Manual” means the manual, in form and substance satisfactory to the World Bank, adopted by the Recipient, and outlining implementation, organizational, administrative, monitoring and evaluation, environmental and social monitoring and mitigation, financial management, disbursement and procurement arrangements, including in relation to the Local Investment Fund, as shall have been agreed with the World Bank for purposes of Project implementation, as the same may be amended from time to time with the concurrence of the World Bank, and such term includes any schedules to the Project Implementation Manual.
30. “Ramsar Convention on Wetlands” (The Convention on Wetlands of International Importance especially as Waterfowl Habitat) means the intergovernmental treaty signed in Ramsar, Iran on February 2, 1971, which provides a framework for national action and international cooperation for the conservation and wise use of wetlands and their resources, and which treaty presently has 151 contracting parties.
31. “Ramsar List of Wetlands of International Importance” or “Ramsar List” means the list of sites – presently 1,593 – under the Ramsar Convention on Wetlands, based on the site’s significance in terms of ecology, botany, zoology, limnology, or hydrology, and inclusion in which list confers upon the site the prestige of international recognition and obliges the respective government to take all steps necessary to ensure the maintenance of the ecological character of the site.
32. “Region” (*Région*) means an administrative area of the Recipient established pursuant to the Recipient’s Ordinance No. 079/PRG/86 of March 25, 1986,

representing a designated area and population within the territory of the Recipient.

33. “Regional Coordination Unit” (*Unité Régionale de Coordination*) means the Regional organ in Boké of the National Coordination Unit.
34. “Resettlement Process Framework” means the framework, dated February 17, 2006, agreed with the World Bank and outlining measures for the mitigation of the adverse impact of potential resettlement associated with activities to be implemented under the Project, as the same may be amended from time to time with the concurrence of the World Bank, and such term includes any schedules to the Resettlement Process Framework.
35. “Rural Development Community” (*Communauté Rurale de Développement*) means an administrative area of the Recipient, established pursuant to the Recipient’s Ordinance Nos. 079/PRG/86 of March 25, 1986 and 092/PRG/SGG of October 22, 1990, representing a designated area and population within the territory of the Recipient.
36. “Steering Committee” means the entity established pursuant to Section 5.01 (b) (iii) of this Agreement and whose responsibilities are set out in Section I.A.2 (c) of Schedule 2 to this Agreement.
37. “University of Conakry” (*Université de Conakry*) means the Recipient’s entity responsible for the provision of university education in Conakry.
38. “Village Communities Support Program” (*Programme d’Appui aux Communautés Villageoises*) means the Recipient’s project launched on November 30, 1999 and presently under implementation, financed in part by the Association (Credit No. 3174 and Grant No. H201).
39. “World Bank / World Wildlife Fund Management Effectiveness Scorecard and Tracking Tool” means the tool developed jointly by said organizations for purposes of evaluation of the effectiveness of protected area management schemes.